

**EAST LYME BOARD OF FINANCE  
REGULAR MEETING MINUTES  
Wednesday, NOVEMBER 10th, 2010**

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

Also In Attendance: Paul Formica, First Selectman  
Richard Morris, Fire Marshal  
Pearl Rathbun, Emergency Mgnt. Director  
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, October 13, 2010 - Regular Meeting**

Mr. Kleinhans called for a motion for approval or any changes to the Board of Finance October 13, 2010 Regular Meeting Minutes.

**\*\*MOTION (1)**

Ms. Picarazzi moved to approve the Board of Finance Regular Meeting Minutes of October 13, 2010 as presented.

Mr. Hart seconded the motion.

Vote: 4 – 0 – 1. Motion passed.

Abstained: Mr. Kelley

◆ **Wednesday, November 3, 2010 – Special Meeting**

Mr. Kleinhans called for a motion for approval or any changes to the Board of Finance Special Meeting Minutes of November 3, 2010.

**\*\*MOTION (2)**

Mr. Hart moved to approve the Board of Finance Special Meeting Minutes of November 3, 2010 as presented.

Mr. Kelley seconded the motion.  
Vote: 4 – 0 – 1. Motion passed.  
Abstained: Mr. Harney

## **E. Reports**

### **◆ First Selectman**

Mr. Formica said that he has attended many meetings and reported –

- ◆ The Pension Committee has worked out well and they are seeing better returns
- ◆ There has been good support for the Regional Water Interconnection between East Lyme & New London regionally and from many other areas. There will be a Public Session held on the Regional Interconnection on Thursday, December 9, 2010 at Camp Niantic commencing at 6:30 PM. After this, he said that he would be bringing it forth to the Board of Selectmen and the Board of Finance prior to a referendum on the matter in January 2011.
- ◆ They are receiving some FEMA funds from the March 2010 floods
- ◆ He noted that they were with MIRMA for one year and were assessed additional monies which are an on-going saga. He said that he was recently elected to a Regional Board of Directors.
- ◆ There are a number of capital items that will be moving forward – most notably the regional interconnection
- ◆ They returned \$577,000 back to the fund balance as of the end of the past fiscal year – a portion of which came from the Board of Ed.

Mr. Hart asked who they were with now – CIRMA or MIRMA?

Mr. Formica said that they were with neither - they are with a non-assessment firm as they had an agent bring them a separate package.

Mr. Hart asked if they had the same coverage and the same services.

Mr. Formica said that it is actually better. He added that MIRMA has in some form ceased to exist as a risk agency.

### **◆ Financial Report**

Ms. Johnson said that they had received her report and the other reports in their packets and that she had passed out the Board of Ed report this evening.

Mr. Harney asked about the regular report showing Worker's Comp, Insurance and PD&L at 72% of the budget at this time of the year. He asked if this was based on the payment time.

Ms. Johnson said that they have paid all of the premiums that are due so they will have money left in these line items as the premiums were lower than expected.

She said that they had a question last month regarding expending more this year at this time versus last year at this time. She said that it will equalize itself out. For instance, she cited that the Recreation area has expended \$54,000 less however they have established the other method of handling those activities; Aging has spent \$5000 more, Public Works - \$130,000 more and General Government \$120,000 more. These will all equalize out as the year progresses.

She said that with respect to the audit of 6/30/2010 that the auditors have been in and that 12/6/2010 is the draft audit target date. She is looking for Scott Bassett to confirm that he will attend the 12/8/2010 meeting of this Board.

She synopsized the status of the items that were a concern last year in closing out the year:

- ◆ The Board of Ed school lunch program loss has been fully refunded and they worked with the audit firm to develop a procedure for it to not happen again
- ◆ The Federal reports being filed late goes away as they were filed on time
- ◆ The Policies & Procedures Manual is being worked on with all departments on how they do things and as new procedures are put into practice, they are outlined at that time.

- ◆ The Water & Sewer Department concern over internal controls – they removed the Accounts Payable from them and it is now a Town function and the Director of the department has to sign off on everything
- ◆ Census data – is compiled by an outside actuarial agency and they felt that this was a clerical error and an isolated incident that should not re-occur

Mr. Kelley asked about the investment policy and if it was accepted.

Ms. Johnson said yes, the Board of Selectmen has accepted it.

## **F. New Business**

### ◆ **Special Appropriation – up to \$25,000 – Generator – Public Safety**

Mr. Kleinhans said that Mr. Formica would present this and that Mr. Morris and Ms. Rathbun were present to answer any questions that they might have.

Mr. Formica recapped that this is for the generator upgrade at the Middle School and that they were awarded a grant in the amount of \$58,800. They are asking for this amount due to the cost which they have found to be \$108,000. A few of the items were more costly so they are coming back for more money. While they have the money in contingency, it is a little more than they originally wanted to spend but this allows them to be able to operate this as an emergency shelter.

Mr. Morris noted that as a for instance, the Kobyluck Sand & Gravel amount went from \$600 to \$4400. Mr. Formica said that the pad that was engineered ended up being larger, wider and deeper. Mr. Morris said that the rebar alone was \$800.

Mr. Hart asked about the wiring and connectors as he knows that copper is involved – Mr. Morris explained that they had 940' of wire times 4 so that is where the cost came in. Essentially their guesstimates were way off on both parties part.

Mr. Hart asked if this would do the whole school.

Mr. Morris said no as the AC units draw a lot of power – so they would have to do some shuffling of floors.

Mr. Hart asked if there are any other costs besides this that would be needed to get this done.

Mr. Morris said no and added that it should be done soon as they have already given the generator a test run.

Mr. Kelley said that they are at a 100% over run from what they asked for plus he understands that there was a lot of volunteer time.

Mr. Morris said that the volunteer time was his and that the others were paid.

Mr. Formica said that they have a grant for \$58,800 which is more than half the cost.

Mr. Kleinhans noted that as he understands this and as it went was that they were to come up with a figure for an engineered system with no opportunity to have input from an engineer as they only had a month to get everything together.

Mr. Formica noted that part of what drove this was a mandate that came down stating that they would have to be able to house dogs in the community in case of an emergency event. This will provide for that should there be the need.

Ms. Picarazzi asked where the main shelter is.

Mr. Morris said the Community Center.

Mr. Formica added that this does afford them some other opportunities should the need arise.

## **\*\*MOTION (3)**

Mr. Harney moved to approve the use of an amount up to \$25,000 in addition to the previous \$25,000 from Contingency budget account 1-01-01-120-200-500.

Mr. Kelley seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

It was noted that after this request that the remaining balance in this contingency budget account would be \$95,000.

◆ **Schedule of Meetings for 2011**

Mr. Kleinhans called for comments or a motion on the proposed Board of Finance regular meeting schedule for 2011.

**\*\*MOTION (4)**

Mr. Kelley moved to approve the Board of Finance regular meeting schedule for 2011 as presented.

Mr. Hart seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

**G. Old Business**

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

It was noted that the Board of Selectmen had approved this as presented.

◆ **Review of Open Items**

Ms. Johnson said that she had addressed these earlier.

**H. Public Discussion**

Mr. Kleinhans called for Public Discussion.

There was none.

**I. Board Comments**

Mr. Kleinhans called for Board comments.

Mr. Hart said that during Mr. Formica's report that he had indicated that they would be receiving some FEMA funds – he asked Ms. Johnson if she had any information on this.

Ms. Johnson said that the check was for approximately \$81,000 of which around \$55,000 was for category B work which is work done by Public Works and some work done by Water & Sewer. The remainder is for some road projects.

Mr. Hart said that he was wondering about Police and Fire.

Ms. Johnson said that they are all in category B.

**J. Adjournment**

Mr. Kleinhans called for a motion to adjourn.

**\*\*MOTION (5)**

Ms. Picarazzi moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 7:42 PM.

Mr. Kelley seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary