

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, APRIL 14th, 2010**

Members In Attendance: Steve Larcen, Acting Chairman
Steve Harney
Raymond Hart
Steve Kelley
Jeff Langan

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

Absent: Bob Kleinhans, Chairman

A. Call Meeting to Order

Acting Chairman Larcen called this Regular Meeting of the East Lyme Board of Finance to order at 7:03 PM.

Mr. Formica asked (as outlined in the correspondence from Dick Morris, Public Safety Director) that they speak within two inches of the microphones so that they can assure that the viewing public will be able to hear them.

B. Pledge of Allegiance

The Pledge was observed.

C. Delegations

Mr. Larcen called for delegations.

Mike Schulz, Lovers Lane said that he had watched the meeting at home the previous evening and that it was the first night that they had sound and a picture that could be seen. He asked what the bonded debt to the Town is now and what it would be per taxpayer to pay it off.

D. Approval of Minutes

◆ **Wednesday, March 10, 2010 - Regular Meeting**

Mr. Larcen called for a motion for approval or any changes to the Board of Finance March 10, 2010 Regular Meeting Minutes.

Mr. Larcen asked that on Page 3 in the center of the page, fifth paragraph down where he is speaking that 'into out account' be changed to read: *'into our account.'*

****MOTION (1)**

Mr. Hart moved to approve the Board of Finance Regular Meeting Minutes of March 10, 2010 as amended.

Mr. Kelley seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

◆ **Thursday, March 18, 2010 – Special Meeting**

Mr. Larcen called for a motion for approval or any changes to the Board of Finance March 18, 2010 Special Meeting Minutes.

****MOTION (2)**

Mr. Kelley moved to approve the Board of Finance Special Meeting Minutes of March 18, 2010 as presented.

Mr. Hart seconded the motion.

Vote: 4 – 0 – 1. Motion passed.

Abstained: Mr. Langan

◆ **Wednesday, March 24, 2010 – Special Meeting**

Mr. Larcen called for a motion for approval or any changes to the Board of Finance March 24, 2010 Special Meeting Minutes.

Mr. Larcen asked that on the bottom of Page 2 in the first line of the last paragraph that 'tax will sunset' is changed to read: *'tax will sunset on ...'* ;

On Page 5 in the middle of the last paragraph that - 'has been 3work on a pension' is changed to read: *'has been work on a pension ...'* ;

Ms. Johnson asked that on the bottom paragraph of Page 5 in the first line that 'member of the Foard of' is changed to read: *'member of the Board of ...'* ;

Mr. Hart asked that on Page 7 in the third paragraph down on the page where he is speaking that 'Towns that are dong this' is changed to read: *'Towns that are doing this ...'*.

****MOTION (3)**

Mr. Kelley moved to approve the Board of Finance Special Meeting Minutes of March 24, 2010 as amended.

Mr. Hart seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

◆ **Monday, March 29, 2010 – Special Meeting**

Mr. Larcen called for a motion for approval or any changes to the Board of Finance March 29, 2010 Special Meeting Minutes.

****MOTION (4)**

Mr. Kelley moved to approve the Board of Finance Special Meeting Minutes of March 29, 2010 as presented.

Mr. Hart seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

E. Reports

◆ **First Selectman**

Mr. Formica reported that he met with the Board of Directors of MERMA Association regarding the 2008/2009 Workers Comp risk management and that they were explaining that they are assessing the various communities and that for this Town it is about \$200,000. The discussions are on-going so he will be bringing back more information as it comes however; the effect for the upcoming year will be as has been presented as this is over a period of years. He also noted that the Tax Collector has provided them with an up to date report and that he will make himself available for the budget deliberations should they wish him to attend. He said that they also have the information from the Tax Assessor on the adjustments to the Grand List as amended by the Board of Assessment Appeals.

◆ **Finance Director**

◆ **June 30, 2009 Audit Comments**

Ms. Johnson said that they received her monthly transmittal report in their packets with the other reports. She suggested that they review the revenue report and said that most critical seems to be on the current taxes as they may not collect what was projected. The conveyance taxes are also going to

be a struggle to get to. The landfill deposits and recycling of cardboard and paper are also down – all of which is related to the economy.

Mr. Larcen asked if his understanding is correct that the recycling is lower because they are getting fewer dollars for it. He also asked if they are projecting that it would be \$94,125 short for the year.

Mr. Formica said that they are getting less dollars for it and that they are also turning in less due to the economy and that what is helping is going to single stream recycling as we do not have to sort the materials here.

Mr. Hart asked about investment income for the month of March as it seems to be off in comparison.

Ms. Johnson said that during the first six (6) months of the last fiscal year that the rates were better and they started to plummet in December of 2009 and they have not yet recovered. She noted that she has given them information on the cash handling of the Board of Ed.

Mr. Larcen suggested that the Board of Ed process for cash be placed on their next Regular Meeting Agenda for discussion as they would be through with the budget by that time.

F. New Business

a. Discussion and possible action to approve transfer in the amount of \$6,776 to Fees – ACO from Payroll

Mr. Larcen called for a motion for discussion.

****MOTION (5)**

Mr. Hart moved to approve a transfer in the amount of \$6,776 from account 0-01-120-100-500 (Town Payroll Pending PR Change) to account 0-01-25-226-100-215 (Fees – ACO) to fund the balance of the amount due to the Town of Waterford for ACO Payroll and for a part-time ACO.

Mr. Langan seconded the motion.

Mr. Hart asked if the reason for this was that the amount was changed and they need to transfer this much more.

Mr. Formica said that the ACO is a Police Officer with union wages and benefits and that this represents 50% of the officer's change in salary as Waterford picks up the other half. They also have a part time ACO for this Town only and they are looking at other options.

Mr. Larcen asked if they get a report on the number of call-outs, etc.

Mr. Formica said that they do and that they also get some revenue that offsets some of this.

Mr. Larcen called for a vote on the motion.

Vote: 5 – 0 – 0. Motion passed.

b. Discussion and possible action to approve transfer of \$4,884 for payment of 2007/08 SEAT invoice from Contingency account

Mr. Larcen called for a motion for discussion.

****MOTION (6)**

Mr. Langan moved to approve a transfer in the amount of \$4,884 from account 0-01-01-120-200-500 (Contingency) to account 0-01-01-114-300-245 (SE COG/CRED/CCM) for the SEAT invoice for the 2007/2008 fiscal year.

Mr. Hart seconded the motion.

Mr. Formica explained that this is a bill that got lost in the shuffle and that it pre-dates his tenure.

Mr. Larcen asked why they were paying it from Contingency.

Mr. Formica said that they felt that it would be a cleaner way to handle it.

Mr. Larcen called for a vote on the motion.
Vote: 5 – 0 – 0. Motion passed.

c. Discussion and possible action to approve Planning Application Fee refund in the amount of \$2,114.20 to be paid from Contingency account

Mr. Larcen called for a motion for discussion.

****MOTION (7)**

Mr. Kelley moved to approve payment of a Planning Application Fee refund in the amount of \$2,114.20 to Ms. Dolores Scott form Contingency Account # 0-01-01-120-200-500.

Mr. Harney seconded the motion.

Mr. Formica said that this is somewhat confusing and explained that it goes back to 2006 and was for a Planning subdivision that never went anywhere as Mrs. Scott's husband passed away before it could get to Public Hearing. There is a mechanism to refund the building permit portion at 80% however there was no provision for Planning. This figure was arrived at on the basis of covering the cost of an ad and refunding the remainder under the policy of the building department that being of keeping 20% for administrative costs and refunding 80%.

Mr. Langan said that he was concerned about the precedent that they would be setting here.
Mr. Formica said that there currently is no precedent and that this is an unusual case in that it is the applicant who passed away.

Mr. Harney explained that he had heard the discussion on this item that the Board of Selectmen had and that they had said that it was not a business decision but rather a life altering event when Mr. Scott passed on. If you were to set a precedent, you would have to make a rule that an applicant would have to die in order for the remaining spouse to request a refund and that would hardly be something that you would want to do. It is also something that is not likely to happen very often as this is an unusual circumstance.

Mr. Kelley said that he would agree that you cannot write a rule to cover every situation. He added that he thinks that this goes a long way with being a humanitarian gesture of the Town in what may very well be a once in a lifetime event for the Town.

Mr. Larcen said that he has to agree with both sides in what is being said and asked what would prevent others from coming forward.

Mr. Harney said that they are not talking about developers who decide that they no longer want to do something, they are talking about a home owner with some property who wanted to divide it and build a new home and the applicant passed away unexpectedly before anything could be decided regarding the application and the remaining spouse no longer has the desire or interest to go forward.

Mr. Langan said that he did not want to sound unsympathetic to the circumstances but he was still concerned with the precedent.

Mr. Larcen said that he is sympathetic to the circumstance of this regarding the untimely death of the applicant.

Mr. Hart asked that they move the motion.

Mr. Larcen called for a vote on the motion.

Vote: 4 – 0 – 1. Motion passed.

Abstained: Mr. Langan

d. Appointment of Auditor for June 30, 2010

Mr. Larcen noted that they had a notice in their packets regarding this and asked that they make a motion.

****MOTON (8)**

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, 2010.

Mr. Kelley seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Mr. Formica noted that in their packets they had received a memo that he had sent to the Finance Director stating that the Finance Dept. staff was to spend an hour a month to document the process that they must follow in Cash Control, Bank Reconciliation & monthly closeout procedures and Accounts Payable/Receivable. This is in keeping with the results from the audit and the need to tighten controls.

e. Continued discussion and possible action on 2010/2011 Proposed Budget

Mr. Larcen asked what the negative \$163,000 was of the total percentage of the proposed 98.4% collection rate on taxes. He recalled that they had reduced the projected collection rate to 98.4% for this year from 98.6% in the previous year due to the economy.

Mr. Formica noted that they had reduced the Emergency Management budget by \$39,863, one full time dispatcher.

Mr. Larcen asked what the total staffing was on the weekends with the addition of the two part time dispatchers.

Mr. Formica said that it would be 2 – 2 – 1 over the respective shifts and that it is currently 1 – 1 – 1 for the respective shifts.

Mr. Langan said that he was confused by the calls/staffing sheet as it seems to say that it does not include 911 calls.

Mr. Hart said that it does include 911 calls.

Mr. Formica said that he asked for random numbers and that if you look at the number of calls that it is too much for one person.

Mr. Larcen said that it looks like five calls per hour during the peak time.

Mr. Hart said that a dispatcher could easily spend more than 20 minutes on a call following it to the end.

Mr. Kelley asked about the corresponding benefit decrease that would go along with the \$39,863.

Mr. Formica and Ms. Johnson said that it was factored in the \$39,863.

Mr. Larcen asked about the Overtime item in the Emergency Management department and if by adding more people what would be the need for more overtime.

Mr. Hart noted that they had said that it could be reduced.

Ms. Johnson noted the Public Works projection for the rest of the year and said that in speaking with Mr. Giannattasio that his recommendation was to leave the dollars in the 2010/2011 proposed budget so that if the market turns unfavorable, they would have the funds to pay.

Mr. Formica noted that as the recycling containers roll out Town-wide that they expect increases there.

Mr. Larcen noted the Parks & Recreation document that they had received and the information that was presented that was being based on what Mr. Putnam thinks will happen this year for program revenues. He asked if they wanted to discuss it.

The members felt that they should wait until Monday to make decisions or changes and do it all at once.

Mr. Hart asked Mr. Formica for a Health Insurance update.

Mr. Formica said that he has asked for one however Mr. Meltabarger from the school is not available until Monday as this is school vacation week. It is anticipated that the Board of Ed will be \$143,000 short however the good news is that the Town will be \$143,000 to the good. He said that he would ask

that he attend on Monday night and that they ask him where they started with the numbers as he was given the 12% increase figure and he should have come up with extra instead of being short.

Mr. Larcen said that it appears that he based the 12% over the current years' figure which does not take into account the 35 less people for next year.

Mr. Formica said that it looks like they would meet the demands but that they would not be able to take money out as they had expected to.

Mr. Larcen asked for the mechanic of how the departments are charged.

Ms. Johnson said that they have 20 different groups and bargaining units. They get the estimated cost to fund the plan and have allocation rates based upon what each group funds.

Mr. Larcen said that the overall story is that the Town is doing well but the Board of Ed is not so they need to find out why and take action. He said that he would like to know when they knew that they were off and what they did that make them compound the shortage.

G. Old Business

◆ Sub-Committee Report: Financial Policies

Ms. Johnson reported that she and Mr. Brailey have met on the investment policy and that she expects that they will need two more meetings to discuss it before bringing it forward.

Mr. Langan said that he would like to see the investment policy for the May 2010 meeting and asked that Ms. Johnson be in touch with him regarding the meeting.

Ms. Johnson said that she would try.

◆ Review of Open Items

Mr. Larcen said that he would update the open items listing for the May Regular Meeting.

H. Public Discussion

Mr. Larcen called for Public Discussion.

Mike Schulz, Lovers Lane said that he had the opportunity to look at the Lyme Tymes and that it said that Lyme had a 22% increase in their budget. Also, it was stated earlier that they are getting \$54,000 less for recycling materials as the value of it is going down but it was also stated that this is a favorable recycling environment – he asked for an explanation as it is confusing and it can't be both. He lastly said that he asked them for a figure on the amount of bonding debt per household and he would like that figure.

I. Board Comments

Mr. Larcen called for any comments from the Board members.
There were none.

J. Adjournment

Mr. Larcen called for a motion to adjourn.

****MOTION (9)**

Mr. Langan moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 8:55 PM.

Mr. Harney seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary