

East Lyme BOF

March 12th, 2025, Meeting Minutes

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TOWN CLERK

Minutes of Board of Finance March 12th, 2025, Regular Hybrid Meeting - 03/12/25

Date and time: 03/12/25 5:30 PM to: 03/12/25 6:29 PM

Present: Brooke Stevens, Rec Secretary (* Ms. Stevens was not in attendance), Paul Maxfield, John T. Birmingham, Richard Steel, Scott McAllister, Lauren McNamara, Denise Hall, Chairperson, (Ms. Hall joined the Meeting Via Zoom)

CC: Dan Cunningham, First Selectman, Kevin Gervais, Finance Director, (Mr. Gervais attended the Meeting Via Zoom), Joe Bragaw, Director of Public Works, Christian Lund, Director of Facilities

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

Link: <https://app.meetingking.com/meetings/423972>

Topics

1. Call Meeting to Order & Pledge

Note Mr. Maxfield acted as Chair for the duration of the Meeting and Ms. Hall joined the Meeting Via Zoom. Mr. Maxfield called the March 12th, 2025, Regular Meeting of the Board of Finance to order at 5:30 p.m. and led those assembled in the Pledge of Allegiance.

Decision MOTION (1)

Mr. Birmingham moved to rearrange the agenda and move new business item F, Bond Resolution of the East Lyme High School Aquatic Center Roof, before Item a. under New Business.


Ms. McNamara seconded the motion.

Motion carried, 6-0-0.

2. Approval of Meeting Minutes

2-1. February 12th, 2025, Meeting Minutes

Note see attached minutes.

 [BOF_Feb_12_2025_Minutes.pdf](#)

Decision MOTION (2)

Mr. Steel moved to accept the Meeting Minutes of February 12th, 2025, as presented.

Mr. Birmingham seconded the motion.

Motion carried, 6-0-0.

3. Delegations

3-1. Steven Harney of 207 Clareman, Southport, North Carolina

Note Mr. Harney shared some of the following:

He wants to quickly address the commission.

He's a property owner in town and used to sit on their side of the table for eight years and was the Chairman of the Board for four of those years.

He commends them for their work.

No good deed goes unpunished.

He wants to encourage them with some of his experience on that side of the table.

It's difficult.

Everybody comes in with budget increases.

In the not-too-distant past, the budget used to be two-thirds the government, and one-third the Board of Ed, and the pendulum has swung exactly opposite of that.

The Board of Ed gets tricky because if you give them money, you can never really take back, so your kind of looking at increases.

He wants to thank them for their efforts.

He doesn't have as much skin in the game like he used to.

He encourages them to look at the numbers and look at the increases.

They're looking at a big increase and unfortunately, the way your grant list is structured, most of the burden goes on to the residential single-family home and the residents of the town.

He wants to wish them luck in this budget season and encourage them to drill down on the numbers the best they can.

4. Additions to the Agenda

Note There were none.

5. Reports

5-1. First Selectman

Note Mr. Cunningham noted that the first of three Internal investigation reports are being issued regarding issues within the Police Department. The Police Commission and town are hoping to see closure on these matters in the coming months.

Note Mr. Cunningham briefly discussed the upcoming budget presentation, mentioning meetings with Department Heads and the Finance Director to find efficiencies and reductions while maintaining service levels. They've implemented strategic planning concepts, postponed large new projects and instituted a capital improvement plan with on-site evaluations, and they're focused on using cash for capital projects instead of borrowing, to reduce debt service.

5-2. Finance Director

Note Mr. Gervais said he did not get issue a report this week, but he did provide a budget versus actual of the operating budget to everyone via email. When he is back in the office, he will finalize the balance sheet and distribute that as well.

Note Mr. Maxfield mentioned a letter received today from OPM regarding our audit and Mr. Gervais explained that he meets with the Municipal Finance Advisory Council quarterly as well as our Auditors on almost a daily basis, to finish up the open items. He believes they're in a good spot and originally hoped to get this out by the end of March, but now it's looking like mid-April given the 30-day internal review process done by our CLA Auditors.

6. New Business

6-1. Bond Resolution for East Lyme High School Aquatic Center Roof

Note see attachment.

 [Pool_Roof_Budget.pdf](#)

Note Christian Lund, Director of East Lyme School Facilities, detailed the Aquatic Center Roof Project and some of the following key points were highlighted:

They had the roof inspected due to paint peeling off some of the steel members and falling into the pool. Several roofers suggested removing the roof, repairing the steel members, then replacing the roof. That budget came in around a million dollars.

When they brought in a Structural Engineer, they gave a much more detailed evaluation and found that the corrosion was much worse than originally anticipated.

To do the proper repairs and make it structurally sound, the whole roof would have to come off. A lot of the underlying stringers holding it up would have to be removed, which would require the mechanical, electrical, and everything attached to be removed as well.

The scope of the project increased significantly which led to the cost increase.

They've reprogrammed some of the dollars in the existing capital projects and Mr. Gervais can explain where the additional funding will come from.

Note Mr. Gervais noted the following:

Budget estimate- \$2.4 million.

Funding sources-

\$1 million approved last year for this project.

\$900,000 from the East Lyme Community Center roofing project (under budget.)

Remaining funds from various Board of Ed projects.

Note Ms. Hall inquired if any of this is reimbursable by the State and Mr. Lund replied that they're going to seek it and they're reimbursement rate is around 41%, so that is the amount they're currently anticipating.

Note Ms. Hall said that it became clear that something needed to be done after seeing the falling tiles in person during one of their tours of the facilities

Note Mr. McAllister asked if there a risk to people using the facility and an urgency for this project to be done. Mr. Lund detailed how the paint continues to fall daily and, in some cases, on the swimmers. He added the real concern structurally is not for collapsing inward, but for uplift during heavy winds.

Note Mr. Birmingham expressed concern about liability issues if large piece happened to fall and hit someone. Mr. Lund said he hasn't seen anything that looks like that's going to occur, so far, it's coming off in small pieces.

Note Mr. Lund said they would expediate this project and proceed as quickly as possible. He added that unfortunately there are some unknowns right now with metal tariffs.

Note Mr. Steel asked if the problems with the substructure and the rusting will be preventable in the future. Mr. Lund explained that the dehumidification system was put in 10 years ago and had it been put in earlier it might have prevented this problem. But now they have this system in place and there are also improved coating systems for metal parts now available which will also help

Note Mr. Steel also asked about warranties and Mr. Lund replied that he's unsure about the interior but for the standing seam roof it's around 20 or 30 years.

Note MOTION (3)

Ms. McNamara moved to approve the Resolution making Appropriations Aggregating \$7,285,000 For Various Board of Education Capital Improvements and Authorizing The Issuance Of \$7,285,000 Bonds of The Town to Meet Said Appropriations and Pending The Issuance Thereof the Making of Temporary Borrowings for Such Purpose; (II) Resolution Making Appropriations Aggregating \$3,735,000 For Various Public Improvements And Authorizing The Issuance Of \$3,735,000 Bonds of The Town to Meet Said Appropriations And Pending The Issuance Thereof the Making of Temporary Borrowings for Such Purpose; (III) Resolution Making Appropriations Aggregating \$1,130,000 For Various Board of Education Capital Improvements and Authorizing the Issuance Of \$1,130,000 Bonds of The Town To Meet Said Appropriations and Pending the Issuance Thereof the Making of Temporary Borrowings For Such Purpose; And (IV) Resolution Making Appropriations Aggregating \$1,180,000 For Various Board of Education Capital Improvements and Authorizing The Issuance Of \$1,180,000 Bonds of The Town to Meet Said Appropriations and Pending The Issuance Thereof the Making of Temporary Borrowings for Such Purpose.

Mr. Birmingham seconded the motion.

Note Mr. Steel noted this is a fairly broad amendment to a previously bonded project.

Note Mr. Gervais noted that the amounts they're approving this evening are amendments to last year's bond Resolution, it's really just moving \$900,000 from the town resolution to the Board of Education resolution.

Decision MOTION (3) Vote:

Motion carried, 6-0-0.

6-2. Board of Selectman Budget Presentation – FY2026 Operating Budget Request

Note Mr. Gervais said the budget binders will be provided at the next meeting and that a copy of this evening's presentation can be found on the town website

<https://eltownhall.com/government/departments/finance/budget-information/budget-fiscal-year-2025-2026/budget-fiscal-year-2025-2026-first-selectman-budget/>

Note Mr. Gervais gave a comprehensive budget presentation, covering revenue sources, expenses, and major increases. Key points included:

Hiring additional firefighters- 12th firefighter to be hired July 1st & 13th firefighter to be hired January 1st.

The goal is 18 firefighters total, two per station, 24/7.

Increased focus on cash capital to reduce reliance on bonding.

Emphasis on maintaining existing assets.

Prioritizing needs over wants.

Building permit fees increasing by approximately \$150,000.

Recycling tipping fees increasing significantly.

Tuition revenue increase of \$400,000.

New dispensary in town generating 3% tax (revenue pending.)

Health insurance costs from State partnership plan budgeted at 11-12%, actual for New London County at 8.88%.

Increased pension contribution of about \$700,000.

Software costs (AEP, Axon, Adobe, Microsoft) increasing by 10-30%.

Town operations budget increasing by approximately \$2.5 million.

Board of Education increasing by \$4 million.

Debt service increasing by approximately \$450,000.

Cash capital increasing by \$720,000.

Taxes projected to increase by about 10.7%.

Collection rate potentially increased from 98.2% to 98.5%.

Impact on Average Taxpayer- a 500,000-house assessed at \$350,000, currently pays \$9,200.

So, the projected tax in this case would be just under \$10,000.

The increase is approximately \$7 per month.

Budget Composition-

Board of Education is 65%.

Town Operations is 26%.

Debt Service is 7%.

Cash Capital is 2%.

Note Mr. McAllister inquired about Mr. Harney's earlier comments regarding the evolution of the Board of Ed budget and Mr. Gervais replied that he can do some research to determine if that is in fact accurate and do some analysis.

Mr. Cunningham expressed his surprise at those remarks while Mr. McAllister questioned whether there are now more children in school. Ms. Hall, drawing from her experience dating back to 2009 a different town, stated that the percentage for the Board of Education was consistently between 63% and 68%, and she would be astonished if those numbers were accurate.

Mr. Steel noted that he was on the Board of Education a decade ago, and it was around the same percentage as it is now.

Mr. Gervais said he will look back at one year every decade, map it out, and see where it is.

6-3. Board of Selectman Budget Presentation – FY2026 Capital Projects & 10 Year CIP

Note Mr. Gervais briefly highlighted the Capital Projects:

Department requests equaled nearly \$27 million.

The CIP Committee recommendation is \$7.65 million.

The 10-year Capital Improvement Plan is just shy of 10.9 million/year average.

<https://eltownhall.com/wp-content/uploads/2025/03/A-Capital-Projects-Budget-FY2026-1.pdf>

Note <https://eltownhall.com/wp-content/uploads/2025/03/B-FY2025-10-Year-CIP-1.pdf>

Ms. Hall clarified that these figures are not fixed for the next 10 years, but they represent our best estimate. If we do not include certain items, we may miss the opportunity for reimbursement from the State. Therefore, it is important to incorporate these elements into our plans to maximize our chances of securing grants and other funding opportunities.

6-4. Discussion and Possible Action – Operating Budget Transfers

Note Mr. Gervais reported that there are three possible transfers totaling \$113,300, to come before the Board:

1. \$50,000 from town contingency to fund Public Safety Legal Services.
2. A transfer out of contingency to Services of the Community, for our Veteran Representative; he gets mileage along with some other expenses driving the town's veterans to and from the VA, doctor's appointments, and the like.
3. Increased electrical costs; the current year's budget nearly fully expended.

Note Joe Bragaw, Director of Public Works, came forward and explained that electric bills are high because of demand and due to the fact that this is the end of their favorable supply rate. It was previously 6.7 cents per kilowatt-hour, now it's 10.1 cents per kilowatt-hour like everyone else.

Decision MOTION (4)

Mr. Birmingham moved to approve the inter-departmental transfers which total \$113,300.

Mr. Maxfield seconded the motion.

Mr. Steel asked how much will remain in the contingency fund after these transfers and Mr. Gervais reminded everyone that they're now in a spending and hiring freeze and said there would be \$33,000 left. He added that they were supposed to cut back personnel contingency last year and have at least \$80,000 to tap into if needed.

Mr. Maxfield inquired if additional funds might later need to be transferred this year to cover legal fees and Mr. Cunningham replied that it's hard to say.

MOTION (4) Vote:

Motion carried, 6-0-0.

6-5. Bond Resolution for Town Hall Modifications – Americans with Disabilities Act (ADA)

Note MOTION (5)

Mr. Steel moved to approve the Resolution making Appropriations Aggregating \$550,000 For the Planning, Design, Construction and Improvements to The Town Hall and Authorizing the Issuance Of \$550,000 Bonds of The Town to Meet Said Appropriations and Pending the Issuance Thereof the Making of Temporary Borrowings for Such Purpose.

Mr. Birmingham seconded the motion.

Note Mr. Cunningham explained that this is in response to a consent decree with the Justice Department due to an individual complaint about access in the Town Hall, and ADA modifications include:

The installation of an elevator.

A new wheelchair ramp.

Changes to water fountains.

Adjustments to table heights in clerk's office.

The deadline is November.

It's very important they're in compliance with the consent decree.

Note Mr. McAllister inquired about the other town buildings, Mr. Cunningham said he will find out if studies of the other buildings have been done.

Mr. Bragaw said he's unaware of any major ADA compliance issues in other town buildings and any small items are addressed through operating expenses.

Decision MOTION (5) Vote:
Motion carried, 6-0-0.

6-6. Updated Grand List from Assessor

Note Mr. Gervais shared that the updated grand list has been adjusted due to motor vehicle legislation changes at the State level. The grand list figure is now \$2,815,968,464.

7. Old Business

7-1. Review of Town Vehicles and Equipment

Note Mr. Gervais said he was supposed to compare vehicles with employees over departments, but he didn't have time to get to this. Ms. Hall reported that Justin Porter is also doing an evaluation and reconciliation of town vehicles year over year as well.

Note Mr. Maxfield said they can table this item until next month.

8. Public Comments

Note There was none.

9. Board Comments

Note Mr. McAllister stated that this is his first budget season and expressed his gratitude to Mr. Cunningham and the other members of the Board of Selectmen for their efforts in achieving a budget that appears quite reasonable, on his first-year review.

10. Adjournment

Decision MOTION (6)

Mr. Birmingham moved to adjourn the BOF March 12th, 2025, Regular Meeting at 6:29 p.m.

Ms. Hall seconded the motion.

Motion carried, 6-0-0.

Note Respectfully Submitted,
Brooke Stevens, Recording Secretary