

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, DECEMBER 11th, 2019**

Members in Attendance: Camille Alberti, Chairperson
Ann Cicchiello, Vice-Chairperson
John Birmingham
Peter DeRosa
Anne Santoro
Richard Steel

FILED

Dec 19 2019 AT 10:00 AM/PM
Karen Palm
EAST LYME TOWN CLERK

Also In Attendance: Mark Nickerson, First Selectman
Joe Bragaw, Public Works Director
Brad Kargl, Municipal Utility Director
Ben North, Asst. Municipal Utility Director
Scott Bassett, RSM Auditors
Attorney Edward O'Connell, Town Counsel
Anna Johnson, Finance Director

Absent: No One

A. Call Meeting to Order

Mr. Nickerson 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. Election of Officers

▪ **Chairman**

Mr. Nickerson opened nominations for the position of Chairman of the Board of Finance for 2020

****MOTION (1)**

Mr. DeRosa nominated Ms. Alberti for the position of Chairman of the Board of Finance for 2020.
Mr. Steel seconded the motion.

Mr. Nickerson asked if there were any other nominations –
Hearing none he closed nominations and called for a vote on the nomination.
Vote: 6 – 0 – 0. Motion passed.
Mr. Nickerson passed the chairing of the meeting over to Ms. Alberti.

▪ **Vice Chairperson**

Ms. Alberti thanked everyone and opened nominations for the position of Vice Chairperson of the Board of Finance for 2020.

****MOTION (2)**

Ms. Alberti nominated Ms. Cicchiello for the position of Vice Chairperson of the Board of Finance for 2020 noting that she has served as the Vice Chair on another commission, understands the process and is an Attorney.
Mr. DeRosa seconded the motion.

Ms. Alberti asked if there were any other nominations –

Mr. Birmingham nominated Ms. Santoro for the position of Vice Chairperson of the Board of Finance for 2020 noting that she has been a Board member for a number of years and that she is also an Attorney. Ms. Santoro seconded the motion.

Ms. Alberti asked if there were any other nominations -
Hearing none she closed nominations and called for a vote on the nomination of Ms. Cicchiello -
Vote: 4 – 2 – 0. Motion passed.
Against: Ms. Santoro, Mr. Birmingham

D. Delegations

Ms. Alberti called for delegations.
There were none.

E. Update by Auditor on status of June 30, 2019 Audit

Scott Bassett, partner with RSM, New Haven, CT explained what they do as the auditors for the Town noting that they have been with them for some six (6) years now. He said that they were to provide an update on the audit as the previous years' audit was completed in May of this year. In mid-October they came in to start the audit however the records were not quite ready at that time. They came back on November 10, 2019 and some were done but not enough for them to work on at that time. They currently have received a lot more of the items on the tenth of this month so they will come in next week for some testing. They would like to release the report by the end of December and would like to not have it go beyond that. He suggested that they continue this dialogue. They will start with the General Fund and Capital. While they did not have anything for October, the plan is to still meet the January 31, 2019 deadline.

Ms. Santoro asked if he could return for their January 15, 2020 regular meeting and update them.
Mr. Bassett said yes and added that he should have the preliminary unaudited number by then.

Ms. Alberti asked about the extension and the filing of it.
Mr. Bassett said that it is an automatic one month extension with the State and if they do not meet December this automatically gives them to January 31, 2020. He added that the OPM is looking more carefully at extension granting and is not as easily granting extensions. He said that he would be back to provide a report at their January 2020 meeting.

F. Approval of Minutes

▪ Regular Meeting – October 9, 2019

Ms. Alberti called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of October 9, 2019.

Ms. Alberti asked that on the bottom of Page 2 that BIE be changed to read: BOE

****MOTION (3)**

Ms. Santoro moved to approve the Regular Meeting Minutes of October 9, 2019 as amended.

Ms. Alberti seconded the motion.

Vote: 3 – 0 – 3. Motion passed.

Abstained: Ms. Cicchiello, Mr. DeRosa, Mr. Steel

G. Reports

a. Board of Education

Mr. Nickerson noted that Mr. Newton and the BOE members were at previously scheduled events this evening.

b. First Selectman

Mr. Nickerson reported on the Downtown Holiday Sing and the upcoming Light Parade. He said that he was recently nominated for the Chair of the COG and that the vote would be taken on Monday. He is also on CCM. The Town also received an award for the downtown park area conversion from a gas station/convenience store to positive green space. The Public Safety building work will be going out to bid soon. He said that they have received many resumes for the Fire Marshal position and that the interviews

will start next week. He also reported that there is a new restaurant where Eleni's was; the former Bob's building is being actively marketed and a new warehouse is being built at the beginning of Freedom Way.

Mr. DeRosa congratulated Mr. Nickerson on the COG position.

Ms. Alberti asked about acquiring the Dominion Building on Main Street and how they would market it. Mr. Nickerson said that they have not really gone that far yet as they are looking into a Brownfield Grant. Ms. Alberti asked about a potential asking price and the marketing of the building and how that is determined.

Mr. Nickerson said that the Board of Selectmen decides that at their meetings.

Ms. Alberti requested that the Board of Finance be involved with it.

Mr. Nickerson said that he would look into it and let them know.

Ms. Cicchiello asked if money and those types of negotiations would be in Executive Session of the Board of Selectmen.

Mr. Nickerson said yes.

Mr. Steel asked if Niantic Main Street and others would have some input on how the building would be used and/or marketed as they are the 'downtown'.

Mr. Nickerson said yes there would be input and public meetings however this is all very preliminary at this point in time.

c. Finance Director

Ms. Johnson explained the reports that she provides them with starting with the General Fund Budget Summary.

Ms. Alberti explained that this report originated with a request that Ms. Picarazzi had made. She asked the members if they wanted any changes made to it.

Ms. Santoro said that she likes it as it is as it presents a snap shot in time.

Mr. DeRosa said that he also likes the report as it is.

Ms. Santoro asked for an update on the Health fund deficit amount for the BOE.

Ms. Johnson said that she would get that figure for them.

Ms. Alberti asked about the timing of the last payment for ECS.

Ms. Johnson said April.

Ms. Alberti said that they would keep the report as it is.

Ms. Alberti asked about the East Lyme Ambulance Association noting that she did not see anything listed with regard to the agreement from the last budget cycle on personnel and fees for them.

Ms. Johnson said that she has to bill them and that it is typically done quarterly. Once billed there is about a 30-day turnaround.

Mr. Steel asked about the Public Safety dispatch overtime line item as it is at 94% expended at only half of the fiscal year.

Ms. Johnson said that this department is still struggling and that they have had many people out on extended leave and have had to cover for that.

Ms. Alberti noted that she had requested the Fund Balance Report and that while it does not change that often, she feels that it is a good report to have. She asked if the unassigned fund balance is separate or co-mingled with other funds.

Ms. Johnson said that it is co-mingled but tracked separately. She noted that the starting figure (7/1/2018) was 6.6% at \$4.7M and the projected figure (8/30/2019) is \$5.9M or 8.05%. The amount recommended by the rating agencies in our category is 15%.

Ms. Alberti asked how many different bank accounts there are.

Ms. Johnson said that there are four plus CD accounts that mature at different times.

Ms. Alberti noted that she objected to how the fund balance calculation was done and asked that it be looked into.

Ms. Johnson said that it has always been done this way and that the calculation had been provided by an auditor many years ago.

Ms. Alberti asked about an update on the BOE lawsuit and if it was settled.

(Note: 8:20 PM – Attorney O’Connell left the meeting)

Ms. Johnson said that from what she understands it is settled but continues to be appealed.

Ms. Johnson explained that Ms. Alberti had asked for a CNRE (Capital Non-Recurring) report. She said that it is a perpetual fund that goes from year to year.

Mr. Birmingham noted that approximately \$1.2M are BOE CNRE’s and asked if it comes out of the BOE budget or the Town’s.

Ms. Johnson explained that the LEARN rent would be deposited there and then appropriated out for the items. There also were some State dollars that went into it.

Mr. Birmingham said that all of this is ‘outside’ of the BOE budget even though they contribute some to it.

Mr. Steel questioned the time frame on this perpetual fund.

Ms. Alberti asked that Ms. Johnson tally up what is left that is current and to clean up the list and get the old items off of the report as the report as it stands now is very confusing to review.

(Note: A short break was taken here)

H. New Business

a. Amend Special Appropriation by \$950,000 from \$4,640,000 to \$5,590,000 DWSRF Well 1A and Well 6

Joe Bragaw, Director of Public Works said that Brad Kargl, Water & Sewer Municipal Utility Engineer and Ben North, Water & Sewer Assistant Municipal Utility Engineer were also present this evening to answer questions regarding this item. He said that he would like to provide them with a timeline on this item as it is not a new item; as well as why it is needed. He provided the project outline (copy attached) and made the following notes:

- The EL Water dept. has been having a growing issue with iron & manganese in the water especially in the Flanders Road area of Town
- Well 1A is north of the little league fields by ELMS and serves the Flanders Rd area and is a critical piece of the water system. Well 1A has been experiencing higher levels of iron and manganese which naturally occurs but has caused increased complaints from water customers.
- This project has nothing to do with Costco or Gateway but does have to do with the area that Well 1A serves. The Town and water dept. completed the Interconnection in Town around 6 years ago to address water supply and now need to start addressing this water quality issue.
- This project involves pumping water from Well 1A approx. 1400 feet to the south to Well 6 (near the youth football field). The line would run between LL fields #1 & 2 (on the north side of the fields) then parallel with and along the edge of the middle school lower access road until it gets near the brick Well 6 building where the water line would cross under the road and enter into the well building. A large part of the project involves expanding the Well 6 filtration building to include an additional large greensand filter to accommodate the larger flow of water and to upgrade the equipment and controls to both the Well 1A and 6 buildings. It is not cost effective to build a separate water treatment plant at well 1A as that would cost substantially more than this entire project.
- By running the transmission line parallel to the middle school access road a problem for the Town and the school would be solved as there is no drainage on that road and there is a berm that runs along the road where the water puddles up and is breaking apart the edge of the existing road. This project will remove the existing fence and knock down the berm so this area will now be able to drain. The fence would be re-installed upon completion.
- The project would be paid for out of the EL water dept operating budget which is separate from the Town budget and would then be funded by the water rates as established by the EL W & S Commission every October. To pay for this, the Water dept is looking to take a 2% loan from the State of CT DWSRF – ‘Drinking Water State Revolving Fund’ – the CT DPH (Dept. of Public Health) is supportive of this project and has approved the additional appropriation request.
- In 2018 Tighe & Bond (T & B) provided a figure of \$4,640,000 that they were comfortable would cover this project and contingencies. Bid documents went out in May 2019 after DPH approvals with bid opening June 13. At that time there were extreme limitations on the contractor’s window access to the

site as the school did not want them to be constructing the line while school was in session due to the use of the little league and youth football fields. In this first round of bidding they were giving the contractor the month of November to do the work. This is not only not an ideal time to be doing the work but also extremely limiting so they only got one bidder who came in at over a million above the allotted budget.

- T & B suggested putting fewer limitations on the construction access and to put deduct alternates to provide more flexibility in moving the project forward. This involved re-working the documents so the project was re-advertised on October 10, 2019 with a bid opening this November 14, 2019. In this re-bid they must provide the contractor access between the end and beginning of school next summer (2020) for a 4-5 week period. Due to this, three (3) bids were received with two (2) bids falling within \$30,000 of each other. However; to do this project they need an additional \$950,000 which would insure that they do all the proper alternates and allow enough contingency to complete the project within the funding request.
- The DPH, W & S Commission and Board of Selectmen have already approved this additional appropriation which is why they are here this evening.
- He noted that he had provided them with a water spreadsheet indicating revenue and expenses and potential rate increases. In the previous year he had stated that he was looking to stabilize the rate increases at 2% rather than to have them bounce around as they had been doing in the past. The additional \$950,000 amounts to about \$60,000 more per year over a 20-year period with the 2% loan from the DWSRF. Also, because this project has been delayed a year from the original plan, that would allow for an additional \$400,000 in the debt reserve account which will help to maintain the 2% rate increase over time and level out the operating budget.
- Based on this, he asked that they support this important additional funding request and asked if they had any questions.

Ms. Cicchiello asked about the iron and manganese issue.

Mr. Kargl explained that the project started first as an aesthetic issue – discoloration from the iron but then evolved as the DPH created an action on the manganese levels in the water. Our Well 1A level fluctuates which makes it problematic and this project would allow the solution.

Mr. Steel asked if they are using water to try to mitigate the situation.

Mr. Bragaw said that they are taking more water from New London to help mitigate it and that is why this project needs to move forward.

Mr. Birmingham asked what restrictions kept other contractors from bidding.

Mr. Bragaw said that the very short 2-3 week window in November which was exceptionally restrictive. Companies could not orient their entire business to suit this short window.

Ms. Cicchiello noted the iron and manganese which the DPH has said have to be at a certain level – she asked if people are in any harm.

Mr. Kargl said that when the DPH sets a level and it is exceeded that they have to notify people what it is and how they are mitigating it. He noted that the State is anxious for this project to proceed. He explained that the State came up recently with a .3 level for manganese but stressed that there are NO federal standards for manganese and that there are no penalties.

Ms. Alberti said that iron and manganese are aesthetic issues and that this project will take care of that - but, she asked – what about sodium.

Mr. Kargl explained that much of this comes from road salting; also a lot is due to wanting to avoid slip and falls so areas are salted to prevent this and there is no real way to do anything about it.

Mr. Bragaw further explained that they want the schools salted so that no one will slip and fall as there is great liability associated with this.

Ms. Alberti asked about the water from New London and sodium content.

Mr. Kargl said that there is no manganese or iron and very low sodium, but there is chlorine.

Ms. Alberti said – so – sodium comes from humans and not from the lake.

Mr. Kargl said that was correct.

Ms. Alberti asked how much was paid to Tighe & Bond to come up with the estimates for the bids.

Mr. Bragaw said it was over \$300,000.

Ms. Alberti questioned the figure they came up with being nearly \$1M off.

Mr. Bragaw said that has to do with a number of things – international trade and price fluctuations, timing.

Mr. Kargl added that some tweaking was done on the specs.

Ms. Alberti said that it is the responsibility of this Board to do due diligence for the taxpayers and the ratepayers. She noted that her opinion is that this is a project that has to be done. She asked for further comments or a motion.

****MOTION (4)**

Ms. Santoro moved to approve the RESOLUTION....

SEE ATTACHED (Motion was read into the record).

Mr. Birmingham seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

(This item requires Town Meeting approval)

b. BOF Members discussion of Proposed Budget Process

Due to the lateness of the hour this item was not discussed at this time.

c. BOF Members Discussion of Public Safety Building Project

Ms. Alberti recapped that there was a marathon five (5) hour meeting on the Public Safety building vote. The video which was available is no longer. She noted that she does have it recorded at her home and that if anyone wished to review it she would invite them to see it.

It was proposed that if they have to come back looking for money for the sally ports or holding cells that they would like them to have an idea of what they would need to be proactive on being able to facilitate this process. She said that they could discuss how they want to do this at their next meeting or forward their suggestions to Ms. Santoro who is on the Vision Committee or go to the Vision Committee meeting.

Ms. Cicchiello suggested discussing it at their next meeting or providing the suggestions to Ms. Santoro.

Ms. Santoro noted that they do have updated documents however they are still working documents.

Ms. Alberti said that she would like Ms. Cicchiello to attend the Vision Committee meetings with her and with Ms. Santoro a member of the Vision Committee that would make three (3) from this Board. She said that they should also provide suggestions to Mr. Dagle as well as to Ms. Santoro.

d. 2020 BOF Meeting Schedule

Ms. Alberti noted that their meetings are held on the second Wednesday of the month unless otherwise noted – as with November when it falls on Veteran's Day.

Ms. Johnson noted that they could schedule special meetings as necessary if for some reason one of these do not work for a majority of the members.

****MOTION (5)**

Mr. DeRosa moved to approve the Board of Finance Regular Meeting Schedule for 2020 as presented.

Ms. Alberti seconded the motion. (Attached)

Vote: 6 – 0 – 0. Motion passed.

I. Old Business

▪ **Action Item List**

Due to the lateness of the hour, this item was not discussed at this time.

J. Public Discussion

Ms. Alberti called for Public Discussion.

There was none.

K. Board Comments

Ms. Alberti called for any comments from the board members noting that this is a regular agenda item and gives them the time to answer or comment on something that was brought up during the meeting.

Mr. Birmingham welcomed the three (3) new Board members and advised them 'not to get discouraged.'

Ms. Santoro welcomed the new members as well and said that she looks forward to working together for the good of the Town and putting partisan issues aside.

She also noted that as they had cancelled their November meeting they did not have the opportunity to thank Mr. Weber, Ms. Picarazzi and Mr. Pazzaglia for all of their hard work on behalf of the Town so she took this opportunity to thank all of them now.

L. Adjournment

Ms. Alberti called for a motion to adjourn.

****MOTION (6)**

Mr. Birmingham moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 10:13 PM.

Ms. Santoro seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary

**Well 1A and 6 Water Treatment Project Timeline
Dec-19**

	Event	Date
1	Board of Selectmen Meeting - \$4,640,000 Appropriation	11/21/2018
2	Board of Finance Meeting - \$4,640,000 Appropriation	12/12/2018
3	Town Meeting - \$4,640,000 Appropriation	1/2/2019
4	Department of Public Health (DPH) approves engineering agreement for bidding and construction phase services	3/21/2019
5	Bid documents submitted to DPH for approval	4/29/2019
6	DPH issues approval to bid project	5/1/2019
7	Advertised for Bids	5/9/2019
8	Opened Bids -one bid received -exceeded available funds appropriated for the project	6/13/2019
9	Water & Sewer Commission approval received to rebid project	7/23/2019
10	Revised bid documents and submitted to DPH for approval -removed specific work restrictions associated with water main installation -included the water main and communication conduit as a Deduct Alternate -modified other project requirements	9/18/2019
11	DPH issues approval to rebid project	10/8/2019
12	Advertised for bid	10/10/2019
13	Opened bids -received three bids from qualified contractors -two bids were within \$26,859 of each other -low bid was \$263,389 less than the single bid received on 6/13/19 -low bid still exceeded available funds appropriated for the project	11/14/2019
14	Review and Approval by W&S Commission -supplemental appropriation of \$950,000 required to complete the project -approved motion to have the BOS take the necessary steps to secure the supplemental appropriation	11/19/2019

Attachment

B07 12/11/19

Motion (4)
by Ms. Santoro

RESOLUTION AMENDING A RESOLUTION APPROPRIATING \$4,640,000 FOR THE CONSTRUCTION OF MODIFICATIONS AND UPGRADES TO THE EAST LYME WELL 1A AND WELL 6 WATER TREATMENT PLANT PROJECT AND AUTHORIZING THE ISSUANCE OF \$4,640,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

RESOLVED:

Section 1. The resolution entitled "Resolution Appropriating \$4,640,000 For The Construction Of Modifications And Upgrades To The East Lyme Well 1A And Well 6 Water Treatment Plant Project And Authorizing The Issuance Of \$4,640,000 Bonds Of The Town To Meet Said Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose" adopted at a Special Town Meeting held January 2, 2019 (the "Resolution") is hereby amended to increase the amount of each of the appropriation and the bond authorization set forth therein by \$950,000 from \$4,640,000 to \$5,590,000.

Section 2. Section 1 of the Resolution is hereby amended by deleting said Section and substituting the following in lieu thereof, thereby making said Section read as follows:

"Section 1. The sum of \$5,590,000 is appropriated for the construction of modifications and upgrades to the East Lyme Well 1A and Well 6 Water Treatment Plant Project, including but not limited to: (i) pumping of Well 1A to the Well 6 Water Treatment Plant and filtering to remove iron and manganese via a new 12-inch diameter ductile iron raw water transmission main; (ii) installation of a fourth GreensandPlus filter vessel; (iii) rehabilitation of three existing filters including replacement with new GreensandPlus filter media and underdrains; (iv) repainting of the existing process piping; (v) construction of an addition to the Water Treatment Plant to accommodate the installation of the fourth GreensandPlus filter vessel; (vi) replacement of the water quality analyzers; (vii) upgrades of the existing chemical feed systems; (viii) replacing the vertical turbine pumps for Well 1A and Well 6; (ix) upgrading the existing irrigation well adjacent to the Well 6 Water Treatment Plant; and (x) installation of a new building fire sprinkler system, permanent standby power generator, and an upgrade to the existing heating and ventilation system; all in substantial accordance with the Wells 1A and 2A Treatment Basis of Design Report dated August, 2016, as prepared by Tighe & Bond, as amended from time to time; and for engineering, technical support services during construction, administrative, printing, legal and financing costs of issuance related thereto (collectively, the "Project"), said appropriation to be inclusive of any and all State and Federal grants-in-aid and/or subsidies-in-aid thereof."

Section 3. The first sentence of Section 2 of the Resolution is hereby amended by increasing the amount of bonds therein authorized to be issued by \$950,000 from \$4,460,000 to \$5,590,000, thereby making said sentence read as follows:

"Section 2. To meet said appropriation \$5,590,000 bonds of the Town or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the maximum maturity permitted by the General Statutes of Connecticut, Revision of 1958, as amended from time to time (the "Connecticut General Statutes")."

Attachment

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12/11/19

Section 4. Section 6 of the Resolution shall be applicable to the appropriation added by this resolution, as of the date of adoption of this resolution.

2nd —
by Mr. Birmingham
Vote - 6-0-0 motion passed.

**Town of East Lyme
Board of Finance
Meeting Schedule
2020**

Meetings will be held at the East Lyme Town Hall
Meeting Room #1 – Upstairs
On the following listed Wednesdays at **7:00 PM**
(2nd Wednesday of the Month – unless otherwise noted)

January 15, 2020

February 12, 2020

March 11, 2020

April 8, 2020

May 13, 2020

June 10, 2020

July 8, 2020

August 12, 2020

September 9, 2020

October 14, 2020

November 12, 2020
(Thursday – due to Holiday)

December 9, 2020

FILED

Approved at the Board of Finance Regular Meeting of December 11, 2019

DEC 16 2019 AT 10:05 AM/PM
Karen Yulm
EAST LYME TOWN CLERK

Attachment

BoF

12/11/19

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