

EAST LYME BOARD OF FINANCE  
REGULAR MEETING MINUTES  
Wednesday, NOVEMBER 9th, 2022

RECEIVED FOR RECORD  
EAST LYME, CT

2022 NOV 15 A 10:02

*Carroll Hill*  
TOWN CLERK

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

**Also In Attendance:** Kevin Seery, First Selectman  
Kevin Gervais, Finance Director  
Jeff Newton, Superintendent of Schools  
Chris Lund, School Facilities Manager

**Absent:** No One

**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.

**C. Delegations**

Ms. Hall called for delegations.  
There were none.

**D. Minutes**

▪ **Regular Meeting – October 12, 2022**

Ms. Hall called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of October 12, 2022.

**\*\*MOTION (1)**

Mr. Birmingham moved to approve the Regular Meeting Minutes of October 9, 2022 as presented.

Mr. Maxfield seconded the motion.

Vote: 5 – 0 – 1. Motion passed.

Abstained: Ms. McNamara

**E. Reports**

▪ **First Selectman**

Mr. Seery reported on the following:

- This Friday at 10:30 AM there will be a Veteran's Day Ceremony
- On November 26<sup>th</sup> the downtown district will hold their Holiday Stroll. This will also be the last year for the Silver Skate Christmas shop as the building is in need of some repairs.
- The Police Dept will be reviewing for the half position that they have.
- The Charter Revision Committee held a Public Hearing last week regarding the 13 charges. They will be meeting twice a month. Two interns are being paid to help do research as directed.
- In late October there was a Rte 161 corridor presentation covering from the school down Rte 161. It covered accidents, etc. Every quarter there will be a zoom meeting update.
- The Sift Bakery has opened and has been busy.
- The Pump-out boat that was purchased with Waterford has finally been delivered. They will have it for the next season.
- The Trick or Trunk event went very well.

- The recent voting went smoothly as did a recent Millstone drill held in the new Police facility.

- **Board of Ed**

Jeff Newton, Superintendent of Schools reported on the following:

- Veteran's Day will be a full day of school with a lot of events planned
- The first Budget workshop will be held on Monday, November 14<sup>th</sup>
- A deficit projection sheet was passed out to the Board (not provided for attachment to Minutes to the Recording Secretary) the deficit has risen to \$600,000 with electricity adding \$150,000 as well as benefits (people having children/family growing/change in benefits).
- There is a freeze on all supplies
- They continue to evaluate the costs on oil, gas and electricity
- They have five (5) retired teachers working as long-term subs

Ms. Hall said that this information is very disconcerting to her - the deficit was \$400,000 and they felt that they would be able to work with it and now it is \$600,000 and going in the opposite direction. She said that they need a plan with action steps on how they plan to fix this especially as there are also positions that they are looking into filling.

Mr. Newton said that they will work with the Board of Ed to try to get the numbers down.

Ms. Hall said that she sees that they are looking to use the Learn Fund for some items on tonight's agenda - she said that she thought that it was mentioned to use some of that to pay down the deficit -

Mr. Newton said he did not recall that but would check -

Mr. Birmingham said that he goes by the schools at night and the field lights are on and no one is using the fields - he asked also if there is a way to have practice during the daytime so the lights are not on all the time.

Mr. Newton said that he saw that this evening on his way in and that he contacted them to have the lights shut off as no one was on the field. He added that they do usually practice during the daytime. He will make sure that the timers for the lights are adjusted so that they are not on when not in use.

Mr. Birmingham recalled that they had said that with the ball fields redone that they could rent them out and being in some revenue that way - he asked if there has been any attempt to do that.

Mr. Newton said that he would look into that and get back to them - with Covid it had not been done

Mr. Steel asked about the increase in SPED costs and if it was due to an increase in paraprofessionals or an increase in the number of students.

Mr. Newton said that it was due to an increase in BOTH.

Mr. Steel asked about grant opportunities like a Public School Foundation -

Mr. Newton said that he would look into this as he recalled it had been discussed - with Covid it slowed everything down

Ms. Hall asked if there was an opportunity to raise fees such as in aquatics to try to recoup the excess electricity costs.

Mr. Newton said that they had done that but lost a lot of seniors so they recently lowered the fees by \$5. The programs really lost a lot with Covid and are very slow in coming out of it and getting back on track.

- **Finance Director**

Mr. Gervais presented his PP presentation report. (See attached)

## **F. New Business**

### **a. Special Appropriation - Learn Fund - Replacement of ELMS Water Heater**

Mr. Lund, School Facilities Manager explained that they were using Learn Funds for the leaking ELMS water heater. They had gone out to bid in the summer with Emcor - their provider who is holding the price for them. He feels that any new bids would be considerably higher. The current water heater is 20-22 years old and is at an emergency situation where they would not be able to do an open bid. He further explained that he had

worked with Ms. Johnson on this and had called around as she had suggested he do and had received much higher bids.

Ms. Hall questioned not going out to bid especially in light of the deficit that they have. She asked Mr. Gervais about the BOE budget and the NBR and if it would be affected.

Mr. Gervais said that these appropriations will not affect it as it is capital and coming from there however; the \$600,000 mentioned earlier will.

Mr. Maxfield noted that from his experience that the company that they are using is an excellent one and is reliable.

**\*\*MOTION (2)**

Mr. Maxfield moved to approve a Special Appropriation expenditure in the amount of \$84,084 from account 32-99-094-900-002 (Learn Rental Fees) for the purchase and installation of a new hot water heater for the East Lyme Middle School.

Mr. Birmingham seconded the motion.

Vote: 6 – 0 – 0. Motion passed

**Note: This requires Town Meeting approval**

**b. Special Appropriation – Learn Fund – Replacement of ELPS Pick-Up Truck**

Mr. Lund explained that the truck that they are looking to replace was given to them from Parks & Rec in 2019 to be used for plowing. It was very old at that time. They recently took it in for work and were told it is not safe to operate. The new one is to be used for plowing and for materials transportation between buildings.

Ms. Hall said that she feels that there is a lot of work to be done with their budget to have these items be a part of it rather than to be a special appropriation.

Mr. Birmingham asked what else this truck will be used for as the snow plowing is seasonal.

Mr. Lund said that they would transport items from one school to another and also hook a trailer to it for larger items that they need to transport or take to the transfer station. He noted that this is through the state bid contract.

Mr. Maxfield asked if the trucks stay on site or if they home with people.

Mr. Lund said that they stay on site.

**\*\*MOTION (3)**

Ms. McNamara moved to approve a special appropriation in the amount of \$53,191.46 from account 32-094-900-002 (Learn Rental fees) for the purchase of a 2022 F-350 Super Cab 4WD Pickup Truck with a Tommy Gate Lift Gate and a BOSS Vee snowplow attachment.

Mr. Birmingham seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

**Note: This requires Town Meeting approval.**

Mr. Newton thanked Ms. Hall for mentioning the CIP and said that they will try to work with that although it frequently gets cut during the budget process.

**c. Purchase of Garbage/Recycle Containers for Main Street**

Mr. Seery explained that we have received money from the State Nip program where they imposed a 5 cent/nip fee that is turned over to the Towns for this type of use. This is for the purchase of two (2) receptacles to be placed downtown near the movie theater and the Black Sheep to mitigate debris falling out of cans onto the downtown area and into the streets. These containers compact waste and do not have to be emptied as often. They will keep the downtown area cleaner.

**\*\*MOTION (4)**

Mr. Steel moved to approve the expenditure of \$13,146.50 from account 32-30-400-700-727 (Nips Grant Expenditures) for the purchase of two HC5/SC5.5 Double Station Garbage/Recycle containers.

Mr. Maxfield seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

**Note: This requires Town Meeting approval.**

**d. Proposed 2023 Board of Finance Meeting Schedule**

Ms. Hall noted that they have the hybrid system now and that it might be used in the event that they could not make a meeting.

Mr. Seery said that he is working on getting a student to run them so that they do not have to do it and also run the meetings.

**\*\*MOTION (5)**

Mr. Maxfield moved to approve the Board of Finance Regular Meeting Schedule for 2023 as presented.

(Copy Attached)

Ms. Hall seconded the motion.

Vote: 6 – 0 – 0. Motion passed

**G. Unfinished Business**

**a. Update on June 30, 2021 Audited Financial Statements**

Mr. Gervais said that all of this is in progress. He has his staff working extra to keep things moving along.

**b. Discussion and possible amendment – Fund Balance Policy**

Mr. Gervais said that this is being worked on. He said that they need a high level accountant to help with the financial statements part time.

A few members said that they had reviewed the risk analysis tool and came up pretty close to his results.

Generally fund balance would fall between 10 – 15%. He noted also that there are issues with great expenses being anticipated in this upcoming year – with utilities among other items.

He noted that a purchasing agent would be a great value to them to keep on top of all of the general items that they all use. This person would come experienced and would be able to obtain purchase information that is currently scattered and taking up a lot of the departments time when it could be consolidated to save them money.

**H. Public Discussion**

There was none.

**I. Board Comments**

Mr. Steel commented that he likes the idea of the hybrid meetings. He also noted that the Miracle League field is on school property.

Mr. Seery said that it was paid for by the Miracle League.

Mr. Birmingham asked about the high level accountant and if Mr. Gervais knew of anyone.

Mr. Gervais said that he knows of one that he has previously worked with. It would be part time.

**J. Adjournment**

Ms. Hall called for a motion to adjourn.

**\*\*MOTION (6)**

Mr. Birmingham moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 8:50 PM

Mr. Maxfield seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary

**Board of Finance Presentation**  
**Board of Finance – Nov. 9, 2022**

Kevin Gervais Jr.  
Finance Director

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### Overview

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- ▶ **New Projects and Initiatives**
  - ▶ **NovaTime Time and Attendance System**
    - ▶ January 2023 Target "Go Live" Date *2nd week*
  - ▶ **Tyler MUNIS (ERP) Adoption and Implementation**
    - ▶ Finance target date July 2023
  - ▶ **Purchase Card Program**
  - ▶ **Treasury Update**
    - ▶ Monitor STIF Rates (Currently 3.83% as of Tuesday Nov 8<sup>th</sup>)
    - ▶ Moving operating accounts to one institution (Spring 2023)
    - ▶ Interest Income Projection for remainder of FY23
  - ▶ **Financial Statement Audits Update**
  - ▶ **Fund Balance Policy Update**
  - ▶ **Budget v. Actual**
  - ▶ **Unexpected Revenues**

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## Finance Department Projects

- ▶ NovaTime Implementation
  - ▶ On Target for January 2023
  - ▶ Coordination between HR, IT and Finance
- ▶ Tyler MUNIS (ERP) Adoption and Implementation
  - ▶ Working with rep to obtain Project Manager
  - ▶ Coordination with BoE Finance Office
- ▶ Purchase Card Program through State of CT
  - ▶ Met yesterday with project implementation team
  - ▶ No finance charges, no late fees
  - ▶ ~1.8% annual rebate on all purchases

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## Treasury Update

- ▶ Consolidation of Bank accounts
  - ▶ Combining operations accounts into one financial institution (Spring 2023- RFP) (*banking services*)
  - ▶ Revamp account structure with Webster Bank
    - ▶ Manage bond balances with accounting, not bank accounts
    - ▶ Implement zero-balance accounts (Sweep accounts)
    - ▶ Implement positive pay on all accounts (ACH Debit blocks, etc).
- ▶ Interest Income: maximizing earnings
  - ▶ Establish account that matches STIF (NSB)
    - ▶ \$19k in interest for October (split between GF and CNRE)
  - ▶ Webster Bank has since increased rate to 3.05%
  - ▶ STIF Rate: 3.83%

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## Financial Statement Audits Update

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- ▶ Fiscal Year 2021
  - ▶ October 30, 2022 anticipated filing date
    - ▶ Sitting with CLA technical review team (Still here)
  - ▶ Finish MD&A
  - ▶ Wrap up Federal Single Audit (FEMA Reporting)
- ▶ Fiscal Year 2022
  - ▶ Closing the books
    - ▶ Paid our last FY22 invoice
    - ▶ Closed open POs
    - ▶ Reconciling and tying out subsidiary ledgers
  - ▶ Schedule preliminary field work for audit
- ▶ Fiscal Year 2020: Single Audits (letter forthcoming)

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## Coming down the line...

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- ▶ Establishing a grant fund (Charter Revision)
  - ▶ Saves time and money
  - ▶ Best practice to track grants through multiple years
- ▶ Fund Balance Policy (Ongoing Discussions)
  - ▶ GFOA Analytical template to help make informed decision
- ▶ Bringing in additional resources
  - ▶ Financial Statement Consultant
  - ▶ PT Senior Accountant/Purchasing Agent
    - ▶ Ensures compliance with purchasing policy
    - ▶ Centralized purchasing documentation
    - ▶ Establishes a #2 in the office in event of Finance Director Absence

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### Fund Balance Projection

Town of East Lyme  
Forecasted Current Year 2022-23  
As of October 31, 2022

	Original	Alerts, Concerns, Requests		Fund Balance Forecast
		Amount	Comments	
Beginning Fund Balance *	11,386,721			11,386,721
FY22 Unaudited Revenues	80,798,211			80,798,211
FY22 Unaudited Expenditures	79,124,111			79,124,111
<b>Estimated Ending Fund Balance FY22</b>	<b>13,060,821</b>			<b>13,060,821</b>
<b>Revenues</b>				
Tax	66,574,379		Appears to be on target	66,574,379
Intergovernmental	8,387,401		No significant variances at this time	8,387,401
Other Income	5,882,974			5,882,974
Unanticipated Revenues				
Interest Income		250,000	Monitor interest rates	250,000
MRSA		588,000	Money already received	588,000
	<b>80,844,754</b>	<b>838,000</b>		<b>81,682,754</b>
<b>Expenditures</b>				
Operating - Town	20,361,324		No significant variances at this time	20,361,324
Operating - Board of Education	54,608,478		Significant challenges with BOE budget	54,608,478
Debt Service	5,674,292		No significant variances at this time	5,674,292
Capital Outlay	700,660		No significant variances at this time	700,660
	<b>81,344,754</b>			<b>81,344,754</b>
<b>Projected Ending Fund Balance FY23</b>	<b>12,560,821</b>	<b>838,000</b>		<b>13,398,821</b>

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- ### 2022-23 Revenue & Expenditures
- ▶ Revenues
    - ▶ MRSA (Municipal Revenue Sharing Account)
      - ▶ Two Tiered- CCM told us last year NOT to budget for this money
        - Payment 1: \$368k
        - Payment 2: \$220k
    - ▶ Interest will far exceed budgeted amount
      - ▶ STIF rate currently at 3.83%
      - ▶ Budgeted amount: \$20,000
      - ▶ Actual to date: \$81k
  - ▶ Expenses
    - ▶ Registrars
    - ▶ Referendum and Primary wages
    - ▶ Monitoring election wages
    - ▶ Monitoring PD salaries & wages, PW wages & OT, big \$\$\$ accounts *winter issues*
    - ▶ Departments dealing with inflationary pressures *high*
- .....\*Subject to change w/ hires, terminations, promotions, other unexpected events, etc.....

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## ARPA: Budgeting and Reporting

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- ▶ See handout
  - ▶ Any questions, will pass on to individual overseeing project

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Questions?

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**Town of East Lyme  
Board of Finance  
Meeting Schedule  
2023**

Meetings will be held at the East Lyme Town Hall  
Meeting Room #1 – Upstairs  
On the following listed Wednesdays at **7:00 PM**  
(2nd Wednesday of the Month – unless otherwise noted)

**January 11, 2023**

**February 8, 2023**

**March 8, 2023**

**April 12, 2023**

**May 10, 2023**

**June 14, 2023**

**July 12, 2023**

**August 9, 2023**

**September 13, 2023**

**October 11, 2023**

**November 8, 2023**

**December 13, 2023**