

**Lebanon Board of Finance
Minutes of May 12, 2011
Regular Meeting**

Members Present: Liz Charron, Chairman, Glen Coutu, David Geligoff, Greg Lafontaine, Betsy Petrie, and Philip Johnson (alt).

Members Absent: Lori Wesolowski, Chuck Haralson (alt.), and Susan Zickmann (alt.)

Item A. Call to Order

The meeting was called to order at 7:30 p.m. by L. Charron, Chairman.

Item B. Minutes of previous meetings:

April 14, 2011 Regular Meeting. G. Coutu moved to approve minutes of the April 14, 2011 regular meeting. Motion was seconded by D. Geligoff. During discussion of the minutes, it was decided that Item E, first sentence, should be amended to read "An interim business consultant is now working two days a week for the school business office." Motion was changed to approve the minutes as amended. Passed unanimously.

P. Johnson arrived at 7:40 p.m. P. Johnson was designated to vote for L. Wesolowski.

April 18, 2011 Special Meeting. G. Coutu moved to approve the minutes of the April 18, 2011 special meeting. Motion was seconded by G. LaFontaine. Motion was passed with 3 ayes and 2 abstentions (D. Geligoff and B. Petrie). During discussion of the minutes it was decided that Item C, fourth sentence, should be amended to read "Discussion took place and board members voiced their concerns about the lack of comment from the BOS to correct the balance figure being discussed at the budget meeting of April 14, 2011 making it necessary to reconsider the appropriation at this late date."

G. LaFontaine moved to rescind the previous Motion to Approve Minutes of the April 18, 2011 special meeting. Motion was seconded by P. Johnson. Motion passed with 4 ayes and 2 abstentions (D. Geligoff, B. Petrie).

G. LaFontaine moved to approve the minutes of the April 18, 2011 special meeting as amended. Motion was seconded by P. Johnson. Motion passed with 4 ayes and 2 abstentions (D. Geligoff and B. Petrie).

Item C. Correspondence

1. **Email from Assessor with revised Grand List.**
2. **Letter received from James R. Humpage.** This item will be discussed later in the meeting.

Item D. Monthly Expenditures/Revenues/Payment of Bills.

1. Year-to-date actuals versus budget.

B. Richardson-Crouch discussed expenditures and revenues, and answered questions from the BOF. She informed the BOF that there are 27 pay periods in this fiscal year instead of 26. This will put the budget over \$50,000. The auditor will make adjustments for this. Everything else looks good YTD.

2. Projection for current fiscal year.

The BOF was provided with a list of projections for the town government accounts for the current fiscal year that was briefly discussed. In total, it is projected that the town government accounts will be under budget by \$220,000.

3. Update from Board of Education on financials.

Superintendent Tyler reiterated that the schools' budget has been frozen since late February. The business consultant has been speaking with Steven Hopkins, and they are working together on the financial analysis reporting. At this point it appears that the schools may come in on budget. Superintendent Tyler will have better numbers next month after further analysis is done.

Item E. Ongoing Business

1. Review results of the May 10, 2011 referendum on the 2011-12 Fiscal Year Budget and non-binding advisory questions.

L. Charron reported that the budget passed at the referendum with 381 yes and 263 no. The non-binding advisory questions were answered as follows:

Is the BOE budget too high?	267	Is the BOE budget too low?	168
Is the Town budget too high?	214	Is the Town budget too low?	114

2. Consider and act on the proposed 2011-12 Budget for the Town of Lebanon General Town Government, Board of Education, Special Revenue Funds and estimates of revenue, including appropriations to the Capital Reserve & Annual Capital Expense Fund and the reallocation of unexpended funds. (If necessary)

There was no action taken on this item – it was not necessary.

3. Status on repair bill from Trane for repairs to the Senior Center HVAC.

Joyce Okonuk informed the BOF that the issues with the bill from Trane have been resolved and that Trane informed her that the Town of Lebanon now has a zero balance.

