

Minutes of East Lyme Board of Finance Special Meeting - 04/03/23

Date and time: 04/03/23 06:30 pm to: 04/03/23 07:30 pm
Present: Brooke Stevens, Recording Secretary, Denise Hall, Chairperson, John T. Birmingham, Vice Chair, Peter Derosa, Paul Maxfield, Lauren McNamara, Absent:, Richard Steel
CC: Kevin Gervais, Finance Director, Kevin Seery, First Selectman, Jerry Lokken, Parks & Recreation Director
Location: East Lyme Town Hall

Topics

1. Call Meeting to Order & Pledge

Note Chairperson Hall called the April 3rd, 2023, Special Meeting of the Board of Finance to order at 6:30 p.m., and led the Pledge of Allegiance.

Note Those in attendance agreed to hear the agenda out of order, so that Mr. Lokken could present his proposed budget first and vacate the meeting sooner.

2. Delegations

Note Ms. Hall called for Public Delegations.

2-1. Scott Todd of 30 York Avenue

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EAST LYME, CT
2023 APR 13 A 8:13
Caulfield
TOWN CLERK

Mr. Todd came forward to speak and said some of the following:

He's here to support the inclusion of the funding for pickleball courts.

It has the full support of the Board of Selectmen and the First Selectman.

He wants to try to emphasize the importance to the pickleball community that these courts stay in the budget.

Pickleball is very easy to learn, but still hard to master so keeps your interest.

It's an egalitarian sport.

Old and young, male and female, can compete on a level playing field, all the time.

Athletic, non-athletic, doesn't really make that much difference.

It's all about strategy and knowing how to play the game.

The biggest thing is the social nature of the sport.

The current situation for pickleball in town is inadequate.

They do have three courts that are marked on the basketball courts, but that's a shared space.

It's kind of on a high plateau, so there's a lot of breeze comes through there.

A pickleball is a very light, so it's less than ideal.

And it's really not a permanent solution for our town.

Parks and Rec was good enough to get them a dock box where they keep three portable nets, and a bag of balls.

Seniors are the largest demographic in the town, as well as the fastest growing demographic.

Pickleball is not limited to seniors, but it's popular with them because they have the time to play, and don't have to run.

Seniors are kind of underserved as a group within Parks and Rec, because there really hasn't been this kind of an opportunity in the past.

A year ago, he initiated a change.org petition online, and they currently have over 300 signatures.

The petition requested that the Parks and Rec commission establish a committee, to look into how we could establish outdoor dedicated pickleball courts in town.

That committee was established, and they met several times.

He has emailed their report to Ms. Hall.

The report recommends courts be built at Bridebrook Pretz Park, and they'd be oriented north and south.

It's a spot just west of the basketball courts.

There's bathrooms and parking available so that reduces the cost and there's even poles with lights on the basketball courts.

The estimate to build these courts is \$275,000, but that's a rough estimate from one of the pickleball companies.

The average is \$50,000 per court, but that's just for the bare courts, and doesn't include fencing, wind screens, or lighting.

Montville is now in the process of building their six pickleball courts at Camp Oakdale, using post tensioned concrete.

They would be a really welcome addition to our town.

He hopes that they will keep it in the budget.

3. New Business- Budget Reviews

3-1. Parks & Recreation #421

Mr. Derosa asked how the Wellness and Mentoring Coordinator achieves prevention, wellness and mentoring for youth?

Note Mr. Lokken explained that she's responsible for obtaining state grants for their youth services operation, she's works with community partners to organize activities at schools, she works with volunteers in the community to get mentors into the school, to assign to children who need mentors, and she works with the Juvenile Review Board in regard to people that get in trouble, referrals, and counseling services. He noted it's quite a lot of work to do in 28 hours.

Note Mr. Lokken came forward to present his proposed budget and noted some of the following: Parks and Rec Department is fully involved in the town.

They're a big reason of why East Lyme is East Lyme.

The parks, the beaches, the boardwalk, the sports, the programs that they offer the community, the events that they offer, the concerts, Celebrate East Lyme, the Holiday Stroll, Farmers Markets, decorating contests, all those things, go through Parks and Rec.

In addition to the parks, they also help maintain other town properties such as the Public Safety Complex, the Field Services Building, the Town Hall grounds, Methodist Street parking, parking along Main Street properties on Pennsylvania Avenue.

They have a great staff, but they also need some equipment.

They're looking for a couple of zero turn mowers so they can mow all the fields and parks, and an automated paint liner.

A line painting robot paints perfect lines on a field for lacrosse or soccer or any other sport.

Their staff members spend a lot of time on athletic fields painting by hand.

An automated line painter could really save them some time and energy, and instead, they can then turn around and make improvements at the beach or make improvements elsewhere in the parks.

In terms of their operational budget, the only major change is trying to make our Prevention Wellness and Mentoring Coordinator in Youth Services full-time.

Currently, it's a 28-hour position with funding shared between the General Fund and ARPA Funds.

They're hoping to make the position full-time and include it in the General Fund over time.

The COVID Pandemic really showed them that there is a need in the community for this type of work.

Counseling and prevention activities are really a need.

There are also a couple of other small changes in contracted operations.

They did request some additional funding, but the Board of Selectmen did reduce that amount back to last year's amount.

They had to do some contracted service, cleaning restrooms at the parks.

They plan to now focus the cleaning on the peak season and take care of the additional months with their existing Seasonal or Park Staff.

In terms of capital projects, they heard from Mr. Todd earlier about the pickleball courts.

That's probably their biggest ask in terms of capital funding, addition to the equipment he previously mentioned.

Note Ms. Hall asked about the ongoing daily maintenance associated with a pickleball court, and Mr. Lokken replied that it's minimal, and similar to a tennis court. He added that the post tensioned concrete surface they're talking about is a surface that's going to last quite a while; from time to time, it would have to be realigned to make sure that the lines don't get worn away. He further explained that this kind of work is minimal and happens every 5-10 years.

Note Ms. Hall said she knows there's controversies around sound in a lot of communities, and Mr. Lokken noted that the committee did study various locations and the impact on neighbors was a primary factor that they considered in regard to court placement.

Note Mr. Lokken detailed the size of Bridebrook Pretz Park and explained that the courts would pretty much be in the middle of the park, well away from any neighbors, so he doesn't believe sound will be an issue.

Note Mr. Seery discussed how the park is an area designed for a lot of activity, and many of it is noisy; these courts will be further away from the current activity hub, and not nearly as loud in volume.

Note Ms. Hall said she's glad this was investigated; she wouldn't want the town to invest and have it be a controversy later.

Note Mr. Birmingham asked about utilities and the athletic lighting estimate, it went up 117%, but there's no narrative on it.

Note Mr. Gervais said the item is actually utilities and water & sewer.

Note Mr. Lokken said they can see his addition in red of \$1,400, which is for a switch, which will allow them to control lights with a cell phone; currently it's a manual operation and this upgrade will save Staff time and ensure they're turned on and off in a timely and efficient manner.

Note Mr. Lokken said the rest, the \$15,000, was determined by past usage, and he doesn't believe enough was included last year, to pay the entire bill for the year.

Note Mr. Gervais discussed the \$6,000 water & sewer bill and said he believes we're replacing some of the big pumps and meters for Bridebrook Pretz and McCooks.

Note Mr. Seery explained how the meters are not like the ones for your home, they're much larger and therefore costly, but will also be much more accurate.

Note Mr. Gervais said there is additional money in this line for the one-time cost of replacing the meters. He added that they should keep in mind, that with more accurate meters, the bills may increase.

Note Mr. Derosa asked about the staffing pattern for the Wellness and Mentoring and Mr. Lokken clarified that it's a department of one, who works 28 hours a week.

3-2. General Government #114

Note Mr. Gervais reviewed the proposed budget for General Government and said some of the following: Almost everything is staying the same.

FICA is tied to the number of employees.

