

Lyme Board of Finance Meeting Minutes

Thursday April 12th, 2018: Meeting called to order at 6:30 pm

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

In attendance; Town First Selectman, Steve Mattson & Selectman John Kiker & some public in attendance.

Public Comment:

A letter addressed to the Board of Finance was read aloud by Matt Sharp from Stephen Gencarella regarding police presence in Lyme. His desire is for a resident state trooper.

Approval of March 15th, 2018 Meeting Minutes; one clerical error noted that Dan Hagan was to vote on behalf of Peter Evankow, not Matt Sharp. A motion was made by Judith Duran and seconded by Dan Hagan and approved by all board members to approve the minutes.

Presentation of Regional School District Budget by Ian Neviaser:

Dave Brown introduced Mr. Neviaser and thanked the Board of Education for taking the time to present to us and for their efforts to address concerns regarding declining enrollment in our school district. The largest driver, and uncontrollable cost, is the increase of \$558,000 in employee benefits. The BOE originally budgeted 15-18% increase but Anthem came back with a 36% increase. They are still working on options but with union contracts they are limited in options. They cannot look at state exchange because of the unions. Certified salaries increased .81% but they are producing as teachers in quality education and not highest paid in the state. They have reduced staff because of declining enrollment. No new programs have been created and a few necessary capital projects have been completed: the fuel oil tank at Mile Creek School & the gym floor at the Center School.

Special education is also a large budget driver and not a controllable expense, our % remains the same even though enrollment declines. To mitigate increasing costs they negotiated bonds, researched energy savings, and are looking to possibly expand the Pre-K program at Center after Learn leaves that space later this year. Per pupil expense is about \$19-20K. The school did receive \$91,000 grant for security upgrades. This was reimbursement for upgrades already implemented.

Budget Presentation: First Selectman Steve Mattson:

The grand list decreased from \$530 million to \$529,405,517 after appeals. The Regional School District final student count went from 20.60 down to 20.4%. Health Insurance benefits decreased by \$28,000 after looking at other options and moving from Anthem who originally quoted a 36% increase. The new carrier is United Health Administrators: a zero deductible plan, must commit for three years, with projected rate increase of 3-5% annually.

Steve Mattson highlighted that operating expenses in total increased 1.8% and he is recommending plan B for Board of Finances approval which raises the mill rate from 18.25 to 18.75 and puts \$100,000 into open space. This would meet the goal balance of general fund of two months of operating expenses, while satisfying his goal of preventing large mill rate swings going forward.

Discussion began with Matt Sharp sharing his concern over the 17% increase in controllable expenses, while the uncontrollable expenses all dropped significantly, re: school budget. The increase in grand list is also a positive. He reiterated the BOF goal to have two months operating expenses in general fund or roughly \$1,674,806 as Steve also discussed. He also mentioned the \$500,000 decrease in debt service over next year. Next year the BOF would like to spend more time in details of some line items to assist in reviewing expenses. Steve explained his budget is at bare minimum and there is nowhere to cut. Kathryn Wayland explained her concern in increase in expenses, like adding an assistant Town Clerk, without a job description or set schedule. Steve explained it was because the town clerk missed a lot of time this winter with illness and made it difficult to operate the town hall in her absence.

Discussion began regarding the amount to put into specific fund for Open Space. Steve budgeted for \$100,000. Some of BOF members felt it was too much since we will be paying off Johnston property over next two years and just also finalized purchase of another large parcel. Lori Caine mentioned that if a large parcel becomes available and we don't have enough money, have a town meeting and let the residents vote on it. Some of BOF members felt passionate about always supporting open space. Steve was very strongly pushing to keep the \$100,000 in his budget number.

A .25 basis point change in our mill rate equates to \$130,000 of tax revenue under Plan B.

John Kiker left meeting early.

A motion was made by Judith Duran and seconded by Herbert Ross to support Plan B and set mill rate at 18.75 and keep \$100,000 in open space fund.

In Favor: Herbert Ross and Judith Duran

Opposed: Matt Sharp, Dave Brown, Kathryn Wayland and Peter Evankow

This motion did NOT pass

A second motion was made by Dave Brown to lower open space contribution from \$100,000 to \$50,000 and set mill rate at 18.65, seconded by Peter Evankow.

In Favor: Dave Brown, Peter Evankow and Judith Duran

Opposed: Kathryn Wayland, Matt Sharp and Herbert Ross

This motion fails too.

A third motion: Matt Sharp makes a motion to lower open space contribution from \$100,000 to \$50,000 and increase mill rate from 18.25 to 18.55, seconded by Kathryn Wayland

In Favor: Matt Sharp and Kathryn Wayland

Opposed: Peter Evankow, Herbert Ross, Dave Brown and Judith Duran

This motion too fails.

A fourth motion: Peter Evankow makes a motion to lower open space contribution from \$100,000 to \$50,000 and raise mill rate from 18.25 to 18.60, seconded by Matt Sharp.

In Favor: Matt Sharp, Peter Evankow, Herbert Ross, Judith Duran and Dave Brown

Opposed: Kathryn Wayland

This motion passes, five to one, allowing Steve will publish the budget with a mill rate of 18.60 and lower the open space specific fund contribution to \$50,000.

No meeting necessary for April 19th.

Old Business: Matt Sharp explained to BOF he will proceed as Chair being respectful to the process and procedures after last meeting where issues were discussed. Lori Caine, complimented Matt on his abilities and professionalism as Chair.

New Business: Kathryn Wayland mentioned that the BOF meeting schedule does NOT appear on Town of Lyme website, only next meeting date in our minutes. She recommended to Steve Mattson to publish our meeting schedule, set each December for following year to be on site with all other Boards and Commissions for transparency and to allow public to come to the meetings. Steve agreed to do this for next year.

Dan Hagan briefly spoke about clearly and slowly making motions allowing clerk to carefully record vote tallies.

Steve reminded Chair Matt Sharp his obligations to post and publish legal notices regarding town meeting and agenda. Matt said he would follow up with a phone call to Steve in next week. Meeting adjourned at 9:00pm

The next meeting will be Thursday May 3rd, 6:30pm at the Lyme Town Hall for Budget hearing and public comment.

Respectfully submitted, Kathryn Wayland, Clerk of the Board of Finance