

BOARD OF FINANCE
REGULAR MEETING
October 18, 2016 7:00 pm
Town Hall
MINUTES

Members Present: David Scata, Diane Malozzi, Elizabeth Charron, Kevin Cwikla, Stephen Salisbury (Alternate), Michael Nintean (Alternate), Vin Shea (Alternate)

Members Absent: Meghan Bruce, Philip Johnson

Also Present: First Selectmen Betsy Petrie, Finance Director Veronica Calvert, Recording Secretary Laurie Bergeron

A. Call to order. D. Scata called the meeting to order at 7:00 pm. M. Nintean will sit for M. Bruce and S. Salisbury will sit for P. Johnson

B. Executive Session with BOS and Town Counsel to discuss legal issues regarding Lebanon Town Green:

L. Charron **MOVED** to go into Executive Session at 7:03 pm. D. Malozzi **SECONDED**. All in Favor. **Motion passed**. Returned to regular session at 7:38pm.

C. Correspondence – BOE Expenditure Report

D. Minutes – September 20, 2016 Regular Meeting – D. Malozzi **MOVED** to accept the minutes of the September 20, 2016 Regular meeting. S. Salisbury **SECONDED**. L. Charron stated that she had some modifications:

On page 2 Paragraph b where it states “*L. Charron asked is the town building committee working on bringing a plan to the town meeting?*” Would like it to show that Betsy replied yes they were.

Also change: “*L. Charron motioned to authorize the \$40,000.00 from Fund Balance, to Fund 200, Capital account 220-00-430-2786-0030-0001 for the Public Works Garage Site Assessment.*” This motion to read: L. Charron **MOVED** to request the Board of Selectman to call a special town meeting for the purposes of authorizing the transfer of \$40,000.00 from Fund Balance, to Fund 200, Capital account 220-00-430-2786-0030-0001 for the Public Works Garage Site Assessment.

Page 3 paragraph f. – should state “*P. Johnson **MOVED** that a special request be sent accompanied by last year’s budget requests as a starting point and be distributed to all boards and commissions and ask to modify with any known additions and returned to the finance office by December 1, 2016 and the final list to be submitted with their budget proposal.*”

Noting all changes, All in Favor of approving with amendments – **Motion passed**

E. Public Comments

Bob Angeli, Superintendent of Schools – response to letter from BOF to BOE regarding surplus in health insurance line item. BOF stated that the BOE will not be able to spend the \$200,000 positive variance in the health insurance line. A positive fund balance in the health insurance will not be used to add money to the non-lapsing account. Curious

as to why BOF has said that the surplus in health insurance line item will not be considered to be applied to the non-lapsing account. Request from BOF for BOE to supply monthly expenditures on the non-lapsing account. Also Bob Angeli commented on the request for a list of monthly expenditures for the non-lapsing account – funds will be used to resurface the high school track. There won't be any monthly expenditures just one large transaction at some time during the year. D. Scata commented that the BOF will try not to discuss any BOE issues without notice to them to attend and comment. L. Charron commented that the BOE created a budget to run the schools for the year. In this budget there is a couple hundred thousand dollars that will not be used for health insurance as planned. This is taxpayer dollars that you shouldn't need to have to spend. This should be returned to town as taxpayer dollars. Of course if any program expenses increase beyond their planned dollars, the monies would definitely be used for that. We would hope, however, that the BOE didn't just start spending these dollars at the end of the year for the sake of using them. D. Scata commented that if a situation arises where these funds are needed; there would be no argument to use these funds.

F. Financial Report: Town Monthly Reports for Fiscal Year 2016-2017 Expenditures, Revenues, TIP/SIP, Contingency Balance and Fund Balance – V. Calvert reported that no substantial changes. ZBA and Inland/Wetland are at 68% left for the year. Betsy commented that there will be legal bills associated with Inland/Wetland coming forth. Fund Balance - L. Charron noted to change wording on \$40,000 in fund balance to make sure that it is clear that it is going to Town Meeting to authorize the transfer.

G. New Business

- a. Discuss and act on requesting that the Board of Selectmen call a special town meeting to authorize the lease purchase of a CAT backhoe for the Public Works Department.** – L. Charron **MOVED** that the BOF make the following resolution: Consider and act upon approving a Resolution for the entrance by the Town into a lease-purchase agreement in a principal amount not to exceed one hundred five thousand dollars and no cents (\$105,000.00) to finance costs related to the acquisition of a 2016 CAT Backhoe, for use by the Town of Lebanon Public Works Department, 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 finance under the lease-purchase agreement, and to take other actions as may be necessary or expedient in connection with the fulfillment of the provision of the lease-purchase agreement and related transaction; to make certain declarations and to authorize the First Selectman to bind the Town pursuant to such representations and covenants necessary or advisable in order to maintain the continue exemption from federal income taxation of the interest portion of payments under the lease-purchase agreement, including covenants to pay rebates of investment earnings to the United States in future years; and to authorize the First Selectman and other proper officers and officials of the Town to take all other action and to enter into any other agreements which are necessary or desirable to complete the project and to finance the project through the lease-purchase agreement. K. Cwikla

SECONDED. L. Charron asked if we know interest rate yet. Betsy replied that they are still working on that. All in favor – **motion passed**

- b. Discuss and act on requesting that the Board of Selectmen call a special town meeting to re-commit the remaining balance of \$60,532.98 in the Lake Williams account 100-00-000-2269-0000-0000 for Lake Williams maintenance activities and eradication of milfoil.** – Veronica reported the Auditor recommended that the balance should be moved to fund balance at a special town meeting or re-committed to Lake Williams dam account, since we, as a town, have a liability to maintain the dam. These funds would come in handy for the use of the town to take care of the property. We have a liability to make sure the dam is secure. This money was paid from the property owners around the lake. This money should be used to take care of maintaining the property and the dam. L. Charron **MOVED** to request that the Board of Selectmen call a special town meeting to re-commit the remaining balance of \$60,532.98 in the Lake Williams account 100-00-000-2269-0000-0000 for Lake Williams maintenance activities and eradication of milfoil. S. Salisbury **SECONDED.** All in favor – **motion passed**
- c. Discuss and act on requesting that the Board of Selectmen call a special town meeting to transfer the remaining balance of \$31,361.93 plus accumulated interest from the WPCA Amston Lake construction account, 229-00-000-4399-0000 to the WPCA Amston Lake assessment account, 236-00-000-4399-0000.** – This is money that is left from construction. Construction has been completed. D. Malozzi **MOVED** to request that the Board of Selectmen call a special town meeting to transfer the remaining balance of \$31,361.93 plus accumulated interest from the WPCA Amston Lake construction account, 229-00-000-4399-0000 to the WPCA Amston Lake assessment account, 236-00-000-4399-0000. K. Cwikla **SECONDED.** L. Charron asked about the \$100,000 that is owed to the town – WPCA has been making payments toward this balance. **All in favor – motion passed**
- d. Discuss and act on authorizing the Board of Selectmen enter into an agreement between the Town of Lebanon and the State of Connecticut for the construction, inspection and maintenance required for the replacement of Bridge No. 070007, Goshen Hill Road over Exeter Brook thru a State of Connecticut Grant, Local Bridge Program, Fiscal Year 2017.** – V. Calvert stated that this is a grant from the state based upon the estimates that were given to the state by the town engineer. Estimated State grant funds are approximately \$412,000. This is part of roads and bridges project that was voted on at town meeting. L. Charron asked with the state involved, does it increase the costs due to state requirements. Betsy responded that yes it does but still saves us money overall. M. Nintean **MOVED** to authorize the Board of Selectmen enter into an agreement between the Town of Lebanon and the State of Connecticut for the construction, inspection and maintenance required for the replacement of Bridge No. 070007, Goshen Hill Road over Exeter Brook thru a State of Connecticut Grant, Local Bridge Program, Fiscal Year 2017. K. Cwikla **SECONDED.** All in Favor. **Motion Passed.**
- e. Discuss and act on a request from the Board of Selectmen to increase the Town Improvement Plan (TIP) threshold from \$5,000.00 to \$10,000.00**

requiring Board of Finance approval. S. Salisbury **MOVED** to increase the Town Improvement Plan (TIP) threshold from \$5,000.00 to \$10,000.00 requiring Board of Finance approval. M. Nintean **SECONDED.** D. Scata asked why the increase. Betsy commented that prices have been rising. Threshold needs to be increased so that BOS does not need to come to BOF. D. Scata asked what is the frequency that the BOS is faced with an expense over \$5,000? Betsy commented that this is the first time that this has come up. L. Charron commented that she believed that there wasn't a threshold for these expenses if it is an emergency. K. Cwikla asked do they need this increase. BOF meets every month. Is this a problem you see a lot? Betsy replied no. S. Salisbury agrees that an increase is needed, maybe not \$10,000. D. Malozzi feels that until TIP policy is in writing, we should leave as is. L. Charron stated that since we've been working on TIP for two years, maybe there is a stop gap – maybe there is a way to bring it up a little until TIP policy has been established. D. Scata would agree to push it to \$7,500.00 until we have a full policy. S. Salisbury withdrew **MOTION** M. Nintean also withdrew **SECONDED.** S. Salisbury **MOVED** to increase to \$7,500. K. Cwikla **SECONDED. In Favor** – D. Scata, L. Charron, K. Cwikla, S. Salisbury. **Opposed:** M. Nintean, D. Malozzi. **Motion passed**

- f. **Discuss and act on the Board of Selectman's request to the Board of Finance to create a legal fund, with funds coming from fund balance, for purposes of resolving ownership and deed creation for the 3 current town properties (Library, Town Hall, and Public Works Garage).** – L. Charron **MOVED** to request the Board of Selectman to call a special Town meeting for purpose of establishing a legal fund, with funds coming from fund balance, for purposes of resolving ownership and deed creation for the 3 current town properties (Library, Town Hall, and Public Works Garage) in an amount of \$200,000, funds to come from fund balance. K. Cwikla **SECONDED.** Discussion ensued as to the amount and if this will be enough. D. Scata feels we need to resolve the issue of deeds regardless of other projects tied to this issue. Need to have resolutions in order to move forward. S. Salisbury is worried that \$200,000 will not be enough funding and slow process down. D. Malozzi commented that we don't have a solid number but don't want to go in with low figure. Maybe we should bump up the amount so that we don't have to keep going to Town meeting. V. Shea agrees that if we go higher and hope we come in on the low end and don't spend it all. M. Nintean asked if we stay status quo do we need it to run the buildings as they are now. Possibly. If any improvements are needed to any of these buildings, we could be in trouble. D. Scata doesn't feel it is wise to do nothing. We have been informed that there is an issue and we should rectify this. As a Board we are recommending that this goes to a Town meeting to see if the Town is willing to spend \$200,000 to bring resolution to Town deeds. Not sure of what the cost will be. K. Cwikla agrees that figure should be higher. Afraid if we go too high and town says no – D. Malozzi commented if we go in low and have to go back it may not pass a second time. L. Charron **withdrew MOTION.** K. Cwikla **withdrew SECOND.** Liz Charron **MOVED** to request the Board of Selectman to call a special Town meeting for purpose of establishing a legal fund, with funds coming from fund balance, for purposes of resolving ownership and deed creation for the 3 current town properties (Library, Town Hall, and Public Works Garage) in an

amount of 300,000 funds to come from fund balance. K. Cwikla **SECONDED. In Favor** S. Salisbury, K. Cwikla, L. Charron. **Opposed** D. Scata, M. Nintean, D. Malozzi. **Motion Failed.** D. Scata **MOVED** that the Board of Selectman to call a special Town meeting for purpose of establishing a legal fund, with funds coming from fund balance, for purposes of resolving ownership and deed creation for the 3 current town properties (Library, Town Hall, and Public Works Garage) in an amount of \$250,000, funds to come from fund balance. D. Malozzi **SECONDED.** All in Favor. **Motion Passed**

L. Charron **MOVED** to add to agenda under New Business to Discuss and act on a request to reimburse existing expenditures on this matter from the Legal Fund when/if created. L. Charron **MOVED** that if special legal fund is established by Town meeting, that we authorize the reimbursement to account 100-00-400-5310-0000 Town Legal for \$3,360 and reimburse Fund 243 Library Renovation for \$5,070 out of the new legal fund for expenditures to date for property ownership legal expenditures. K. Cwikla **SECONDED.** All in favor. **Motion passed**

g. Discuss and act on the 2017-2018 budget calendar. – L. Charron **MOVED** to accept the 2017-2018 budget calendar. D. Malozzi **SECONDED.** All in Favor. **Motion Passed**

h. Discuss and act on finalizing the policies and procedures for the Board of Finance for Debt Service and Unassigned Fund Balance. This item will be tabled until the next meeting.

H. Other – L. Charron commented that Betsy sent out email how to access the read ahead materials for BOF. Feels our approved policies and procedures should be out there also – can we make separate folders to under Board of Finance? Betsy will work on that.

Adjourn K. Cwikla **MOVED** to adjourn at 8:37 pm. L. Charron **SECONDED.** All in Favor. **Motion Passed**

Respectfully Submitted,
Laurie J. Bergeron

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