

Minutes for Board of Finance September 13th, 2023, Regular Meeting

RECEIVED FOR RECORD
EAST LYME, CT

2023 SEP 21 A 8:06

Caullin M. M...
TOWN CLERK

Minutes of Board of Finance September 13th, 2023, Regular Meeting - 09/13/23

Date and time: 09/13/23 7:00 PM to: 09/13/23 10:19 PM

Present: Brooke Stevens, Recording Secretary, Members Present:, Richard Steel, Paul Maxfield, Lauren McNamara, John T. Birmingham, Vice Chair, Peter Derosa, Absent:, Denise Hall, Chairperson

CC: Joe Bragaw, Director of Public Works, Kevin Gervais, Finance Director, Kevin Seery, First Selectman

Location: East Lyme Town Hall, Upper Conf. Room, 108 Pennsylvania Avenue

Link: <https://app.meetingking.com/meetings/404863>

Topics

1. Call Meeting to Order & Pledge

Note Vice Chair Birmingham called the September 13th, 2023, Regular Meeting of the Board of Finance to order at 7:00 p.m. and led the Pledge of Allegiance.

2. Delegations

Note There were none.

3. Approval of Meeting Minutes

3-1. Regular Meeting- August 9th, 2023

Note see attached minutes.

 [Minutes of Board of Finance August 9th 2023 Regular Meeting 08 09 23.pdf](#)

Note Mr. Birmingham called for corrections.

Note Mr. Steel noted on page 2, next to the last paragraph, it says "statutes" instead of "statues," there is an extra "t."

Decision MOTION (1)

Mr. Maxfield moved to approve the Meeting Minutes of August 9th, 2023, as amended.

Mr. Derosa seconded the motion.

Motion carried, 5-0-0.

4. Reports

4-1. First Selectman

Note Mr. Seery noted the following:

They offered an early retirement incentive for Town Hall Staff who met the criteria.

if your age and years of service- a minimum which of 10 years, equaled 85, you could get an extra 4%.

A few people took advantage of that and it's a savings to the town.

He was at an event today where the Giving Garden on Church Lane was recognized for their contributions and for their volunteer efforts.

Over the last three years, they've harvested over 90,000 pounds of food which has gone to the people in the area in need.

The statue at McCook's was moved to the other side and the archaeologists for the Nehantic Tribe have been notified.

Moving forward, they're going to x-ray the rest of the area to ensure no further burial grounds are present.

High School football and soccer have started.


The Oyster Festival will take place on September 23rd, behind St. John's Church.

4-2. Superintendent

Note The Superintendent was not in attendance.

4-3. Finance Director

Note see attached presentation.

 [3210_001.pdf](#)

Note Mr. Gervais noted some of the following:

Rose Cotoia, our Payroll Clerk who has been with the town for over 16 years is retiring.

He wants to take a moment to recognize her for her years of service with the town.

We're very sad to see her go, but we've hired a new Payroll Clerk to take her place.

In terms of new software, they're still looking to go live July 1st, 2024, for everything except payroll.

Payroll will go live January 1st, 2025.

He's going to be bringing forward a change order.

There's a module, the town didn't sign up for originally, that he thinks is very valuable.

It's project accounting.

On top of having the general ledger and that accounting, there's an additional module within this accounting software that lets you track revenues and expenses of each individual project and grant.

The current price is \$17,000 and he's working on getting that number lower.

He's hoping to get under \$10,000 before he brings it forward to get it approved.

He thinks it would be money well spent transitioning into banking and treasury services.

The consolidation of our bank accounts is nearly complete.

He's been working with Webster bank on calculating retro interest that weren't at the 4.5 - 5% range.

Conversations with Ms. Hall and Webster Bank have led to \$160,000 of additional income that came in between March and July.

That's FY 24 money that will help them out with the interest income projection of a million dollars he signed on to earlier in July.

In the springtime, he'd like to discuss bringing in some software, so that will be part of the budget discussion.

He has discussed the budgeting software Clear Gov, with Mr. Seery.

The selling point to this software is that with an excel budget, your one broken formula away from being wrong.

That really resonated with him because he had two broken formulas.

He'll bring forward a package of new software in the Finance Office that he thinks will help them streamline and create some efficiencies.

In terms of financial statement updates for 2022, the remaining funds are being reconciled and their working to reconcile department software with the accounting software to make sure all the revenues and everything is fully recognized.

For FY23, they can now start the process of closing out all those accounts.

Once he's done with FY22, we work on FY23.

For FY24, the year we're in, they're monitoring the budget right now.

He's examining the items that went over budget in FY23.

In October, they're going to begin having quarterly budget meetings with each department head.

He'd like to really start with capital this year and create a good 10 year and 5-year plan.

We can solidify that and use that to project debt service for the next 5, 10, and 20 years.

It all ties into a long-term projection plan that we need to start building.

For FY23 transfers, they're working on salary contingencies.

This year we had a transition in HR, hired a new IT Director, a new Chief Building Official, a new Fire Marshal, a new Senior Center Director, a new Finance Director, and a new Parks and Rec Director.

When he himself started, he and Ms. Johnson overlapped, and we didn't budget for 53 weeks.

There were a lot of departments like that and changes in salary.

Task Mr. Steel asked for further information about Clear Gov and Mr. Gervais explained it's essentially excel wrapped in software complete with narrative. He added that he will send a sample from Old Saybrook, who recently adopted this software, to them.

Owned by Kevin Gervais, Finance Director

5. New Business

5-1. Discussion and Possible Action - Purchase of Live Edge Pless Plow System

Note Joe Bragaw, Director of Public Works detailed how this is an all-in-one plow attachment and they don't currently have anything like it. He explained they have a 14-foot snow box, but you can't drive over the road with it, and with the live edge plow they can attach it to anything over four or five inches, so they can drive it.

Mr. Bragaw added that they're the backup for the Board of Education; if there was a big snowstorm, we would have to go in with all our artillery because they don't have money to do it. He further explained that this unit can do parking lots, intersections, and rows in 1/5 of the time they currently spend plowing.

Mr. Bragaw said it would be a huge asset to the town to have something like this and he discussed the specific mechanics of the machinery, how the live edges of the plow actually conform to the road, how it's a teardrop style, it forms to the road, scrapes everything up, and hardly any salt is used, because you reach black pavement right away.

Mr. Bragaw said you can have one person driving this one piece of equipment and can do everything in town as opposed to having to send three or four traditional plows out, so he highly recommends it.

Mr. Bragaw reminded the Board about the CNRE fund that is comprised of funds from selling old equipment and vehicles. He said they've sold a lot of different pieces of equipment over the years and he's working with the Finance Department on this because he thinks there is more in this account than \$56,589, that \$20,000 to \$30,000 from selling vehicles is sitting in another account.

He explained they're asking for \$41,107.50.

Note Mr. Steel asked if they received additional quotes and Mr. Bragaw explained it's a state contract so this is the best price you can get for one, and it conforms to the purchasing policy.

Note Mr. Bragaw further detailed the mechanics of the plow.

Decision MOTION (2)

Mr. Maxfield moved to approve a special appropriation in the amount of \$41,107.50 from CNRE 32-3400-700-999 PWD, Public Works Department of reserve. Note, this requires a town meeting.

Mr. Steel seconded the motion.

Motion carried, 5-0-0.

5-2. Discussion and Possible Action - Fiscal Year 2022/23 Year End Budget Transfers

Note see attached budget transfer info.

 [3209_001.pdf](#)

Note Mr. Gervais presented the requested year end budget transfers and noted some of the following: The budget did not include an increase to salary lines instead the town as a whole budgeted about \$373,000 for salary contingency, which had to be broken out.

This is why each of the lines with salaries has monies put in, because the salaries from fiscal year 22 are the same as fiscal year 23 salaries.

Because of contract negotiations they didn't know what the salaries would be.

We knew we had some accounts that were over budget throughout the year which we were watching.

We knew we had accounts that were under budget and were making sure they cancelled each other out so to speak.

Since they will be doing this quarterly, there will be much smaller packet from now on.

Note The Board reviewed and discussed the budget transfer report.

Mr. Gervais detailed how in the end, everything zeroes out, so there are no actual appropriations needed; expense to expense, nothing increased, or decreased and this is a housekeeping item for audit purposes. Mr. Gervais shared that we have to do these transfers because our accounting system will not let us process a journal entry or a disbursement, we can't issue a check if the account has is a penny over the 100%.

Decision MOTION (3)

Ms. McNamara moved to approve the year end budget transfer sheet provided by Finance Director Gervais.

Mr. Maxfield seconded the motion.

Motion carried, 5-0-0.

5-3. Discussion: Land Acquisition

Note Mr. Seery gave a brief overview of the proposal and noted some of the following:

He's spoken with Ms. Hall about this as well.

We're going to ask to have a special meeting at some point in time the next few weeks when we're ready to move forward.

The Board of Selectmen authorized him to negotiate a contract with the Land Trust for the purchase of the designated property Hathaway Farms.

The property they've put up for collateral at Oswegatchie Hills, which is about 119 acres, and 22 acres at Ravenswood, at the end of Brainerd Road.

This area has been utilized by hikers for years.

A large parcel up in Oswegatchie Hills has trails which are maintained by the Nature Preserve.

Hathaway Farms has always been deemed as the number one parcel in town for open space.

In lieu of that, they're being offered about 114 acres of the original 137 acres.

The best parts have been cut off.

Our appraiser has said on the northwest side, there'd be about 30 or so lots that would be able to be developed for single family residences.

Once you go more southeasterly the topography gets really difficult, it would be hard to develop, and is not suited for drainage or the like.

He doesn't think there'd be an ability to do any significant development in that area.

Our appraiser says the property is worth \$1,595,000.

The largest part the 88 acres where the trails are, the Mitchell's donated to the Land Trust for open space.

Unfortunately, when this land was donated, they didn't specify in perpetuity like Norm Peck did with his parcel.

Mr. Peck's former parcel is worth \$575,000 and because of the ravine, is not accessible for development.

The Ravenswood area has a little over 20 acres and is worth \$125,000.

This is the one area that we could possibly see significant development.

Howard Russ, our appraiser, said all 3 parcels for 2.25 million would be a win-win for the town.

There's a lot of conditions that they will cover in greater detail in the near future.

It's conditioned upon getting the \$400,000 Open Space Grant that the Land Trust had, that has to be transferable.

We have \$222,000 in the open space fund, and they're thinking of asking for \$200,000 of that.

There would be about \$100,000 in closing costs so they'd be looking for financing for about \$1.75 million.

He and Mr. Gervais have been working with the Bond Attorneys to explore the best financing options.

They'll be back before this Board to present financing options.

They're hoping to have a referendum towards the latter part of October.

We cannot do it at the same time as a general election.

All the people that can vote in a referendum might not be able to vote in the general election if they're only property owners.

It would be just too cumbersome to try and work that out.

We will be having a public hearing on it as well.

Note Mr. Steel asked if the property if purchased will remain open space and Mr. Seery replied this will be held as open space in perpetuity; it will not be able to be used as collateral for anything, which is one of the current problems, since the Land Trust put up this property as collateral. Mr. Seery added that even if you couldn't develop it, if it was foreclosed on, the town will lose access to those parcels immediately.

Note Mr. Maxfield if it was always the intent to have the town purchase the property and Mr. Seery explained that the Land Trust did this on their own without any approval from the town.

6. Unfinished Business

6-1. Discussion and possible action- Fund Balance Policy

Note This item has been tabled until the next meeting.

6-2. Finance Annual Calendar

Note Mr. Steel invited any feedback or edits on his draft and noted they can email him. This item will be further discussed at the next meeting.

7. Public Discussion

Note There was none.

8. Board Comments

Note Mr. Steel said he's really glad Mr. Gervais decided to remain the Finance Director for East Lyme, and said he's made their life easier the short time he's been here and taught them a great deal. The rest of the Board concurred.

9. Adjournment

Decision MOTION (4)

Mr. Maxfield moved to adjourn the September 13th, 2023, BOF meeting at 7:52 p.m.

Mr. Steel seconded the motion.

Motion carried, 5-0-0.

Note Respectfully Submitted,
Brooke Stevens, Recording Secretary

Task Summary

New Tasks

Task Mr. Steel asked for further information about Clear Gov and Mr. Gervais explained it's essentially excel wrapped in software complete with narrative. He added that he will send a sample from Old Saybrook, who recently adopted this software, to them.

Owned by Kevin Gervais, Finance Director