

EAST LYME BOARD OF FINANCE  
REGULAR MEETING MINUTES  
JULY 13, 2022

PRESENT: Denise Hall, John Birmingham, Peter DeRosa, Richard Steel and Lauren McNamara

EXCUSED: Paul Maxfield

ALSO PRESENT: Finance Director Anna Johnson

Ms. Hall called the meeting to order at 7:00 p.m. and led the Pledge of Allegiance.

III. Delegations  
There were none.

IV. Approval of Minutes

**MOTION (1)**

Mr. Birmingham MOVED to approve the special meeting minutes of June 21, 2022 as submitted.

Seconded by Mr. DeRosa. Motion passed 5-0-0.

- Va. First Selectman Report given by Denis Hall on behalf of Kevin Seery
- Celebrate East Lyme will be held on Saturday, July 16<sup>th</sup> from 3pm - 9pm; many vendors, great music, fun activities, and fireworks by Dominion at 9pm.
  - Main Street will be closed from Noon - 11pm.
  - Visit the Celebrate East Lyme Facebook page or the Discover East Lyme website for more information.
  - Summer music series starts tonight at McCooks; visit the East Lyme Parks and Recreation website for more information.
  - The finance director will be retiring in September; please visit the Town website for more information on how to apply for this position.
  - Also retiring is the Parks and Recreation Director; interviews are currently being conducted.
  - The following taxes are due July 1, 2022 - August 1, 2022; Motor Vehicle - in full; Real Estate and Personal Property taxes under \$100 - in full; Real Estate and Personal Property taxes over \$100 - first installment payable July 1 - August 1 without interest.
  - Avoid waiting by:
    - Paying online. Please note there is a transaction fee when paying online.
    - Paying by mail: PO Box 511 Niantic, CT 06357 - Checks payable to East Lyme Tax Collector. Only a USPS postmark on or before August 1, 2022, is considered on time.
    - Using the Drop Box located at the front of Town Hall by the glass doors. Payments dropped after 4:00PM August 1, 2022, will be considered late. No cash in drop box please.

FILED

July 19 2022 AT 3:40 AM/PM

*Lauren Pulver*

EAST LYME TOWN CLERK

Board of Finance  
Regular Meeting of July 13, 2022  
1 of 3

Vc. Director of Finance – Anna Johnson

- A status update regarding the June 30th audit should be available by the end of next week; the auditors are expected to attend the August 10<sup>th</sup> meeting to give a report.
- The call with the rating agency went well; the Finance Director, the First Selectman and the BOF Chairwoman participated on the call. She feels confident that the Town is in line for an upgrade in the next couple of years provided that we can maintain 15% in the unassigned fund balance.
- Brief discussion was held on amending the policy to change the minimum percentage allowed to 15% from the current 7%. The Board of Selectmen is the policy maker for the Town; the current fund balance policy is attached hereto as Exhibit #1.
- There are some items still in process and once everything has been balanced, the Finance Director expects one hundred percent of the budgets to be expended.

VI. New Business

a. Electronic Gate at Field Services Building

**MOTION (2)**

Ms. McNamara MOVED to approve adding the Public Works Project, "Access Gate at Field Services Facility" in the amount of \$20,000 to Public Works Department 317. This will increase the department project total from \$1,885,000 to \$1,905,000. It increases total projects from \$5,073,081 to \$5,093,081. It increases LoCIP projects from: \$165,000 to \$185,000. Note: This requires a town meeting.

Seconded by Mr. Birmingham. Motion passed 5-0-0.

**MOTION (3)**

Ms. McNamara MOVED to approve a special appropriation in CNRE Fund 32 in the amount of \$20,000 for an Electronic Gate System at Field Services (FSB) Facility with the source of funds being the LoCIP program to an account to be established with the State project number. Note: This requires a Town Meeting.

Seconded by Mr. Birmingham. Motion passed 5-0-0.

b. Special Appropriation – Route 161 Corridor Study Grant

**MOTION (4)**

Mr. Birmingham MOVED to approve a special appropriation and transfer in the amount of \$25,000 from CNRE fund 32 account 32-70-300-500-999 (Town-wide Projects) to an account to be established titled, "Route 161 Corridor Study". Note: This requires a town meeting.

Seconded by Ms. McNamara. Motion passed 5-0-0.

c. Reallocate Funds – BOE ELHS Energy Savings Initiative

**MOTION (5)**

Ms. Hall MOVED to approve reallocation of CNRE Fund 32 account 32-99-500-369 (BoE – ELHS Energy Saving Initiatives) \$25,100 FY21 CIP from its original intended use of ELHS/ELMS LED lighting to replace the domestic hot water storage tank at the high school.

Seconded by Mr. Birmingham. Motion passed 5-0-0.

d. Special Appropriation – BOE Pool Roof

**MOTION (6)**

Mr. DeRosa MOVED to approve a special appropriation of \$17,800 CNRE account 32-99-094-900- 001 (ELHS Pool Roof Reserve) for a roof repair professional services at the East Lyme Schools Aquatic Center. Note: This requires a Town Meeting.  
Seconded by Ms. Hall. Motion passed 6-0-0.

e. Payment of Real Estate Appraisal

**MOTION (7)**

Mr. Steel MOVED to authorize the expenditure in the amount of \$4,800 from account number 01-01-120-200-500 (Contingency) for the invoice from Flanagan Associates for appraisal services rendered for property located on Hathaway Road, East Lyme, CT for fiscal year ended June 30, 2022.  
Seconded by Mr. DeRosa. Motion passed 5-0-0.

f. Annual Audit

This matter has been tabled to the August meeting.

Ms. Hall stated that the Town Meeting will be scheduled by the Board of Selectmen for July 6<sup>th</sup> at 7:00 p.m.

VII. Old Business

There was none.

VIII. Public Discussion

There was none.

IX. Board Comments

Mr. Steel stated that he is support of paying the appraisal cost of the Hathaway property and is in favor of moving forward with acquiring this open space. He noted that the State approved the appraisal and evaluation of the property as part of the grant application process.

Mr. Birmingham stated that he concurs with Mr. Steel and suggested that this Board request an update from the Board of Selectman in the form of an executive session.

X. Adjournment

**MOTION (8)**

Mr. Birmingham MOVED to adjourn the July 13, 2022, regular meeting of the East Lyme Board of Finance at 7:44 p.m.  
Seconded by Mr. DeRosa. Motion passed 5-0-0.

Respectfully Submitted By:



Sandra Anderson  
Recording Secretary

## TOWN OF East Lyme

### FUND BALANCE POLICY

#### **Purpose:**

Town Charter and Connecticut State Statutes requires the Town of East Lyme to adopt a balanced budget for each fiscal year. Actual results of yearly operations usually vary from the initial budget plan, and State of Connecticut support of local education expenses and other State grants and reimbursements often varies dramatically from year to year. Therefore, it is incumbent upon the Town to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time emergency expenditures.

#### **Policy:**

The Board of Finance recognizes the importance of achieving and maintaining stable and adequate General Fund - Fund Balances and sets forth the following policy:

1. Maintain end of fiscal year General Fund Total Fund Balance as a percent of the subsequent year's budgeted expenditures greater than or equal to 10%.
2. Maintain General Fund Unreserved Undesignated Fund Balances as a percent of the subsequent year's budgeted expenditures greater than or equal to 7%.

#### **Objectives:**

The Town of East Lyme's formal Undesignated Fund Balance Policy maintains adequate unencumbered reserve funds to accomplish the following objectives:

1. Maintain adequate reserves to support one month's expenditures.
2. Maintain adequate reserves to cover appropriations for unforeseen expenditures, or unforeseen shortfalls in revenue, after adoption of the annual budget.
3. Maintain reserves recommended by our Bond Counsel and/or the Town's Financial Advisor to comply with guidelines, and ensure the highest possible credit rating and lowest possible interest rate on future bonding.
4. Maintain adequate reserves for mill rate relief in subsequent budget years.
5. Maintain additional levels of reserves as deemed appropriate by the Town Board of Finance.

#### **Exceptions:**

Exceptions and/or changes to this policy may be permitted under certain unique conditions to maintain flexibility in case of emergencies and one-time opportunities. Such exceptions shall be identified and documented in Board of Finance minutes.

**Miscellaneous:**

The maintenance of undesignated levels is not to be construed as surpluses or over taxation by the town; rather it is an element of sound fiscal management required for sustaining a high credit rating and financial management flexibility.

If the fund balance is not at its target level, the annual operating budget shall not be supported by any use of undesignated fund balance, except in the event of a declared public emergency. The Town will take appropriate action to restore its fund balance to its target within three years.

**Adoption:**

The Town Administration and Board of Finance, on a regular basis but at a minimum of every three years, shall conduct a review and make recommended revisions, as appropriate, to the Board of Finance. This Policy and revisions hereto shall be presented for consideration of approval by the East Lyme Board of Finance.

**Adopted by:** East Lyme Board of Finance

**Approved Date:** 11/12/2008