

EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
AUGUST 10, 2022

PRESENT: Denise Hall, John Birmingham, Peter DeRosa, Richard Steel and Paul Maxfield

EXCUSED: Lauren McNamara

ALSO PRESENT: First Selectman Kevin Seery and 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. Presentation of June 30, 2021 Audit

Mr. Ron Nossek, Engagement Principal, and Mr. Dave Hansen, Engagement Manager, of CliftonLarsonAllen (CLA), were present to speak on the Audit.

V. Approval of Minutes

MOTION (1)

DISCUSSION: Mr. Steel stated that on page three under Board Comments, it should read ". . . Mr. Steel is supportive of . . .". Mr. Maxfield noted that under First Selectman's Report it should read ". . .report given by Denise Hall . . .". Ms. Hall noted that where she outlined the ways that one could pay your taxes, she was not as detailed as to the methods to use for tax payment as what was reported in the minutes. On page two under Director of Finance report, third bullet point regarding the percentage amount. For clarification, this was only a discussion and there is no official plan to raise that percentage to fifteen percent. This should be amended to read; ". . . to change the percentage to be maintained in the unassigned fund balance in the fund balance policy".

Mr. Birmingham MOVED to approve the regular meeting minutes of July 13, 2022, as amended. Seconded by Mr. Steel. Motion passed 5-0-0.

VIa. First Selectman – Kevin Seery

- Boys little league team finished second place in the State of Connecticut; congratulations!
- New Finance Director will be starting soon in anticipation of Anna Johnson retiring on September 2nd.
- Five candidates for the IT Director position have been identified to move into a second round of interviews.
- The interviews for the Parks & Recreation Director position are complete, and Jerry Lokken has accepted the position and is scheduled to start on September 6th.
- Demolition is almost complete at the Starlight Motel.
- State of CT Route 161 Corridor Study is currently underway. On October 22nd, the DOT will hold a public forum to give the public more information and answer questions.
- SCCOG grant has been awarded for street and sidewalk improvements on East Pattagansett Road.
- Grant through Eversource for four EV charging stations. Currently looking at two locations; Town Hall and the Central Office / High School parking area.
- Looking into purchasing a couple of compactor trash bins; more information to follow.
- AirBnbs are an increasing concern and will be thoroughly reviewed by the Town; please stay tuned for more discussion on that subject.

FILED

Aug 18 2022 AT 3:10 AM/PM
Karen Malin
EAST LYME TOWN CLERK

Board of Finance
Regular Meeting of August 10, 2022
1 of 3

- There has been a spike in phishing emails; please do not open any emails that are suspicious and do not click on any links or attachments if you do not know the sender.
- Charter Revision is in the works and the Board of Selectmen will begin by appointing a subcommittee and setting the charge at a meeting sometime in September.
- Sift Bakery has run into a minor supply chain issue but is scheduled to open in late September.
- Five Churches Brewery is scheduled to open in September in the Morton House.

VIb. Director of Finance – Anna Johnson

- Ms. Hall noted that this is Ms. Johnson’s last official report to the Board as the Finance Director; Ms. Johnson is retiring as of September 2, 2022.
- Notification has been received from the State of Connecticut that the second half of the ARPA funding, totaling \$938,906 will be issued shortly.
- Ms. Hall stated that she would like to work with the First Selectman and the incoming Finance Director to create a formal debt management policy.

VII. New Business

a. Authorize Payment of Invoices – Cleanout of Former PD Building

MOTION (2)

Mr. Birmingham MOVED to authorize payment of invoices from H.A. Latham Moving and Storage and Calamari C&D totaling \$1,466.40 for cleaning out the remaining furniture, equipment and trash from the old Police Building source of funds Premium Dollars.

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

b. Carryover Remaining FY22 Funds – Contingency

MOTION (3)

Mr. Steel MOVED to approve the carry-over of the remaining balance of \$58,602 in account 01-01-120-200-500 (Contingency) from the 2021/22 budget to the 2022/23 fiscal year.

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

c. Carryover Remaining FY22 Funds – Retirement Liability

MOTION (4)

Mr. DeRosa MOVED to approve the carry-over of the remaining balance of \$234,140 in account 01-01-114-100-128 (Retirement Liability) from the 2021/22 budget to the 2022/23 fiscal year.

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

d. Fund Balance Policy

DISCUSSION: Ms. Hall stated that the fund balance policy was distributed and reviewed at the last meeting, and she has been working with Ms. Johnson on possible amendments. The following items were discussed as possible amendments. Current policy states a 7% fund balance be maintained; the Town’s fund balance is currently 15% which is good. The concern with raising it from seven to fifteen percent is that if the Town commits to fifteen percent and dips below for emergency situations that will reflect negatively. They discussed setting a range of 12% to 15%; or set at 10% with additional language to encourage maintaining a higher amount. Ms. Hall suggested adding language to define the various categories of the fund balance for clarity. Ms. Johnson noted that the auditors suggested that under objectives, increase the reserve from the current one month to two months of backup, emergency reserve.

e. Accept Audited Finance Statements

MOTION (5)

Mr. Maxfield MOVED to table this item to a future regular or special meeting.
Seconded by Ms. Hall. Motion passed 5-0-0.

f. Authorize CLA to Conduct Audit

MOTION (6)

Mr. Maxfield MOVED authorize the retaining of services of CliftonLarsonAllen LLP to conduct the audit of the town records for the Fiscal Year June 30, 2022, at a price of \$67,625 plus expenses and a 5% Client Support Fee.
Seconded by Mr. Steel. Motion passed 5-0-0.

VIII. Old Business

There was none.

IX. Public Discussion

There was none.

X. Board Comments

Thank you, Anna Johnson for your many years of service to the Town of East Lyme as the Finance Director. Enjoy your retirement!

XI. Executive Session – Real Estate Matters – Hathaway Property

MOTION (7)

Ms. Hall MOVED to enter into executive session for the purpose of discussing real estate matters – Hathaway Property.
Seconded by Mr. Maxfield. Motion passed 5-0-0.

The Board entered into executive session at 8:26 p.m. The Board returned at 8:55 p.m. and Ms. Hall stated that no formal votes were taken in executive session.

XII. Adjournment

MOTION (8)

Mr. Birmingham MOVED to adjourn the August 10, 2022, regular meeting of the East Lyme Board of Finance at 8:55 p.m.
Seconded by Mr. Steel. Motion passed 5-0-0.

Respectfully Submitted By:



Sandra Anderson
Recording Secretary