

LEBANON BOARD OF FINANCE
REGULAR MEETING - Via Zoom/phone.

February 21, 2023 - 7:00 pm

MINUTES

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

Recording Begins.

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

Alternates Present: Mike Nintean, Haley Messier - (7.09pm)

Members Absent: Meghan Scott, **Alternates:** A.J. Dunnack.

Others Present: Kevin Cwikla, First Selectman; Hayley Wagner, Finance Director

1.0 Call to order.

A quorum being present L. Charron called the meeting to order at 7:00 pm.
M. Nintean to sit for M. Scott.

2.0 Correspondence

- a) BOE agenda and financials – emailed 2/16/2023
- b) BOE non-lapsing fund update – emailed 2/16/2023
- c) Email from A. Littlefield re: DPW Proposal – 1/22/2023
- d) Email from M. Scott re: DPW proposal 2/20/2023

3.0 Discuss audit of 2021-22 fiscal year with auditors.

Vanessa Rossitto of CLA, the group contracted to perform the Town Audit, gave a status update as to how the audit is proceeding. She said it was okay but, puzzling due to the past fund reporting. The prior auditor is not required to provide the new auditor with information but in her experience it has often been done out of professional courtesy. In this case the prior auditor has not honored their request for the information. This will require the new auditor to go back to the previous audit to determine beginning balances which will result in additional billable hours not included in the contract. Ms. Rossitto said because the Town is a new client, they will split the cost of such hours.

H. Wagner inquired if the BOF received the memo from CLA that was distributed. L. Charron suggested that CLA go through the Audit Committee chair, P. Johnson, for distribution of information to the BOF. If Board members have concerns they can reach out to the Audit Committee.

L. Charron asked if there is a motion to add, consider and act on approving additional funds for the audit, to the agenda.

M. Nintean MOVED to add consider and act on approving additional funds to the agenda. P. Johnson SECONDED.

MOTION CARRIED: 6:0

P. Johnson MOVED to approve additional funds of up to ten thousand dollars (\$10,000.00) from contingency for extra audit hours with the final cost to be shared equally with CLA. G. Lafontaine SECONDED.

MOTION CARRIED: 5:1

D. Scata opposed.

4.0 Minutes

4.1 Regular BOF meeting 1/17/2023

D. Malozzi corrected the minutes by changing FY 2021-2022 to FY 2022-2023 under Section 6.1.

P. Johnson MOVED to accept the 01/17/23 regular minutes as corrected. G. Lafontaine SECONDED.

MOTION CARRIED: 3:0

L. Charron, G. Lafontaine. D. Scata abstain.

4.2 Joint special meeting with BOS and BOF on 2/7/2023

P. Johnson corrected the minutes by adding via Zoom after P. Johnsons name under Members present.

D. Malozzi MOVED to accept the 2/7/23 joint meeting minutes as corrected. P. Johnson SECONDED.

MOTION CARRIED: 5:0

D. Scata abstains.

5.0 Public Comments

Mark Matkovich, Beaumont Highway: Praised the Lebanon School system and expressed it was a strong reason for his family living in Lebanon. L. Charron reminded him there is a BOE presentation next week.

Tim Slate, 577 Trumbull Highway: Spoke to the Department of Public Works facility project. He would like the Town to consider the best location for the project. Prices of other buildings in Lebanon were less expensive to build per square foot than the current proposal cost. He said this is a high price project for the town.

Dennis Cronin, 320 Babcock Hill Road: Endorses Item 8a on the agenda. The DPW project is long overdue.

Jim Russo, 2 Bogg Lane: Spoke to the cost per foot of the structure. Cost of the project includes fencing, wash station and other stations and ancillary items not included in the square foot cost of other large structures in town.

6.0 Town -wide Updates

6.1 Board of Education Update with Superintendent Gonzales

None

6.2 Town Update with First Selectman K. Cwikla

K. Cwikla said they have been busy working on the DPW project and the Town budgets. A new Library Director will need to be hired. The current Director has decided to take employment elsewhere.

7.0 Financial Reports

7.1 Updates for Fiscal Year 2022-2023 Expenditures, Revenues, TIP/SIP, BOE non-lapsing

The BOF reviewed the financial reports with Finance Director, H. Wagner. Expense side is going smoothly. Revenue side has some added revenues. Investment income has been favorable.

8.0 New Business

8.1 Consider and act a proposal to bring to Town Meeting and referendum a proposal to purchase land and perform renovations at 859 Beaumont Highway for use as a Department of Public Works facility.

The BOF discussed the Department of Public Works project. L. Charron asked for updates on the projected cost of maintenance. J. Russo of JR Russo, LLC explained that the cost estimate increase to operational costs would be approximately \$42,000.00. Taking into consideration that the existing facility costs approximately \$3.00sf to operate and is going up due to the age of the facility, the estimated increase is reduced by \$20,000.00 once the old facility is non-operational.

D. Malozzi said that this project has been discussed and presented for a long time. Delaying it is going to cost more down the road if it keeps getting put off. G. Lafontaine said costs are not getting any cheaper. Our role as the BOF is can the town afford it.

M. Nintean expressed concern with possible school repair costs and said all projects should be put on the table at once.

L. Charron said it is not up to the BOF to figure out the project, the financials are our concern. She said we are going to fast and should combine this with the budget.

P. Johnson said he would like to see the Town's response to the project before the budget.

D. Malozzi asked if the referendum had to be brought forward after the Town in a required time frame after the Town meeting adjourned to referendum. First Selectman K. Cwikla said no but the Town has entered into a verbal agreement with the sellers so an expedited referendum is needed.

L. Charron went over the proposed resolution figures. J. Russo explained the numbers to the Board's satisfaction.

P. Johnson asked if the \$350,000.00 surplus from the library is accurate, seems it could be higher. H. Wagner explained there are some payments being held back for landscaping and smaller items that need completion.

M. Nintean was concerned about using Library surplus for other projects. L. Charron explained that the bonds are not callable and we cannot use those funds for prepayment of the loan. It is more prudent to use unexpended funds rather than let them just sit in the fund.

L. Charron asked if there is no objection, the resolution be amended by adding the words, if approved at referendum, after the first word Resolved. There being no objection the resolution is amended.

D. Malozzi said that the recommend in the resolution does not mean the BOF is recommending the project. The position of the BOF is to recommend the financing portion of the project. Not the project itself.

G. Lafontaine MOVED to approve the amended Resolution as follows:

RESOLVED, if approved at referendum, the Board of Finance recommends that the Town of Lebanon appropriate \$5,700,000.00 for costs for a new Public Works Facility (the "Project"), comprised of the purchase of property located at 859 Beaumont Highway in Lebanon, renovations and improvements to the existing building for use as a public works facility, and any other expenses related to the project and its financing.

FURTHER RESOLVED, that the Board of Finance recommends that the Town of Lebanon reallocate to the Project unused bond proceeds in the amount of \$350,000.00 from borrowings made pursuant to the resolution approved at Town Meeting held May 12, 2015 and entitled "Resolution Appropriating \$5,875,000.00 for Costs Related To The Design, Construction, And Equipping of Additions, Alterations and Renovations to Jonathan Trumbull Library, And Authorizing The Issue Of Bonds and Notes To Finance The Portion Of Appropriation Not Delayed From Grants."

FURTHER RESOLVED, that the Board of Finance recommends that the Town of Lebanon finance portion of the appropriation with funds received by the Town under the American Rescue Plan Act ("ARPA") in the amount of \$650,000.00, and funds from the Town's General Fund in the amount of \$350,000.00.

FURTHER RESOLVED, that the Board of Finance recommends that the Town of Lebanon issue bonds or notes and temporary notes in an amount not to exceed \$4,700,000.00 to finance the remaining portion of the appropriation. The amount of the bonds or notes authorized to be issued shall be reduced by any grants or other funds received by the Town for the project.

D. Malozzi SECONDED.

MOTION CARRIED 3:2

M. Ninteau. D. Scata opposed

P. Johnson abstained.

L.Charron asked K. Cwikla to bring the following points forward at the Town Meetings regarding the project.

- Explain the operating costs.
- Note that a new roof may be needed in 10-15 years.
- Include a list of other major projects over the next year or two.

8.2 Review small/static budget areas for FY 2023-24

Department 445 - Human Services

Shelly Ashcom requested a clarification of the salary line because her figures were different.

L. Charron said the BOF cannot adjust line items and suggested she see the Board of Selectman for clarification.

Department 464 – Zoning Board of Appeals

Mike Ninteau explained the \$500.00 increase is for State mandated training.

The following departments were reviewed individually by BOF members. No questions or presentations required for these departments.

430 – Probate Court	405 – Board of Finance	408 – Board of Assessment Appeals
411 - Auditor	412 - Town Report	434 - Street Lights
448 - United Services	455 – Special Events	465 – Economic Development Comm.
480 – Fringe Benefits	490 – Debt Service	

9.0 Subcommittee Updates and Actions

9.1 Policies & Procedures Subcommittee

a. Discuss and act on Fund Balance Policy & Procedures

The Board discussed the high and low percentage range for Unassigned Fund balance. G. Lafontaine proposed to amend the draft from 16 to 19 percent, to 14 to 17 percent. Hearing no objection, the draft was amended.

G. Lafontaine MOVED to approve the Unassigned Fund Policy revision. D. Malozzi SECONDED.

MOTION CARRIED: 4:2

M. Ninteau, L. Charron opposed.

b. Discuss and act on Capital and Non-Recurring Policy & Procedures

c. Discuss and act on Capital Assets Policy & Procedures

d. Discuss and act on Lease/Purchase Policy & Procedures

D. Malozzi MOVED to postpone actions requested on items b through d to the next regular BOF meeting in March. Hearing no objection items are postponed to next regular meeting.

9.2 Long term Planning

None

9.3 Audit

None

10.0 Other

L. Charron reminded the Board that next Tuesday is the Board of Education presentation. The meeting will be hybrid and held at the elementary school library at 7:00 pm. A meeting will be scheduled at 6:00 pm for a tour of the facilities.

11.0 Adjourn

Hearing no further business L. Charron adjourned the meeting 9:03 pm without objection.

Recording ends.

Respectfully submitted,
Diane Malozzi, Secretary, Board of Finance
February 24, 2023