

**Lebanon Board of Finance
Minutes of July 21, 2015
Regular Meeting**

Members Present: David Scata (Chairman), Liz Charron (Vice Chairman), Meghan Bruce, Betsy Petrie

Alternates Present: Kevin Cwikla, Diane Malozzi, Ed Tylor

Members Absent: Phil Johnson, Gregg Lafontaine

Others Present:

- Al Vertefeuille, Chairman, Board of Education
- Bob Angeli, Superintendent
- Jason Nowosad, Board of Education Finance Committee and Building Department
- Brandon Handfield, DPW
- Joyce Okonuk, BOS
- Linda Finelli, BOS
- Veronica Calvert, Finance Director
- Sandra Tremblay, Board of Education

A. Call to Order

The meeting was called to order at 7:00 PM by David Scata. Kevin Cwikla will sit for Gregg Lafontaine and Ed Tylor will sit for Phil Johnson.

B. Minutes

June 16, 2015, Regular Meeting – Ed Tylor moved and Meghan Bruce seconded a motion to accept the minutes. Motion passes with Meghan Bruce abstaining.

C. Correspondence

Letter received from Lebanon Resident Trooper TFC Collin Konow. Due to the age of the 2007 Crown Victoria secondary patrol vehicle, Trooper Konow's letter informs the Board of the potential future purchase of a new police cruiser so the capitol expense budget can be adjusted accordingly. A question of a lease/purchase can be discussed for the 2016-2017 budget.

D. Public Comments

- None

E. New Business

1. *Information for BOF – Board of Education's FY 2015 expenditures (surplus and deficit) as of June 30, 2015. (BOE).*

Jason Nowosad presented the Board with an updated projection of revenue and expenses. Discussion ensued between Jason and the Board regarding the differences between the original FY2015 budget revenue and expense projections and the current draft budget report dated 6/30/2015. There are still some items that need to be posted to the report; however the \$41,689 audit adjustment for items that were purchased at the end of the 2013-2014 budget year were seen as items for the 2014/2015 year by the auditor and thus

moved to the 2014-2015 budget. The Board would like to put this issue to rest and hopes that surplus money in other areas of the budget will cover this amount so calling a Special Town Meeting would not be necessary. The matter will be addressed later during this meeting. Liz Charron moved to address Item # 8 on the agenda next. Kevin Cwikla seconded. Passed unanimously.

2. *Agenda Item #8 - Discuss and act on Town FY 2015 expenditures (surplus and deficit).*

Veronica Calvert, Finance Director, has not received of the final figures yet from all the Town's departments as the invoices are due by July 24, 2015. She is anticipating that the surplus will not be as large as the current reports are indicating if more invoices are received in the finance office for payment, however she believes that there will be enough in contingency funds to cover the deficits. She doesn't expect any problems; there are also still funds remaining in contingency and a slight surplus on the revenue side.

3. *Agenda Item #2 – Discuss and act on the Board of Education's request for a special town meeting for the purpose of transferring \$41,689 from Fund Balance to the BOE 2014/2015 operating budget to offset the audit adjustment from 2013/2014.*

Meghan Bruce moved to request a special town meeting for the purpose of transferring \$41,689 from Fund Balance to the BOE 2014/2015 operating budget to offset the audit adjustment from 2013/2014. Betsy Petrie seconded. Discussed that if the Town doesn't approve the request, it could hurt the BOE so it may not be the best option. A decision from the Town's legal counsel states the Board of Finance can reallocate funds within the budget into the BOE to cover expense deficits without going to a Town meeting. Motion and second were withdrawn. The Board of Finance is concerned that the BOE numbers aren't as accurate as they'd like and that the Board of Finance is not provided BOE reports on a regular basis by the BOE. The Board of Finance agrees that they need to give the new superintendent time to learn and they want to communicate better so there aren't any future problems. There needs to be transparency between the BOF and the BOE. Liz Charron moved to move \$41,689 from contingency to the BOE for the purpose of covering the audit adjustment. David Scata seconded. Liz Charron, Betsy Petrie, Kevin Cwikla and David Scata voted in favor; Meghan Bruce and Ed Tylor voted against. Motion passed.

4. *Agenda Item #3 - Discuss and act on the 2015 audit engagement letter from Sandra Welwood, CPA.*

Discussion of the engagement letter from Sandra E. Welwood, LLC included a request to receive a draft of the audit report for review by the Board prior to its submission to the State on December 31, 2015. Ms. Welwood has scheduled a visit to various Town departments for September 2 through September 4, 2015 so they will be ready for the 12/31/15 submission. Liz Charron moved to authorize David Scata to accept the engagement letter from Sandra E. Welwood, LLC. Meghan Bruce seconded. Passed unanimously.

5. *Agenda Item #4 - Discuss and act on a BOS request to contract for deck replacement on the Town Hall ramp up to \$10,000 with funds to come from TIP. (BOS).*

Joyce Okonuk reported that the BOS received bids from Mattern Construction for \$9,200 and Harrison Concrete for \$7,415 to replace the upper deck on the Town Hall handicapped ramp with Harrison Concrete's low bid being selected. The BOS are concerned that any additional damage found during the deck replacement needs to be address as soon as possible as this is the only handicapped entrance to the main floor of the Town Hall, so they are requesting to increase the allocation for this repair not to exceed \$10,000. The original structure was built around 1988 and the damage was primarily due to using ice melt that wasn't best suited for use on concrete. Kevin Cwikla moved to allocate up to \$10,000 for the upper ramp deck replacement with funds to come from TIP. Ed Tylor seconded. Passed unanimously.

6. *Agenda Item #5 - Information for the BOF – DPW report on FY 2015 expenditures. (DPW).*

Brandon Handfield from DPW explained how expenses from the 2014/2015 were handled. DPW is starting the 2015/2016 year with some supplies on hand, but will need to purchase some additional items. When asked if some of the expenses should be moved back to the Emergency Management budget, Brandon stated that it is best to take all of the expenses from a storm and report them as a unit as the event happens rather than separating them into labor and supplies later on. The money requested from FEMA for last year's blizzard haven't been received yet.

7. *Agenda Item #6 – Discuss and act on DPW request for additional funding to support unimproved roads, Fund 207. (DPW).*

All of the State Town Aid Road (TAR) money for the 2015-2016 budget in the amount of \$317,000 was put in the general fund under Improved Roads. In years past, the money was split and a percentage was put into Fund 207 specifically for Unimproved Roads with the remainder put into account 100-00-000-4340-0000. DPW would prefer to have the money split and a percentage placed in the Fund 207 so that gravel roads could be continually maintained as they need attention so they aren't lost during a storm. The money can't be moved for 2015-2016 so it will be addressed for the 2016/2017 budget. The Legal Counsel opinion covered expenses and not revenue. A decision needs to be made at a future BOF meeting to define how the State Town Aid Road money is to be divided between Improved Roads and Unimproved Roads. No action taken.

8. *Agenda Item #7 - Information for the BOF – Bonding for Library and Roads/Bridges projects. (BOS).*

Joyce Okonuk stated that the Adams Trust money for the Library project will be received by August 1, 2015 so that amount will not need to be included in the bond. The details of the bond were discussed. A BOF subcommittee was formed at the regular June meeting (Betsy Petrie, Meghan Bruce and David Scata) to be part of the strategy discussions for the funding of the Library and Roads and Bridges projects. It was hoped that the entire BOF and the BOS would be at the initial meeting with Dennis Dix. The subcommittee will be included in future meetings.

9. *Information for the BOF – FY 2016 additional part time support for the Building Department (BOS).*

Jason Nowosad reported that the Building Department doesn't have any money to cover the back log of work that has come in recently. There is money to cover planned vacation time for the clerk in that office, but not for additional help when the work load piles up which doesn't appear to be a seasonal issue. Revenue increased again last year so there would be funds to cover the costs, although that was not taken into account when the current budget was put together for the Building Department budget. As revenue is coming in that can cover these increased costs, additional clerical help can be added so work can continue without creating a back log. Liz Charron moved to allow up to \$2,000 over expenditure for the Building Department account in the current fiscal year from contingency to cover increased clerical costs. Betsy Petrie seconded. Motion and second withdrawn. Liz Charron moved to authorize an over expenditure in the Land Use account, account number 100-00-461-5110-0000 in the amount not to exceed \$2,000 for clerical support. Betsy Petrie seconded. Passed unanimously.

10. Information for the BOF – Estate of Loretta W. Foster loan (BOS).

Veronicas Calvert reported that our last payment on this loan will be made in January 2018. This loan cannot be repaid prior to the end of the loan.

11. Information for the BOF – Edward Jones endowment account (BOS).

Endowment funds were transferred from Merrill Lynch to Edward Jones. Approximately \$292,000 was also moved from low interest earning CDs at the Savings Institute into the Edward Jones account. The three main accounts in the fund are from the Adams Trust for the Community Center, the Library and Jr. House Museum as well as the Waterman/Wilson Book fund and some other small accounts. The current value of the account is \$2.88 million up from \$2.1 million. Liz Charron voiced a concern about the need for a spending plan so that individual funds are not eliminated in the process of paying out awards that are given to students. The BOS will address creating a spending plan.

12. Information for the BOF – Appointment of Deputy Treasurer (BOS).

Joyce Okonuk reported that the Treasurer isn't always available when he's contacted to attend to specific Town business. The Treasurer has signed a document that appoints the Finance Director to act as the Deputy Treasurer when the Treasurer isn't available. As the Finance Director position has no authority to sign checks, this appointment is not a conflict of interest.

F. Other

1. *Windham Paramedic Invoices* – There are three invoices that have not been paid as they exceed the quarterly estimated costs for Paramedic intercepts as stated in the most recent contract. Betsy Petrie explained that the amount owed is dependent on the number of Paramedic intercept calls made to the Town, thus more calls means more invoices. A new agreement has yet to be put in place but is expected in the near future. Kevin Cwikla moved to pay the invoices up to the budgeted amount. Liz Charron seconded. Motion passed with 5 in favor and one abstention (Betsy Petrie).

2. *DPW audit adjustment* – The Board is proud of the way Brandon Handfield made his 2014/2015 budget work even with the audit adjustment. He kept the BOF fully informed of situations as they happened. Joyce Okonuk will share the Boards praise with Brandon. No action taken.
3. *School snow and ice removal contract* – Pond View Excavating would like to extend the contract for the 2015/2016 budget year at a cost of up to \$86,850. This was approved by the BOS. No action taken.

G. Adjourn

Liz Charron moved and Meghan Bruce seconded a motion to adjourn at 9:02 PM. Motion passes unanimously.

Respectfully Submitted,
Nancy Labonne
Recording Secretary