

# Minutes of Board of Finance July 10th, 2024, Regular Meeting - 07/10/24

**Date and time:** 07/10/24 05:30 pm to: 07/10/24 05:52 pm

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

**CC:** Dan Cunningham, First Selectman, Mitch Nixon, Deputy Finance Director/Purchasing Agent, Absent:, Kevin Gervais, Finance Director

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


## 1. Call Meeting to Order & Pledge

**Note** Chair Hall called the July 10th, 2024, Regular Meeting of the Board of Finance to order at 5:32 p.m. and led them in the Pledge of Allegiance.

## 2. Approval of Meeting Minutes

### 2-1. June 12th, 2024, Regular Meeting Minutes

**Note** see attached minutes.

 [BOF-June-12-2024-Meeting-Minutes.pdf](#)

**Decision** MOTION (1)

Mr. Maxfield moved to approve the Regular Meeting Minutes of June 12th, 2024, as presented.

Mr. Birmingham seconded the motion.

Motion carried, 4-0-0.

## 3. Delegations

**Note** There were none.

## 4. Reports

### 4-1. First Selectman

**Note** Mr. Cunningham reported that Costco withdrew their assessment appeal, and issues with the Chief of Police are being handled. He added that he's really happy to see that the art show that is put on by the Lion's Club went well, and a lot of people came into town to see it.

**Note** Mr. Maxfield suggested that the police budget will need to be discussed in the future. Mr. Cunningham added that it will affect us and warrants discussion. It's unclear which parts should be considered for executive session, Mr. Cunningham said he will investigate thoroughly to ensure we make the correct decisions.

### 4-2. Finance Director

RECEIVED FOR RECORD  
EAST LYME, CT  
2024 JUL 17 A 8:42  
Coun. Richard Steel  
TOWN CLERK

**Note** Ms. Hall noted that Mr. Gervais could not be here this evening, so Mitch Nixon, the Deputy Finance Director/Purchasing Agent, is here in his stead.

**Note** Mr. Nixon indicated he would provide a brief overview, covering the current projects in the finance department, along with the revenues and expenditures for the recently concluded fiscal year.

He mentioned an update on our audit: the fiscal year 2022 audit has been completed, submitted, and is now recorded in the OPM system. We are currently working on the fiscal year 2023 audit. Fiscal year 2024 has ended, and we aim to finalize it by mid-August, about which he will share more details later.

Additionally, Mr. Gervais requested that he discuss a few ongoing matters. We have recently launched our new enterprise resource planning system, Munis, a significant project initiated before his tenure began nine to ten months ago. As of July 1st, we are operational, managing all accounts payable, accounts receivable, budgeting, and reporting within Munis. Looking ahead, we plan to implement the Munis payroll module on January 1st, and by next July, we will introduce utility billing for the water and sewer department.

This has been a major undertaking. Over the past month, Mr. Gervais and he have conducted departmental training sessions, ensuring everyone using the system is well-versed in the procedures. This system is a substantial improvement over our previous one, and they are quite excited about its potential.

**Note** Mr. Nixon discussed the 2024 budget versus actual revenues, which is detailed in the handouts provided. The documents include all revenue accounts for the year, with key highlights being that \$86 million was anticipated, and \$41,000 was budgeted. The actual revenue amounted to \$85 million, excluding fund balance usage and transfers.

Mr. Nixon believes, as Mr. Gervais previously indicated, that while \$2 million was budgeted for fund balance use, only \$1 million will be necessary to bridge the gap, which is favorable. Notably, tax collections exceeded expectations: \$68 million was budgeted, but \$69 million was collected, surpassing the 100% mark due to a higher-than-expected collection rate of 99.1%, against the projected 98.2%.

Interest income significantly exceeded the budget by \$1 million, primarily due to the bulk of investments being held in state stiff accounts with a yield of 5.4%. Furthermore, conveyance taxes surpassed the budget by over \$100,000, and building permits increased by nearly \$400,000 more than anticipated. These are some of the major contributing factors to the revenue increase.

**Note** Mr. Nixon pointed out that we are still working through the expenses for 2024, but it's manageable. Currently, we have some open purchase orders from last year that need processing. Our objective is to close all POs by the end of July. By August 15th, we aim to have all final invoices for fiscal year 2024 paid and concluded. We expect to close everything out in August, at which time we will be able to provide the final figures. Subsequently, we will transfer all this information into Munis. Additionally, as Mr. Gervais indicated, we are anticipating a budget surplus on the expenditure side.

**Note** Mr. Nixon has informed us that Munis will be generating all future reports. Currently, everyone is inputting data directly into Munis, with MCSJ only being used for last year's entries. Our fiscal year 22 audit is complete and has been uploaded to OPM's electronic system, including the financial statements, federal single audit, and state single audit. We are actively working on balancing funds, reconciling accounts, and other necessary tasks.

The auditors will commence their initial fieldwork next week, likely on Wednesday and Thursday. For fiscal year 24, we aim to close all purchase orders by this month's end and prepare a list of final budget transfers for the August meeting. Mr. Gervais highlighted two ongoing projects: the Coastal Resiliency Fund, which involves collaboration across departments and the drafting of an ordinance, and the Capital Committee's efforts to evaluate our financial capabilities against our needs for the next five to ten years, with the goal of developing a corresponding operating plan.

**Note** Mr. Cunningham noted that what we're witnessing is essentially a layer of strategic planning coming into play. We're earnestly beginning to integrate it across our policies and financial practices. The outcomes are starting to emerge, painting a slightly more optimistic picture than we expected. With the continued improvement of our accounting software and committees, we're aiming to maintain this positive trajectory.

**Note** Mr. Cunningham mentioned that on July 3rd, we hosted a luncheon for all the employees. The event was Sandy Anderson's brainchild, and it turned out to be a fantastic gathering right here, with everyone invited. The feedback was overwhelmingly positive; the sense of camaraderie was something everyone seemed to really appreciate. It underscores what he has always believed: cultural change is crucial. The more activities we share, the more we foster higher productivity and create a better workplace. This event was a definite hit, and he'd like to publicly acknowledge Ms. Anderson for her idea. It's added significant value to our team spirit, and that's worth noting.

## 5. New Business

### 5-1. Review and Approval of Fiscal Year 2022: Audited Financial Statements, State Single Audit, Federal Single Audit

**Note** Ms. Hall stated that these documents were distributed to us about a week ago, and as Mitch mentioned, they have been submitted to OPM.

**Note** MOTION (2)

Mr. Maxfield moved to approve the independent auditors report for the fiscal year ending June 30th, 2022, which includes the audited financial statements, state single audit, and the federal single audit. Mr. Birmingham seconded the motion.

**Note** Mr. Maxfield said the only comment is the tardiness, but we've been dealing with that for quite a while and will not be an issue going forward.

**Decision** MOTION (2) Vote:  
Motion carried, 4-0-0.

### 5-2. Appointment of Auditor FY 2024

**Note** Ms. Hall mentioned that the quote for audit services is \$84,000, provided by our current auditors, Clifton, Larson, Allen, LLP. Technically, if we continue with the same auditors as last year, we may not need to approve them again, as it's a continuation. However, for the sake of record-keeping and future minutes, it might be prudent to document the approval, especially since the quoted amount varies annually.

**Note** MOTION (3)

Mr. Maxfield moved to approve the appointment of CLA as our auditor for all the financial statements for the year ended June 30th, 2024, which amounts to \$84,000. Mr. Birmingham seconded the motion.

**Note** Mr. Steel said Board of Education also contributes to this, so the \$84,000, even though it sounds like a lot, it's not paid by the town side alone. Mr., Nixon pointed out that the Water and Sewer Department also has to pay for their services as well.

**Decision** MOTION (3) Vote:  
Motion carried, 4-0-0.

## 6. Public Discussion

**Note** There was none.

## 7. Board Comments

**Note** Mr. Steel attended the high school graduation, which was particularly poignant as they reserved an empty seat for Maddie Garay, a student who had passed away from cancer years earlier. It was heartwarming to see her spirit honored by her graduating class and her family acknowledged. Hearing about the financial awards given to students and the number of recipients was also gratifying. However, he missed knowing who received which awards and the identities of some sponsors, a detail often included in past graduations. Despite this, the significant achievements of the students and the rewards that will aid their further education overshadowed this omission.

Additionally, the noticeable decrease in class size from when his son graduated in 2005 to this year prompted him to research enrollment numbers. According to the state site, the district had approximately 3,200 students in 2007-2008, but by 2022, the number had dropped to 2,600, a substantial decline of 600 students.

**Note** Mr. Steel said if this downward trend continues, he would like the Board to consider this at budget time when looking at school population versus the funding, to try to keep everything in line.

**Note** Mr. Steel expressed a desire for our Superintendent to present some measures of achievement in person. This is because during the public meeting at the high school, there were discussions about accountability for the school's budget. Specifically, he mentioned the Individual Growth Index, emphasizing that it's not merely a collection of grade scores, but rather a metric that uses the student as their own benchmark to demonstrate individual progress.

**Note** Ms. Hall clarified that she inquired with the Superintendent, who mentioned that such matters are usually addressed in their fall meeting. He suggested that instead of presenting the information twice, it would be preferable if people could attend the meeting or watch it online.

**Note** Mr. Steel expressed his pleasure about the new leadership in the finance department, noting the strong team of deputies, including Mr. Nixon. He's relieved that Mr. Gervais isn't isolated anymore and now has competent colleagues with him. The audit updates are particularly encouraging, signaling a thorough overhaul after some significant past issues.

## 8. Adjournment

**Decision** MOTION (4)

Mr. Maxfield moved to adjourn the BOF July 10th, 2024, Regular Meeting at 5:52 p.m.

Mr. Steel seconded the motion.

Motion carried, 4-0-0.

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