For Worker's Comp, they have a contract, so it's a flat fee, which will increase by the pension number.

This is still a work in progress and dependent on what the Pension Board does.

Life insurance has been increased by 5%.

Benefits & Dental is increasing by 8%; they were given the number of 7.1%, but they have to add a couple of new positions- the Deputy Finance Director and two Police Officers.

For retirement liability, when people leave, they have to pay out whatever the contracted rate is for the number of sick days, vacation days, and so forth.

They're staying status quo on most legal and cut \$10,000 based on their actual projections.

He added \$25,000 for Charter Revision but they think they will be able to absorb that with the current \$25,000 they have budgeted.

They've been trying to reduce legal fees by minimizing who calls the attorneys, and they funnel out that through Mr. Seery.

Note Ms. Hall asked about retirement liability and Mr. Gervais said they just had someone retire, and if they've been here long enough, it costs almost \$70,000; \$300,000 goes quickly and can probably cover 5 or 6 retirements, if they haven't been here for an extremely long time.

Task Mr. Gervais said their liability is over a couple of million dollars, that he will do the calculation and send it to them.

Owned by Kevin Gervais, Finance Director

Note Ms. Hall asked if retirement liability is included in contract negotiation as an item they'd like to address?

Note Mr. Seery briefly discussed how the bar has been set high for employees that have been with the town for a long time, so it would need to be an area of focus for newer and future employees that come in. He explained that there are two years left to go on the current contract.

Note Ms. Hall said she would like to see them move away from that in the future.

Note Mr. Gervais continued to review the legal services as well as services- contracted/operations and operating expenses for the Board.

Note Mr. Gervais discussed employee conferences and the town's annual CCM and Southeastern Council of Governments Memberships.

Note Ms. Hall asked if the town actually utilizes CCM and Mr. Seery responded that the town actually uses CCM and the Southeastern Council of Governments quite a bit.

Note Mr. Seery further explained that the Southeastern Council of Governments is utilized more frequently since the resources are right here, but CCM responds quickly when they need anything, or have questions, and they do a couple of site visits each year to ensure we're aware of the many services they provide.

Note Mr. Seery said the vast amount of that funding goes to the Southeastern Council of Governments.

3-3. Services to Community #115

Note Mr. Seery detailed services to the community and made some of the following comments:
The East Lyme Cemetery Association has asked to go up to \$1,000, to do some maintenance and focus on some of the older cemeteries.
We did just apply and receive a \$5,000 grant, which will help with cemetery maintenance.
Blue Door is a new organization that provides gently used free medical equipment to families in need. They're a 501(c) and take no money for salaries.
They're located in Niantic and looking for a storefront, so we're trying to see if we can find a place for them, so they don't have to operate out of their own homes.
The Giving Garden started a couple of years ago and have provided over 8 tons of organically grown food by the Baptist Church.
He has put them down for \$2,500 to give them some seed money.
They also have high school kids visit to learn about organically grown food.
East Lyme Student Government has been \$1,000 for very long time, so they have upped that amount to \$2,000.
Veterans Representative Mileage Reimbursement, is for Brian Burrige, who drives veterans to hospitals in Newington and West Haven.
He has never requested reimbursement for this service, but they want to establish a fund for when he drives town veterans out of town for doctors' visits.
Everything else stays the exact same as last year.

Note Ms. Hall said there was a late request in regard to veterans' flags at the cemeteries and Mr. Seery noted that is included here.

Note Mr. Derosa explained that the Family Services Association has merged into United Community and Family Services, and Mr. Seery said he will update that title.

Owned by Kevin Seery, First Selectman

3-4. Finance #118

Note Ms. Hall noted this item was heard on March 26th, 2023.

3-5. Board of Finance #126

Note Ms. Hall noted this item was also heard on March 26th, 2023.

3-6. Capital Outlay

Note Mr. Seery said the Board of Selectmen will be looking at using some of the remaining ARPA Funds to deal with some capital onetime non-recurring items which include some of the following:

A self-contained breathing apparatus for the Flanders Fire Department- \$7,460.

Turn out gear for the Fire Marshal & Deputy Fire Marshal- \$10,000.

Gas meters for the Fire Marshal- \$2,000.

\$25,000 towards town sidewalks.

Establishment of Town Roof Fund- \$10,000.

HVAC Pump Fund- \$20,000.

Fire Department generator- \$20,000.

Mr. Seery said this will still leave us with \$17,000 that has not been earmarked for any expenditures, and Attorney Tracy Collins has confirmed that these are appropriate uses of ARPA Funds. He said this will cushion that capital outlay by almost \$100,000.

Note Mr. Seery said they have until the end of 2024 to obligate these funds, and until the end of 2026 to expend the funds.

Note Mr. Seery said they will act on this at the next Board of Selectmen meeting.

3-7. Debt- Interest and Principal #522/523

Note Mr. Gervais reviewed our debt service schedule which is listed out by amount, interest, principal, and payment dates. He added that this illustrates why it's important that we have some working capital, or fund balance; if payments are due at the end of July, which is when all the money comes in, and we didn't have any cash in our savings account, we could potentially have to take out a loan, to pay another loan. He explained that with a fund balance, they don't have to do that.

Note Mr. Gervais shared that the GFOA recommends 16.7% fund balance/ two months' worth of working capital to alleviate problems like this, which we currently do not have.

Note Ms. Hall clarified that the payments listed are only the payments due this year, which Mr. Gervais confirmed.

Note Mr. Gervais said the following:

This year, for general fund, we're going to pay out 3.9 million dollars of principal.
We're paying 2.2 million dollars of interest on loans.
Fortunately, interest rates were very low for the last few years.
We have great interest rates on the debt we do have.

Note Mr. Gervais detailed how their payments will only go up from here.

Note Mr. Birmingham asked at what point he thinks the payments will go down and Mr. Gervais said in order to reduce debt without reducing actual capital projects, they have to pay for cash, or pay with a leasing program.

Note Mr. Gervais discussed the capital bonds we have with 20-year and 10-year bonds, and 5-year financing, which is the lease acquisition program.

Note Mr. Gervais said this is not the year to do it, but he would like to see items slowly being paid for in cash. He noted this year they have a lot of inflationary challenges, so this isn't the year to increase cash capital, but the solution to wean us off debt is to move us towards cash capital, paid for with tax dollars.

Note Mr. Gervais briefly discussed how moving to cash capital might be achieved in future years.

4. Public Discussion

Note There was none.

5. Board Comments

Note There was none.

6. Adjournment

Decision MOTION (1)

Mr. Maxfield moved to adjourn the April 3rd, 2023, Special Meeting of the Board of Finance at 7:31 p.m.

Ms. McNamara seconded the motion.

Motion carried, 5-0-0.

Note Respectfully Submitted,
Brooke Stevens, Recording Secretary

Task Summary

New Tasks

Task Mr. Gervais said their liability is over a couple of million dollars, that he will do the calculation and send it to them.

Owned by Kevin Gervais, Finance Director

Task Mr. Derosa explained that the Family Services Association has merged into United Community and Family Services, and Mr. Seery said he will update that title.

Owned by Kevin Seery, First Selectman

Open tasks from previous meeting(s)

Task Ms. Hall said she would love to see the details on that, and Ms. Stevens said she will send her the projection sheet.

Owned by Maryanna Stevens

Task Ms. Hall asked what the total number of employees in the district for the 23/24 budget is, and Mr. Newton said he doesn't have that information at this time. He said he will do some calculations to determine that figure.

Owned by Jeffrey Newton, East Lyme Superintendent of Schools

Task Ms. Hall observed that Mr. Schulz also noticed a travel increase from \$1,200 to \$5,000. Ms. Stevens asked if he's referring to the mileage reimbursement line and Ms. Hall replied that since he has already left, they can double check with him, and forward that information on for them to address.

Owned by Denise Hall, Chairperson