

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, AUGUST 12th, 2015**

Members in Attendance: Steve Harney, Chairman
Lisa Picarazzi, Secretary
Camille Alberti
Steve Carpenteri
Steve Kelley

FILED IN EAST LYME
CONNECTICUT
Aug 18, 2015 AT *1:30* AM/PM
Ceslynn Blair
EAST LYME TOWN CLERK

Also In Attendance: Mark Nickerson, First Selectman
Anna Johnson, Finance Director
Jeffrey Newton, Superintendent of Schools

Absent: Beth Hogan

A. Call Meeting to Order

Chairman Harney 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

Mr. Harney called for Delegations.
There were no delegations.

D. Approval of Minutes

▪ **Regular Meeting – June 10, 2015**

Mr. Harney called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of June 10, 2015.

****MOTION (1)**

Mr. Kelley moved to approve the Board of Finance Regular Meeting Minutes of June 10, 2015 as presented.
Mr. Carpenteri seconded the motion.
Vote: 5 – 0 – 0. Motion passed.

▪ **Special Meeting – June 16, 2015**

Mr. Harney called for a motion for approval or any changes to the Board of Finance Special Meeting Minutes of June 16, 2015.

****MOTION (2)**

Mr. Kelley moved to approve the Board of Finance Special Meeting Minutes of June 16, 2015 as presented.
Ms. Picarazzi seconded the motion.
Vote: 5 – 0 – 0. Motion passed.

▪ **Regular Meeting – July 8, 2015**

Mr. Harney called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of July 8, 2015.

Ms. Alberti asked that on Page 2 in the last line of the fifth paragraph that the \$500.00 be changed to read:
\$500,000.

****MOTION (3)**

Mr. Kelley moved to approve the Board of Finance Regular Meeting Minutes of July 8, 2015 as amended.

Mr. Carpenteri seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

E. Reports

◆ **First Selectman**

Mr. Nickerson reported on the following:

- Celebrate East Lyme was a great success.
- They have done balloon floats on the three possible locations for cell towers in Town and it is now in the hands of the Siting Council.
- They held a public session on Open Space land recently that went well.
- The fiber optic network and new servers were approved last week for Town Hall.
- On October 3, 2015 there will be a drive-thru flu clinic – more information to come
- A free dental clinic will be coming to the High School – modeled on those that they have heard about in the larger cities; this will have 30 chairs and 30 dentists – for New London County. This is the same as the larger ones that are held, only on a smaller scale. This event is staffed by volunteers from the professional community.
- The Water & Sewer Commission is looking into the potential for water to run up Cardinal Road where the family recently lost their home and pets in a fire.

Ms. Alberti said that she was of the understanding that years ago when they had that option that there was a hold-out who did not want it. She asked how it would work and if they would all be assessed.

Mr. Nickerson said that they are looking into this as it is at a very initial stage.

- He is in negotiation with three unions; one is in arbitration and the other two have begun negotiations.

Mr. Nickerson noted to Ms. Alberti and the Board that if they would like, he would have the Labor Attorney come in for a half hour at their meeting and go over the process and how it works as that might be better than just popping into negotiation meetings.

- They will be holding a Public Hearing for sewers on Park Place soon as there is an Affordable Housing project going on there that is connected to sewers and they could connect through that area. They are also working on the potential for sewers in Saunders Point.
- The SEAT bus has one route in East Lyme and a study showed that they may eliminate our stop or perhaps only do it seasonally as the ridership/usage is low.
- There was a foreclosure sale recently on 26 Beckwith – the Town was owed \$26,000 and the property sold for around \$76,000 so we have recouped the money owed us.
- The VFW Car Show is well attended as is the Farmer's Market every Thursday. Protek also has music.
- The paving project continues.
- The Senior Center will be having its Silver Anniversary celebration.
- On October 2nd there is a Children's Museum Event.

Ms. Picarazzi asked about the Boardwalk progress.

Mr. Nickerson said that it is moving along.

Mr. Kelley added that he walks it every day and that it is coming along.

Mr. Nickerson noted that once the project is complete that 70 parking spaces will be added to the McCook's parking lot.

Ms. Alberti asked for an update on the mini-mart at the end of Pennsylvania Ave.

Mr. Nickerson said that it is on the market and has been listed and that he had no further update.

Mr. Nickerson noted that the lease ran out on the Dominion building where the Police Department is as it has been 10 years. They will be re-negotiating the lease.

◆ **Board of Education**

Mr. Newton, Superintendent of Schools thanked Mr. Bragaw, Mr. Benni and Mr. Nickerson for the road paving done to Lovers Lane prior to the commencement of school.

He reported on the following:

- o The summer activities to prep the buildings have been going well and they will be ready for the start of school.
- o At the Monday evening Board of Ed meetings they discussed sending a BOE member to the Board of Finance meetings to report back. Mr. Hagen will be the first to come.
- o Teacher negotiations are about to begin. He said that they were sent a letter regarding the beginning meeting which will be held on August 27, 2105 at 4 PM asking them to attend so that they might inform them of financial issues for the Town and how they may influence the negotiation process.

Ms. Picarazzi said that she looked forward to the BOE member coming to their meeting and asked if they have determined the format they might follow.

Mr. Newton said that he thought that it would follow one of exchanging/updating information.

◆ **Finance Director**

Ms. Johnson noted that she had provided them with updated summary and revenue information as they were still recovering from the server crash and the loss of some information. Due to this, the software vendor has been here to work on total restoration so that they would be ready for the audit process.

Ms. Picarazzi asked Ms. Johnson if she had any areas of concern.

Ms. Johnson said that they would be closely monitoring the Health Insurance as that is the big item. In July they paid out \$712,000 in claims and to date for this month they have another \$300,000. She noted that she asked for two months payments from the BOE to pay our first quarter. She said that she expects this month to be high also as the educators all go for their exams prior to the start of school. She also noted the unfunded State mandate that she had provided them with regarding education for the Registrars. It is \$200 per person/per class and there are 8 class modules that they will have to pay for.

Ms. Alberti asked about the Deputy Registrars.

Mr. Nickerson and Ms. Johnson explained that the Deputy Registrars may be the people who will go. They have not worked out the entire process yet.

F. New Business

a. Executive Session – To Discuss a BOE Special Education Legal Issue presented by the BOE Attorney

Mr. Nickerson called for a motion to move into Executive Session.

****MOTION (4)**

Ms. Picarazzi moved to enter Executive Session at 7:37 PM to discuss BOE Special Education Pending Litigation inviting BOE Attorney Shel Myers, Superintendent Jeffrey Newton, First Selectman Mark Nickerson, Finance Director Anna Johnson and Selectperson Rose Ann Hardy to join them.

Mr. Carpenteri seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

****MOTION (5)**

Ms. Picarazzi moved to return to Regular Session at 8:41 PM with no action taken in Executive Session.

Mr. Kelley seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

b. Carry-over request remaining balance – LoCIP Grant - \$80,325.13

Ms. Johnson explained that this is money that they have left from the 2014-2015 budget year, that they have to carry over to the current budget year to complete projects such as the new folding door at ELCC, the purchase and installation of a generator for Town Hall and for paving of various Town parking lots.

****MOTION (6)**

Ms. Alberti moved to approve the carry-over of the remaining balance of \$80,325.13 in account 01-30-317-500-100 (LoCIP) and corresponding revenue account 01-03-300-320 from the 2014/15 budget to the 2015/16 fiscal year.

Mr. Kelley seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

c. Fiscal Year Transfers Within Budgets - \$49,598.62

Mr. Nickerson noted that they have the information on the transfers.

Mr. Kelley said that in looking at Niantic Fire Department overtime that they went over – they spent more than they had. He asked if they would get control of this or be back again this year with the same issue. Mr. Nickerson explained that they do great work however their leaders are chosen by their peers within the department. They will keep an eye on this account.

Ms. Picarazzi said that there still might be an issue with the fire departments and that she would like them to have tighter control over the budget. She asked when would be a good time to review this again.

Mr. Nickerson suggested that it be reviewed at the December meeting of the Board.

****MOTION (7)**

Mr. Kelley moved to ratify departmental transfers in the amount of \$48,598.62 processed for fiscal year end June 30, 2015. (Listing attached)

Mr. Carpenteri seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

G. Communications

Mr. Harney noted the memo from the Tax Collector regarding the server crash and bringing the figures up to date.

Mr. Harney said that they had also previously discussed the letter from the BOE regarding upcoming teacher contract negotiations.

H. Old Business

a. Purchasing Policy

Mr. Nickerson noted that he had a volunteer who started working on this but had to leave.

Ms. Picarazzi asked if they could have something on this for their November meeting.

b. Audit Comment Plan

Ms. Johnson said that she would update them on this next month.

I. Public Discussion

Mr. Harney called for Public Discussion.

Mike Schulz, Lovers Lane thanked the Board for their service. He said that the health insurance is such a huge expense to us that they need to close in on details on how they are supporting the expenses of the Town and School. Everyone deserves good health insurance and everyone should be making a contribution to it. He said that he does not think that anyone should be getting a free ride. For Aetna to manage it they are paying around \$115,000 per year – he said that he has the master plan from Aetna and they need to determine how much more the Town spent from FY 2014-2015. He asked how they determine the percentages for self-insured as there is no number there – where is the calculation.

Further, with an aging work force they have to make sure that those over 65 are going to Medicare. They are paying up to \$125,000 per enrollee per incident but he is not sure how the spouse fits in and is not sure where that is written. He asked if it would be cheaper to have other insurance as he thinks that this is a huge expense.

Ms. Alberti asked which agreement he was referring to.

Mr. Schulz said that it is called – 'Master Service Agreement Town of East Lyme and Aetna' and the Education system is under the same agreement. He obtained it from the Town clerk's office.

Ms. Picarazzi said that she did not know about the over 65 issue and that Town employees do not have to go to Medicare – she asked if that was so.

Mr. Nickerson said that is correct – they do not have a plan now for that to happen and they would have to deal with collective bargaining but there would be a cost to pay to do things differently.

Ms. Picarazzi said that she knows somewhat of how collective bargaining works and that there is generally a pot of money and that is what there is to allocate.

Mr. Schulz said that what he is saying does not apply just to collective bargaining – as there are many others who at 65 are not mandated to go to Medicare.

Ms. Alberti said that she thought that they were going to get a committee together to study the potential of not being self-insured.

Mr. Nickerson said they could do that as healthcare is definitely an issue. He suggested that they do this closer to budget time.

J. Board Comments

Mr. Harney noted that he had received a call asking if the Samuel Smith House is leased.

Mr. Nickerson noted that the lease is an 18 year one and that he is not sure at this time if it is something that they want to continue to do or not.

Mr. Harney said that he was thinking in terms of grants and of empowering the group to obtain grants.

K. Adjournment

Mr. Harney called for a motion to adjourn.

****MOTION (8)**

Ms. Picarazzi moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 9:13 PM.

Ms. Alberti seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary

**Town of East Lyme
Budget Transfers
Fiscal Year 2014/15**

To Account

From Account

| Date | Dept | Account # | Description | Account # | Description | Amount | Reason for Transfer |
|-----------|----------|-------------------|------------------------|-------------------|-----------------------|----------|---|
| 6/11/2015 | S Harris | 01-01-134-300-210 | Utilities/Electricity | 01-01-134-300-320 | Misc Supplies | 350.00 | Estimated EOY electricity expenses |
| | | 01-01-134-100-413 | Curator | 01-01-134-100-412 | PT Clerical | 226.00 | Due to various Smith Harris programs additional Curator hours needed thru EOY |
| | | 01-01-134-100-413 | Curator | 01-01-134-120-236 | Museum Programs | 150.00 | Due to various Smith Harris programs additional Curator hours needed thru EOY |
| | COA | 01-40-418-100-415 | Program Instructors | 01-40-418-100-412 | Substitute Drivers | 600.00 | New programs were tried this year and have been unexpectedly successful. Because of their success, they have been added to the program offerings which has created the need for additional funds in this account. |
| | | 01-40-418-100-415 | Program Instructors | 01-40-418-100-213 | Bus Drivers/Meals | 1,425.00 | |
| | IT | 01-01-109-200-214 | Copier Maint | 01-01-109-200-215 | Maint Ofc Equip | 34.86 | To pay for copy machine overage fees. |
| 6/18/2015 | Tax | 01-01-103-300-257 | Book Binding | 01-01-103-300-258 | Collection Costs | 32.00 | Additional funding needed to bind the Rate Books for the 2013 Grand List, which is available within the department from other resources. |
| | | 01-01-103-300-257 | Book Binding | 01-01-103-300-246 | Transportation Allow | 134.00 | |
| | | 01-01-103-300-257 | Book Binding | 01-01-103-300-241 | Dues in Prof Org | 238.00 | |
| | | 01-01-103-300-257 | Book Binding | 01-01-103-300-242 | Prof Conventions | 25.00 | |
| 6/23/2015 | Planning | 01-01-117-300-246 | Mileage | 01-01-117-300-251 | Printing | 150.00 | Mileage account reduced during budget process, funds available due to not printing the POCD. |
| 6/25/2015 | Tax | 01-01-103-300-258 | Collection Costs | 01-01-103-100-412 | PT Clerical | 60.00 | To cover excess outside collection fees. |
| 6/30/2015 | GG/Misc | 01-01-114-100-125 | Life Insurance | | | 152.47 | |
| | | 01-01-114-140-231 | Transcripts | | | 96.75 | |
| | | 01-01-114-140-232 | Legal Ads | | | 994.53 | Transfer for final FYE Life and Transcripts expenditures. Transfer for April legal invoices. |
| | | 01-01-114-140-234 | Zoning | | | 3,000.00 | |
| | | 01-01-114-140-236 | Labor PS | | | 1,291.50 | |
| | | 01-01-114-140-238 | Conservation | | | 785.00 | |
| | | | | 01-01-114-100-121 | FICAMedicare | 6,320.25 | |
| | Zoning | 01-01-116-100-412 | PT Clerical Rec Secy | 01-01-116-300-242 | Prof Conventions | 182.86 | Transfer for PT Recording Secretary for Zoning Commission Meeting; more meeting hours than originally estimated. |
| | | | | 01-01-116-300-246 | Transportation Allow | 6.71 | |
| | Finance | 01-01-118-100-111 | Treasurer | | | 176.15 | |
| | | 01-01-118-100-311 | Accts Clerk/Fiscal Ast | | | 974.05 | Due to unexpected step change for a member of Finance Department. |
| | BoF | 01-01-126-100-412 | PT Clerical Rec Secy | 01-01-118-100-212 | Fin Ofc/Pers Asst | 974.39 | |
| | ZBA | 01-01-130-300-320 | Misc Supplies | 01-01-126-300-251 | OS Print Twn Rpt | 180.26 | More Recording Secretary hours than planned. |
| | IWA | 01-01-132-100-212 | Conservation Ofcr | 01-01-130-300-241 | Reference/Periodicals | 36.55 | Final invoice for miscellaneous supplies. |
| | | 01-01-132-100-412 | PT Clerical Rec Secy | | | 110.84 | |
| | | | | 01-01-132-300-204 | Postage | 69.44 | |
| | | | | | | 110.84 | Additional funds needed for final payroll for |

Attachment - BOF - 8/12/15 Budget Transfers - 2 pg.

To Account

From Account

| Date | Dept | Account # | Description | Account # | Description | Amount | Reason for Transfer |
|------|------------|-------------------|-------------------|-------------------|-----------------------|-----------|--|
| | | | | 01-01-132-300-242 | Mtg/Conf | 69.44 | Conservation Officer and Recording Secretary. |
| | | | | 01-01-132-300-243 | Training | 45.00 | |
| | | | | 01-01-132-300-245 | Dues/Membership | 25.00 | |
| | | | | 01-01-134-100-412 | PT Clerical | 36.00 | Additional Curator hours. |
| | S Harris | 01-01-134-100-415 | Curator | 01-01-136-100-415 | Warden PR | 79.36 | Funds needed for Miscellaneous Supplies Invoice. |
| | Harbor Mgt | 01-01-136-300-320 | Misc Supplies | | | 4,943.03 | |
| | NFD | 01-25-217-100-614 | NFD OT | | | 150.00 | |
| | | 01-25-217-100-616 | NFD Longevity | | | | |
| | | | | 01-25-217-200-240 | Bldg Sys Maint | 245.04 | |
| | | | | 01-25-217-300-313 | Uniforms | 198.50 | |
| | | | | 01-25-217-200-243 | Training/Fire Protect | 346.87 | Funding needed to cover NFD Overtime at FYE and a longevity payment. |
| | | | | 01-25-217-300-301 | Fuels | 2,062.69 | |
| | | | | 01-25-217-200-222 | Bldg Maint | 825.94 | |
| | | | | 01-25-217-100-611 | Firefighters | 340.93 | |
| | | | | 01-25-217-100-612 | PT Firefighters | 1,073.06 | |
| | Emer Mgt | 01-25-224-100-211 | Director | 01-25-224-100-212 | Dispatchers | 352.71 | Funds needed due to 2 year step increase. |
| | PWD | 01-30-317-100-211 | Super of Hwy | | | 826.12 | |
| | | 01-30-317-100-314 | OT - Highway | | | 237.50 | Funds needed for 2 year step increase and various overtime accounts at FYE. |
| | | 01-30-317-100-315 | Storm OT | | | 340.36 | |
| | | | | 01-30-317-100-311 | Reg PR Hwy | 1,403.98 | |
| | | 01-30-317-200-239 | Tree Warden | 01-30-317-210-222 | Recy & Misc Disposal | 531.00 | |
| | COA | 01-40-418-100-311 | Admin Secy/Bus Dr | 01-40-418-100-213 | Bus Drivers/Meals | 88.81 | Additional wages. |
| | P&R | 01-45-421-100-211 | Director | | | 2,498.18 | Additional funding needed for end of year in wage accounts. |
| | | 01-45-421-100-311 | Maintenance PR | | | 2,140.54 | |
| | | 01-45-421-100-316 | Longevity | | | 100.00 | |
| | | | | 01-45-421-100-412 | PT Seasonal | 4,738.72 | |
| | Debt | 01-50-522-620-632 | 09 New GOB | 01-50-522-620-636 | 11 New GOB | 125.01 | To cover small debt invoice shortfalls. |
| | | 01-50-523-600-640 | DWSRF 2012-7010 | 01-50-523-600-636 | 11 New GOB | 2.23 | Final unleaded invoice from town. |
| | FFD | 01-25-217-300-301 | Fuels | | | 106.90 | |
| | GG/Misc | 01-01-114-140-232 | Legal Ads | | | 2,882.50 | |
| | | 01-01-114-140-233 | Gen Govt | | | 8,651.00 | |
| | | 01-01-114-140-234 | Zoning | | | 150.00 | |
| | | 01-01-114-140-236 | Labor PS | | | 7,904.50 | Various end of year expenditures. Legal ads for the month of June. Labor Attorney for May and June and Town Attorney for June. |
| | | 01-01-114-140-238 | Conservation | | | 1,415.00 | |
| | | | | 01-01-114-140-236 | Labor Town | 2,385.50 | |
| | | | | 01-01-114-100-127 | Health Dental Care | 18,617.20 | |

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|--------------|---------------------|
| TOTAL | \$ 49,598.62 |
|--------------|---------------------|