

Minutes of East Lyme Board of Finance Special Meeting - 04/29/24

Date and time: 04/29/24 8:15 PM to: 04/29/24 10:12 PM

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

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

Location: East Lyme High School, 30 Chesterfield Road, East Lyme, CT 06333

Link: <https://app.meetingking.com/meetings/413754>

Topics

1. Call Meeting to Order & Pledge

Note Chairperson Hall called the April 29th, 2024, Special Meeting of the Board of Finance to order at 8:15 p.m. and led those assembled in the Pledge of Allegiance.

2. Public Hearing Deliberations and Action to Send Proposed FY 202412025 Budget to Town Meeting on May 13th, 2024

Note Mr. Steel discussed the concerns of taxpayers regarding a significant tax increase, including property taxes, business taxes, and vehicle taxes.

Note Mr. Steel noted that he and Mr. Ginsberg were unable to attend the meeting where the allocation from the undesignated fund was reduced from 1.5 million to 500,000, and that he understands the aim to maintain a financial safety net equivalent to two months of the budget to handle catastrophic events.

Note Mr. Steel acknowledged the ongoing inflationary pressures, despite a reduction in the rate of inflation, still poses a financial challenge. He added that he would like to increase funding by \$1.7 million from the rainy-day fund for Fire Department, Youth and Family, and Human Services Department, and for transitioning to more capital payments rather than bonding.

Mr. Steel said he would like to increase the use from the undesignated fund balance from \$1 million to \$2.7 million, which will equilibrate things for the taxpayers.

Note Ms. Hall requested that Mr. Gervais provide them with a walkthrough of the proposed budget to ensure alignment with other financing sources as well as clarity on the use of fund balance.

Note Mr. Gervais highlighted some of the following:

A total of \$500,000 from various funds including bond and capital was transferred into the General Fund. Allocation of \$250,000 from bond premium dollars for unspecified purposes.

Approval of a \$225,000 subsidy for ambulance services, specifically for reimbursements related to firemen.

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Note Mr. Steel offered the following in regard to his recommendation to increase the use of the fund balance: The use of fund balance totaling \$1,975,000, with a consideration to increase it to \$2.75 million. Approximately \$400,000 allocated to address increased costs in the Fire Department. Allocation of about \$300,000 for youth, family, and human services, with a slight adjustment for unforeseen expenses. Strategies to mitigate the impact on taxpayers due to changes in funding methods, specifically a \$500,000 allocation to offset impacts. Restoring the \$500,000 previously cut from fund balance usage.

Note Mr. Gervais observed that those calculations would be below a 1 mill increase, a 0.6 mill decrease, resulting roughly in a mill rate of 25.75.

Note Ms. Hall discussed how the Finance Calendar is a tight schedule, how she's sorry Mr. Steel and Mr. Ginsberg were unable to attend the April 10th, 2024, meeting, and how they did everything they could to accommodate everyone within the limited time they had to act in.

Decision MOTION (1)

Mr. Steel moved to increase the use of the undesignated fund balance from \$1 million to \$2.7 million. There was no second, motion failed.

Note MOTION (2)

Mr. Steel moved to restore the \$500,000 that was removed on April 10th, 2024, resulting in an undesignated fund balance of \$1.5 million dollars. Mr. Maxfield seconded the motion.

Note Mr. Gervais said that financing sources would go up to \$2,475,000, the mill increase would be 1.35 and a quarter, the mill rate would be 26.17, and for the 2025 number, the fund balance would go from \$9,567,000 to \$9,067,000.

Note Mr. Gervais and the Board further discussed the projections for the next fiscal year's budget, including anticipated revenues from interest income and the planned use of the fund balance.

Note After a detailed discussion, Mr. Ginsberg said despite knowing the pain that the taxpayers have, it really concerns him seeing the fund balance go down. He said if they take more this year the pain will be that much worse later.

Note Mr. Birmingham said he would prefer to leave the usage of the fund balance at one million, he doesn't want to see them use it any more than they have to.

Decision MOTION (2) Vote:

Motion failed. 3-2-0.

Yay- Mr. Steel and Mr. Maxfield.

Nay- Ms. Hall, Mr. Birmingham and Mr. Ginsberg.

Decision MOTION (3)

Mr. Maxfield moved to send the proposed FY 2024/2025 Budget to Town Meeting, to be held on May 13th, 2024.

Mr. Birmingham seconded the motion.

Motion carried, 5-0-0.

3. Discussion and Possible Action on Capital Improvement Plan

Decision MOTION (4)

Mr. Maxfield moved to accept the Capital Improvement Plan for FY 2024/2025 as presented.
Mr. Steel seconded the motion.
Motion carried, 5-0-0.

4. Public Discussion

4-1. Jamie Barr-Shelburn of 31 Mcelaney Drive

Note Ms. Barr-Shelburn asked about the 10-year Capital Improvement Plan. She said there is a line item entitled "addition to Fire Station Flanders for a bay in the amount of \$750,000," and two years later they have 3 million listed to build a new station. She questioned if a bay is being added on, to be later knocked down.

Note Ms. Barr-Shelburn also asked about the 1-year Capital Plan for Darrow's Pond, which consists of trail signs and supplies noting they have trail construction as cancelled.

5. Board Comments

Note Ms. Hall thanked the Board for their patience and goodwill, and Mr. Gervais for all of his hard work.

6. Adjournment

Decision MOTION (5)

Mr. Maxfield moved to adjourn the April 29th, 2024, Special Meeting of the Board of Finance at 8:42 p.m.
Mr. Birmingham seconded the motion.
Motion carried, 5-0-0.

Note Respectfully Submitted,
Brooke Stevens, Recording Secretary