

**Lebanon Board of Finance
Minutes of May 19, 2015
Regular Meeting**

Members Present: David Scata (Chairman), Liz Charron (Vice Chairman), Gregg Lafontaine, Meghan Bruce, Betsy Petrie

Alternates Present: Kevin Cwikla, Diane Malozzi, Ed Tytor

Members Absent: Phil Johnson

Others Present:

- Al Vertefeuille, Chairman, Board of Education
- Jason Nowosad, Board of Education Finance Committee
- Other BOE members

A. Call to Order

The meeting was called to order at 7:00 PM by David Scata. Ed Tytor to sit for Phil Johnson.

B. Minutes

April 21, 2015, Regular Meeting – Meghan Bruce moved and Liz Charron seconded a motion to accept the minutes. Motion passes with Ed Tytor abstaining.

C. Correspondence

No action taken as there was not any correspondence for review.

D. Public Comments

- Al Vertefeuille thanked the Board for presenting the full education budget to the annual town meeting and referendum.
- Sandra Tremblay also agreed with Al Vertefeuille's comments.
- Kristina Johnson thanked the Board for presenting the full education budget and supports the BoE's proposal to create a fund for unexpended funds and for their request to transferring funds to the education budget.
- Jessica Wells echoed Kristina's comments and felt strongly about the items before the Board by the BoE.

E. Board of Education Fiscal Year 2014-2015 Expenditures & Revenue

Jason Nowosad presented the Board with an updated revenue projection. Discussion ensued between Jason and the Board regarding the differences between the original FY2015 budget revenue projection and the current revenue as of 5/19/2015. As the handout noted, the current shortfall appears to be \$124,000. The Board questioned the practices used to develop regular and Vo-Ag tuition estimates as part of the budget cycle and how there could be assurances that the FY2016 budget was developed with greater

confidence in the number of tuition students; for instance, more than 1 Franklin student was included in the revenue estimates, but only 1 student attended during the school year. Additional questions were asked about the total number of out-of-town regular and Vo-Ag students to Jason. Jason explained that he and the BoE felt comfortable with how the revenue projections were developed, but will also work with the new Business Manager and Superintendent on the next year budget cycle. The Board also reviewed the current expenditures and asked for an update on major projects. Jason explained that BoE is looking to implement a \$100,000 new fire control system at the high school, with funds to come from the SIP. Additional comments about the current operating budget were covered during the “New Business” agenda items.

F. New Business

1. *Board of Education’s request for a special town meeting for the purpose of transferring \$41,689.00 from Fund Balance to the BOE 2014/2015 operating budget to offset the audit adjustment from 2013/2014.* Jason explained that the expectation of the BoE is to come in at a zero balance at the end of FY 2014-2015 BoE operating budget. Jason caveated his comment that the BoE will come in at a zero balance IF the accounting adjustment is approved and added to the current budget. He commented that the Board coordinated with the BoE business office to freeze the budget line items. Jason also mentioned that the BoE freed up approximately \$15,000 for the superintendent search and approximately \$15,000 for snow removal. The Board asked Jason if the snow removal costs were included in the FEMA request for the blizzard cost recuperation efforts and he did not believe they were as it would be tough to determine direct costs for the blizzard itself. Betsy Petrie moved and Ed Tylor seconded a motion for the Board of Finance to request the Board of Selectman to call a special town meeting for the purpose of transferring \$41,689.00 from Fund Balance to the BOE 2014/2015 operating budget to offset the audit adjustment from 2013/2014. Discussion then continued amongst the Board and members of the BoE specific to the request to transfer funds. It was brought to the Board’s attention that since a deficit of greater than \$20,000 was brought before the Board, by statute, the Board is required to call for a special town meeting. The Board members all echoed a lack of support to call the special town meeting at this time; the Board was concerned that there may be other budget items that may have deficits (such as snow removal) and the Board felt unanimous that the deficits should be addressed together in a singular town meeting, should it be required. The motion failed unanimously with the intent to re-visit this topic as well as a review of all accounts with potential deficits at the June regular meeting.
2. *The Board of Education’s request that the Board of Finance create an unexpended education funds account as permitted and described under CT General Statutes Sec. 10-248a.* Jason discussed the need for the BoE to have an unexpended fund for potential operating surpluses; as he explained, the townspeople wanted the funds to go to education, and any surpluses should stay with education. The Board discussed that while there may be support for a fund for the BoE, there needs to be

a framework in place to detail how the fund is managed and explain oversight for the fund (i.e., requiring that any funds go to specific projects). Some concern was discussed around how there are funds currently in place and use that do not have fully approved policies governing oversight and management. There was also concern that if there was a revenue shortfall, as is the case for this year, that funds be used to cover the deficit before Fund Balance. It was decided that there would be no action on the fund creation itself, but rather, a sub-committee between the Board and BoE would be established to develop a framework. Betsy Petrie and Gregg Lafontaine would represent the Board and Jason Nowosad and Sandra Tremblay would represent the BoE. No action taken.

3. *Board of Education's formation of Strategic Planning Advisory committees.* BOE is requesting 1-3 members of the Board of Finance to participate on the Community Leaders Advisory Committee. Jason explained that with the new superintendent coming in, the BoE is looking to develop a strategic plan for the school system and is looking for Board members to participate. David Scata, Liz Charron and Meghan Bruce volunteered to participate for the Board. No action taken.
4. *Discuss 2015-2016 Budget Referendum.* The Board discussed the referendum results – 564 voted yes on the budget, while 301 voted no. The numbers were consistent across the two bonding items as well. The Board was pleased with the total numbers as they felt it reflected an overall approval to the budget and process. No action taken. Official results of the referendum from the Town Clerk:
 - 1 - 2015-16 Budget (564 yes, 301 no)
 - 2 - Bridge & Road Improvement Bonding (661 yes, 205 no)
 - 3 - Library Renovation & Expansion Bonding (567 yes, 304 no)
5. *Discuss the State 2015-2016 Budget and impact of sharing sales tax with the municipalities.* This item was tabled until a special meeting for June 8, 2015 when further information and details will be available from the State budget and before the mil rate needs to be set. No action taken.
6. *Consider and act on setting the mil rate for the Fiscal Year 2015-2016.* This item was tabled until a special meeting for June 8, 2015 when further information and details will be available from the State budget and before the mil rate needs to be set. No action taken.
7. *Information for BOF – Public Works expenditures for FY 2014-2015.* This item was tabled until the regular June meeting when all accounts will be reviewed prior to year-end. No action taken.

8. *Information for BOF – Town Expenditures, Revenues, TIP/SIP, Contingency Balance and Fund Balance for FY 2014-2015.* The only item of concern discussed during the meeting was around Account 446 (WCMH Paramedic Program) as Veronica expects a potential deficit; she expects 3 more invoices for \$3,700 each. The Board discussed that this would be part of the overall fiscal review for the June meeting. No action taken.

G. Adjourn

Betsy Petrie moved and Meghan Bruce seconded a motion to adjourn at 8:40 PM.
Motion passes unanimously.

Respectfully Submitted,
Meghan Bruce
Secretary