

Lebanon Board of Finance
Regular Meeting October 17, 2023
7:00 pm Town Hall Conference Room
(in-person) and via Zoom

MINUTES

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

Alternates Present: Haley Messier

Absent: Alternates Mike Ninteau, A.J. Dunnack.

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

Recording begins.

1.0 Call to order.

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

2.0 Correspondence

BOE financial report – emailed 10/10/2023

3.0 Minutes to discuss and approve.

3.1 Regular BOF meeting 9/19/2023

P. Johnson MOVED to accept the minutes of the September 19,2023 Regular meeting.

D. Scata SECONDED.

MOTION CARRIED: 5:0

M. Bruce abstained.

4.0 Public Comments

None

5.0 Town-wide Updates

5.1 BOE update with Superintendent Gonzalez

No update.

5.2 Town update with First Selectman Cwikla

K. Cwikla apprised the board of the status of ongoing town projects.

6.0 Financial Reports:

6.1 Fiscal Year 2023-2024 Expenditures, Revenues, TIP/SIP, BOE non-lapsing

H. Wagner reviewed the reports with the BOF. G. Lafontaine asked what are the amounts received from investment income. H. Wagner said \$35,000.00 from investments and \$12,000.00 from CDs. We are 3 months into the fiscal year for reporting. P. Johnson asked about Police Services line item under revenue. H. Wagner said Frontier projects and Renaissance Faire have created a lot of overtime for town police hours.

H. Wagner asked if separate accounts should be created for projects that are approved at Town Meeting. Separate accounts could be helpful with tracking and may be a requirement. H. Wagner can check with the auditor.

7.0 New Business

7.1 Consider and act on the request from the Superintendent to transfer the FY23 surplus of 56,787.98 to the BOE non-lapsing fund.

L. Charron said the BOE updated amount for the request is \$56,747.48.

G. Lafontaine MOVED to transfer fifty-six thousand seven hundred forty-seven dollars and forty-eight cents (\$56,747.48) from fund balance to the Board of Education Non lapsing Account. M. Bruce SECONDED.

H. Wagner said the amount is not audited, but the town and BOE balance match.

MOTION CARRIED: 6:0

8.0 Subcommittee Updates and Actions

8.1 Policies & Procedures

a. Consider and act on revisions to Capital & Non-Recurring Projects Fund Policy.

L. Charron MOVED to insert a section into to the policy revision as follows:

Procedures

Annually, all departments, boards and commissions will submit a prioritized list of capital requests to the Finance Office along with the rating system in use at that time for each project.

A Long-Term Planning Committee, consisting of Board of Finance and Board of Selectman members, will prioritize all requests and submit a recommended list for funding to the Board of Finance by March 15th of each year.

The Board of Finance will make final recommendations as part of the annual budget process and subsequent capital reviews.

Hearing no objection, the insertion is approved.

D. Scata MOVED to approve the revision pf the Capital & Non-Recurring Projects Fund Policy. M. Bruce SECONDED.

MOTION CARRIED: 6:0

See Attachment A

b. Consider and act on revisions to the Capital Assets Policy.

L. Charron MOVED to amend the revision by striking out the third line under Disposal of Assets which read Project – Funds remaining after the completion of a project are reallocated the Capital Fund and to strike out the 1st under reporting and insert 31st.

Hearing no objection, the amendments are approved.

P. Johnson MOVED to approve the revision draft of the Capital Assets policy.

D. Malozzi SECONDED.

MOTION CARRIED: 6:0

See attachment B

8.2 Long Term Planning

No Report

8.3 Audit

No Report

8.4 School Study

They are still in the process of gathering quotes.

9.0 Other

L. Charron and M. Scott will put together agenda for the Board of Finance regular meeting in November. M. Scott as Vice Chair will start meeting and lead the election of new officers.

K. Cwikla thanked L. Charron and D. Scata for their many years of service and for sharing their immense knowledge with the Town of Lebanon.

10.0 Adjourn

Hearing no further business L. Charron adjourned the meeting at 7:58 pm.

Respectfully submitted,
Laurie Bergeron, Recording secretary
Diane Malozzi
Board of Finance Secretary
October 19, 2023

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

ATTACHMENT A

Town Of Lebanon Capital & Non-Recurring Projects Fund Policy

Establishment by the Board of Finance (BOF) of a policy to manage and document funding within Fund 220 for capital expenditures outside the annual operating budget for the Town of Lebanon.

Definition

A Capital or Non -Recurring Project is defined as having **both**:

- a minimum capitalization threshold of forty thousand dollars (\$40,000.00) for any individual item or project **and**;
- a minimum capitalization threshold of at least a five (5) year useful life for any individual item or project.

