

**EAST LYME BOARD OF FINANCE
SPECIAL MEETING MINUTES
BUDGET REVIEWS – FY 2014-2015
Monday, MARCH 31st, 2014**

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

FILED IN EAST LYME
CONNECTICUT
APR 4 2014 AT 10:09 AM/PM
Lesley A. Blais
EAST LYME TOWN CLERK

Also In Attendance: Paul Formica, First Selectman
Anna Johnson, Finance Director
Carol Marelli & Nancy Moran, Registrars of Voters
Gary Lakowsky, Chairman, Smith Harris House Commission
Joe Bragaw, Public Works Director
William Scheer, Assistant Public Works Director
Chuck Holyfield, Highway Superintendent & Fleet Manager
Dave Putnam, Director - Parks & Recreation

Absent: Camille Alberti

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 no delegations.

D. Old Business

a. Any Outstanding Information

There was none at this time.

E. New Business

a. Budget Reviews – FY 2014-2015

◆ **Registrars (110) – Carol Marelli, Nancy Moran, Registrars**

Mr. Formica noted that both Registrars were present and that they have been located up at the Community Center for the past few years. The budget is basically the same as this year except for the increase for the maintenance agreement on the machines as the State is not going to pay for it any longer and has shifted the burden to them.

Ms. Picarazzi asked about salary increases.

Mr. Formica and the Registrars said that they get cost of living increases (COLA's).

◆ **Smith Harris House Commission (134) – Gary Lakowsky, Chairman**

Mr. Formica noted that the Curator position has been included in this budget. The Friends will cover it so it would be offset by revenues.

Ms. Johnson said that the revenues have been increased from this year to allow for this.

Mr. Kelley asked why not keep the status quo and not include it in the budget as it has seemed to work out just as well that way. They came with the money and then it went through the appropriations.

Mr. Formica said that this alleviates going through the extra stages. He added that if for some reason the money was not there then they could take it out.

Mr. Lakowsky said that last year the Curator position was a trial to see how it would work out and it has worked out really well. The money has also been set up from the Friends so that it comes in through quarterly payments.

Ms. Hogan asked what if the Friends could not afford to fund it.

Mr. Lakowsky said that the Friends know in December so that coincides with our budget process cycle. If they indicate that they do not have the money then it could be taken out of the budget.

Ms. Hogan said that she would leave it in and if necessary request a memorandum of understanding regarding the money for that position.

◆ **Board of Finance (126) – Steve Kelley, Chairman**

Mr. Formica said that this budget is basically the same – there is a \$500 increase for the audit.

◆ **General Government & Miscellaneous Benefits (114) – Paul Formica, First Selectman**

Mr. Formica explained that this area is a general government catch-all comprised of Personnel Services; Legal Services; Services - Contracted Operations and Operating Expenses. He said that they would be able to trim down the Health figure as they see what the trend was for the first three quarters.

Ms. Hogan noted that the Board of Selectmen had reduced FICA/Medicare.

Ms. Johnson said that there were some wage reductions.

Mr. Kelley asked Mr. Formica if he would have a better figure on Health for their deliberations.

Mr. Formica said yes.

Ms. Picarazzi asked about line 124 – Pension as it had increased.

Mr. Formica said that the increase is the contribution that the Town has to make in accordance with the actuary recommendations.

Mr. Formica noted that under Legal Services he had taken some out of Legal Ads in anticipation of the change to being able to utilize internet ads.

Mr. Kelley noted that in line item 233 – General govt. Legal that they have only spent 48% so far this year and if that remains the case that there is the potential to reduce this line item some.

Ms. Picarazzi asked about line 290 – Insurance P D & L under Services – Contracted/Operations as it is up by 19% - and if it would be reduced next year as it would be the three years.

Mr. Formica said that it would come in as revenue.

Mr. Carpenteri asked if it went up by the 12% every year.

Mr. Formica said that it went up each year but he was not sure by how much.

Ms. Picarazzi asked why it was up by the 19%.

Ms. Johnson said that in addition to insurance they set aside some for the premium deductible.

Mr. Formica noted that under #300 – Operating Expenses – that #243 – Professional Development was now being spread out over all of the departments.

◆ **Contingency (120) – Paul Formica, First Selectman**

Mr. Formica explained that this is a practice that they started some four to five years ago – one of these items is #300 – Operating Contingency. They keep the \$145,000 in this line to make transfers out of and in

this way they do not have to take money from the undesignated fund balance (which is currently at 7.8%). This allows us to take care of unforeseen circumstances – such as this year with the storm related events. #100 – Personnel Services is the Payroll contingency which is for contracts; and any negotiated raises plus non-union increases. Whatever they do not use goes back to the General Fund.

Mr. Kelley asked Ms. Johnson what they currently have left in Contingency.

Ms. Johnson said that there is \$90,000 but they have \$6800 coming out for the Police CAD and approximately \$40,000 more for heating and fuels for this winter.

◆ **Capital (724) & CNRE – Paul Formica, First Selectman, Anna Johnson, Finance Director**

Mr. Formica said that he would like to have Mr. Holyfield, Highway Superintendent and Fleet Manager review the vehicle program and how they move in the system.

Chuck Holyfield, Fleet Manager said that they service over 100 vehicles with two and a half mechanics, one of whom is 80 years old. This also includes two of the Board of Ed vehicles – they do all of the oil changes and inspections. A few years ago they were being frugal with buying new vehicles and they devised a system of handing down vehicles. The First Responders receive the new vehicles along with Public Works. He said that when he first came here, they had old vehicles that were always breaking down – this past winter they had only one storm with two trucks down and they managed to get one back on the road – which shows that this process has paid off as they have been able to keep the vehicles on the road. He said that they fix everything in the Town for the Water & Sewer department, Parks & Recreation, the two Board of Ed vehicles, Fire Chiefs vehicles, Police, Public Works vehicles, and the two pick-ups that each Fire House has. He said that he meets with the department heads and Mr. Formica on what to buy. Mr. Smith in the Building Office received the handed down Fire Marshal vehicle which was painted under that program. He said that the vehicles came out really well and they should provide the other departments with some good use. He noted that he tries to have an old vehicle on hand in the event that something is in for repair and it is needed to fill in for that vehicle in repair.

(Note: 7:16 PM – Mr. Harney joined the meeting)

Mr. Kelley asked Mr. Holyfield if he could put the items that he has listed for purchase for the upcoming year in order of priority.

Mr. Holyfield said that he would put them in the following order: Dump Truck, Pick-Up Truck w/Plow and Dump Body, 3-5 Ton Roller, Roadside over the Rail Mower and Mini Excavator.

Mr. Kelley asked about the Police cruisers and if the break out for each vehicle is the \$63,000 when it was about \$45,000 each before.

Mr. Holyfield said that in that price is the new police radios as the others were not maintained.

Mr. Formica added that the radios that Mr. Holyfield is going to buy will not be a wasted purchase as they will be able to be used in and with the new system.

Mr. Holyfield said that they are also replacing computers as they do not have any others to use. He added that they do not buy new light bars – they re-use the older ones. He said to Mr. Kelley that he was right – they were at \$49,000 each – but the price has kept increasing. He added that with the police cruisers that he likes to get them off the road at 100,000 miles and that he now has two that are at 90,000 miles.

Mr. Kelley asked if they would consider buying a used vehicle for the detective.

Mr. Holyfield said that might be a path to look at – the detective has a car with 108,000 miles on it and when it is replaced – the old vehicle will go to the inspector to use at the Fire Marshal's office.

Mr. Kelley thanked Mr. Holyfield.

Mr. Kelley asked Mr. Putnam about the priority of his items that he has up for purchase for the upcoming year.

Mr. Putnam said that he would put them in the following order: Utility Vehicle w/Top Dresser and Over seeder attachment for Kubota.

Mr. Kelley asked if the Board had any questions.

Ms. Picarazzi asked if the \$10,000 for the Parks & Recreation Master Plan is a consulting fee to do a master plan.

Mr. Putnam said yes.

Ms. Hogan asked how many computer replacements they would be doing.

Mr. Scheer said that they would do 18 computer replacements which keep them on schedule. He noted that they plan on replacement every five (5) years.

b. Budget Deliberations – Start Discussion

Mr. Kelley asked that they start with department 101 – First Selectman and asked that they motion to open it for discussion if they feel that they would like to deliberate on this department.

****MOTION (1)**

Ms. Picarazzi moved to open department 101 – Selectman.

Ms. Hogan seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Ms. Picarazzi recommended reducing this budget by \$5000.

Mr. Kelley noted that he had recommended taking \$3000 out for EDC as it is also handled by Parks & Rec – so he would recommend the \$3000 reduction.

****MOTION (2)**

Ms. Picarazzi moved to reduce the budget for department 101 – Selectman by \$5000.

No Second – Motion died.

****MOTION (3)**

Ms. Hogan moved to reduce the budget for department 101 – Selectman by \$3000.

Mr. Kelley seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Mr. Formica asked if they are identifying the line item(s).

Mr. Kelley said no – just the amount and that he would like them to come back on April 14, 2014 and tell them where they have taken it from.

****MOTION (4)**

Ms. Hogan moved to close department 101 – Selectman.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

****MOTION (5)**

Ms. Hogan moved to open department 102 – Assessor.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

****MOTION (6)**

Mr. Kelley moved to reduce the budget for department 102 – Assessor by \$685.

Ms. Picarazzi seconded the motion.

Ms. Picarazzi noted that they had returned more last year and asked where this number had come from.

Mr. Kelley said that he thought that they could come up with this amount.

Ms. Hogan said that she would not make a reduction as the amount that is returned is sometimes based on different things and this is a small amount.

Vote: 4 – 1 – 0. Motion passed.

Against: Ms. Hogan

****MOTION (7)**

Ms. Picarazzi moved to close department 102 – Assessor.

Mr. Harney seconded the motion.
Vote: 5 – 0 – 0. Motion passed.

****MOTION (8)**

Ms. Hogan moved to open department 103 – Tax Collector.
Ms. Picarazzi seconded the motion.
Vote: 5 – 0 – 0. Motion passed.

Ms. Picarazzi said that she would recommend a reduction of \$1500 for this budget.

****MOTION (9)**

Ms. Picarazzi moved to reduce the budget for department 103 – Tax Collector by \$1500.
Mr. Harney seconded the motion.
Vote: 5 – 0 – 0. Motion passed.

****MOTION (10)**

Ms. Picarazzi moved to close department 103 – Tax Collector.
Mr. Harney seconded the motion.
Vote: 5 – 0 – 0. Motion passed.

****MOTION (11)**

Ms. Picarazzi moved to open department 107 – Town Clerk.
Mr. Harney seconded the motion.
Vote: 5 – 0 – 0. Motion passed.

Ms. Hogan said that she would increase this budget by the \$250 as it is for the extra paper for the filings.

****MOTION (12)**

Ms. Hogan moved to increase the budget for department 107 – Town Clerk by \$250.
No Second – Motion died.

Mr. Kelley said that he had looked at the three year history on their remaining budget and that it had been a considerable amount each year with \$7000 being the lowest amount returned. He would recommend reducing this budget by \$2000.

****MOTION (13)**

Mr. Kelley moved to reduce the budget for department 107 – Town Clerk by \$2000.
Ms. Picarazzi seconded the motion.

Ms. Hogan said that she would recommend against this as it is a small budget.
Mr. Kelley noted that to date that this budget is only 40% spent.

Ms. Picarazzi noted that since there was a decrease in salary with the change that she wondered why it is up by so much (12+ %).

Ms. Johnson said that it is actually around \$66,000 and that she would get them the exact numbers.

Mr. Harney said that his question is where the dollars came back from in the previous years.
Ms. Johnson said that she would have to look that up and get back to them.

Ms. Picarazzi said that she is of the thought that over the past three years money was returned and that she is not ready to sign on for a larger number for this budget and that she actually was inclined to cut it by \$3500.

Mr. Kelley said that he thinks that the point is that they are looking at a budget increase of \$662,000 on the Town side plus the Capital increase and the Board of Ed funding increase – and they have to try to look at their job as being – ‘what can the Town afford’ and they have to look at overall how much they can reduce each of the 27 budgets to get them down to a number that is more affordable to the Townspeople.
He asked if there was any further discussion –

Hearing none –
He called for a vote on the motion –
Vote: 4 – 1 – 0. Motion passed.
Against: Ms. Hogan

****MOTION (14)**

Ms. Picarazzi moved to close department 107 – Town Clerk.
Mr. Harney seconded the motion.
Vote: 5 – 0 – 0. Motion passed.

****MOTION (15)**

Ms. Picarazzi moved to open department 108 – Ledge Light Health District.
Ms. Hogan seconded the motion.
Vote: 5 – 0 – 0. Motion passed.

Mr. Kelley said that there really is nothing here as this is done by contract and per capita and that it is the same for each Town that belongs to the regional district.

****MOTION (16)**

Ms. Picarazzi moved to close department 108 – Ledge Light Health District.
Ms. Hogan seconded the motion.
Vote: 5 – 0 – 0. Motion passed.

****MOTION (17)**

Ms. Picarazzi moved to open department 109 – Information Technology.
Ms. Hogan seconded the motion.
Vote: 5 – 0 – 0. Motion passed.

Ms. Picarazzi said that she is in favor somewhat of a cut in this department as the bottom line has gone up over the past the past two years however she is not sure where it would be cut.

Mr. Kelley said that almost everything has come down except the contract and with how that was being done he thought that it made sense to go out for it.

Ms. Hogan said that her thought was that the contract was pro-active and a way of having protection.

****MOTION (18)**

Ms. Picarazzi moved to close department 109 – Information Technology.
Mr. Carpenteri seconded the motion.
Vote: 5 – 0 – 0. Motion passed.

****MOTION (19)**

Ms. Picarazzi moved to open department 115 – Services to the Community.
Mr. Harney seconded the motion.
Vote: 5 – 0 – 0. Motion passed.

Mr. Kelley asked if they wanted to have discussion on this item.
Mr. Harney and Ms. Hogan suggested that they postpone it until they have a better idea on revenues.

****MOTION (20)**

Mr. Harney moved to close department 115 – Services to the Community.
Ms. Hogan seconded the motion.
Vote: 5 – 0 – 0. Motion passed.

Mr. Kelley asked Mr. Formica for an update on the revenue picture.

Mr. Formica said that the PILOT number would have to be updated and that part of that discussion was to allow the Towns to tax Hospitals and such type of property within their Towns – however – we do not have

any. He said that he thinks that the actual increase between everything is around \$1M with the bulk of it coming from PILOT, FEMA and Permits. He noted that the Sewer assessment fund had paid much of their debt early so that number is changed and that he would have the numbers for them for their next meeting.

Mr. Harney asked what the revenue figures would be for next year.

Mr. Formica said that some of that has to do with the Gateway project.

Mr. Harney said that he was asking as he would like to know the value of the buildings as once they are built there will be a decline in the permit fees and then the grand list should increase.

Mr. Kelley asked that they have the projected revenue figure changes for the upcoming fiscal year for their meeting of April 9, 2014.

Mr. Formica said that would give him time to have a better picture on what they are.

Mr. Kelley said that they would complete their deliberations at their meeting on April 9, 2014 and then on April 14, 2014 the Town should be able to come back with where they reduced their budgets.

F. Public Discussion

Mr. Kelley called for any comments from the Public.

Karen Rak, 27 Black Point Road said that they talk about revenues but when the people get to vote – they vote on an expenditure of dollars and not a mill rate. She said that they have a Field Services Building that was supposed to be a savings – she asked them where those savings are and to please find out what those savings are. They were also told that with an Animal Control Officer that there would be savings but they have not seen any there either. They were told that they would see savings with the Athletic Complex – so they should be seeing it either in Parks & Rec or the Board of Ed as it was supposed to be savings in maintenance. She said that she wants them to take out their pencils on the budget as the people do not vote on a percentage or on what is a good fund balance – she asked not to be insulted by the 'it's a 1.2% increase' as she feels that the people should be able to decide where they want their money to go and what they will have to spend from their money.

G. Board Comments

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

There were no comments.

H. Adjournment

Mr. Kelley called for a motion to adjourn.

****MOTION (21)**

Ms. Picarazzi moved to adjourn this Special Meeting of the East Lyme Board of Finance at 8:50 PM.

Ms. Hogan seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary