

**EAST LYME BOARD OF FINANCE
SPECIAL MEETING MINUTES
BUDGET REVIEWS FY2014/2015
Monday, MARCH 17th, 2014**

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

FILED IN EAST LYME
CONNECTICUT
March 24 2014 AT 2:15 AM/PM
Kathleen J. Kelly
EAST LYME TOWN CLERK

Also In Attendance: Paul Formica, First Selectman
Donna Bekech, Assessor
John McCulloch, Tax Collector
Joe Smith, Chief Building Official
Cathy Wilson, Senior Services Director
Sgt. Wm. Blanchette, Police, Resident Trooper

Absent: Lisa Picarazzi, Secretary

A. Call Special Meeting to Order

Chairman Kelley called this Special Meeting of the East Lyme Board of Finance to order at 6:30 PM.

B. Pledge of Allegiance

The Pledge was observed.

C. Delegations

Mr. Kelley called for Delegations.
There were none.

D. New Business

a. Budget Reviews – FY 2014 - 2015

◆ **Assessor (102) – Donna Bekech, Assessor**

Mr. Kelley called upon Mr. Formica for any comments.

Mr. Formica noted that Ms. Bekech was present in the event that they had any questions for her. With regard to her budget, as they could see, it is basically the same except for the contractual salary increases.

◆ **Tax Collector (103) – John McCulloch, Tax Collector**

Mr. Formica noted that there is an increase for salaries and that Mr. McCulloch was present and could provide them with an update.

Mr. McCulloch reported that as of today that they are at a 97.75% collection rate, which is a bit higher than they were at this time last year.

Mr. Kelley noted that the budget is pretty flat.

◆ **Board of Assessment Appeals (127) – Donna Bekech, Assessor**

Mr. Formica noted that this is primarily for the appeals and for the recording secretary to cover those meetings. It has been reduced for the coming year as they are through with the heavier appeals process from the reval. That line also covers the stipend that the Board members receive per Statute.

◆ **Building Department (104) – Joseph Smith, Chief Building Official**

Mr. Formica said that this is showing an increase predominantly due to an increase in inspections that would be necessary for the Gateway Commons and other projects. He noted that he had pared down the actual requested increase. The other increase is for software that was in the capital plan for this year. Longevity is for people who have been with the Town for some time. He noted that Mr. Smith was present and could answer any questions that they might have.

Mr. Kelley said to Mr. Smith that on the revenue side that he had projected \$200,000 and that as of February 28, 2014 they have \$279,000 in revenues – he asked what he would project just for the end of this fiscal year.

Mr. Smith said that they actually have over \$300,000 now and that he would expect another \$100,000 by the end of June of this year if Gateway keeps on permitting its buildings. He added that Hope Street would be coming in for another building also.

Mr. Formica asked if perhaps they could bump up the projection for the next fiscal year.

Mr. Smith said that they are also expecting another building on West Main Street as Mr. Heenan will be coming in with plans for another building next to the one that he has already built. He noted that while they may collect the revenues on them for this year that the projects will be built out over the next year or two. He said that he has two people helping him out on a very part time basis and that he has put out feelers for other help but has not heard anything yet. He noted that additionally he has also looked at using a plan review service and said that he has sent out the plans for review with a service for the Gateway buildings and for the Hope Street building.

Mr. Kelley asked how that works – with the fees and if it costs extra.

Mr. Smith said that it does not change the permitting fees that they collect. The cost to send the plans out for review comes out of the permitting fees that they collect rather than to be in addition to them.

Mr. Kelley asked how they would know what those fees were and if they could be tracked against the revenues.

Mr. Smith said that with regard to the one for Gateway that they are paying a lump sum so that number could be tracked. He said that he could provide them with that information and any other information on what they pay to send plans out for review.

◆ **Commission on Aging (418) – Cathy Wilson, Senior Services Director**

Mr. Formica noted that Ms. Wilson does a great job with this department and that the salaries are showing a small increase. The program instructor increase – some is reimbursable by fees. Telephone and internet is also showing a slight increase – otherwise the budget is flat.

Ms. Alberti asked if this department applied for a grant from the Senior Resources Agency as there were dollars that were available.

Ms. Wilson said no as the grant was intended more for 'needs' than for funding for programs.

Ms. Alberti asked about the needs within the Town.

Ms. Wilson said that the percentage of 65+ in CT is 14.6% of the population and that figure is running a bit higher than the national average. In East Lyme it is 16% of the population; and the 50+ comprise 38% of the population. The 85+ population is exploding as are the 65+ but both of these age areas have different wants and needs so different programs would have to be developed for them.

Mr. Kelley noted that since 2013 that the program instructors' line item has increased by \$6500 to \$36,000 but the revenue project has not increased.

Mr. Harney noted that they have only projected \$24,000 in revenues and that to date they have only around \$16,000 – he asked if some of this is seasonal and if it would come later –

Ms. Wilson said that it has been a bad winter and that attendance has been down for the program classes. She said that it is not something that she can predict however she does not expect the difference to be made up as the bad winter months are what they are. They do the best they can.

◆ **First Selectman & EDC (101) – Paul Formica, First Selectman**

Mr. Formica noted the increases in salary of about \$6000 total. They reduced the budget by \$800 and also took some of the dollars off of the EDC.

Ms. Hogan asked if the EDC is the same as the Economic Development Commission.

Mr. Formica said that they could not get participation for that commission so they moved it over to the First Selectman's Office as most of the economic development comes through the Selectman's Office anyway. They have tried this for a year and they will continue with it this way as it seems to be working. Should it ever expand enough to warrant a director type of person they will review it at that time.

Mr. Carpenteri asked about line 295 – Ad Hoc Committees – they have only used 31% so far – do they plan to use it by the end of the year.

Mr. Formica said that in the past they used it for the Darrow Pond Committee and others so they would see as the year continues.

Ms. Alberti asked about the stipend for the Board of Selectmen and why they get it and no others do.

Mr. Formica said that he used to ask the same question when he was on the Board of Finance and that the answer is that it is in the State Statutes and also in their Charter.

Mr. Kelley noted that the Board of Assessment Appeals also gets minimum wage per hour by Statute and that it is done so that they cannot be bribed.

◆ **Finance Department & HR (118) – Paul Formica, First Selectman**

Mr. Formica said that the Finance Department under Ms. Johnson has grown over the years and that she has a good department that is well managed. He noted that there is an increase under the HR/Office Coordinator line item as the former HR position was married with bank reconciliations at 28 hours per week. The increase provides for one Friday per month at five hours time for work to put a policy manual together – this is the lion's share of the increase. The Finance Director position is paid for 60% by the Town and 40% by the Water & Sewer department. He recalled that they have discussed the need for new software in the upcoming years but so far they have not heard about the Uniform Chart of Accounts that is being discussed in Hartford. They want to wait so that they will have a system that would be compatible with that one.

Mr. Formica continued that there is \$2500 in the Wellness line item #296 and that when they move over to Aetna they will receive \$10,000 for wellness so they will marry that to the \$2500. There is also another \$15,000 from Aetna that can be added for wellness programs.

◆ **Health & Welfare (419) – VNA, presented by Mr. Formica**

Mr. Formica said that this is based on the number of people that the VNA serves here.

◆ **Police (216) – Sgt. Bill Blanchette, Resident State Trooper**

Mr. Formica commended Sgt. Blanchette and his department for how well they have done and how well he manages the department.

Mr. Kelley noted that the budget is up by \$65,591 and that \$60,000 is for pay and longevity.

Mr. Formica noted that the Resident Trooper line is up for discussion with relation to the fringe benefits and overtime amounts going up. He said that they have found that there are some funds in that State fringe account that are being used to fund some of the pensions so there may be some opportunity there to adjust this. These discussions are moving forward through the Assembly process.

Mr. Kelley asked if there were any questions for Sgt. Blanchette.

Ms. Alberti said that she thinks that the 4.48% Overtime that is showing is misleading as if they back out the grant it is more like a 1.75% increase. She said that she would like to take this opportunity to publicly thank them for all of their hard work as she feels that we live in a safe Town.

Mr. Formica noted that the Police Officers line is the same as it is subject to contract negotiations this year. When they complete negotiations the additional dollars would come from the labor contingency account.

Mr. Kelley said that under capital that for the last years they have been supporting two cars per year however this year they are asking for three cars. He said that when he looked further that the cars for this year all inclusive came to \$37,000 per vehicle. Next year they are \$42,000 per car and that does not include the outfitting – if they look at those figures the cars would come to \$63,000 per vehicle. He said that he felt that was rather excessive.

Mr. Formica said that they always did buy non-outfitted vehicles and then outfitted them afterwards. He said that he would ask Ms. Johnson to go back and get the numbers for the add-ons for them.

Sgt. Blanchette said that he has never been involved in the numbers – he just goes to the fleet manager. He said that he does know that they are asking for a detective vehicle this year as in the past they have given the detective an older hand me down vehicle with 85,000 or more miles on it. They are asking for new this time however it would not have all of the add-ons. He added that with the cars that they have three blue ones left which do not have in-car cameras. When they retire them, with the other cars, they will be able to take the in-car cameras out and re-use them in the new cars as they do not go bad.

Mr. Formica said that he would have the numbers checked. He added that they also need a truck – pick-up for the department.

Sgt. Blanchette said that they used to have a pick-up truck that they used for many years. He said that having one is extremely useful to them – for example – they recently solved a burglary where they found the items at a pawn shop and could not fit them in the cars so they had to get a truck to get the items.

Mr. Kelley thanked Sgt. Blanchette and said that he enjoys living in a safe Town and that his department does a great job.

◆ **Debt Service Interest & Principal (522 & 523) – Paul Formica, First Selectman**

Mr. Formica said that they are showing an increase due to 640 & 641 (DWSRF) for the water project whose debt they will have to start repaying. He added that he has also called for a meeting with Ms. Johnson and the former Finance Director regarding the sewer issue and to establish a point in time on how this went.

Mr. Harney said that he had heard some rumblings about hydrant fees.

Mr. Formica said that there are a couple of people on Water & Sewer and around town who feel that they should be charging the Town for hydrants. He said that the Town is paying some \$15,000+ for them and that he is of the feeling that you are taking it from one pocket to put it into another and it seems ridiculous to even be talking about it. He noted that he has been able to do a lot of work stabilizing the Water & Sewer department – they have hired a mechanic who can work on the pump systems rather than having to contract out for someone to do that work.

◆ **Long Range Capital Plan (5 year plan) – Paul Formica, First Selectman**

Mr. Formica reviewed this five year plan noting that a committee meets each year to determine the needs. He explained that the funding sources are broken out by color – black comes out of the budget; red from grant funds; green from bonds and notes; purple from CNRE and blue from other funds.

Ms. Hogan said that she would like to know the balances left in the CNRE.

Mr. Formica synopsised the five year plan and noted that the Board of Selectmen made some changes that Ms. Johnson would provide them with. He added that once the school comes out with their report on the elementary schools and they could decide what they have and what they need – there could be some opportunities there for other things depending upon the outcome.

Ms. Alberti asked if the listing would be prioritized.

Mr. Harney asked for the subscript numbers that normally appear.

Mr. Formica said that he would mention it to Ms. Johnson as he had thought it was on the plan.

E. Public Discussion

Mr. Kelley called for any comments from the Public.

There were none.

F. Board Comments

Mr. Kelley said that he had a suggestion regarding the way that deliberations have been done in the past where they go to line items and cut them – he asked the Board to consider reducing a budget by department and by an amount for that department rather than by line items and then let the department head cut their budget by the amount given to them to cut. He said that he was just tossing that out for them to consider. He said that it would not apply to CNRE, Capital etc items – only the departments.

Ms. Hogan said that she prefers just giving them a number and letting them work with the First Selectman on it. She does agree with giving them a figure.

Ms. Alberti said that it is different than last year.

Mr. Kelley said that they would do it during deliberations. It is just a suggestion for them to think about.

G. Adjournment

****MOTION (1)**

Mr. Harney moved to adjourn this Special Meeting of the East Lyme Board of Finance at 7:55 PM.

Ms. Hogan seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary