

SPECIAL MEETING MINUTES BUDGET REVIEWS
Wednesday, MARCH 25th, 2009
EAST LYME BOARD OF FINANCE

Members In Attendance: Steve Larcen, Chairman
 Jeff Langan, Secretary
 John Birmingham
 Jill Carini
 Bob Jones
 Allan Taylor

Also In Attendance: Paul Formica, First Selectman
 Anna Johnson, Finance Director
 Bill Scheer, Town Engineer
 William Deakyne, Library Director
 Michael Giannattasio, Public Works Director
 Carol Marelli, Nancy Moran, Registrars of Voters
 Esther Williams, Town Clerk
 David Putnam, Parks & Recreation Director
 Carole Marelli, Beth Hogan, Smith Harris House

Absent: No One

A. Call Special Meeting to Order

Chairman Larcen called this Special Meeting of the East Lyme Board of Finance to order at 6:30 PM.
 (Note: Mr. Jones joined the meeting at 7 PM)

B. Pledge of Allegiance

The Pledge was observed.

C. Delegations

Mr. Larcen called for Delegations.

Mike Schulz, Lovers Lane said that once again he would like to thank some people – the Board of Finance people for serving; the Town department heads for declining their salary increases and the Superintendent and Assistant from the Board of Ed administration for declining their increases. He said that he is bothered by the greed of the remaining administrators in the school who have not declined their increases. In Marion County it was reported that at least four schools will open without superintendents and that some 522 teaching positions have been cut. It is time to get lean in our Town and to rid ourselves of the AIG mentality of avarice and greed. It is also time to get rid of the programs that are not required credit as cited by the Superintendent.

D. New Business

a. Budget Reviews – FY 2009-2010

Mr. Larcen explained the procedure noting that it is not necessary to give a line by line presentation of the budgets but rather to only bring items of note to their attention. The Board will then ask any questions that they have.

◆ **Town Engineer (105) – Bill Scheer, Town Engineer**

Bill Scheer, Town Engineer explained that line 213 – Civil Engineer is now a CE I rather than a CE II as the

person who has replaced Mr. Hayden is a CE I and Mr. Hayden was a CE II. The CE I position is at a lesser rate and at present the person in the position is rated at part time. They are hoping to get Water & Sewer to pay the other half of the salary to have the person full time, floating between Public Works and Water & Sewer.

Ms. Carini asked who bills to the Overtime line item 314.

Mr. Scheer said that the Engineer Inspector is a Union position and that they have to pay overtime when he works over his regular hours.

Ms. Carini asked how, why and when they would be paying him to stay late or if it involves a specific certification.

Mr. Scheer said that it does not involve certification but rather that the continuity of having him watching over the projects and doing the inspection is important and sometimes leads to an overtime situation.

Mr. Jones asked about the Civil Engineer I and if the \$34,535 was the total amount that he would be paid for the year and if that amount would be split.

Mr. Scheer said that the person who has replaced Mr. Hayden is currently full time at \$51,000 and they are expecting that he will be full time in July 2009 with two-thirds of the \$51,000 being paid for by the Town at \$34,535 and the other one-third to get to the \$51,000 total being paid for by Water & Sewer.

Mr. Jones asked Mr. Scheer if he gave back the COLA.

Mr. Scheer said that he did and added that all the salaried employees in this budget also gave back theirs.

Mr. Langan asked about the Public Works Director salary being split between this department and Water & Sewer and if they provide equally to it.

Mr. Giannattasio, Public Works Director said that the salaries are set up in the Engineering budget and that his is covered 50% here and the other 50% is picked up by the Water & Sewer Department.

Mr. Langan asked why it is funded that way.

Mr. Giannattasio said that it was done that way long before his time with the Town and that he provides oversight to everything involving Public Works and Water & Sewer while Mr. Scheer is involved in the day to day functioning of the projects.

Mr. Taylor asked about the Transportation Allowance and Miscellaneous Supplies line items noting that the current year to date figures were low and with that, he wondered why they would be asking for more in the upcoming year.

Mr. Scheer said that in the current year that they were asked to reserve 1.5% of their budget and that they have taken it from those line items to accommodate that request. He added that they also have transportation allowance expenses yet to submit.

Mr. Langan asked about line 029 – Stormwater Management at \$4000.

Mr. Scheer said that this is a timing issue and that they have not been able to do the sampling yet due to the weather. It will be done soon and the line item will be expended as the sampling is a requirement.

◆ **Building Maintenance (113) – Michael Giannattasio, Public Works Director**

Mr. Giannattasio explained that line 212 was a split position that was not filled and that he has taken it over so the amount was reduced to \$5000. He said that line 311 is for four custodians and one supervisor and that line 314 should be less as they have some newer employees.

Mr. Jones asked who the supervisor of the custodians is.

Mr. Giannattasio said that it is Ron Bence. He added that with the \$5000 in line 212 that he would like to be able to have someone help with a review of the buildings.

Mr. Langan asked what the service contracts line item covers.

Mr. Giannattasio said that they went from ADT to Emcor and that it covers basic HVAC also.

Mr. Langan asked if line 222 - Building Maintenance was used for emergent repairs.

Mr. Giannattasio said yes and that it is also used for pest control, some security and alarm contract replacement parts, stairs, lighting, carpets, windows and things that need to be fixed.

Mr. Larcen asked if the encumbrances under building maintenance would be for service agreements.
Mr. Giannattasio said that they do have to pay for the parts and repairs but not for the service.

Mr. Larcen asked if \$7500 is encumbered at this point on building maintenance.
Mr. Giannattasio said that they do have encumbrances at Niantic Lumber, with plumbers, etc. for service and supplies.
Mr. Larcen asked if they are then, essentially open purchase orders.
Mr. Giannattasio and Ms. Johnson said yes.

Mr. Larcen noted that they seem to be doing well on electricity and that they are at \$218,000 now and are estimating it at \$246,000.
Mr. Giannattasio said that AC will be coming and that they have left that figure flat as it fluctuates.

Mr. Larcen noted that water is also coming in less so far year to date for this year.
Mr. Giannattasio said that they get billed twice a year and that the second billing is due out shortly.

Mr. Larcen asked about the telephone as they are currently at 58% expended for this year.
Mr. Giannattasio said that he would check on that.

Mr. Birmingham asked about line 314 – Overtime and noted that there is \$4500 left so far for this year.
Mr. Giannattasio said that it is variable and that he has changed the way of doing overtime. Most of it is at the Community Center and has to do with events there which are frequently revenue generating. He added that he thinks that they have now set up their custodial layout much better and with the newer employees this should be less.

Mr. Langan asked if there were any initiatives that they could partner with other Towns such as on electricity in order to obtain discounts.
Mr. Giannattasio said that they are currently locked into a contract and that he is not sure when that is up.

Mr. Taylor asked what they are paying per Kwh under the contract as there are offers at 10.4 cents per Kwh and 10.3 cents per Kwh out there.
Mr. Giannattasio said that he would have to get them that information.

Mr. Taylor said that while they may be over budgeted on the telephone that they are under budgeted on the custodial supplies.
Mr. Giannattasio said that they will be looking to do larger purchasing of custodial supplies so as to get the larger discounts.

Mr. Taylor asked where the custodial revenue is posted regarding the rental of the buildings.
Ms. Johnson said that it is under 08-823 – Misc. and that it was projected at \$62,000 for the current year and year to date it is at \$44,000.

♦ **Library (420) – William Deakyne, Library Director, John Makiaris, Chairman, Library Board**
John Makiaris, Library Board Chairman said that the Board of Selectmen has already cut \$5000 from their budget and that he hopes that they do not cut more as based on the economy; they have found that their usage, resources and circulation has escalated.

Ms. Carini asked where the fines that they collect on overdue books goes.
William Deakyne, Library Director said that it goes directly back to them and is recorded as revenue. He noted that he had handouts and charts on the use of the library and passed these out to the Board members. (Copy attached at end of Minutes) He said that there is also an in-house fund going on as a supplement to the annual drive. He explained the use patterns at the library – internet use, books and the total circulation which has gone up as well as month to month figures. He said that the month that the library is least used is during December.
Mr. Taylor said that it appears that 100% of the budget is encumbered and asked how that works.
Mr. Deakyne said that the Town sends them money quarterly and they send the Town monthly health expenses for their covered employees (11) and that they also generate their own payroll.

Mr. Birmingham asked about the financial statement on the audit that had been provided and what it includes in terms of cash.

Mr. Deakayne said that he could not answer that as the auditors include a mixture of items.
Mr. Larcen said that it appears to him that the net assets are mostly cash.

Mr. Taylor asked how the money was invested.
Mr. Deakayne said that the Treasurer has invested in CD's with a new bank and that the interest has gone up significantly. He added that is not a part of the Foundation.

Mr. Birmingham asked about the Fringe Benefits going up by 22%.
Mr. Deakayne said that they are under budget on Health and Pensions and that they are making this up. He noted that it took some time to get the correct factor on pensions from the Hartford.

Mr. Taylor said that they had \$100,000 left and asked why that could not be used to cover the shortages on Health and Pensions.
Mr. Deakayne said that some of that money is fund driven.

Mr. Larcen asked about the Foundation disbursement.
Mr. Deakayne said that it is going to be \$26,903 and that it is based on an IRS formula.

Mr., Taylor said that he sees great expansion and use of the library resources but the fines and fees seem to go down and asked why.
Mr. Deakayne said yes – that is true and that in a bad economy people do not pay their fines as much although the sale of used books does continue and they can find that in the miscellaneous line item under revenues. He noted that they do have a means of shutting people off who owe money and do not pay.

Mr. Taylor asked about the dollar amount of the salaries and if there is a waiver of the 3.3%.
Mr. Deakayne said that there has not been a waiver yet.

Mr. Jones asked if the employees have been asked to waive the increase.
Mr. Deakayne said no, as there was a storm which caused them to cancel their last meeting and they have not had one since then.

Mr. Jones asked if they will be asked.
Mr. Makiaris said that they are not sure as the Trustees all have to meet to discuss it and they have not met yet.

Mr. Taylor asked how hourly wages went up by 10% from 2008-2009 without Sunday hours.
Mr. Deakayne said that it is the hours worked and that is a combination of various programs and coverage including substitutes and for people out ill, etc.

Mr. Langan asked if Sunday is straight time pay.
Mr. Deakayne said that it is paid at time and a half as they could not get people to work on Sundays under straight time.
Mr. Taylor noted that today they would probably find a number of people willing to work at straight time.

Mr. Jones asked for a breakdown on the CD of private and Town money.
Mr. Deakayne said that \$25,000 is the Town's and that the rest is what is required to sit in the accounts.

Mr. Larcen asked how they schedule the insurance program.
Mr. Deakayne said that it is currently at 10% co-pay and that it rises to 11% on July 1, 2009 and thereafter.

Mr. Langan asked why they would see such an increase in coverage that employees would be opting for.
Mr. Larcen explained that there are about three people who are going from single to family coverage, as he sees it. He asked that they receive a review on that.

◆ **Parks & Recreation (421) – David Putnam, Director**

David Putnam, Parks & Recreation Director passed out a copy of the latest program brochure and said that they are very proud of it and that they have seen a significant increase in the sign-ups for the programs since they started the partnership on the brochure with the Norwich Bulletin. He said that they are looking to add a full time maintenance person due to the added duties that they have such as the Boardwalk, Cini Park and Hole in the Wall. Those areas are being used more and more and require more upkeep. They

have taken \$15,000 (one-half person) from line 412 – Part time Seasonal Labor to help fund the full time person.

Mr. Taylor said that they are basically looking at a \$53,000 increase for FY 09-10. \$20,000 for the new person, \$13,000 for program supplies, \$13,000 for program payroll and \$7000 for other.

Mr. Putnam said that the brochure program and expanded care have been a huge help with the revenues.

Mr. Larcen noted that they are projecting a \$37,000 increase in revenues from the current year.

Mr. Taylor asked about the 3.5% COLA.

Mr. Putnam said that he did give his back and added that all of the department heads met and agreed to give it back.

Mr. Larcen noted that the phone/cable is spent at 41% year to date this year and that they could possibly reduce that line item.

Mr. Putnam said that they could as rentals do get charged for this and that pays for the electric.

Mr. Taylor noted that Parks & Recreation is one of the major attractions of the Town and that they continue to do a great job providing programs for the public.

◆ **Information Technology (109) - Bill Scheer, Director**

Mr. Scheer said that they have held this to ordinary expenditures and noted that the IT Supervisor did give back the 3.5% COLA and that the rest stayed the same.

Mr. Taylor noted that the copier maintenance year to date is lower than what is being requested.

Mr. Scheer said that the new copiers came in later than they had expected them to so they lost a month or so in this current year.

◆ **Public Works (317) - Michael Giannattasio, Director; Chuck Holyfield, Highway & Sanitation Superintendent**

Mr. Giannattasio, Public Works Director said that Mr. Holyfield also gave back the 3.5% COLA. He explained the decreases and increases noting that the Tree Warden line item has been under budgeted and that they are requesting an additional \$2000 and want \$1000 of that to be put into a memorial tree replanting program so that they can replace those trees that are taken down. He said that he kept fleet maintenance the same even though the expenses are up. He noted that he projected the SCRRA tipping fee at \$50,000 less as the recycling program has been successful. They are also looking into a single stream recycling program that they want to pilot and they will be back to present this program in detail as a part of the CIP.

Mr. Larcen asked what part of the season PT Seasonal – line 412 was used in as the year to date figure so far is low.

Mr. Giannattasio said that it will pick up very shortly as spring and summer are the busy seasons for that.

Mr. Taylor asked if there is a minimum tipping fee even if we do not have the volume.

Mr. Giannattasio said that they do have a minimum at SCRRA but they never see that or have to worry about meeting it.

Mr. Larcen asked about revenue and if it was related to bulky waste.

Mr. Giannattasio said yes and that it could be found in landfill deposits.

Mr. Langan said that line 311 – Regular payroll is showing over a 5% increase and asked why.

Mr. Giannattasio said that it is by Union contract and that it is also due to people who are moving up within the ranks – steps and positions.

Mr. Langan asked about the 38% increase on Storm Overtime but only about a 7% increase in Storm Supplies and asked about the correlation.

Mr. Formica said that the figures came from a six-year rolling average.

Mr. Giannattasio said that the overtime increase does not directly correlate to more supplies used.

Mr. Larcen noted that the street lights line item has a budget of \$182,500 but that the year to date total is much less at \$94,000 over an eight month period.

Mr. Giannattasio said that they are seeing the effects of the contract.

Mr. Formica said that the energy subcommittee is looking at a street light program and taking an overall comprehensive look at the street lights and if they need as many as they currently have.

Mr. Giannattasio also noted that there was a street light that they were being billed for that was not ours and that they should see a few thousand dollars credit because of that.

Mr. Langan asked if they would hear about the single stream process at a later time.

Mr. Giannattasio said yes as it includes a new vehicle and containers.

Mr. Larcen asked if the single stream approach would save on labor operating costs.

Mr. Giannattasio said that he would expect so although he has absorbed that elsewhere in the budget.

Mr. Larcen said that he would like to see the operating savings reflected in the operating budget.

◆ **Town Clerk (107) - Esther Williams, Town Clerk**

Esther Williams, Town Clerk noted that the State will no longer reimburse them for printing. With respect to revenues, she said that she is an optimist and with some of the units in 38 Hope Street closing and a recent \$2.2M sale in Old Black Point, this should help with the revenues. She added that the re-financing has steadily increased each month from 87 to 88 and now 116. This also brings in revenue. She explained that the Town Clerk fees include vital statistics – marriages, deaths, copies, recording fees, dog licenses, etc. She said that she can live with the cut that was made to her miscellaneous supplies and noted that she has to buy her own paper as that was something that was started with Mr. Cini and has continued. She said that she also purchases envelopes and binders. The cut to the Conferences line item 242 should also be okay. The conferences that she attends are called by the Secretary of State's Office and must be attended. She lastly explained that she was on vacation when the COLA was discussed by the department heads and that when she returned she was happy to sign the letter and give up the COLA.

Mr. Larcen noted that miscellaneous supplies year to date is low this year and asked if there is seasonality to them.

Ms. Williams said that the spring is a busy season as they have the dog licenses and title searcher's copies so that will account for that line item.

◆ **Registrars (110) – Carole Marelli, Nancy Moran, Registrars of Voters**

Carole Marelli, Registrar, said that she and Registrar Nancy Moran try to cover all of the office hours themselves as they are a part time office.

Mr. Langan asked about the incremental costs of the two polling districts versus just one.

Ms. Marelli said that they have to have the multiple districts and that they actually have to have the three districts as required by the State due to the population.

Mr. Taylor asked if the COLA increases applied here and if it did; if it was waived.

Ms. Marelli said that yes, she and Ms. Moran did forego the increases.

Mr. Taylor asked if it was possible to have the ballots printed for a lot less cost at the prisons.

Ms. Marelli said that the printing of the ballots is controlled by the State and that they designate where they can be printed. She added that line 401 was increased due to the printing of the ballots as the State may not pay for the printing and it is costly.

Mr. Taylor asked about line 242 – Conventions and if they could remove \$100 from the \$1100 figure.

Ms. Marelli said that the costs vary and that these include meetings with the Secretary of State and training programs that they are expected to take part in and which are driven by law.

Mr. Larcen said that line 401 – Election Day expenses was previously budgeted for \$17,500 and they are requesting \$17,000 for the upcoming year – he asked if that is because there is no primary.

Ms. Marelli said no, what drives that figure are the printing costs for the ballots, the programming of the machines and the memory card. The Selectmen increased the figure as they are not expecting the State to cover the ballot printing costs.

◆ **Smith Harris House (134) – Carole Marelli, former Chairman; Beth Hogan, Chairman**

Carole Marelli, former Chairman said that they had cut their budget by 4% before it went to the Board of Selectmen and that the Board of Selectmen had cut it more and it is now around a 10% reduction. She said that they understand that it is due to the current economic times. They had hoped to offer more educational and museum events but will now take smaller steps on implementing those events.

Mr. Taylor asked if their events are cyclical / seasonal.
Ms. Marelli said that some are but that it depends.

Mr. Taylor said that he had asked as their current budget, year to date is to showing large expenditures. Ms. Marelli and Ms. Hogan said that they had to cancel one of their big events – Heritage Weekend due to the weather and that is a large expense. They also said that the outside issues regarding the yard, gardens, shed, barn and upkeep and repairs all start around this time of the year – so they are coming into their season – spring time.

Mr. Taylor said that they have \$2500 for utilities and that they have used around \$950 so far this year which would mean somewhere around \$1400 for the year.

Ms. Marelli said that the House has electric heat and that they had kept it very low this year and that they also did not work in the House during the winter months as they usually do – so that is where the lower figure comes from.

Mr. Larcen asked about the fees for rentals, etc that they collect and where it goes.
Ms. Marelli said that it goes to the General Fund.

Mr. Larcen asked Ms. Johnson where that would be shown in revenues.
Ms. Johnson said that it is the 08 series.

Mr. Larcen noted that it was over-budgeted and said that they were budgeting this year for \$1000 in rental income.

Ms. Marelli and Ms Hogan said that was correct and that there would still be rentals coming this June for this year and that a lot of non-profits rent from them and that they also have some weddings. They sometimes lose the rental potential as they cannot serve alcohol on the grounds.

Mr. Taylor noted the previous history of the House and also mentioned the money that comes from the Friends and the fact that the Town pays the expenses for this House.

Ms. Marelli note that some of the money from the Friends pays for the general expenses of the house and that according to the Charter, she does not feel that they should as the Charter states that the Town pays for the general upkeep of the House. She said that the Friends do quite a bit for the House with period furnishings and upgrades, which are not inexpensive.

Ms. Hogan said that the Friends, for instance will buy a period (antique) rug for the House that will cost more than the budget of the House.

Mr. Taylor asked if there were mission statements regarding the Commission and the Friends.
Ms. Marelli said that the Commission is covered in the Charter and that it states that they are to manage and maintain the House. He added that they do not get 'dollars' from the Friends, they get period furnishings and items that they need.

Ms. Carini said to Mr. Taylor, that he had made a pervious comment about sticking to the budget. Now they were discussing ancillary groups that support this and they also have the Library coming up to present their budget and they also have support from ancillary groups. She said that she felt that it was only fair that they stick to the budget as they had not given anyone notice that they wanted the ancillary information this evening and the basic budget is what would be under discussion.

Ms. Marelli said that she would see that they get a copy of the page in the Charter that states information regarding the upkeep of the House.

E. Public Discussion

Mr. Larcen called for any comments from the Public.

Mike Schulz, Lovers Lane thanked the salaried personnel for giving back their increases. He said that he appreciates their professionalism however; it seems that the 'Family of Squirrels' that are found in the school budget have found their way to the Library budget as well. He thinks that they need to be asked to give back their 3.3% increases as well.

F. Board Comments

Mr. Larcen noted that the Board of Ed budget binders were given to the Board of Finance members as requested. He said that he also emailed Mr. Seery with the questions that they had and asked that if they have any additional questions on the Board of Ed budget that they please email them to him so that he can get them to the Board of Ed so that they will have the information for their meeting.

Mr. Taylor said that the information that they have heard so far has been free-flowing and based on fact however, it is only one third of the total budget and the Board of Ed comprises the other two thirds so they need the information that they have requested.

G. Adjournment

****MOTION (1)**

Mr. Langan moved to adjourn this Special Meeting of the East Lyme Board of Finance at 9:25 PM.

Mr. Birmingham seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary