



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 March 16, 2021 at 6:30 p.m.

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

Regular Meeting

Hagan called the meeting to order at 6:30 p.m.

Approve the minutes from the February 23, 2021 meeting

Hagan called for a motion to approve the minutes from the February 23, 2021 meeting. Duran made the motion, seconded by Evankow, and the motion carried.

New Business

Selectman's Complete Budget Proposal (subject to change prior to final budget approval)

First Selectman Mattson presented the complete budget proposal to the Board of Finance. The proposed budget projects operating expenses to be reduced 2.2% and capital expense to be 4.6% below the current budget year, with total expenses projected at 2.4% below the current budget. The income to the town is projected to increase 1.8% over the current budget. The Birch Mill Bridge Project will be delayed one year due to lack of funding and permitting from the State of Connecticut. The projected budget results in a surplus spending plan of \$363,288 and the current budget year is projected to end with a positive variance of \$477,714.

The Board of Selectmen has recommended no change in the mill rate to the Board of Finance.

There continue to be several unknowns in the budget, including the shared expenses with Old Lyme for the Senior Center, Rogers Lake, and Town Woods Park, as well as final budget numbers for the school district. The town is anticipating receiving around \$225,000 from the COVID relief package, but the restrictions on those funds are unclear at this time.

Mattson offered several possible alternatives on ways to allocate some of the overage in the general fund balance. The mill rate could be reduced, but this would create mill rate volatility in subsequent years. Alternatively, the excess balance in the general fund can be carried forward to smooth out mill rate increases in future years. Along with this, the Board of Selectmen suggested retiring Town Campus Bonds 2 years early and increasing the savings in Specific

Funds to reach 100% of their goals. If the board chooses to adopt these suggestions, the general fund balance will still remain \$722,736 above the goal balance.

The board discussed the presented options.

Brown pointed out that the funds can be pulled out of the specific funds in the future if there was ever a need to do so.

Wayland questioned whether the funds should remain in the general fund balance in light of the two capital bridge projects that will be completed in the next few years. She also questioned the need for the town to have such a high balance in the open space fund given the strong presence of the Lyme Land Conservation Trust.

Mattson noted that the goals of the specific funds have been adopted by the Board of Finance during the last several years.

Hagan stated that the board will have time to review these goals and the contents of the board of finance manual during the August meeting.

After discussion, the board agreed to adopt the Board of Selectmen's suggestion to keep the mill rate the same and use a portion of the excess general fund balance to retire the town campus bonds two years early and increase the savings in specific funds to reach their goals.

Mattson also suggested to the board that several line items in capital expenses would be more appropriate in operating expenses, pointing out that these are all smaller expenses that are relatively stable year to year. The board agreed that these line items would be more appropriate in the operating budget.

Evankow asked the First Selectman to compile a document showing the last 10-15 years of capital, operating, and school budgets. Hagan asked that this document be prepared and distributed to all members of the board and Mattson agreed to do this.

Hagan called for any additional comments or questions on the proposed budget. Hagan cautioned the board that they should look carefully at the new items being added to the budget, stating that although the student count and school district budget has been favorable to Lyme in recent years, this trend may reverse in the future.

Mattson pointed out that the school district provides a fairly accurate 3-year projection on the school budget and this is what he uses to project future costs.

Hagan said he is concerned with the added part time employee positions, stating that these will be ongoing costs and will be hard to cut out of the budget in the future.

Wayland pointed out that the projected upgrade in accounting software may reduce the need for these positions with increased efficiency.

Tyler reminded the board that the Succession Planning Committee overwhelmingly voted in favor of adding more personnel to address the needs of the town.

Hagan pointed out that the Succession Planning Committee does not approve the budget for the Town of Lyme, and that the Board of Finance is in charge of and responsible for the finances of the town.

Old Business-None

Adjournment

Hagan called for a motion to adjourn. Evankow made the motion, seconded by Wayland, and the motion carried. The meeting was adjourned at 7:43 p.m.

Respectfully submitted,

Jennifer Thomas, Secretary