

# BOF April 10<sup>th</sup>, 2024 Regular Meeting Minutes

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# Minutes of Board of Finance April 10th, 2024, Special Meeting - 04/10/24

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**Date and time:** 04/10/24 5:30 PM to: 04/10/24 8:10 PM

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

**CC:** Kevin Gervais, Finance Director, Dan Cunningham, First Selectman, Jerry Lokken, Parks & Recreation Director, Mike Bekech, COA Chair, Kristen Caramanica, Senior Center Director, Sgt. Mark Hallbauer

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

**Link:** <https://app.meetingking.com/meetings/413086>

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## Topics

### 1. Call Meeting to Order & Pledge

**Note** Chairperson Hall called the April 10th, 2024, Special Meeting of the Board of Finance to order at 5:33 p.m. and led them in the Pledge of Allegiance.

### 2. Delegations

**Note** There was none.

### 3. Approval of Meeting Minutes

**Note** Ms. Hall suggested tabling the approval of minutes for April 1st and April 2nd, since they received them late last night, and had insufficient time for review.

#### **Decision** MOTION (1)


Mr. Birmingham moved to table the approval of the April 1st, 2024, and April 2nd, 2024, Special Meeting Minutes until the next regularly scheduled meeting.

Mr. Maxfield seconded the motion.

Motion carried, 4-0-0.

#### **3-1. March 13th, 2024, Regular Meeting Minutes**

**Note** see attachment.

 [BOF-March-13-2024-Minutes.pdf](#)

#### **Decision** MOTION (2)

Ms. McNamara moved to approve the Regular Meeting Minutes of March 13th, 2024.

Mr. Maxfield seconded the motion.

Ms. Hall noted for the record that she did call into that meeting, but it says she's absent.

Ms. McNamara moved to approve the Regular Meeting Minutes of March 13th, 2024, as amended.

Mr. Maxfield seconded the motion.

Motion carried, 4-0-0.

#### **3-2. March 19th, 2024, Special Meeting Minutes**

**Note** see attachment.

 [BOF-March-19-2024-Special-Meeting-Minutes.pdf](#)

**Decision** MOTION (3)

Ms. McNamara moved to approve the Special Meeting Minutes of March 19th, 2024, as presented.

Mr. Maxfield seconded the motion.

Motion carried, 4-0-0.

### **3-3. March 25th, 2024, Special Meeting Minutes**

**Note** see attachment.

 [BOF-March-25-2024-Special-Meeting-Minutes.pdf](#)

**Decision** MOTION (4)

Mr. Maxfield moved to approve the Special Meeting Minutes of March 25th, 2024, as presented.

Mr. Birmingham seconded the motion.

Motion carried, 4-0-0.

### **3-4. March 27th, 2024, Special Meeting Minutes**

**Note** see attachment.

 [BOF-March-27-2024-Special-Meeting-Minutes.pdf](#)

**Decision** MOTION (5)

Mr. Maxfield moved to approve the Special Meeting Minutes of March 27th, 2024, as presented.

Ms. McNamara seconded the motion.

Motion carried, 4-0-0.

### **3-5. April 1st, 2024, Special Meeting Minutes**

**Note** The item was tabled.

### **3-6. April 2nd, 2024, Special Meeting Minutes**

**Note** This item was tabled.

## **4. Delegations**

**Note** There was none.

## **5. Reports**

### **5-1. First Selectman**

**Note** Mr. Cunningham had some of the following remarks:

Not too much to report tonight, but he did attend a meeting with the project engineers on the Exit 74, Route 161 project, and we're going to see a dramatic change over the next few months.

Since the project started, they've spent about \$30 million.

Between now and November, they'll have spent \$40 million.

They are going to be taking down the bridge and replacing it with a new bridge.

Route 161 will be raised up two feet, two and a half feet.

There's going to be a lot of disruption, but they're very sensitive to the summer season.

They're going to try to do a lot of the work between 8 o'clock at night and 5 in the morning.

But there will be times when they just have to close Route 161.

There are live cameras that you can dial into and see the work.

If you scan the QR code it will bring you to their website.

You'll be able to see what's going on live stream.

**Note** Ms. Hall noted that her husband attempted to visit True Value earlier today but gave up because the traffic was so backed up. She wonders if there's something we can do to reach out to the business; she worries about that.

**Note** Mr. Cunningham said they're sensitive to the needs of the businesses along the road and the project engineers are working with Public Works, and the Police are trying to coordinate as much as possible. He said they asked them to also consider trying to coordinate as much as possible with the lights down at Roxbury Road and Society Road.

## **5-2. Finance Director**

**Note** Mr. Gervais discussed how the Finance Office will be publishing financial reports across different departments. Reports will be made available on the Town Hall website to increase transparency. Financial reports will be published on Thursday and Friday, in standardized reporting formats. A new folder will be created for monthly financial reports to facilitate public access and transparency.

## **5-3. Audit for Fiscal Year 2022**

**Note** Mr. Gervais reported that the final requests from the auditors for fiscal year 2022 have been submitted, and the audit is pending technical review and hopes are to have it completed by the end of April; the initial goal was to have the audit by April 17th, but this has been deemed unrealistic.

## **5-4. Restatement of Single Audits for 2020-2021**

**Note** Mr. Gervais shared that he and Mr. Cunningham had a meeting earlier with the Department of Public Health, who may request a restatement of the 2020-2021 single audits for both state and federal. There is a potential liability of approximately \$30,000 due to misclassification of grants between state and federal, for the testing of the drinking water, and they're awaiting a decision on whether corrections can be made in the 2022 issue or if reissuance of the 2020 and 2021 audits is necessary.

# **6. New Business**

## **6-1. FY2024 Budget Transfers**

**Note** Mr. Gervais explained that they ideally, they have budget meetings with departments quarterly, which results in budget transfers for various departments, such as transferring \$220 from the telephone line to miscellaneous supplies for Emergency Management.

**Note** Ms. Hall asked if any of these transfers indicate that we should be making any changes to our proposed budget and Mr. Gervais detailed how he thinks these transfers go hand-in-hand with our budget and were done in conjunction with looking at the budget.

**Note** Mr. Gervais noted the Board of Selectmen voted on the entire amount, the \$270,834.03.

 [Budget Transfers.pdf](#)

**Note** Mr. Gervais explained that the audit services line is a significant driver of the budget this year, with multiple audits being paid for in one budget year, costing \$80,000 each.

**Decision** MOTION (6)

Mr. Maxfield moved to approve the fiscal year 2023-2024 budget transfers in the amount of \$270,834.03.

Mr. Birmingham seconded the motion.

Motion carried, 4-0-0.

## 6-2. Budget Deliberations

**Note** Ms. Hall reminded everyone that this is a continuation of the deliberations they began last week, and that they left off at Department 418.

## 6-3. 418- Commission on Aging

**Note** see attachment.

 [418-Commission-on-Aging-FY25.pdf](#)

**Note** Ms. Hall discussed how this is an 11.73% increase over last year.

**Note** Mike Bekech, Commission on Aging Chair, came forward and offered the following remarks:

Last year there was a \$43,000 full-time driver and a \$28,000 part-time driver.

The total was \$74,352.

The full-time driver is no longer with us, and that benefited position has been removed.

Effectively, we dropped our driver hours from \$74,352 plus benefits, to \$59,873 without benefits.

The 311 account formerly had the full-time driver in it, but now it includes the social worker, who is paid for by the ARPA grant, for half the year.

For the second half of the year, we share that cost, her salary between ourselves and Youth Services.

He knows the BOF is concerned about the drivers but they're down \$15,000 in drivers, plus the benefit package that goes with that.

They have tried to cut back on drivers and everything to try to mitigate those issues.

**Note** Ms. Hall asked if they would consider doing means testing with any of the services they're offering- i.e. determining the level of need for the trips that are being offered?

**Note** Kristen Caramanica, Senior Center Director, said in terms of the number of trips, no one was taking transportation during Covid, last year's numbers went up a bit, but they have almost doubled this year.

**Note** Ms. Caramanica detailed the Dial-A-Ride program and noted that out of the 12 towns that participate in Dial-A-Ride, we're the second largest user out of the 12. She added that this year they have 12 round-trip rides with Dial-A-Ride, and next year, they may cut the funding to only cover 10, she therefore thinks there will be more of a demand for the Senior Center bus.

**Note** Ms. Caramanica further discussed the transportation services provided.

**Note** Mr. Birmingham asked about the criteria and Ms. Caramanica explained that medical rides always take priority, and that residents who use these services are required to fill out paperwork beforehand.

**Note** Ms. Hall said she appreciates the additional information.

**Decision** MOTION (7)

Ms. Hall moved to approve the Commission on Aging budget as presented.

