

TOWN OF NEWTOWN
Board of Finance:
Joint Board of Education, Board of Finance & Legislative Council Work Group

MINUTES
Monday, March 22, 2021, Virtual Meeting

Present: Dan Delia, Chris Eide (7:30pm*), John Madzula II, Cath Reiss, Ned Simpson and Deborra Zukowski

Absent: Debbie Leidlein

Also Present: Debbie Aurelia Halstead, Town Clerk, Tanya Vadas* and two listeners on the phone

*The Chair was remiss and did not see two people in the Zoom waiting room in a timely manner

Town Clerk Debbie Aurelia Halstead called the meeting to order at 7:03 p.m. Attendees saluted the American Flag.

CHAIR ELECTION

Clerk Halstead opened the meeting for elections for Chair and Vice Chair. Cathy Reiss moved to nominate Ned Simpson for Chair. John Madzula seconded. All in favor and motion passes.

Dan Delia moved to nominate Deborra Zukowski for Vice Chair. Cath Reiss seconded. All in favor and motion passes

Clerk Halstead turned the chair over to Ned Simpson

VOTER COMMENTS - None

COMMUNICATIONS – Ned Simpson had circulated to members a discussion document “Context for the Work Group and Policies.” Attachment A

NEW BUSINESS:

- **Discussion and possible action: Work Group organization and processes**

Comments made by Matthew Ritter at BOE CFF 6/23/2020 meeting regarding 10-248a, the state non-lapsing statute. It identifies the need for cooperation and the usefulness of a policy governing how a non-lapsing account will be established in a town.

Discussed the “Straw Dog Work Group Purpose”

Deborra Zukowski moved that the Work Group accept as their purpose statement:

The Joint BOE, BoF and LC Work Group has been established to develop a multi board policy (or policy suite) for the Town of Newtown to fully implement Sec. 10-248a of Connecticut State statutes.

Cathy Reiss seconded

In discussion it was noted that policy should be sufficiently developed to guide actions regarding any surplus in the BOE 2020-21 budget before the books are closed in early September. All in favor and motion passes

Dan Delia moved to accept the schedule for regular Work Group meetings as shown in Attachment B. Cathy Reiss seconded

Discussed the need to revisit the schedule as members’ summer plans become known. Also, it is likely that some meetings will be cancelled. All in favor and motion passes

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“Possible Workplan Tasks” Attachment A, were discussed

At the conclusion of discussion, the following were the workplan tasks

1. Collect and review pertinent information. e.g.
 - a. Statute(s)
 - b. Attorney Correspondence
 - c. Meeting Minutes
 - d. Policies
 - e. Historic financials related to fund into and spend from the Non-Lapsing Education Account
2. Determine from attorneys (M. Ritter & D. Grogen) parameters we should work within.
Invite for April 26, 2021 meeting
3. Understand municipal accounting and Newtown accounts (R Tait)
4. Understand school district accounting relative to a non-lapsing account (T Vadas)
5. Define roles and responsibilities of the BOE and town fiscal authority relative to the Non-Lapsing account
6. Define purpose of Newtown’s Non-Lapsing Educational Account
7. Define policy for funds going into the account
8. Define policy for funds coming out of the Account
9. Define policy for Non-Lapsing Educational Fund Balance (if any)
10. Define annual reporting regarding the Non-Lapsing Educational Fund.
11. Determine the structure of the policy and process for initial approval and review/update
 - a. One policy approved by all stakeholder bodies or
 - b. Each body has and approves policy and procedure for their responsibility
12. Communication the developed policy and procedure
13. Monitor approval by BOE, BoF and LC

• **Discussion: Policy related to a Newtown Non-Lapsing Educational Fund - None**

OLD BUSINESS: None

ADJOURNMENT

Cathy Reiss made a motion to adjourn. John Madzula seconded. All members were in favor and the meeting was adjourned at 8:15 pm.

Respectfully submitted,

Ned Simpson, Chair

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Attachment A

Context for the Work Group and Policies

Transcribed from Board of Education CIP/Facilities/Finance Sub-Committee, June 23, 2020

[http://www.newtown.k12.ct.us/theme/files/Board%20of%20Education/BOE%20Subcomm/2019-2020/6-23-20%20BOE%20CIP%20Minutes_att\(2\).pdf](http://www.newtown.k12.ct.us/theme/files/Board%20of%20Education/BOE%20Subcomm/2019-2020/6-23-20%20BOE%20CIP%20Minutes_att(2).pdf) Audio recording available at <https://www.newtown-ct.gov/minutes-and-agendas>

Matthew Ritter, Shipman & Goodwin “Best advice I can give you regarding 10-248a, is that it is meant to be a mutually cooperative relationship. That’s what I told Michelle. The statute involves board powers and town powers. If one side thinks they can do whatever they want it’s going to mess up the whole concept. It really does rely on cooperation between the two sides.

Money gets deposited into the account. Expenditures get approved by the board of ed for educational purposes. The language in 10-248a has some notwithstanding language regarding general statutes and local charters. It talks about how money gets deposited, expenditures from the account are approved by the board of ed for educational purposes.

Question: Does this mean the local Board of Education can use the funds for items, including capital expenses, without going through the appropriation process set forth in the town charter as long as it is for educational purposes? The answer is Yes.

This overrides a town charter. Best way to look at it is this. When the money is in the account, unless you have a policy to the contrary, which is a negotiation, the fall back is 10-222. The local board’s discretion on how to spend that money as long as it’s for educational purposes. Could be capital, could be non-capital.

So, your reaction might be, well that’s great the board of ed has complete control. No. Here is the problem. If you spend money on projects the board of finance or the town council hate, they will not agree to put money into the account in the future. That goes back to my initial comment: you’ve got to get along to make this work. The answer is unless there is a policy that talks about how you spend money from that fund, all the statute requires is that board of ed approve the project that it goes for educational purposes.”

Straw Dog Work Group Purpose

The Joint BOE, BoF and LC Work Group has been established to develop policy(ies) for the Town of Newtown to implement Sec. 10-248a of Connecticut State statute. Any such policy and supporting procedures would be sent to BOE, BoF and LC for approval. Establishing such policy before closing fiscal year 2020-2021 is highly desirable.

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Possible Workplan Tasks for Discussion

14. Form, organize, schedule, etc.
15. Meeting guidelines
16. Agree to the purpose of this Work Group – what will we produce when
17. Collect and review pertinent information. e.g.
 - a. Statute(s)
 - b. Attorney Correspondence
 - c. Meeting Minutes
18. Determine from attorneys (M. Ritter & D. Grogen) parameters we should work within
19. Understand municipal accounting and Newtown accounts (R Tait)
20. Define purpose of Newtown's Non-Lapsing Educational Account
21. Define policy for funds going into the fund
22. Define policy for funds coming out of the fund
23. Define policy for Non-Lapsing Educational Fund Balance (if any)
24. Define roles of BoF and LC regarding the above
25. Define Procedure(s) for funds going in and coming out
26. Determine the structure of the policy and process for initial approval and review/update
 - a. One policy approved by all stakeholder bodies or
 - b. Each body has and approves policy and procedure for their responsibility
27. Communication the developed policy and procedure
28. Monitor approval by BOE, BoF and LC

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Attachment B
REGULAR MEETINGS
VIRTUAL MEETINGS

First Thursday and Fourth Monday thru August 2021

Thursday April 1, 2021, 7:30 PM

Monday April 26, 2021, 7:30 PM

Thursday May 6, 2021, 7:30 PM

Monday May 24, 2021, 7:30 PM

Thursday June 3, 2021, 7:30 PM

Monday June 28, 2021, 7:30 PM

Thursday July 1, 2021, 7:30 PM

Monday July 26, 2021, 7:30 PM

Thursday August 5, 2021, 7:30 PM

Monday August 23, 2021, 7:30 PM