

**EAST LYME BOARD OF FINANCE  
REGULAR MEETING MINUTES  
Wednesday, JANUARY 15th, 2014**

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

FILED IN EAST LYME  
CONNECTICUT  
Jan 17, 2014 AT 1:10 AM/PM  
Karin Walker  
EAST LYME TOWN CLERK

**Also In Attendance:** Paul Formica, First Selectman  
Anna Johnson, Finance Director

**Absent:** Steve Harney

**A. Call Meeting to Order**

Mr. Kelley called this Regular Meeting of the East Lyme Board of Finance to order at 7:00 PM.

**B. Pledge of Allegiance**

Mr. Kelley led the assembly in the Pledge.

**C. Delegations**

Mr. Kelley called for delegations.  
There were no delegations.

**D. Approval of Minutes**

▪ **Wednesday, December 11, 2013 – Regular Meeting**

Mr. Kelley called for a motion for approval or any changes to the Board of Finance December 11, 2013 Regular Meeting Minutes.

**\*\*MOTION (1)**

Ms. Picarazzi moved to approve the Board of Finance Regular Meeting Minutes of December 11, 2013 as presented.

Mr. Carpenteri seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

**E. Reports**

◆ **First Selectman**

Mr. Formica reported on the following:

- The Gateway project is moving forward – they will be coming in for Building & Zoning permits this week for the 250 residential units. The zoning permit will be \$85,000.
- The Costco project is still moving forward and being worked on – this would probably come forward early next year
- The Boardwalk work went out to bid and they are in the process of working with Courtney's Office and Amtrak on the urgency of this project. They hope to get the construction going soon and to have it finished by the end of the summer. They are working out methods of being able to do the construction without closing the entire area.
- They will have to appropriate some of the money that has been collected for the Boardwalk project as they have about \$4.3M earmarked. Also, the project description/plans will come from the

contractors and they would like to have a joint meeting presentation to the Board of Finance & Board of Selectmen on it – perhaps before one of the regular meetings of the Boards.

- He has been meeting with the department heads on the budgets. With regard to Dispatch, they are budgeting this as it stands now. A regional presentation for the Tri-Town proposal is set up as an 'equal partnership' with opportunities for expansion/addition of other Towns. There are a lot of parts to this as it moves forward and there will be plenty of opportunities for public comments.

Ms. Alberti asked about our facility on Boston Post road and if it were to be used – would others have to pay us for that use and also if we have to pay to another facility.

Mr. Formica said that he does not know the exact answer and that he could only base it on what we know from how Probate is 'shared'. Probate is based on per capita for the Towns that are part of it with the common expenses such as if a new boiler is needed – shared equally.

Ms. Hogan asked if there was legislative language created during the session to do this regionalization.

Mr. Formica said that it was attached to a bill last year that had failed and they are expecting that it will go as stand alone legislation this year rather than attached to another bill.

Ms. Hogan asked if it would have a clause to make it easy to add other communities rather than to have to go back each time for an amendment.

Mr. Formica said yes and added that it was crafter after the SCRRRA regional trash system language.

Ms. Hogan asked if the \$85,000 was the total for Gateway or just for the zoning portion.

Mr. Formica said that they expect \$85,000 for the zoning portion only plus they will have the building portion that is charged per \$1000 of estimated construction value and also the water & sewer connection and later on the associated fees for the water & sewer hook-up and usage.

Ms. Hogan asked about the \$200,000 for the Bayreuther property and if the money was coming from OPM.

Mr. Formica said that this has not come before the Board of Selectmen yet and that it was something the Friends had worked on and our Representative. There is no deadline on the money and the information will be forthcoming.

Ms. Picarazzi asked when they anticipated the construction to begin for the Gateway Project.

Mr. Formica said that he expects that it will be a matter of weeks for the residential units.

Ms. Hogan asked about the legislative act that Attorney O'Connell had sent regarding the Board of Ed budget and when it was effective.

Mr. Formica said that the Statute was passed in October of 2013 so it is effective for this year. This seems to make it a bit clearer on how discussions may be able to be handled regarding the potential merging of certain items. He said that they do have a good rapport with the Board of Education so this should work out well for all parties. He noted that he is working on lowering/eliminating the \$250,000 that they are mandating for the teacher evaluation program as he is on the MORE Committee.

#### ◆ Finance Director

Ms. Johnson said that her monthly report and the updated report pages that she had emailed to them were in their folders and that she had provided them with the final financial statements. She noted that she had created a corrective action plan from the audit management report. She explained that the Policy & Procedures Manual has been worked on and that most of it is completed and that it is a working document. She spoke with Mr. Bassett about this and he indicated that what they want is for the Board of Finance and the Board of Selectmen to review it and sign off on it. She said that her plan is to have it to them in May and to take it up for approval at their June meeting and then it would go to the Board of Selectmen.

Ms. Alberti said that she did not think that was allowing enough time for them to review it.

Ms. Johnson said that they could adjust it as necessary. She continued that they are making progress on the Accounts Payable item; the school lunch fund is the BOE and she suggested giving them 30 days after the close of the year to get this done; Fund Balances would be done in the next couple of months; Transfers between funds she suggested that a subsidiary ledger could be run for the auditor; Purchase Orders & Invoices are in constant change so this is an on-going struggle; Education Grants Fund is a BOE issue and the auditor has met with them on it and the General Ledger is a Town & BOE item where both have different software at present and she anticipates that it will take some six to nine months of reviewing the software available to reach a decision with implementation not until 2016 sometime. She will work with Mr. Meltabarger on this.

Ms. Alberti asked about the Accounting software upgrade that she had indicated that she and Mr. Meltabarger would work on. She wanted to know why they would work on it.

Ms. Johnson said that they would have to work together to determine what they would need and that she could not provide any more information now as it is very rudimentary and she does not have it at this time.

Ms. Alberti asked if the Board of Ed could come onto the Town's existing accounting system instead.

Ms. Johnson said that our current software would not suit the needs of the Board of Ed and they would need to get new software to suit everyone.

## **F. New Business**

### **a. Special Appropriation – Smith Harris House Curator**

Mr. Formica explained that they have seen this request in previous years and that it has been a success having the Curator. This will be paid for by the Friends. It needs to go to a Town Meeting as it is more than 10% of their overall budget.

#### **\*\*MOTION (2)**

Ms. Hogan moved to approve a special appropriation in the amount of \$2,500 in the 2013/2014 budget as follows: \$2,320 in department 134 Smith Harris Commission to account 01-01-134-100-415 (Museum Curator) and \$180 to account 01-01-114-100-121 (FICA/Medicare); subject to Town Meeting approval.

Ms. Picarazzi seconded the motion.

Ms. Hogan said that this is a great program and that it is invaluable to this Historic Property.

Vote: 5 – 0 – 0. Motion passed.

### **b. Committee Appointments – Board of Finance Member**

#### **▪ Pension Committee**

Mr. Formica explained that Mr. Hart and Ms. Hogan are current members of this Committee only in reverse roles. He suggested that they nominate someone from this Board and that the Board of Selectmen could appoint Mr. Hart as a public member.

Mr. Kelley said that he has spoken with Mr. Hart and that he is interested in serving on the Committee.

#### **\*\*MOTION (3)**

Mr. Kelley nominated Ms. Hogan to serve as the Board of Finance member representative on the Pension Committee.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Mr. Formica noted that Mr. Hart would be appointed by the Selectmen.

▪ **Capital Improvement Committee**

**\*\*MOTION (4)**

Ms. Picarazzi nominated Mr. Harney to continue to serve as the Board of Finance member representative on the Capital Improvement Committee.

Mr. Carpenteri seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

**c. Audited Financial Statements – June 30, 2013 – Management Comments**

Ms. Johnson noted that on the bottom of Page 6 of the Federal & State Audit report that they had cited the SPED Grant Cash Management where the BOE had requested more money than they needed which indicated that a good monitoring system was not in place. This has been corrected and the auditor has addressed the BOE regarding this.

**G. Old Business**

There was none.

**H. Public Discussion**

Mr. Kelley called for Public Discussion.

There was none.

**I. Board Comments**

Mr. Kelley called for any comments from the Board members.

Mr. Formica noted that Kent Sistare is retiring from the SEAT Board after many years. He has also served on the Board of Selectmen and other Boards for many years. They are holding an event on January 22, 2014 from 6:30 – 8:30 PM at the Lake of Isles to celebrate his contributions to the Town. He said that this event is open to everyone and thanked Mr. Sistare for his many years of public service.

**J. Adjournment**

Mr. Kelley called for a motion to adjourn.

**\*\*MOTION (5)**

Ms. Picarazzi moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 7:45 PM.

Mr. Carpenteri seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary

**Town of East Lyme  
Corrective Action Plan  
6/30/13 Audit**

Item #	Description	Responsible Party	Target Completion	Actual Completion
1	Accounting Policy & Procedures Manual	Town/BoE	5/14/2014	
2	Accounts Payable <i>making progress</i>	Town	6/30/2014	
3	School Lunch Fund <i>is a school issue</i>	BoE	7/31/2014	
4	Fund Balances <i>next couple of months</i>	Town	3/12/2014	
5	Transfers Between Funds <i>subsidiary ledger for auditor</i>	Town	6/30/2014	
6	Purchase Orders and Invoices	Town/BoE		
7	Education Grants Fund	Town/BoE	7/31/2014	
8	General Ledger	Town/BoE	6/30/2016	

*Town & BOE to share a general ledger system both have*

BoE Initial Review Date 1/15/2014  
Subsequent Review Date

Z:\Audit\2012-13\6-30-13\_Corrective\_Action\_Plan.xlsx]1-15-14

*of present software - anticipates 6-9 mos. reviewing software available and in effect 2016 possibly.*

*→ suggested giving them 30 days to get done*

*→ noted that the departments change each time - so it's a continuing situation/on-going struggle*

*→ BOE issue - had auditor meet w/BOE*