

EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, OCTOBER 12th, 2022

Members in Attendance: Denise Hall, Chairperson
John Birmingham, Vice-Chairperson
Peter DeRosa
Paul Maxfield
Richard Steel

Also In Attendance: Kevin Seery, First Selectman
Kevin Gervais, Finance Director

Absent: Lauren McNamara

A. Call Regular Meeting to Order

Chairperson Hall called this Regular Meeting of the East Lyme Board of Finance to order at 7:00 PM.

B. Pledge of Allegiance

Ms. Hall led the assembly in the Pledge of Allegiance.

FILED

C. Delegations

Ms. Hall called for delegations.
There were none.

oct 18 20 22 AT 10:01 AM/PM
Brooke Horvath ATC
EAST LYME TOWN CLERK

D. Minutes

- Regular Meeting – September 14, 2022

Ms. Hall called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of September 14, 2022.

****MOTION (1)**

Mr. Maxfield moved to approve the Regular Meeting Minutes of September 14, 2022 as presented.

Mr. Birmingham seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

E. Reports

- First Selectman

Mr. Seery reported on the following:

- An HR Director has been hired – Sandra Spencer has already started
 - An IT Director has also been hired – Daniel Cleary from Killingworth
 - They established a Charter Revision Committee and gave them 13 charges at the last BOS Meeting. There are 11 people on it and they have to report back to the BOS by August of 2023. They can also add charges.
 - The BOS is in the process of turning over 100 acres of Darrow Pond to Parks & Res to determine what could be done with it.
 - He attended the Indigenous People Day event with Nehantic Natives
 - It appears that the Sift bakery may open October 15, 2022 – Saturday. They will be watching the traffic flow and parking to see if they will need to make any changes
 - The Oyster Festival on September 24, 2022 was very successful and busy all day. They sold 71,000 tickets at \$1 each. Half will go to the Miracle League.
 - On October 27, 2022 commencing at 6 PM in the HS Auditorium the DOT will host an event regarding the Rte. 161 changes. All are invited to attend.
- Finance Director

Mr. Gervais gave a special shout out to his fiancée Pam whom he had not mentioned at the last meeting. He then proceeded to present his PP presentation report. (See attached)

Mr. Gervais noted that the purchase card program is only for anything that cannot be invoiced. He also provided information on Fund Balance ranges from the demographic reference group that includes East Lyme as well as a risk analysis template that he had completed but asked that they also complete to see what they come up with. He noted that information that he could obtain in some instances was not current.

Mr. Seery noted that the Grant Fund (Best Practice) is one of the charges in the Charter Revision.

Mr. Steel asked for an updated Fund Balance report each month and a report with key items for the month listed.

F. New Business

a. Animal Control Officer Funding

Mr. Seery said that there is a need for a second FT Animal Control Officer and that they would like to move the PT Officer up to a FT position. Waterford, whom we share expenses with, has said that they are also in favor of this change. The total cost of the position would be \$49,862. They have reviewed budgets and propose using \$10,452 from the Building Official line item as it is available there and \$14,379 remaining from the PT ACO line item to the ACO (FT) line item. They would like this position to become effective in November. He suggested that they also put in the motion that it is contingent upon written confirmation from Waterford of funding the same for this position.

****MOTION (2)**

Ms. Hall moved to transfer \$10,452 from line item 01-01-104-100-212 (Building Official) and \$14,379 from line item 01-25-226-100-412 (PT ACO), totaling \$24,831 to line item 01-25-226-100-211 (ACO) to fund a second FT ACO subject to written confirmation from Waterford on their approved funding of the same amount.

Mr. DeRosa seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

G. Unfinished Business

a. Update on June 30, 2021 Audited Financial Statements

Mr. Gervais noted that they now have three (3) unfinished audits instead of two (2). He is not sure of how much it will cost with the auditors to provide the information that will be needed. He noted that the 2022 audit is looking like November to close out. He will get back to them with additional information.

b. Discussion and possible amendment – Fund Balance Policy

Mr. Gervais said that this is being worked on – there will be a risk analysis tool for review.

H. Public Discussion

There was none.

I. Board Comments

Ms. Hall noted that last month Mr. Newton had said that they have a deficit. She said that she asked him for an update on it and he said that there have been no major changes from the previous month and that he would update them further in November.

J. Adjournment

Ms. Hall called for a motion to adjourn.

****MOTION (3)**

Mr. Birmingham moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 8:20 PM

Mr. Maxfield seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk, Recording Secretary

Board of Finance Presentation
Board of Finance – Oct. 12, 2022

Kevin Gervais Jr.
Finance Director

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Overview

- ▶ **New Projects and Initiatives**
 - ▶ NovaTime Time and Attendance System
 - ▶ January 2023 Target "Go Live" Date
 - ▶ Coordinating with new HR Director and HR Admin
 - ▶ Tyler MUNIS (ERP) Adoption and Implementation
 - ▶ Finance target date July 2023
 - ▶ Treasury Update
 - ▶ Closed out M&T Bank Bank accounts
 - ▶ Moving operating accounts to one institution
 - ▶ Financial Statement Audits Update
 - ▶ Purchase Card Program
 - ▶ Fund Balance Policy Update
 - ▶ Finance Department: Bringing in additional resources
 - ▶ Other Best Practices

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Attachment Report 10/12/22 Finance Director Report¹

NovaTime Time and Attendance Update



- ▶ January 2023 Target “Go Live” Date
- ▶ Weekly Friday meetings with Project team
 - ▶ Bringing in Payroll Specialist, HR Director, IT Supervisor, HR admin
- ▶ Implementing scannable badges for employees (IT)
- ▶ Moving away from manual time-keeping (carbon copy) (HR)
- ▶ Employee Accessibility
 - ▶ Remote (Phone)
 - ▶ Computers
 - ▶ Time Clocks

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Tyler ERP (MUNIS) Implementation

- ▶ MUNIS has yet to assign project manager (November 2023)
- ▶ MUNIS Rep. Target “Go Live” (July 2023) *
- ▶ Finance “Go Live” Target July 2023
 - ▶ Vendor Import and Maintenance (10,000 vendors to review)
 - ▶ Payroll
 - ▶ Employees added into MUNIS (Earnings, deductions, etc)
 - ▶ Importing NovaTime data into MUNIS (Bridge)
 - ▶ Purchasing
 - ▶ Requisitions and Purchase order workflows and approvals
 - Documentation uploaded and maintained in MUNISTCM
 - ▶ Workflow approvals (Dept Head to Finance to First Selectman)
 - ▶ Training Users (Dept heads, admin, finance staff)

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New chart of Accounts w/ Munis

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Treasury Update

- ▶ Consolidation underway
 - ▶ Combining operations accounts into one financial institution
 - ▶ Maintaining STIF account with state
 - ▶ Maintain STIF comparable account with newly signed bank
 - ▶ Expand relationship with Webster Bank
 - ▶ Combine AP and payroll (operating accounts) into one bank
 - ▶ Manage bond balances with accounting, not bank accounts
- ▶ Interest Income: maximizing earnings
 - ▶ Establish account that matches STIF
 - ▶ Webster Bank has since increased rate to 3.05%
 - ▶ STIF Rate: 2.99%

Positive Pay
Daily
fraud alerts

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STIF → Short Term Investment Fund

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BITS' - 100 bits = 1% int.

Financial Statement Audits Update

- ▶ Fiscal Year 2021
 - ▶ October 30, 2022 anticipated filing date
 - ▶ Sitting with CLA technical review team
 - ▶ Finish MD&A
 - ▶ Wrap up Federal Single Audit (FEMA Reporting)
- ▶ Fiscal Year 2022
 - ▶ Closing the books
 - ▶ Stop accepting FY22 invoices
 - ▶ Close open POs
 - ▶ Reconciling and tying out subsidiary ledgers
 - ▶ Schedule preliminary field work for audit
- ▶ Fiscal Year 2020: Single Audits need additional testing

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Fiscal Year 2020 Audit- Restatements

- ▶ 2020 Federal and State Single Audits
 - ▶ Grants incorrectly recorded under State Single Audit, but were federal funds
 - ▶ Letter forthcoming from Department of Health outlining restatement requirements

- ▶ Drinking Water State Revolving Fund (DWSRF) payments were incorrectly added to the town's state single audit schedule of expenditures. The funding designation changed due to a prior determination from the EPA which states that if any federal dollars enters the DWSRF, then for reporting purposes, all DWSRF funds are to be reported as federal. These DWSRF funds meet that condition.

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Purchase Card Program

- ▶ Signed the paperwork to get started
- ▶ Late December/January 2023 Anticipated "Go-Live"
- ▶ Each employee who is designated by Director will have purchasing card
 - ▶ Employee responsible for their town-issued card
 - ▶ Multiple violations of policy will result in card suspension
- ▶ End of Year Rebate- currently about ~1.8% is returned
- ▶ No interest charges or late fees

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*Purchase Card
Program*

*only for
anything that
can't be
invoiced*

Grant Fund

- ▶ Monitor and record multi-year grants outside General Fund
- ▶ One approval up front from Board of Selectman to approve grant
- ▶ NO additional approvals need for additional appropriations
- ▶ More effective and efficient way to track grants

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Fund Balance Policy

- ▶ Follow Guidance from GFOA (Government Finance Officers Association) on best practices
- ▶ Filling out GFOA Risk Analysis Template
 - ▶ SEE HANDOUT
- ▶ Deciding as a board of risk tolerance

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Governmental Funds Fund Balance as of 06/30/21

TOWN OF EAST LYME, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Sewer Assessments Fund	Bonded Capital Projects	Capital Nonrecurring Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:						
Respendable					54,295	54,295
Restricted					355,943	355,943
Committed		4,056,374			1,417,501	5,506,435
Assigned	255,012					255,012
Unassigned	11,380,721		(1,100,000)	2,418,840	(30,734)	12,618,177
Total fund balances	<u>11,635,733</u>	<u>4,056,374</u>	<u>(1,100,000)</u>	<u>2,418,840</u>	<u>1,837,066</u>	<u>18,848,004</u>
Total Liabilities, Deferred Inflows of Resources and Fund Reserves	\$ 18,908,832	\$ 8,438,730	\$ 12,569,657	\$ 3,544,324	\$ 8,937,271	\$ 47,808,814

Fund Balance as of 06/30/2021: **\$11,651,773**
 General Fund Revenues as of 06/30/2021: **\$78,052,462**
 Fund Balance %: **14.923%**

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Bringing In Additional Resources

- ▶ PT Senior Accountant/Purchasing Agent (Convert to FT FY24)
 - ▶ Oversee Purchasing and adherence to purchasing policy
 - ▶ Centralize purchasing documents (RFPs, quotes, etc).
 - ▶ Establish RFP/Bid Calendar
 - ▶ Assist in monthly reconciliations of accounts (Bank accounts, balance sheet, etc).
 - ▶ Establish a clear #2 in the Finance Office
 - ▶ Assist in day to day operations of Finance Office
 - ▶ Review and approve Payroll file before processed
 - ▶ Review and approve AP invoices for processing before Treasurer signs off
 - ▶ Approve Requisitions
 - ▶ Assist AR clerk with adjusting Journal entries
- ▶ Financial Statement Accountant/Consultant (Temporary)
 - ▶ Establish Changes in Fund balance for Bonded, CNR, etc.
 - ▶ Bring our Financial Statements up to date with latest best practices

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Department Head Meetings

- ▶ Police OT higher than budgeted, brace for more (staff out on leave, pressuring OT)
 - ▶ Police regular salary running under budget (23% vs 26% expected)
- ▶ Social Worker in ARPA Funding (Meeting with KS, KG + CW)
 - ▶ Appears to not calculate fringe benefits
- ▶ Building Official Salary
 - ▶ Running under budget- subject to change

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2022-23 Revenue & Expenditures

- ▶ Revenues
 - ▶ Land Use Office Revenue: Change in code brought in \$75k in a week
 - ▶ Interest will far exceed budgeted amount (Fed rate hikes expected)
 - ▶ STIF rate currently at 2.99%
- ▶ Expenses
 - ▶ Union Contracts negotiated- Retro Pay being calculated
 - ▶ P&R Director paid out of retirement liability
 - ▶ Finance Director paid out of retirement liability
 - ▶ Under Budget on some payroll accounts
 - ▶ HR Manager and Part time clerical (subject to change)
 - ▶ Building officials
 - ▶ Locked in Fuel Pricing: higher than anticipated

*Subject to change w/ hires, terminations, promotions, other unexpected events, etc.

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ARPA: Budgeting and Reporting

- ▶ Placeholder for next month's agenda

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Questions?

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