



Board of Finance
February 12, 2025



BOF: First Selectman's Report
February 12, 2025

First Selectman Dan Cunningham

Operating Budget

**Town of East Lyme
General Fund Budget Summary
Fiscal Year 2025-26**

Object Description	2024-2025	FY2026 Proposed General Fund Budget		
	Adjusted Budget	Proposed Budget	Change from YE 25	Change from YE 24
EXPENDITURES				
Town Operations	\$ 22,911,317	\$ 25,679,726	\$ 2,768,409	12.08%
Board of Education Operations	\$ 60,024,675	64,220,400	4,195,725	6.99%
Debt Service	\$ 6,754,252	7,214,093	459,841	6.81%
Capital/Other	\$ 902,750	1,350,000	447,250	49.54%
TOTAL EXPENDITURES	\$ 90,592,994	\$ 98,464,219	\$ 7,871,225	8.69%
REVENUES				
Taxes - Current Year	\$ 72,784,510	\$ 80,883,750	8,099,240	11.13%
Taxes - Motor Vehicle Supplement	\$ 550,000	\$ 600,000	50,000	9.09%
Taxes - Prior Year, Interest, Fees	792,000	792,000	-	0.00%
Licenses and Permits	795,400	945,400	150,000	18.86%
Intergovernmental Revenues	11,123,655	11,376,773	253,118	2.28%
Charges for Services	1,233,900	1,440,300	206,400	16.73%
Fines and Assessments	13,010	13,010	-	0.00%
Investment Earnings	1,200,000	1,200,000	-	0.00%
Other Revenues	125,520	152,987	27,467	21.88%
Other Financing Sources	1,975,000	1,060,000	(915,000)	-46.33%
TOTAL REVENUES	\$ 90,592,995	\$ 98,464,219	\$ 7,871,224	8.69%

Operating Budget - Revenues

Town of East Lyme

General Fund Budget Summary - REVENUES

Fiscal Year 2025-26

Object	Description	FY2025 Budget	FY2026 PROPOSED BUDGET	\$ Change from YE 25	% Change from YE 25
41	Taxes	\$ 74,126,510	\$ 82,275,750	\$ 8,149,240	10.99%
42	Licenses and Permits	\$ 795,400	\$ 945,400	\$ 150,000	18.86%
43	Intergovernmental Revenues	\$ 11,123,655	\$ 11,376,773	\$ 253,118	2.28%
44	Charges for Services	\$ 1,233,900	\$ 1,440,300	\$ 206,400	16.73%
45	Fines and Assessments	\$ 13,010	\$ 13,010	\$ -	0.00%
46	Investment Earnings	\$ 1,200,000	\$ 1,200,000	\$ -	0.00%
48	Other Revenues	\$ 125,520	\$ 152,987	\$ 27,467	21.88%
49	Other Financing Sources	\$ 1,975,000	\$ 1,060,000	\$ (915,000)	-46.33%
TOTAL REVENUE		\$ 90,592,995	\$ 98,464,219	\$ 7,871,224	8.69%

Revenue - Highlights

- ▶ **Building Permit Fees – Increased \$150,000**
 - ▶ Increased permit fees based comparison to neighboring communities
- ▶ Recycling and Tipping Fees increased significantly
- ▶ Tuition Revenue – Increased ~\$300,000
- ▶ Moved Youth Service Grants to Grant Fund
- ▶ Reduced “Other Financing Sources”
 - ▶ ~\$180k reduction in Ambulance reimbursements
 - ▶ No proposed OTI’s from other funds
 - ▶ No use of bond premiums proposed
- ▶ Holding Investment/Interest Earnings flat
 - ▶ May have to revisit with more research

Operating Budget - Expenditures

FY2025 and Proposed FY2026 Operating Expenditures Budget

	FY25 Amended	FY26 Proposed	% Change
General Government	\$ 9,419,218	\$ 11,145,937	18.33%
Public Safety	\$ 6,380,978	\$ 7,223,387	13.20%
Public Works	\$ 4,378,939	\$ 4,428,580	1.13%
Culture and Recreation	\$ 2,732,182	\$ 2,881,821	5.48%
Education	\$ 60,024,675	\$ 64,220,400	6.99%
Debt Service	\$ 6,754,252	\$ 7,214,093	6.81%
Capital (Cash)	\$ 902,750	\$ 1,350,000	49.54%
Total Operating Budget	\$ 90,592,994	\$ 98,464,219	8.69%

Drivers of Town Operations Budget

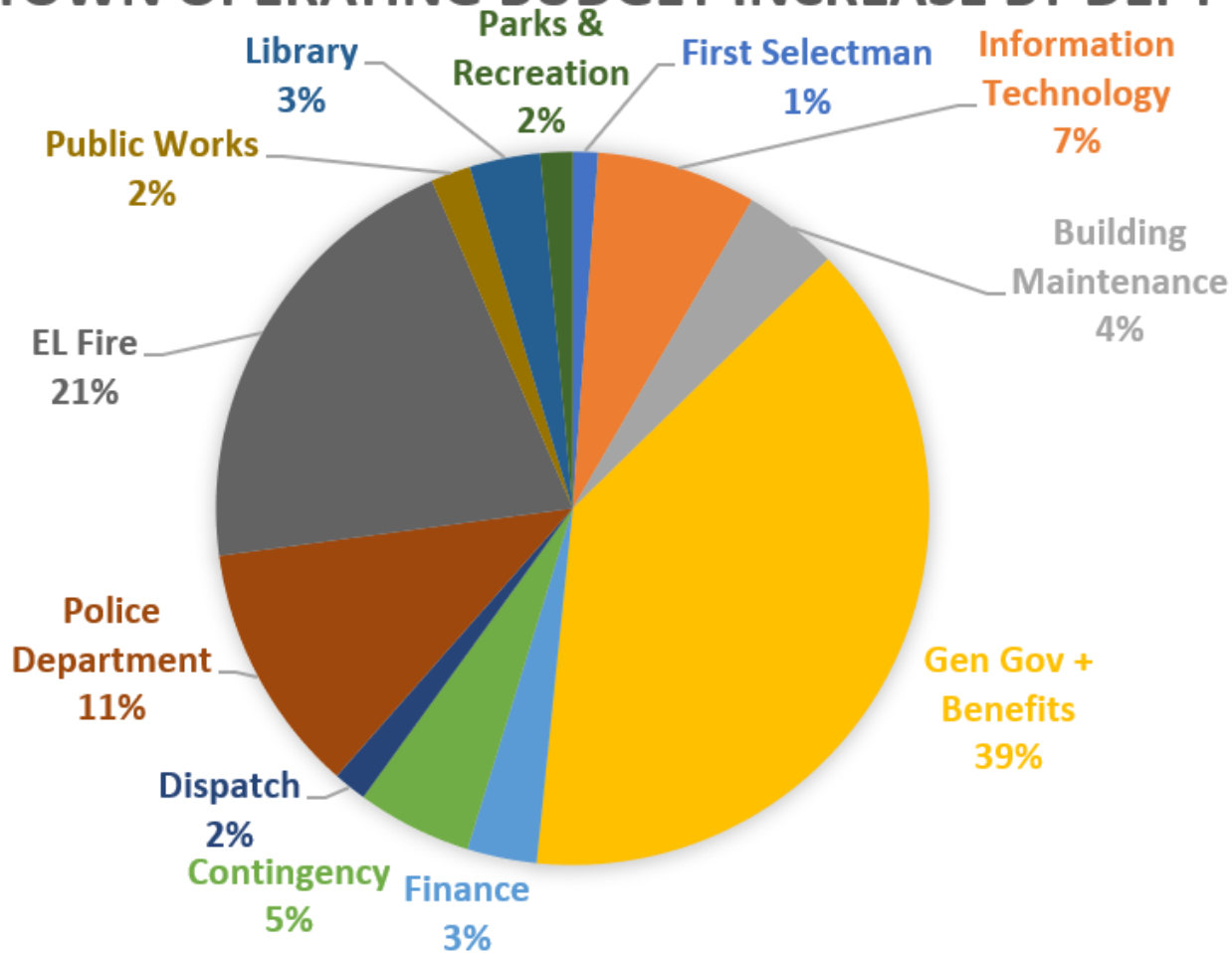
- ▶ Increased Health Insurance 11%
- ▶ Increased Electrical Costs (Public Benefit Charges)
- ▶ Increased Pension Contribution
 - ▶ Currently \$700k
 - ▶ Projecting \$1.1 million next year
- ▶ Increased software costs (ADP, Axon, Adobe, Microsoft, etc.)
- ▶ Hiring of 1.5 FTE career firefighters
- ▶ Inflationary pressures continue to plague operating budget
 - ▶ Collaboration between Town Dept's to create synergies and efficiencies to better serve our residents

Town Operating Increases

Department	FY25	FY26	Increase (\$)	Increase (%)
First Selectman	\$ 246,233	\$ 277,728	\$ 31,495	12.79%
Information Technology	\$ 521,133	\$ 720,754	\$ 199,621	38.31%
Maintenance of Town Buildings	\$ 850,850	\$ 969,150	\$ 118,300	13.90%
General Govt Misc & Benefits	\$ 5,024,343	\$ 6,096,360	\$ 1,072,017	21.34%
Finance Department	\$ 547,651	\$ 634,430	\$ 86,779	15.85%
Contingency	\$ 388,887	\$ 532,500	\$ 143,613	36.93%
Public Safety - Dispatch	\$ 739,238	\$ 780,971	\$ 41,733	5.65%
Public Safety - Police Dept	\$ 3,352,950	\$ 3,666,345	\$ 313,395	9.35%
Public Safety - East Lyme Fire Service	\$ 1,930,993	\$ 2,500,000	\$ 569,007	29.47%
Public Works - Hwy, Eng & Sanitation	\$ 4,378,939	\$ 4,428,580	\$ 49,641	1.13%
Library Operating Grant	\$ 1,231,806	\$ 1,320,000	\$ 88,194	7.16%
Parks & Recreation	\$ 895,130	\$ 935,196	\$ 40,066	4.48%
Subtotal Dept Increase			\$ 2,714,665	
Total Town Operating Increase			\$ 2,768,409	
				98%

Town Operation Budget Increase By Dept

TOWN OPERATING BUDGET INCREASE BY DEPT



Grand List Finalized

	2024	2023	NET	%
REAL ESTATE	\$2,547,376,508	\$2,529,856,699	\$17,519,809	.6925%
MOTOR VEHICLES	\$179,933,740	\$203,484,645	-\$23,550,905	-11.573%
PERSONAL PROPERTY	\$88,658,216	\$81,810,571	\$6,847,645	8.37%
TOTAL	\$2,815,968,464	\$2,815,151,915	\$816,549	0.029%

NET TAXABLE GRAND LIST INCREASE 0.029%



Impact on Mill Rate

Calculation of Mill Rate

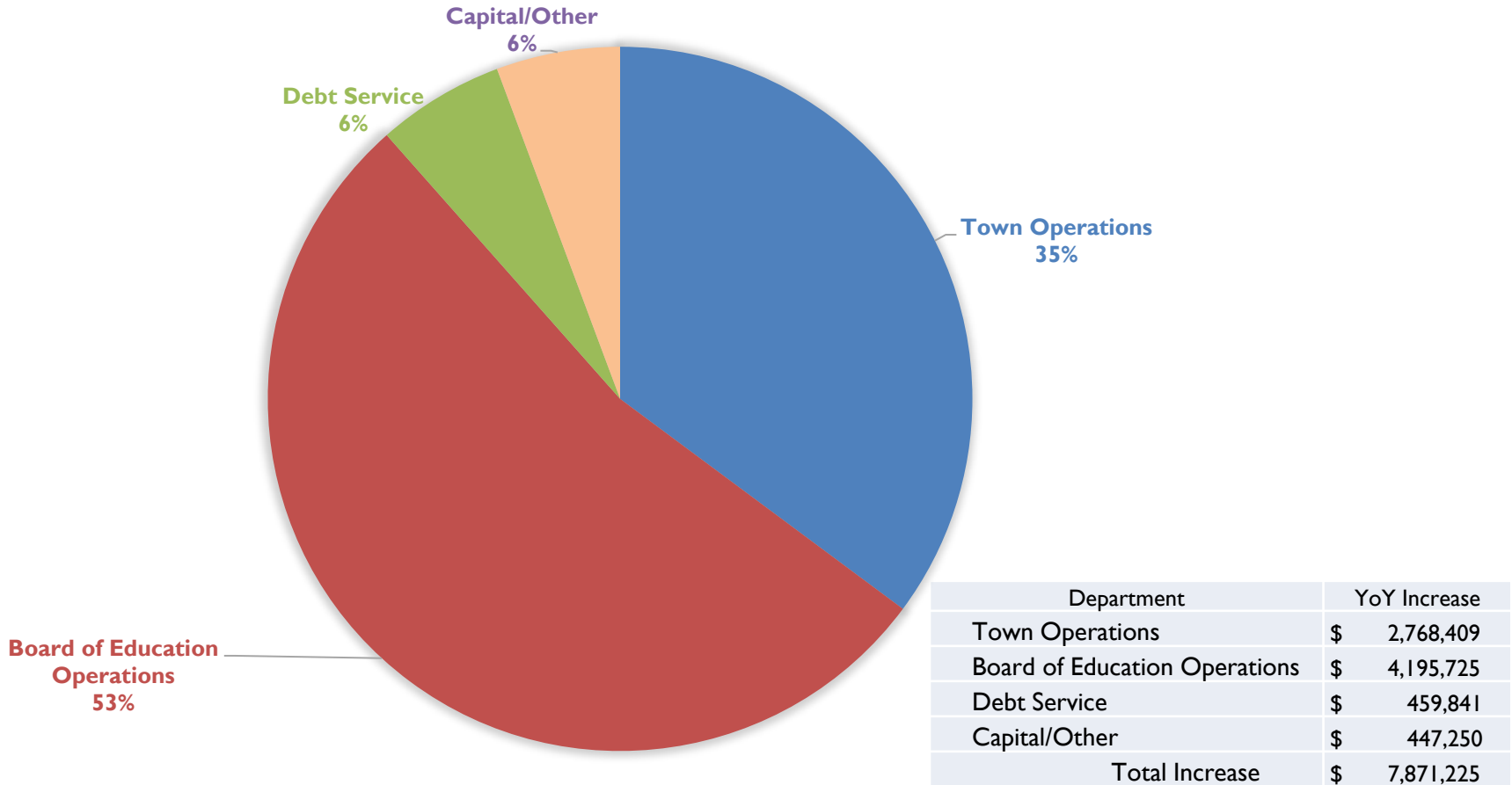
Grand List Total					
Value of One Mill	\$	2,815,968	\$	816	0.03%
Collection Rate		98.20%		0.00%	0.00%
Estimated Delinquency	\$	(50,687)	\$	(15)	0.03%
Collection Rate for One Mill	\$	2,765,282	\$	802	0.03%
Collected Tax Receipts	\$	80,883,750	\$	8,099,240	11.13%
Add Elderly Tax Relief	\$	57,030	\$	-	0.00%
Required Levy	\$	80,940,780	\$	8,099,240	11.12%
MILL RATE		29.27		2.92	11.08%

Impact on East Lyme Households

Assessed	Home Values	Property Taxes		YoY Increase	Monthly Increase	
		Mill Rate	26.36			29.27
			FY 2023-24	FY 2024-25		
\$ 210,000	\$ 300,000		\$ 5,536	\$ 6,147	\$ 611	\$ 51
\$ 245,000	\$ 350,000		\$ 6,458	\$ 7,171	\$ 713	\$ 59
\$ 280,000	\$ 400,000		\$ 7,381	\$ 8,196	\$ 815	\$ 68
\$ 350,000	\$ 500,000		\$ 9,226	\$ 10,245	\$ 1,019	\$ 85
\$ 420,000	\$ 600,000		\$ 11,071	\$ 12,293	\$ 1,222	\$ 102
\$ 525,000	\$ 750,000		\$ 13,839	\$ 15,367	\$ 1,528	\$ 127
\$ 700,000	\$ 1,000,000		\$ 18,452	\$ 20,489	\$ 2,037	\$ 170
\$ 875,000	\$ 1,250,000		\$ 23,065	\$ 25,611	\$ 2,546	\$ 212
\$ 1,050,000	\$ 1,500,000		\$ 27,678	\$ 30,734	\$ 3,056	\$ 255

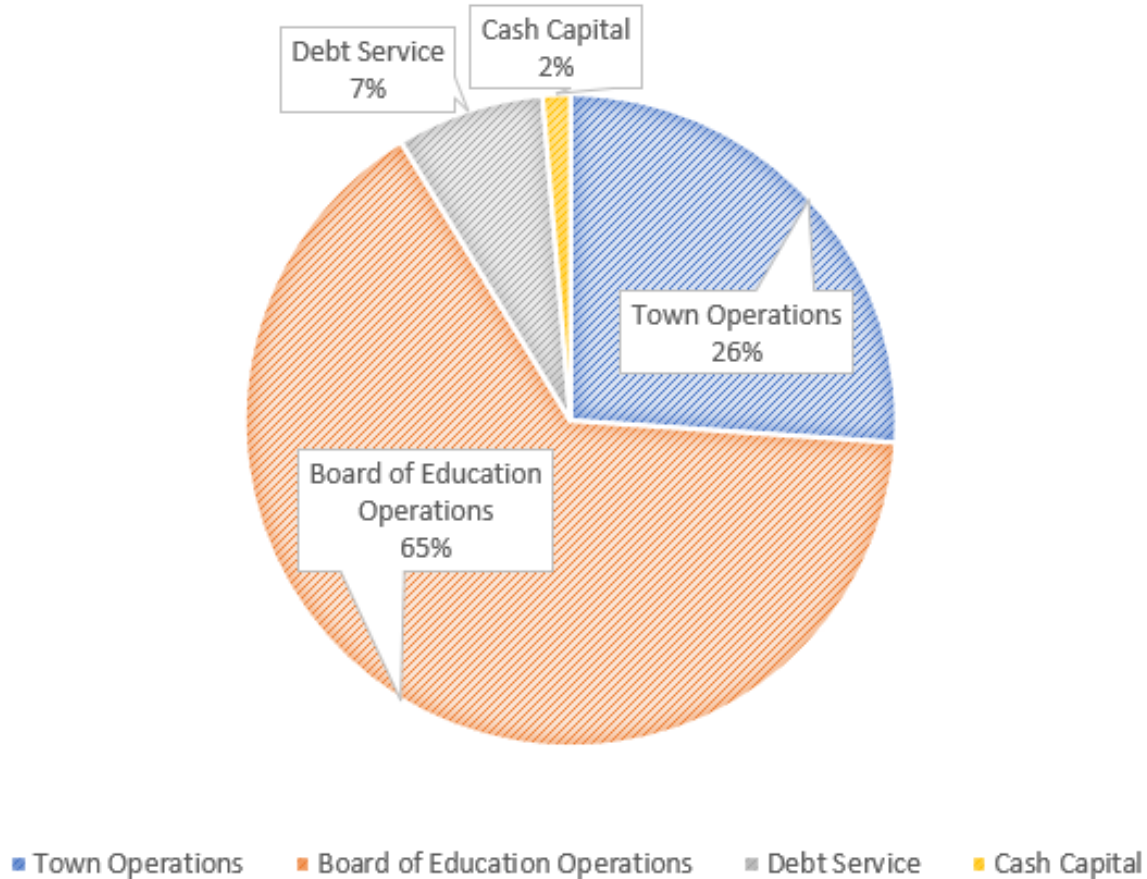
Cost Drivers

BUDGET INCREASE BY SECTION



Budget Breakdown

OPERATING BUDGET BREAKDOWN



Capital Projects

Current Year Capital Projects Summary

	Dept Requested	CIP Committee
General Government	\$ 643,000	\$ 249,000
Public Safety	\$ 2,584,500	\$ 1,772,500
Public Works	\$ 18,867,500	\$ 1,458,500
Parks and Recreation	\$ 871,500	\$ 379,500
Education	\$ 3,753,000	\$ 3,247,000
	\$ 26,719,500	\$ 7,106,500
		\$ (19,613,000)



For more Budget Details...

- ▶ See the link below for more budget information

[Budget - Fiscal Year 2025-2026 - Town of East Lyme](#)





Board of Finance Presentation February 12, 2025

Kevin Gervais Jr.
Finance Director

Town - Status Update

- ▶ \$500,000 Capital Project Appropriation (Bonding)
 - ▶ Order from Department of Justice to make Town Hall ADA compliant by October 2025
- ▶ Bond Resolution for Aquatic Center Roof (\$2.4 million)
 - ▶ \$ 1 million previously approved (2024)
 - ▶ \$900k transferred from ELCC Roof Project
 - ▶ Remaining \$500k funding TBD
- ▶ Tax Collector's Report
- ▶ Capital Improvement Program Committee
- ▶ UPSEU Union Contract Negotiations - Started
- ▶ Pension Taxation Issue
- ▶ FY2023 Audit Update
- ▶ Fund Balance Projection

Tax Collector's Report

- ▶ Tax collections increased from 96.14% to 96.94%, an .80% increase YoY

		<u>Original</u> <u>Balance</u>	<u>Starting</u> <u>Balance</u>	<u>C/C</u> <u>Additions</u>	<u>C/C</u> <u>Reductions</u>	<u>Payments</u>	<u>Refunds</u>	<u>Ending</u> <u>Balance</u>	<u>Interest</u>	<u>Fees</u>	<u>Liens</u>	<u>Coll. %</u>
M	2023	5,318,414.98	5,318,414.98	16,098.93	100,723.90	4,917,194.27	-25,011.77	341,607.51	32,224.61	200.00	0.00	93.58
P	2023	2,153,992.98	2,153,992.98	0.00	318.84	2,024,990.76	-201.37	128,884.75	2,341.68	0.00	0.00	94.02
R	2023	66,457,346.54	66,457,346.54	47,316.02	189,630.28	64,710,295.42	-32,445.40	1,637,182.26	48,733.83	180.00	0.00	97.54
S	2023	684,910.18	684,910.18	2,781.93	18,074.28	502,603.30	-48.40	167,062.93	0.00	0.00	0.00	75.61
X	2023	45,197.36	45,197.36	0.00	1,905.82	36,778.07	0.00	6,513.47	68.68	0.00	0.00	85.59
	2023	74,659,862.04	74,659,862.04	66,196.88	310,653.12	72,191,861.82	-57,706.94	2,281,250.92	83,368.80	380.00	0.00	96.94
TOTALS		74,659,862.04	74,659,862.04	66,196.88	310,653.12	72,191,861.82	-57,706.94	2,281,250.92	83,368.80	380.00	0.00	96.94



Financial Statement Audits Update

▶ Fiscal Year 2023

- ▶ **Balanced & Reconciled**
 - ▶ Reconciled to subsidiary ledgers
- ▶ End of March/Beginning April filing expected

▶ Fiscal Year 2024

- ▶ Closing out Purchase Orders
- ▶ Starting to reconcile and balance accounts to subsidiary ledgers

Updated Timeline forthcoming for MFAC next Wednesday

Capital Improvement Program Committee

- ▶ Capital Committee
 - ▶ BOS
 - ▶ BOF
 - ▶ BOE
 - ▶ Citizen representatives
- ▶ Conducted tours of ELCC, PW and Park and Rec facilities
- ▶ Recommending Capital Projects Budget for FY2026

Next meeting: February 18th to discuss 10-Year CIP

Municipal Comparisons - PY

Towns	Fiscal Year 2023-24					% of Budget			
	BOE	TOWN	DEBT	CAPITAL	TOTAL	BOE	TOWN	DEBT	CAPITAL
Old Saybrook	\$ 28,829,506	\$ 17,633,594	\$ 3,071,844	\$ 741,800	\$ 50,276,744	57.34%	35.07%	6.11%	1.48%
Ledyard	\$ 35,908,368	\$ 23,551,203	\$ 4,403,850	\$ 1,653,735	\$ 65,517,156	54.81%	35.95%	6.72%	2.52%
Stonington	\$ 41,641,074	\$ 27,238,731	\$ 7,614,625	\$ 3,664,774	\$ 80,159,204	51.95%	33.98%	9.50%	4.57%
Waterford	\$ 54,193,983	\$ 37,812,994	\$ 8,148,250	\$ 1,917,971	\$ 102,073,198	53.09%	37.04%	7.98%	1.88%
Madison	\$ 61,775,694	\$ 25,318,532	\$ 1,694,125	\$ 5,578,268	\$ 94,366,619	65.46%	26.83%	1.80%	5.91%
Branford	\$ 62,911,644	\$ 54,181,621	\$ 9,378,646	\$ 3,843,857	\$ 130,315,768	48.28%	41.58%	7.20%	2.95%
Clinton	\$ 35,446,476	\$ 18,285,237	\$ 5,020,675	\$ 4,025,273	\$ 62,777,661	56.46%	29.13%	8.00%	6.41%
Salem	\$ 11,304,501	\$ 4,382,916	\$ 441,875	\$ 1,086,302	\$ 17,215,594	65.66%	25.46%	2.57%	6.31%
Colchester*	\$ 42,025,701	\$ 12,646,557	\$ 2,075,164	\$ 901,180	\$ 57,648,602	72.90%	21.94%	3.60%	1.56%
East Lyme	\$ 57,789,852	\$ 21,520,155	\$ 6,198,189	\$ 499,522	\$ 86,007,718	67.19%	25.02%	7.21%	0.58%
					AVG	59.31%	31.20%	6.07%	3.42%
					East Lyme compared to Peers	ABOVE	BELOW	ABOVE	BELOW

*FY22-23 Data used

Municipal Comparisons - Updated

Towns	Fiscal Year 2024-25					% of Budget			
	BOE	TOWN	DEBT	CAPITAL	TOTAL	BOE	TOWN	DEBT	CAPITAL
Old Saybrook	\$ 29,805,318	\$ 18,278,237	\$ 2,579,687	\$ 776,800	\$ 51,440,042	57.94%	35.53%	5.01%	1.51%
Ledyard	\$ 38,369,823	\$ 23,314,622	\$ 3,955,030	\$ 1,791,098	\$ 67,430,573	56.90%	34.58%	5.87%	2.66%
Stonington	\$ 43,515,988	\$ 28,371,514	\$ 7,100,156	\$ 7,630,909	\$ 86,618,567	50.24%	32.75%	8.20%	8.81%
Waterford	\$ 57,611,181	\$ 39,267,105	\$ 8,109,746	\$ 2,250,926	\$ 107,238,958	53.72%	36.62%	7.56%	2.10%
Madison	\$ 63,277,956	\$ 26,541,945	\$ 2,366,200	\$ 5,433,155	\$ 97,619,256	64.82%	27.19%	2.42%	5.57%
Branford	\$ 65,428,110	\$ 57,564,177	\$ 8,637,766	\$ 3,681,043	\$ 135,311,096	48.35%	42.54%	6.38%	2.72%
Clinton	\$ 40,161,691	\$ 17,267,661	\$ 3,177,554	\$ 3,817,137	\$ 64,424,043	62.34%	26.80%	4.93%	5.93%
Salem	\$ 11,677,833	\$ 4,777,662	\$ 440,000	\$ 995,788	\$ 17,891,283	65.27%	26.70%	2.46%	5.57%
Colchester	\$ 45,576,075	\$ 14,373,492	\$ 2,075,164	\$ 653,400	\$ 62,678,131	72.71%	22.93%	3.31%	1.04%
East Lyme	\$ 60,024,675	\$ 22,911,317	\$ 6,754,252	\$ 902,750	\$ 90,592,994	66.26%	25.29%	7.46%	1.00%
					AVG	59.86%	31.09%	5.36%	3.69%
					East Lyme compared to Peers	ABOVE	BELOW	ABOVE	BELOW



Tasks to Complete

- ▶ **Coastal Resiliency Fund**
 - ▶ Collaboration between Finance, First Selectman, Public Works and Land Use Offices
 - ▶ Reference Materials identified
 - ▶ Next steps: Drafting Ordinance
- ▶ **OPEB Trust**
 - ▶ Establish an OPEB Trust
 - ▶ Continue to fund OPEB Contribution

Town Hall ADA Compliance

- ▶ \$500,000 construction costs
- ▶ Under Department of Justice order to renovate Town Hall to ADA compliance
- ▶ March bond resolution anticipated

Aquatic Center Roof

- ▶ \$2.4 million expected construction costs
- ▶ March bond resolution anticipated

Questions?

Auto Schedule – Review 5 Years

Town of East Lyme
 Insurable Vehicle Listing
 5 Year Review

	2020-21	2021-22	2022-23	2023-24	2024-25
Ambulance	2	2	3	3	3
East Lyme BOE	9	10	12	8	9
Fire Department	22	23	23	23	23
General Government	9	8	8	4	4
Parks & Recreation	9	9	9	11	11
Police Department	27	28	28	32	35
Public Works	38	43	45	48	49
Town of East Lyme	5	6	8	9	8
Water Pollution	17	17	19	21	21
Unassigned	1	1	1	1	1
Total	139	147	156	160	164
Value	\$ 10,658,907	\$ 11,972,827	\$ 12,804,185	\$ 13,401,941	\$ 13,534,160

Continued