Ms. McNamara seconded the motion.

Motion carried. 4-0-0.

#### **6-4. 419- Health & Welfare**

**Note** see attachment.

 [419-VNA-of-Southeastern-CT-FY25.pdf](#)

**Decision** MOTION (8)

Mr. Maxfield moved to approve the \$10,000 budget for Health & Welfare (419).

Mr. Birmingham seconded the motion.

Motion carried, 4-0-0.

#### **6-5. 420- Culture Recreation/Public Library**

**Note** Ms. Hall noted this is a 2% increase.

**Decision** MOTION (9)

Mr. Birmingham moved to approve Department 420, Cultural Recreation, for \$1,231,806.

Ms. McNamara seconded the motion.

Motion carried, 4-0-0.

#### **6-6. 421- Parks & Recreation**

**Note** see attachment.

 [421-Parks-and-Rec-FY25.pdf](#)

**Note** Jerry Lokken, Director of Parks & Recreation, was in attendance and had an in-depth discussion with the Board about his proposed budget.

**Note** Some of the following budgetary items and discussion points were highlighted:

Mr. Lokken noted there is a need for mandatory training and certifications for new staff, which required attendance at conferences.

The budget for conventions was initially proposed to be reduced but was maintained at \$2,400 given the mandatory training requirements.

The budget for supplies was discussed with a proposal to reduce it by \$500,000 to \$1,450,000.

To date, \$12,314 has been spent from the budget line, with \$995 recently transferred in and \$1,400 encumbered, leaving \$750 available for future expenses.

**Decision** MOTION (10)

Mr. Birmingham moved to reduce the Miscellaneous Supplies budget by \$500, setting the new total at \$14,500.

Mr. Maxfield seconded the motion.

Ms. Hall noted that Mr. Steel wanted to reduce this item by \$1,000, so \$500 might be a good compromise.

Vote:

Motion carried, 4-0-0.

**Note** Mr. Birmingham said the proposed budget for Parks Maintenance Supplies was \$60,000, and he'd reduce that by \$1,000 to \$59,000.

Mr. Gervais said that so far, \$33,000 has been spent and \$16,000 is encumbered, leaving \$2,600 available.

**Note** Mr. Lokken discussed the increased operational costs due to the park facilities now being open year-round and how inflation is affecting the prices of essential maintenance materials like fertilizers, seeds, and cleaning supplies.

**Note** Mr. Birmingham commented that the Parks & Rec budget is \$890,000, and he thinks if he got low on funds to buy materials, that he would be able to find \$1,000 somewhere in the budget.

**Note** Mr. Lokken replied that the proposed budget for Parks & Recreation was initially \$970,000 but was reduced by the Board of Selectmen to \$890,000, seasonal wages and other necessary expenses have been cut, impacting the maintenance and operation of parks, and there is a risk of not being able to maintain parks adequately, leading to potential dissatisfaction among residents and visitors.

**Decision** MOTION (11)

Mr. Birmingham moved to reduce item 335, materials, by \$1,000 down to \$59,000.

Mr. Maxfield seconded the motion.

Mr. Maxfield said his concern is that cost of materials continues to go up, and Ms. Hall said she finds it hard to argue with knowing what the inflationary environment is.

Vote:

Motion failed, 1-3-0.

Nay- Mr. Maxfield, Ms. Hall and Ms. McNamara.

**Note** Ms. Hall inquired about professional organization dues and Mr. Lokken explained that dues for professional organizations such as the National Recreation and Park Association and the Connecticut Recreation and Park Association are increasing and are set to rise by 38% in 2025.

**Note** Mr. Lokken and the Board further discussed the proposed budget, specifically summer help.

**Decision** MOTION (12)

Mr. Maxfield moved to approve the Parks & Recreation budget, Department # 421, in the amount of \$889,723.

Mr. Birmingham seconded the motion.

Motion carried, 4-0-0.

## 6-7. 425- Youth, Family & Health Services

**Note** see attachment.

 [425-YFHS-FY25.pdf](#)

**Note** Ms. Hall said this is a new department with a proposed budget of \$276,650.

**Note** Ms. Hall shared that Mr. Steel suggested decreasing the professional conventions conferences line by \$2,215, to \$750, as there is no perceived need for a national conference.

**Note** Mr. Lokken said he's been involved in the development of this department, and attendance at certain conferences is required to obtain grants for drug-free communities, which might be impacted by the budget cut. In addition, a new prevention wellness mentoring coordinator will be hired, and the staff size attending these conferences will increase compared to previous years.

**Note** Mr. Lokken and Mr. Gervais explained that the combined budget for personal services under items 211 and 311 is \$126,000, which covers new positions including a Wellness Prevention Coordinator and a Case Manager.

The breakdown of the budget includes \$75,000 for the director's salary, \$36,000 for the wellness prevention coordinator, and \$15,000 for the case manager.

**Note** Mr. Gervais detailed and explained some of the following:  
The Wellness Prevention Coordinator was initially funded through ARPA and is a part of the Park & Rec and Youth Services budget.  
The ARPA funding for the coordinator position has run out, necessitating a transition to General Fund budgeting.  
The Park & Rec Special Revenue Fund, which also includes the Commission on Aging and Theater Under the Shell, is being drained by the Youth Services due to their negative fund balance.  
Youth Services has a negative \$200,000 fund balance.  
The financial deficit in the Youth Services budget has to be addressed to prevent further drainage of the Park & Rec Special Revenue Fund.  
Last year, the deficit was about \$44,000 with \$30,000 income against \$75,000 expenses.  
Moving the Youth Services expenses to the General Fund will eliminate annual deficits.  
Current funding includes \$15,000 for a supervisor, \$30,000 for staff, and \$32,000 for a counselor. The counselor was initially funded by ARPA money which will run out by 7-1, after which the town will cover the expenses.  
The Case Manager position is not anticipated to be full-time, likely 10-15 hours a week for half the year.  
The Wellness Prevention Coordinator was cut back to part-time.  
There is uncertainty about future funding as well as full-time status for these positions.

**Decision** MOTION (13)

Mr. Birmingham moved to approve the Youth and Family Services budget of \$276,650.

Mr. Maxfield seconded the motion.

Motion carried, 4-0-0.

## **6-8. Board of Education**

**Note** Mr. Gervais said they discussed the cuts to the proposed budget but doesn't believe they officially voted on it.

**Note** Mr. Gervais said when the budget was presented to the Board of Selectmen, the Board of Education identified \$410,000 that could be cut, but the Board of Selectmen didn't actually make that cut. He thinks they should probably eliminate that and just move the full \$1.1 million over to the Board of Finance, just as a housekeeping item.



**Decision** MOTION (14)

Ms. McNamara moved to decrease the CNRE Municipal Projects Budget by \$100,000 to \$900,000.  
Mr. Birmingham seconded the motion.  
Motion carried, 4-0-0.

**Decision** MOTION (15)

Ms. Hall moved to decrease the Board of Education expenditures budget by 1.1 million to 60,024,675.  
Ms. McNamara seconded the motion.  
Motion carried, 4-0-0.

## 6-9. Revenue Updates

**Note** Mr. Gervais reported that building permit fees were increased by about 30% earlier this year, which brought the fees more in line with regional communities. Current year's revenue from building permits is over \$723,000 with projections potentially reaching \$800,000 to \$900,000.

**Decision** MOTION (16)

Mr. Maxfield moved to increase line 01-05-500-501, building permits and fees, to \$750,000.  
Ms. McNamara seconded the motion.  
Motion carried, 4-0-0.

**Note** Mr. Gervais discussed the LOCIP (Local Capital Improvement Projects) and noted some of the following:

Current year capital items include Public Works and Building and Infrastructure with LOCIP funds.

The town has a rolling balance of \$231,000 at the State of Connecticut and is receiving an additional \$171,000, totaling approximately \$407,877.

We have to adjust the revenue side since we are potentially planning to spend all of the LOCIP money, we have to budget for all the LOCIP money.

This is just another housekeeping item.

So that way, if we know we have the projects, if we have the time for those projects, we have the approvals already ready to go.

**Decision** MOTION (17)

Mr. Maxfield moved to increase the LOCIP grant revenue for the FY24/25 to \$407,877.  
Mr. Birmingham seconded the motion.  
Motion carried, 4-0-0.

**Note** Mr. Gervais briefly noted some of the following in regard to the Opioid Settlement Fund allocation:

The town has received approximately \$123,000 from opioid settlements, with contributions from entities like Janssen, Walmart, CVS, and Walgreens.

\$20,000 has been received, but it cannot be used to offset taxes due to grant guidance.

Youth and Family Services plans to request appropriation from the Board of Selectmen and Board of Finance for program expenses and supplemental counseling services using opioid settlement funds.

An initial request of \$64,000 for counseling services was made due to existing waitlists but was cut back.

The plan is to spend approximately \$24,000 annually from the opioid funds for the next 10 years on programs, events, and counseling services.

The total opioid funds available are around \$123,000 to \$125,000.

**Decision** MOTION (18)

Mr. Maxfield moved to reduce the Opioid Settlement Fund revenue for the 2024/2025 fiscal year to 0.  
Ms. McNamara seconded the motion.  
Motion carried, 4-0-0.

**Note** Mr. Gervais discussed the conveyance tax revenue collected by the Town Clerk's office and had some of the following remarks:  
During COVID, conveyance tax revenue was high, with nearly a million dollars collected in 21-22 and half a million in 22-23.  
Revenue has significantly dropped to about \$20,000 a month, leading to an annual projection of around \$250,000.  
Therefore, he suggests reducing it from \$400,000 to \$375,000, based on current trends.  
They'll continue to monitor the conveyance tax revenue and adjust the budget in hopes of an uptick in the spring or from a large property sale.

**Decision** MOTION (19)

Mr. Maxfield moved to reduce the Conveyance Tax line 01-05-500-505, for the FY24/25 to \$375,000.  
Mr. Birmingham seconded the motion.  
Motion carried, 4-0-0.

**Note** Next, the budget for the Commission on Aging program line was discussed. Mr. Gervais reported that the current budget for the Commission on Aging program is \$3,000, and in previous years, the budget was \$1,500.

**Decision** MOTION (20)

Mr. Maxfield moved to increase line 01-08-800-818, for the FY24/25 to \$1,500.  
Ms. McNamara seconded the motion.  
Motion carried, 6-0-0.

**Note** Mr. Gervais discussed interest Income and given the current CPI numbers and Federal Reserve's stance on interest rates, he suggested to being less conservative with the interest income calculation. The projected end of year interest income is between \$1.1 million to \$1.2 million.

**Note** Mr. Gervais and the Board further discussed interest income.

**Decision** MOTION (21)

Mr. Maxfield moved to increase Interest line 01-07-700-000 to \$1 million for FY24/25.  
Ms. McNamara seconded the motion.  
Motion carried, 4-0-0.

**Note** Mr. Gervais mentioned the attorney fees and increasing the revenue line 01-01-140-103 by \$1,500 to \$2,000 for the fiscal year.

**Decision** MOTION (22)

Mr. Maxfield moved to increase the revenue line 01-01-140-103 by \$1,500 to \$2,000, for FY24/25.  
Ms. McNamara seconded the motion.  
Motion carried, 4-0-0.

**Note** Mr. Gervais detailed that negotiations with the East Lyme Ambulance Association resulted in maintaining the subsidy at the previous level, requiring a budget cut of \$175,000 to match the contractually obligated amount of \$225,000.

**Decision** MOTION (23)

Mr. Maxfield moved to reduce the Ambulance Subsidy Revenue Line by \$175,000 to \$225,000, for FY24/25.  
Mr. Birmingham seconded the motion.  
Motion carried, 4-0-0.

## 6-10. Contingency

**Note** Mr. Gervais shared the following in regard to personnel contingency:

The personal contingency budget was initially set at \$190,000.

A subset of the Board of Selectmen met and recommended a 5.25% increase for most non-affiliated positions, totaling \$159,000.

Adjustments were made to exclude water and sewer funds, resulting in a General Fund contribution of \$141,000.

Additional increases for two animal control officers totaled \$5,500, bringing the adjusted total to just shy of \$150,000.

There's a potential overestimation in the contingency budget, considering the savings from the non-affiliated salary adjustments and the need to reserve funds for potential retirements.

**Decision** MOTION (24)

Mr. Birmingham moved to reduce the contingency budget, under Personnel Services, by \$10,000 to \$180,000.

Ms. McNamara seconded the motion.

Motion carried, 4-0-0.

**Note** Mr. Gervais and Ms. Hall discussed transferring the necessary amounts to the appropriate departmental budgets.

**Decision** MOTION (25)

Mr. Maxfield moved to transfer \$146,598 out of the town payroll, pending payroll charge line 500, to the individual budget department lines.

Ms. Hall seconded the motion.

Motion carried, 4-0-0.

## 6-11. Overall Budget Review

**Note** Mr. Gervais reported that after the adjustments, the town side budget stands at just under 6.5%, Board of Education at 3.87%, debt service under 9%, and cash capital at 80%. The overall tax increase is projected at 1.37 million, approximately 5.5%.

**Note** Mr. Gervais said they should review the capital projects list and ensure the cash capital matches the \$900,000 budget. Obviously, any difference in cash capital needs to be moved to a financing source.

**Note** Ms. Hall asked for the mil rate example and Mr. Gervais explained that a house valued at \$500,000, with an assessment of \$350,000, will see a tax increase of about \$40 a month.

**Note** Mr. Gervais and Ms. Hall discussed the plan to use \$1.5 million of the fund balance, leading to two consecutive years of a decreasing fund balance. Mr. Gervais explained that using the fund balance is typically frowned upon by rating agencies as it's akin to raiding the piggy bank to fund operations. The Board and Mr. Gervais discussed reducing the use of the fund balance to close to zero to avoid negative impacts on ratings and adjusting the interest income estimate from \$750,000 to \$1 million based on the Federal Reserve's interest rate policies, projecting an average of \$100,000 a month, totaling \$1.2 million annually.

**Note** Mr. Gervais explained the potential risk of not receiving the projected interest income, would then require using the fund balance to cover the shortfall.

**Note** Mr. Birmingham said he doesn't like going into the fund balance either, but he would rather keep the mill rate as low as possible.

**Note** The Board decided to review Cash Capital and return to the fund balance discussion afterwards.

## 6-12. Capital and Cash Capital Adjustments

**Note** Mr. Gervais and the Board reviewed the adjustments previously made.

**Note** Some of the following was highlighted during Mr. Gervais' discussion with the Board about capital projects:

The Seawall Maintenance Project and the uncertainty about the need for immediate repairs and the availability of \$25,000 required for backfill concrete.

The seawall held up during the recent storm, suggesting postponement of major repairs could be feasible. \$25,000 could be moved from contingency to cover necessary repairs and delay major reconstruction, saving \$400,000 this year.

The Public Works Budget is under budget by approximately \$80,000 to \$90,000 due to staffing savings. They plan to request an appropriation from the Board of Selectmen, followed by the Board of Finance, in May or June to reallocate these savings.

**Decision** MOTION (26)

Ms. Hall moved to reduce the Parks Maintenance budget by \$400,000 and repair the seawall instead of replacing it.

Ms. McNamara seconded the motion.

Motion carried, 4-0-0.

**Note** Mr. Gervais discussed the East Lyme Fire Service Apparatus Reserve and noted that the original budget of \$250,000 was cut to \$100,000, then further reduced to \$75,000. He highlighted the need for an emergency repair account due to the high cost and long lead time for fire trucks and added that he thinks \$50,000 would illustrate a good start for this fund.

**Decision** MOTION (27)

Mr. Birmingham moved to reduce the East Lyme Fire Service reserve from \$75,000 to \$50,000.

Mr. Maxfield seconded the motion.

Motion carried, 4-0-0.

**Note** Mr. Gervais and The Board discussed Police Vehicle Funding and some of the following was highlighted and considered:

Currently, three police vehicles are budgeted, two are fully outfitted and one is an administrative vehicle.

The private duty fund was negative at times this year, impacting the ability to cover lease payments.

The town will fund these vehicles until the private duty fund can sustain itself.

Current administrative vehicles are less equipped but still designated for high-ranking officers.

Do administrative vehicles need to be restricted to police use?

Is there a potential for a shared vehicle pool across departments?

The feasibility of a shared vehicle pool for non-critical use should be explored.

**Note** Sgt. Mark Hallbauer was in attendance and discussed the differences between admin vehicles and regular police vehicles, noting that admin vehicles are cheaper as they do not require cameras or computers under the police accountability bill.

**Note** Sgt. Hallbauer mentioned the ongoing issues with vehicle repairs, mentioning constant recalls and breakdowns. Vehicles are heavily used, running 24-7 due to shift work, leading to a lot of idle and running hours, and he's in charge of organizing repairs with the town garage, and plans to address warranty issues.

**Note** Mr. Gervais said in terms of the Parks & Rec budget, he has to admit that he questioned if this is the year to construct a disc golf course.

**Note** Mr. Lokken came forward and discussed the golf course with the Board and the following was noted: The Darrow Pond Subcommittee developed a master plan over a couple of years, which included the introduction of a Disc Golf course as the top-rated amenity desired by the community.

The Disc Golf course will have nine holes.

Parking lot enhancements are planned for phase two of the project.

The park will be actively managed by the Park & Rec department, covering 100 acres, with the disc golf course occupying only a few acres.

Vandalism was brought up as a concern, especially at night.

The area is open and closes at dusk, with no specific security measures in place.

The Darrow Pond Subcommittee felt the more appropriate uses of the property such as hiking the golf course, and the like, will displace any type of misuse.

**Note** Mr. Birmingham expressed concerns about its usage due to its location in the northern part of the town; the facility might not be used much due to its remote location compared to other recreational facilities.

**Note** Mr. Lokken replied that there are no Park & Rec facilities north of I-95, which raises concerns about accessibility and equity for people living in different parts of town.

**Note** Ms. Hall said that the theme this budgetary year has essentially been, is it a want, or is it a need?

**Decision** MOTION (28)

Ms. Hall moved to remove the disc golf course from the FY24/25 budget.

Mr. Birmingham seconded the motion.

Motion carried, 4-0-0.

**Note** Mr. Gervais said they now have a budget of 1.25 million in cash capital, with a minor discrepancy of \$354, so he's moving items with a useful life of more than five years to a bond, amortizing projects over five or ten years.

**Note** Mr. Gervais discussed the financial strategy for municipal projects and emphasized that the idea is to transition from financing to bonding, with amortization plans based on project lifespans, and a 20-year bond to cover various projects, with a total bonding amount of approximately \$10,000,000.

**Note** Mr. Gervais adjusted cash capital to \$902,750 to avoid bonding for smaller amounts and asked the Board to increase cash capital by \$2,750 to meet the adjusted requirement of \$902,750.

**Decision** MOTION (29)

Ms. Hall moved to increase cash capital by \$2,750, to \$902,750.

Ms. McNamara seconded the motion.

Motion carried, 4-0-0.

**Note** Mr. Gervais and the Board had a discussion about fund balance management.

**Decision** MOTION (30)

Ms. Hall moved to take a 5-minute recess at 7:45 p.m.

Mr. Maxfield seconded the motion.

Motion carried, 4-0-0.

**Note** The Board reconvened and continued their discussion about the use of the fund balance.

**Note** Ms. Hall discussed how the fund balance is supposed to be the rainy-day fund, not used to balance the budget each year.

**Note** The Board and Mr. Gervais further discussed the fund balance and the following discussion points were highlighted:

There is also a need to balance the budget without imposing significant tax increases on residents affected by inflation.

Exploring conservative use of the fund balance while managing a potential 1.5 mill rate increase.

Aiming to avoid full utilization of the fund balance as in previous years.

Plans to set up an OPEB trust and focus on coastal resiliency as part of financial strategies to potentially offset the negative impacts of using the fund balance.

There's a concern about the sustainability of using the fund balance without identifying new revenue streams.

A tax sale is planned, expected to bring in significantly less than previous years due to the depletion of high-bill properties.

Current collection rate is approximately 99.7% with \$200,000 still to be collected.

The collection rate is close to the projected \$70 million for the year.

Consider adjusting the collection rate slightly if necessary to align with the projected revenue.

Only 91% of the prior year's grand list has been collected, with \$140,000 collected out of an expected \$203,000.

There is a substantial shortfall in the collection of prior year interest, leading to a reduction in expected revenue.

Interest income is projected at \$1.2 million, with a monthly income of \$100,000.

The implications of using \$750,000 or \$1,500,000 from the fund balance.

**Note** Mr. Gervais said if they left fund balance exactly the same and go up by what the budget is, we lose half a percent of the fund balance, because the revenue is growing.

**Note** Mr. Birmingham said he was thinking \$1,500,000 and Ms. Hall said she was thinking \$750,000. Mr. Maxfield suggested meeting in the middle, at \$1 million and Mr. Gervais said that would drop it to under 6%, at \$1,500,000, and at \$1,000,000, the mill rate goes to 26.35- a 1.48 mill increase. Mr. Gervais added for a \$500,000 home, that would be \$43 per month.

**Decision** MOTION (31)

Mr. Maxfield moved to increase interest for the 24/25 FY to \$1,200,000.

Ms. Hall seconded the motion.

Motion carried, 4-0-0.

**Decision** MOTION (32)

Mr. Maxfield moved to decrease the use of Fund Balance by \$500,000, to \$1,000,000 for the 24/25 FY.

Mr. Birmingham seconded the motion.

Motion carried, 4-0-0.

**Decision** MOTION (33)

Mr. Birmingham moved to present the total town budget at the Public Hearing on April 29th, 2024, to the sum of \$90,592,994.

Mr. Maxfield seconded the motion.

Motion carried, 4-0-0.

**Note** Ms. Hall thanked everyone for their hard work.

**Note** The Board thanked Mr. Gervais for all of his efforts.

## 7. Public Discussion

**Note** There was none.

## 8. Board Comments

**Note** Mr. Maxfield said in regard to the meeting last week, he made a motion and there was a spirit of dissent immediately about it, and he didn't think that was appropriate at the time. People should have waited to make their comments until after it was seconded. He hopes they will adhere to protocols in the future and added that he felt very disrespected at the time.

**Note** Ms. Hall apologized and asked him to speak up in the moment if something like that occurs again.

## 9. Adjournment

**Decision** MOTION (34)

Mr. Birmingham moved to adjourn the BOF April 10th, 2024, Regular Meeting at 8:10 p.m.

Mr. Maxfield seconded the motion.

Motion carried, 4-0-0.

**Note** Respectfully Submitted,  
Brooke Stevens, Recording Secretary

**Town of East Lyme  
General Fund Budget Summary  
Fiscal Year 2024-25**

Object Description	2023-2024			FY2025 PROPOSED		
	Original Budget	Budget Amends	Adjusted Budget	Proposed Budget	Change from YE 24	Change from YE 24
<b>EXPENDITURES</b>						
Town Operations	\$ 21,520,155		\$ 21,520,155	\$ 22,911,317	\$ 1,391,162	6.46%
Board of Education Operations	57,789,852	-	\$ 57,789,852	60,024,675	2,234,823	3.87%
Debt Service	6,198,189	-	\$ 6,198,189	6,754,252	556,063	8.97%
Capital/Other	499,522	-	\$ 499,522	902,750	403,228	80.72%
<b>TOTAL EXPENDITURES</b>	<b>\$ 86,007,718</b>	<b>\$ -</b>	<b>\$ 86,007,718</b>	<b>\$ 90,592,994</b>	<b>\$ 4,585,276</b>	<b>5.33%</b>
<b>REVENUES</b>						
Taxes - Current Year	\$ 68,275,661	\$ -	\$ 68,275,661	\$ 72,788,909	4,513,248	6.61%
Taxes - Motor Vehicle Supplement	\$ 500,000		\$ 500,000	\$ 550,000	50,000	10.00%
Taxes - Prior Year, Interest, Fees	902,670	-	902,670	792,000	(110,670)	-12.26%
Licenses and Permits	544,590	-	544,590	795,400	250,810	46.05%
Intergovernmental Revenues	11,124,504	-	11,124,504	11,123,655	(849)	-0.01%
Charges for Services	1,138,275	-	1,138,275	1,233,900	95,625	8.40%
Fines and Assessments	14,462	-	14,462	13,010	(1,452)	-10.04%
Investment Earnings	625,000	-	625,000	1,200,000	575,000	92.00%
Other Revenues	170,636	-	170,636	121,120	(49,516)	-29.02%
Other Financing Sources	2,711,921	-	2,711,921	1,975,000	(736,921)	-27.17%
<b>TOTAL REVENUES</b>	<b>\$ 86,007,719</b>	<b>\$ -</b>	<b>\$ 86,007,719</b>	<b>\$ 90,592,994</b>	<b>\$ 4,585,275</b>	<b>5.33%</b>
Revenue over (under) expenditures				-		

**Calculation of Mill Rate**

Grand List Total						
Value of One Mill	\$ 2,796,943			\$ 2,815,152	\$ 18,209	0.65%
Collection Rate	98.20%			98.20%	0.00%	0.00%
Estimated Delinquency	\$ (50,345)			\$ (50,673)	\$ (328)	0.65%
Collection Rate for One Mill	\$ 2,746,599			\$ 2,764,480	\$ 17,881	0.65%
Estimated Tax Receipts	\$ 68,275,661			\$ 72,788,909	\$ 4,513,248	6.61%
Add Elderly Tax Relief	\$ 57,030			\$ 57,030	\$ -	0.00%
Required Levy	\$ 68,332,691			\$ 72,845,939	\$ 4,513,248	6.60%
<b>MILL RATE</b>	<b>24.87</b>			<b>26.35</b>	<b>1.48</b>	<b>5.95%</b>