



BOARD OF FINANCE

LYME TOWN HALL
480 HAMBURG ROAD
LYME, CT 06371

LYME BOARD OF FINANCE
Virtual Regular Meeting

The Lyme Board of Finance held a virtual regular meeting on Tuesday January 12, 2021 at 6:30 p.m.

MEMBERS PRESENT: Dan Hagan Chair, David Brown, Kathryn Wayland, Jarrod Leonardo, Peter Evankow, Judith Duran, and unseated alternates Bob House, Susan Tyler, and Bruce Anderson. Selectmen Mattson and Kiker and Secretary Jennifer Thomas also present.

Regular Meeting

The meeting was called to order at 6:30 p.m.

Hagan asked for a motion to add an item to the agenda for Health Insurance Summary Discussion. Duran made the motion, seconded by Evankow, and the motion carried.

Elect Chair of the Board of Finance

Hagan called for a motion to nominate a chair for 2021. Brown made a motion to nominate Hagan as chair, Duran seconded the nomination, and the motion carried with Hagan reelected as chair.

Elect Secretary of the Board of Finance

Hagan called for a motion to nominate a secretary for 2021. Hagan nominated Brown, Duran seconded, and the motion carried with Brown as secretary.

Approve the minutes from the October 2020 meeting

Hagan called for a motion to approve the minutes from the October 2020 meeting. Brown made the motion, seconded by Evankow, and the motion carried.

Approval of the 2021 meeting schedule

Hagan presented the board with the proposed 2021 meeting schedule, noting that a possible joint session with Old Lyme Board of Finance will hopefully be scheduled soon. Hagan called for a motion to approve the schedule as presented. Duran made the motion, seconded by Evankow, and the motion carried.

Review of 2nd quarter financial results

First Selectman Mattson presented the board with the results from the 2nd quarter, noting that the town is generally on target, with the majority of the taxes collected.

Hagan thanked Cynthia Beers, the tax collector, for the outstanding job she has done with tax collection.

Mattson mentioned an income overage of about \$19,000 in miscellaneous grants, and the potential shortfall from low interest rates in the STIF accounts.

Tyler asked if there were any other foreseeable vulnerabilities in the future, and Mattson pointed to an overspending on maintenance at the town campus to be discussed in more detail in a following addenda item.

Review of Fiscal Year 2019/2020 audit results

Hagan stated that the audit results were available at the town hall if the members would like to pick up a copy. The audit was clean and no weaknesses were found.

Budget assumption review request

Mattson presented the board with several discussion items the Board of Selectmen would like the Board of Finance to review. These budget assumptions will impact the future budget proposals and long range plans for the town.

The first item for discussion was the property tax collection rate. The current rate of 98.75% can potentially be raised by .25-.50%. After discussion, Evankow made a motion to increase the property tax collection rate to 99%. The motion was seconded by Brown, and the motion carried.

The second item was a potential change in calculation of the general fund balance goal. The Board of Selectmen favors a higher balance. After discussion, including the ability to use money from specific funds in emergency situations, and the ability to smooth out the tax rate to cover large expenditures, there was no change made to this item.

The third item was a request to increase the capital non-recurring fund goal from \$1,000,000 to a potential \$1,500,000. After discussion, no motion was made and the goal remains \$1,000,000. The last item for discussion was in regards to Mill rate change increments. The Board of Selectmen would like to use .25 as the lowest rate change which will provide stability over long range planning. The board agreed that the Board of Selectmen may use a change of .25 incrementally for budget planning purposes, recognizing that the Board of Finance will not be held to same.

Discuss pressures for aesthetic improvements in town

Mattson brought to the board's attention a small group of citizens in town who are pushing the Board of Selectmen to consider aesthetic improvements in town. This group has recently been pushing the planning and zoning commission to have a full review of a bridge project before writing a required report of approval/disapproval. This review calls for additional costs incurred by the town for potential engineering fees, and any changes made for aesthetic purposes will not be reimbursed by the state or federal government. Mattson stated that he would like the Board of Finance to approve any extra costs involved with researching additional materials at this time. The plans are still in preliminary stages, and Mattson noted that there will be a public hearing after all permits are received where the public can voice their opinions on the project. Mattson pointed out that the Planning and Zoning Commission is charged with writing a report with their decision on whether or not bridge replacement is recommended, and noted that determining materials or overseeing budget may be out of the purview of the Planning and Zoning Commission, instead falling under the Board of Selectmen and Board of Finance. After

discussion, it was agreed that Hagan will reach out to the Planning and Zoning Commission chair.

Anticipated over-budget spending for campus maintenance/complex maintenance

Mattson briefed the board on the recent expenditures for maintenance of the Town Hall and Library HVAC system, as well as expenses related to the Hamburg complex well.

COVID-19 reimbursement status

Mattson updated the board on the COVID-19 reimbursement status. The FEMA claim was pulled and filed with the CARES Act instead. Reimbursement of \$6,200 has been collected. The town may still incur some related costs, and the town has received an additional \$12,200 from the state thus far.

Discuss process for shared facilities with Old Lyme

Hagan stated that he hopes to have a joint meeting with Old Lyme Board of Finance to discuss the three shared facilities again this year (Town Woods Park, Rogers Lake, and Senior Center). He is scheduled to meet with the new chair of the Old Lyme Board of Finance and will let the board know if a joint meeting is scheduled.

Health Insurance Summary Discussion

Mattson reviewed the Health Insurance Summary passed out to the board. Insurance is offered to all full-time employees. There are 12 current participants.

Brown asked if the town pays 100% of the cost, and Mattson confirmed that the town does pay 100%, but reminds the board that the employees are paid less than market pay and this is an incentive to work for the town.

Wayland expressed concern that with an aging employee population, health insurance costs could grow exponentially with new hires.

The possibility of grandfathering current employees into the current cost-sharing percentage and implementing a new cost-sharing method for future hires was discussed.

Mattson also pointed out that the employee handbook should be reviewed as there is currently no retirement age set. Mattson offered to send the employee handbook out for the board to review.

Adjournment

Hagan called for a motion to adjourn. Evankow made the motion, seconded by Duran, and the motion carried.

Respectfully submitted,

Jennifer Thomas, Secretary