

**EAST LYME BOARD OF FINANCE  
SPECIAL MEETING MINUTES  
Wednesday, MAY 25th, 2016**

Members In Attendance: Steve Harney, Chairman  
Lisa Picarazzi, Secretary  
Camille Alberti  
Beth Hogan  
Jason Pazzaglia  
William Weber

FILED IN EAST LYME  
CONNECTICUT  
*May 27 2016* AT *10:10* AM/PM  
*Fallenbaum*  
EAST LYME TOWN CLERK

Also In Attendance: Mark Nickerson, First Selectman  
Anna Johnson, Finance Director  
John McCulloch, Tax Collector

Absent: No One

**A. Call Special Meeting to Order**

Chairman Harney called this Special Meeting of the East Lyme Board of Finance to order at 6:30 PM.

**B. Pledge of Allegiance**

The Pledge was observed.

**C. New Business**

- o **Set the Mil Rate for the FY 2016/17 Budget**

Mr. Harney noted that the budget had gone to referendum and had passed.

Ms. Johnson said that when the budget was set that they were looking to raise a certain amount however since that time the Town is getting \$259,118 less from the State. They had originally thought that they would raise the mil rate by .59 however now in order to cover the \$259,118 shortfall it would require a .71 mil rate increase instead.

Mr. Harney called for discussion.

Ms. Alberti said that at the last regular meeting that there was hesitancy to take the new shortfall from fund balance and that Ms. Johnson had indicated that it would affect the bond rating. She presented information (attached) indicating that the February 2010 bond rating for the Town was an Aa<sup>3</sup> and that the current bond rating for the Town is better at an Aa<sup>2</sup>. There has been a steady increase to the fund balance and while \$570,000 may be returned to fund balance by the end of this fiscal year – that would be an 11% increase to the fund balance over the last year. If they were to take the \$259,000 from that, they would still return \$310,000 and the fund balance would increase by 6% for an overall 14% increase in the 2012-2016 time frame. She said that she does not think it would be risking our good bond rating and noted that the increase to the budget this year is less than it was last year. Also – last year the budget passed at referendum with a 74% approval and this year the approval rate was 62%. She said that she sees this as an indication that they are reaching a saturation point and she cannot recommend increasing the mil rate over what was originally suggested.

Ms. Hogan asked if they were to agree with Ms. Alberti – would the \$310,000 still maintain the 8% fund balance.

Ms. Johnson said that she does not think that it would and she also thinks that it would jeopardize our rating. She also noted the current health insurance situation at present and the hope that it will get better in the next fiscal year. \$5.5M in fund balance would equal 8%.

Mr. Weber said that he still thinks that next year will be worse for them as the State will have a larger deficit. He said that his opinion is to raise the mil rate to cover the added shortfall from the State.

(Note: 6:40 PM - Ms. Picarazzi joined the meeting)

Mr. Pazzaglia said that he sits somewhere in the middle on this and can see both sides. He suggested that maybe they could consider splitting the \$260,000 cut.

Mr. Nickerson offered the following suggestion – they could increase the mil rate to cover half of the \$260,000 and challenge him and Mr. Newton to find the rest during the year. Take half (\$130,000) from the budget and increase the mil rate by the other half (\$130,000).

Mr. Harney noted that this would mean a .65 mil rate increase rather than the .71 and that the new mil rate would be 25.36. He called for a motion.

**\*\*MOTION (1)**

Ms. Hogan moved to set a mil rate of 25.36 for FY 2016/17 for the Town of East Lyme.

Mr. Weber seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

o **Discussion/Action Tax Collection Suspense List 2000-2014 in the amount of \$44,905.08**

John McCulloch, Tax Collector stated that the Suspense List is a compilation of past due motor vehicle and personal property taxes that have been deemed uncollectible at this time for various reasons but are not abated as a tax liability and are collectible. (Attachment) He noted that this year there was a \$9000 increase over last year.

Ms. Hogan asked how often they check on these to see if the people pop up.

Mr. McCulloch said that people re-entering the State cannot register without paying up.

**\*\*MOTION (2)**

Mr. Weber moved to accept the 2000-2014 Suspense List as presented at \$44,905.08.

Ms. Hogan seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

o **Audit RFP**

Ms. Johnson explained that the Audit RFP was sent out on May 13, 2016. There were 19 firms on the State list and she sent out to 11 with the return by date of Wednesday June 8, 2016. She noted that the last time they reviewed the responses that they used a five member selection committee comprised of her, Mr. Nickerson, the School Finance Officer and two members from this Board. She said that she would be looking to do interviews the week of June 13, 2016.

**D. Board Comments**

Mr. Harney called for comments from the Board –

There were none.

**E. Adjournment**

**\*\*MOTION (3)**

Ms. Picarazzi moved to adjourn this Special Meeting of the East Lyme Board of Finance at 7:00 PM.

Ms. Alberti seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary

Town of East Lyme  
 Balance Sheet - Governmental Funds  
 "Unassigned" Fund Balance

Info compiled by Camille Alberti, Board of Finance

	Actual	YOY \$ Increase	YOY % Increase	2012 - 2016 \$ Increase	2012 - 2016 % Increase	Moody's Bond Rating
February 10, 2010						Aa3
June 30, 2012	\$ 4,815,763					
June 30, 2013	\$ 4,925,156	\$ 109,393	2.27%			
June 30, 2014	\$ 4,827,865	\$ (97,291)	-1.98%			
June 30, 2015	\$ 5,183,376	\$ 355,511	7.36%			
	Projected					
	Ending Balance *					
June 30, 2016	\$ 5,753,376	1 \$ 570,000	11.00%	\$ 937,613	19.47%	
June 30, 2016	\$ 5,493,376	2 \$ 310,000	5.98%	\$ 677,613	14.07%	Aa2
						3

Notes:

1. Per Anna Johnson (5/11/16)
2. Balance if \$260k taken from fund balance to cover revenue short-fall
3. Per Moodys.com (7/1/15)

Submitted by Ms. Alberti BOF Spec. Mtg. 5/25/16

# Town of



# East Lyme

P.O. Drawer 511

Niantic, Connecticut 06357

John H. McCulloch  
Tax Collector

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May 25, 2016  
Board of Finance  
Town of East Lyme  
Niantic, CT 06357

The suspense list submitted is a compilation of past due motor vehicle and personal property taxes that have been deemed uncollectible at this time for various reasons. Items transferred to suspense are removed from consideration as assets of the town but are not abated as a tax liability of the person against whom it was levied and are collectible.

The attached suspense list (submitted May 11, 2016) totals \$44,905.08 (an increase of \$9,621.11 from last year) which represents 341 individual accounts (24 less than last year). The breakdown of accounts is:

77% Motor Vehicles                      23% Personal Property

The oldest Motor Vehicle accounts go back to 2004; the majority of the accounts are for the grand list years of 2009, 2010 and 2011. The motor vehicle account which totals \$34,583.36, is made up of one hundred-forty-three mail returned tax bills, as well as 28 deceased/insolvent estates and four bankruptcies on file.

One hundred fifty-six accounts have moved out of state, we continue to search for current addresses via the internet as well as using the Department of Motor Vehicles. Motor vehicle registrations are denied until tax obligations to the Town of East Lyme are met.

The total Personal Property is \$ 10,321.72, which is made up of 41 accounts. This list includes twenty-nine out of business, eight out of state and four not found.

The current fiscal year marks the sixth consecutive use of lock - box payments by the Tax Office in association with WEBSTER BANK. We incorporated WEBSTER'S lock -box system for both the July and January timely payments. Lock-box processed 9,568 tax bills totaling \$11,030,246.15 in revenue payments. This alleviated the office of having to process almost a third of the current tax bills resulting in the immediate placement of revenue in the General Fund and allowing the staff to serve the other taxpayers more efficiently at the counter or on the phone.

John H. McCulloch, CCMC  
Tax Collector, Town of East Lyme

cc: Board Members

*Attachment - submitted BOT Spec. 5/25/16*