

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, MARCH 9th, 2016**

Members in Attendance: Lisa Picarazzi, Acting Chairperson
Camille Alberti
Beth Hogan
Jason Pazzaglia
William Weber

FILED IN EAST LYME
CONNECTICUT
Mar 14 2016 AT 10:00 AM/PM
Calvin Salvo
EAST LYME TOWN CLERK

Also In Attendance: Anna Johnson, Finance Director

Absent: Steve Harney, Chairman

A. Call Meeting to Order

Acting Chairperson Picarazzi called this Regular Meeting of the East Lyme Board of Finance to order at 7:00 PM.

B. Pledge of Allegiance

The Pledge was observed.

C. Delegations

Ms. Picarazzi called for delegations.

Gary Lakowsky, 12 Methodist Street said that he is the Chairman of the Smith Harris Commission and that he wanted to let them know that the budget forwarded from the Board of Selectmen is not the budget that they presented and that they would like to be heard by this Board regarding their budget.

Mike Schulz, Lovers Lane thanked them for giving of their time to serve the community. He said that as they are aware of the State deficit going up and up that they also should be aware that there will be less and less for the communities coming from the State. This will make their job harder as the people in this Town take advantage of things such as the free breakfasts and lunches. Many can afford to feed their kids and it is not the responsibility of the taxpayers to keep funding this for them. He said that he counted 165 requests for donations that he alone has received and imagines that they have received them also. The school budget he saw was requesting \$45.7M, a 3.93% increase which, while it is lower than the 5% or 6% that they originally requested, is still way too high. They went from 11 or 12 administrators to 16.5 FTE's this year with an average salary of \$147,000 each representing average increases of \$4200. This does not include the Superintendent's and Assistant Superintendent's salaries. Further, next years' increase is 3% followed by another 3.25% and then 3%. They should not be signing contracts out for so many years at these rates. When the BOE presents the budget they say that 80% of the budget is due to salaries and benefits. He said that he also doubts that a lot of these people even live in this Town. They also have two administrative people getting over \$9000 each for opting out of taking our insurance and that is not right. The Town and school district is self-insured with stop-loss stepping in over \$125,000 but they are also paying a \$150,000 management fee. Being self-insured can do a huge job on us. He suggested that they do two things: First, either terminate employees at age 65 or mandate that they and their spouses get off if our insurance. For savings they should have the employee who has a spouse who gets insurance from their company cover the person here also as these are real areas where we can save. Second, they need to get rid of the \$9,385 payment in the school for not taking our insurance as that is embarrassing to all of us.

D. Approval of Minutes

▪ **Regular Meeting – February 10, 2016**

Ms. Picarazzi called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of February 10, 2016.

****MOTION (1)**

Ms. Hogan moved to approve the Board of Finance Regular Meeting Minutes of February 10, 2016 as presented.

Mr. Weber seconded the motion.

Vote: 4 – 0 – 1. Motion passed.

Abstained: Ms. Alberti

E. Reports

◆ First Selectman

There was no report.

◆ Board of Education

There was no one present from the BOE and no report.

Ms. Johnson noted that the BOE would be presenting their budget to this Board next week on March 17, 2016.

◆ Finance Director

Ms. Johnson noted that she had put updated budget summary and revenue sheets in the packets she provided them with this evening. They had received their other reports in the mail. She said that she would answer any questions that they might have.

Ms. Hogan asked if the \$40,000 for legal for this past month is still the result of the FOI requests.

Ms. Johnson said that some is but they also had an inquiry from the Dept. of Defense. They hope to be able to cover the legal expenses within the budget.

Ms. Hogan asked about the street lights and the \$25,000 – if it was part of the program that they had discussed.

Ms. Johnson said that it is just what they paid for last month.

Ms. Hogan asked if any of the revenues are coming in higher than expected.

Ms. Johnson said no.

Ms. Alberti asked about the PILOT funds that were shorted by \$107,000.

Ms. Johnson recalled that was the hit that they had taken from the State.

Ms. Hogan said that she recalled that there was \$22,000 that they were supposed to get that was in a recent CCM update.

Ms. Picarazzi asked if there were any areas of concern that they should be aware of.

Ms. Johnson said that she has been watching the Police and Fire Departments. She also said that in the Planning Department the Part-time Clerical – Recording Secretary line item will be looking for additional funds as the person who is doing the minutes works full time within the Town and has to be paid at an overtime rate and they are in need of \$1000 to help make it through the year.

Mr. Weber asked how that worked and what the rate is.

Ms. Johnson said that if its \$18/hr. then it would be \$27/hr.

Ms. Johnson said that in November, December and January that they had a reprieve with the Health Insurance however February hit us hard and was the second highest month of claims so far for this year. Also, March so far is at \$143,000 which is trending on the higher side. She said that she was hopeful that they would continue on the downward trend again but that was short-lived.

F. New Business

a. Transfer Dispatch Employees 2015/16 Wage Increases

Ms. Johnson explained that this is a one year agreement for the Dispatchers as the contract has been negotiated. The money for these increases is in the Payroll Contingency budget account.

****MOTION (2)**

Mr. Weber moved to transfer \$5,534 from account 01-01-120-100-500 (Contingency Pending PR Change) to the following accounts: \$4,421 to account 01-25-224-100-212 (Dispatchers), \$719 to account 01-25-224-

100-214 (Overtime) and \$394 to account 01-01-113-100-121 (FICA/Medicare) to fund Local 1303-436, Council 4 AFSCME (Dispatchers) agreement.

Ms. Alberti seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

b. Transfer from the Parahus Fund to COA General Fund up to \$5,000

Ms. Johnson explained that the Parahus Account of the Senior Center currently has over \$110,000 in it and the Senior Center would like to transfer up to \$5000 from it to the General Fund to be used to fund the Program Instructors line item to make it to the end of the fiscal year. The Commission on Aging Board approved this withdrawal at their February 22, 2016 Board Meeting.

****MOTION (3)**

Ms. Alberti moved to appropriate and transfer out up to \$5000 from the Parahus fund 11 into the General Fund 1 accounts as follows: Revenue account 01-08-800-818 (Commission on Aging Program Money) and budget account 01-40-418-100-415 (Program Instructors).

Mr. Pazzaglia seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

c. Review 2016/2017 Proposed Budget

Ms. Johnson said that they had their budget books for this budget cycle in front of them and then went over the organization of the books and how they are set up for the new members of the Board. She urged them to read Mr. Nickerson's memo on the department budgets and to review the various areas so that they are familiar with them.

G. Old Business

a. Purchasing Policy

Ms. Johnson said that she has a collection of purchasing policies from other Towns and is in the process of reviewing them.

b. NFD/FFD PT & OT Review

Ms. Johnson said that as she stated previously, she is keeping an eye on this and both are tracking on the high side but that could change over the remaining months.

c. Review 2016/17 Proposed Budget Review Schedule

Ms. Picarazzi noted that they have meetings scheduled for March 14, 2016 and March 17, 2016. They had wanted to wait until this meeting to decide about the meetings for the following week as there were members who could not attend. After discussion it was decided to schedule Special budget meetings on March 28, 2016, March 30, 2016, April 4, 2016; the Public Hearing followed by a Special Meeting on the budget on April 25, 2016 and a Special Meeting to set the mil rate on May 31, 2016.

****MOTION (4)**

Mr. Weber moved to schedule Special budget meetings on March 28, 2016, March 30, 2016, and April 4, 2016; the Public Hearing followed by a Special Meeting on the budget on April 25, 2016 and a Special Meeting to set the mil rate on May 31, 2016.

Ms. Hogan seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

d. Special Appropriation \$16,005 CNRE Fund 32 Public Safety Fire Department Assessment

Ms. Picarazzi asked about the other bids that they were going to get.

Ms. Johnson said that she sent out RFP's and should have something soon.

Mr. Weber asked that they agree now on the number of quotes that they will look at so that they will not have to go back out again when they do get them. He suggested three if possible.

Ms. Hogan said that if they have sent out to 10 places and only two reply then she would have to say that they have done their due diligence.

Ms. Johnson said that a good rule of thumb is to try to get three.

H. Public Discussion

Ms. Picarazzi called for Public Discussion.

Mike Schulz, Lovers Lane said that he wanted to comment on the BOE and their revenues. He hopes that they are fully transparent about it as they always spend their revenues.

Gary Lakowsky, 12 Methodist Street thanked the Board for agreeing to hear from the departments including the smaller budgets as they are often the more difficult ones to work with. With regard to sending out bids he said that the Town could piggyback on the State contracts and State bids.

I. Board Comments

Ms. Picarazzi called for Board comments.

Ms. Hogan said that she thought that Mr. Lakowsky was talking about the State procurement list. She also said to Mr. Schulz that from what she has heard, they should be seeing all of the BOE revenue accounts this year.

J. Adjournment

Ms. Picarazzi called for a motion to adjourn.

****MOTION (5)**

Ms. Alberti moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 8:25 PM.

Ms. Hogan seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary