

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

Meeting Minutes
Thursday, July 1, 2021 Virtual Regular Meeting

These minutes are subject to approval by the Joint Non-Lapsing Work Group

Present: Dan Delia, Chris Eide, Cathy Reiss, Ned Simpson, Debbie Leidlein and John Madzula II

Chair Ned Simpson called the meeting to order at 7:32 p.m. Attendees saluted the American Flag.

VOTER COMMENTS - None

APPROVAL OF MINUTES

Chris Eide moved approval of June 28, 2021 Minutes. Cathy Reiss seconded.

Changes: Under Approval of Minutes, the approved minutes were from June 3, not May 3. Under communications, it should read “minutes and comments”.

Five in, favor Debbie L abstained as she was not at the meeting, and motion passed

COMMUNICATIONS

Deb Zukowski send an email 6/29/2021 withdrawing from the Non-Lapsing Work Group

Ned S send a proposed draft Preamble for future discussion

NEW BUSINESS: - None

OLD BUSINESS:

- Discussion: Policy related to a Newtown Non-Lapsing Educational Fund
 - Cathy R proposed that if the policy could not be completed tonight the work group would next meet in September 2021. John M, Dan D and Debbie L supported.
 - Discussion of name concluded it will be “Nonlapsing Educational Fund”
 - Discussion of specific description of wording for the “simultaneous” approval path accepted last meeting. Attachment A has the standard meeting schedule for two months. While this approach is intended for both deposit and use approval, the discussion focused on deposits. The end of August, in the past and in BOE Policy 3160 has been set as the timeframe for approval of deposits to fall within the broader fiscal year end schedule.
 - Responding to Debbie L comments about the number of meetings the BOE would need to attend, Chris E offered that there should be differentiation between what the BoF considers (financial aspects) and a more wholistic consideration from LC. In which case the BOE may not have to go to the BoF meeting.
 - Discussion turned variations on having the BOE present to a joint LC and BoF meeting.
 - Ned S related that the BoF over the past 18 months discussed being the second of three approvals and how to minimize the resulting redundancy. Setting parameters which if met would result in skipping BoF review. There should be many opportunities for eliminating review steps the BOE must take to deposit or spend Nonlapsing funds. He provided some examples: 1) No separate review if Nonlapsing funds are used for an approved First Year

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CIP Capital Asset Project. 2) no BoF (or LC) formal review if a deposit is under \$20,000. The group for various reasons did not embrace this approach

- There was support for identifying that the BOE drive a schedule to present to a joint LC and BoF meeting by the first week of September. Discussion returned to timing and whether a form of section i and ii from the document in last weeks minutes should be included. They were not.
- When Section 2.B statement was addressed, (1:16) the phrase “the Nonlapsing fund may accumulate without limitation...” was discussed. Ned S relayed that an unlimited Nonlapsing fund which grow to millions of dollars was strongly opposed by the BoF. Chris E stated that if the work group’s policy is adopted by LC and BOE, it is done whether the BoF agrees or not. Cathy R summed the opinions of Chris E, Deb L and herself that there may only be two signatures on the joint policy. ~~The lawyers had stated that the two parties for this policy are the BOE and LC.~~
- There was discussion around whether to joint policy needed to include what is currently in BOE policy and regulation. This led to the inclusion of a statement that this joint policy incorporates but does not superseded existing BOE, LC or BoF policy in the preamble. Ned S suggested that accepting this statement, leaves the existing BOE policy, which is compatible with the statute as the defining policy and further statements in a joint policy is unnecessary. Chris E addressed who “owns” the joint policy and his belief that LC owns deposit aspects and BOE owns spending from the account.
- Cathy R asked whether the text of the statute should be included in the policy. Debbie L described the method BOE uses in including references in their policies.
- A summary of what Attorney Ritter said to the BOE CFF Committee in 2020 and what was reviewed by this Work Group, was distributed today. (Attachment C) Ned S asked that it be considered for inclusion in the Preamble. John M pointed out that this document should provide guidance to future boards on why we did this. He used the analogy of the “Comments” section of laws that provide the spirit of what was discussed on the legislative floor.
- Section 3 was revisited for Debbie L feelings on what was done last meeting. She indicated that she sees value in defining the most likely uses of the fund and a catchall statement. Dan D pointed out that regardless of the joint policy the BOE would likely keep the detail wording in their policy and regulation.
- Discussion on Section 4 revolved around annual reporting, and where and when the report would go: LC, BoF, and/or Finance director.
- When it got to Section 5, concern was expressed that discussion of this section could be lengthy. It was suggested that the section is redundant with what has been stated above. Debbie L wanted to clarify that this wording was added to refute the idea that the BOE would consider the Nonlapsing fund as another revenue stream.
- For next meeting:
 - Members will review the draft Preamble Ned S circulated for possible inclusion in policy

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- Dan D will check with Tanya V regarding the timing and wording of summary of the Nonlapsing fund's balance and expenditures.
- Ned S will work with members to set a September date for the next meeting
- Cathy R will tidy-up the document shed edited during the meeting discussion and send it to Ned S for the minutes.
- Given the Holiday, Ned S will have meeting motions submitted for posting by tomorrow morning. Minutes will be completed next week
- As discussed last meeting, the BOE will go directly to LC for approval of what is expected to be a modest (\$14,000) deposit to Nonlapsing this year

VOTER COMMENTS - None

ANNOUNCEMENTS –

ADJOURNMENT

Dan Delia made a motion to adjourn. Cathy Reiss seconded. All members were in favor and the meeting was adjourned at 9:50 pm.

Respectfully submitted,

Ned Simpson, Chair

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Attachment A

Regular Meetings

Example August

	Monday	Tuesday	Wednesday	Thursday	Friday
Week1	BOS	BOE (1st meeting of the month)	LC (1st meeting of the month)		
Week 2	BoF (1st meeting of the month)	Library Trustees			
Week 3	BOS	BOE (2nd meeting of the month)	LC (2nd meeting of the month)	Sustainable Energy	
Week 4		PB&S		BoF (2nd meeting of the month)	
Week 5					

Example September

	Monday	Tuesday	Wednesday	Thursday	Friday
Week1 (6)	BOS	BOE (1 st meeting)	LC (1 st meeting)		
Week 2 (7)	BoF (1 st meeting)	Library Trustees			
Week 3 (8)	BOS	BOE (2 nd meeting)	LC (2 nd meeting)	Sustainable Energy	
Week 4 (9)		PB&S		BoF (2 nd meeting)	
Week 5 (10)					

Attachment B – Joint Group Working Draft

Cathy R scribed the discussed changes into the following working draft of the policy

Business and Non-Instructional Operations

Non-Lapsing Education Fund

Section 1. Preamble

The Board of Finance of the Town of Newtown established a Non-Lapsing Fund (the “Non-Lapsing Fund”) in accordance with Connecticut General Statutes 10-248a¹ on May 12, 2014.

The purpose of this policy is to work within the spirit of cooperation and the law. This policy works conjointly with any Board of Education, Board of Finance and Legislative Council practices and does not supersede them.

Section 2. Deposits into Non-Lapsing

The Board of Education may, subject to the approval of **the Legislative Council considering recommendation from the Board of Finance**, deposit into the Non-Lapsing Fund all or a portion of any unexpended funds from the prior fiscal year from the budgeted appropriation for education for the Town, provided that the amount deposited into the Non-Lapsing Fund shall not exceed the amount set forth in Section 10-248a of the Connecticut General Statutes. The **Legislative Council considering recommendation from the Board of Finance** may authorize deposits into the Non-Lapsing Fund in each fiscal year such that the total amount in the Non-Lapsing Fund may accumulate without limitation over time if not expended.

- A. The Board of Education will send notice to the Legislative Council of their desire to present their request to a joint meeting of the Board of Finance and the Legislative Council to be held no later than the first week of September.**

¹ ~~Sec. 10-248a. Unexpended education funds account. For the fiscal year ending June 30, 2020, and each fiscal year thereafter, notwithstanding any provision of the general statutes or any special act, municipal charter, home rule ordinance or other ordinance, the board of finance in each town having a board of finance, the board of selectman in each town having no board of finance or the authority making appropriations for the school district for each town may deposit into a nonlapsing account any unexpended funds from the prior fiscal year from the budgeted appropriation for education for the town, provided (1) such deposited amount does not exceed two per cent of the total budgeted appropriation for education for such prior fiscal year, (2) each expenditure from such account shall be made only for educational purposes, and (3) each such expenditure shall be authorized by the local board of education for such town.~~

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Section 3. Use of Funds

A. The Board of Education shall, subject to the approval of the Legislative Council considering recommendation from the Board of Finance, authorize expenditures from the Non-Lapsing Fund for any expenses that the Board of Education determines are necessary to support students or that are in the best interests of the Newtown Public Schools.

B. Each such expenditure from the Non-Lapsing Fund shall be authorized by The Board of Education.

C. As part of the communication in Section 2. A. above, the Board of Education will provide a written summary of the Non-Lapsing Fund's balance and expenditures for the prior fiscal year. (Note: add timing – Dan will check with Tanya).

Section 4. Educational Purposes

The Non-Lapsing Fund balance comes from an appropriation that was approved by the voters of the Town for educational purposes and the Board of Education shall use the Non-Lapsing Fund for educational purposes. The Board of Education shall not consider the Non-Lapsing Fund as a source of funding which may be used to reduce the annual appropriation for education by the Town.

Approved by Board of Education: _____.

Adopted by Board of Finance: _____.

Approved by Legislative Council: _____