

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, JUNE 13th, 2012**

Members In Attendance: Raymond Hart, Chairman
Steve Carpenteri
Steve Kelley
Lisa Picarazzi

Also In Attendance: Paul Formica, First Selectman
Anna Johnson, Finance Director

Absent: Steve Harney, Secretary, Richard Bengtson

A. Call Meeting to Order

Chairman Hart 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. Hart called for Delegations.

Creig Peterson, 56 Walnut Hill Road said that those who use Walnut Hill Road have been under siege for months as they are putting in the drainage in order to re-pave the road.

We have suffered through pot-holes and hazardous conditions and have been told that they have to wait for the three part process to be approved to move the process along. So, they have put together a petition and have 59 signatures on it to date.

He noted that one of the residents wrote a note on the signed form. Janet Belke of 65 Walnut Hill Road said that *'as someone who frequently walks on the road for health benefits, she wanted to add that the level of risk has significantly increased since the winter when the road was torn up for drainage installation.'* She also invited any member of the Board of Selectmen, Board of Finance and Public Works Dept. to join her on her walk to experience first hand by foot the degraded road condition.

He asked the Board of Finance to support funding for Walnut Hill Road and to further support it at Town Meeting. He submitted a copy of the petition sent out to everyone. (Attached to minutes filed with Town Clerk)

John Bialowans, 61 Walnut Hill Road said that the question is one of Walnut Hill Road and of Mr. Formica's advice to him on having the taxpayers of Walnut Hill Road show some support for the road paving. As people did not want to come to the meetings, the next best approach was to do a petition. In three days they have 52 signatures and have had seven more responses handed to them prior to the meeting. He said that he would present them now and at Town Meeting and asked Mr. Hart if he would want them as evidence for voting. He submitted the petitions with 52 signatures in favor of paving Walnut Hill Road and a copy of his statements. (Attached to minutes filed with Town Clerk)

Mr. Hart said that he has taken a ride up there and understands what is going on. They will take that item up later during the meeting and Mr. Formica would also explain it at that time.

Ms. Rak noted Point of Order and stated that Delegations is the time for comments from the public only and not for the Chairman to be speaking and interrupting. She asked that they let the public speak.

Carol Murcko, 61 Walnut Hill Road said that she is in support of the petition for the completion of the Walnut Hill Road project. She said that she was at the Board of Finance meeting on the budget when it was said that the \$400,000 allocated for the Walnut Hill road project would not be enough to complete it. Mr. Formica suggested that the people show support for the project so they formed a petition for the people to sign in support of the project. Mr. Formica has said that he has explained the procedure on how money would be allocated for the Walnut Hill Road project and they do understand the process and no guarantee that the money would be available at this time. They want to make sure that the money is allocated and used for the repair and final paving of Walnut Hill Road. (Letter submitted, attached to minutes and filed with Town Clerk)

Karen Rak, 27 Black Point Road spoke to the process. She said that during delegations that the public can speak to the Board and that it is not the time for the Board of speak back to them. They are to listen and not interrupt. They can speak later and are to do so – she asked that they please do so.

D. Approval of Minutes

▪ Monday, April 23, 2012 – Public Hearing (re-approve)

Mr. Hart called for a motion for re-approval or any changes to the Board of Finance Public Hearing Minutes of April 23, 2012.

Ms. Johnson asked that on page 2 in the next to the last paragraph that .81% be changed to read – 1.81%; and on page 3 in the fourth paragraph down that 23.7% be changed to read 2.37% and that the 10.7% be changed to read – \$10.7M

****MOTION (1)**

Mr. Kelley moved to re-approve the Board of Finance Public Hearing Minutes of April 23, 2012 as amended.

Ms. Picarazzi seconded the motion.

Vote: 3 – 0 – 1. Motion passed.

Abstained: Mr. Carpenteri

▪ Monday, April 23, 2012 – Special Meeting (re-approve)

Mr. Hart called for a motion for re-approval or any changes to the Board of Finance Special Meeting Minutes of April 23, 2012.

Ms. Johnson said that she had presented a copy with the changes and necessary attachments to the minutes to the Recording Secretary to attach to the minutes. She reviewed the changes with the Board, who were in agreement with the changes.

****MOTION (2)**

Ms. Picarazzi moved to approve the Board of Finance Special Meeting Minutes of April 23, 2012 as amended.

Mr. Kelley seconded the motion.

Vote: 3 – 0 – 1. Motion passed.

Abstained: Mr. Carpenteri

(Minutes with changes and attachments, attached to minutes filed with Town Clerk)

▪ Wednesday, May 9, 2012 – Regular Meeting

Mr. Hart called for a motion for approval or any changes to the Board of Finance May 9, 2012 Regular Meeting Minutes.

****MOTION (3)**

Mr. Kelley moved to approve the Board of Finance Regular Meeting Minutes of May 9, 2012 as presented.

Mr. Carpenteri seconded the motion.
Vote: 4 – 0 – 0. Motion passed.

▪ **Wednesday, May 30, 2012 – Special Meeting**

Mr. Hart called for a motion for approval or any changes to the Board of Finance Special Meeting Minutes of May 30, 2012.

****MOTION (4)**

Mr. Kelley moved to approve the Board of Finance Special Meeting Minutes of May 30, 2012 as presented.

Ms. Picarazzi seconded the motion.
Vote: 4 – 0 – 0. Motion passed.

E. Reports

◆ **First Selectman**

Mr. Formica reported on the following:

- FEMA is sending an Engineer to re-assess the Boardwalk damage so that they can determine and get reimbursement
- On July 6 there will be a Downtown Stroll to coincide with the OpSail opening ceremony that will be held at 4PM with a Navy demonstration at the Hole in the Wall. This ceremony will be held at McCook's due to the vista of the ships in the Bay that will be part of the Parade of Sail.
- Tax bills will be going out soon
- They are in the process of filling out the application for the next round of STEAP Grant funding. They will target those monies for the Boardwalk. The \$400,000 that they received is for the Pennsylvania Avenue and Hope Street project.
- Care & Share and the Children's Museum are getting settled in the former Public Works building now that their leases are all set.
- They are working on the traffic light on Boston Post road between the firehouse and the former Frank's Gourmet Grille area per the DOT. The bid opening should be next week.

◆ **Finance Director**

Ms. Johnson said that her monthly report was in their packets and that she had provided them with the Board of Ed summary this evening. They are still on target to return some money.

F. New Business

a. \$900,000 – Bonding Resolution - Roads

Mr. Hart asked Mr. Formica to explain this item.

Mr. Formica explained that the road repairs are based on the model used for repairs. \$900,000 is for general road repairs and \$400,000 is earmarked for Walnut Hill Road specifically. They have underground springs in that area that have caused havoc on the roads so the underground drainage which had to be done first, is done. He said that he appreciates the passion of those who live there and understands their frustration. He said that they have to do this as expeditiously as possible as they have many roads in a similar situation throughout the Town.

Mr. Hart asked if the drainage has helped during the heavy rains of this spring.
Mr. Formica said yes, they have found that it has helped.

Ms. Picarazzi asked for an estimation of when the work would be completed.
Mr. Formica said that the Town Meeting is next week Wednesday and that he expects that they would be able to start very soon after the money is appropriated.

****MOTION (5)**

Mr. Kelley moved that it be Resolved that the resolution entitled "Resolution Appropriating \$900,000 for the Rehabilitation of Various Town roads and Authorizing the Issuance of \$900,000 Bonds of the Town to meet said Appropriation and Pending the Issuance thereof the making of Temporary Borrowings for such Purpose", a copy of which is attached hereto, is hereby adopted and recommended for approval by the legal voters of the Town at town Meeting.

Ms. Picarazzi seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

b. Special Appropriation – Boardwalk - \$95,000 – Legal Settlement Funds

Mr. Formica recalled that it was alleged that the Boardwalk was poorly constructed and that legal action was pursued and they received a settlement. Some of it was used to do some repairs to it but it was then beat up again by Storm Irene so they closed it and went to FEMA for reimbursement of damages. Now the second engineer is coming down from FEMA to review the damage. They are trying to wait to have it repaired when that is completed but summer is coming and they have come up with a preliminary repair so that when the time comes for the final repair they will be able to do it with the \$1.4M and whatever they get from FEMA. He noted that they have to show them that they can stop this cycle of having to do repairs. They have \$1.5M in the repair account currently. Upon Town Meeting approval they could probably get the majority of the work done by the first week of July as they have gone out for bids and the Public Works engineers have worked on it.

Mr. Kelley asked about the final repairs after they get the FEMA dollars and if they are looking for it to be designed for the 100 year storm.

Mr. Formica said that he is not sure that they will be able to do that with the dollars that they get but he thought that they could do it for a 50 year storm and possibly a 75 year storm. They have to find a way to dissipate how the water hits the area.

Mr. Kelley asked if they have the \$1.5M in an interest bearing account and how much is in there now. Mr. Formica said that at the interest rate that they are probably not getting much. Ms. Johnson would have that information.

Ms. Johnson said that she would have that for them for their next meeting.

Ms. Picarazzi asked how much they anticipated getting from FEMA.

Mr. Formica said that they would expect that it would be in the millions as they have put engineers on this the whole time recording the events and they have worked it out with the software that FEMA uses.

Ms. Picarazzi asked if there was any estimate on when they expect to get the dollars.

Mr. Formica said that they had expected it six months ago and that he has been working with Courtney's office on this and they do have the data.

Mr. Hart asked Mr. Formica if he was comfortable with the \$95,000.

Mr. Formica said yes.

****MOTION (6)**

Mr. Kelley moved to appropriate up to \$95,000 from the Boardwalk lawsuit settlement for the temporary repairs to the Boardwalk, aerial photogrammetry, and associated engineering consulting fees.

Mr. Carpenteri seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

c. Donation of Land – 194 Boston Post Road

Mr. Formica explained that this came from the Water & Sewer Commission. It involves the land west of the pump station that is owned by Mr. Rando. It was realized that the land was not being used and they have a stream flow gauge there and it is next to the pump station and this would allow for easy access to it. The donation of the land comes with the stipulation that the remaining sewer assessment is to be paid in full. The net revenue loss would be \$23.92. This comes before them due to the tax revenue.

****MOTION (7)**

Mr. Kelley moved to accept donation of property located at 194 Boston Post Road as noted on Assessors Map 30.2, Lot 77 in the amount of .115 acres from Ronald & Ursula Rando.
Ms. Picarazzi seconded the motion.
Vote: 4 – 0 – 0. Motion passed.

d. Special Appropriation – CNRE Funds \$129,000

Mr. Formica explained that it is customary for them to see this prior to it going to Town Meeting. The money is in the Capital Improvement Fund and they are now being asked to move it out for use.

****MOTION (8)**

Ms. Picarazzi moved to appropriate the following projects in CNRE Fund 32 which are consistent with the 2012/2012 Capital Improvement Plan: CAD Software & Survey Equipment - \$4000; HVAC Pump Replacement – Town-wide - \$25,000; Various Town-wide roof replacement - \$50,000; Sidewalk Repair - \$50,000 for a total of \$129,000; and send for Town Meeting approval.
Mr. Carpenteri seconded the motion.
Vote: 4 – 0 – 0. Motion passed.

e. Budget Transfer - \$6,015 Turn Out Gear – Fire Marshal

Mr. Formica explained that this is one of the items that were cut from the budget during the process. Mr. Morris felt that there is a need for this item and has the money for it in his current budget and has asked that it be brought forward for a transfer. This would only affect the amount of dollars that would be returned.

Mr. Hart asked if this would affect the expected revenue amount of dollars that they figured into the new budget (based on the returns from this years budget).

Mr. Formica said that they expected that \$500,000 - \$600,000 would be returned this year and he said that he can speak to the fact that they will probably get \$100,000 more returned so the \$6,000 will not change the percentage by very much, but the extra \$100,000 will help the fund balance.

Mr. Kelley asked if the transfer is for FY 2012/2013 or for now.

Mr. Formica said that it would have originally been in the FY 12/13 year but it was cut out of that budget so they want to transfer it from this budget as Mr. Morris has the dollars to do it. He added that once they get the fund balance in the 8% - 9% range that they could review the semantics of the returns.

Ms. Picarazzi asked about the handout that Mr. Morris had given them on the gear and if it is required. Mr. Morris said that it is a requirement that they provide protection for the employees that have to go into hazardous areas and his people do. This will buy three (3) sets of gear for three (3) people who do the weekend and night duty and who have no gear at all right now. He said that he feels strongly that they need it.

****MOTION (9)**

Mr. Kelley moved to approve a transfer in the amount of \$6,015 from account 2-01-25-224-100-212 (Dispatchers) to account 2-01-70-724-100-212 (PS Fire Marshal) for the purchase of PPE Turn-out gear.

Mr. Carpenteri seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

f. \$7,524 – Fire Fighter Transfer

Mr. Hart said that he believes that this is for salaries to cover the contract negotiations.

Mr. Formica said that was correct and added that they do have the money in Contingency for this.

****MOTION (10)**

Ms. Picarazzi moved to transfer \$7,524 from account 2-01-01-120-100-500 (contingency Pending PR Change) to the following accounts: \$3,994 to account 2-01-25-217-100-611 (salaries NFD Firefighters) \$2995 to account 2-01-25-218-100-611 (Salaries FFD Firefighters) and \$535 to account 2-01-01-114-

100-121 (FICA/Medicare) due to the timing with the budget process and negotiating the wage re-opener.

Mr. Kelley seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

g. \$21,119 – Police Transfer

Mr. Hart said that this is a similar transfer due to contractual obligations.

Mr. Formica said that was correct and added that there are three times more police than firefighters and that accounts for the difference in the amount.

****MOTION (11)**

Mr. Kelley moved to transfer \$21,119 from account 2-01-01-120-100-500 (contingency Pending PR Change) to the following accounts: \$19,619 to account 2-01-25-216-100-511 (Salaries Constables) and \$1,500 to account 2-01-01-114-100-121 (FICA/Medicare) due to the timing with the budget process and negotiating a successor agreement.

Mr. Carpenteri seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

h. \$36,307 – Non-union transfer

Mr. Hart said he thought that this is basically the same.

Mr. Formica said that it is for non-union employees and hourly who received the same wage increases.

****MOTION (12)**

Ms. Picarazzi moved to approve a transfer in the amount of \$36,307 from account 2-01-01-120-100-500 (Town Payroll Pending PR change) to various budget line items as itemized on the attached worksheet titled, "Town of East Lyme Unaffiliated COLA increases 7/1/11 – 6/30/12 Additional Funding Required."

Mr. Kelley seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

i. \$10,000 – Parks & Recreation Transfer

Mr. Formica explained that this is for the field preparation that was done early this spring due to the weather. He said that he expects that next year that the funding would be adequate. This money comes from the savings for the salary for the Youth Services Director as the departments were combined.

****MOTION (13)**

Mr. Kelley moved to approve a transfer in the amount of \$10,000 from account 2-01-01-45-422-100-211 (YS Director) to account 2-01-45-421-110-314 (P & R Maintenance Overtime).

Ms. Picarazzi seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

j. \$3,634.95 – Town Clerk Transfer

Mr. Formica explained that when Ms. Williams retired and Ms. Blais became Town Clerk that Ms. Blais had been in the union for many years and that she had accrued time that she was eligible to be paid for. This transfer takes the accrued time and pays it out so that as of her appointment in April she no longer accrues any time as an elected official.

Ms. Picarazzi asked if it was standard that elected officials do not accrue time.

Mr. Formica said yes, and explained that time accrual is for the long-term employees that are not elected.

****MOTION (14)**

Ms. Picarazzi moved to approve a transfer in the amount of \$3,634.95 to account 2-01-01-107-100-311 (assistant Town Clerks) as follows: \$2,000 from account 2-01-01-107-200-292 (Contracted Land Record Management) and \$1,634.95 from account 2-01-45-422-100-211 (Youth Service Director) for the purpose of a lump sum vacation and compensatory time payment to the former Assistant Town Clerk.

Mr. Kelley seconded the motion.
Vote: 4 – 0 – 0. Motion passed.

k. \$121,313.49 – List of Transfers

Mr. Formica explained that the list of transfers is all inter-department – they stay within their departments and are not from one department to another.

****MOTION (15)**

Mr. Carpenteri moved to ratify departmental transfers in the amount of \$121,313.49 processed for fiscal year end June 30, 2012 as itemized on the attached worksheet.

Ms. Picarazzi seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

l. July Meeting Date – Change to July 11, 2012

Ms. Johnson explained that during the months of July and August that the Board of Selectmen meets only once. The Board of Selectmen and Board of Finance meeting for July is on the same night so she asked that they cancel the Board of Finance meeting and move it to July 11, 2012 instead.

Mr. Kelley asked if they would have any items for that meeting as it is before the Board of Selectmen meeting and the purpose was to have it after for action on any items passed to them.

Ms. Johnson said that they would have the June 20, 2012 Board of Selectmen items to act on and then the July 18, 2012 Board of Selectmen meeting items would go to their August meeting.

****MOTION (16)**

Mr. Kelley moved to cancel the Board of Finance meeting of July 18, 2012 and re-schedule a special Meeting on July 11, 2012.

Mr. Carpenteri seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

G. Old Business

There was none.

H. Public Discussion

Mr. Hart called for Public Discussion.

Creig Peterson, 56 Walnut Hill Road thanked them for their support for the Walnut Hill Road project.

I. Board Comments

There were none.

J. Adjournment

Mr. Hart called for a motion to adjourn.

****MOTION (17)**

Ms. Picarazzi moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 8:20 PM.

Mr. Carpenteri seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary