

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, AUGUST 8th, 2018**

Members in Attendance: William Weber, Chairman
Lisa Picarazzi, Vice Chairperson
Camille Alberti
John Birmingham
Anne Santoro

Also In Attendance: Mark Nickerson, First Selectman
Anna Johnson, Finance Director
Joseph Bragaw, Director of Public Works
Steve Wargo, Niantic, Fire chief
John Foier, Flanders Deputy Fire Chief

Absent: Jason Pazzaglia

A. Call Meeting to Order

Chairman Weber called this Regular Meeting of the East Lyme Board of Finance to order at 7:00 PM.

B. Pledge of Allegiance

The Pledge was observed.

C. Delegations

Mr. Weber called for delegations.
There were no delegations.

D. Approval of Minutes

▪ **Special Meeting – April 3, 2018**

Mr. Weber called for a motion for approval or any changes to the Board of Finance Special Meeting Minutes of April 3, 2018.

****MOTION (1)**

Ms. Picarazzi moved to approve the Board of Finance Special Meeting Minutes of April 3, 2018 as presented.

Mr. Birmingham seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

▪ **Special Meeting – April 5, 2018**

Mr. Weber called for a motion for approval or any changes to the Board of Finance Special Meeting Minutes of April 5, 2018.

****MOTION (2)**

Mr. Birmingham moved to approve the Board of Finance Special Meeting Minutes of April 5, 2018 as presented.

Ms. Santoro seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

▪ **Special Meeting – April 9, 2018**

Mr. Weber called for a motion for approval or any changes to the Board of Finance Special Meeting Minutes of April 9, 2018.

****MOTION (3)**

FILED

Aug 13 2018 AT 10:10 AM/PM
Camille Alberti
EAST LYME TOWN CLERK

Mr. Birmingham moved to approve the Board of Finance Special Meeting Minutes of April 9, 2018 as presented.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

▪ **Regular Meeting – April 11, 2018**

Mr. Weber called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of April 11, 2018.

****MOTION (4)**

Ms. Picarazzi moved to approve the Board of Finance Regular Meeting Minutes of April 11, 2018 as presented.

Ms. Santoro seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

▪ **Public Hearing – April 30, 2018**

Mr. Weber called for a motion for approval or any changes to the Board of Finance Public Hearing Minutes of April 30, 2018.

****MOTION (5)**

Ms. Santoro moved to approve the Board of Finance Public Hearing Minutes of April 30, 2018 as presented.

Ms. Alberti seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

▪ **Special Meeting – April 30, 2018**

Mr. Weber called for a motion for approval or any changes to the Board of Finance Special Meeting Minutes of April 30, 2018.

****MOTION (6)**

Mr. Birmingham moved to approve the Board of Finance Special Meeting Minutes of April 30, 2018 as presented.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

▪ **Special Meeting – May 30, 2018**

Mr. Weber called for a motion for approval or any changes to the Board of Finance Special Meeting Minutes of May 30, 2018.

****MOTION (7)**

Mr. Birmingham moved to approve the Board of Finance Special Meeting Minutes of May 30, 2018 as presented.

Ms. Santoro seconded the motion.

Vote: 4 – 0 – 1. Motion passed.

Abstained: Ms. Alberti

▪ **Regular Meeting – June 13, 2018**

Mr. Weber called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of June 13, 2018.

Mr. Birmingham asked that on Page 4 in the middle of the page where Mr. Bragaw and Ms. Johnson are speaking that the \$960,000 be changed to correctly read: \$950,000 in bond funds.

****MOTION (8)**

Ms. Santoro moved to approve the Board of Finance Regular Meeting Minutes of June 13, 2018 as amended.

Mr. Birmingham seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

E. Reports

◆ Board of Education

There was no one present from the Board of Education and no report.

◆ First Selectman

Mr. Nickerson reported on the following:

- It has been a good summer here; the new Park downtown is beautiful and has been well received.
- The Celebrate East Lyme event each year just gets better and better as well as the other events throughout the area.
- Mr. Smith our Building Official submitted his resignation and his last day is this coming Friday. Steve Way will work in the interim for six months while they decide the direction that they will be going in. Steve has been coordinating the inspection efforts with the school projects.
- The Primary is August 14, 2018.
- Miracle League continues to grow. There will be an Oyster Fest on October 6, 2018 on the St. John's property to benefit Miracle League and also a Mega Sports gala on October 16, 2018 at Mohegan Sun.
- They are aggressively looking at Health Insurance alternatives and have been looking into the CT 2.0 Plan and are putting provisions in the contract in the event that a change is made. A re-calculation on where we stand will be done in March of 2019 to see what the best deal may be on both the school and town sides.
- As there has been vandalism at the Parks, the East Lyme Public Trust has donated \$10,000 for HD cameras to be installed at the Parks so that they will be able to better identify people. They are also working out an agreement with Broadband on the connection.
- Costco has been approved for the spot at Gateway and the State DOT has approved the necessary changes. Once the project starts it will be a 16 month project. Opening is anticipated in late 2019.
- As they all know it is a very tight budget and they are noticing some slowing of getting to some of the services, which was to be expected and which they will work through.

Ms. Picarazzi asked if the resignation of Mr. Smith was a surprise.

Mr. Nickerson said no.

Ms. Picarazzi asked how long Brown & Brown have been the healthcare consultants.

Mr. Nickerson and Ms. Johnson said that it has been a number of years.

Ms. Picarazzi asked if they go out to bid on that.

Ms. Johnson said that they haven't.

Mr. Nickerson noted that they have a good partnership.

Ms. Picarazzi asked how they are paid.

Ms. Johnson said that it is on a percentage fee basis.

Ms. Alberti said that she would think that they would want multiple plans to be considered.

Ms. Picarazzi said that in the spirit of doing their best that she would like to see some comparisons.

Ms. Picarazzi asked if the school projects are on schedule.

Mr. Nickerson said that Mr. O'Connor the Town Building Committee Chair and his people do a great job of staying on top of this.

Ms. Picarazzi asked what percentage the Miracle League has achieved towards their goal.

Mr. Nickerson said that it is around \$200,000 as the large donors have not come on yet.

Ms. Picarazzi asked if once they have the money to get the field where the money is going to come from to maintain it.

Mr. Nickerson said that they will continue to raise funds to support it. There may also be some in-kind services.

Ms. Picarazzi asked if the driving range would close when Costco comes in.

Mr. Nickerson said that there is plenty of room there and that is a separate parcel.

Ms. Picarazzi asked if they could add review Healthcare/Brown & Brown to their running item list.

Mr. Weber said yes.

Ms. Picarazzi asked what the expected revenue from Costco is.

Mr. Nickerson said that a rough estimate would be a half million plus there are the other co-anchors and the other apartments that will be built.

Ms. Santoro asked what the time table was for the other stores.

Mr. Nickerson said that he would guess five years.

Mr. Weber noted that as we are self-insured; when they would be able to switch on insurance.

Mr. Nickerson said that July 1st would be the time as they have put money up front and they do not want to lose it.

Ms. Johnson added that the employees have also met some of the dollar amounts and you would not want to start all over in one fiscal year.

Mr. Weber asked if there was any way with the Celebrate East Lyme event to try to make some money back to pay for the Police coverage and the employee overtime to set-up and clean-up for the event.

Mr. Nickerson said that they are working on it.

Ms. Alberti asked if there has been any feedback on how the brick and mortars do during the Celebrate East Lyme event.

Mr. Nickerson said that some do really well. He added that there is an intrinsic value to showcasing the area.

◆ Finance Director

Ms. Johnson said that she had provided them with the reports in their folders this evening. She said that at year end closing that she expects a little over \$200,000 in positive operating in addition to not using any fund balance. They had a bond sale and they may be able to be moved up a notch which would be good. They had six bids on bonds.

Ms. Alberti asked the term on the notes.

Ms. Johnson said that the 1.7482% rate on notes if for one issue with a one year maturity; the bonds are 20 year bonds.

Mr. Nickerson noted that it was a very tough year last year with the State budget cuts however we got through it. Our fund balance should rise a bit closer to 8%.

Ms. Johnson said that it is around \$5.7M

Ms. Picarazzi asked Ms. Johnson if she had any concerns.

Ms. Johnson said that she has not finished processing that tax payments yet so next month they would have the July and August reports. She asked if the sample balance sheet that she had provided them with is what they were looking for.

Ms. Alberti said that it is not exactly what she was looking for. She said that she would provide Ms. Johnson with the couple of items that she is looking for. She asked Ms. Johnson how much is in the operational checking account.

Ms. Johnson said that there is probably around \$18M as they have just finished with taxes. They will be moving it shortly.

Ms. Johnson explained the Health Insurance projections through FY 18-19 and where they might be. She noted that the 28% premium increase has helped them somewhat.

Ms. Alberti asked what defines a large claim.

Ms. Johnson said that once a claim hits half of the \$125,000 stop loss that it is considered a large claim.

F. New Business

a. Special Appropriation NSEP Grant \$4,718 Emergency Management

Mr. Nickerson explained that this is the annual Nuclear Safety Emergency Program Grant. They requested the fully loaded laptop and bookcases and conference table as itemized for the EOC.

Mr. Weber noted that this does not impact the Town funds.

**MOTION (9)

Ms. Alberti moved to approve a special appropriation in the amount of \$4,718.00 to budget account 01-70-725-224-006 (NSEP Equipment) and revenue account 01-04-400-401 (NSEP Grants) to cover the cost of purchasing computer equipment and office furniture for the EOC.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

b. Contingency Transfer \$12,600 – Building Maintenance Custodians

Mr. Bragaw explained that the employee that this involves is looking to retire but in the meantime will be out on medical. The position is full time and they are looking for a person to step in and fill in and keep the services moving at the Community center. They would be looking to elevate this fill-in person to 40 hours once the current full time person retires.

Ms. Picarazzi asked what if the person does not leave.

Mr. Bragaw said that they are not hiring a full time person in until the person actually leaves. This person is only filling in while the person is out on medical leave. They are a fill-in person.

Ms. Picarazzi said that there is no commitment unless and until the current full time person leaves. For now it would be just a fill in.

Mr. Bragaw said that was correct.

Ms. Alberti asked about the Contingency balance as it is the first time they are using it.

Ms. Johnson said yes.

Ms. Alberti noted that this is the type of running information that she was looking for. (Start \$153,203 less \$12,600, leaving \$140,603)

****MOTION (10)**

Ms. Picarazzi moved to appropriate and transfer \$12,600 from account 01-01-120-200-500 (Contingency) to account 01-01-113-100-311 Custodians.

Mr. Birmingham seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

c. Discussion – Fire Study Recommendations

Mr. Nickerson said that there were 21 recommendations and that some are works in progress while many are accomplished.

Ms. Santoro said that she found six items that were related to them.

Niantic Chief Wargo said that the only thing not implemented is the hiring of a FT Career Fire Chief.

Mr. Weber asked the Chiefs to go through their ideas.

Chief Wargo said that he grew up in this Town and has been involved with it for many years. He felt that this study was a good thing to do, see and have. A lot of the items on it have been accomplished except for the FT Career Fire Chief which would cost them well over \$100,000/year.

Mr. Nickerson noted that these Chiefs and their departments have been working really well together and that perhaps some time out in the future they may consider a different direction but for the time being, they are working well together. They have a new Fire Marshal, Chris Taylor and Mike Finkelstein heads the EOC and between the four of them they can work out anything necessary.

Chief Wargo continued that once a week they are hitting all of the schools and that Mr. Taylor is doing a great job with keeping them involved.

Ms. Picarazzi asked about the purchasing, Item six.

Chief Wargo and Flanders Deputy Chief Foier explained that for the last couple of years they have been making major equipment purchases from the same vendors jointly.

Ms. Santoro asked about the East Lyme Ambulance Association and any formal agreement between them and the Town.

Mr. Nickerson explained that the EL Ambulance Assoc. conveys in-kind and monetary services to the Town and that it is very generous.

Chief Wargo added that in July for Niantic alone they did 206 runs – the run volume is increasing. They are licensed by the State to be the ambulance provider to the Town.

Ms. Santoro suggested that perhaps the Chiefs could respond to the recommendations and give an update/progress report on what they are doing for the public.

Chief Wargo stressed that they work together really well. He noted that no one has called them about any of the items.

Ms. Santoro suggested that they put a recruitment ad on the website.

Chief Wargo said that they have banners out advertising.

Ms. Santoro asked about the CIP, #16.

Mr. Nickerson said that the CIP already exists and he is not sure how the study missed it.

Ms. Picarazzi asked what items yielded the most 'fruit'.

Chief Wargo said that everyone coming together and working together to effect change and to get things done is a totally different environment.

The Board thanked Chief Wargo and Deputy Chief Foier.

d. Review Plan for Implementation of 6/30/2018 Audit Comments

Ms. Johnson noted that she had provided them with an update on all the items listed in the management letter.

Mr. Birmingham asked how often Ms. Johnson meets with the BOE finance Director.

Ms. Johnson said that they speak frequently.

Mr. Nickerson added that he meets with them monthly and sometimes more frequently.

Ms. Johnson noted that there was a comment on segregation of duties and Mr. Bassett said that it would be something that he would document in a procedures manual.

Ms. Picarazzi asked to see the report update each month.

Ms. Johnson said she would provide it.

Mr. Nickerson asked Ms. Johnson if RSM could come up with what current practices they feel we should have documented.

Ms. Alberti said that she would be willing to help with that process.

Mr. Weber said that he thinks that the first thing is to get a list of the policies and then get other Towns information to review.

Ms. Alberti said that she would work with Ms. Johnson on it.

G. Old Business

▪ Discussion – Board of Finance Action List Budget

Ms. Santoro asked that they add – Fund Balance review during the year.

Ms. Johnson said that she could put that in their packets periodically.

Mr. Weber noted the following items to add or discuss at a later time –

- List of necessary procedures (RSM input)
- Revisit monthly healthcare issues/update
- Grants – sources of – Discuss
- Develop a priority for the Action Item Listing

▪ Purchasing Policy

Ms. Santoro and Mr. Weber said that all the items were discussed in subcommittee.

Mr. Weber said that the Board of Selectmen will have the Purchasing Policy on an upcoming agenda.

Mr. Nickerson said that it would be in September.

Ms. Picarazzi asked what happened to her four pages of suggestions; in particular her comment on local contractors.

Ms. Santoro said that some made it in when the subcommittee met.

Mr. Weber said that the subcommittee debated for quite some time on allowing local contractors to meet the lowest bid and in the end they found it disingenuous to the process.

Ms. Picarazzi said that she is not in agreement with that.

Mr. Nickerson said that it could go either way and that Ms. Picarazzi could comment at the Board of Selectmen meeting if she wished to.

Ms. Santoro said that there is nothing in the policy that prohibits local contractors from applying.

Ms. Santoro and Mr. Weber again said that all the items were discussed in subcommittee at length.

Ms. Alberti asked what measures will be in place to ensure that certain vendors won't be chosen over others.

Ms. Santoro said that she had spun ethics into it so that there would not be favoritism. She said that she was happy with the policy areas that honed in on fairness and ethics of procedures and procurement. The general tone was to remain neutral and to not appear to have a preference. She said that they could put a line in noting that local contractors are encouraged to apply.

Ms. Picarazzi said that she would agree with that.

H. Public Discussion

Mr. Weber called for Public Discussion.

There was none.

I. Board Comments

Mr. Weber called for any comments from the Board.

There were none.

J. Adjournment

Mr. Weber called for a motion to adjourn.

****MOTION (11)**

Ms. Alberti moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 10:09 PM.

Ms. Santoro seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary