

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, MARCH 11th, 2020**

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

FILED

Mar 17 2020 AT 10:24 AM/PM
(Ann Helm)
EAST LYME TOWN CLERK

Also In Attendance: Mark Nickerson, First Selectman
Jeff Newton, Superintendent of Schools
Eric Bauman, BOE member
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

There were none.

D. Approval of Minutes

▪ **Regular Meeting – February 12, 2020**

Ms. Alberti called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of February 12, 2020.

Ms. Alberti asked that on the top of Page 2 after the first sentence replace with:

'Ms. Alberti acknowledged that our Town is trending in the right direction with regard to closing our books earlier over the past few years, and thanked Ms. Johnson and Mr. Bassett for their efforts in this regard. Two years ago, the books were closed by July, last year the books were closed by May, and this year the audit will be filed by the end of February. For fiscal year end 6/30/20, we will have a performance objective in place to have the books closed by 12/31/20.'

Ms. Alberti also asked that on Page 3 in the fifth paragraph second sentence change 'she' (meaning Ms. Cicchiello) to: Ms. Alberti asked

****MOTION (1)**

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

Mr. Birmingham seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

▪ **Special Meeting – February 20, 2020**

Ms. Alberti called for a motion for approval or any changes to the Board of Finance Special Meeting Minutes of February 20, 2020.

****MOTION (2)**

Ms. Santoro moved to approve the Special Meeting Minutes of February 20, 2020 as presented.

Ms. Cicchiello seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

E. Reports

a. Board of Education

Mr. Newton reported that the school projects are very close to completion. At this time, \$437,000 seems to be where the uncommitted funds figure sits but they are still closing out the project and the Town Building Committee is still meeting. The big issue is Covid-19 and they are trying to limit events to no more than 100 people at this time and other events have been cancelled thru April 30, 2020. Hartford is discussing the 180 days that students need to be in school along with alternatives if the students cannot be in school such as doing work at home by computer or assignments. He said that he would let them know when the final figures come in for the school projects.

Ms. Cicchiello asked about a waiver by the State to the 180 day requirement.

Mr. Newton said that at this time, to his knowledge the State is not in the business of granting waivers of the 180 days by June 30.

Ms. Alberti asked if with the absence of LEARN at LBH there was any potential for someone else to come into that space.

Mr. Newton said that there was some discussion on the expansion of the pre-school. He added that the LEARN rental of \$62,000 was nice income.

Ms. Cicchiello asked if the \$437,000 uncommitted funds could go into the budget for next year.

Ms. Johnson explained that there are short and long term bonding so what would happen is that they just would not have to fully bond the amount. She added that they are also waiting on some construction funds from the State which are slow in coming.

Mr. Newton noted that they had recently acknowledged Ray O'Connor the TBC Chair for all of his work with his Committee members on the school projects.

Ms. Alberti thanked the TBC for all of their hard work.

b. First Selectman

Mr. Nickerson reported on the following:

- The Covid-19 issue is the top issue and they are planning, not panicking. There is essential work that needs to be done in the Town and other things that can be put off. They are going through all sorts of scenarios and they are washing the areas a lot more. Ledge Light Health District will come to the department head meeting tomorrow and go over the issues. There are a lot of what-if's with regard to public meetings and closing buildings, etc. A lot is contingent on the daily information they receive from the State.

Ms. Alberti asked how they would prepare for meetings if people had to self-quarantine and asked that they have a phone line in the main meeting room so that they can make sure that it is working before they may actually need it for the meetings.

Mr. Nickerson said that regarding the budget being delivered tonight to them that the Town side is well thought out, well documented and well supported and the departments are ready to come and defend their budgets.

Ms. Alberti said that she appreciates the extra commentary on the town government side of the budget but asked Mr. Nickerson if the Board of Selectmen had any comments on the Board of Ed budget.

Mr. Nickerson said that he would provide that information to them.

Ms. Alberti noted that with what she had watched that she had heard him mention 'pay for play' –

Mr. Nickerson said it seems that there does have to be a 'give' somewhere and generally parents want to pay more taxes for education –

Ms. Alberti clarified that the parents want everyone to pay more taxes- not just them –

Mr. Nickerson said that 'pay for play' would be paying more. He also mentioned looking into some further tax abatement for seniors.

Ms. Alberti asked how likely that would be for this year –

Mr. Nickerson said that they have worked up some of the potential figures but would not think that the tax abatement would be something for this year.

Ms. Alberti asked if the 'Homestead Act' that is being considered could be part of the current tax programs in effect.

Mr. Nickerson said probably not as it would be based on age and length of time living in Town. He added that programs vary widely and that whatever they do needs to be done right and not rushed.

Ms. Santoro noted that she had attended the BOS meeting on the BOE budget and felt that the BOS asked some very good questions.

c. Finance Director

Ms. Johnson first said that with regard to the unassigned fund balance that the projected revenues for this year indicate that they may not need to use fund balance this year so she has added it back in.

Regarding expenditures she noted three (3) areas of concern: Legal – court cases ramped up in March along with the necessity of transcription which is sent out; Dispatch – they will need to transfer in funds due to the overtime line item. They have had medical leaves, etc and have had to cover that time. She said that they would need a transfer for the next meeting; Fire Marshal – they need to use the services of the part time deputy fire marshals as the fire marshal is on call 24 hours/7 days per week.

She also noted that it does look like the Fire Departments will be able to make it through the end of the year within their budgets.

Mr. Steel asked for further clarification on the Fire Marshal extra dollars.

Ms. Johnson explained that in the event that the Fire Marshal is not available they need to call in a deputy fire marshal for fires, etc in the middle of the night, etc so there are extra added costs to that.

Ms. Santoro asked for a more accurate number on the out of district tuition.

Ms. Johnson said the \$250,000 shortfall is the fairly accurate number.

Ms. Alberti asked about investment interest and what the principal balances are.

Ms. Johnson said that they vary and some are accounts that they spend down, or CD's that renew at various times.

Ms. Alberti asked overall what would be the rate of return – 2%

Ms. Johnson that they were getting over 2% but now it is lower.

Ms. Alberti asked the threshold amount.

Ms. Johnson said in July it is around \$20M - \$23M for the high end and on the low end it is \$5M - \$6M.

Mr. Birmingham asked about the Insurance Reimbursement.

Ms. Johnson explained CIRMA and how they vote on what to reimburse member Towns when they have good years. This represents a good year.

Ms. Alberti noted the taxpayer YTD figures for the two years and the difference as it represents some \$300,000+. She suggested that they pay attention to the Suspense List when the Tax collector comes to them with it.

Ms. Johnson then explained the health insurance – the Town represents 27% and the BOE represents 73% liability. Water & Sewer and the Library pay their own share of the premiums. They were self-insured and in the last year before going to the State plan they took a 28.9% premium increase to try to cover the plan. This still left them short.

(Brief break taken here 8:35 pm)

Ms. Alberti asked what might be some solutions for paying this off.

Ms. Johnson said that they could go through the special appropriation process for the \$300,000 for part of it. Further, the Town did put \$200,000 towards its share of the IBNR. The BOE has said that if they have anything left that they could assign it to this. They had \$217,000 left in the last fiscal year that they transferred to help with the shortfall. She said that we have until 6/30/2021 to see how things will shake out. She added that we just had bad years and that even with the funding that we were putting in, it still did not cover it. However, being with the new plan and with retirements, it seems that we may have turned a corner.

Ms. Alberti asked who we owe this money to – Aetna.

Ms. Johnson said no – to the fund – the Health Insurance Fund.

Ms. Alberti said – so it is an accounting entry as we paid the bills – so we could take longer to pay this off –

Ms. Johnson said yes – adding that this was only meant to provide history on the fund.

Ms. Alberti noted that if they chose to put the \$1.2M in paying off the health fund – they could do that however the undesignated fund balance would not move to 10%.

Ms. Johnson said that the rating agencies like to see stability in the fund balance.

Mr. Nickerson said that with the \$800,000 debt that 75% is the BOE – he asked that they keep that in mind as in the end it is all taxpayer dollars.

Ms. Johnson lastly noted that they had two (2) audit letters in their packets. She said that they would have to go out to bid soon for an auditor as the contract is coming up. She also noted that RSM has indicated that they would have people out on extended leave during the audit time and would have to reduce their municipal load. The consensus of the Board was to go out to bid.

F. New Business

a. Special Appropriation – Fire Marshal Vehicle - \$7,544.59

Mr. Nickerson explained that the vehicle has already been purchased and that this is for the outfitting of the vehicle. This is for after market items such as lights, decals, radios and cages. The background on this is that they originally bought bid SUV's but best practice is not to have enclosed, attached areas due to what they have to transport; so the trucks with cabs are better for the toxins, etc. This vehicle is in inventory now.

****MOTION (3)**

Ms. Alberti moved to authorize use of the remaining balance of \$6,711.69 in account 32-25-200-700-463 (FM Vehicle) to account 32-25-200-700-463 (FM Vehicle) to be used along with remaining acquisition balance of \$1,530 to outfit the new Fire Marshal vehicle with the necessary equipment to efficiently perform his duties.

Ms. Santoro seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

b. CNRE Fund 32 – Re-allocation of Completed Projects

Ms. Johnson provided an overview and said that she would like to do these as separate motions. The CNRE Fund 32 is a perpetual fund that rolls over from year to year to be able to spend on certain items as appropriated. These actions will effectively leave the balances in CNRE Fund 32 for later use.

▪ Town - \$334,297.55

Ms. Alberti, Ms. Cicchiello and Ms. Santoro asked if there was the potential to use the \$334,000 to help reduce the budget – they asked for clarification on this.

Mr. Steel said that he sees these items as the first phase of cleaning this fund up and then looking to see if and where there are dollars that they can use. This is a step to clean this up.

Ms. Alberti suggested voting on some of these that they feel comfortable with such as items b and c and to then get an updated Fund 32 listing.

Ms. Johnson asked if they were looking to transfer the \$334,000 to reduce the budget –

Ms. Santoro asked if they are legally required to keep this in the CNRE.

Ms. Cicchiello asked if this money could be used for any other purpose than the CNRE.

Mr. DeRosa said that he would prefer to spend it on another capital item and is not in favor of putting it into the general fund as the CNRE certainly benefits the taxpayer.

Ms. Alberti said that they could decide this at their May, June or July meetings and that it does to have to be done right now.

▪ Complete to non-spendable - \$75,629.41

After discussion as this is non-spendable it was decided that this item could be addressed. (See attached Schedule 1 – CNRE Fund 32)

***MOTION (4)**

Ms. Alberti moved to close \$75,629.41 of completed CNRE Fund 32 projects as identified in Schedule 1 – CNRE Fund 32 – Close Project Schedule to zero; with no remaining funds available for future appropriation.

Ms. Cicchiello seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

- **LEARN Reserve - \$14,456.85**

Ms. Alberti suggested that this could go towards the Astro turf field replacement as there is only \$25,000 in that account.

Ms. Santoro noted that the \$25,000 in that account came from the BOE.

Ms. Johnson added that the source of funds was from LEARN revenues and that the BOE would come before them in order to spend those dollars. She suggested that they include the BOE in discussion on putting this towards the Astro turf fund.

This item was put on hold for further discussion at a future meeting.

- **Establish Reserve Budget Accounts**

After some discussion it was agreed that they could establish accounts for two items and that they would hold on the Learn reserve account pending further discussion.

****MOTION (5)**

Ms. Alberti moved to create 'Reserve' budget accounts in CNRE fund 32 for the following purposes – (1) LoCIP Reserve – Town Clerk and (2) ELHS Pool Roof Reserve.

Ms. Santoro seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

c. Ratify Departmental Transfers - \$303,118.67

Ms. Alberti asked that due to the lateness of the hour that this item be placed on the next meeting agenda.

d. Discuss 20/21 Budget

This was previously discussed.

G. Old Business

- **Public Safety Building Project Update**

Ms. Santoro reported that the bids are due back by the end of this month at which time the Vision Committee will review them. They have also met regarding the IT component and should be calling another meeting soon. They can see the project documents on the State website.

- **Action Item List**

Ms. Johnson said that they would address the auditor's comments and policies and procedures next month and that she has spoken with the financial advisor and they may be able to do a re-funding.

H. Public Discussion

Ms. Alberti called for Public Discussion.

I. Board Comments

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

Ms. Santoro said that the library meeting was an appropriate one.

J. Adjournment

Ms. Alberti called for a motion to adjourn.

****MOTION (6)**

Ms. Cicchiello moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 10:25 PM.

Ms. Santoro seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary

SCHEDULE I

CNRE Fund 32
Close Project Schedule

Account #	Description	Amount	Re-allocate
32-01-104-500-001	Vehicle - Bldg Official	2,269.83	32-60-120-100-002 Proceeds from the Sale of Vehicles
32-01-113-700-701	Bldg Maint 81 Util Body	1.00	
32-25-200-700-461	NFD equipment-Ladder Truck	175.34	32-70-300-500-999 Town-wide Projects
32-25-200-700-472	PS - Police Patrol Vehicle Equipment	1,918.05	
32-25-216-700-001	Independent Police Start-up	199.88	
32-25-224-700-001	Enhanced 911 Phone system	1,249.79	
32-30-400-700-702	PWD - Dump Truck	26,276.00	Establish Reserve Account Public Works
32-30-400-700-703	PWD Broom Sweeper	19,685.00	
32-30-400-700-705	Recycling Truck	6,803.00	
32-30-400-700-706	Mason Dump Truck	2,559.06	
32-30-400-700-707	MSW Truck	3,318.00	32-70-300-500-999 Town-wide Projects
32-70-300-500-003	Carpet & Related Improvements	353.61	
32-70-300-500-008	Grand Street Boat Repair	175.00	
32-70-300-500-009	McCook Park Playscape Enhancements	20,000.00	
32-70-300-500-103	Parking Lots - ELCC/EOC/McCooks/Var	1,302.26	
32-70-300-500-345	Pine Grove Roads Project	246,900.00	
32-70-300-500-361	BOE Project Doyle Property	1,111.73	
		334,297.55	
32-01-117-500-002	Historic Preservation Enhancement	126.93	32-99-999-999-998 Transfer Non- spendable Appropriation
32-01-117-500-003	JLUS Study - Dept of Defense	1,862.90	
32-01-117-500-004	Niantic 8-Mile River Watershed Trail	1,904.43	
32-25-200-700-468	Police Cruisers	226.78	
32-25-224-700-002	Harbor Master Boat	32.80	
32-30-400-700-702	PWD - Dump Truck	31,405.00	
32-30-400-700-704	PU Truck	90.00	
32-30-400-700-705	Recycling Truck	5,850.00	
32-30-400-700-706	Mason Dump Truck	4,536.00	
32-40-400-700-701	Bus	69.10	
32-45-400-700-702	Mason Dump Truck P & R	7,531.68	
32-70-300-500-346	LoCIP - Roads	18,714.45	
32-70-300-500-347	LoCIP - EOC Windows/Fire Stairs	3,279.34	
		75,629.41	
32-94-999-700-001	ELHS A-Wing Sprinkler Installation	1,393.88	
32-94-999-700-006	Contingency	212.80	
32-99-900-500-364	ELHS - Boiler System	6,650.17	
32-99-900-500-368	Architect - EL Elementary Schools	6,200.00	
		14,456.85	
	Total Scrub .	424,383.81	
	Total Available to Re-allocate	348,754.40	

Attachment BOT 3/11/20 b. - CNRE Fund 32