

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, SEPTEMBER 8th, 2010**

Members In Attendance: Bob Kleinhans, Chairman
Steve Larcen, Secretary
Steve Harney
Raymond Hart
Steve Kelley

Also In Attendance: Paul Formica, First Selectman
Pearl Rathbun, Emergency Management
Bill Scheer, Town Engineer
Anna Johnson, Finance Director

Absent: Lisa Picarazzi

A. Call Meeting to Order

Chairman Kleinhans called this Regular Meeting of the East Lyme Board of Finance to order at 7:52 PM after the previously scheduled Information Session.

B. Pledge of Allegiance

The Pledge was observed.

C. Delegations

Mr. Kleinhans called for delegations.

Karen Rak, 27 Black Point Road said that Mr. Jones had said that Mr. Formica had a list on the bonding projects. Those Capital Improvement projects voted on at the Town Meeting – who takes them off. She said that she is concerned with how this is being done as some items are quite old and are in need of repair. She asked which items on the list were 'fluff'.

Robert Gadbois, 358 Boston Post Road said that Karen Rak hit the nail on the head. This is a case of 'get me now or get me later'.

D. Approval of Minutes

◆ **Wednesday, August 11, 2010 - Regular Meeting**

Mr. Kleinhans called for a motion for approval or any changes to the Board of Finance August 11, 2010 Regular Meeting Minutes.

Mr. Larcen asked that on Page 1 where he is speaking under Motion (1) that a line be added to read: *'He said that while Mr. Connolly did get the endorsement of the Democratic Town Committee that as an employee of the Town he could not serve.'*

****MOTION (1)**

Mr. Kelley moved to approve the Board of Finance Regular Meeting Minutes of August 11, 2010 as amended.

Mr. Larcen seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

E. Reports

◆ First Selectman

Mr. Formica said that he would reserve comments on the property until they get to it on the agenda. He reported:

- ◆ That the intention is to fund all items on the Capital Plan.
- ◆ 38 Hope Street is coming forward with a modification of the site plan for Phase II and will be moving forward.
- ◆ The 20/20 vision committee is continuing to meet – they will have a meeting next week.
- ◆ He has been meeting with representatives of Ledge Light Health District and looking at options that might be more affordable.
- ◆ Water & Sewer will hold a public information session on the regional water interconnection for the community outlining the water situation.
- ◆ He was recently appointed the Co-Chair of the Regional Resident Trooper Program and the intention is to move forward with the Resident Trooper Program and explore policing models.
- ◆ The Probate District members met recently for the four Towns and any renovation costs will be borne equally by the four Towns.
- ◆ The Town has applied for an additional STEAP grant (\$500,000) to continue the streetscape up Rte. 161 and down Hope Street to the municipal parking lot with sidewalks and other upgrades.
- ◆ They were recently involved in hurricane preparedness and this worked very well under the guidance of Pearl Rathbun.
- ◆ He recently attended a meeting of the Investment Committee.

◆ Financial Report

Ms. Johnson said that they had received her report and the other reports in their packets and that updated information was in their folders. They also have the encumbrance report.

Mr. Larcen asked her if she had received his email on the back-up information that he had requested.

Ms. Johnson said that she had.

Mr. Formica said that he would present it when they addressed that topic.

F. New Business

a. Bonding Resolution Appropriating \$740,000 for Acquisition of Real Property at 224 Main Street

Mr. Kleinhans called for a motion.

****MOTION (2)**

Mr. Hart moved the Resolution appropriating \$740,000 for the acquisition of real property at 224 Main Street in the Town of East Lyme and authorizing the issuance of \$740,000 bonds of the Town to meet said appropriation and pending the issuance thereof the making of temporary borrowings for such purpose.

Mr. Kelley seconded the motion.

Mr. Kleinhans asked Mr. Formica to give them a brief overview and refresher on this.

Mr. Formica said that he feels that his position as First Selectman is to bring these opportunities before them. He noted that it was asked which items would come off the list and he said that he was not prepared to take anything off – rather that some items probably would not be ready to come forward at the same time as planned – however they do come forward and remain on the list. He then went over the bonding scenario explaining that it shows that this can be done while also weathering any State budget issues. He noted that the option is up on 9/17/2010.

Mr. Kleinhans asked about the environmental testing to be done as due diligence.
Mr. Formica said that they have money for the Phase I and Phase II testing for any contamination.

Mr. Kleinhans said that the difference between the Phase I and Phase II is the physical testing and that they intend to do the Phase II.

Mr. Formica said that was correct. He noted, for Mr. Larcen that the \$6.5M regional interconnection is in the bonding graph as without it, economic development in Town ceases to exist.

Mr. Larcen said that he has a question with regard to if items will be dropped from the list.
Mr. Formica said that as they know some items come in at very high numbers and have to be re-evaluated and come before a number of other areas for determination on what the project will be. He said that he has given them every possible item that they are looking at bonding over a number of years and that he has made it his hallmark to take the capital plan and put items in that are needed. The Haynes Parking lot, ADA Gym access and Open Spare year one (\$905,000) are all lumped into year five.

Mr. Kleinhans asked if the outcome of the testing review finds that remediation is needed if the seller would be paying for it.

Mr. Formica said yes – the seller would pay for the remediation if necessary or it would be subject to further negotiations. He noted that bond counsel is also present this evening should they wish to ask any questions.

Mr. Larcen said that the \$905,000 as stated this evening is clear and with the Information Session being held – which is what he wanted that he has to say that he is in favor of this acquisition. He thanked them for holding the information session.

Mr. Kleinhans called for a vote on the motion.

Vote: 5 – 0 – 0. Motion passed.

b. Special Appropriation - \$112,060 – Phone System - Schools

Mr. Kleinhans called for a motion.

****MOTION (3)**

Mr. Kelley moved the Resolution to approve an appropriation to the Board of Education for the purpose of acquiring by way of lease or purchase or a combination thereof, a new telephone system and related equipment for the High School, Flanders School and Central Office for the total amount of \$112,060 payable in monthly installments over a period of five (5) years.

Mr. Hart seconded the motion.

Mr. Formica noted that the Dr. Lombardo was present and Board of Ed members and that the Board of Selectmen moved this forward.

Dr. Lombardo said that they gave them the blessing to move forward at Niantic Center School for a similar item and that this is the next step in the improvement of the system for the High School, Central Office and Flanders School. The lease is for five (5) years at 5.5% and the system will reduce the current over 200 lines coming in to 38 lines.

Mr. Kleinhans asked if this would be offset within the operating budget.

Dr. Lombardo said that was correct as it will be less than the current fees.

Mr. Hart asked if the Niantic Center School project has been completed.

Ted Hunt, Facilities & IT Communications Supervisor said that it is 97% complete.

Mr. Harney asked what the projected useful life of the system was.

Dr. Lombardo said that they certainly expect it to last more than five years as the current one is more than double that in age.

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

c. Approve expenditure - \$25,000 upgrade emergency generator ELMS

Mr. Kleinhans called for a motion.

****MOTION (4)**

Mr. Hart moved to approve an expenditure of up to \$25,000 from account 1-01-01-120-200-500 (Contingency) for upgrading the emergency generator at the East Lyme Middle School. (\$58,800.00 has already been awarded to the Town by the State Dept. of Emergency & Homeland Security toward this project)

Mr. Kelley seconded the motion.

Mr. Formica explained that this is a continuation of the grant to the Town and that they are asking for this amount hoping not to have to be coming back right away. He noted that Pearl Rathbun did a great job leading them through the hurricane preparedness program.

Mr. Kleinhans asked if the grant which covers the cost of the generator has the switch included. Ms. Rathbun said yes but they would have to do the interior work. She added that it is an aggressive timeline and that they would rather be safe than sorry.

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

d. Special Appropriation - \$19,250 – Clean Energy Fund Grant – Solar System – Hole in the Wall

Mr. Kleinhans called for a motion.

****MOTION (5)**

Mr. Larcen moved to approve a special appropriation in the amount of a \$19,520 grant from the Connecticut Clean Energy Fund (CCEF) to construct a 5 KW Solar System on the south roof of the Hole in the Wall Building. The remainder of the \$39,990 project cost coming from previously appropriated STEAP funds.

Mr. Harney seconded the motion.

Mr. Formica said that Mr. Scheer was present if they had any questions. They have been pushing for a solar system for this project and have used some of the STEAP grant funding for it and were able to get this grant also for the project.

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

G. Old Business

◆ Sub-Committee Report: Financial Policies – Approve and recommend Board of Selectmen approve Cash Management Investment Policy

Mr. Kelley noted that they had received a draft in their packets and that the correct last page has been provided this evening. He said that he has reviewed this with Mr. Formica and the Financial Advisors and asked that they move to forward it to the Board of Selectmen for their review and approval.

Mr. Kleinhans asked if on Page 2 under Ethics and Conflict if the broadness of the statement could be something that could be easily violated to the detriment of the employees or if this is standard language. Mr. Kelley said that the Pension Plan and other things are exempt from the policy which would take care of any conflicts.

Mr. Kleinhans called for a motion.

****MOTION (6)**

Mr. Kelley moved to send the Cash Management investment Policies Draft to the Board of Selectmen for their review.

Mr. Hart seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

◆ **Review of Open Items**

There were no comments.

H. Public Discussion

Mr. Kleinhans called for Public Discussion.

Karen Rak, 27 Black Point Road thanked them for answering questions on the Capital Improvement Plan. She asked if it is a removal or a deferment. She thanked them for the clarification but moving forward she said that she thinks it is quite disturbing that certain members of the Board are making faces when other Board members are asking questions and she would not like the public to see that and would ask that the individual that continues to do it please cease.

I. Board Comments

Mr. Kleinhans called for Board comments.

Mr. Larcen said that he would like to see on the next agenda – a report from the Board of Ed on the \$415,000 in new Federal funding that they received for this and next year and what they plan on doing with it.

Mr. Formica said that this money is only to be used for salaries and that the Superintendent in preliminary thought said that they might use some of this money for programs in the SPED realm.

Mr. Larcen thanked his colleagues for holding the informational meeting this evening as he felt that it was very important and he appreciates that they held it.

Mr. Kelley said that he wanted to apologize to his colleagues and the public for being late this evening.

J. Adjournment

Mr. Kleinhans called for a motion to adjourn.

****MOTION (7)**

Mr. Hart moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 8:50 PM.

Mr. Larcen seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary