

BOF November 12th, 2025
Meeting Minutes

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Minutes of Board of Finance November 12th, 2025, Regular Meeting - 11/13/25

Date and time: 11/13/25 5:30 PM to: 11/13/25 6:13 PM

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

CC: Dan Cunningham, First Selectman, Kevin Gervais, Finance Director, Jeffrey Newton, East Lyme Superintendent of Schools, Maryanna Stevens, BOE Finance Director

Location: East Lyme Town Hall, Upper Conf. Room

Topics

1. Call Meeting to Order & Pledge

Note Chair Hall called the November 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. Ms. Hall did roll call; a quorum was present.

2. Approval of Minutes

2-1. October 8th, 2025, Regular Meeting Minutes

Note see attached minutes.

 [Minutes of Board of Finance October 8th 2025 Regular Hybrid Meeting 10 08 25.pdf](#)

Decision MOTION (1)

Mr. Maxfield moved to approve the Meeting Minutes of October 8th, 2025, as presented.

Mr. Birmingham seconded the motion.

Motion carried, 5-0-0.

3. Delegations

Note There were none.

4. Reports

4-1. First Selectman

Note Mr. Cunningham announced that the Board of Selectmen has proposed an e-ticket ordinance, which is currently under review. This item will require significant discussion due to various concerns (both pro and con), but its potential enactment could establish a new revenue stream for the town. The e-ticket ordinance will be discussed again at the upcoming meeting on the 19th.

Note He added that there is an ongoing town-wide food drive in East Lyme. Donation receptacles are available at various town buildings, and all donations will go to Care & Share.

Note Ms. Hall offered that pre-packaged donation bags are available at the IG for easy contributions.

4-2. Board of Education

Note Superintendent Newton started his report by referencing the quarterly projections sent out last week. The projections show the district is currently \$82,000 to the good and is on track. He noted that the projection is early and expressed hope for a mild winter to help maintain general savings.

Note Mr. Newton and the Board discussed the pool roof and some of the following was highlighted:

- *The BOE was previously advised by an architect that the project would be eligible for 40% state reimbursement for eligible costs, provided the pool was used for PE classes (which it is).

- *The state initially approved the reimbursement via email.

- **The district was called into a Zoom meeting with the Department of Administrative Services (DAS) and DAS informed them that the project is not eligible for reimbursement.**

- *DAS is classifying the pool structure as a natatorium, comparing it to items like a turf field or tennis court, which are ineligible.

- *If the project were part of replacing the entire high school roof, it would qualify, but the full high school roof is not due for replacement for another 4–6 years.

- **No reimbursement will be received.**

- *The project is still bonded at the total amount of \$2.4 million and is scheduled to go out to bid next month.

- *He shared this update to make both the Board of Selectmen and the Board of Finance aware of the change.

Note Ms. Hall asked if they've contacted state legislators to intervene and Mr. Newton said not yet, but it's a potential option to pursue during the regular session (starting in March.) This approach will be looked into further.

Note Mr. Maxfield inquired whether there are other projects that might face a similar problem where approval is assumed then denied? He noted that we need to know what's reimbursable beforehand.

Note Mr. Newton replied that there are no other large projects currently seeking reimbursement besides the roof projects, which have already been approved. He acknowledged the need to do homework ahead of time for future projects, noting that a change in the DAS administration may have led to new rules/regulations.

Note Mr. Newton said the State has that right, unfortunately, to rescind approval. He confirmed the reversal happened only a few days to a week after initial email approval.

Note Mr. Maxfield said the loss of \$800,000 (40% of the cost) is going to hurt down the road and Mr. Newton concurred.

Note Mr. Steel recalled that there was a lawsuit regarding the roof. He asked if the resulting \$114,000 is still in play to reduce the total bonded amount. Mr. Newton replied that the \$114,000 from the pool roof lawsuit and approximately \$900,000 from other reallocated capital items (including the Community Center roof project coming in under budget) are being applied to the project.

Note Mr. Steel asked if we're applying \$114,000 plus \$900,000, noting that's over \$1 million. He asked if the amount to bond should be reduced from \$2.4 million to \$1.4 million? Mr. Gervais explained that we bonded for the full authorization amount of \$2.4 million and were anticipating the 40% reimbursement. Now that the reimbursement is lost, the town will have to use the full authorized amount.

Note Dr. McCallister asked if there is an opportunity to link the pool roof project to the larger high school roof project and accelerate that for State eligibility. Mr. Newton replied that the high school feasibility study is underway, and he doesn't believe they could speed up the larger project enough. The pool roof's current issues (falling/flaking material) require urgent action and linking it would push the fix too far out.

Note Ms. Hall inquired about the location and time for the Board of Ed's feasibility study meeting. Mr. Newton said Monday night at 6:00 PM in the East Lyme Board of Education meeting room at the high school. The meeting will cover the first round of information on the study, which identifies \$20-25 million in repairs needed over the next 5-7 years.

Note Mr. Steel argued that the town should appeal the State's decision to deny the \$800,000 reimbursement for the pool roof. He reasoned that with the State's large budget surplus, the lost \$800,000 is a small amount in comparison, and state legislators should intervene to correct the error.

Note Mr. Newton agreed and confirmed that they will pursue this strategy by working directly with legislators to discuss the project's eligibility criteria, rather than attempting to add the funding request to a bill at the last minute.

Note Mr. Newton added that the Board of Education is still in discussions regarding the non-lapsing account and the final dollar cap. A subcommittee meeting is scheduled for Monday.

Task ☐ Mr. Birmingham requested that the Board of Education come before the Board of Finance to discuss their thinking on using the non-lapsing fund. Mr. Newton committed to restarting a consistent schedule for reporting to enhance transparency.

Owned by Jeffrey Newton, East Lyme Superintendent of Schools

Note Mr. Newton thanked the Board Members who are stepping off the Board for their service, thoroughness, and work.

4-3. Finance Director

Note Mr. Gervais reported some of the following:

*The Federal Reserve recently dropped interest rates, causing the State Investment Fund (STIF) rate to be near 4.01%.

*The town is tracking well on investment earnings, having collected \$476,000 in the first quarter (approximately 40% of the budgeted amount).

*Investment income is expected to decline monthly as cash reserves are spent down, especially with the recent rate cut.

*It will pick back up in January following the major tax collection.

*Revenue from the local cannabis tax appears to have leveled off between \$1,588 and \$1,640 per month, totaling just under \$5,000 per month.

Note see attachment.

 [Tax Collector Reports - October 31 2025.pdf](#)

Note *The Water & Sewer Commission approved a plan to reallocate over \$600,000 in leftover funds from completed or under-budget capital projects (e.g., booster pump station upgrade, engineering studies, Well 2A treatment).

*The funds are being reallocated to kickstart a new project focused on PFAS (per- and polyfluoroalkyl substances) treatment in the town's wells.

*The reallocation must be approved by the Board of Selectmen and the Board of Finance (expected in December meetings) before proceeding to a Town Meeting for action.

*The overall PFAS mitigation project is significant and estimated to cost under \$10 million.

*The town plans to pursue Clean Water Funds from the State, which may include a grant-like component (non-reimbursable dollars) to offset the final cost.

*For detailed questions on the PFAS project, residents should contact Ben North, Chief Operating Officer in the Water & Sewer Department.

Note Mr. Steel suggested raising the PFAS funding issue with state legislators for financial relief, similar to the pool roof issue.

Note see attachment.

 [Budget vs Actual - General Fund Revenues 11-10-2025.xlsx](#)

Note see attachment.

 [Budget vs Actual - General Fund Expenditures 11-10-2025.xlsx](#)

Note Mr. Gervais further detailed the following:

*The Police Department is currently down multiple officers due to retirements and personnel on leave.

*While the overtime line is trending high, the wages line has savings from the vacancies.

*A transfer from the wages line to the overtime line is anticipated after the New Year.

Note *The Building Official has resigned, and an interim is in place.

*The impact on the \$900,000 budgeted revenue from permit fees remains uncertain.

Note *The town is actively working with auditors (a call is held every Thursday) to complete the financial statement audit.

*The goal of a 12/31 completion is slipping, with a revised goal for completion around January 31st.

*The list of open audit items has been reduced to fewer than 25.

Note see attachment.

 [Town of East Lyme - 3Q25 QIR.pdf](#)

Note Quarterly and September 30th performance reports were provided. A Pension Board meeting is scheduled for tomorrow at 3:00 PM.

Note Ms. Hall said she would like to formally thank John Mertz for his many years of significant contribution to maintaining the health of the town's well-funded pension.

Note Mr. Gervais discussed how a clerical error correction in the 2026 budgeted revenues caused the projected fund balance to increase slightly from approximately \$16.1 million to \$16.3 million. This remains under the target of 17%.

Note He noted that increases in revenue lines like interest income and potentially building permit fees (if they hold up) can be used to directly offset the use of the fund balance.

Note Ms. Hall asked if the Board of Education's non-lapsing fund should be included when calculating the town's general fund balance to assess overall fiscal health.

Task ☐ Mr. Gervais acknowledged it was a good question and said he will ask the town's auditors for clarification on whether it should be included, even though the town cannot legally draw it back.

Owned by Kevin Gervais, Finance Director

Note Mr. Gervais said as of October 31st, 2025, overall tax collection is up 14 basis points compared to the previous year. Real estate tax collection (53.47%) is slightly under last year's figure (53.74%)

5. New Business

5-1. Discussion and Possible Action – BOE Special Education Expansion and Development (SEED) Grant

Note see attachment.

 [SEED Grant - FAQ.pdf](#)

Note Mr. Newton, requested the release of State funds from the new Special Education Expansion and Development (SEED) Grant:

*East Lyme was allocated \$63,300 from the State's \$30 million Special Education Fund.

*The money is designated for additional therapeutic services for students and cannot be used to replace or cover existing special education costs.

*The funds are disbursed quarterly, and the town has already received the first installment of approximately \$15,000.

*This request is part of the process to formally appropriate these State funds to the Board of Education.

*The grant is new, resulting from State legislation passed last year that came to fruition this year.

Note Mr. Gervais explained that while it is a grant, the process must be longer; the Town Attorney has advised that because the town does not have jurisdiction and oversight of how the Board of Education ultimately spends the money, the grant must go through the full approval process instead of the expedited process used for town-side grants.

Note MOTION (2)

Dr. McCallister moved to approve and forward to the voters of the Town Meeting a special appropriation in the amount of \$63,300 representing a Special Ed Expansion and Development SEED Grant from the State of Connecticut to be used by the Board of Ed in accordance with the public act.

Mr. Birmingham seconded the motion.

Note A brief discussion followed regarding the grant details, including the three tiers of intervention and the rule against hiring permanent staff.

Decision MOTION (2) Vote:

Motion carried, 5-0-0.

6. Old Business

6-1. Appointments to CIP Committee

Note i. Two (2) Members of Board of Finance

Note ii. One (1) Citizen Appointment

Note Ms. Hall addressed the need to fill upcoming vacancies on the Capital Improvement Program (CIP) Committee. It was clarified that each Board (Board of Finance and Board of Selectmen) is responsible for choosing its own appointments. The first CIP meeting is scheduled for mid-December, sometime before Christmas.

Note Dr. McCallister requested that at the next meeting, Mr. Gervais or Mr. Cunningham clearly define the parameters and duties of the CIP committee position for the benefit of the new Board Members.

Note Ms. Hall mentioned that once the new Members have their emails set up, she will forward them the City Handbook of Finance and other relevant resources.

7. Public Discussion

Note There was only one member of the public present (Sandra Bullock), who was noted to soon be joining the Board itself. She declined to speak.

8. Board Comments

Note Dr. McCallister acknowledged Ms. Hall, Mr. Maxfield, and Mr. Birmingham who are all leaving the Board. He thanked them for their engagement and professionalism, noting that he learned from observing them.

Note Mr. Newton reiterated his thanks for the good discussions and thoroughness throughout a busy year, wishing them good luck.

Note Ms. Hall expressed appreciation for serving on the Board for four years, highlighting that it has always been a cooperative and non-political Board focused on doing what is best for the citizens. She offered help to the new Members.

Note Mr. Steel praised the Board's experience as a good one, noting that they worked well together and maintained efficient meetings, even during challenging budget seasons.

Note Mr. Birmingham stated it was an honor to serve on the Board of Finance for eight years. He offered special thanks to Mr. Gervais for his immense work in getting the town's finances up to par, and Ms. Hall for her guidance and for leveraging her banking experience to benefit the Board.

Note Ms. Hall thanked the Members for their experience and cooperation. She also extended thanks to Ms. Stevens, who handles the meeting minutes, for her work, especially during the lengthy budget hearings.

9. Adjournment

Decision MOTION (3)

Mr. Maxfield moved to adjourn the November 12th, 2025, Regular BOF Meeting at 6:13 p.m.

Mr. Birmingham seconded the motion.

Motion carried, 5-0-0.

Note Respectfully Submitted,
Brooke Stevens, Recording Secretary

Task Summary

New Tasks

Task ☐ Mr. Birmingham requested that the Board of Education come before the Board of Finance to discuss their thinking on using the non-lapsing fund. Mr. Newton committed to restarting a consistent schedule for reporting to enhance transparency.

Owned by Jeffrey Newton, East Lyme Superintendent of Schools

Task ☐ Mr. Gervais acknowledged it was a good question and said he will ask the town's auditors for clarification on whether it should be included, even though the town cannot legally draw it back.

Owned by Kevin Gervais, Finance Director