

BOF June 11th, 2025
Regular Meeting Minutes

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Minutes of Board of Finance June 11th, 2025, Special Hybrid Meeting - 06/11/25

Date and time: 06/11/25 5:30 PM to: 06/11/25 6:26 PM

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

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

Location: East Lyme Town Hall, Upper Conf. Room & VIA ZOOM

Topics


1. Call Meeting to Order & Pledge

Note Chair Hall called the June 11th, 2025, Regular Meeting of the Board of Finance to order at 5:30 p.m. and led those assembled in the Pledge of Allegiance. Ms. Hall did roll call; a quorum was present.

2. Approval of Minutes

2-1. May 14th, 2025, Regular Meeting Minutes

Note see attachment.

 [BOF-May-14-2025-Minutes.pdf](#)

Decision MOTION (1)

Mr. Steel moved to approve the Regular Meeting Minutes of May 14th, 2025, as presented.

Mr. Birmingham seconded the motion.

Motion carried, 4-0-0.

2-2. May 28th, 2025, Special Meeting Minutes

Note see attachment.

 [BOF-May-28-2025-Special-Meeting-Minutes.pdf](#)

Decision MOTION (2)

Mr. Steel moved to approve the Special Meeting Minutes of May 28th, 2025, 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 provided an update on the search for a new police chief:
They have received approximately 15 resumes, with applications closing around June 16th.

The selection process will involve four tiers-

1. The HR Director and the Police Commission will review applications, eliminating incomplete or clearly unqualified candidates.
2. The remaining resumes will be reviewed by the Connecticut Police Chiefs Association, which offers its services for free as the town is a member.
3. The East Lyme Police Commission will then review the candidates passed on by the Association.
4. Finalists will be interviewed by a five-person panel, expected to include Mr. Cunningham, Dan Price (Chairman of the Police Commission), two members from the Board of Selectmen, and one outside individual. This diverse panel aims to ensure a comprehensive selection process.

Their aim is to offer a competitive salary to attract the best candidates.

4-2. Finance Director

Note Mr. Gervais presented several updates:

*For the 2022-2023 fiscal year, tax collections were at 99.26%.

*For the current 2023-2024 fiscal year, with 19 days of collections remaining, the rate stands at 99.17%, closely tracking last year's performance.

This is slightly above the budgeted rate of 99.1%, potentially leading to a slight over-collection.

Note *The town is approximately three weeks away from finalizing the implementation of ADP for payroll and HR.

*The Water and Sewer Department, in conjunction with the Finance office, is implementing Munis utility billing to streamline software packages town wide.

Both are expected to roll out by July 1.

Note *The Finance office is preparing the offering statement for the Bond package, which will be issued in the coming weeks.

*Short-term borrowing covers upfront costs, which convert to long-term notes once projects are completed.

Note *The Treasurer has spearheaded an RFP for banking services, with a meeting scheduled to review the proposals.

Note Regarding the health insurance premium issue for approximately 50 employees who were incorrectly paying post-tax instead of pre-tax-

*The 2021 tax returns were amended earlier this year, and stipends were provided to employees for re-filing.

*The Finance office aims to fix the 2022 and 2023 issues, totaling about \$50,000 annually, before June 30th.

*An appropriation to contingency later in the meeting will address this.

Note Fiscal Year 2023 Audit-

*The largest outstanding item, the sewer assessment issue, appears to have reached a resolution with the auditors.

*This was a multi-month process, and the proposed number seems acceptable to both parties.

Note *The Board of Selectmen passed the establishment of the Coastal Resiliency Fund.

*After June 16th, budgeted money will be transferred to the fund.

5. New Business

Note see attachment.

 [Budget Transfers - BOF 06-11-2025.pdf](#)

5-1. Approval of Department Transfers

Note MOTION (3)

Mr. Steel moved to approve the interdepartmental transfers in the amount of \$1,522,072. Note, this requires a Town Meeting.

Mr. Birmingham seconded the motion.

Note *Mr. Gervais explained these are year-end budget transfers to bring accounts that were over budget into good standing, funded by accounts that were under budget (e.g., part-time firemen wages, FICA and Medicare savings due to hiring freezes, workers' compensation and so forth).

*The transfers consolidate overages into one transfer to list and draw from under budget accounts, primarily through the town-wide contingency.

Decision MOTION (3) Vote:

Motion carried, 4-0-0.

Note see attachment.

 [Items B-H - Additional Appropriation Worksheet.pdf](#)

5-2. Special Appropriation – Revenue - \$450k - Current Year Tax Collections

Note MOTION (4)

Mr. Steel moved to approve the special appropriation in the amount of \$450,000 to increase the Current Year Tax Collections Budget. Note, this requires a Town Meeting.

Mr. Birmingham seconded the motion.

Note see attachment.

 [YTD Revenues Budget vs Actual Report 06-11-2025.xlsx](#)

Note see attachment.

 [YTD Expenditure Budget vs Actual Report 06-11-2025.xlsx](#)

Note *Mr. Gervais explained this increases the revenue side of the budget to reflect higher-than-expected tax collections, offsetting additional expenditures.

Decision MOTION (4) Vote:

Motion carried, 4-0-0.

Note see attachment.

 [FY 2025 Budget Transfers Amendments.xlsx](#)

5-3. Special Appropriation – Revenue - \$450k – Interest Income

Note MOTION (5)

Mr. Steel moved to approve the special appropriation in the amount of \$450,000 to increase the Interest Income Budget. Note, this requires a Town Meeting.

Mr. Birmingham seconded the motion.

Note *Ms. Hall said this reflects higher interest income due to conservative budgeting and interest rates remaining higher than anticipated.

*Mr. Gervais clarified that this, along with the tax collection appropriation, creates a "kitty" of \$900,000 to cover anticipated budget overages on the expenditure side. Any excess revenue beyond what's appropriated will go into the town's general fund balance.

Decision MOTION (5) Vote:
Motion carried, 4-0-0.

5-4. Special Appropriation – Expenditure - \$375k – Fire Department Overtime

Note MOTION (6)

Mr. Birmingham moved to approve the special appropriation in the amount of \$375,000 to increase the Firefighter overtime budget. Note, this requires a Town Meeting.
Dr. McCallister seconded the motion.

Note *Mr. Gervais explained that current spending is around \$15,000 per week, projecting an additional \$63,000 by year-end.

*He is comfortable with the \$590,000 overtime budget for next year as the hiring of an additional firefighter will reduce reliance on overtime for two shifts per week, saving approximately \$45,000-\$50,000.

Decision MOTION (6) Vote:
Motion carried 4-0-0.

5-5. Special Appropriation – Expenditure - \$140k – Police Chief Wages

Note MOTION (7)

Mr. Birmingham moved to approve the special appropriation in the amount of \$140,000 to increase the Police Chief Wages budget. Note, this requires a Town Meeting.
Dr. McCallister seconded the motion.

Note *Mr. Gervais explained this increase is due to having two Chiefs on the payroll for a period (one on paid administrative leave and the interim/new chief), and also to cover holiday pay for Police Officers.

Decision MOTION (7) Vote:
Motion carried, 4-0-0.

5-6. Special Appropriation – Expenditure - \$140k – Pension/Retirement

Note MOTION (8)

Mr. Birmingham moved to approve the special appropriation in the amount of \$140,000 to increase the Pension/Retirement budget. Note, this requires a Town Meeting.
Dr. McCallister seconded the motion.

Note *This account funds the employer's portion of the actuarially determined contribution to the town's pension plan and defined contributions for non-affiliated employees, fire department, and potentially UPSEU employees.

*The current year's pension payment came in over \$100,000 higher than budgeted, driving this increase.

*Mr. Gervais warned that this account would be under stress next year if the UPSEU contract ratification includes defined contributions, though funds are set aside in the personnel contingency to address this.

Decision MOTION (8) Vote:
Motion carried, 4-0-0.

5-7. Special Appropriation – Expenditure - \$115k – Labor Attorney – Public Safety

Note MOTION (9)

Mr. Birmingham moved to approve the special appropriation in the amount of \$115,000 to increase the Labor Attorney- Public Safety budget. Note, this requires a Town Meeting.
Dr. McCallister seconded the motion.

Note *Mr. Gervais explained that this line item, originally budgeted at \$16,000, has been under significant pressure due to unanticipated expenses from multiple public safety investigations. For example, a single report's redaction cost between \$15,000 and \$20,000.

*He anticipates approximately \$20,000 will remain after this transfer to cover outstanding May and June bills from law firms.

*He noted that some of the round numbers in appropriations include cushions for such unknown future expenses.

The Board acknowledged that this has not been a normal year for legal expenses.

Decision MOTION (9) Vote:
Motion carried, 4-0-0.

5-8. Special Appropriation – Expenditure - \$130k – Townwide Contingency

Note MOTION (10)

Mr. Birmingham moved to approve the special appropriation in the amount of \$130,000 to increase the Townwide contingency budget. Note, this requires a Town Meeting.
Dr. McCallister seconded the motion.

Note *Mr. Gervais confirmed this appropriation is intended to cover expenses related to health insurance and the boardwalk.

Decision MOTION (10) Vote:
Motion carried, 4-0-0.

5-9. Special Appropriations – Board of Education Projects - \$3,296,000

Note MOTION (11)

Dr. McCallister moved to approve the following: RESOLVED- That the resolution entitled "Resolution Making Appropriations Aggregating \$3,296,000 For Various Board Of Education Capital Improvements And Authorizing The Issuance Of \$3,296,000 Bonds Of The Town To Meet Said Appropriations And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose", a copy of which is attached hereto, is hereby adopted and recommended for approval by the legal voters of the Town at Town Meeting.

Mr. Birmingham seconded the motion.

Note *Mr. Gervais clarified that these are not new allocations but rather the necessary legal step to issue debt for projects approved in the capital improvement plan. The bond issuance costs are rolled into the bond.

*He noted that the bond anticipation notes would likely be negotiated rather than competitive due to the timing of the audit. The town is currently taking out nearly \$9 million in new BANs, adding to an existing \$19 million, bringing the total to \$27 million, meaning over \$1 million will be paid in interest alone next year without principal payments.

Decision MOTION (11) Vote:
Motion carried, 4-0-0.

Note see attachment.

 [Resolution - East Lyme BOE Various Projects 2025.doc](#)

5-10. Special Appropriations – Various Town Projects - \$3,631,000

Note MOTION (12)

Dr. McCallister moved to approve the following: RESOLVED- That the resolution entitled “Resolution Making Appropriations Aggregating \$3,631,000 For Various Public Improvements And Authorizing The Issuance Of \$3,631,000 Bonds Of The Town To Meet Said Appropriations And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose”, a copy of which is attached hereto, is hereby adopted and recommended for approval by the legal voters of the Town at Town Meeting. Mr. Steel seconded the motion.

Note see attachment.

 [Resolution - East Lyme Various Public Improvements CIP - \(Town\) 2025.doc](#)

Note *The Board confirmed that these items were previously discussed and voted on as part of the Capital Improvement Committee Plan portion of the budget.

Decision MOTION (12) Vote:
Motion carried, 4-0-0.

5-11. Special Appropriations – Various Sewer Bonds - \$3,023,000

Note MOTION (13)

Dr. McCallister moved to approve the following: RESOLVED- That the resolution entitled “Resolution Making Appropriations Aggregating \$3,023,000 For Various Sewer Utilities Improvements And Authorizing The Issuance Of \$3,023,000 Bonds Of The Town To Meet Said Appropriations And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose”, a copy of which is attached hereto, is hereby adopted and recommended for approval by the Board of Finance and the legal voters of the Town at Town Meeting.


Mr. Steel seconded the motion.

Note see attachment.

 [Resolution - East Lyme Various Improvements \(Sewer\) - 2025.doc](#)

Note Mr. Gervais explained that the Sewer Department operates as an enterprise fund, separate from the general town budget, but its debt still impacts the town's general fund and financial statements, requiring Board of Finance approval for borrowing.

Decision MOTION (13) Vote:
Motion carried, 4-0-0.

Note see attachment.
 [0974_001.pdf](#)

6. Public Discussion

Note There were no members of the public present to address the Board.

7. Board Comments

Note Mr. Steel suggested that future meetings with many new business items could benefit from a consent agenda, provided detailed explanations of transfers are distributed in advance. He also recommended providing materials further in advance, potentially with color-coding for clarity, to assist new Board members in their understanding of the transfers.

Note Mr. Steel expressed hope for future contract negotiations to provide more flexibility with staff-related fixed costs that heavily constrain the Town's and Board of Education's budgets.

Note Mr. Steel also voiced concern about the potential impact of federal spending on local budgets. He noted significant federal expenditures (e.g., sending Marines to Los Angeles, Army celebration parade) and questioned how much federal funding the town receives directly or indirectly through the State, urging caution due to potential impacts on local finances.

8. Adjournment

Decision MOTION (14)
Dr. McCallister moved to adjourn the June 11th, 2025, Regular BOF Hybrid Meeting at 6:26 p.m.
Mr. Steel seconded the motion.
Motion carried, 4-0-0.

Note Respectfully Submitted,
Brooke Stevens, Recording Secretary