

**EAST LYME BOARD OF FINANCE  
SPECIAL MEETING MINUTES  
BUDGET REVIEWS – FY 2014-2015  
Monday, APRIL 14th, 2014**

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

FILED IN EAST LYME  
CONNECTICUT  
April 20, 2014 AT 3:00 AM/PM  
*(Signature)*  
EAST LYME TOWN CLERK

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

**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.

Karen Rak, 27 Black Point Rd. said that as they continue this evening she would like to bring to their attention things happening in the economy. In the newspaper it was mentioned about the bottom line; well the bottom line on disposable income for people has seen its largest decline in 40 years – so if they are talking about ability to pay – they have to take that into consideration. Some facts – soft prices increased 19% since January in the grocery store. Nine states of which Connecticut is one have had an increase in 'starts' for foreclosures. In checking on-line the realty track summary for zip code 06357 was 19-21 properties in some form of foreclosure/default or bank owned. Some other numbers to keep in mind for deliberations this evening – 40% of U.S. individuals said that they could not come up with \$2000 if it was needed for an emergency; Americans will pay more in taxes than for food/clothing combined; and 438,000+ people in Connecticut now receive assistance in one form or another. She asked if the Grand List had increased or decreased as it looked like it has decreased – if so – then they will spend more with less. Since January 1,014 people previously in the labor force in this area no longer have jobs and do not have the resources to continue to pay. From 2008 – 2014 the cumulative inflation for the consumer is 9%. They have to think about a lot of things. She noted that in the newspaper someone had suggested that one budget was underfunded – well – it is an impossibility to underfund so when you hear something like that she said that she thinks that it is disingenuous as every year we have an increase.

She cited the 2014 CCM Testimony (noting that East Lyme belongs to CCM) on the Education 'Minimum Budget Requirement' (MBR) which states: *'every community in Connecticut spends more on K-12 public education than they receive in state funding from the State. Statements to the contrary are false and serve only to muddy the issue rather than help to address it.....K-12 public education costs approach 80% of most municipal budgets in our state yet, the MBR has historically placed the biggest chunk of the municipal budget beyond the democratic control of the people. Elected municipal appropriating authorities and taxpayers currently have no say over the minimum funding level for education services in their town or city....Connecticut is the most reliant state in the nation on property taxes to fund Pre K-12 public education. The general government side of municipalities in Connecticut has shrunk in size over the last decade and transfers scarce local resources to the always increasing education side of local budgets.'* (Copy submitted and attached) She urged them to take out their pencils and determine what is affordable.

## **D. Old Business**

### **a. Any Outstanding Information**

Mr. Kelley noted that they have all received a sheet reflecting the cuts that were made and where the dollars were taken from.

Mr. Formica explained the sheet and that he had worked with the department heads on the various cuts. He noted that storm water management in the Town Engineer budget is mandated and that they would find another area to remove the dollars from once they proceed with other information on the budget throughout the process.

Mr. Kelley commented that they could do that after the public hearing as they would have more information on health insurance, and hopefully revenues.

### **b. Budget Deliberations - Final**

Mr. Kelley asked that they continue with their budget deliberations.

Ms. Hogan said that she would like to make a motion.

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

Ms. Hogan moved to restore \$1500 to department 103 – Tax Collector.

Mr. Carpenteri seconded the motion.

Mr. Kelley said that he met with the Tax collector and that he assured him that he had found a way to accommodate the cut.

Vote: 4 – 1 – 0. Motion passed.

Against: Mr. Kelley

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

Ms. Picarazzi moved to adopt the changes to the budget as recommended and itemized by the department heads (2 pages attached) with the amendment made in the previous motion.

Mr. Harney seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Mr. Harney asked Mr. Formica if he had any further information on revenue figures.

Mr. Formica said that he did want to state that the Grand List is up by a very small amount and not down. It is up by approximately \$12M. He continued that PILOT discussions are on-going regarding merging two initiatives together however they are hoping that the formula stays the same. At this point they are not sure where it is going but he thinks that they should hold with their figure. In other areas he said that he would push Building Permits to \$345,000 for anticipated revenues next year, up from the \$242,000 they had previously. They will have to wait on the rest for now.

Mr. Kelley said that he had some additional adjustments that they could make.

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

Ms. Hogan moved to reduce department 114 – General Govt. Misc. & Benefits – line 127 – Health/Dental Care by \$25,000 to \$1,264,272.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

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

Ms. Hogan moved to reduce department 114 – General Govt. Misc. & Benefits – line 233 – Legal Services – General Govt. by \$10,000 to \$150,000.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

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

Ms. Hogan moved to reduce department 317 – Public Works – line 295 – SCRRRA Tipping Fee by \$5,000 to \$591,550.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

**\*\*MOTION (6)**

Ms. Hogan moved to reduce department 724 – Capital - line 100 - Municipal Projects – Sidewalk Repair – Town Wide by \$25,000 to zero.

Ms. Hogan asked Mr. Formica if there we other dollars for this.  
Mr. Formica said that there is money already in the CNRE for it.

Ms. Picarazzi seconded the motion.  
Vote: 5 – 0 – 0. Motion passed.

**\*\*MOTION (7)**

Ms. Hogan moved to reduce department 724 – Capital - line 100 – Municipal Projects – Town Projects – Various by \$25,000 to \$50,000.

Ms. Picarazzi seconded the motion.  
Vote: 5 – 0 – 0. Motion passed.

**\*\*MOTION (8)**

Ms. Hogan moved to reduce department 724 – Capital - line 100 – Municipal Projects – Revaluation by \$75,000 to \$52,000.

Ms. Picarazzi seconded the motion.

Mr. Kelley noted that the upcoming 2016 reval is a 'drive-by' one and will not cost as much as a full reval and that they already have \$127,000 put aside for it.

Ms. Hogan asked what it costs for the 'drive-by' reval.  
Mr. Formica said that it is in the neighborhood of \$295,000.

Vote: 5 – 0 – 0. Motion passed.

Mr. Kelley asked Ms. Johnson what the new budget total was.  
Ms. Johnson said that it is \$64,987,105.

Mr. Formica noted that the TAR funds that we received allow us to use them for the sanding and salting of the roads and snow removal. He said that he would bring this forth as an adjustment for next week.

Ms. Hogan asked if they should increase the public works budget to accommodate this increase in TAR revenue.

Mr. Formica said yes.

Mr. Kelley said that he had done a quick calculation and that this would increase the mill rate by .711 and based on his home it would come to around \$112 more per year.

**\*\*MOTION (9)**

Ms. Hogan moved to increase department 317 – Public Works - line 224 – Road Reconstruction & Repair - by \$181,493.

Ms. Picarazzi seconded the motion.

Mr. Kelley said that this is completely offset by TAR revenue received.

Vote: 5 – 0 – 0. Motion passed.

**E. Public Discussion**

Mr. Kelley called for Public Discussion.

Karen Rak, 27 Black Point Rd. said that she is confused about the Grand List as according to OPM website that it is \$2.061B – so that is a decrease as the Grand List in 2012 was \$2.3B.

**F. Board Comments**

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

Mr. Harney said that he thinks that the Grand List is up by a small amount of some \$9M to \$10M.

Ms. Hogan said that she is pleased that they were able to identify more decreases.

Mr. Kelley said that they do have another meeting on Monday and that they could make the other adjustments there pending the receipt of more information. He thanked everyone for their hard work.

**G. Adjournment**

Mr. Kelley called for a motion to adjourn.

**\*\*MOTION (10)**

Ms. Hogan moved to adjourn this Special Meeting of the East Lyme Board of Finance at 7:15 PM.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary



## **EDUCATION COMMITTEE**

March 17, 2014

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 92% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

### **HB 5565, "An Act Concerning the Minimum Budget Requirement"**

This legislation would make certain revisions to the Minimum Budget Requirement that do not take all issues into consideration. However, it's not enacting meaningful MBR mandates relief.

Let's be clear - ***every community in Connecticut spends more on K-12 public education than they receive in state funding from the State.*** Statements to the contrary are false and serve only to muddy the issue rather than help to address it.

The imposition of the MBR mandate over the past years has meant that no matter what efficiencies have been found in board of education budgets, the budgets cannot be reduced. In an era in which every other state and local agency are having their budgets closely examined, one entity - boards of education - have been beyond effective scrutiny and shielded from taxpayer control. Connecticut, on the state and local level, continues to grapple with the current tough economic climate. Exempting any part of government from being reviewed for efficiencies and savings is inappropriate.

**K-12 public education costs approach 80% of most municipal budgets in our state yet, the MBR has historically placed the biggest chunk of the municipal budget beyond the democratic control of the people. Elected municipal appropriating authorities and taxpayers currently have no say over the minimum funding level for education services in their town or city.**

***The burden of the most regressive tax in Connecticut -- the property tax -- continues to increase, and non-education municipal services needs (public safety, elderly and youth services, road and bridge repair, recreation, etc.) go underfunded or unmet. Connecticut is the most reliant state in the nation on property taxes to fund Pre K-12 public education.***

The general government side of municipalities in Connecticut has shrunk in size over the last decade and transfers scarce local resources to the always increasing education side of local budgets.

Public Discussion  
Submitted BOZ 4/14/14 Spec. Mtg. 2 pgs.

Modest adjustments to the MBR made in recent years were steps in the right direction. However, Connecticut's property taxpayers need bolder moves:

- Increase the amount that school districts with lower enrollment can reduce expenditures from the current \$3,000 per pupil to \$5,000 per pupil or 40 percent of net current expenditures per pupil.
- Increase the total allowable reduction for all expenditures from 0.5 percent to 1.0 percent.
- Clarify that towns and cities can be credited for in-kind services such as building maintenance, snow removal, etc., when calculating the MBR.

Now is the time for serious MBR relief-- and HB 5565 does not provide that.

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If you have any questions, please contact Chelsey Worth at [cworth@comptroller.com](mailto:cworth@comptroller.com) or (203) 470-5214.

Town of East Lyme  
Proposed 2014/15 Budget  
Board of Finance - April 9, 2014 - Deliberations  
Department Reductions as Recommended by Department Heads

Dept	Name	A/C Number	A/C Description	Proposed	Reduction	BoF
101	First Selectman	01-01-101-200-296	Economic Development	231,962	(3,000)	228,962
102	Assessor			202,126	(685)	201,441
		01-01-102-100-412	PT Clerical	1,613	(485)	1,128
		01-01-102-300-246	Transportation	732	(100)	632
		01-01-102-300-320	Misc Supplies	3,705	(100)	3,605
103	Tax Collector			172,938	(1,500)	171,438
		01-01-103-100-314	Overtime	250	(150)	100
		01-01-103-100-412	PT Clerical	2,000	(500)	1,500
		01-01-103-300-241	Dues in Prof Organization	497	(250)	247
		01-01-103-300-242	Prof Conv/Conf	200	(200)	-
		01-01-103-300-246	Transportation Allow	500	(400)	100
104	Building			183,723	(2,100)	181,623
		01-01-104-200-293	Permit Refunds	3,000	(1,600)	1,400
		01-01-104-300-246	Transportation Allow	1,000	(500)	500
105	Engineer	01-01-105-200-029	Storm Water Mgt	256,758	(2,500)	254,258
107	Town Clerk			183,086	(2,000)	181,086
		01-01-107-100-314	Overtime	200	(100)	100
		01-01-107-200-292	Contracted Land Record	24,500	(500)	24,000
		01-01-107-200-293	State Fees-MarriageDog	11,000	(1,000)	10,000
		01-01-107-200-294	Records Storage	1,100	(100)	1,000
		01-01-107-300-257	Preservation	8,750	(200)	8,550
		01-01-107-300-320	Misc Supplies	2,750	(100)	2,650
109	Info Technology	01-01-109-300-320	Misc Supplies	118,234	(300)	117,934
113	Bldg Maint	01-01-113-200-222	Building Maint	715,383	(2,500)	712,883
114	GG & Misc	01-01-114-200-201	Unemployment Comp	3,379,369	(2,000)	3,377,369
118	Finance			268,853	(1,600)	267,253
		01-01-118-100-412	PT Clerical	400	(100)	300
		01-01-118-300-242	Prof Conv/Conferences	1,005	(200)	805
		01-01-118-300-246	Transportation Allow	855	(200)	655
		01-01-118-300-296	Wellness	2,500	(300)	2,200
		01-01-118-300-320	Misc Supplies	7,375	(800)	6,575
120	Contingency	01-01-120-300-500	Contingency	220,000	(15,000)	205,000
216	Police			2,163,624	(15,000)	2,148,624
		01-25-216-100-513	Foot Patrol/Parade Duty	25,000	(2,000)	23,000
		01-25-216-100-514	Overtime	260,000	(6,000)	254,000
		01-25-216-100-515	Overtime-Boat Duty	25,000	(2,000)	23,000
		01-25-216-200-213	Mobile Radio Service	17,000	(1,000)	16,000
		01-25-216-200-221	Radio Maintenance	11,200	(1,000)	10,200
		01-25-216-300-313	Uniforms	27,000	(1,500)	25,500
		01-25-216-300-326	Training Supplies	25,600	(1,500)	24,100

BoF 4/14/14 Attachment Motion(2)

2 pgs.

Dept	Name	A/C Number	A/C Description	Proposed	Reduction	BoF
217	NFD	01-25-217-200-223	Miscellaneous Equip	493,979	(1,000)	492,979
218	FFD			373,284	(7,500)	365,784
		01-25-218-100-612	PT Firefighters	88,128	(4,000)	84,128
		01-25-218-100-614	Overtime	64,510	(3,500)	61,010
		01-25-218-200-220	Vehicle Maintenance	16,800		16,800
224	Emer Mgt/FM	01-25-224-300-224	CERT Training	674,930	(3,000)	671,930
317	PWD	01-30-317-210-295	SCRRRA Tipping Fee	3,667,705	(15,000)	3,652,705
421	P & R			925,330	(10,000)	915,330
		01-45-421-100-412	PT Seasonal Labor	227,223	(3,500)	223,723
		01-45-421-100-314	Overtime	32,000	(600)	31,400
		01-45-421-200-344	Equipment Maint	19,500	(1,000)	18,500
		01-45-421-200-350	Park/Field Maint	65,083	(2,000)	63,083
		01-45-421-300-201	Telephones/Cable/Int	5,000	(300)	4,700
		01-45-421-300-241	Dues In Prof Org	1,400	(300)	1,100
		01-45-421-300-320	Miscellaneous Supplies	14,500	(500)	14,000
		01-45-421-300-335	Materials	57,000	(1,500)	55,500
		01-45-421-400-210	Electricity	17,000	(300)	16,700
			Total Gen Govt Oper		(84,685)	

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