

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, SEPTEMBER 12th, 2018**

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

Also In Attendance: Mark Nickerson, First Selectman
Jeffrey Newton, Superintendent of Schools
Jaime Barr Shelburn, Board of Ed Representative
Anna Johnson, Finance Director

Absent: Camille Alberti

A. Call Meeting to Order

Chairman Weber called this Regular Meeting of the East Lyme Board of Finance to order at 7:02 PM.

B. Pledge of Allegiance

The Pledge was observed.

C. Delegations

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

D. Approval of Minutes

▪ **Regular Meeting – August 8, 2018**

Mr. Weber called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of August 8, 2018.

****MOTION (1)**

Ms. Santoro moved to approve the Board of Finance Special Regular Meeting Minutes of August 8, 2018 as presented.

Ms. Picarazzi seconded the motion.

Vote: 4 – 0 – 1. Motion passed.

Abstained: Mr. Pazzaglia

E. Reports

◆ **Board of Education**

Jaime Barr Shelburn, Board of Ed Representative reported that teacher contract negotiations have been wrapped up and just need to be voted on. The school year has started off well.

Ms. Picarazzi asked how the school projects were going.

Jeffrey Newton, Superintendent of Schools said that all is going well and that Niantic Center is ahead of schedule.

Mr. Weber asked about the air safety.

Mr. Newton said that all safety measures are and have been in place. Everything is always monitored and checked. He noted that he has heard the rumors that have been going around also but he works closely and very well with the Fire Marshal and Building Official on all of this constantly.

FILED

Sept 18 2018 AT 10:00 AM/PM
Camille Alberti
EAST LYME TOWN CLERK

Mr. Newton noted that this has been his fourth year as Superintendent and that he had compiled a 'State of the District 2015 – 2019' noting the on-going improvements across the East Lyme Public Schools involving the re-alignment, changes, adjustments and improvements in 12 core areas.

These areas are:

Curriculum, Elementary Alignment, Personnel, Safety & Security, District & School Plans, Finance & Facilities, Policy, Student Services, District Recognitions, Legal Services, Relationships and Technology.

There is a five-year long range coherence plan. The three strategic goals are: 1 – Focusing Decisions & System Operations on Student Success; 2 – Collaborative Culture and 3 – Student Centered Learning. Members of the Board were provided with copies of this compilation.

Ms. Picarazzi asked about negotiations noting that she had attended the last one.

Mr. Weber asked that for the future that he be notified of the negotiation meetings more than two (2) days before it happens so that he can set up the date for people from the Board to be able to attend. He also noted his concern over lack of discussion on the turf field replacement plans.

Ms. Barr Shelburn said that they cannot discuss details as the contract has not been voted on yet.

◆ **First Selectman**

Mr. Nickerson said that regarding their concern and interest over the turf field that it may need to be a capital reserve line item as while they have heard about money, they have not seen anything and they have not fund raised for it.

He then reported on the following:

- They are 99% sure that Costco is coming.
- As they know, the elementary schools are being updated. The fire marshal, building Official and Police are all actively involved in the process.
- Main Street will be re-paved, mostly during the evening hours.
- Saunders Point will be re-paved starting on September 17, 2018.
- There will be a public announcement very soon about the need for a Police Station. They had water coming in during the recent heavy rains and this has become a need and not a want. The Police were put in it 14 years ago as a temporary situation and have out-grown it.
- 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.
- Jeffrey's Rainbow Run is this Friday, September 14, 2018.
- He has joined CCM so that he will be closer to the events and information during the budget session.

Ms. Picarazzi asked about the restroom trailer for Cini Park.

Mr. Nickerson said that they have just taken delivery on it so it has been put into storage as the season is just about over.

◆ **Finance Director**

Ms. Johnson said that she had provided them with the reports in their packets and other information was provided in their folders this evening. She said that YTD expenses are a bit higher this year due to insurance.

Mr. Birmingham asked how it is going with Ledge Light and their fee.

Ms. Johnson said that the fee has been fairly level as the prisons have a reduced population and that population number is figured in the overall figure for the fee. She said that she is keeping an eye on the Fire Departments, Emergency Management and also Highway OT is a bit higher.

Mr. Weber noted that the purpose of the dispatcher was to help out with that problem.

Mr. Nickerson said that he thinks that they will make it work out.

Ms. Johnson explained the insurance monthly tracking sheet that she uses.

Mr. Weber noted that last year the monthly average was \$733,000 and it seems that this year so far they are averaging the same.

Ms. Johnson said that after the first six (6) months of activity that she will better be able to see where they are going.

Mr. Nickerson noted that they are seriously considering moving to the CT 2.0 Plan however how they get there may be difficult as we are self-insured and will have to 'run-out' the claims that have to be paid. We are also looking at 'what if' this is the year that things even out and the CT 2.0 Plan would cost more. Language is being negotiated on that now.

Ms. Picarazzi asked what the 'run-out' is now.

Ms. Johnson said that she would not know that until September 20, 2018. Last year it was approximately \$835,000 and the year before that it was over \$900,000.

Ms. Picarazzi asked what the advantage of the CT 2.0 would be.

Mr. Nickerson said that they would not be individually rated, they would share the pool and the rates are somewhat better and much more stable.

Ms. Picarazzi asked if they would still need a broker; she noted that the Board of Ed representative is saying no. She recalled that they had said that it costs \$12 per month per employee for the broker.

Ms. Johnson said that they would discuss it – they may need them for the transition.

Mr. Nickerson noted that their expertise is invaluable to them.

Ms. Santoro asked if they thought that at six months time that they would have enough information to know if it would be advantageous to change.

Mr. Nickerson said that there is a lot of on-board transition – wellness checks, etc. they will discuss it in March – it also involves a three-year commitment.

Mr. Birmingham asked if during the three-year commitment time frame if the rates would be stable.

Mr. Nickerson said no, he added that actually the rates are adjusted quarterly and there is also a fee if they want to bail out although in the third year the bail out fee is cheaper so if the rates were to escalate, it may be worth it. They have to review everything.

Ms. Picarazzi asked if they had to go back to the regular marketplace if they would bid out the consultant service instead of just going back to Brown & Brown.

Mr. Nickerson said that it is Brown & Brown that does the bidding for us so there is some benefit to keeping them as they are familiar with what we need. It is important for them to have this knowledge.

Ms. Picarazzi said that she has a different view and that in the interest of the taxpayers that she would like to see it bid out and to look at other consultants as it is a big chunk of money and she wants it to be competitive.

F. New Business

a. Carry-over balance \$51,564 Retirement Liability Account from 2017/2018 to 2018/2019

Ms. Johnson explained that as of June 30, 2018 the accrued liability of all employees was over \$800,000. They are asking here to carry over the \$51,564 balance from FY 2017-2018 to FY 2018-2019. They need to have a resource as they are having employees retire during the year without prior notice which would have allowed for budgeting for the pay outs.

Mr. Weber said that this is money that was allocated last year but not spent.

Ms. Santoro asked if the balance includes all employees.

Ms. Johnson said yes.

Ms. Santoro asked what Plan B is if they have an unusual number of people leaving.

Ms. Johnson said that Plan B is to offer to pay out the balance over three different dates over nearly a three-year period of time. She noted that they have had takers on this plan.

Ms. Picarazzi asked if they have to pay interest on it.

Ms. Johnson said no.

****MOTION (2)**

Ms. Santoro moved to approve the carry-over of the remaining balance of \$51,564 in account 01-01-114-100-128 (Retirement Liability) from the 2017/18 budget to the 2018/19 fiscal year.

Mr. Birmingham seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

b. 2019-2020 Fiscal Year timing – Town & BOE Acquisition Plan

Mr. Nickerson reviewed this plan explaining what they had discussed about potentially changing it for the upcoming year. He noted that it involves the vehicles that they purchase and that they need to be on-track with them. The police cars and fire trucks are crucial for the Town.

Ms. Johnson explained the importance of going out to bid for the items and how the police vehicles and public works dump trucks are purchased separately and pieces are added after that as part of the process to obtaining the equipment that they need. Now would be the time to discuss this if they are looking to change how it is handled.

Mr. Weber stated that the acquisition plan as such has been in effect for the last 9 or 10 years.

Ms. Johnson said that was correct.

Ms. Picarazzi said that she does not see and adverse consequences in doing it a month later.

Mr. Nickerson and Ms. Johnson said that they still have not seen the new police cars yet and they also need the dump trucks as soon as possible as they have winter breakdowns and need to have the items to put into use. Also, there is zero risk – it goes through the budget process, gets approved and generally we know where the State is with their numbers.

Ms. Santoro said that she does not see risk either. She asked if there is an accounting nuance as she fails to see one.

Ms. Johnson said that there isn't one. They do everything in June so it is all ready to move forward in July.

Mr. Nickerson asked if they would still be staying on the same schedule.

Mr. Weber said yes.

c. Discussion – Other Town Wages & Benefits

Ms. Johnson explained that she had provided them with four Towns wage scales and COLA/benefits from CCM for FY 17/18. She also put in the non-affiliated positions with salary minimum and maximum figures for Towns with comparable population numbers. She noted that there is a difference in the Building Official rate due to the change from Joe to Steve, and in the Fire Marshal reported salary due to the change from Mr. Morris to Mr. Taylor.

Mr. Weber said that it appears to him that we fall within the average ranges however he would like to have the time to review them in more detail and discuss this at a later time.

Ms. Picarazzi said that she had observed that our ranges look very large in comparison to those of other Towns.

Mr. Nickerson said that yes, in some instances that was true.

Mr. Birmingham asked about doing away with the steps on the unaffiliated – when and how.

Ms. Johnson explained that just about everyone got some sort of increase – some were given an added percentage increase in the 401k plan rather than dollars as steps. She said that they were transitioning out of steps at 2.5% but they put 2% in the 401k.

Ms. Picarazzi calculated that by putting 2% in the 401k that the salaries were reduced by one half of one percent – she asked if the taxpayers saved any money with this.

Ms. Johnson clarified that everyone got the 2% salary increase while the 2.5% step increase was added to the 401k.

Mr. Weber said that they would discuss this again after everyone had a chance to further review the information that they had just been provided with.

G. Old Business

▪ **Discussion – Board of Finance Action List**

Ms. Johnson reported that she had met with Ms. Alberti on the policies and procedures and that she is setting up a Table of Contents and they will be going over it.

Mr. Weber asked if they would have to 'vet' the list of policies and procedures through the Board of Selectmen as that is the body that approves these items. He said that they would also want to voice their opinion on this.

Ms. Johnson noted that the Fire Study was taken care of last month.

Ms. Picarazzi asked about the Purchasing Policy.

Ms. Santoro said that it was presented at the last Board of Selectmen meeting. She said that Ms. Picarazzi had spoken at that meeting about local preference and that the concerns from the Board seemed to be with regard to the spending policy of the Board of Education so she is reviewing the language and doing the necessary housekeeping. She also noted that the beginning of the policy has a purpose and it excludes the Board of Ed as they have their own so she suggested clarification of Town procurement on behalf of the BOE (appropriations requirement). The Board of Selectmen can make their changes.

Mr. Nickerson asked that he be provided with a WORD copy so that they can move on this item.

Mr. Pazzaglia asked about an on-call bidder versus going out to bid and of a potential limit to go out to bid.

Ms. Santoro said that she thinks that what they have adequately covers what needs to be covered and that they can see in a year or so what may or may not need to be tweaked and act at that time.

Ms. Santoro noted that she had recently attended a CCM lecture on grant writing and that they have a grant finder tool that keeps you up to date. There is also a webinar by a San Francisco CA based company that they could perhaps have people who are interested in this, review.

Ms. Santoro asked about the Maintenance Facilities Plan for the Board of Ed and the Town and how that was coming along.

Mr. Nickerson said that it is being worked on.

Ms. Picarazzi mentioned having a discussion on perhaps being able to combine items for economies of scale and savings.

Mr. Nickerson said that it is an on-going discussion and that they already do some of that.

Mr. Weber asked if they could have an update on the plan sometime perhaps in January of 2019.

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 (3)**

Mr. Birmingham moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 9:13 PM.

Ms. Santoro seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary