

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, JANUARY 15th, 2020**

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

FILED

Jan 21 2020 AT 10:00 AM/PM
(Camille Alberti)
EAST LYME TOWN CLERK

Also In Attendance: Mark Nickerson, First Selectman
Mike Finkelstein, Chief of Police
Anna Johnson, Finance Director

Absent: No One

A. Call Meeting to Order

Ms. Alberti 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

Ms. Alberti called for delegations.
There were no delegations.

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

Ms. Alberti said that Mr. Bassett could not make it this evening and that the person who was going to fill in from the office also could not make it. However, she reported that she had spoken with Mr. Bassett so that she could update them this evening.

She said that Mr. Bassett informed her that 95% of the information needed to proceed has been received and they were just waiting on a few pieces of information from Anthem. They will be on the premises January 23 and 24, 2020. It was suggested that they appoint an audit subcommittee to meet with the auditors. She said that she would like to form one this evening to meet with the auditors and Ms. Johnson. She continued that Mr. Bassett would like to meet with the subcommittee the week of January 27, 2020 and also be added to the February Regular Meeting agenda.

Ms. Alberti said that she would like to be on the subcommittee and asked for another member who may be interested, noting that the meetings may be during the daytime. Membership on this subcommittee would be in effect until the next election cycle.

Mr. Steel volunteered to be on the subcommittee.

Ms. Alberti and Ms. Cicchiello asked if the audit would be completed by the January 31, 2020 date or if they would have to request an extension of time in which to file it.

Ms. Johnson said that she thought that it would be completed.

E. Approval of Minutes

▪ **Regular Meeting – December 11, 2019**

Ms. Alberti called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of December 11, 2019.

Mr. Steel asked that on Page 5 where he is speaking that the following replace the existing paragraph:

“Mr. Steel asked with regard to Wells 1A & 2A and the August 2016 report whether 2A was equal to Well 6.

Mr. Bragaw said that was not the case.
Mr. Steel also asked if there are any contaminants which need to be remediated.
Mr. Bragaw responded that there are no other contaminants for concern."

****MOTION (1)**

Ms. Santoro moved to approve the Regular Meeting Minutes of December 11, 2019 as amended.
Ms. Alberti seconded the motion.
Vote: 6 – 0 – 0. Motion passed.

F. Reports

a. Board of Education

There was no one present from the BOE.

Ms. Alberti reported that they had requested a 4.3% budget increase but thought that it would not be at that rate when it got to them. She noted that she and Mr. DeRosa have attended the BOE budget meetings.

Mr. De Rosa noted that there is a major technology expense and that they are not certain how that challenge will be met.

Ms. Alberti said that there seem to be declining enrollment numbers and declining revenues from Salem. She would like to know if they have reviewed that in relation to the potential for combining some positions.

b. First Selectman

Mr. Nickerson reported on the following:

- He has been meeting with the Department Heads and Ms. Johnson on budget reviews. He noted that things are more expensive.
- The new Fire Marshal – John Way is on-board.
- There is a lot of development going on within the Town – Rocky Neck Village – 66 units; Gateway at the Sound 120 units; North Bridebrook 120 units and also another 75-100+ units of SU-E at a to-be mentioned location.
- Landmark has two (2) appeals sitting in the courts so they should see what happens with them this year. He said that he has been speaking with Mr. Russo on some potential scenarios for a solution.
- There will be another Dollar General built across from the Fire Department on Boston Post Road. They have been working with the developer towards a more harmonious building design for the location.
- Best Western is doing major renovations to the facility formerly known as the Niantic Motel on Flanders Road.
- Starbucks is updating the outside of their building.
- There has been a great deal of interest in the former Bob's Furniture Store location.
- The Public Safety Building is very close to going out to bid.
- They have been very busy.

c. Finance Director

Ms. Johnson noted that she had provided them with updated reports in their green folders. The revenue statements were updated and as Ms. Alberti mentioned – they could see the shortage in the Salem school revenues of some \$300,000+. She noted that some of those Salem people moved to East Lyme and now are on our dime. Of interest – building permit revenues have way exceeded projections as of December 2019 which is the half-way mark.

Ms. Johnson explained the Undesignated Fund Balance beginning balance (7/1/2019 estimated) estimated at \$6.1M and what she had come up with for projections for this fiscal year end a potential increase of \$1.3M. That would bring them to 10% - moving closer to the 15% recommended by the rating agencies. She noted that she was asked to provide the report each month and to give the end of year estimates vs. current point in time.

Ms. Alberti asked about the quarterly billing for the Ambulance Association.

Ms. Johnson said that the first quarter was billed and that the second should come in relatively close to the figures as it is based inclusive of the overtime.

Ms. Alberti asked about the ECS and if the \$1.5M included the adjustment from the previous year.

Ms. Johnson said that she would contact the BOE and get clarification on it.

G. New Business

a. Appropriate and transfer \$4,250 from Contingency to purchase a Police K9

Police chief Mike Finkelstein explained that they had two (2) canines however one has passed and the other had to be retired. He noted that they also provide mutual support with other Towns with the Canine Officers. The Canine contingents are essential to the Police service. He said that the estimated cost is \$8500 however they receive asset forfeiture funds that are set aside to be used for narcotics investigations. They will use this source of funds for half the cost.

Mr. DeRosa asked if the \$8500 is just for the dog and if the narcotics officer/handler will have to be trained. Chief Finkelstein said yes, adding that the training would come from the training account.

Ms. Cicchiello asked how long it takes to train the dog. Chief Finkelstein said that it is usually a six to ten (6-10) week period depending upon how quickly it happens. He added that doing the training locally helps.

Ms. Santoro asked if there is continual training. Chief Finkelstein said yes, absolutely it is on-going for the career of the animal. He added that the Officer does this on their comp time so that there are no overtime charges.

Mr. Steel noted that they had two (2) canines previously – Chief Finkelstein said yes. but they feel that having this one and having it be cross-trained will be an asset to them.

Mr. Birmingham asked what the career life is of the animal. Chief Finkelstein said that the two previous had eight (8) year careers which is generally typical. Mr. Birmingham asked if it is typical to use German Shepherds. Chief Finkelstein said that it is a collaborative effort to fine the animal as they are looking for temperament among other criteria. They are looking at the Belgian Malinois breed as they are frequently utilized today.

Ms. Cicchiello asked what 'cross-training' consists of. Chief Finkelstein said that it is tracking and narcotics.

Ms. Alberti asked what the balance was of the Asset Forfeiture fund. Chief Finkelstein said that it is \$18,200 and that the use of it is dictated by State Statute. He noted that the second canine officer would be included in the FY20/21 budget.

****MOTION (2)**

Ms. Santoro moved to appropriate and transfer \$4,250 from contingency account 01-01-120-200-500 (contingency) to an account to be established titled, "Police K9".

Mr. Birmingham seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

b. Appropriate and transfer \$5,422 from Contingency to increase HR

Mr. Nickerson noted that the HR job description was included in their packets and that they are looking to increase this position potentially even further (beyond the 10 extra hours requested here). This would make this a separate Department under the auspice of the First Selectman. This would also enable coverage for more days of the week.

Ms. Cicchiello noted the Board of Selectmen Minutes of 1/8/2020 and the COG request for an HR consultant to be used by the various Towns. She asked if there was any potential to use that person. Mr. Nickerson said that he was not sure how that would be handled or when that person would start with the COG.

Ms. Cicchiello asked if they would add hours to an existing person. Mr. Nickerson said yes as they have someone now who is versed in this.

Ms. Alberti asked about discipline issues and if this person would be able to handle them professionally. She added that she agrees that the employee handbook needs updating as it is dated 2003 and she thinks that she heard that this would now be a separate department under the Selectman.

Mr. Nickerson said that was correct.

Ms. Johnson explained the history of the position from February 2007 when it was a full-time position. During the 2013/2014 budget season it was changed to a 28 hour position still including HR and the staff accountant position. When the person in that position retired but was interested in continuing in the staff accountant position so two positions were created with the HR at 20 hours per week and the staff accountant at 8 hours – the new HR manager started in January of 2019. She said that they are requesting an additional 10 hours to 30 hours per week – commencing January 20, 2020.

Ms. Alberti asked if they would work all week.

Ms. Johnson said that they would work Monday thru Thursday.

Ms. Alberti said that she thinks that this is a significant change and asked if they considered posting the position.

Mr. Nickerson said that it is an unaffiliated position and that it is not necessary to post it. This is only an addition of hours to a current person and they would see how it goes.

Ms. Alberti said that her thoughts are that rather than to add hours at this time during the mid-season that she would prefer to see a request for a full time person in the next fiscal year budget so that they can look at all of the budgets and see where this would all fall in. there may very well be savings somewhere to offset this.

Mr. Nickerson said that there are wants and needs and that he thinks that they need to have this now and see how this works out.

Ms. Johnson added that everyone has to have sexual harassment training by October 1, 2020 as it is a mandate and that it has to be coordinated.

Mr. DeRosa asked how many employees we have.

Ms. Johnson said that it is around 123-125 FTE.

Mr. DeRosa said that he feels that the 30 hours is a conservative request.

Ms. Alberti said that while she agrees she thinks that she would rather see this during the budget process as there may be areas where it could be a wash when looking at organizational efficiencies.

Mr. Nickerson said that he feels that it is an immediate need and that he would be happy to sit down with Ms. Alberti and go over all the budgets and see what there is. He noted that there are needs for additional hours in other areas such as building which is looking for extra hours for help for Karen and Jen.

Mr. Birmingham asked if in going from a Manager position to a Department Head if there are any other differences or increases.

Mr. Nickerson and Ms. Johnson said no – it is an unaffiliated position and there are no steps.

Mr. Alberti asked if this person would be doing the staff accounting.

Ms. Johnson said no – the previous person did it but when she retired she kept the staff accounting reconciliations at eight (8) hours. This job would be strictly for HR duties.

Ms. Santoro said that she does see this as a good choice at the moment as people tend to be sue happy.

Ms. Cicchiello asked if this person actually has an education in HR or if they just acquired some of this thru time.

Ms. Johnson said that she came through the interview process....

Ms. Alberti said that the question was if this person had the educational background for the HR position.

Ms. Johnson said that she would have to go and look as she could not remember.

Ms. Alberti said that she thinks that they need to take a comprehensive approach to this and at this time she would have to vote no.

****MOTION (3)**

Mr. Birmingham moved to appropriate and transfer \$5,422 from account 01-01-120-200-500 (contingency) to account 01-01-120-200-500 (HR Coordinator/Manager). In addition, establish the HR Coordinator/Manager position as a Department Head; and as such, reports directly to the First Selectman.

Mr. DeRosa seconded the motion.

Vote: 5 – 1 – 0. Motion passed.

Against: Ms. Alberti

c. Wage Contingency transfer – Police - \$67,753

Ms. Johnson explained how she had arrived at the requested figure(s) – a result of a successor agreement (7/1/2018 - 6/30/2022) contract for the Police for a 2.25% wage increase for the current fiscal year.

Ms. Santoro questioned the date back to 7/1/2018 and the contract being that long.

Ms. Johnson said that yes it was that long.

Ms. Alberti suggested that transmittals that are forwarded to them have language that agrees with the correct party so that it is not confusing – such as: was approved at your 5/1/2019 meeting which should have read was approved by the BOS

****MOTION (4)**

Mr. DeRosa moved to appropriate and transfer \$67,753 from account 01-01-120-100-500 (contingency Pending PR change) to the following accounts: \$64,800 to account 01-25-216-100-511 (Salaries Police) and \$2,953 to account 01-25-216-100-514 (Overtime) due to the timing with the budget process and negotiating a successor agreement.

Mr. Birmingham seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

d. Wage Contingency transfer – Firefighters - \$6,070

Ms. Johnson noted that they are only transferring for Niantic Fire here as Flanders Fire did not need it as they had a top tier person retire and the new person came in lower – so it was a wash.

****MOTION (5)**

Ms. Cicchiello moved to appropriate and transfer \$6,070 from account 01-01-120-100-500 (Town Payroll Pending PR Change) to account 01-25-217-100-611-(Salaries NFD Firefighters) to fund the Firefighters contract increases for the 2019/2020 fiscal year.

Mr. Steel seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

e. Wage Contingency transfer – Dispatch - \$7,177

Mr. Nickerson noted that they are looking toward a new agreement.

****MOTION (6)**

Ms. Alberti moved to appropriate and transfer \$7,177 from account 01-01-120-100-500 (contingency Pending PR change) to account 01-25-224-100-212 (Dispatchers) to fund Local 1303-436, council 4 AFSCME (Dispatchers) agreement.

Ms. Cicchiello seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

H. Old Business

▪ Public Safety Building Project Update

Ms. Alberti reported that she had put together a spreadsheet for a Request for Information regarding the Public Safety Building potential and projected costs. She also suggested that as she attends the meetings that the Agendas should have a public discussion item on them so that the public can make comments. She lastly suggested that an item be put in for moving costs as the Police should not be moving the items themselves.

Ms. Santoro said that item was a very new item and that she feels certain that they will be looking for professional movers. She commended the Architects (Silver Petrucelli) noting that they have been very accessible throughout the process. She reported that the State Modification application being approved and saving them some \$250,000 was good news. Also, Ms. Wilson has sought a \$175,000 grant for HVAC and they are also looking into an IT upgrade grant of \$80,000.

Ms. Cicchiello noted that the Chief of Police did say that the officers would not be able to do the moving.

Mr. Nickerson commented that with regard to someone to manage the project that they would speak with the Town Building Committee Chair and members and look for someone just for this project.

- **BOF Members Discussion of Proposed Budget Process**

Ms. Alberti noted that Ms. Santoro was the only person to provide some suggestions.

Ms. Santoro noted the following suggestions:

- **Narratives** – these are sometimes missing, unclear or outdated. Effective narratives will also save presentation time and provide clear insight.
- **Revenue Sources** – Clearly provide all sources of revenue. Also, clearly explain items that may affect revenues positively or negatively. It was noted that the Library budget needs to be more clearly stated with reference to grants and revenue sources.
- **Number of Budget Meetings** – Increase the meetings by one or two so that they are not so crammed causing them to run very long.
- **Reviews Prior to Board of Finance Review** – Better scrutiny of budgets prior to BOF review should be encouraged. In particular, Sections 6.1.1 and 6.1.2 of the Charter direct the BOS to undertake reviews of agency and department budgets before they are presented to the BOF. It would help to have the Selectman's comments and recommendations as concerns the BOE budget in accordance with those Sections of the charter.
- **Readability of Larger or More complex Budgets** – Board of Ed and Library which have multiple budget documents and sources of revenue. The goal should be to integrate the information so that it can be clearly understood.

Mr. DeRosa suggested being specific as everyone is not necessarily honing in on the same items.

- **Participation of BOF in BOE Budget Workshops** – an exchange of relevant information should be the objective.

Ms. Alberti said that from this Boards position that we are not updated on actual budget challenges. The First Selectman may have this information and any shortfalls and perhaps he could ask the BOE to help work with the Town on concessions.

Ms. Santoro said that she was looking towards keeping the lines of communication open and having a back and forth dialogue. She said that she also feels that they need to have someone attend their meetings all of the time and update them and work with them.

- **Keep It Positive** – the process can be daunting and they need to keep the experience positive.
- **Dept. Suggestions** – See if there are any.

Ms. Alberti suggested encouraging the Department Heads to keep personalities out of the process as it is just about the numbers and what the Town can afford.

- **Action Item List**

Ms. Alberti noted that the list is outdated. She also asked that an extra column be added to the end entitled: 'Last Update'. After much discussion of the list Items 5, 10, 12, 13, 15, 16 & 17 would be removed from it. Item 5 would be consolidated with Item 11 and a new list would be provided with these updates. It was also discussed that the BOS is the driver of the Purchasing Policy (Item 4) and that they would have Ms. Johnson ask the BOS how they feel it is working from time to time. (list attached)

Ms. Johnson noted that she has found that it has been working well.

Mr. Steel presented a list of 'Unanswered Request for Information Items' noting that he had reviewed previous months Meeting Minutes to come up with the following:

- **Establishment of a CNRE** for the turf field replacement and how much is in this account with the estimated replacement cost at \$500,000 to \$700,000.
- **What is the actual licensing fee for the accounting software vendor that has been selected and what do we currently pay for the accounting software that we currently have.**

Ms. Johnson said that the current licensing for the Town, BOE and W & S is \$46,440 and that the new software licensing cost for the Town, BOE and W & S would be \$65,197.

- **BOE Health Fund Balance**

Ms. Johnson said that she would provide that at their February Meeting.

- **CNRE Report Clean-Up**

Ms. Alberti said that there were a lot of items to be cleaned up and that this item is yet to come.

Ms. Alberti thanked Mr. Steel and noted that this is a good tool for items to not fall through the cracks.

Ms. Johnson said that she could combine these items with the Action Item List.

I. Public Discussion

Ms. Alberti called for Public Discussion.

Debbie Jett Harris, 19 Center Street said that she had two comments to make. She said that she was sorry that Mr. Nickerson was not present to hear them. She thanked Mr. Nickerson for keeping a watchful eye on the new Dollar General store in order to have a building that works for the area as she is sure that the people living there would appreciate it. And secondly when they talk about an HR increase in hours, again she wished that Mr. Nickerson was present as he had noted that the Building Department was very busy and generating a lot of revenue and that Jen and Karen are very busy and there is a need for more hours to support that area. She thinks that should be considered.

J. Board Comments

Ms. Alberti called for any comments from the Board members.

Mr. Steel suggested that when purchasing software that perhaps they could communicate with other Towns especially when it concerns the schools and multiple school districts and look for an interactive solution that could perhaps provide savings for all of them.

K. Adjournment

Ms. Alberti called for a motion to adjourn.

****MOTION (7)**

Mr. Birmingham moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 10:07 PM.

Mr. DeRosa seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary

Town of East Lyme
Board of Finance
Action Item List

Item #	Description	Notes	Agenda Date
(1)	BoE Permanent Maintenance Account <i>for Grayson - combine say plans/etc.</i>	Combine Town & BoE	January
(2)	BoF By-Laws	Annual Review	January
(3)	BoF Sub-Committee Negotiations <i>BoF contract neg.</i>	Volunteers? <i>2019? Keep</i>	
(4)	Purchasing Policy <i>working well</i>	Approved by BoS 10/17/2018. Annual review follow-up.	Nov-19
(5)	Study Other Town Wages & Benefits <i>AS could ask BoE or AS how to work up - from time to time?</i>	<i>BoS worked ask for update - simplicity</i>	Sept
(6)	Financial Policies <i>AS said has acct. policy from another town to use as template</i>	Establish Table of Contents	Nov
(7)	Review Audit Recommendation & Management Response Plan	Review Recommendations & Status of Completion <i>March 2020</i>	Aug, Nov, Feb, May
(8)	BoF & BoE meet to discuss budget process <i>subcommittee budget workshops</i>	Working budget meeting. BoF Chair to set up Ad Hoc meeting.	Dec, Nov <i>2019 Dec, 2019</i>
(10)	Brown & Brown Insurance Consultant <i>discuss w/ BoE on going out to bid</i>	Consider RFP. Need to assess relative to State Plan.	TBD
(11)	List of Policies and Procedures Accounting Manual <i>Debt + Capital policies + Leasing deals</i>	BoF and CA working on this. Plan to meet 9/11/18 <i>BoS resp.</i>	Nov
(12)	Unassigned Fund Balance Report <i>will be monthly</i>	Review quarterly	Oct, Jan, Apr, July
(13)	Get a Grant Writer on Board <i>works for regional</i>	Determine best way <i>De Rosa pur. take initiative from COB</i>	TBD
(14)	Analyze CNRE Fund 32		July <i>endeavour Dec 2019</i>
(15)	Subsequent years budgets	Discuss so can consider 20/21	TBD
(16)	Special Revenue Data Sheet		
(17)	Completed Action Item List	Review Annually	June

last update

12/2019

BoS is in

Leasing deals have to be published

Dec. 2019

Dec 2019

Debt Capital policies

mess up

BOF Agenda
1/15/2020
Item: VIII-c

*Consultant was for one yr.
As keep in personal file*

Attachment BOF 1/15/2020