Item F. New Business

1. Consider and act on setting the 2011-12 mil rate (if possible).

P. Johnson moved to set the 2011-2012 mil rate at 22.8. Motion was seconded by G. LaFontaine. Motion passed unanimously.

2. Discuss status and administration of TIP.

L. Charron stated that TIP was originally established by transferring small budgets for fixed assets from many accounts into TIP. In this way, the town would have a place to access money for small capital items and unexpected repairs during the year and accumulate money not used in any given year so it can be used in the future for these purposes. However, this fund was not intended for the ongoing, normal maintenance and repairs to our buildings and property. These types of expenses should be paid through Account 431, Buildings & Grounds. J. Okonuk stated that many items get originally booked to TIP and then she reviews all TIP expenditures and if appropriate moves some of them to Account 431. She said there are currently items in TIP that need to be moved. The BOF will get a revised report for our next meeting. The BOF asked if a process could be put in place to have items booked to the appropriate place initially rather than booking to TIP and then transferring.

3. Discuss and act on a policy for accepting grants.

J. Okonuk reported that per the town's legal counsel, the Town of Lebanon is statutorily bound to have grants accepted at Town Meeting. This could be modified for grants that have no financial impact to the town if an ordinance to that effect is passed at Town meeting. Attorney Ochsner drafted a new, updated ordinance for consideration by the BOF and BOS. It was agreed that this would be reviewed and discussed at a future joint working meeting of the BOF and BOS.

4. Discuss correspondence from Mr. Humpage.

It was decided this was not a BOF issue. Receipt of his correspondence will be acknowledged and he will be advised that his issues are outside the scope of the BOF. The BOF will refer him to Planning & Zoning.

5. Discuss and act on establishing and revising subcommittees:

a. Investment Policy and Cash Management

Members are L. Wesolowski (lead), C. Haralson, P. Johnson and S. Zickman. They should meet and move forward on establishing an investment policy statement they will bring back to the BOF for review.

b. Policies and Procedures

It was agreed this should be a separate committee. G. Lafontaine will take the lead with L. Charron and D. Geligoff.

c. Capital Funding

Its initial purpose will be setting strategy for funding the capital needs of the town. This involves identifying assets of the town and projecting out at least 10 years. B. Richardson-Crouch stated that it would cost between \$6,000 and \$10,000 to hire someone to do a thorough asset inventory that should include all town roads, both paved and unpaved. B. Petrie (lead) and G. Coutu will work with J. Okonuk and a representative from the BOE on this committee.

d. Budget Process

G. Lafontaine questioned whether this subcommittee was still needed. He suggested keeping the same group in place and stated their work has been documented very well to date so it can be self-sustaining. During the next budget cycle, the committee will work with B. Richardson-Crouch to pass on

administrative and coordination tasks and will determine if the committee is needed going forward.

It was agreed that the Investment Policy and Cash Management, the Policies and Procedures, and the Capital Funding subcommittees should meet right away and report back to the full board on their proposed process, deliverables and timeline. Every month a status report will be provided during our regular meetings.

6. Discuss budget process and suggested improvements.

The BOF offered comments and suggested improvements:

- There were too many versions of the revised budget to review, many delivered shortly before our meetings. It made it difficult to know what document we were working from.
- Traditional line-by-line review vs. a blanket set percentage.
- Too many meetings – time away is needed to review materials and deliberations.
- Process becomes too jammed up at the end.
- Can the process be streamlined at the beginning of the process to allow more time at the end?
- Continue to listen to people at the town meetings.
- Be cognizant of those whose budgets were flat for two years.
- Make things more equitable i.e. library insurance (they are responsible for paying their own insurance costs which inflates their budget – not so with other departments).
- Department presentations are a waste of time if we choose a set percentage across the board.

Item G. Other

L. Charron mentioned an email from Celtic Energy on a presentation they are giving on June 28, 2011 at 6:00 p.m. at the Lebanon Middle School. John Bendoritis explained that Celtic Energy specializes in increasing energy efficiency, assists in efforts to obtain a lower rate, and in improving conservation.

Item H. Adjourn

B. Petrie moved to adjourn the meeting. Motion was seconded by D. Geligoff. Motion passed unanimously. Meeting was adjourned at 9:30 p.m.

Respectfully submitted,

Lisa K. Sedlmeier, Recording Secretary