

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

Members In Attendance: Bob Kleinhans, Chairman
Steve Harney
Steve Kelley
Jeff Langan

Also In Attendance: Paul Formica, First Selectman
Mike Giannattasio, Public Works Director
Donna Bekech, Assessor
Anna Johnson, Finance Director

Absent: Steve Larcen, Secretary, Raymond Hart

A. Call Meeting to Order

Chairman Kleinhans 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. Kleinhans called for delegations.

John Bialowans Jr., 61 Walnut Hill Road said that he came to them this evening to ask the same question that he has been asking the Board of Selectmen for awhile now – when will Walnut Hill Road be repaired. He said that Mr. Formica had said that it is on the Town projects list to be done in a year so he is present tonight asking if the \$500,000 appropriation on the agenda is for Walnut Hill Road. He said that money that had been allocated previously to this road was diverted elsewhere and the work was never done. All of the roads around Walnut Hill have been resurfaced or repaired.

D. Approval of Minutes

◆ **Wednesday, May 26, 2010 – Special Meeting**

Mr. Kleinhans called for a motion for approval or any changes to the Board of Finance May 26, 2010 Special Meeting Minutes.

****MOTION (1)**

Mr. Kelley moved to approve the Board of Finance Special Meeting Minutes of May 26, 2010 as presented.

Mr. Langan seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

◆ **Wednesday, June 9, 2010 – Regular Meeting**

Mr. Kleinhans called for a motion for approval or any changes to the Board of Finance June 9, 2010 Regular Meeting Minutes.

Mr. Kelley asked that on Page 3 in the second paragraph from the top that Mr. Larcen asked be changed to read: Mr. Kelley asked.
Also on Page 3 under Public Discussion, change Mr. Larcen called to read: Mr. Kleinhans called...

****MOTION (2)**

Mr. Kelley moved to approve the Board of Finance Regular Meeting Minutes of June 9, 2010 as amended.

Mr. Harney seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

E. Reports

◆ **First Selectman**

Mr. Formica reported that the department heads had done very well and that the revenue shortfall would be taken care of by the savings within the budget. They are now working towards next years' budget and he explained that they would have a State shortfall when the funding stops which could mean around \$1M. He asked that they keep in mind that all of the initiatives that he will be bringing forth this year will have that thought in mind – how to deal with the shortfall in funding from the State. The new lights – part of the Streetscape project will be energized for this weekend in time for the Celebrate East Lyme event. The clock has been placed and he said that he would be signing for the next phase of the Streetscape project and will also seek other funding for working on the Hope Street parking among other items.

Mr. Langan asked for an update on the new Public Works building.

Mr. Formica said that they would be calling it the 'Field Services Building' and that an RFP went out on the design-build for it. They are hoping to be able to move in during the first quarter of next year.

◆ **Financial Report**

Ms. Johnson said that they had received her report and the other reports in their packets. They year-end reports are a draft and are not final. She noted that \$11,000 more in deposits has been booked since the time of the reports and that they would receive updated June reports and the July reports next month.

Mr. Kleinhans noted that Mr. Larcen had asked about the list of encumbrances.

Ms. Johnson said that is typically done in September.

Mr. Kleinhans noted that the June 30, 2010 figure was \$771,503.

Mr. Langan asked if the encumbrance report would include the Board of Ed encumbrances also.

Ms. Johnson said that it would by way of a separate report from them.

Mr. Langan said that he did not see a separate spreadsheet for the revenues this month.

Ms. Johnson said that she did not do it as it was June and the \$340,000 shortfall is expected to be taken care of through the budget.

Mr. Langan asked if it would be done without dipping further into the undesignated fund balance.

Ms. Johnson said yes.

Mr. Kleinhans noted that Mr. Larcen has asked for an encumbrance report for those items from prior years also.

Ms. Johnson said that she would provide one.

Mr. Langan asked Ms. Johnson to elaborate on the legal fees expenditure.

Ms. Johnson said that they had received the billing for the New England National claim.

Mr. Langan asked if he understood correctly that was at the expense of the Town and not the insurance carrier.

Ms. Johnson said that was correct.

F. New Business

a. Special Appropriation - \$500,000 Repair and Replace Town Roads

Mr. Kleinhans noted that Mr. Giannattasio was present this evening to explain this and to answer any questions they might have.

Mr. Formica said that this is the second phase of what is hoped to be a three phase project.

Mr. Giannattasio explained that they have now fully implemented the software program for road repairing and that the cost for them for the work that would need to be done for everything is projected at \$12.5M. They now have to plan on how they want to do the work. There are various phases of maintenance with regard to the roads – those that require no maintenance; those that require routine maintenance such as crack sealing; those that require preventative maintenance such as sealing of the pavement surfaces and cracks, those that require milling and overlay and lastly those that require total reconstruction. The phases range in cost from the least to the most expensive. He explained that if they were able to keep all of the roads up that they would not have so many of the 'poor condition' roads. The cost per mile of road changes based upon the amount and type of work that needs to be done. They are asking for \$500,000 that would be bonded tonight and that it would be applied to all of the categories. They will do some components of Walnut Hill Road and others throughout the Town.

Mr. Harney asked what component of work the Town employees are qualified to do.

Mr. Giannattasio said that they may provide help to the crack sealing process but that for the most part they hire people who are set up for this type of work and who have all of the equipment necessary to do it properly.

Mr. Langan asked if other Towns do it this way and if we are comparable to them.

Mr. Kelley said that he is looking forward to seeing the difference in the chart that they are looking at this evening once the various areas have each had some work done when they come back for the next phase.

Mr. Formica said that while Mr. Bialowans is present, that they would be happy to go up there to Walnut Hill Road and meet with him and see what they can do to make the road better. He also noted that the money that they are discussing is in the capital plan.

Mr. Kleinhans noted that Mr. Larcen had asked if this was going to be bonded separately or with other items as he had thought there were other items.

Mr. Formica said that it would be with other items.

****MOTION (3)**

Mr. Kelley moved the resolution appropriating \$500,000 for the rehabilitation of various Town roads and authorizing the issuance of \$500,000 bonds of the Town to meet said appropriation and pending the issuance thereof the making of temporary borrowings for such purpose.

Mr. Harney seconded the motion.

Mr. Langan asked what other projects this would be bonded with.

Ms. Johnson said that there would be a temporary note sale in September and that they would see some other items in August as there are items in the CIP that would be part of the plan.

Mr. Langan asked what other projects that were previously discussed and part of the plan.

Mr. Formica said that yes, they are in the plan that was approved. He also noted that they have a signed option on the building on Route 161.

Mr. Kleinhans called for a vote on the motion.

Vote: 4 – 0 – 0. Motion passed.

b. Special Appropriation - \$225,000 – Revaluation 2011

Mr. Formica recapped that this is typically a \$500,000 event and that they have joined together in a joint bid process with Waterford. They received six (6) bids and they have come in at the \$365,000-\$370,000 range for the Town with the both Towns working together. This \$225,000 comes from the CNRE fund. He said that he thinks that this joint endeavor has turned out very positively for both Towns. They will know in the near future who the company is that will be awarded the contract.

Mr. Kleinhans noted that he had thought that the bids would come in at the amounts cited. He asked if they approve the \$225,000 tonight, they would need the \$130,000 - \$140,000 more – when.

Donna Bekech, Town Assessor said that there is a 30-day billing cycle.

Mr. Formica said that they would also have some specialty items such as the prisons that would be done and billed separately.

Mr. Kleinhans asked if, in reviewing the bids they found any newer technology that is beneficial to the community.

Mr. Formica said that they have discussed community outreach and how the process has to be better explained.

Mr. Kelley said that he thought that he heard that this would go to Town Meeting for approval and asked why as it is coming from the CNRE and was already voted on.

Mr. Formica said that he has had the same conversation and that they would do it in the interest of transparency.

****MOTION (4)**

Mr. Kelley moved to approve an appropriation in the amount of \$225,000 for the purpose of completing a portion of the reappraisal and revaluation of all real property (taxable and exempt) for the Town of East Lyme, Connecticut for the grand list of October 1, 2011. Said services to be paid by funds available in the Capital and Non-Recurring (CNRE) Fund.

Mr. Harney seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

Mr. Kelley and Mr. Kleinhans thanked the Assessors for the great work.

G. Old Business

◆ **Sub-Committee Report: Financial Policies**

Ms. Johnson said that she did not have anything to update at this time.

◆ **Review of Open Items**

Ms. Johnson said that they would have this for the next meeting.

H. Public Discussion

Mr. Kleinhans called for Public Discussion.

Karen Rak, Black Point Road said that she had a question for them as she heard mention of the possible purchase of the Mobile Station. She asked how beneficial to the Town this purchase would be as she saw it as a loss for the Town. She asked if they would answer what the purpose of the possible purchase was to the Town.

I. Board Comments

Mr. Kleinhans called for Board comments.

Mr. Langan said that he had planned on making an announcement however; the information always travels through the rumor mill faster. He said that his announcement is that he is leaving and will be going to Green Bay, Wisconsin for his job for the next two years. He said that he would submit a letter to the Town Clerk next week so that they can fill his position at their August meeting. He said that while there was some trepidation when this Board was first together that he has enjoyed serving with them and has found them to have a high degree of professionalism and that even when they did not agree, they have been able to do so in a civil manner. They listen to each other. It has been an honor to serve this Town and he said that he looks forward to when he can do so again. He will keep his home here and plans on coming back to it.

Mr. Kleinhans thanked Mr. Langan for his service and said that he also has been pleasantly surprised at how well they have all worked together. He said that Mr. Langan will be missed and that he looks forward to when he will return.

Mr. Formica and all of the Board members thanked Mr. Langan and wished him well.

J. Adjournment

Mr. Kleinhans called for a motion to adjourn.

****MOTION (5)**

Mr. Langan moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 7:50 PM.

Mr. Kelley seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary