

Minutes of Board of Finance March 13th, 2024, Regular Meeting - 03/13/24

Date and time: 03/13/24 05:30 pm to: 03/13/24 06:11 pm

Present: Brooke Stevens, Rec Secretary (* Ms. Stevens was not in attendance), Jay Ginsberg, Richard Steel, Lauren McNamara, John T. Birmingham, Paul Maxfield, Absent:, Denise Hall, Chairperson

CC: Kevin Gervais, Finance Director, Dan Cunningham, First Selectman

Location: East Lyme Town Hall, Upper Conf. Room, 108 Pennsylvania Avenue
Niantic, CT, 06357.

Topics

1. Call Meeting to Order & Pledge

Note Acting Chair Maxfield called the March 13th, 2024, Regular Meeting of the Board of Finance to order at 5:30 p.m. and led them in the Pledge of Allegiance.

2. Delegations

Note There were none.

3. Approval of Minutes

3-1. Regular Meeting - February 14th, 2024

Note see attached minutes.

 [BOF-February-14-2024-Minutes.pdf](#)

Decision MOTION (1)

Mr. Birmingham moved to approve the Regular Meeting Minutes of February 14th, 2024, as submitted.

Mr. Ginsberg seconded the motion.

Motion carried, 3-0-2.

Ms. McNamara and Mr. Birmingham abstained from the vote due to their absence from the February 14th, 2024, meeting.

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Lauren McNamara
TOWN CLERK

4. . Reports

4-1. First Selectman

Note First Selectman Cunningham noted the Commission Members have just received their budget books for review and shared the following:

The town closed on the property it purchased for public space and is working to receive a \$400,000 state grant.

There were certain things that we had to do to get that money and most of which have been done, and it's now in the hands of DEEP.

Hopefully by the next meeting he will be able to report that we've gotten that check for \$400,000 from the State of Connecticut.

4-2. Director of Finance

Note Finance Director Gervais shared the following:

He has not provided any actual financial reports but hopes to by the weekend.

He noted the budget calendar has been finalized and the associated agendas have been filed with the Town Clerk and are posted online.

On the Board of Finance page on the Town website, there is now a space for materials for the meetings going forward.

That was a request to have an online place for the documentation.

Mike Meinz who volunteers for the IT Department was nice enough to quickly accomplish this for us.

In the next few days some budget versus actuals will be posted on the website.

Note Mr. Steel asked where we're at in terms of the 2.3 million dollars that we borrowed from the from the fund balance this last year; have we utilized any of it?

Note Mr. Gervais clarified that he doesn't transfer anything out of that fund balance, he sees where we fall with all the revenues at year-end, and then if there's a gap between what we've spent and if there's more expenses, we will use some of that fund balance.

Task He further explained that in the prior few years, despite having use of fund balance in the budget, we haven't had to use it, and he will do a projection for them to see where we stand.

Owned by Kevin Gervais, Finance Director

5. New Business

5-1. Board of Selectman FY 24/25 Budget

Note Mr. Cunningham presented the FY 24/25 Budget and noted that these are hard times with inflation, and it's always a challenge to put together a budget, one that is acceptable to the Board of Finance and to the public at large. He added that they've worked very hard, and have tried to be conservative, and balance the needs from the wants.

Note Mr. Cunningham discussed the town's budget, including new initiatives, departmental changes, insurance considerations, and financial strategies for the fiscal year.

Note Mr. Cunningham highlighted a new initiative for a coastal resiliency fund which is a new feature in this year's budget. He added that they're not putting a huge sum of money into, but it's a much-needed start given climate and beach changes; it will serve us well down the road and we'll try to add to it every year.

Note Mr. Cunningham also mentioned and discussed some of the following budget initiatives:

1. OPEB Trust- new to this year's budget, it's another area of obligations that the town has, looked at by those bond markets.
2. Insurance.
 - a. Cybersecurity- more and more this is a concern for municipalities, malware and ransomware. A year ago, the town experienced a ransomware attack, which was costly to rectify.
 - b. Active Assailant- active assailant insurance sadly is necessary due to societal risks.
 - c. Builders Risk- in our capital plan, we have three or four roofs that we're going to be replacing, which makes it paramount that we have the right type of builder's risk insurance.
3. Youth Family & Human Services (YFHS)- a new department created this year to provide community support.
4. Centralized Fire Service- efforts are being made to centralize fire services for better management and oversight. This includes hiring an 11th firefighter to improve town coverage.
5. Increasing Cash Capital vs. Debt- the budget emphasizes the use of cash capital over debt to save costs over time.
6. Maintenance of Town Assets- there is a focus on maintaining town buildings, vehicles, and other assets to prevent deterioration.
7. Prioritizing Wants vs. Needs- the budget prioritizes essential needs over wants, such as deferring lighting for pickleball courts.

Note Mr. Gervais presented the operating budget figures and he and the Board discussed some of the following:

The budget increase is broken down by town operations, Board of Education, debt service, and cash capital. He highlighted some of the following:

The town's health insurance is reported to increase by 2%.

Step increases for union employees- UPSEU employees are receiving a total wage increase of 5.25% this year, combining a general wage increase (GWI) of 2.75% and a step increase of 2.5%.

Employees at the Top Step do not receive step increases but still get the general wage increase.

Note Mr. Gervais discussed capital projects and shared the following:

\$19 million for capital projects was requested by town departments, which was reduced to \$15.7 million by the First Selectman, and further cut to \$13.3 million by the Board of Selectmen.

Approximately \$2.6 million of the capital projects budget is potentially reimbursable by the State of Connecticut.

Besides the \$13 million for capital projects, the town needs to bond an additional \$8 million this year.

The current year capital projects are distributed as follows: 62% Board of Ed, 2% General Fund, 7% Public Safety, 24% Public Works, and 5% Parks and Recreation.

Note Mr. Gervais discussed the 10-year capital improvement plan with the Board, noting some of the following:

The 10-year capital plan is estimated at \$97 million, excluding some major projects with costs to be determined.

The accuracy of capital project estimates decreases as the timeline extends, with more detailed planning in the near term and less certainty in the long term.

Note Mr. Gervais explained that all budget documents are available on the town's website for public review.

Note Mr. Maxfield asked about the Board of Education budget and Mr. Cunningham replied that they will be making a presentation to the BOF, and Mr. Gervais added that he is in possession of the Board of Education budget books, which he will distribute to them as they leave the building.

6. Unfinished Business

Note There was none.

7. Public Discussion

Note There was none.

8. Board Comments

Note Mr. Steel said it's important for the entire Board to be present for deliberations, and he and Mr. Ginsberg will not be here the week of April 8th. Mr. Maxfield added that he is unavailable on April 8th as well, so that will have to be rescheduled.

Note Mr. Steel said he also wanted to mention that Stars to STEM is having their ribbon cutting this Saturday over at the high school. He explained that the planetarium has been open for quite a while, but this will be their official ribbon cutting, they're entirely funded through donations, no tax dollars are involved, nor did they receive any ARPA funding.

Mr. Steel observed that this is quite an achievement and it's pretty amazing to see the projector in action.

9. Adjournment

Decision MOTION (2)

Mr. Birmingham moved to adjourn the BOF March 13th, 2024, Regular Meeting at 6:11 p.m.

Mr. Ginsberg seconded the motion.

Motion carried, 5-0-0.

Note Respectfully Submitted,
Brooke Stevens, Recording Secretary