General Description

All capital projects, including their appropriations, revenues and expenditures, will be tracked at the project level in the accounting system.

The audited annual financial statement will report appropriations, revenues, expenses and balances of the capital fund at the project level during the preceding year.

The capital & non-recurring projects fund will not maintain its own cash accounts but will rather use the cash balances of the general fund through the use of due to due from accounts and interest earned by the general fund will not be allocated to the Capital Fund as earned.

Expenditures managed through Fund 220 not subject to the threshold requirements include:

- School Improvement Plan
- School Technologies
- School Athletics

Procedure

Annually, all departments, boards and commissions will submit a prioritized list of capital requests to the Finance Office along with the rating system in use at that time for each project.

A Long-Term Planning Committee, consisting of Board of Finance and Board of Selectman members, will prioritize all requests and submit a recommended list for funding to the Board of Finance by March 15th of each year.

The Board of Finance will make final recommendations as part of the annual budget process and subsequent capital reviews.

Appropriations

An itemized listing of projected appropriations for all capitalizable items will be contained within the annual budget proposal as recommended by the BOF for approval at town meeting or referendum and posted on the town web site and available in the Town Clerk's office prior to any public hearing, town meeting or referendum.

The final approved budget, including all capitalizable items, shall be posted on the Town's website and available in the Town Clerk's office.

Approval

Approval of the budget by majority vote at town meeting or referendum will constitute approval of the itemized projects and their funding as set forth in the annual budget.

BOF approval is required to release funds for capital projects that have accumulated over multiple years.

For capital items considered for lease/purchase, refer to Lease/Purchase Agreement for Capital Projects policy.

Discontinuance

A project in the Capital & Non-Recurring Projects fund will only be discontinued by vote of the BOF.

A project that has been identified as discontinued will be closed within the next budget cycle and the remaining funds will be utilized to offset new capital projects.

Reporting

The BOF will receive reports quarterly from the Finance Office summarizing expenditures, appropriations, revenues and current balances of the Capital & Non-Recurring Projects fund and such reports will be presented at a regular meeting of the BOF.

Changes

The policy will only be revised or abolished by a vote of the BOF at a regular scheduled meeting.

Approved: June 17, 2014 Board of Finance regular meeting

Revised: October 17, 2023 -Board of Finance Regular Meeting

Attachment B

Town of Lebanon Capital Assets Policy

Establishment by the Board of Finance (BOF) of a policy to provide control and accountability of the Town's capital assets.

General Description

Capital assets are tangible or intangible assets acquired for use in operations that will benefit more than a single fiscal year and meet the financial threshold set by the BOF. All capital assets meeting the set threshold will be reported in the town's financial system. The capitalization threshold is set at five thousand dollars, (\$5000.00).

Capital Asset Definitions and Guidelines

Threshold - The minimum cost of an asset purchased, constructed, or donated and, projects that consist of individual items less than the threshold but whose accumulated value is greater than the threshold.

Tangible Assets -

- Land/Land Improvements - Land associated with infrastructure will be reported as land rather than as part of the cost of the related infrastructure asset.
- Buildings/Building Improvements
- Equipment/Furniture/Fixtures
- Vehicles
- Infrastructure/Infrastructure Improvements
- Construction-in-Progress
- Works of Art/Historical Treasures

Intangible Assets

- Computer Software
- Easements
- Land use rights

Acquisition Costs

Capital assets will be recorded and reported at their total cost of acquisition, including ancillary charges such as:

- Freight
- Transportation
- Site preparation

- Professional Fees

Appraisal

Gifts, donations and donated property will be recorded at its estimated fair market value on the date of acquisition, using a reasonable market study. This method will be fully documented and maintained on file to support the value.

Annual Inventory

The Town of Lebanon will maintain and keep current a master capital asset file that is comprised of an inventory listing of capital assets. The inventory listing will be the basis for performing an annual inventory audit.

Disposal of Assets

- Disposal – Assets that are disposed of are reported to the Finance Office who will remove them from the capital asset inventory record.
- Sales – Funds received from the sale of an asset transfer to the General Fund.

Reporting

The BOF will receive a report of the Town's fixed assets at the end of each fiscal year from the Finance Office no later than October 31st each year.

Changes

The policy will only be amended or abolished by a vote of the BOF at a regular scheduled meeting.

*Approved: June 17, 2014 Board of Finance Regular Meeting
Revised: October 17, 2023 Board of Finance regular meeting.*