

**EAST LYME BOARD OF FINANCE
PUBLIC HEARING MINUTES
FY 2014-2015 PROPOSED BUDGET
Monday, APRIL 21st, 2014**

Members In Attendance: Steve Kelley, Chairman
Lisa Picarazzi, Secretary
Camille Alberti
Steve Carpenteri
Steve Harney
Beth Hogan

FILED IN EAST LYME
CONNECTICUT
4/30 2014 AT 2:00 AM/PM
DeLuzas Blair
EAST LYME TOWN CLERK

Also In Attendance: Paul Formica, First Selectman
Tim Hagen, Chairman, Board of Ed
James Lombardo, Superintendent of Schools

Absent: No One

A. Call Public Hearing to Order

Chairman Kelley called this Public Hearing on the FY 2014-2015 Proposed Budget of the East Lyme Board of Finance to order at 7:03 PM. He noted that the Public Hearing notice was published in the Day newspaper on April 16, 2014.

B. Pledge of Allegiance

The Pledge was observed.

Mr. Kelley welcomed everyone, and said that they would first hear some comments from the First Selectman and then from the Board of Education Chairman, Tim Hagen.

Mr. Formica said that he would like to clear up some confusion that has been circulating regarding the date of this meeting and said that it was not changed and also that the meeting is not about closing any of the schools. Regarding the confusion over the date of this meeting, he explained the history of the budget process and the responsibilities of each Board along the way. The Board of Selectmen has the responsibility to the Town of East Lyme to present a budget to the Board of Finance who then acts on the affordability of the budget for the taxpayers of the Town. The Board of Education has the same responsibility to present their budget. The budget process for the Town starts in December when he meets with all of the department heads to go over their budgets. In February, The Board of Selectmen hears from many of the departments and then makes some adjustments and passes the budget on to the Board of Finance to act on with month long budget review meetings that culminate here.

He showed a Board of Finance Budget Review Meeting Schedule on the screen explaining that it is put together by the Board of Finance in February – the one for this year was approved at the Board of Finance Regular Meeting of February 12, 2014 and is also posted on the Town website.

In researching back today regarding the misinformation he heard about this morning, said that he found that the Board of Ed calendar which was filed in December had put the Board of Finance Public Hearing as Thursday, April 24, 2014 with a footnote that it was a tentative date. However, there were a lot of people in the education community who used it as the actual meeting date – but the Board of Finance at their February 12, 2014 meeting filed their list of meetings including the Public Hearing date which is on the Monday after the school vacation. He further explained that while it was on the Town website that the website was hacked on about March 25, 2014 and posted information was lost and the website is in the process of being rebuilt and information re-loaded.

He continued that he feels that some of this has to do with comments on the potential closing of a school and while the architectural study will be undertaken in the near future – it would then be presented to the Board of

Selectmen and Board of Finance before anything moved forward. He noted that in thought on this today that perhaps there should be a parallel committee looking at that also.

He said that he just wanted to give them a brief update on where this confusion came from and they would continue on with the agenda. He noted that due to the confusion he had suggested to the Board of Finance that if they wished to, they could continue the public hearing to Thursday as this is their meeting. He asked if there were any comments from people regarding specifically the meeting date information.

John Drabik, 18 Drabik Road said that there are numerous emails flying around and that the process of sending them started about 15 years ago when emails came from the central school office – Gladys Mitchell sent out emails to support the school budget. He wants them to know that it is against State Statute to do that. He said that he has received two so far this year. He said that he thinks that the budget process is backwards anyways – they don't bifurcate the budget and they should. They heard from the Board of Ed three times and they don't want to cut the sacred cow. The Town is losing work, losing jobs and business is down. They look at the revenue side and they should not be doing that as they are creating a budget based on guesses – do it on fact. He said that he is probably the largest taxpayer in this Town in this room tonight and all of this affects him.

Karen Rak, 27 Black Point Road said that she has been going to the Board of Finance meetings all season and that there is no excuse for not knowing this information about the meetings as it was out there long before the website was hacked.

Tara Dowling, 19 Pleasant Drive Ext. said that they were given inaccurate information on this and that the administration from the school district told them that they could wait until April 24, 2014. She said that she thinks that the Town website is difficult to use and is under repair.

C. Comments by Board of Education Chairman

Tim Hagen, Board of Ed Chairman said that he certainly respects the Board of Selectmen, Board of Finance and Board of Ed as none of them have easy tasks. However, the process goes forward and the Board of Ed will work on how to go forward. He said that they had heard earlier today from a lot of parents who spoke to them and that many of them are here tonight. He thanked them for their comments. He said that as he looked at the budget with salaries and items needed that they would need the \$800,000 to balance the budget and they would only have around \$50,000 left to work with. He thanked everyone who makes it happen in the schools each day and introduced Dr. Lombardo, Superintendent of Schools.

Dr. Lombardo, Superintendent of Schools said that he wanted to share with the public the concerns that he heard since the \$550,000 cut to the Board of Ed budget. He said that over the years the Board of Ed has worked very hard to find savings in the budget and to be able to move those savings dollars to create more programs. Over four years they have saved \$4M from electricity, phone system upgrades, fuels, etc and they have used that money saved to 'grow' new programs such as the Coastal Connections, Full-time Kindergarten, Chinese classes, etc. Also, ELMS was named the school of the year two years ago and many of their teachers were recognized nationally. He said that they have run out of places to save money and not affect programs. And, they have expenditures of \$350,000 for teacher evaluations and they would rather be able to spend that money elsewhere. He said that the \$550,000 will affect programs – sports, etc. He asked that they reinstate the \$550,000.

D. Comments by First Selectman

First Selectman, Paul Formica thanked everyone for coming. He said that as the budget is for the whole Town that he would spend some time on what has been put forth. He said that there are many Town department heads here tonight who have done a fine job and who work very hard. Some of the Town increases that have been put forth are: \$10,910 for the Building Office – for an extra PT person to help inspect the Gateway and other large projects that are now underway; \$17,730 for the IT department as we have grown and are like a company but we have been reacting when things go down and we pay more for that so this is a contract to help that process; \$30,000 for Building Maintenance – with \$15,000 for heat/oil; \$5000 for electricity and \$10,000 for a custodian who is actually a master carpenter so the proposal is to allow him a few hours each week to go around and fix things throughout the Town; \$135,000 for General Govt. – with \$75,000 of that for pension per GASB and \$30,000 for Health Insurance; \$140,000 for Contingency for emergencies rather than going to the undesignated fund balance, plus a labor contingency

for contracts that are under negotiation; \$84,000 for the Police of which \$6800 is a DUI Grant where they do get some revenue back from tickets; and - \$233,175 for Public Works with \$180,000 of that money as a result of the (State) Town Aid Roads Program – however this \$180,000 is offset by revenues which greatly reduces the \$233,175.

He explained the budget process noting that it starts in December. The increase over the past five years is about 1.5% each year. He said that they also look at revenues and that they anticipate that they may be up a bit. They are expecting that PILOT (State funding) will remain the same.

E. Board of Finance Presentation of Proposed Budget for FY 2014-2015

Mr. Kelley thanked everyone for coming, introduced the Board members and said that they all work to provide services to the Town while being affordable. He noted that any observations made during the budget deliberations are just that – observations.

In a Power Point presentation (attached at end of Minutes) he noted some of the major projects completed this year:

- Athletic Complex including Rest room Facilities at the High School
- Rest Room Facilities at McCook's Park
- Partial Implementation (one-third) of Mandatory Teacher Evaluations
- Substantial Completion of Regional Water Interconnection Project
- Grand Street Boat Launch
- District-wide Safety Upgrades in Schools
- Miscellaneous School Projects with CNRE Funds

Mr. Kelley gave a summary of the budget process and provided areas of anticipated key revenue increases for FY 2014-2015 -

The Key Increases are:

- Increase in State Aid to Town - \$513,959
- Building Permits - \$145,000
- Town Fees - \$55,745

The Key Reductions in revenue as compared to the prior year is from:

- Reduction in Tuition from Salem and other districts - \$222,894 less
- Sewer Assessments - \$396,506 less

He noted that they had made total adjustments of \$867,513. He added that the budget reflects two cars for the Police rather than the three that they had requested. The current budget is \$63,173,158 and the budget being submitted this evening for comment is \$65,168,598 – a 3.16% increase. They estimate that it would represent around a .71 mill increase.

F. Public Discussion

Mr. Kelley called for public comments and asked that speakers state their name and address for the record.

Dawn Rodes, 26 North Road said that she wanted to comment on the way they explained the budgets as at the 4/9/2014 meeting they did talk about closing Niantic Center School and she thinks that was an unprofessional comment without thought for what it meant. She fully supports the BOE budget and said that she came to East Lyme for the schools and that was the main reason and she feels that the parents here tonight will agree with her.

Karen Rak, 27 Black Point Road said that she is not here to actually talk about any budget – just the 3.16% increase as we do not vote on any one budget – we vote on a number. We don't bifurcate the budget although she feels that we should. She said that she feels that the bottom line needs to be decreased. From 2008 when the bad economy hit the budget has constantly increased, and people are not getting a 3.16% increase. Food alone has increased 19% since January. She thinks that we are taxed enough and she does not feel that they have the right to tell people that they have to come up with another \$100, \$200, etc.

Phil ?, 74 Oswegatchie Road said that he teaches at Flanders School and is concerned with the budget as it will have an impact on the schools. They are already the lowest paid teachers and they need lower class sizes and they are not able to do that.

John Arnold, 99 Sleepy Hollow Road said that he does not believe they should be cutting the BOE budget as they have been doing a great job with reduced funds each year. People have come here for the education system and our property values will go down without a good school system.

Mike Schulz, Lovers Lane thanked the Board of Finance and BOE for their services to the Town. He said that a couple of things concern him – he does not think that people move here for the school system – that is not the 'stamp on the envelope'. They move here for jobs and because it is close to where they need to be. Regarding class size, he said that Dr. Lombardo provided him with information on class sizes and K-2 is low in class size. Also, any study on class size does not provide compelling information that it increases learning. He does not think that they should be looking at class size. With respect to the salaries – they are getting good pay. The biggest part of the budget is the contractual obligations. He said that he thinks that there are a couple of areas that could afford them savings - they still do have an administrator or two who is getting 50% of their health insurance in their contract and this should be stopped. He said that in looking at the dollars that they do not have to have salary increases to add programs.

Don Meltabarger, School Business Manager said for the record that 198 new students came from out of Town to us – they only had 2 more students this year.

Lillie Brett, 14 South Trail (?) said that she lives here only for the school system. She asked that they educate themselves to not make more careless comments on Niantic Center. That school is what makes East Lyme special.

Kolleen Callaghan, 97 Scott Road said that she fully supports the school budget and that she moved here only for the school system.

Armi/Naomi (?) Rowe (?), 184 West Main Street said that she moved here from Norwich solely for the school system. Regarding the cars for the cops – she said that if they cut after school activities that they will need more cop cars.

Bill Deery, 212R Pennsylvania Avenue said that he is an educator and has been teaching for 27 years in another Town. He built a house here six years ago. He wants them to fund the school system as he does not think that they are paying the teachers enough and that they will leave and then the 200 people who came here to put their kids in the school system will also leave. He said that his daughter goes to Niantic Center and he feels that a lot of the people are here tonight because of the comment about Niantic Center.

Lori Otter, 84 Corey Lane said that she is new to all of this. Her husband is in the military and they searched out places and came here just because of the schools. They are military and the mill rate increase will be hard for them.

Melissa Bunkelman, 105 Arbor Crossing said that she is new here and that she also came here for the school system. She was an educator where she previously lived and quit her job to come here so that her kids could have small class sizes. She said that she could have gone anywhere but came here for the schools. The taxes here are astronomical but she is willing to pay more for her kids to go to school here.

Matt Gasperak(?), said that he came here also for the schools.

Dave Perry, 7 Cedar Ridge Road said that he picked East Lyme for the school system and that he is the president of the East Lyme Little League. He wants the budget fully funded and does not want any sports programs cut and also does not want them charging for sports.

Mr. Kelley thanked everyone for coming and for all of their comments.

G. Board Comments

Mr. Kelley said that he has been on the Board of Finance for five years and that he has found this to be the toughest budget that he has had to work on. It was very hard to make the cuts that they did make. He said that they were also required to fund a State mandated system on evaluations that no one agrees with. He asked if any of the other members had comments.

Ms. Picarazzi said that she has been on the Board of Finance for three years and that she has two kids. They moved here from 'home' in New York State as her place of work is nearby and because they heard that East Lyme has a great sense of community. She said that she did not think that it would be so – but since being here – this has become her home. She thanked everyone for coming tonight and said that she would have enjoyed seeing them earlier in the process at the other meetings. It is not easy for them to do their duty as there are many people in this Town who cannot afford what others can afford and they also have to be considered.

She said that they are not cutting into last years operating budget for the BOE – they are giving them \$851,000 more than last years operating budget but with declining enrollment numbers this year. Undoubtedly, this is not a fun process – but they have a great staff of administrators and their job is to take the dollars and make it work – and that is what they are paid to do. If there were unlimited funds – then anyone could do their jobs. She thanked everyone for coming tonight.

H. Adjournment

Mr. Kelley called for a motion to close the Public Hearing.

****MOTION (1)**

Ms. Picarazzi moved to close this Public Hearing of the Board of Finance on the proposed FY 2014-2015 Budget at 8:35 PM.

Ms. Hogan seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Mr. Kelley said that they would now go to the INTV Room and commence their Special Meeting and that everyone was welcome to attend that also.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary

**Board of Finance
Budget Review Meeting Schedule
FY 2014/2015
Town Hall - Upper Meeting Room**

***Wednesday, March 12, 2014
Regular Meeting @ 7 PM***

Presentation of Budget & Overview by First Selectman
Review of Projected Revenues

***Thursday, March 27, 2014
Special Meeting @ 7 PM (Reviews)***
Board of Education #999

***Monday, March 17, 2014
Special Meeting @ 6:30 PM (Reviews)***

| | |
|-------------------------------|--------|
| Assessor | #102 |
| Tax Collector | #103 |
| Bd. Of Assessment Appeals | #127 |
| Building Dept. | #104 |
| Commission on Aging | #418 |
| First Selectman & EDC | #101 |
| Finance Department & HR | #118 |
| Health & Welfare | #419 |
| Police | #216 |
| Debt Service Int. & Principal | #522-3 |
| Long Range Capital Plan | |

***Monday, March 31, 2014
Special Meeting @ 6:30 PM (Reviews)***

| | |
|-----------------------------|------|
| Registrars | #110 |
| Smith Harris House | #134 |
| Board of Finance | #126 |
| Gen. Govt. & Misc. Benefits | #114 |
| Contingency | #120 |
| Capital | #724 |
| CNRE | |

***Wednesday, April 9, 2014
Regular Meeting @ 7 PM***

Deliberations

***Thursday, March 20, 2014
Special Meeting @ 6:30 PM (Reviews)***

| | |
|---------------------------|------|
| Town Clerk | #107 |
| Town Engineer | #105 |
| Building Maintenance | #113 |
| Public Works | #317 |
| Information Technology | #109 |
| Library (Culture & Rec) | #420 |
| Parks & Rec & Youth Svces | #421 |

***Monday, April 14, 2014
Special Meeting @ 6:30 PM***
Deliberations, if necessary

***Monday, March 24, 2014
Special Meeting @ 6:30 PM (Reviews)***

| | |
|-----------------------------|------|
| Planning Dept. & Commission | #117 |
| Inland/Wetlands Agency | #132 |
| Zoning | #116 |
| Ledge Light Health District | #108 |
| Niantic Fire Dept. | #217 |
| Flanders Fire Dept. | #218 |
| Emergency Management | #224 |
| Animal Control | #226 |
| Services to Community | #115 |

***Monday, April 21, 2014
Public Hearing on the Budget at 7 PM
Special Meeting after Public Hearing in
INTV Room***

***Monday, May 12, 2014
Town Meeting on the Budget***

Approved at Regular Meeting of February 12, 2014

Attachment - B&F Public Hearing - PowerPoint - 4/21/2014



East Lyme Board of Finance

Public Hearing on Proposed Town Budget
April 21, 2014



Attachment BOF PH 4/21/2014

10 pp. total

Summary of Budget Process FY 2014-2015

- Submitted by Board of Selectmen – March 12, 2014
Overall Increase of 5.27% from FY 2013-2014
- Seven (7) meetings held to review proposed budget, meeting with all Department Heads and the Board of Education.
- Board of Finance proposes \$1,332,869 in net reductions for an overall budget increase of 3.16% and **an estimated 0.71 mil increase in the current property tax rate.**
- Board of Finance will meet after tonight's Public Hearing to further finalize budget which will subsequently be voted upon at a Town Meeting and referendum.



Major Areas of Revenue Increases

| | |
|-----------------------------------|------------------|
| ↑ Building permits | \$145,000 |
| ↑ Town Fees | \$55,745 |
| ↑ Increase in State Aid to Town | \$513,959 |
| <hr/> | |
| ↑ TOTAL Revenue Increase for 2014 | \$714,704 |



Board of Finance Proposed Reductions in Submitted Budget

| | | | | | | |
|---------------------------------|---------------------|---------------------|--------------|---------------------|--------------------|--------------|
| General Government | \$15,461,453 | \$16,123,688 | 4.28% | \$16,000,503 | (\$123,185) | 3.49% |
| Town Aid Road | | | | \$16,181,996 | \$181,493 | 1.12% |
| Total General Government | \$15,461,453 | \$16,123,688 | 4.28% | \$16,181,996 | \$58,308 | 4.66% |
| Debt Service | 4,781,959 | 5,105,149 | 6.76% | 5,105,149 | \$0 | 6.76% |
| Education | 41,941,731 | 43,342,767 | 3.34% | 42,792,767 | (\$550,000) | 2.03% |
| Buildings, Capital Equipment | 988,015 | 1,283,016 | 29.86% | 1,088,686 | (\$194,330) | 10.19% |
| Total Expenditures | \$63,173,158 | \$65,854,620 | 4.24% | \$65,168,598 | (\$686,022) | 3.16% |



Board of Finance Proposed Budget Compared to Prior Years

| Expenditures | Expended 2012-2013 | Appropriated 2013-2014 | Proposed 2014-2015 | % Increase Decrease |
|----------------------------|-----------------------|---------------------------|-----------------------|------------------------|
| Total General Government | \$14,910,511 | \$15,461,453 | \$16,181,996 | 4.66% |
| Debt Service | 4,944,915 | 4,781,959 | 5,105,149 | 6.76% |
| Education | 41,214,544 | 41,941,731 | 42,792,767 | 2.03% |
| Capital Outlay / Equipment | 717,726 | 988,015 | 1,088,686 | 10.19% |
| Total Expenditures | \$61,787,696 | \$63,173,158 | \$65,168,598 | 3.16% |

\$181,493 of General Government is
due to increase in Town Aid Road
Grant