

**EAST LYME BOARD OF FINANCE
SPECIAL MEETING MINUTES (Zoom)
AFTER PUBLIC HEARING
Monday, APRIL 26th, 2021**

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

FILED

May 3 2021 AT 11:00 AM/PM
Karen Miller
EAST LYME TOWN CLERK

Also In Attendance: Mark Nickerson, First Selectman
Anna Johnson, Finance Director
Jeffrey Newton, Superintendent of Schools
Tim Hagen, Chairman, Board of Ed

Absent: No One

A. Call Special Meeting to Order

Chairperson Alberti called this Special Meeting of the East Lyme Board of Finance to order at 8:19 PM after the previously scheduled Public Hearing on the Proposed FY21/22 Budget.

B. Deliberations & Action to Send Proposed FY 21/22 Budget to Town Meeting on May 3, 2021 at 7 PM

Ms. Alberti asked Ms. Johnson to address Mr. Larcen's question regarding the capital number.
Ms. Johnson said that the highlighted items are what are going for bonding.

Ms. Alberti noted that there is a potential for an extra \$500,000 with the restructured tiered PILOT funding. She said that they could chose to leave it or to reduce the use of fund balance from \$900,000 to \$307,000. She said that she would like to see the adjustment made to what they are taking from fund balance.

Mr. Steel asked for an explanation of how they use fund balance.

Ms. Johnson explained that when they work on the budget they look at proposed revenues and what it would take to balance for the proposed FY21/22 budget. That is where the \$900,000 came in.

Ms. Cicchiello said she thinks it is important to build up the undesignated fund balance and to try to keep building it up.

Mr. DeRosa said that in principal they would be putting \$500,000 back to it and they could discuss the two items in question.

Mr. Steel said that he would suggest putting all of it back into fund balance especially since it is a State projection and it could be a dangerous proposition to spend it.

Mr. Birmingham agreed that it should go into undesignated fund balance as it is tied up in the State finance office now and we do not know when it would be approved as others have said.

Ms. Johnson said that the State Session is set to close by June 9, 2021.

Ms. Santoro said the State budget numbers are not written in stone until the June 9, 2021 date. She asked Ms. Johnson to explain how this new PILOT item relates.

Ms. Johnson explained the pause on cutting back on ECS and the PILOT Grant redistribution into a tiered program.

Ms. Santoro said that they could take the approach also of splitting it – some for the undesignated fund and some to funding other things – such as using \$750,000 from undesignated fund balance and funding the other police officer.

Ms. Alberti asked that they keep in mind that there were very many years where they hardly touched the undesignated fund balance and she would like to see them get back to that.

****MOTION (1)**

Ms. Cicchiello moved for FY 21/22 that line 01-08-900-051 is reduced from \$900,000 to \$719,000.

Mr. Steel seconded the motion.

Ms. Santoro said that this is a step that she is not willing to take. She thinks that they need to discuss the Police and Brookside Farm.

Ms. Alberti said that they are not increasing the revenues and that she could abstain or vote no. She then called for a vote on the motion –

Vote: 3 – 3 – 0. Motion failed.

For: Ms. Alberti, Ms. Cicchiello, Mr. Steel

Against: Mr. Birmingham, Mr., DeRosa, Ms. Santoro

Discussion on reinstatement of funds –

Ms. Santoro said that she would like to discuss Brookside Farm as she would be happy to reinstate the dollars for the curator with the caveat that the narrative is clearer and that they show up when their budget is up for review.

Ms. Cicchiello said that she would be in favor of it but would prefer that it comes from contingency rather than to re-open the budget.

Ms. Alberti asked Ms. Johnson if they could do that.

Ms. Johnson said yes.

Mr. Birmingham agreed with Ms. Cicchiello to take it from contingency and leave the budget alone.

Ms. Alberti and Mr. Steel also agreed.

****MOTION (2)**

Ms. Cicchiello moved to increase the Brookside Farm Curator line item #134-100-415 by \$3090.00 by taking \$3090.00 from Contingency line item #120-300-500.

Mr. Steel seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Ms. Santoro said that she endorses the Police reinstatement of funds. She said that the BOS supported it when they were given the presentation and she wants them to rethink this and the mil rate.

Ms. Alberti asked her how she would pay for this, this evening.

Ms. Santoro said that she was prepared to just have an increase in the mil rate. But – now they could use some of the PILOT dollars that they are getting. She added that she does not think that adding the second officer at half year is helping as they have done that in the past and it has not helped.

Ms. Cicchiello said that she was at zero officers being added and that she would go back to zero with the police accountability act as she thinks that they need to get the officers we have up to speed on that – PLUS the new Public Safety Building has a lot of costs associated with it – so there are a lot of costs already. The people who spoke tonight were all people intricately involved with the police and not from the general population. She said that she thinks that they need everything up and running as there are a lot of costs that are going to be expended and she does not think they need another officer cost on top of it.

Ms. Alberti said that she agreed with Ms. Cicchiello's comments.

Mr. DeRosa said that he does support that thought process and that he thinks that they could take some money from the PILOT funding and also increase the mil rate a bit.

Mr. Steel said that this was a very tough issue and that they went from zero (0) to two (2) and came to a compromise at one (1) and five (5) of them agreed with that. He reiterated as before that the SRO officer can be moved over to being a patrol officer where the need is. He added that it was also brought up that EL was a desirable police force to join – he thinks that if we are behind that it may be more prudent to get people who have to go through the police academy instead of coming from another Town's department where they have worked for a long time and formulated those ways. Further, they worked on this for a long time the other evening and they do not need to go back over it as they came to a good compromise. If the town does not like it they can vote it down – stick with the one that was agreed upon and move on.

Mr. Birmingham said that they spent a lot of time on it the other night and some suppositions on de-escalation were presented with regard to this.

Ms. Alberti said she understands that the police commission members are trying to come up with solutions and she appreciates the work but that does not mean that she agrees with their views. It is the same as the Board of Finance is not going to make everyone happy. She said that she would like to clarify again that the police commission make-up does not represent our town – there are no minorities on it, no females and she feels that the compromise of one (1) is good for now. They are not hearing from community members and she stands firm on the one (1). They have talked about this enough.

Mr. Birmingham said that there are about 6% minorities in this town and approximately 6% Asian Americans. He said that it is hard to get people to volunteer so no one hears from the 6%.

Ms. Alberti said that she understands but also feels that it involves outreach that we need to do. She asked if the 6% includes Latino.

Mr. Birmingham said no; they are probably 3%.

Ms. Alberti noted there are approximately 15% minority.

****MOTION (3)**

Ms. Santoro moved to reinstate \$30,223 to line 216-511 for a police officer for FY 21/22 for a year.

Mr. Birmingham seconded the motion.

Mr. Steel said that when Ms. Johnson gave that figure that they also need the figure for benefits, etc.

Ms. Johnson said yes, and the uniforms and weapon (\$800 + \$3800) plus the full amount for Payroll taxes and health insurance would have to be restored.

Ms. Cicchiello said that the figure in the motion did not include everything that Ms. Johnson summarized.

Vote: 3 – 3 – 0. Motion failed.

For: Mr. Birmingham, Mr. DeRosa, Ms. Santoro

Against: Ms. Alberti, Ms. Cicchiello, Mr. Steel

****MOTION (4)**

Ms. Cicchiello moved to forward the FY21/22 budget as follows: General Government in the amount of \$19,881,210; Debt Service in the amount of \$5,720,923; Capital in the amount of \$683,113 and Board of Education in the amount of \$52,209,464 for a total of \$77,994,980.

Mr. Birmingham seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Discussion on restructured PILOT revenues

Ms. Alberti said that they could do nothing, reduce the use of undesignated fund balance or wait until they actually know that they have the dollars.

Ms. Johnson said that if the legislation passes the Board can make a motion or wait to the end of the year and send it to the fund balance that way.

Ms. Alberti said that she thinks that it is fiscally prudent to not take as much from the undesignated fund balance.

Mr. Birmingham said that he would suggest doing nothing until they know for sure that they are going to get that money.

Ms. Cicchiello and Ms. Alberti said they could put the funds in the undesignated fund balance.

Ms. Santoro said that they could leave it alone or use some to offset and leave some open for flexibility with the budget.

Mr. Steel said that before this additional PILOT funding came to light they just assumed the previous revenue figures and went with it – they could take the \$590,000 and just assume that it is revenue.

Ms. Johnson said that she looked again at where they are and that it looks like it would be closer to \$500,000 that they would return to fund balance from the \$900,000 that they are using as there has been a steady improvement.

Mr. Steel said that he would put it in the undesignated fund balance.

****MOTION (5)**

Ms. Cicchiello moved that Ms. Johnson make the increase from the funds and change the use from undesignated fund balance from \$900,000 to \$307,919.

Mr. Steel seconded the motion.

Vote: 5 – 1 – 0. Motion passed.

Against: Ms. Santoro

C. Discussion & Possible Action on the Capital Improvement Plan (CIP)

****MOTION (6)**

Ms. Cicchiello moved to forward the CIP Plan as submitted to the Annual Town Meeting on May 3, 2021.

Ms. Santoro seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Ms. Santoro said that she hopes that some of the American Rescue funds can be used for some of these items.

D. Public Discussion

Ms. Alberti called for Public Discussion.

There was none.

E. Board Comments

Ms. Alberti echoed the gratitude that they heard this evening regarding the budget year. She said that she hopes that the town agrees as it has gone fairly smooth.

F. Adjournment

****MOTION (7)**

Ms. Cicchiello moved to adjourn this Special Meeting of the East Lyme Board of Finance at 10:03 PM.

Mr. Birmingham seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary

TOWN OF EAST LYME
Projected Revenues
2021/2022

| Description | | Actual 2020 | Original Projected 2020/2021 | Board of Finance Proposed 2021/2022 | Increase (Decrease) |
|---------------|--|-------------|------------------------------|-------------------------------------|---------------------|
| 01-01-110-101 | Taxes - Current Grand List | 61,070,117 | 61,939,669 | 63,729,685 | 1,790,016 |
| | Supplemental Motor Vehicle | | | | 0 |
| 01-01-120-102 | Taxes - Prior Year Grand Lists | 526,171 | 450,000 | 450,000 | 0 |
| 01-01-130-101 | Interest & Liens - Current Yea | 170,734 | 125,000 | 115,000 | (10,000) |
| 01-01-130-102 | Interest & Liens - Prior Years | 223,904 | 185,000 | 185,000 | 0 |
| 01-01-140-101 | Returned Check Fees | 1,660 | 1,200 | 1,200 | 0 |
| 01-01-140-103 | Attorney Fees | 3,147 | 1,500 | 1,500 | 0 |
| 01-02-200-201 | Education Cost Sharing | 6,327,842 | 6,076,507 | 5,857,856 | (218,651) |
| 01-03-300-006 | State Grant (DUI) | 24,460 | 10,000 | 10,000 | 0 |
| 01-03-300-301 | Town Aid Road Assistance | 340,144 | 340,144 | 338,656 | (1,488) |
| 01-03-300-304 | PILOT State Owned Property | 192,581 | 192,581 | 0 | (192,581) |
| 01-03-300-306 | Pequot Grant | 270,204 | 270,204 | 270,204 | 0 |
| NEW | PILOT: Tiered Reimbursement | 0 | 0 | 1,031,375 | 1,031,375 |
| 01-03-300-309 | Tax Relief - Disabled | 1,500 | 1,345 | 1,400 | 55 |
| 01-03-300-310 | Civil Preparedness Grant | 9,570 | 34,671 | 54,233 | 19,562 |
| 01-03-300-311 | Miscellaneous | 2 | 0 | 0 | 0 |
| 01-03-300-364 | Municipal Stabilization Grant | 524,097 | 524,097 | 524,097 | 0 |
| 01-03-300-316 | Tax Relief - Telephone Taxes | 42,122 | 43,250 | 42,000 | (1,250) |
| 01-03-300-321 | Youth Services Bureau Grant | 30,299 | 24,802 | 24,802 | 0 |
| 01-03-300-344 | PILOT Hospitals & Colleges | 28,062 | 28,062 | 0 | (28,062) |
| 01-03-300-377 | Tax Relief - Veterans | 16,125 | 15,000 | 12,500 | (2,500) |
| 01-04-400-401 | Nuclear Safety Emer Prep (NSEP) Grants | 20,246 | 0 | 0 | 0 |
| 01-04-400-404 | COPS | 778 | 0 | 0 | 0 |
| 01-04-400-409 | Police Overtime Grants | 5,000 | 0 | 0 | 0 |
| 01-05-500-501 | Building Permits | 660,694 | 361,855 | 427,500 | 65,645 |
| 01-05-500-502 | Pistol, Fire & Lodging | 11,345 | 10,500 | 11,345 | 845 |
| 01-05-500-504 | ZBA & Planning | 6,421 | 5,290 | 5,290 | 0 |
| 01-05-500-505 | Conveyance Taxes | 387,921 | 250,000 | 275,000 | 25,000 |
| 01-05-500-506 | Dog Licenses | 8,117 | 0 | 0 | 0 |
| 01-05-500-507 | Town Clerk Fees | 159,437 | 138,000 | 138,000 | 0 |
| 01-05-500-509 | Zoning Fees | 85,471 | 25,000 | 25,000 | 0 |
| 01-05-500-510 | Solid Waste License | 300 | 500 | 500 | 0 |
| 01-05-500-511 | Shellfish Permits | 1,001 | 500 | 500 | 0 |
| 01-05-500-513 | Mooring Permit Fees | 6,852 | 7,250 | 7,000 | (250) |
| 01-05-500-519 | TC Fish & Game Fees | 160 | 250 | 200 | (50) |
| 01-05-500-522 | Wetlands | 2,524 | 2,000 | 6,550 | 4,550 |
| 01-05-500-523 | Park Vendors | 2,150 | 1,000 | 1,000 | 0 |
| 01-05-500-525 | P & R Athletic Lights | 0 | 2,000 | 2,000 | 0 |
| 01-06-600-601 | Parking Fines | 8,677 | 4,000 | 7,306 | 3,306 |
| 01-06-600-602 | Extra Duty - Police, Fire(\$5 of \$6) | 113,834 | 40,000 | 48,000 | 8,000 |
| 01-07-700-000 | Investment Earnings | 147,132 | 55,000 | 40,000 | (15,000) |
| 01-08-800-001 | Misc Revenues(MSW Cans) | 7,845 | 5,000 | 7,500 | 2,500 |
| 01-08-800-801 | Tuition - Other Districts | 2,691,221 | 3,100,000 | 2,915,920 | (184,080) |
| 01-08-800-803 | Debt Payment - Salem | 86,705 | 0 | 0 | 0 |
| 01-08-800-804 | Transportation Subsidy | 40,269 | 40,000 | 0 | (40,000) |

4/27/2021 3:47 PM

4/26/21

Attachment

BOF

4/26/2021

Spec Inty.

| Description | | Actual 2020 | Original Projected 2020/2021 | Board of Finance Proposed 2021/2022 | Increase (Decrease) |
|---------------------|-------------------------------------|-------------------|------------------------------|-------------------------------------|---------------------|
| 01-08-800-805 | Tipping Fees - Commercial | 213,469 | 225,225 | 205,000 | (20,225) |
| 01-08-800-807 | Recycling - Other | 38,529 | 40,500 | 45,000 | 4,500 |
| 01-08-800-809 | Town Miscellaneous | 10,532 | 1,500 | 1,500 | 0 |
| 01-08-800-810 | BOE Miscellaneous | 3,547 | 0 | 500 | 500 |
| 01-08-800-811 | Rent - Cini Park | 16,066 | 16,000 | 16,000 | 0 |
| 01-08-800-812 | Misc - Selectman's Office | 25 | 50 | 25 | (25) |
| 01-08-800-813 | Misc - Assessor | 572 | 900 | 500 | (400) |
| 01-08-800-814 | Landfill Deposits | 166,294 | 177,250 | 195,000 | 17,750 |
| 01-08-800-817 | Misc - Police | 1,812 | 1,800 | 1,800 | 0 |
| 01-08-800-818 | Comm/Aging Program Money | 14,845 | 1,500 | 1,500 | 0 |
| 01-08-800-822 | OTI - Capital Project Funds | 44,195 | 134,195 | 317,836 | 183,641 |
| 01-08-800-824 | Misc - Fire Marshal | 3,256 | 2,500 | 1,000 | (1,500) |
| 01-08-800-838 | OTI - Regional Probate | 7,397 | 8,130 | 8,000 | (130) |
| 01-08-800-823 | Misc - Finance Dept | 86,964 | 79,500 | 79,500 | 0 |
| 01-08-800-831 | Misc - Insurance Reimbursements | 62,827 | 57,500 | 27,500 | (30,000) |
| 01-08-800-832 | Misc - Dog Revenue | 57,111 | 63,500 | 47,981 | (15,519) |
| 01-08-800-833 | Misc - Tax Collector | (148) | 150 | 100 | (50) |
| 01-08-800-843 | Ambulance Fund Subsidy FireFighters | 174,292 | 159,696 | 160,000 | 304 |
| 01-08-900-051 | Other Financing - Fund Balance | | 900,000 | 307,919 | (592,081) |
| 01-08-800-839 | OTI - P & R Special Revenue Fund | | 10,000 | 10,000 | 0 |
| 01-08-900-052 | Special Appropriation UFB | | | | |
| Final Totals | | 75,158,423 | 76,191,073 | 77,994,780 | 1,803,707 |

State Revenue Projections based upon Governor's Proposed FY 22 State Budget.

*Projections based upon Appropriations and Finance Committee Proposed FY 22 State Budget. Change +\$592,081

**Original projection \$492,500, BoS reduction by \$65,000 to \$427,500 to be more conservative