

LEBANON BOARD OF FINANCE

REGULAR MEETING

October 18, 2022 - 7:00 pm

Via Zoom/phone.

MINUTES

A recording of this meeting is posted on the Town website.

AGENDA

Recording Begins.

Members Present: Liz Charron, Chair; Meghan Scott, Vice Chair; Diane Malozzi, Secretary; Gregg Lafontaine Philip Johnson, David Scata.

Alternates Present: None

Members Absent: Alternates; Mike Ninteau, Haley Messier

Others Present: Kevin Cwikla, First Selectman; Hayley Wagner, Finance Director; Andrew Gonzalez, Superintendent; Laurie Bergeron, Recording Secretary.

1.0 Call to order.

A quorum being present L. Charron called the meeting to order at 7:00pm.

2.0 Correspondence

a) Board of Education Financials email to BOF 9/22/2022

3.0 Approval of Minutes

a) Regular BOF meeting 09/20/2022

P. Johnson MOVED to accept the minutes of the 09/20/2022 regular meeting; G. Lafontaine SECONDED.

MOTIONCARRIED: 5:0

D. Scata abstained

c) Policy & Procedures Subcommittee meeting 10/11/2022, for information only

4.0 Public Comments

None

5.0 Board of Education Update

Superintendent Gonzalez updated the BOF on several area of the BOE.

Contract Negotiations – Negotiations with the Teacher and Administrative unions wrapped up in a rather short and collaborative time resulting in savings on legal fees.

Upcoming Budget- Budget books are being developed. Considerations for potential cost savings are health Insurance and retirement incentives.

Special Education - 7 new students have moved into the district that were not included in the BOE FY 2022-2023 budget. Tuition and transportation costs for the 7 students comes to a \$760,00.00 increase to the special education budget. The total budget is at 1.7 million.

Subtracting the excess cost share of \$582,000.00 leaves special education approximately \$400,000.00 over budget.

L. Charron brought up the HVAC project at the elementary school that has been on the long-term planning list for some time and a possible grant to help with funding. Superintendent

Gonzalez said he is aware of the grant. He has already been in touch with the State agency concerning the grant and getting deadlines and information needed to apply. A collaborative effort between the BOE and other town boards will be needed to satisfy the grant requirements.

6.0 Financial Reports

6.1 Updates for Fiscal Year 2021-2022 Expenditures, Revenues, TIP/SIP, BOE non-lapsing

H. Wagner said there are no changes currently with the exception of the Town meeting on October 19 that may result in additional transfers from FY 21-22 fund balance. Information is being prepared for the upcoming audit beginning in November.

6.2 Discuss and act on budget transfers for FY 2021 – 22 if necessary.

None

6.3 Reports for Fiscal Year 2022-2023 Expenditures, Revenues, TIP/SIP, BOE non-lapsing

H. Wagner reviewed current expenditures with the BOF. Police overtime is higher than expected due to events in Town and utility work.

7.0 New Business

7.1 Consider and act on requesting the Board of Selectman to call a special town meeting for the purposes of utilizing surplus from last fiscal year for various capital projects.

M. Scott gave a report and recommendations from the Long-Term Planning committee. The committee of BOF members and Board of Selectman members went back to the prior list of identified projects and to review the needs of the town. To move forward with surplus funds the committee focused on two projects. Tree removal and the HVAC system at the elementary school.

M. Scott said presently 1,650 trees on secondary roads have been identified in need of maintenance or to be taken down. The cost to remove these trees is approximately \$300,000.00, which will not be enough to cover the cost complete for out sourced vendors, but it is a good start.

The second project is the HVAC system for the elementary school. The approximate cost of the entire project is \$450,000.00. M. Scott said that we would front the money and through a grant get some back. Essentially that would mean borrowing the rest from fund balance. If the grant is approved the split would be about 40/60 which \$183,000.00 would be the Town's cost. The \$183,000.00 could be paid from surplus to start the project. If reimbursement is not received from the State there are sufficient funds in fund balance to cover the entire cost of the HVAC project.

L. Charron said that \$160,00.00 was used from fund balance last year to for half of asbestos removal, with the idea that the Town would fund the 2nd half of removal this year. She asked Superintendent Gonzalez if that funding is needed this year. Superintendent Gonzalez said that asbestos removal can only be done during the summer when the school is closed. Waiting until next year would not be a problem.

M. Scott said the tree removal and the HVAC have been on the list for some time and are not new projects. The long-term committee is planning to meet with the Board of Education, Fire Department, and Board of Selectman prior to budget season to review potential upcoming projects.

M. Scott MOVED to request the Board of Selectman to call a special town meeting for the purposes of utilizing up to three hundred thousand dollars (\$300,000.00) from surplus of FY21-22 for the purpose of tree removal. D. Malozzi SECONDED.

MOTION CARRIED 5:1

G. Lafontaine opposed

G. Lafontaine MOVED to request the Board of Selectman to call a special town meeting for the purposes of funding four hundred fifty thousand dollars (\$450,000.00) for the HVAC project at the elementary school, with the expectation that \$183,000 would be come from surplus of FY 21-22 and the remainder would be reimbursed from State grants or funded by Fund Balance if State grant is not received. M. Scott SECONDED.

M. Scott MOVED to amend the motion by inserting the words up to after the word funding. D. Malozzi SECONDED.

Motion to amend passes without objection.

L Charron states the amended motion:

It is MOVED to request the Board of Selectman to call a special town meeting purposes of funding up to four hundred fifty thousand dollars (\$450,000.00) for the HVAC project at the elementary school, with the expectation that \$183,000 would come from surplus of FY 21-22 and the remainder would come from State grants or Fund Balance if State grant is not received.

MOTION CARRIED: 6:0

7.2 Consider and act on bill from auditor.

M. Scott MOVED to authorize the Finance Director to pay the bill from the Auditor of eight thousand dollars (\$8,000.00). P. Johnson SECONDED.

MOTION CARRIED: 6:0

7.3 Consider and act on some suggested accounting changes from Finance Director.

H. Wagner explained the suggestions provided in her letter to the Board.
Remove Municipal and Town Aid Road grants from GF Revenues and post to the Town Grant Fund. If these two revenue sources were to be removed out of the GF, the town could reduce the capital budget, ultimately reducing the overall annual budget. There was some concern among members that townspeople may lose visibility in the Capital budget to the actual cost of projects that the grants cover and that there may be a perceived lack of support for the Town’s infrastructure. Other members felt that if the BOF explains the grants clearly during the budget process, it should not be an issue.
Combine some of the Land Use departments into one. Some land use departments have what is considered a small budget. Some members concerned that these smaller departments may lose their own accountability for their specific use if the budgets were combined. A discussion to hear input from the Town Planner would be needed.

Move the department computer support services out of 415 and into their own department. Members of the Board discussed the history of why 415 was created. Concerns were expressed that it is easier to track costs and changes collectively rather than through individual departments.

Utilize fund 230, "Multi-Year Donations, and rename it the Multi-Purpose Special Purpose Fund." Currently only the Farmer's Market and the Fire Prevention donations are in this fund. Revenues from the Bottle Bill and the Opioid Settlement were recently posted in this fund because there is no place else to logically post them. Revenues from police private duty overtime could be posted in 230 to eliminate the fluctuation in the Salary line in the Police operating budget. H. Wager has requested clarification from the auditor for police services.

P. Johnson MOVED to change the name of Fund 230 to Multi Year Special Purposes Fund in order to use it for various amounts received that are to be used for special purposes. D. Scata SECONDED.

MOTION CARRIED: 6:0

L. Charron thanked the Finance Director for her initiatives in presenting ideas to the Board of Finance to streamline accounting and potentially saving the Town money.

8.0 Subcommittees

a) Policies & Procedures

Discuss and act on Fund Balance Policy & Procedures – D. Malozzi reported that the committee met on October 11, 2022. Capital and Non-recurring Capital Assets, Lease/Purchase and Fund balance polices were discussed. The Fund balance policy is on this agenda for discussion. All others need more work and research. The only policy not yet reviewed is the School Improvement Plan.

Discuss and Act on Fund balance Policy

D. Malozzi explained the proposed name change to the policy. GASB did away with the terms Unreserved/Undesignated and replaced them with other options. The committee suggested using Unassigned. L.Charron suggested changing percent from 15% to 17%. M. Scott suggested looking into upcoming capital expenditures and the use of fund balance, thereby minimizing costs to townspeople. L. Charron asked H. Wagner to reach out to other entities to see what the percentage expectations are being utilized and report back to BOF.

NO ACTION TAKEN

b) Long Term Planning (update will be covered under item 7.a above)

M. Scott gave a report under 7.1

c) Audit

No Report.

9.0 Other

9.1 Discuss considerations for developing budget calendar for FY 2022 – 23 (note: budget calendar will be presented for approval at November meeting).

Prior budget calendars using Saturday scheduling has worked out well.

M. Scott reminded the Board that the school vacation calendar should be checked prior to establishing the budget calendar.

9.2 Discuss the use of town hall equipment to conduct hybrid BOF meetings

The Board discussed options for future meetings. The Town has the electronic equipment to conduct hybrid meetings. The Board of Finance will continue to use Zoom platform for meetings.

10.0 Adjourn

L. Charron adjourned the meeting at 8:35 pm without objection.

Recording ends.

Respectfully submitted,
Laurie Bergeron, Recording Secretary
Diane Malozzi, Secretary, Board of Finance
October 21, 2022