

## **Lyme Board of Finance Meeting Minutes**

**Thursday January 18<sup>th</sup>, 2018:** Meeting called to order at 6:30pm

**Board Members Present:** Chairman Matthew Sharp, Kathryn Wayland, Jarred Leonardo, Peter Evankow, Judith Duran, Dan Hagan, Lori Caine, Herbert Ross & Dave Brown

Also in attendance; Town First Selectmen, Steve Mattson and Selectman John Kiker

**Budget Cycle Review and Goals:** Mil Rate Review from prior years, 13.55 in 2010 to 18.25 in 2017, a 32% increase from 2010 to 2017; Steve Mattson did discuss that reviewing mil rates in that capacity, does not reflect property revaluations and their influence over the mil rate and tax receipts. The board of finance members do not want to see a mil rate increase this year nor do they anticipate a mil rate increase this year.

It does seem to be a reasonable goal to keep mil rate flat this year all things considered, however, we will not know the final head count until April 1<sup>st</sup>, 2018 of Lyme students in regional school system which drives the school budget. The school budget is the largest budget driver to our town budget.

Dave Brown, our committee member to oversee the school budget attended the last two Board of Education meetings and reported to our committee preliminary budget projections. He shared with us the continuing declining enrollment numbers: school now has over two hundred plus less students than in 2012-2013. Also of note was the increase by one of total teaching staff year over year with the continuing student population decline.

Many questions arose from board members that neither Steve Mattson nor Dave Brown could answer so the board agreed to put together a list of questions for the Board of Education to answer for us to more clearly understand their process of their budget development. Of note, employee benefits saw a 14% increase and overall the budget presentation resulted in a 1.89% increase from prior year. Unfortunately; it is too early to predict what rate Lyme will see of this 1.89% increase as it is a direct result of our population, the numbers come in on April 1<sup>st</sup>.

### **Review of Assignments for Board Members for upcoming year:**

School Budget: Dave Brown & Dan Hagan

Capital Expenditures: Matthew Sharp

Lyme Library: Lori Caine & Jarrod Leonardo

Lyme Fire Company: Judith Duran

General Government and Deputy Treasurer: (will work with Bill Hawthorne, in case he decides to retire) Peter Evankow

Clerk of the Board and Audit: Kathryn Wayland

Transportation, Roads and Sanitation: Herbert Ross

**Selectman's presentation:**

Property tax receipts continue to come in above budgeted numbers. We assume a 98% collection rate traditionally.

First Selectman is anticipating \$200,000 to the good from Education Cost Share Dollars (we budgeted zero, but received \$56,000, building permit income is higher and tax receipts are higher than budgeted amounts).

Johnston Property Purchase Review: Lyme anticipated \$200,000 from The Nature Conservancy but they came back with only \$25,000 to assist with the purchase.

However, more money came in from the state grant, \$870,000 not \$575,000 as the state reimbursed 60% of total cost, not the anticipated 40% as the project. The project meets all the requirements for open space land acquisitions and thus the reason for the higher % grant. Note this is bonded money and therefore not influenced by current issues by state of the CT.

The Johnston family is offering to owner finance \$300,000 at 2.5% interest rate for two years for Town of Lyme. This will leave \$115,000 in our open space fund. We originally expected to draw that account to zero. The Town of Lyme will have to hold a May town meeting to authorize the purchase as the finances have changed from the original plan. Look for more information in the future on this special meeting.

Nothing running over an acceptable variance as of today in the budget. Normal good positive variance for the budget year.

We will discuss going forward the general fund and savings accounts and outstanding debt. Trying harder to look at budget in totality. Next meeting will include more detailed information for board members.

Steve again encouraged the finance board to ask the two Lyme Board of Education members to question them on budget cycles and concerns. As a board we want more real understanding and input to our representatives and an ability to have some insight on the process. Community leadership meets every few weeks and Steve and John attend and share ideas and philosophies.

The audit report was reviewed with Matt Sharp, Kathryn Wayland and Steve Mattson with Seward and Monde in late November. No issues found. The Town of Lyme is stable and in a relatively favorable position. We are in year three of our current three-year contract. We pay \$29,700 currently for their services annually.

Judith Duran appointed Seward and Monde as our auditor for next year and Peter Evankow seconded. Board Members unanimously approved the recommendation.

It is also agreed that we will look at three potential auditors for the following year, one being Seward and Monde. As a board we feel it is our fiscal responsibility to look at three proposals as we have been with Seward and Monde for some time now without looking elsewhere.

**Health Districts:** Joining the regional health district is recommended by Steve Mattson. George Caulkins as a sanitarian for Lyme is retiring soon and state law requires we have one with many stipulations. He currently only works roughly two hours a week. Steve proposed we move to Ledge Light Health District. They will take on one more town only and we are ideal as we fit in their geographic area. You pay them per capita per number of people and will save \$10,000 a year as a town if we do over our current cost. They will provide on site people when needed, and remove one employee from our town payroll. They will supply more hours of services weekly and provide services as needed in addition to that.

Dave Brown recommended joining the Ledge Light Health District and seconded by Herbert Ross and approved in full by all board members.

**A motion was made to go into Executive Session:**

One employee concern was discussed and resolved in Executive Session.

We exited Executive Session and went back to regular meeting.

Housekeeping: Meeting schedule needs to be published a week prior. The schedule will be emailed to Town Clerk Linda Winzer and Steve Mattson. Matt Sharp as Chairman will be handling this going forward.

Dave Brown made a motion to adjourn, and again encouraged all board members to send questions on school budget to him in the next week.

Meeting adjourned at 7:41pm

Our next meeting is **Thursday Feb 1<sup>st</sup> at 6:30pm** at the Lyme Town Hall

Respectfully submitted by Clerk of Board of Finance, Kathryn Wayland