

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, SEPTEMBER 14th, 2016**

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

FILED

Sept 15 2016 AT 10.30 (AM) (PM)
Camille Alberti, AR

Also In Attendance: Mark Nickerson, First Selectman
William Scheer, Assistant Director of Public Works
Anna Johnson, Finance Director

EAST LYME TOWN CLERK

Absent: Steve Harney, Chairman, Lisa Picarazzi, Secretary

A. Call Meeting to Order

Acting Chairperson Alberti called this Regular Meeting of the East Lyme Board of Finance to order at 7:04 PM.

B. Pledge of Allegiance

The Pledge was observed.

C. Delegations

Ms. Alberti called for delegations.

There were no delegations.

Ms. Alberti explained the semantics of what could be discussed during Delegations and during Public Discussion.

D. Approval of Minutes

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

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

****MOTION (1)**

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

Mr. Pazzaglia seconded the motion.

Vote: 3 – 0 – 1. Motion passed.

Abstained: Mr. Weber

E. Reports

◆ **First Selectman**

Mr. Nickerson said that the Town has been very busy and that he would be happy to answer any questions that they may have.

Ms. Alberti noted that she had seen that they received the MRSA money and asked how it would affect their budget.

Mr. Nickerson said that it was built into the budget and excludes the contract negotiations and similar items.

◆ **Board of Education**

Barbara Senges from the Board of Education reported that they have been very busy working on a long range plan with a consultant. The Board has also been in negotiations with two non-certified groups – the secretaries and the custodians. The new secretarial contract is a four-year contract. The Board has been

looking for ways to save in terms of cost for employees and the secretarial staff will go into the high deductible health plan starting in the second year of the contract as it was too late to switch in the first year. The custodians will also go into it however that contract has not been decided yet. They also looked into grand-fathering some of the retirement benefits such as the vacation and sick time that they pay out currently for both of the contracts so that any new hires will no longer receive those benefits when they retire. The contract negotiations have taken longer as the employees were not used to looking at those types of items. The secretaries are looking at some 2.5% each year over four years and while the money is in the budget for this year – it will have to be figured into the budget for the successive years. She noted that they are also looking at priorities and goals. Enrollment is also up over what was expected for this year and they have asked that the projections be re-figured. Some of their goals relate to the financing of the facilities and operations and their aim to achieve transparent spending via zero based budgeting – starting from scratch and building on it. They are also looking to improve the capital improvement plan transparency. Some of the capital improvements that will be coming forward to the plan involve the pool air handler system which is in serious need of replacement. The pool area also needs more locker rooms and they are looking at that in terms of a potential addition to the facility. She said that the custodial negotiations should be done fairly quickly and that the BOE representative coming to their next meeting would fill them in on the details of those negotiations.

Jeffrey Newton, Superintendent of Schools passed out a Design Committee Progress Update for the Elementary School Facilities (Copy attached). He noted that the last presentation was pulled back due to the cost and that they are starting fresh with the process and have held a few meetings. This moves away from the previous plan to an alterations plan. There is a need for upgrades while considering the fiscal picture and climate locally and state wide. They are thinking in terms of working with the Town that an affordable budget to address the elementary schools would be one up to \$30M. Some of that would also be covered by the State so it could fall in the \$25M-\$28M range. He reviewed the design requirements as outlined in the presentation progress report noting that it includes the alteration of the small gym at LBH for use as a gym for school and Town use. This all continues with a programmatic and space needs meeting tomorrow and the Design Steering committee reconvening on September 20, 2016.

Mr. Weber asked about the age of the pool.

Mr. Newton said that it is 18 years – so they are almost closing in on 20 years. He added that the program has generated revenue that can be put towards the cost.

Mr. Weber noted that the projections understandably are a guess and asked if they are still proposing to keep all three (3) schools.

Mr. Newton said no – even when considering 900 students – it would be 450 students per school. This is something that will be part of an upcoming discussion.

Mr. Weber asked if there are any plans for the Middle School of High School,

Mr. Newton said that there are none at this time and that the buildings have been kept up.

Ms. Alberti asked if the \$30M was from the previous Kaestle Boos study.

Mr. Newton said that the \$30M includes 4% for inflation. He said that he would like to note again that the LB Haynes School is in the best shape and affords the best prospects.

Ms. Alberti asked if there was any thought to having a Board of finance member on the Steering Committee.

Mr. Newton said that they are certainly welcome and that in the meantime they can come to listen.

Ms. Alberti said that she would let the Chairman know.

The Board thanked Ms. Senges and Mr. Newton for their reports.

◆ Finance Director

Ms. Johnson reported that she had provided them with the updated revenue and general monthly reports and that she would answer any questions that they might have.

There were no questions.

F. New Business

a. Special Appropriation – \$200,000 Brownfield Grant

Mr. Nickerson said that this is the grant that they applied for in conjunction with the removal of the 224 Main Street property and any remediation that may be necessary once the entire environmental investigation is complete. Mr. Scheer is present should they have any questions.

Ms. Alberti asked if there were any questions – hearing none – she called for a motion.

****MOTION (2)**

Mr. Weber moved to appropriate a \$200,000 Brownfield Assessment grant to complete an environmental assessment of 224 Main Street, remove the building as part of this assessment, and to develop plans and cost estimates associated with any remediation necessary and the ultimate reuse of the property.

Ms. Hogan seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

(Note: Town Meeting Approval Required)

G. Old Business

a. Purchasing Policy

Ms. Johnson said that she does have something committed to writing but would like to review it with Mr. Nickerson and the Department Heads first. She noted that she did put something in for local contractors (3%-5% differential).

Mr. Nickerson said that they are working in draft form and that the Board of Finance only provides feedback as it does not set policy or procedure. It is the Board of Selectmen that does that. He said that he wanted to make sure that they are clear on that – their input is valuable but it is the Board of Selectmen that approves it in the final form.

Ms. Alberti noted that it has been on the agenda for some 18 months now and that she does not have a high degree of confidence that it is going to get done by the end of this year. She asked Mr. Nickerson if someone from the Board of Selectmen could be appointed to help with this.

Mr. Nickerson said that he did not find that appropriate at this time.

Ms. Alberti said that since it has been on the agenda for so long that she does not want it to continue into the next budget season with no written policy.

Mr. Nickerson said that he has seen one in print and that he would provide them with it.

b. Leave Time

With respect to this item, Mr. Nickerson reiterated that the Board of Selectmen sets policy, practice and engages in contract negotiations and that while they can leave this on their agenda – it is a Board of Selectmen function.

Ms. Alberti said that it was a particular hot button regarding pay-out of an employee who retired so she would like it to stay on the agenda and that they be updated on it.

Mr. Nickerson said that he would be happy to provide them with the results of contract negotiations.

Ms. Hogan noted that Police Sgt. Macek had presented to them methods that were being employed in that department to try to control costs.

Mr. Nickerson said that there was no change to the contract there and that it was a management function and that management had to hold the employees to what the contract states. They did not change the contract – they just held them to it.

Mr. Weber noted that a policy helps them and makes things cleaner as they would have a policy to refer to should it be necessary.

Mr. Nickerson said that he would commit it to writing.

Ms. Alberti said that she does not think that the Board can approve things without it.

H. Public Discussion

Ms. Alberti called for Public Discussion.
There was no Public Discussion.

I. Board Comments

Ms. Alberti called for Board comments.

Mr. Weber said that he would like a process for who would be the Chair of their meetings when the Chair (and Secretary) is absent. He added that he thinks that a phone call to someone is not acceptable and not transparent.

Ms. Alberti said that she has been on the Board for some 4-5 years now so she is the senior person and that she was asked by Mr. Hamey to Chair the meeting.

Mr. Weber said that he still would like transparency.

Ms. Alberti said that she would like it to be on the December agenda as that is when they do their elections. She added that on another issue that she thinks that there should be some sort of handbook for this and all other Boards on how and what it means to be a new member on a Board or Commission as they will be facing an election and new members.

Mr. Nickerson said that they do have the new members attend an FOI meeting and the Attorney meets with and discusses the legal aspects for the Commissions. Further with the land use commissions, the department heads generally handle this and meet with the new people to go over what it expected. He said that he would work with Ms. Johnson on something for this Board.

Mr. Weber noted that when he came on that Ms. Picarazzi had sent him information on the Board of Finance and a copy of Roberts Rules.

Mr. Pazzaglia noted that he had also been sent that information.

J. Adjournment

Ms. Alberti called for a motion to adjourn.

****MOTION (3)**

Mr. Weber moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 8:08 PM.

Mr. Pazzaglia seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary

East Lyme Public Schools

Design Committee Progress Update for the Elementary School Facilities

Presented to the East Lyme Board of Education
on September 12, 2016

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Design Steering Committee Progress Update

Meetings To Date:

August 18, 2016

September 7, 2016

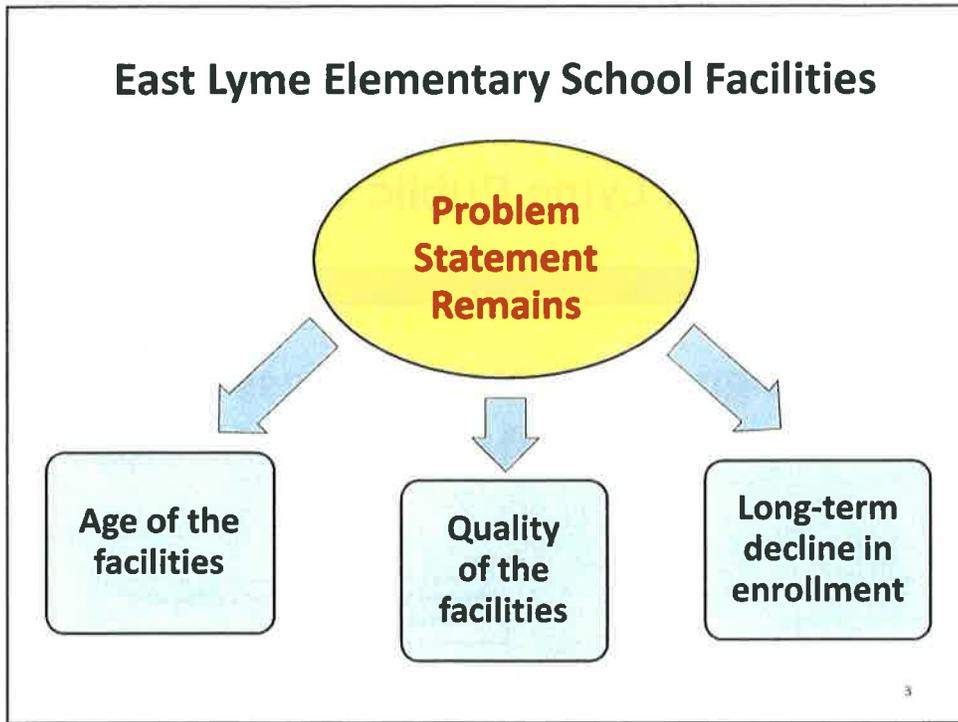
Committee Membership:

| | | | |
|--------------|------------------|-----------------|----------------|
| Tim Hagen | Jeff Newton | Linda Ananla | John Arnold |
| Eric Bauman | Melissa DeLoreto | Bill Derry | Linda Johansen |
| Ray O'Connor | Jeff Provost | Marc Salerno | John Whrltner |
| John Rhodes | Mark Nickerson | Candice Carlson | Maria Whalen |

Committee is in need of additional time prior to sharing their revised school alteration proposal with the Board of Education

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Submitted by Aupt. Newton
Attachment BOT - 9/14/16



Town of East Lyme Fiscal Picture

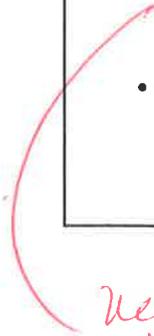
• **ISSUE:** We need to upgrade the overall environment of our Elementary School facilities.

• **CONCERNS:**

- East Lyme has a total debt service of over \$55 million *dko*
- The State has serious debt and budgetary constraints which may lead to increasing the cost sharing burden to state municipalities and/or directly to the tax payer *blat*
- East Lyme Education operating budget will be constrained by recent negotiated contracts with bargaining units and insurance cost increases

• **CONCLUSION:** Building new or renovating-as-new is not a fiscally prudent option in today's situation

Need upgrades



*New contracts w/ increases - Teachers -
Sec / cust. - all come w/ costs*

Town of East Lyme Fiscal Picture

• **ISSUE:** We still need to upgrade the overall environment of our Elementary School facilities

• **POINTS:**

- - Over the next five years the Town's existing debt service will decrease by a factor of two
- - Interest rates still remain very low
- Fixing our Elementary School facilities will have cost savings on the operational budget
- - Working with the Town, up to \$30 million could be an affordable budget to address our Elementary Schools

Target — 25m - 28m

• **CONCLUSION:** Develop an alteration plan for the Elementary School facilities with a budgetary goal to East Lyme of \$30 million.

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Elementary School Alterations

Non-Negotiables:

- Essential to ensure every child has an equal opportunity to learn in the best educational setting
- We must ensure that staff are provided the best opportunity to educate our children in the most positive environment
- We will remain focused on the balance between educational needs and fiscal responsibility

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Elementary School Alterations

Alteration Design Requirements:

- Provide best practices for school facility security and safety
- Upgrade facilities for handicap (ADA compliant)
- Maintain class sizes consistent with current practices and BOE guidelines
- Upgrade environmental and air quality systems
- Provide balanced schools in size and support services with a buffer of up to 900 students

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Elementary School Alterations

Alteration Design Requirements (Continued):

- Enhance both internal and external building finishes
- Total alteration cost to the Town capped at \$30 million
- Include the alteration of the small gymnasium at LBH for use as a gymnasium for school and Town use
- Maintain space in LBH to accommodate rental to LEARN and classrooms for Creative Playschool
- Include additional technology enhancements such as Wi-Fi Service, laptops, etc to equally prepare our students for the future

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Elementary School Alterations

Next Steps:

- Work continues on breaking down associated project alteration costs and identifying eligible vs. ineligible state reimbursement items
- Student enrollment (current and projected) continues to be scrutinized
- Principals in collaboration with the architect are again reviewing programmatic and space needs

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Elementary School Alterations

Next Steps (Continued):

- Programmatic and space needs meeting to occur on Thursday, September 15th
- Design Steering Committee reconvenes on September 20th
- Recommend holding a BOE 'Committee of the Whole' Meeting (TBD) to review Design Steering Committee recommendation

*With 3 Rep. together
as did before*

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