

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

MINUTES  
Thursday, April 26, 2021 Virtual Meeting

Present: Dan Delia, Chris Eide, Cath Reiss, Ned Simpson and Deborra Zukowski  
Absent: Debbie Leidlein and John Madzula II

Ned Simpson called the meeting to order at 7:33 p.m. Attendees saluted the American Flag.

**VOTER COMMENTS** - None

**APPROVAL OF MINUTES**

Deborra Zukowski moved approval of April 1, 2021 Minutes Cathy Reiss seconded. All in favor and motion passed

During discussion of the minutes Ned S stated that he had mistakenly lost the first 20 minutes of the meeting recording. He consulted with Chris E on remediation. Conclusion was that recordings of town sub committees and work groups is optional. Also discussed which documents all members have received. Ned S will send the process approved by the Board of Finance in 2014 and Counsel Grogins' October 20, 2020 letter.

**COMMUNICATIONS** – Chair Ned S reported on activities since the last meeting

- A member had suggested the work group possibly set up of a Google doc that would be fully open to the public, include the link on the work group's town page and use The Bee to announce such, and then have members add their thoughts and implementation concerns about the potential directions. This prompted a call with Tom Hennick, Public Education Officer, CT Freedom of Information Commission. He recommended against creating an opportunity for discourse outside official meetings.
- Letters (email) were sent 4/15/2021 to Attorneys Ritter and Grogins regarding their attendance at our May 3 meeting. Questions from the Work Group's April 1 meeting and reference documents (BoE policies and 2014 BoF minutes) were included. M Ritter has already provided written response. Members confirmed that they had received this response.
- A document on other districts use of non-lapsing accounts from the BOE was distributed.
- Reviewing progress on the workplan tasks (attached)
  - Work Group felt task 1 "Collect and review pertinent information" has been completed.
  - Bob Tait and Tanja Vadas will attend a meeting, possibly on May 24, to describe municipal and school district accounting related to Non-Lapsing (tasks 3 and 4). Discussion on purpose (task 5) will also be beginning.

**NEW BUSINESS:** - None

**OLD BUSINESS:**

- Discussion: Policy related to a Newtown Non-Lapsing Educational Fund
  - Cathy R asked whether the Work Group could start with the existing (June 2020) BOE 3171.1 policy or Administrative Regulation and edit it. Ned S replied with two concerns 1) there is a style question of staring top down from purpose or starting with a straw dog and 2) Policy 3171.1. The BoF raised concerns with the BOE policy going back to April 2020 at a BOE CFF meeting and at the July 13, 2020

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BoF meeting. Deb Z provided further background that Ron Bienkowski, then Director of Business had recommended the insertion of “planned” into the policy revision and that the BoF Chair had raised concerns about that at the BOE CFF meeting. It was pointed out that while Ron B had done the original regulation drafts, the school district’s attorney Matt Ritter had done extensive edits to the regulation. Ned S suggested using the 2014 BoF minutes as a starting document since it was agreeable to by BOE and BOF at the time and was followed until 2020. Work Group discussion clarified history and origins of how Non-Lapsing was established and followed. Discussion turned to Work Group agreement on starting by agreeing to the purpose of a Non-Lapsing Education Fund.

- May 3, 2021 meeting with the Attorneys.
  - Attorneys will be asked to provide their opinion on Newtown’s implementation of 10-248a. Using a virtual coin flip web site, Mr. Grogins was selected to go first. Then each Work Group member will have the opportunity to ask new, clarifying or follow-up questions.
  - Deb Z provided a follow-up question regarding Mr. Ritter’s response to Question 3.a answer that “*No other funds may be deposited into a nonlapsing account . . .*” Her concern: The reliance solely on unexpended funds may impede the ability to use the non-lapsing fund in a “planful” manner. For example, some Newtown officials have floated the idea of using the non-lapsing fund to help manage contingencies outside of the BoE operational budget. To make this use viable, there must be a means to ensure the fund contains an adequate amount to cover contingencies. If all available contingency is exhausted during a given year, then the BoE surplus funds may not be sufficient to refill the account, and so added contingency funds might need to be included in the operational budget again. Doing so could cause notable variations in the budget from year to year, something that the Town is trying to avoid. She also gave examples of town’s that had considered the option to approve additional funding.
  - Ned S stated that he would ask Mr. Ritter follow-up questions regarding question 3b. The background for this relates to BOE 2019 request to designate \$63,000 of the Non-Lapsing deposit for Special Education. The BoF at the time stated that such designation was internal to the BOE and that any use of Non-Lapsing funds, Special Education or otherwise required BoF approval. Mr. Ritter’s response references deposits, but not subsequent use of funds.
  - Dan D stated that he would ask the attorneys about the concept of “planned” use of funds. The word “planned” does not appear in Mr. Ritter’s opinion but was the focus of disagreement between the BOE and BoF.
  - There was discussion about how to have a policy accepted by multiple town bodies, where it would be memorialized and what would inhibit a future town body from ignoring the agreed to policy or changing their aspects of the policy. The Work Group will have to address such questions.

### **ADJOURNMENT**

Deborra Zukowski made a motion to adjourn. Cathy Reiss seconded. All members were in favor and the meeting was adjourned at 8:33 pm.

Respectfully submitted,

Ned Simpson, Chair

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## **Attachment A**

### **Work Group 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. Grogins) parameters we should work within.  
May 3, 2021 special 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 purpose of Newtown's Non-Lapsing Educational Account
6. Define policy for funds going into the account
7. Define policy for funds coming out of the Account
8. Define roles and responsibilities of the BOE and town fiscal authority relative to the Non-Lapsing 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