

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, MARCH 9th, 2011**

Members In Attendance: Bob Kleinhans, Chairman
Steve Harney
Raymond Hart
Steve Kelley
Lisa Picarazzi

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

Absent: Steve Larcen, Secretary

A. Call Meeting to Order

Chairman Kleinhans called this Regular Meeting of the East Lyme Board of Finance to order at 7:02 PM.

B. Pledge of Allegiance

The Pledge was observed.

C. Delegations

Mr. Kleinhans called for delegations.

There were none.

D. Approval of Minutes

◆ **Wednesday, February 9, 2011 - Regular Meeting**

Mr. Kleinhans called for a motion for approval or any changes to the Board of Finance February 9, 2011 Regular Meeting Minutes.

Mr. Hart asked that on the bottom of Page 2 where Mr. Larcen is speaking that 'whey' be changed to read: 'when'.

****MOTION (1)**

Mr. Kelley moved to approve the Board of Finance Regular Meeting Minutes of February 9, 2011 as amended.

Mr. Hart seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

E. Reports

◆ **First Selectman**

Mr. Formica reported on the following:

- ◆ He had noticed and received calls regarding work being done at the Mobil Station and had gone to the site to see as they were having the gas tanks removed. It will be a convenience store only with a new manager.

- ◆ The water project has been approved and the contract signed with New London. They are working on the engineering and design specs.
- ◆ They are in the process of refunding some outstanding bonds and have already refunded twice which has meant a savings of some \$500,000 - \$600,000.
- ◆ They have bid out the electric and realized some savings on this which brings the contract out longer.
- ◆ He will provide an FY 2011-2012 budget overview in a few minutes.

◆ **Financial Report**

Ms. Johnson said that she had included her letter in the packets with the reports and that they also had the Board of Ed report. She said that she would update them on the audit comments.

- Policy and Procedures Manual – This is a work in progress and they are documenting the processes as they go
- Census Data (dates of hire, etc) – This is an actuarial report that is done every other year. They will make sure that accurate information is given to them. Regarding the Police wages they will make sure that information is accurate and will write policy and procedures for it
- Vendor Testing – they found some vendors that were not used in some time and they will print out a list and review it periodically for unused vendors and remove them
- Board of Ed – Outstanding Checks – The Board of Ed will compile this list and work on the actual status
- Agency Funds – They will continue to work on this
- Cash Cut Off – At the end of last year, checks should have been booked as accounts payable instead of as revenue. They will be more careful about this in the future.
- Student Activities - This is a Board of Ed fund in which they did not have copies of cancelled checks. The reason was the \$8 fee with the bank – they have since worked this out with the bank and they will get the copies for free
- School Lunch Fund – Chartwells has installed an elaborate and expensive system by which they will better be able to track this activity

Mr. Hart asked about the Board of Ed transfer of monies and if that was affected.

Ms. Johnson said no.

Mr. Hart asked about the number of outstanding checks, noting that he had asked about this before – how many were there and what was the outstanding balance.

Ms. Johnson said that she would get that information for them.

Ms. Picarazzi asked about the investment income rates.

Ms. Johnson said that there has been no improvement with the rates, unfortunately.

F. New Business

◆ **Appointment of Auditor for June 30, 2011**

Mr. Kleinhans called for a motion.

****MOTION (2)**

Mr. Hart moved to retain the services of McGladrey & Pullen, LLP to audit the Town's financial records for the fiscal year ending June 30, 2011.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

◆ **Special Appropriation \$4,000 – Live Audio/Video Feed – Town Hall**

Mr. Kleinhans called for a motion.

****MOTION (3)**

Mr. Kelley moved to approve payment of up to \$4000 for a Metrocast proposal as outlined, when the work is completed in a satisfactory manner from account #1-01-01-120-200-500 (Contingency).
Mr. Hart seconded the motion.

Mr. Formica explained that this is an opportunity that they feel will solve the issues that they have been having with the live and recorded broadcasts. This provides a direct access to cable and has become feasible now that fiber optic cable has been installed in front of Town Hall. The only thing they will not be able to do is to broadcast live at the same time as the Board of Ed is. Only one can go live at a time.

Mr. Hart asked if there were any other limitations besides the simulcast.
Mr. Formica said no. He thanked Dick Morris, Fire Marshal for all of his hard work on this project.

Vote: 5 – 0 – 0. Motion passed.

◆ **Presentation of 2011/2012 Proposed Budget (books provided at meeting)**

Mr. Kleinhans noted that they had their budget books in front of them and asked Mr. Formica to provide them with an overview.

Mr. Formica explained that he had written a letter to the Board of Selectmen at the outset of the budget process. The budget they are receiving this evening has some changes that were made by the Board of Selectmen after their review. He said that they should be moving into the Field Services building by July for August of this year and that it would house Public Works and Parks & Recreation field employees. He is creating an Office Manager position that will be funded equally between Public Works and Parks & Recreation as they are building 3000 sq. ft. of office space that will be used for offices, training and meetings. The Office Manager position will perform some of the Human Resources services at this facility, which will reduce the Human Resources line item. Some of these duties have also been given to the Executive Assistant and they may look to a professional company for some of the duties. The Probate expenses which will be more than the previous \$5000 – will be compensated for by the other Towns that are in the building. What they pay is based on their grand list and it will cover the expenses.

They have consolidated the Planning Department and Planning Commission budgets for some savings. The debt refunding has afforded them some savings.

The Capital Improvement Plan will be forth coming.

They are continuing work on some of the contracts and are considering an extension of some of the contracts that only have one year left.

Regarding the Health District, as it is a cumbersome process, they agreed to move this out for a year and in the meantime Ledge Light has reduced their fee by approximately 9%.

They had to increase the pension a bit however with the financial advisor; they are showing some success with this.

They were able to lock in on gas and diesel prices before they went up.

He noted that he had provided them with five different scenarios for the revenue picture as they are not sure what will happen with the State as they do expect some changes. Three of the scenarios show some use of fund balance. It is expected that they will achieve the 7% fund balance.

Mr. Kleinhans noted that they have the agendas and schedule of events and suggested that they follow the same format that they followed last year by opening and closing discussion on the individual departments as they go. It was further suggested that as they now have the budget books that any departments with flat or negative budgets would not require the department head to attend.

Mr. Formica said that he and Ms. Johnson could present those budgets and answer any questions.

Mr. Kleinhans said that they would work with Mr. Formica on those department heads that would not have to attend and would notify them accordingly.

Ms. Johnson said that if they want to see the Assessor that she would not be able to make the evening that she is scheduled for.

Mr. Kleinhans said that if they are to see her that they would amend the March 29, 2011 agenda and move her to that evening.

G. Old Business

◆ Sub-Committee Report: Financial Policies

Mr. Kelley reported that they have met and that they will have one policy for revenue and one for grants. They have rough drafts that they are working on and they should be able to present something to the Board at one of the upcoming meetings.

◆ Review of Open Items

This was previously addressed.

H. Public Discussion

Mr. Kleinhans called for Public Discussion.

There was none.

I. Board Comments

Mr. Kleinhans called for Board comments.

Mr. Kelley said that he volunteers with the Senior Center on a regular basis and wanted to let everyone know that they serve a Fresh Prep lunch on Tuesday, Wednesday and Thursday for the seniors for \$2.50. This provides a great social time for everyone. On Mondays beginning next week, they will have soup and sandwiches available for a nominal fee for everyone to come and enjoy. He asked that they stop in and try it.

J. Adjournment

Mr. Kleinhans called for a motion to adjourn.

****MOTION (4)**

Ms. Picarazzi moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 8:02 PM.

Mr. Hart seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary