

Lebanon Board of Finance
Special Meeting - - March 28, 2024, at 7:00 pm
Town Hall Conference Room (in-person) and via Zoom

Members Present: Mike Ninteau (Chair), Philip Johnson (Vice-Chair), Diane Malozzi (Secretary), Gregg Lafontaine, Justine Spielman, Harold Nelson.

Alternates Present: John Noblet, Giselle Russo.

Absent: Haley Messier (Alt.)

Also present: Hayley Wagner, Finance Director, Laurie Bergeron, Recording Secretary.

Recording begins.

1.0 Call to Order

A quorum being present M. Ninteau called the meeting to order at 7:00 pm

2.0 Correspondence

None

3.0 Discuss and act on:

3.1 Budget Proposal for the 2024-2025 fiscal year

Chair Ninteau opened the discussion with the presentation of the updated budget summary. He suggested an order of discussion which was met without objection.

The discussion began with the Board of Education.

P. Johnson said he has the budget left as proposed in his budget calculations.

J. Spielman said the largest increase is in contractual increases and would leave the budget as proposed.

H. Nelson said that the minutes of the BOE budget presentation reflected that the budget could be reduced if they removed 4 FTE positions. Mr. Nelson said he is concerned that the existing proposal would have a negative impact on the taxpayers.

D. Malozzi said she is not averse to proposing a budget cut to the bottom line if needed.

G. Lafontaine said that during Covid the Lebanon school system did not regress as far as other school districts had throughout the State. He said cuts come from regular education and not from special education. He said there are a lot of increases to be faced by everyone and the budgets have to reflect these increases too. Depending on the budget leave as is or if a cut needs to be made a small one.

M. Ninteau said that looking at the bottom line and that the BOE has a plan in place for a reducing FTE if needed that a reduction should be considered. Mr. Ninteau said he is keeping in mind the school feasibility study that is going to be addressed in the upcoming fiscal year. The study is going to address whether repairs, renovations or new buildings are required and he said Capital will be looked at carefully since it would be prudent to not spend funds on capital until the study is completed.

He expressed his concerns about the other needs in Town as the Board progresses through the budget discussion.

G. Russo asked how about the revaluation will play into the mill rate. M. Ninteau said yes. The mill rate will be coming down but how much is to be determined. He gave an example that a mill rate between 21 and 21.5 would be a 3 to 5 percent increase in tax dollars.

Superintendent A. Gonzales via Zoom addressed comments made by Board members throughout the discussion. Nelson said the Board of Finance must keep focusing on bringing a budget to the Town that will pass, keeping in mind the taxpayer responsibility and the needs of the education system

J. Spielman shared a screen identifying areas that bring down the cost per student.

M. Ninteau closed the BOE discussion, leaving the proposed budget unchanged for the time being. The budget will be revisited after all remaining areas have been reviewed and the process of calculating the overall costs and mill rate begins.

The School Improvement plan, Technology and Athletic funds were reviewed. These were funded for the current fiscal year with SIP at \$100,000.00, Technology at \$100,000.00, and Athletics at \$30,000.00. G.

LaFontaine suggested reducing SIP to \$ 90,000.00, increasing Technology to \$110,000.000 and leave Athletics at \$30,000.00 which keeps the total appropriation of \$230,000.00 flat.

Capital Budget review.

D. Malozzi said the current total capital request on the town side is much higher than how it has historically been funded. Targets spending in the past has been between nine hundred thousand and one million dollars. She suggested going through the list and prioritizing which projects remain and then look at the result of the overall budget.

The 2028 Property Revaluation Full List & Measure This is a fixed budgeted cost of \$30,000.00 each year until FY 28-29. Revaluation is State mandated every 5 years.

Roads/Paving and Improvements reduced to \$600,000.00

Tree Removal from \$500,000.00 to \$400,000.00. It was noted that from the last meeting the tree removal project is estimated to be two thirds complete and approximately \$600,000.00 has already been spent. But there will be no funds coming from Eversource.

DPW pickup truck discussion with point being made to leave or not leave in capital for this year. Discussion jumped to the other three vehicles.

H. Wagner said she had a discussion with the DPW supervisor and his priorities are as follows: 1) plowtruck, 2) excavator, 3) skid steer, 4) pickup truck.

The pickup truck was removed from funding this year.

DPW Plow truck at \$265,000.00. was left in the budget. The old plow truck had a catastrophic engine failure that cannot be repaired and needs to be fully replaced.

DPW Excavator at \$165,000.00 left budgeting purposes.

DPW Skid Steer at \$85,000.00 was removed.

G. Lafontaine asked what the balance is in Open Space the account. H Wagner said it is at \$281,000.00 which is under the \$300,000.00 threshold that is recommended by the POCD. D. Malozzi said that account needs to have funds in place to accommodate purchases as they come forward.

The \$18,668.00 requested by open space removed for this year.

Recreation \$60,000.00 for pool repair removed since the repair would not start until fall.

P. Johnson suggested looking further towards the end of the year when allocating funds for the pool repair.

Cemetery Road for North Lebanon Cemetery \$100,000.00 was removed from the proposed FY budget.

LVFD replacement of Tanker 106. This is a committed cost per year for the lease which was approved at Town meeting on 01/04/2024. H. Wagner said even if the truck does not come in on schedule and is pushed out, a larger down payment would be required.

H. Wagner said the total Capital, with the changes made, is at one point eight million with a projected mill rate of 22.5.

G. Lafontaine said the total to be raised by taxes figure is what the Board should be focusing on.

G. LaFontaine said more work needs to be done to reduce Capital to the one point five million spending target.

P. Johnson said if we reduce Roads to \$500,000.00 and Tree removal to \$350,000.00 and remove the DPW excavator, Capital would be at one million, four hundred eight five thousand which is close to his target projection of one point five million.

G. Lafontaine said he has looked, over the last two years, an average rate of increase in the Grand List has been about 3.5%. Assuming that holds during revaluation we could use the approach of increasing Capital to one point 5.5 million.

P. Johnson said move paving to \$550,000.00, leave trees at \$350,000.00 and remove excavator.

G. Russo said the excavator is an important request and should be left in the budget. She suggested taking trees down to \$300,000.00 and use surplus if more is needed. H. Wagner said that is consistent with the tree removal in the past. This allows the excavator to remain in the budget.

M. Ninteanu recapped the changes to Capital as Paving funded at \$550,000.00, Tree removal funded at \$300,000.00 and the excavator funded at \$165,000.00 with a total budget of \$23,324,000.00 and a mill rate of 22.4

M. Ninteanu asked if we have fund services that can come into play.

Wagner provided a balance sheet of existing Capital projects. There is \$586,311.74 listed under

Department of Public Works that is available. These are funds remaining from a Town Meeting appropriation

in September of 2018 for one million dollars for rain storm damage to bridges. These funds may only be used within the Capital Account.

P. Johnson recommended that a budget be determined without these funds considered and if feasible use them for a capital request that was lowered or removed to avoid using new tax dollars.

H. Wagner suggested putting some of the funds in a capital Reserve which the town current does not have. After a review of revenue, it was noted the Board, in the past, has been conservative. H. Wagner gave the Board an overview of past revenue income, School tuition, police services, and Investment Income, market projections were discussed.

Suggestions were to increase the income investment line to \$400,000.00, school tuition to \$1,200,000.00 and Police Services to \$40,000.00.

D. Malozzi said contingency has not been fully used the past few years and suggested cutting the appropriation request to \$100,000.00. Departments have been managing their budgets more carefully than in the past.

H. Wagner said that put the budget at a 4.5% increase with a mill rate of 21.5.

G. Lafontaine said there is one more step when setting the mill rate. We look at the exact amount of dollars and we do not want to leave any unappropriated. He said if we believe his thoughts on organic trending, that would leave us with a 3.5% increase from organic growth in the grand list. This is not associated with revaluation, but applies to new additions to the grand list. This happens every year but it cannot be looked at specifically this year because revaluation has blown all the numbers up. If we look back before revaluation and following those trends it will give us a better picture.

D. Malozzi suggested decreasing the proposed BOE budget to a flat million.

H. Nelson suggested lowering the proposal to under one million. P. Johnson

G. Lafontaine said he would not like to see the BOE budget lowered but he also said if it is left flat it may appear that the BOF is carte blanching things too much. He suggested \$51,000.00 reduction.

The final appropriation for the proposed budget is \$998,000.00 which reflects a decrease of \$51,099.00 from the original proposed budget of \$1,049,099.00.

G. Lafontaine MOVED to present at a public hearing on April 15, 2024, a proposed FY 2024-2025 budget for the Town of Lebanon in the amount of \$29,863,313.00 dollars and no cents for the general Town Government, Board of Education, Special Revenue accounts and Capital expenditures with Revenue estimates of \$7,460,830.00 dollars and no cents and the remainder to be collected by taxes of \$22,402,483.00 dollars and no cents with an estimated mil rate of 21.5. D. Malozzi SECONDED.

The amount to be raised by taxes in this proposal is 4.66%, which is lower than the original proposed budget at 4.91%.

MOTION CARRIES 4:2.

P. Johnson, D. Malozzi opposed.

3.2 Review Budget Calendar

No changes

3.3 Budget Communication

M. Ninteau and P. Johnson will put together the proposed budget presentation for the public hearing.

4.0 Adjourn

As no other business may be brought forward at a special meeting, M. Ninteau adjourned the meeting at 9:24pm.

Respectfully submitted,

Laurie Bergeron, Recording Secretary

Diane Malozzi

Secretary, Board of Finance

April 02, 2024

Please see the minutes of subsequent meetings for the approval of these minutes and any corrections hereto.