

## Lyme Board of Finance Meeting Minutes

**Thursday March 15<sup>th</sup>, 2018:** Meeting called to order at 6:30 pm

**Board Members Present:** Chairman Matthew Sharp called in via cell phone, Kathryn Wayland, Dan Hagan, Dave Brown, Judith Duran, Herbert Ross and Jarrod Leonardo: Absent-Peter Evankow & Lori Caine

In attendance; Town First Selectman, Steve Mattson & Selectman John Kiker and Selectman Parker Lord & No public in attendance

Chairman Matthew Sharp called in via a cell phone. As such he nominated alternate Dan Hagan as his voting member in his absence. This election was recommended by Judith Duran and seconded by Dave Brown and approved by all members. Matt Sharp also nominated Kathryn Wayland as acting chair for the meeting, recommended by Herbert Ross and seconded by Judith Duran and approved by all members.

**Approval of February 8<sup>th</sup>, 2018 Meeting Minutes;** motion made by Dan Hagan and approved by Dave Brown, all board members approved.

**Nutmeg Grant Discussion:** The Nutmeg Grant was originally a \$145,000 grant for installation of high speed fiber optics in the new town hall renovation. Upon completion of the project any remaining funds could be used to pay for annual usage charges for the fiber optics in the Town Hall going forward. Today there is \$25,075 remaining. The state has mandated that any remaining funds at end of *this* year be returned to the State of CT. Steve Mattson made a recommendation to the board of finance to prepay three years or \$23,400 for services, leaving \$1675 to remit back the State of CT.

Judith Duran made a motion to move \$23,400 from the nutmeg specific fund to the general fund to prepay three years of fiber optics annual costs, seconded by Herbert Ross, approved by all board members.

### **Presentation of the Selectman's Budget: by First Selectman Steve Mattson**

Based upon the Board of Finance's recommendation in how to review our financial health, the Board elected to look at three metrics, not one single metric.

1. The General Fund target at 2 months of operating costs
2. Total of Specific Funds a target of 2.12 million with division between capital non-recurring fund and open space fund still to be determined.
3. Debt levels to fall to zero over time, and debt will be avoided

**Highlights of 18/19 Budget Presentation:** Operating Costs increase less than inflation at 1.74%, expenses overall decrease 4.87%, debt declines \$556,000, savings in specific funds \$275,000: end result will not achieve a balanced budget, deficit spending will continue

Going forward there will be increased accuracy of the projected income as the board voted to use a collection rate of 98.75% from previous 98%.

Two big areas of concern in planning the budget arise from unpredictable shortfalls from the State of CT to local towns: Municipal Aid to towns from State of CT and the student count that influences the cost to Lyme taxpayers of the regional school budget are two unknowns.

**School Budget:** As of Oct 1<sup>st</sup> the student count declined to 20.20% (down from 20.60%) could result in a \$140,000 +/- effect on the budget. We will have final figure by April 1<sup>st</sup> to include in published budget. It can be influenced if the current recommended school budget doesn't pass.

**Municipal Aid;** Last year the town budgeted \$300,000 but received \$356,000. There is talk that of the \$180,000 annual the town receives for Town Aid Roads, that we may only get the first installment of \$90,000. There is also concern that municipal aid may be reduced by \$100,000 from total aid. The state may put a hold on the second installment of the Town Aid Roads as part of the Governor's budget negotiations and could reduce other municipal aid in budget negotiations.

Discussion followed in how to budget this line item for 2018/19. In previous years the Lyme Board of Finance has always taken a very conservative approach anticipating less and hoping for more. If more is received it just goes to the general fund balance. Dave Brown made a motion to use \$50,000 less in expected municipal aid portion of the total budget. Judith Duran seconded the motion and all board members voted unanimously to approve the motion.

Education Cost Share dollars is budgeted every two years, so budgeting same as last year.

A detailed narrative of the budget with Plans A & B were presented to the Board by Steve Mattson. The Board will take data home to review and discuss at next meeting. The grand list grew this year at a historical rate of 1.44% or \$530mill which is unusually good.

In the preliminary budget Steve added a part time Assistant Town Clerk, adding \$13,915 to the Town Clerk's office budget and an additional \$10,000 to the building inspector budget line item to convert files to electronic for easier use and access. The appointment of a Deputy Treasurer added \$4,000.

**New Business:** Judith Duran made a recommendation to the Board to hire a paid Clerk like all other town boards to record and transcribe minutes. There is money in our annual budget to utilize approximately \$500 annual for this paid position. Judith stated it would be a more

professional approach and consistency across boards in our town. Discussion followed, Kathryn was asked as she currently is Clerk, she originally was opposed to increasing any expenses for the town but could participate more in discussions if she was not taking notes. She also did comment that the transcriber would work for the Board of Finance, not the First Selectman and would report to the Chairman of the Board of Finance. She also recommended finishing this year herself and hiring someone at beginning of next year. She also noted that many residents and board members who missed meetings appreciated her detailed minutes. Steve Mattson disagreed with Kathryn commenting that he received negative feedback on the meeting minutes. Matt Sharp found no issue with current situation and was not in favor of hiring a Clerk for the Board.

Steve mentioned speaking to Patsy Turner and asking her to start immediately; even though she will be retiring at the end of the year from all the local boards she transcribes minutes for currently. It would be ideal to find one candidate to do all the meetings to keep the record keeping consistent for the Town of Lyme.

A motion was made by Judith Duran and seconded by Dave Brown to outsource the Clerk of the Board of Finance for approximately \$500 annual to record and produce meeting minutes immediately if possible, if not for next year, beginning Jan 2019. All in favor, except Matt Sharp opposed.

Judith Duran also discussed the desire to receive the agenda earlier to have time to prepare for the meeting ahead of time. She is concerned the current Chair, Matt Sharp, does not show concern for state regulations that have specific time frames for dissemination of information. She wants an assurance that going forward he will adhere to regulations and guidelines as set forth in the CT State Statute. Matt Sharp said that just like others, he is doing his best to manage the town and its finances. Dan Hagan explained his concern after serving on the Board of Education for numerous years in many capacities how important it is to learn and comply with regulations. He told Matt to consider moving on as Chair if he is not willing and able to comply. Matt Sharp agreed to think about their concerns and will not knowingly violate any rules. Herbert Ross shared his concern for all board members if proper rules and regulations are not followed.

Going forward the agenda will be put out one week prior to all board members by Chairman.

Meeting adjourned at 7:41pm

The next meeting will be Thursday April 12<sup>th</sup> at 6:30pm at the Lyme Town Hall.

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

