

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, FEBRUARY 12th, 2020**

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

FILED

Feb 18 2020 AT 10:00 AM/PM
Caunt Hill
EAST LYME TOWN CLERK

Also In Attendance: Mark Nickerson, First Selectman
Scott Bassett, principal with RSM Auditors
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.

Maria Silva, 26 Colony Road asked when the audit is expected to be issued to the public.

Ms. Alberti said that they have an Audit Subcommittee and that they received information that there is a condensed version that would be discussed this evening.

Ms. Silva said that she would like to know when it would be published for the public to see.

Mr. Bassett said that he would expect it to be issued a week from this Friday. (February 21, 2020)

D. Presentation by Auditor on Draft of June 30, 2019 Audit

Scott Bassett, partner with RSM Auditors said that he does not expect any major changes from the preliminary documents that they were presented with. He asked that if they have any questions that they get them to Ms. Johnson by Tuesday February 18, 2020 so that he could get a response back to them. He noted that they would be giving clean unmodified opinions on the financial statements and on the Federal and State single audits – meaning that they had received what they asked for. There were no new significant accounting policies adopted during the year and they expect to file in mid February. The finding that they had last year which had to do with audit adjustments and the large number of them; they found that they were significantly reduced this year.

Ms. Cicchiello asked what goal he would expect for the general fund balance.

Mr. Bassett said that the smaller the budget; the higher you want to be to the 15%. You would always want cash in the event that something happens. He suggested a Fund Balance Policy as the lenders see it as a pro-active policy. He noted that he would say that their budget falls in the middle of the other cities and Towns within the State. Suggested fund balance percentages would range from 5% to 15%.

Ms. Santoro noted that they do have an undesignated fund balance policy and that they do use it when going out for bonding.

Ms. Johnson confirmed that information.

Ms. Alberti said that it was valuable information to know that they fall in the middle of the pack and that they are also in the middle of the 5% to 15% fund balance. She asked about the timing of the issuance of the reports.

Mr. Bassett said that technically they have to the end of this month and with an extension they would have to the end of next month. He thank Ms. Johnson on this timeline as two years ago they finished in July and last year they finished in May and this year it looks like they will be completed by the end of this month. He added that they are looking for December this year.

****MOTION (1)**

Mr. Steel moved to approve the June 30, 2019 audit in draft form for final submission by the end of February.

Mr. DeRosa seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

E. Approval of Minutes

▪ **Regular Meeting – January 15, 2020**

Ms. Alberti called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of January 15, 2020.

Ms. Cicchiello asked that on Page 3 in the middle of the page that 'fine' be changed to find and that on Page 6 in the top third of the page that 'b' be changed to be.

Ms. Santoro asked that on the bottom of Page 5 where she is speaking that the grant is actually for a generator rather than HVAC.

****MOTION (2)**

Ms. Cicchiello moved to approve the Regular Meeting Minutes of January 15, 2020 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.

Mr. Steel and Ms. Cicchiello noted that they had taken a tour of the schools and witnessed the various computers and learning materials that are being used at the various levels.

b. First Selectman

Mr. Nickerson reported on the following:

▪ They are working on budgets now. The Governor delivered his budget a week ago and there are no surprises there.

▪ They now must charge taxes on municipal parking lots so that the State will get their 6.35% on top of our fees that Parks & Rec charges. There will be more to come on this – they will round the figures so that they do not have to deal with odd changes amounts.

▪ He has been busy with CCM and an agenda for the municipalities – looking for no more unfunded mandates and to increase the PILOT funding to where it is supposed to be.

▪ Kathy Osten spoke to them on the trajectory of rising costs of education and how unsustainable it is for the Towns. Some Towns are taking away services to the people to be able to afford it.

▪ There was recently a house fire in Oswegatchie Hills during the evening and because they now have overnight coverage they were able to get to it and minimize the damage.

c. Finance Director

Ms. Johnson noted that she had provided them with several items in their folders that they had requested of her. She also prepared a report on the status of the health fund. She updated the fund balance report and said that she would keep it current. They had also been provided an updated sheet of the top 10 taxpayers as there was a slight change to it.

Ms. Alberti asked what if the revenue that they could expect from Costco was in the \$350,000 range and if a rough calculation on revenues would be \$700,000.

Ms. Johnson said yes. She noted that she had also provided them with the process that the BOE has to follow to get State grants.

Ms. Johnson reviewed her monthly report summary and noted that she expects the Dispatchers to be coming for additional funding as they are struggling on the overtime with two (2) people out.

Mr. Steel asked about Police Overtime and if it is 'typical'.

Ms. Johnson said that it is a bit higher as they are at 5% however the Chief is handling it very well.

Ms. Santoro asked if the ECS revenue that they are expecting (extra) would go towards the health issue.

Ms. Johnson said that they would have to go through a set of appropriations to do that however - the outside tuition appears to be running at around a \$300,000 deficit so it may have to go there instead.

Mr. DeRosa asked about the Workers Comp being just about out at this time of the year.

Ms. Johnson said that they typically make those payments earlier in the year.

Ms. Cicchiello noted that Lyme/Old Lyme refinance their long-term debt and are able to keep a flat budget – she asked Ms. Johnson if we are in a position to do any of that to help with the budget.

Ms. Johnson said that they already did that in 2019.

Ms. Cicchiello said that as they are looking at a significant increase that perhaps it would warrant some further review.

(A short break was taken here)

G. New Business

a. Approve June 30, 2019 Audit

This item was addressed earlier.

b. Approve 2020/2021 Proposed Budget Review Meetings

Ms. Alberti noted the meeting schedule that they had in their packets. She explained the process and said that this would allow for some time off for them during April.

****MOTION (3)**

Ms. Santoro moved to approve the BOF 2020/2021 Budget Review Meeting Schedule as presented.

Ms. Alberti seconded the motion. (Copy attached)

Vote: 6 – 0 – 0. Motion passed.

H. Old Business

▪ Public Safety Building Project Update

Ms. Santoro reported that the Public Safety Building Vision Committee had met the previous evening. They have 100% of the drawings from silver Petrucelli and the Fire Marshal is going over them with the architect. The architect is responsible for a majority of the documents that go out to bid. The bid will go out through the State bid site with the timing from advertising to receiving the bids to be worked out. They are looking at late fall for occupancy. The \$800,000 cost for the sally ports and cells has remained constant.

Ms. Alberti said that they recently were hit with a figure of \$1M for a well and asked Ms. Santoro if she is confident that the numbers are good.

Ms. Santoro said that she thinks that it is a good estimate as it has hard costs and soft costs.

▪ BOF Members Discussion of Proposed Budget Process

Ms. Alberti explained the budget review meeting process noting that the Board of Selectmen are in the process of meeting with the departments now and that the BOF would receive their budget books on March 11, 2020 at their Regular Meeting. When the departments come before them, they will give a brief presentation and then the Board will ask any questions. When doing the reviews, no decisions are made – those details will be addressed during deliberations. With regard to the General Government budget, they are allowed to make changes – even to budget line items however; she said that she prefers to let the First Selectman go back and make the cuts as he is the CEO of the Town. With the BOE, they can only come up with a bottom line number as they do not have line item decision. She noted on February 24, 2020 that the BOE will have a Public Hearing on their budget at the High School.

Ms. Cicchiello asked if for all other budgets that they could make recommendations.

Ms. Alberti said that they can reduce the BOE requested increase but they could not go below the minimum budget requirement number. Once deliberations are done – they will present the budget at Public Hearing and hold a meeting afterwards for further considerations.

Ms. Cicchiello asked if speakers are given a time limit at the Public Hearing.

Ms. Alberti said yes – five (5) minutes. She added that the Town Meeting on the budget is held on May 11, 2020 where it is sent to referendum to be voted on.

Ms. Johnson noted that the referendum on the budget would be held on May 21, 2020.

▪ Action Item List

Mr. Steel reported that his list has been in conjunction with the one from Ms. Johnson and that she had provided them with an updated list this evening. The only other item is the CNRE clean-up which is an on-going item. The money for the ELHS turf repair is in the hands of Mr. Newton.

Ms. Johnson reviewed the updated Action Item list noting that the UPSEU contract expires 6/30/2021; she would have information on the CNRE Fund 32 for March for budget season and she is working on prioritizing the list of policies and procedures. They will have quarterly review of the audit recommendation and management response plan.

I. Public Discussion

Ms. Alberti called for Public Discussion.

Mike Schulz, Lovers Lane thanked them for their service to the Town. He said that he had submitted information on the BOE teacher's increases (copy attached) and that he is shocked at the budget proposal before us from the BOE of \$52M – a \$2.7M increase over last year – and they came up with that figure nine months ahead of time. He explained the salary sheets for 20/21 that he provided noting that it does not appear in the teachers' contract. He explained the extra costs and why they are spending so much adding that the BOE should have a reduction in salary increases and if the position is not open or available that they should not be given the extra money for it.

He said that they ask if people can afford to pay for things – well – unless you have a lot of rich people moving into Town – they can't. He said that 100% of his social Security goes for medical costs and taxes; each month he pays \$650 for one pill – people cannot continue to live like this.

He said that he could understand some of the situation with the Town as they have to account for things such as Fire and Police but they do not need more kids moving into the Town as they cannot afford this expense. He said that he also is not in favor of the BOF going to the BOE meetings and bantering back and forth as he has seen that the BOE just adds more dollars to the budget.

Further, the Charter states that the BOE is to present their budget to the BOS and then the BOS is to present it to the BOF with their comments – it should not be only on the back of the BOF to decide. He also keeps hearing how they want 16 kids max/classroom however when it was asked if a reduction in class size improved learning the answer was NO – but – somehow we have this misconception that you do. Classes of 23 kids with all the electronics are just fine and the kids will learn just fine! With the BOE last year they only dealt with 3% of the budget – he suggested that they bifurcate the budget.

Mr. Schulz noted one other item with regard to the Charter – it clearly states that you have to be a taxpayer to speak at the Public Hearing on the budget.

The Board thanked Mr. Schulz for all of his research and for coming.

J. Board Comments

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

Mr. DeRosa thanked Mr. Schulz for the information that he had provided them with.

Ms. Alberti said that they are trying to encourage the BOS to pass along the BOE budget to them with comments this year.

K. Adjournment

Ms. Alberti called for a motion to adjourn.

****MOTION (4)**

Ms. Cicchiello moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 9:28 PM.

Mr. Steel seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary

**Board of Finance
Budget Review Meeting Schedule
FY 2020/2021
Town Hall - Upper Meeting Room**

Wednesday, March 11, 2020

Regular Meeting @ 7 PM

Presentation of Budget & Overview by First Selectman & Review of Projected Revenues

Monday, March 16, 2020

Special Meeting @ 6:30 PM (Reviews)

Assessor	#102
Bd. Of Assessment Appeals	#127
Tax Collector	#103
Building Dept.	#104
First Selectman & EDC	#101
Human Resources	#106
Finance Department	#118
Board of Finance	#126
Health & Welfare	#419
Services to Community	#115

Tuesday, March 17, 2020

Special Meeting @ 6:30 PM (Reviews)

Gen. Govt. & Misc. Benefits	#114
Contingency	#120
Debt Service Int. & Principal	#522-3
Capital	#724
Long Range Capital Plan	
CNRE	

Monday, March 23, 2020

Special Meeting @ 6:30 PM (Reviews)

Niantic Fire Dept.	#217
Flanders Fire Dept.	#218
Town Engineer	#105
Building Maintenance	#113
Public Works	#317
Information Technology	#109
Commission on Aging	#418
Parks & Rec & Youth Svces	#421/422

Thursday, March 26, 2020

Special Meeting @ 6:30 PM (Reviews)

Town Clerk	#107
Registrars'	#110
Planning Dept. & Commission	#117
Inland/Wetlands Agency	#132
Zoning	#116
Ledge Light Health District	#108

Thursday, March 26, 2020 (contd)

Special Meeting @ 6:30 PM (Reviews)

Brookside Farm (SHH)	#134
Historic Properties	#139

Tuesday, March 31, 2020

Special Meeting @ 6:30 PM (Reviews)

Information Technology	#109
Police	#216
Dispatch	#215
Emergency Management	#224
ACO	#226

Thursday, April 2, 2020

Special Meeting @ 7 PM (Reviews)

Board of Education	#999
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Monday, April 6, 2020

**Special Meeting @ 6:30 PM
(Deliberations)**

Deliberations – to completion or finish on Wednesday April 8, 2020 at Regular Meeting
(Note: School Spring Break is 4/10-4/19)

Wednesday, April 8, 2020

Regular Meeting @ 7 PM

Finish Deliberations if Necessary

Thursday, April 9, 2020

**Special Meeting @ 6:30 PM
Only If Necessary**

Monday, April 27, 2020

Public Hearing on the Budget at 7 PM

HS Auditorium

**Special Meeting after Public Hearing in
INTV Room**

Monday, May 11, 2020

Town Meeting on the Budget

Wednesday, May 27, 2020

Special Meeting @ 6:30 PM

Set the Mil Rate

EAST LYME BOARD OF EDUCATION TEACHERS

2019-2020 SALARY SCHEDULE

STEP	BA	BA+30 or MA	MA+30 or 6th Year
1			
2	46,129	49,853	53,588
3	48,392	52,302	56,223
4	50,766	54,873	58,993
5	53,260	57,576	61,905
6	55,924	60,410	64,955
7	58,628	63,388	68,164
8	61,512	66,514	71,529
9	64,538	69,795	75,067
10	67,717	73,238	78,776
11	70,923	76,487	82,078
12	75,339	81,041	86,776

* 39% OF CERTIFIED TEACHERS ARE BEING COMPENSATED AT A LEVEL ABOVE MASTERS, (A ADMINISTRATIVE DEGREE), REQUIRED TO OBTAIN A ADMINISTRATIVE JOB UP TO ASST. SUPERINTENDENT.

AT STEP 12
 $86,776 \times 0.65\% = 738 + 86,776 = 87,514$

$\Delta = \$5390 = 6.6\%$
 $\$81386$

$\frac{\Delta 5199}{75842} = 6.9\%$ 2019-2020 FTE'S

STEP	BA	BA+30 or MA	MA+30 or 6th Year	TOTAL
1	0.00	0.00	DIFFERENCE 0.00	0.00
2	0.00	0.00	IN PAY BETWEEN 0.00	0.00
3	0.00	0.00	MA \$64R 0.00	0.00
4	3.90	4.00	↓	7.90
5	5.00	7.00	4329 x 3	17.00
6	2.10	21.80	4545 x 2.7	26.60
7	1.00	9.00	4776 x 8	18.00
8	0.00	7.50	5015 x 7	14.50
9	0.00	7.80	5272 x 5	12.80
10	0.00	8.50	5538 x 5	13.50
11	0.00	7.60	5591 x 7	14.60
12	2.00	77.45	5735 x 66	145.45
	14.00	150.65	105.70	270.35

* BASED ON 2/1/19 QPA HAVE 263 CERT TEACHERS. 114 > STEP 12 43%
 149 IN STEP 57%

21,645
 12,272
 38,208
 35,105
 26,360
 29,690
 39,137
 378,510

FINAL COSTS PER NUMBER OF EMPLOYEES AT THAT STEP.

2019-2020 TOTAL COSTS

STEP	BA	BA+30 or MA	MA+30 or 6th Year	TOTAL
1	0	0	0	0
2	0	0	0	0
3	0	0	0	0
4	197,987	219,492	0	417,479
5	266,300	403,032	309,525	978,857
6	117,440	1,316,938	175,379	1,609,757
7	58,628	570,492	545,312	1,174,432
8	0	498,855	500,703	999,558
9	0	544,401	375,335	919,736
10	0	622,523	393,880	1,016,403
11	0	581,301	574,546	1,155,847
12	150,678	6,276,625	5,727,216	12,154,519
	791,033	11,033,659	8,601,896	20,426,588

* OVER ABOVE MASTERS' degree level
 * TOTAL XTRA COSTS FOR MA+30 OR 6TH YEAR, VS BASE SALARY FOR TEACHERS WITH BA+30 OR MA

Total Salary Account:	20,426,588
General Wage Increase:	0.85%
General Wage Increase At Max:	0.85%
Step:	Y
Increase Over Prior Year:	678,531 3.44%

Submitted by Mike Schulz

2/12/2020

EAST LYME BOARD OF EDUCATION TEACHERS

2020-2021 SALARY SCHEDULE

STEP	BA	BA+30 or MA	MA+30 or 6th Year
1			
2	46,526	50,282	54,049
3	48,808	52,752	56,707
4	51,203	55,345	59,500
5	53,718	58,071	62,437
6	56,405	60,930	65,514
7	59,132	63,933	68,750
8	62,041	67,086	72,144
9	65,093	70,395	75,713
10	68,299	73,868	79,453
11	71,533	77,145	82,784
12	75,987	81,738	87,522

2020-2021 FTE'S

STEP	BA	BA+30 or MA	MA+30 or 6th Year	TOTAL
1	0.00	0.00	0.00	0.00
2	0.00	0.00	0.00	0.00
3	0.00	0.00	0.00	0.00
4	0.00	0.00	0.00	0.00
5	3.90	4.00	0.00	7.90
6	5.00	7.00	5.00	17.00
7	2.10	21.80	2.70	26.60
8	1.00	9.00	8.00	18.00
9	0.00	7.50	7.00	14.50
10	0.00	7.80	5.00	12.80
11	0.00	8.50	5.00	13.50
12	2.00	85.05	73.00	160.05
	14.00	150.65	105.70	270.35

2020-2021 TOTAL COSTS

STEP	BA	BA+30 or MA	MA+30 or 6th Year	TOTAL
1	0	0	0	0
2	0	0	0	0
3	0	0	0	0
4	0	0	0	0
5	209,500	232,284	0	441,784
6	282,025	426,510	327,570	1,036,105
7	124,177	1,393,739	185,625	1,703,541
8	62,041	603,774	577,152	1,242,967
9	0	527,963	529,991	1,057,954
10	0	576,170	397,265	973,435
11	0	655,733	413,920	1,069,653
12	151,974	6,951,817	6,389,106	13,492,897
	829,717	11,367,990	8,820,629	21,018,336

Total Salary Account:	21,018,336
General Wage Increase:	0.86%
General Wage Increase At Max:	0.86%
Step:	Y
Increase Over Prior Year:	591,748 2.90%

Submitted by Mike Schelz

2/12/2020