

MINUTES  
SPECIAL MEETING  
BOARD OF FINANCE  
LISBON TOWN HALL  
WEDNESDAY, APRIL 5, 2023  
7:00 PM

1. Roll Call

The Special Meeting of the Board of Finance was called to order by Chairman Wayne Donaldson, at 7:02 pm.

MEMBERS PRESENT: Wayne Donaldson, Randy Baah, Frank Burzycki, Susan Hull, Thomas Wakely Jr., Philip Kinslow (Alt)

MEMBERS ABSENT: Michael Zelasky, Ken Washburn (Alt)

ALSO PRESENT: Thomas Sparkman, First Selectman

2. Audit Presentation – King, King & Associates

Christopher King presented a summary presentation of the audit. Also available to all present were copies of the Annual Financial Statements, Federal Single Audit and State Single Audit. State Single Audit is required when CT grants exceed \$300,000. Federal Single Audit, for the first time, required when Federal grants exceed \$750,000. This is due to having received COVID funds and ARPA funds. C. King told the Board that there is a CT State Dept. of Ed that collects data from the Board of Ed that is part of this audit process but the report goes to the BOE not the Board of Finance. He touched on highlights; Positive General Fund Balance of \$3,542,936 at 25% of the budget is rated very good.

Capital Nonrecurring Fund Balance of \$10,160,015 of which \$7,686,600 is for the Firehouse Project. Water Pollution Control Authority is almost breaking even with increased revenues and depreciation figured in.

Capital Assets and Long-Term Liabilities, Debt service of \$479,000 will be needed for FY2024 not including interest.

3 Year Fund Balance Graph and details ending with \$147k surplus primarily due to increase in Building permits and conveyance taxes. Board of Ed appropriation had \$216,499 unexpended.

Outstanding Taxes receivable as of 6/30/22 is \$196,498, roughly 2% of the levy. This is a good rating. State Single Audit focused on State Grant funds of \$3,719,733 of which \$2,911,659 was for the school and \$279,472 for Town Roads.

One finding reported in both the State Audit and the Federal Audit related to Board of Ed and delays in receiving data, reconciliations and other accounting processes that had been done in the past that were not done or not done correctly. This is listed as a Material Weakness, which is considered a significant finding. The Superintendent has filed the corrective action plan to reinstitute a set of procedures to reconcile records with the Treasurer.

Federal Single Audit focused on Federal Grant funds of \$1,011,035 mostly related to COVID/ARPA funds. School nutrition programs are also included in this funding.

Statewide Ranking chart as of 2020 and additional demographic data link provided.

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Motion T. Wakely second R. Baah to accept the audit as presented.

VOTE UNANIMOUS, MOTION CARRIED

Philip Kinslow (Alt) is seated by the Chairman for M. Zelasky

3. Selectman's Request – Line Item Transfer

Line Item Transfer in the amount of \$2500 from line item 51412 (Assessor's Clerk's Wages) to line item 51450 (Assessor's Supplies & Expenses). The request is for Updated Computers for the Assessor, Assessor Clerk and Public Terminal.

Motion F. Burzycki second T. Wakely to approve Line Item Transfer in the amount of \$2500 as requested.

VOTE UNANIMOUS, MOTION CARRIED

4. FY 2023/2024 General Government Proposed Budget – Discussion and possible action thereon. The Chairman had one question cleared up by the First Selectman and no other comment was offered. The Chairman suggests to deliberate on both budgets before taking any action.

5. FY 2023/2024 Board of Education Proposed Budget -Discussion and possible action thereon.

The Chairman reports a mil rate of 24 mil would be needed to balance the budgets as proposed. This is an 8% increase with an anticipated 1 – 1 ½ mil increase next year and a similar amount the following year to cover upcoming bonding obligations. R. Baah inquired about the surplus balance, and told there is \$3,500,000 (three and a half million dollars) in surplus funds. After considerable deliberation and discussing different options to cover cost increases in both budgets, it was proposed to use surplus funds to pay off the balance of the Firetruck and save \$10,000 yearly interest cost for three years. This would reduce the deficit and help keep the mil rate increase to 1.2 (roughly 5%) to balance the budget with a resulting mil rate of 23.43. For the record, the current mil rate is 22.23.

Motion by S. Hull second F. Burzycki to direct the treasurer to take necessary amount from the general fund surplus to payoff the firetruck.

VOTE UNANIMOUS, MOTION CARRIED

Motion by R. Baah second S. Hull to approve the Board of Ed budget in the amount of \$10,685,997.

VOTE UNANIMOUS, MOTION CARRIED

Motion by T. Wakely second R. Baah to approve the General Government budget in the amount of \$3,192,393.

VOTE UNANIMOUS, MOTION CARRIED

Motion by T. Wakely second R. Baah to approve the budget for Capital Nonrecurring Expenditures line #85402 for \$110,000.

VOTE UNANIMOUS, MOTION CARRIED

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T. Sparkman informs the Chairman that the Board of Selectmen have set the annual town meeting for Monday May 1<sup>st</sup> which will address the disposal of the fire truck, conveyance of the Church to the Town, and an ordinance proposed by the assessor for a tax abatement for Handicap equipped vehicles.

6. Purchase Policy

As related to the Board of Ed, T. Sparkman read aloud a letter from the Town Attorney who does not agree that the Board of Ed would be obliged to follow the purchase policy for the school supplies and services related to providing educational programming. Improvements to the school building, however, would require compliance. This purchase policy has not been uniformly followed since it was instituted in 2019.

The chairman expressed concerns with the Fire Station Building Committee compliance. T. Sparkman says the language for the purchase policy is important. He told the committee if they want to make the policy an ordinance it would have to go to a Town Meeting. The Board must make a decision. As an ordinance there is an obligation "by law" to follow. As a policy, there is direction to follow. The Chairman has explained to the Fire Station Building Committee that waivers for certain purchases can be obtained from the Board of Finance, but they have refused. As it stands now, the Board of Selectmen take responsibility for Fire Station Building Committee spending.

In regards to Lisbon Emergency Response, LLC as it was first set up, the agreement has been broken. Instead of contributing revenue, LER is saving to purchase a new ambulance with the Town to finance the maintenance of such ambulance.

The Chairman will have the Auditor put in writing its opinion for the Fire Station Building Committee to follow the purchase policy. Although the Chairman acknowledges the FSBC is putting forth good efforts he feels the Board of Finance is obligated to provide oversight into their spending.

Motion by F. Burzycki second T Wakely to ask the FSBC to come to a BOF meeting to discuss the Purchase Policy.

VOTE UNANIMOUS, MOTION CARRIED

7. Adjournment

Motion by F. Burzycki second by T. Wakely to adjourn at 8:52 PM

VOTE UNANIMOUS, MOTION CARRIED

  
Janet Lefevre, Clerk

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Wayne Donaldson, Chairman

RECEIVED FOR RECORD AT LISBON, CT  
ON 4/8/23 AT 10:57 am  
ATTEST. MICHELLE GRANT, TOWN CLERK

