

Lebanon Board of Finance
Regular Meeting - December 19, 2023 at 7:00 pm
Town Hall Conference Room (in-person) and via Zoom
MINUTES

Recording Begins

Present: Diane Malozzi (Secretary), Mike Ninteau, Gregg Lafontaine, Phil Johnson, Justine Spielman, Harold Nelson.

Alternates Present: Gisele Russo, John Noblet

Absent: Alternate Haley McCall Messier (log in issues via Zoom)

Also Present: Kevin Cwikla, First Selectman, Hayley Wagner, Financial Director, Jay Schall, LVFD Chief, Todd Kulman, LVFD, Mark Elliot, LVFD, Besty Petrie, LVFD.

D. Malozzi welcomed new member Harold Nelson and recognized the good work of Liz Charron, David Scata and Meghan Bruce Scott who served previously. She entertained a motion for a Chair Pro Tem. P. Johnson nominated D. Malozzi for Chair Pro Tem. H. Nelson SECONDED.

Motion Carried: 6:0

D. Malozzi asked for nominations for Board of Finance Chairman. H. Nelson nominated M. Ninteau. Hearing no other nominations for Chairman, M. Ninteau was declared Chairman.

1.0 Call to Order

M. Ninteau called the meeting to order at 7:05 pm.

2.0 Consider and act on electing BOF officers: Vice Chairman, Secretary, for a term of two years ending in November 2025

M. Ninteau asked for nominations for Vice Chair. H. Nelson nominates P. Johnson for Vice Chair, D. Malozzi SECONDED. D. Malozzi nominates D. Malozzi for Vice Chair. P. Johnson SECONDED. Roll Call Vote for P. Johnson: D. Malozzi – Nay; G. Lafontaine – Nay; J. Spielman – Aye; M. Ninteau – Aye; H. Nelson – Aye; P. Johnson – Aye. Having received a majority of 4 aye votes P. Johnson is declared Vice Chair. P. Johnson nominated D. Malozzi for Secretary; D. Malozzi declined nomination. G. Lafontaine nominated J. Spielman for Secretary; J. Spielman declined nomination. H. Nelson suggested that every member rotate duty of Secretary until a permanent one can be determined. After deliberation, D. Malozzi stated she will continue as Secretary through the budget season and then reconsider continuing as Secretary. Hearing no objection M. Ninteau declared D. Malozzi Secretary.

3.0 Correspondence

- a) BOE agenda and monthly report
- b) Copy of December 15, 2023 BOS special meeting
- c) Email from Todd Kulman forwarding quote from Dave Brunell, Apparatus & Equipment Specialist, New England Fire Equipment & Apparatus for a new tanker truck.
- d) Leasing quotes from Community Leasing Partners for 7- and 10-year lease terms.
- e) Email Superintendent update from Andrew Gonzalez.
- f) Proposed FY2024-25 budget for Dept. 405 Board of Finance.
- g) Proposed FY2024-25 budget for Dept.411 Auditor

4.0 Minutes

4.1 Regular BOF Meeting - 11/21/2023

G. Lafontaine MOVED to accept the minutes of the November 21, 2023 regular meeting.
P. Johnson SECONDED.

Motion Carried 5:0

H. Nelson abstained.

5.0 Public Comments

None

6.0 Town-wide Updates:

6.1 BOE Update with Superintendent Gonzalez

Superintendent Gonzales provided an update on the BOE to the Board under correspondence.

P. Johnson referred to the BOE financial correspondence that no charges have been posted to transportation fuel charges. H. Wagner said that this will show in December reports.

J. Spielman asked about the vacancy of the Business Manager position within the Board of Education. An outside vendor has been hired until that position can be filled. M. Nintean will ask Superintendent Gonzalez to update BOE at the next meeting. G. Lafontaine suggested that we also notify him to be prepared to answer to the current budget.

6.2 Town Update with First Selectman Cwikla

K. Cwikla updated the BOE on storm yesterday and power outages, mainly Amston Lake. Most of the power has been restored. The septic system project at the First Congregational Church and renovations at the Community Center are nearing completion. A schedule, coordinating moves throughout Town Hall offices is being worked on to create the least amount of impact to normal operations at Town Hall for the asbestos abatement project. That project may not be started until spring or early summer of next year. Difficulties finding contractors. K. Cwikla explained that town received 2.1 million dollars through the American Rescue Act, (ARPA), to be used by December 2024 for town wide improvements. K. Cwikla provided the Board with a complete list of improvements that have taken place using ARPA funds.

7.0 Fiscal Year 2023-2024 Financial Reports:

Haley Wagner reviewed the November financial reports with the Board.

7.1 Expenditures

P. Johnson asked why the auditor payment of \$14,000, approved at last month's regular meeting, is not reflected on the report. H. Wagner said because of weekly time frames it was paid on December 8, 2023. It will show on the report ending December 31, 2023.

J. Spielman asked if the audit is working smoothly. H. Wagner reported that it is early and not a lot is required at this time but it is on track.

7.2 Revenues

P. Johnson brought up that there is an unbudgeted amount of \$162,000.00 under miscellaneous revenue received from the State. He asked about including revenues like these in the budget when it is being developed. H. Wagner explained the State doesn't always have a firm budget by the time the Town approves their own budget. She will look at finding language to address these types of revenue for the budget process.

G. LaFontaine suggested if the Board should look into previous budgets to define a pattern. Should be discussion during budget season.

7.3 Town Improvement Plan (TIP)

J. Spielman asked how the TIP fund is used. H. Wagner explained how anything that cannot be funded in Capital goes through this plan. D. Malozzi said Capital and TIP are different funds. How a project is determined to be funded is explained in the Board of Finance Policies which can be found on the Town website. H. Nelson asked if TIP list is purged. H. Wagner reported that usually at budget season, these lists are reviewed and updated/deleted as needed.

7.4 School Improvement Plan (SIP)

P. Johnson asked what the Chromebook replacement timeline is and has it increased

more from prior years. He questioned the line items that included licensing for these Chromebooks and if that should be included under SIP. No one from the BOE was available to answer so it will be addressed in the future.

7.5 BOE non-lapsing

Newly elected alternate J. Noblet asked for an explanation of the account. H. Wagner said any funds over budget from the BOE budget can be moved into that account. G. LaFontaine added that funds could be moved only through a vote of the BOF. D. Malozzi said there are specific uses defined in the policy for the non-lapsing account and there is a limit of 2% of the entire BOE budget that can be moved into that account in accordance with State statute.

8.0 New Business:

8.1 Consider and act on a request from the Fire Department for funding for an Engine Tanker (ET106) purchase. A \$100,000.00 down payment was approved for this project at a Special Town Meeting on October 17, 2023.

D. Malozzi gave a brief history outlining this project. The project came forward some years ago and was added to the long-term planning list. The next step was to secure a down payment to get a quote to move the project forward. The BOF regular meeting on September 19, 2023 approved the down payment for the project to be brought to town meeting. The down payment was approved at Town Meeting on October 18, 2023.

Jay Schall, LVFD Chief, gave a presentation, including power point, reiterating the original conversation that occurred between the LVFD and the Board of Finance when the project was first presented. The project, the need for the truck, the research that went into the project, the long-term plan for the LVFD to replace older trucks in a time frame to prevent a huge burden to the taxpayers of Lebanon was presented to the Board. The BOF was advised that effective January 5, 2024 price will be increasing by 4.5% which would add approximately \$36,000.00 to the overall cost. Todd Kulman and Mark Elliot answered technical questions regarding specifics on the tanker. The tanker truck is a 2024 model manufactured by Spartan. The existing truck is over thirty years old and worth a conservative \$5000.00 to dispose of.

H. Nelson asked if the LVFD had looked at used trucks and T. Kulman said yes and explained the actual process of attempting to buy a used truck and the scarcity of even finding a useable truck.

P. Johnson inquired if there was a like new option explored. J. Schall said that option was explored and there are none.

P. Johnson asked that a list of the existing vehicles and their replacement schedule be included with the LVFD budget presentation.

H. Nelson asked that figure presented is complete price. The \$930,000.00 is for the truck only. Equipment will come out of the TIP fund as what is needed is below the TIP threshold.

J. Noblet asked is there is any contract language that holds the seller monetary liable if the vehicle is not delivered as scheduled. T. Kulman said he will follow up with the vendor but it is typical that the delivery of 570 days or less is standard. He added that the manufacturer confirmed that delivery will actually be less than 570 days.

D. Malozzi asked for the year of the truck and the manufacturer. Mark said it is a 2024 manufactured by Spartan.

J. Spielman asked if the old vehicle will be sold or auctioned. T. Kulman said that it is highly unlikely that due to age the truck would do well at auction. They have an offer of \$5,000.00 and that is about as good as it will get considering the age and condition based on their experience.

P. Johnson asked if hose replacements and such would be thru normal operating budget. T. Kulman said that it is understood that these would be funded through TIP.

M. Nintean asked K. Cwikla for clarification of the process. The BOS has made a

recommendation to the BOF to authorize the funding so they can move forward in a timely fashion to beat the 4.5% cost increase. K. Cwikla said that is correct.

H. Wagner said a resolution needs to be made to address the maximum annual payment.

D. Malozzi said in the past a motion to request the BOS to bring the project to a special town meeting is done first. If it passes then the next step is the resolution.

D. Malozzi MOVED to request the Board of Selectman to call a special town meeting for the town to move into a leasing agreement in the amount of \$930,000.00 for the acquisition of a 2024 Spartan ER series pumper. G. Lafontaine SECONDED.

Motion Carried: 6:0

H. Wagner She said two quotes were received. One from Community leasing Partners with rates of 5.72 and 5.69% for a 7- and 10-year lease. And one from TD Equipment Finance at a rate of 4.50%.she added that interest rates could be higher than quoted when the town secures the lease which would occur near the end of the FY 2045-25 budget.

The Board discussed a limit of \$120,000.00 annually to cover the lease payment.

P. Johnson is concerned that 7-year schedule would not necessarily be able to accommodate at the \$120,000 max. annual payment based on the schedules that were given, we may be tied to a 10-year lease.

J. Spielman asked what would happen if the interest rates increased and put the annual payment over \$120,000.00. K. Cwikla answered the BOS would come back to the Finance Board to request additional funds.

D. Malozzi made the following resolution; *Be it resolved that the Board of Finance recommends that the Town of Lebanon enter into a lease-purchase agreement in a principal amount not to exceed \$930,000.00 with annual payments not to exceed \$120,000.00 to finance costs related to the acquisition of a 2024 Spartan ER Tanker for the Lebanon Volunteer Fire Department; and to authorize the First Selectman to determine the lease purchase financing provider, to accept and determine the amount, date, interest rate, term and other details of the financing under the lease purchase agreement, and to take other actions as may be necessary or expedient in connection with the fulfillment of the provisions of the lease purchase agreement and related transactions, and to authorize the First Selectman and other proper officers and officials of the Town to take all other action and enter into any other agreements which are necessary or desirable to complete the project and to finance the project through the lease purchase agreement. G. Lafontaine SECONDED.*

Motion carried: 6:0

8.2 Discuss process for Alternate designations.

M. Ninteau asked members to submit the names of the alternates in order of designation preference.

9.0 Subcommittee Updates and Actions

9.1 Consider and act on assignments to subcommittees

M. Ninteau asked members and alternates to think about which sub committees they would be interested in serving and assignments would be made at a future meeting. Only 3 are allowed per subcommittee. The School Study already has two people. Two prior members from the Board of Finance were on the Study committee and are allowed to continue on the committee.

D. Malozzi gave a brief description of the sub committees and the goals of those on the committee.

- a) Policies & Procedures
- b) Long Term Planning
- c) Audit
- d) School Study

10.0 Other

11.0 Adjourn

G. Lafontaine MOVED to adjourn. H. Nelson SECONDED. M. Nintean adjourned the meeting at 8:45 p.m.
Recording ends.

Respectfully submitted,
Diane Malozzi, BOF Secretary
Laurie Bergeron, Recording Secretary
December 21, 2023

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