

**REGULAR MEETING MINUTES Wednesday, APRIL 8th, 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

Absent: No One

A. Call Meeting to Order

Chairman Larcen 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. Larcen called for delegations.

Robert Gadbois, 358 Boston Post Road said that he sat here when the Board of Ed met with them two nights ago and that he was shocked when they said that they need 19 substitutes per day and that they also have a paid person who calls the substitutes each day. When he worked as a pipe fitter, if you were out over periods of time repeatedly, the boss would tell you that you were gone. He also said that since they have offices with secretaries working at each of the schools – those secretaries could call the substitutes for their schools instead of having a separate person doing it. He said that he finds that paying for a math coordinator is unforgivable to the taxpayers of the Town. If the teachers cannot teach math – then they should not be teaching at all. He lastly said that Mr. Taylor had asked about the givebacks from the school teachers and administrators/personnel and that they have known about it for a good two months and have not bothered to come back with anything.

Mike Schulz, Lovers Lane said that as they are going to begin discussion on deliberations tonight that he has brought some information that was in the newspapers regarding other Towns – 14 teachers were cut in Stonington; 21.5 positions were cut in Norwich; the Waterford budget is under discussion with a recommendation on freezes; in Florida, 522 first and second year teachers contracts were not renewed; additionally he has read and outlined for them, the Town contracts and cited that the increases range from 6% to 16% and from \$3700 to \$7000. The Town department heads have given back COLA's and the Superintendent and Asst. Superintendent have given back theirs. What about the rest of the union people and the school administrators who have not been approached for concessions. They should be approached. Many of the Town department line items have been cut. The school budget needs to be cut. What about the taxpayers who are paying for these wages – how about giving back 3% - that would still leave 3% for an increase which is more than fair in this economy. If they do not agree to this – then lay them off. The unions have become a detriment to our Town and to the economy – showing up for work is not a reason to get an increase and the step increases have to go as they are killing everything.

D. Approval of Minutes

◆ **Wednesday, March 11, 2009 - Regular Meeting**

Mr. Larcen called for a motion for approval or any changes to the Board of Finance March 11, 2009 Regular Meeting Minutes.

****MOTION (1)**

Mr. Jones moved to approve the Board of Finance Regular Meeting Minutes of March 11, 2009 as

presented.

Mr. Birmingham seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

◆ **Thursday, March 19, 2009 - Special Meeting**

Mr. Larcen called for a motion for approval or any changes to the Board of Finance March 19, 2009 Special Meeting Minutes.

Mr. Taylor asked that on Page 6 in the middle of the page where Mr. Formica is speaking that the word 'ahs' be changed to read: 'has'.

****MOTION (2)**

Mr. Langan moved to approve the Board of Finance Special Meeting Minutes of March 19, 2009 as amended.

Mr. Carini seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

◆ **Wednesday, March 25, 2009 - Special Meeting**

Mr. Larcen called for a motion for approval or any changes to the Board of Finance March 25, 2009 Regular Meeting Minutes.

Mr. Taylor asked that in the fifth paragraph down on Page 7 that the word 'to' before the word showing be changed to read: 'not'.

****MOTION (3)**

Mr. Langan moved to approve the Board of Finance Special Meeting Minutes of March 25, 2009 as amended.

Mr. Taylor seconded the motion.

Mr. Taylor asked about the information that they were supposed to receive regarding the Library increases. Mr. Formica said that in speaking with Mr. Deakyne that he was informed that the 2.2% steps were removed and that there is a savings of \$9,402 in the labor line of their budget.

Vote: 6 – 0 – 0. Motion passed.

E. Reports

a. First Selectman

Mr. Formica reported that he has scheduled a second meeting with the union presidents for next week and that so far they have not agreed on anything. That is something that they will discuss. He said that he has also spoken with Scott Bassett regarding the additional hours and was told that they are making good progress. They have 25-30 hours in so far, the bank reconciliations are reconciled and the capital is in progress.

b. Finance Director

◆ **Progress Report on FY 2008 Audit and Update on Account Reconciliations**

Ms. Johnson reported that the last part is the capital assets and that they will be working on that on the Town side tomorrow. The current reconciliations are also being kept up to date.

Mr. Larcen asked what happens after that and if there is an estimate on how much more time this will take.

Mr. Formica said that Mr. Bassett said that he would evaluate that tomorrow as he would be in a better position then to let them know where they stand. He did say that he still feels that they will stay under the budgeted amount.

F. New Business

a. Discussion and possible action to appropriate \$2,030 NSEP Grant.

Mr. Larcen called for a motion.

****MOTION (4)**

Mr. Taylor moved to approve a Special Appropriation in the amount of \$2,030 for the purchase of

two task chairs and a conference phone for the East Lyme Emergency Operations Center, fully reimbursed by a Nuclear Safety Emergency Preparedness (NSEP) Fund Grant.

Ms. Carini seconded the motion.

Mr. Taylor noted that it is important to understand that this is money that is offset by a grant and not by peoples' taxes.

Vote: 6 – 0 – 0. Motion passed.

G. Old Business

◆ Discussion / Deliberations – Proposed 2009/2010 Budget

Mr. Larcen suggested that they review the revenue picture as it has changed. He noted that they had copies of Option A – Governor Rell's projection and Option B – the Legislature projection and that there are few changes between them. The differences would be (worst case scenario for right now) \$26,958 less in TAR; \$100,000 less in PILOT; \$55,000 less projected in Building fees and Conveyance taxes and \$45,000 less in landfill deposit projections.

The consensus of the Board was to err on the side of caution because they do not know where the State will end up and they do not want to over-project revenues and end up very short. They agreed that without including any fund balance monies that they would need to find \$1,748,091 to balance the budget. It was also agreed to go with a 98.4% tax collection rate due to the state of the economy, and by recommendation of the Tax Collector.

Ms. Carini asked if they knew what the lowest collection rate figure was that they had calculated at.

Mr. Jones said that he recollected that the lowest was in the high 80's percentile quite some time ago.

Mr. Taylor said that it was before Ruth Ames time.

Mr. Formica said that he would agree with the sentiment of the Board to take a conservative approach regarding any revenues from the State as they do not have any figures from them that they can 'take to the bank' and probably won't for some time. Should they get more than they are figuring at this time, they can certainly add it to revenues later.

Mr. Larcen asked about any potential activity that might be in the pipeline for 2010.

Mr. Formica said that there may be some small projects but nothing like what they have seen.

Mr. Birmingham asked about the CVS and McDonald's at Flanders four corners and the effect they have on the Town.

Mr. Formica said that the permits generate income for the Town but the buildings themselves generate rental income for the property owners.

Mr. Larcen asked Mr. Formica if it was safe to say that the miscellaneous supplies line items had been trimmed pretty well already as he had scrutinized them and found them to be running rather tight.

Mr. Formica explained the thinking regarding the trial of buying supplies in bulk from a particular supplier and seeing how they do with that in an attempt to save money.

Tax Collector – 103

Mr. Larcen suggested that they reduce line 251 – tax bill printing by \$550.

Building Department - 104

Mr. Larcen suggested that they could cut line 212 by \$15,000 as the part time building official is used only when needed.

Mr. Jones suggested cutting \$20,000 from that line.

Mr. Taylor suggested that they cut \$25,000 from that line.

Mr. Taylor also asked if they were going to cut from specific lines or if they were just adding up what they thought could be cut and giving the First Selectman a number by which to cut the budget and leaving it up to his best judgment of where those cuts can be made.

Mr. Jones said that it was his opinion that they should come up with a number that they think should be cut

from the Town budget and let Mr. Formica do the cutting.

Ms. Carini asked if the understanding is to give Mr. Formica a number that they want to see cut and let him cut the budget as he would best know where those cuts could be made.

Mr. Taylor said that was his opinion and what they did last year.

Mr. Langan said that he would like to see \$350,000 cut from the Town operating budget.

Public Works – 317

Mr. Larcen suggested that they take \$20,000 from line 222 – recycling and misc. disposal; \$50,000 from line 295 – SCRRRA tipping fee; \$5000 from line 440 – Storm Materials & Supplies; \$18,000 from line 421 – MSW Container/Supplies and \$2000 from line 412 – part time seasonal. He said that they had pretty much been given \$118,000 from this budget.

Mr. Formica asked that they bear in mind that they are looking at a budget some 14 months out and that it is very tight to start with and that he does not think that the Town can take a \$350,000 hit as it services the entire Town. If they were to take \$110,000 from Public Works or Parks & Recreation, those are the meat and potatoes departments of the Town and they need funding to operate. He asked that they consider that.

Library - 420

Mr. Larcen noted that the Board of Selectmen had cut this budget by \$21,000.

Mr. Formica noted that the \$21,000 does not include the \$9,402 giveback that he had mentioned earlier.

Mr. Taylor said that he thinks that \$36,000 could be cut from this budget as he does not agree with Page 5 of their budget which shows the hourly wages going up by 10% without Sunday hours.

Mr. Larcen asked if they recalled if last year they funded the Sunday hours or if the Library found a way to fund them on their own as the Town could not afford it.

The consensus of the Board was that they did not fund the Sunday hours as they could not afford to.

Mr. Taylor said that he would change the cut to \$26,000.

Mr. Langan said that he is inclined to leave their Sunday hours money and that he could support cutting \$20,000 from their budget.

Ms. Carini, Mr. Birmingham and Mr. Larcen agreed with the \$20,000 cut proposed by Mr. Langan.

Parks & Recreation - 421

Mr. Larcen said that if the single stream recycling were to be implemented and the savings from that were realized that those savings could potentially be put towards the new person that they are requesting for Parks & Recreation.

Mr. Formica explained that there are two full time maintainers in the Parks & Recreation budget and that one is out on long-term sick leave. The job load has increased and four part time seasonal employees and one full time person and a foreman to cover all of the duties just does not cut it. They do not have 30 people to spread around to do the work. He said that while he understands the 'cash to cash' concept presented by Mr. Larcen – the savings in single stream recycling won't be realized until potentially next year sometime.

Mr. Larcen suggested that they could reduce line 201 – phones by \$1000.

Commission on Aging – 418

Mr. Larcen said that he thought that they could reduce line 501.

Mr. Jones said that it was presented to them that these are trips for the seniors and that they do not travel much in the bad weather but will want to travel during the good weather and that this money will help to subsidize some trips for them.

Niantic Fire Department - 217

Mr. Larcen said that overtime – line 614 runs high and that it sounded like they needed more in it just for

sickness, outs, etc. He said that he felt that they could cut \$15,000 from line 612 and add \$5000 of that to line 614 for a total reduction of \$10,000.

Mr. Taylor suggested that they take \$15,000 from line 612 and put \$10,000 of it in 614 and just reduce the budget by \$5000.

Mr. Jones and Ms. Carini agreed with Mr. Taylor and Mr. Langan and Mr. Birmingham agreed with Mr. Larcen. After further discussion, the consensus was to agree with Mr. Taylor's suggestion to reduce the budget by \$5000.

Flanders Fire Department - 218

After brief discussion, the Board agreed to cut line 614 – overtime by \$5000.

Police – 216

Mr. Larcen said that he thought that this budget was trending in the right direction and that he felt that the only possible place to reduce anything was in line 517 – training.

Mr. Taylor suggested that \$20,000 total could possibly be cut from the budget – perhaps in the form of: \$10,000 from line 514 - overtime and \$10,000 from line 517 – training.

Inland Wetlands - 132

Mr. Larcen asked about the money for the Conservation Officer and if it could be cut.

Mr. Formica said that the Planner is getting one-half of the savings.

Finance Department – 118

Mr. Larcen suggested that line 246 – transportation allowance could be cut by \$500.

Mr. Taylor suggested cutting \$10,000 from the department and letting Mr. Formica decide where.

Services to Community – 115

Mr. Larcen said that his view on Celebrate East Lyme is that they should support it but at less than the \$5000. He suggested that they cut \$2500 from line 926 – Celebrate East Lyme.

Ms. Carini said that she thinks that it is an important Town function and that she would support keeping \$2500 for it.

Mr. Birmingham suggested cutting line 926 – Main Street Program by \$2500 as they have their own fund drives.

Mr. Taylor suggested that they just take \$5000 from this budget area and let Mr. Formica make the decision on where he would like to take it from.

Ms. Carini said that she agrees with that concept although she would suggest taking \$3500 rather than \$5000.

The consensus of the Board was to reduce Service to the Community by \$3500 and to have Mr. Formica decide which line items it would come from.

Building Maintenance – 113

Mr. Larcen noted that they have the breakdown on electricity that they had requested.

Mr. Formica explained that he had shaved the utilities area rather tightly already.

Mr. Larcen suggested that they reduce \$5000 from this department and that Mr. Formica would decide which line items.

The Board agreed with the suggestion to reduce Building Maintenance by \$5000 and to have Mr. Formica decide where it would come from.

Government – Miscellaneous & Benefits – 114

Mr. Larcen noted that Health seems to be right on target.

Mr. Birmingham asked if Legal Fees could be reduced.

Mr. Formica said no and noted that he has put out a notice to all departments that they are not to call or

contact an attorney without obtaining authorization from him first.

Mr. Larcen noted that Legal Fees seemed pretty tight and asked about line 290 – PD & L.

Mr. Formica said that he left a bit of a leeway for adding new vehicles which would drive that figure up.

Mr. Larcen asked about line 296 – Tax refunds at \$25,000.

Mr. Taylor noted that line item had been much higher and that they have refunded much more in the past.

The consensus of the Board was to cut \$10,000 from this general area and to leave which line items up to Mr. Formica.

Contingency - 120

Mr. Larcen asked Mr. Formica for a suggestion here.

Mr. Formica said that they could possibly reduce line 500 by \$28,000. He added that they should remember that if it is not needed that it is not spent.

Mr. Larcen asked if they knew what they had in the givebacks from the department heads.

Mr. Formica said that they are estimating it at \$50,000 for now.

After this discussion, they reviewed that they had made \$229,210 in cuts that would be left to Mr. Formica to decide and that \$50,000 more would be the COLA's from the department heads and another \$50,000 as itemized from Police, Fire Departments and the Library for a total of \$329,210 in reductions to the Town operating budget.

◆ Sub-Committee Report: Financial Policies

Mr. Langan said that there was no update at this time as the FY 2009/2010 budget was the priority.

H. Public Discussion

Mr. Larcen called for Public Discussion.

Jim Levandoski, Dean Road said that he is a Police Officer. He wanted to say thank you to the broadcasting by live audience of the meeting as he was sitting home watching it and had to come in to comment as he has a specific concern over the training. He thanked Mr. Jones for taking the time to go to the departments and looking to see what they do and asking questions – but he is the only one who has done that. He said that it is very irritating to him that the rest of them have never been to the department to ask questions before cutting money. It would be better and he would feel better if they gave a lump sum figure to Mr. Formica and let him do the cutting as he does know what the departments do. He asked them if they want an educated police department as that is what training does. Yet, they refer to what is left in the current budget without asking the people who do know the status of the money. Instead, they make guesses about things that they do not understand. The training has NOT happened yet – it took a year to get the ammunition. He said that he understands that they give up their time to serve here – but he has been where they are. He said that he has given up his time and taken his personal time off to do things such as cutting and bundling cardboard so that they will have the money that they need to do things. He said that if they are not sure that all they have to do is to ask and he will take them on a tour of the department and show them what they need to know to make informed decisions. He asked that they ask the people who know rather than guessing.

Mike Schulz, Lovers Lane said that he concurred with what Jim Levandoski said with respect to letting the First Selectman do the cuts. He said that it is nice that they are trying to do the best that they can but sometimes it is too much micro-managing – so let the First Selectman, who knows the departments, do it. He said that while he appreciates that they are looking for cuts that they should recall that the Town came in under budget and that the Board of Ed has given nothing – they have taken no cuts and given no concessions. The unions also have not given anything. 100% of the people of the Town use the Town dollars and a very small percentage use the Board of Ed dollars. He said that they need feedback from them on what they are giving up and they need it now.

Robert Gadbois, 358 Boston Post Road said that he agrees with Mr. Levandoski and Mr. Schulz that it is the Town that always gets the short end of the stick and yet it is the Town that provides services to

everyone. He said that they always beat on the Town and they don't dare touch the 'sacred cow', as Mr. Rando would say.

Karen Rak, 27 Black Point Road said that she concurs that the Town has stepped up to the plate. Mr. Formica has approached all of the union presidents and they should hear something on that in the near future. As a point of information, she said that the Board of Ed services one-sixth of the population of the Town for 183 days per year and on the Town side – the Town services 100% of the population 365 days per year. And, the Town side is always taking the brunt of the cuts – she asked that they please keep the information that she has given them in mind.

I. Board Comments

Mr. Taylor said that he thought that the information on the Board of Ed servicing one-sixth of the population for 183 days per year was very telling.

Mr. Larcen said that they would focus on the Board of Ed at their next meeting.

Mr. Jones apologized to the Board for not informing them that the Police training was mandatory and that it was coming up on the time of the year that it is done.

Mr. Formica thanked them for their consideration and asked if they wanted a Capital presentation at their next meeting.

Mr. Larcen said that he did not think that a presentation was necessary although they would have questions on some of the items. He said that they would also discuss the LoCIP monies.

J. Adjournment

****MOTION (5)**

Mr. Taylor moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 10:55 PM.

Ms. Carini seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary