

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, MARCH 12th, 2014**

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

FILED IN EAST LYME
CONNECTICUT
March 20 14 AT 2:05 AM/PM
East Lyme Town Clerk

Also In Attendance: Paul Formica, First Selectman
Anna Johnson, Finance Director
Dr. James Lombardo, Superintendent of Schools
Don Meltabarger, School Business Manager
Timothy Hagen, Chairman, Board of Ed
Albert Littlefield, Secretary, Board of Ed
John Ramsey, PE, Applied Coastal Research & Engineering, Inc.

Absent: No One

A. Call Meeting to Order

Mr. Kelley called this Regular Meeting of the East Lyme Board of Finance to order at 7:56 PM after the previously scheduled joint meeting of the Boards of Finance, Selectmen & Education.

B. Pledge of Allegiance

The Pledge was previously observed.

C. Delegations

Mr. Kelley called for delegations.

Ron Rando, 194 Boston Post Road said that it was George Bush was not the one who started the No Child Left Behind program – it was Kennedy who set it up and when it did not work out he blamed Bush for it. He said that he thinks that the Board of Finance will have a difficult time with the budget – there are people who have a hard time here in Town now. They always hear from the Board of Ed about how they put maintenance off – they should keep the buildings up and cut the top heavy administrators that they keep hiring. He asked that they please not cut on the Town side. He said that he noticed that they are going to appropriate money for the Boardwalk tonight. He was involved with it from the start and suggested that they add up all the totals for what was spent on it to begin with and for all of the repairs and they would find that it will cost around \$20M. He said that he does not think that they can build the Boardwalk for \$3.8M – and if they are going to build it, they need to build it right. Lastly, he heard that the Water & Sewer Commission/department is hurting for money. He heard that Water & Sewer owes the Town some \$6M plus \$150/hydrant and he thinks that they should investigate this.

Karen Rak, 27 Black Point Road said that she had some comments regarding the Board of Ed presentation – first of all – there was nothing cut as a cut means that there is LESS of something. Here, they have only reduced an increase. Also, it was said that Dr. Lombardo saved \$4.1M – well, where is it – if you have saved something then you have something to show for it. So, where is it? Mr. Hagen said that there are no more rabbits to pull out of the hat – well there are extra curricular activities and there is \$1M that they can tap there – but they do not want to look at that.

Mr. Rando said that people are hurting – and they are – from November 2013 to December 2013, 104 more people in this Town became unemployed and that is a lot of people. Our labor force has

decreased by 790 which is a lot. We had a 6.9% unemployment rate in December of 2013. Further a lot more people are seeking food assistance. In our Town – just for SNAP there are 766 people which is a 36.3% increase – and this does not include fuel and other assistance. The local food pantry has served more people than ever before and this includes families of children that go to the schools here. She said that she thinks that they need to think about these things when they look at the budget numbers.

John Hoye, 15 Monticello Drive said that he admires and thanks the Board for what they do. He asked for their support with the Boardwalk as he wants to continue to make East Lyme the #1 Town and the Boardwalk is the way to do it. He said that they also need volunteers for the benches on the Boardwalk and asked that they please support the Boardwalk as it also helps the businesses in Town.

D. Approval of Minutes

▪ Wednesday, February 12, 2014 – Regular Meeting

Mr. Kelley called for a motion for approval or any changes to the Board of Finance February 12, 2014 Regular Meeting Minutes.

****MOTION (1)**

Ms. Alberti moved to approve the Board of Finance Regular Meeting Minutes of February 12, 2014 as presented.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 1. Motion passed.

Abstained: Mr. Harney

E. Reports

◆ First Selectman

Mr. Formica reported on the following:

- They will be hearing about the Boardwalk shortly.
- As a result of the difficult winter they will be looking for money movement for Storm Overtime, supplies and items related to the winter – salt and fuels.
- He said that he would present an overview of the budget later on during the meeting.

◆ Finance Director

Ms. Johnson said that her monthly report and the reports were in their packets and asked if they had any questions.

Ms. Hogan said that it appeared that revenues were a bit below usual and that expenses were up.

Ms. Johnson said that revenues are up and expenses are also up – they are over on the storms and that is where the extra expenses are being reflected.

Mr. Kelley asked about the PT Firefighters – they are at 77% of budget now and if it continues this way – they will be over budget. Also – the Dispatchers OT they need to keep an eye on.

Ms. Johnson said that with regard to the dispatchers that they have to offer the regular people the right of first refusal on overtime per the contract. This is what is driving this.

F. New Business

a. Special Appropriation – \$58,000 DOT DUI Enforcement Program

Mr. Formica explained that this funded 75% by the DOT and the Town funds the other 25%.

****MOTION (2)**

Ms. Picarazzi moved to approve a special appropriation in the amount of \$43,500 to account 4-01-25-216-100-519 (Grant Overtime) and to corresponding revenue account 4-01-04-400-409 (Police Overtime Grants).

In addition, move to approve a transfer in the amount of \$14,500 from account 4-01-01-120-200-500 (Contingency) as follows: \$8,100 to account 4-01-25-216-100-519 (Grant Overtime), \$3,327 to account

4-01-01-114-100-121 (FICA/Medicare) and \$3,073 to account 4-01-01-114-100-123 (Workers Comp) for the required Town share.

Ms. Alberti seconded the motion.

Ms. Alberti asked if this is a yearly program.

Mr. Formica said that they are in the third or fourth year of this program and that it has been very effective in getting the drunk drivers off the road.

Ms. Alberti asked where the revenues come in –

Ms. Johnson said that the money that they get back comes in line item 4-01-06-600-601 where they get some \$10,000 to \$12,000 per year. They also get 75% back on the total grant and that is reflected in the DUI Grant OT line item.

Vote: 6 – 0 – 0. Motion passed.

Mr. Kelley noted that this requires Town Meeting approval.

b. Special Appropriation \$54,800 CNRE Fund 32 Elementary School Project Architect

Mr. Formica said that the Board of Ed has voted to move forward with hiring an architect for the elementary schools project to see what the options are. This would help them to be able to determine how to best move forward. This is Phase 1 of 2.

****MOTION (3)**

Ms. Picarazzi moved to approve a special appropriation in Capital Non-recurring (CNRE) Fund 32 in the amount of \$54,800 to an account to be established titled, "Architect – EL Elementary Schools". The source of funds to be LEARN Rent Fees.

Mr. Carpenteri seconded the motion.

Mr. Kelley asked if the \$91,400 has become less.

Mr. Formica said yes, it is \$54,800 + \$28,000 which would become \$82,800.

Ms. Picarazzi asked about the phases.

Mr. Formica said that Mr. Hagen could fill them in on that as this is for the first phase.

Ms. Picarazzi said that what she is worried about is that they will spend the money on this and then it may fail as people are very passionate about their jobs.

Mr. Hagen said that Ms. Picarazzi had asked an excellent question. He explained that because the schools are aging; need repairs; enrollment is declining and they have more space than they need, they have to look into what is the right thing to do for the long haul so they have had a committee reviewing various options. Jacunski Humes will be able to lay out all the facts for them to review – otherwise they will only be burying more money into old failing buildings. Jacunski Humes also recently undertook a similar study in Waterford.

Ms. Picarazzi said that there have been options mentioned here however in Waterford the option was to go from five buildings to three.

Mr. Hagen said that there will be a number of phases and the public will be involved throughout the process but the only way to do this is with an architect who can provide them with the information that they need to review and present.

Ms. Picarazzi said that she clearly supports the over reaching goal but she is not sure on the options regarding Lillie B. Haynes.

Mr. Hagen said that is the task of the architects to determine what the options are. He said that he thinks that what they are saying here is that they want to hear all of the initial things as they happen and what he is saying is that they need professional help to be able to involve the community and to let them know as things happen. He said that he would provide them with a copy of the RFP as that would help explain things better.

Ms. Alberti said that she would like to see the deliverable that was attached to Phases 1 and 2 – so that she could review what they are buying. She said that she also wanted to thank the Vision Task Force as they worked on this for quite some time and helped move the process. She noted that it seemed that they had a pre-determination toward Niantic Center School.

Albert Littlefield, Board of Ed Secretary said that there are three (3) options and that there was NO preference or pre-determination on the part of the Board of Ed – no matter how they were itemized – 1, 2 or 3 or a, b or c – there was NO preference and he wanted that made clear as that is why they wanted this study done.

Ms. Alberti questioned if it wouldn't be better to shutter Niantic Center and put the \$450,000 towards new school construction.

Mr. Hagen said that they need the architects to do the study and work to provide them with the possible paths for review.

Ms. Picarazzi asked what they would be getting for the \$82,800.

Mr. Hagen said that he thinks that there will be five options produced; they will work on reducing it to three and then determine what will go to referendum.

Ms. Picarazzi asked if there would be any plans with this.

Mr. Hagen said that they would have the whole thing once they decide what goes to referendum and then if it is approved by the Town, they would then go into further detail.

Mr. Harney asked that they be provided with a copy of the RFP.

Mr. Hagen said that he would see that they get it.

Ms. Hogan said that she is glad that Mr. Littlefield clarified that there is no pre-determination here. She added that this would not go to a referendum this year and maybe not even next year as there are a lot of stages to go through. She also asked what the LEARN rental fees that are being used for this study were used for before this.

Mr. Meltabarger said that they have used it in the past to put windows in Lillie B Haynes some three years ago; and two years ago they did a roof with it. He said that they have about \$151,000 and that they are only using a portion of it and the use here is not going to impact anything that they were using it for previously.

Mr. Kelley called for a vote on the motion.

Vote: 6 – 0 – 0. Motion passed.

Mr. Kelley noted that this requires Town Meeting approval.

(Note: A brief recess was taken here)

c. Presentation – Boardwalk – by John Ramsey P.E., Allied Coastal Research & Engineering Inc.

Mr. Fomica synopsised the boardwalk project from its inception – the first boardwalk was done with the understanding that the train bridge would be re-done and that when it was, the boardwalk would be put back into place. In its first phase, the Boardwalk was built to withstand a 25 year storm event; while the RR tracks have to be built to withstand a 100 year storm event so the new Amtrak portion is built to that specification. The design proposed for the rebuilding of the Boardwalk half that was damaged during two very major storm events is to withstand a 100 year storm event. Steel panels will be used to achieve this. He said that they have amassed the money from the original lawsuit; a \$500,000 STEAP Grant specifically for this renovation; plus insurance and FEMA money from two storms that caused considerable damage. The total is about \$4.9M and they have appropriated the \$500,000 STEAP grant money as they needed \$95,000 for the design funding. He stressed that the boardwalk is an economic benefit to the Town. They put the design package out to bid and the lowest qualified bid came in at \$4.3M. They estimate that it will cost around \$400,000 to have Amtrak personnel working on site while they are working near the tracks and they are working on having Amtrak helping them out with that. He introduced John Ramsey of Allied Coastal to explain the construction aspect.

John Ramsey, P.E. with Allied Coastal from Mashpee, MA said that they would be using steel sheet piles some 30' to 32' deep to provide the 100 year shore protection. The proposed new boardwalk is a bit over 3' higher than the old one. The old revetment will remain and will help to dissipate the wave action. The surface area will be concrete. He provided plans showing the design schematic.

Mr. Kelley asked if Amtrak signs off on their slope revetment and said that he would like to see them sign something.

Wm. Scheer, Assistant Public Works Director said that when Amtrak review the proposed plans that they did not have any comments so they essentially do not have an issue with it.

Mr. Formica added that Senator Blumenthal and Representative Courtney are working with Amtrak on this.

Mr. Ramsey said that he felt that it would behoove Amtrak to want to be involved in this project.

Ms. Picarazzi asked if there would be maintenance that would have to be done.

Mr. Ramsey said that it would not need much as it is designed for a 100 year storm event. The concrete top may need something but the rest will with stand the elements.

The Board thanked Mr. Ramsey for his presentation and design plan boards.

Mr. Formica said that they need to appropriate the funds.

d. Special Appropriation up to \$4,442,779 – Boardwalk

****MOTION (4)**

Ms. Hogan moved to approve a special appropriation of up to \$4,442,779 from proceeds related to legal settlement, insurance settlement and FEMA funds from Capital Projects Fund 57 into an account entitled "Niantic Bay Boardwalk 2014" to fund betterment and repairs. Remaining funds to be used for maintenance and upkeep.

Ms. Picarazzi seconded the motion.

Ms. Hogan said that she thinks that this is great. It looks like a wonderful design and it will be a great economic multiplier for the people and the Town.

Mr. Harney asked about the range in bids from \$4.3M to some \$8M.

Mr. Scheer said that the companies with the lower overheads have the lower bids. He added that with regard to bonding – per state Law – they will have to have a full performance bond and \$10M in insurance.

Mr. Formica said that the Town Building Committee with Chairman Ray O'Connor and Mr. Scheer will have oversight of this project.

Ms. Picarazzi asked the estimated duration.

Mr. Scheer said that the end date is December 30, 2014.

Mr. Formica noted that the beach would be open on the other end and that they would only close it if there is an issue. There will also be gates to keep people out of the work area.

Vote: 6 – 0 – 0. Motion passed.

Mr. Kelley noted that this requires Town Meeting approval.

e. Special Appropriation \$21,107 Municipal Grant in Aid

Mr. Formica explained that this was part of the Town Aid Roads (TAR) funds that they were not sure of at the time of the budget. The State gave them \$160,000 originally and then the Governor doubled that amount – so this is part of it and they will also be expecting the rest of it to come in the future.

****MOTION (5)**

Ms. Picarazzi moved to approve a special appropriation in the amount of \$21,107 for Municipal Grants-in-Aid to account 4-01-30-317-500-224 (Town Aid Roads) and corresponding revenue account 4-01-03-300-301 (Town Aid Road Assistance) for compliance with PA 13-247 Section 128.

Mr. Harney seconded the motion.

Ms. Picarazzi asked if they were obligated to take the money, or if they could put it in a different account.

Mr. Formica said no, the money is earmarked for this purpose. He noted that he is checking to see if some of it could be used to purchase items such as salt to fill the salt shed so as to start the next season with a full salt shed.

Vote: 6 – 0 – 0. Motion passed.

Mr. Kelley noted that this requires Town Meeting approval.

f. Appointment of Auditor – June 30, 2014

Ms. Johnson recalled to the Board that the Town did an RFP for audit services commencing with a the 2007-2008 fiscal year. The original contract was for five years. They are now in the second year of a two year contract extension.

****MOTION (6)**

Mr. Carpenteri moved to retain the services of McGladrey LLP to audit the Town's financial records for the fiscal year ending June 30, 2014.

Ms. Alberti seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

g. Presentation of 2014 – 2015 Proposed budget & Overview by First Selectman

Mr. Formica said that due to the hour that he would be brief. He noted the addendum letter that was passed out and said that there are areas that will be able to be reduced – such as Health Insurance and the Board of Ed reduction. He said that this is the first year of an increase in debt service – driven by the regional water interconnection project. He said that the operating transfer in revenue from the sewer assessment fund would be reduced a bit this year. He is also following the State budget situation closely as the appropriations committee has not yet met on the budget. It will once again be a balancing act as it is every year.

h. Review of Projected 2014 - 2015 Revenues

Mr. Formica noted that they have the projected revenues in their books.

Ms. Alberti asked about the \$2M in revenues that is expected from the Gateway project.

Mr. Formica said that would be a couple of years out as there would have to be a full build out for that to be realized and they are just now starting to build.

Ms. Alberti said that if they approve the budget as it is presented that it would be an increase.

Mr. Formica said yes, a higher increase than any that they have had. He added that the returned \$700,000 last year and that they have a three-year history of money being returned. He said that some of the initiatives that he has been working hard on are the combining of Towns for Animal Control and the combination of the three Towns (East Lyme, Waterford & New London) for Dispatch.

Ms. Alberti asked if the Dispatch center on Boston Post road would be shuttered if they combine with the central area being in Waterford.

Mr. Formica said that it would be used as a back-up and also for any regional emergencies if necessary as the area is vast and certain events may warrant utilizing it. He added that the details have yet to be worked out but he does think that there will be some money savings there. Regarding the Animal Control – they currently share this with Waterford and they are looking at a potential four-Town system. They are also working on a pilot program with Corrigan to build a facility there and for the inmates to be able to work with the animals and also help with the construction of the facility. There is a lot of potential for things to be done.

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.
There were no comments.

J. Adjournment

Mr. Kelley called for a motion to adjourn.

****MOTION (7)**

Ms. Picarazzi moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 9:58 PM.
Ms. Alberti seconded the motion.
Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary