

**EAST LYME BOARD OF FINANCE  
REGULAR MEETING MINUTES  
Wednesday, AUGUST 12th, 2009**

Members In Attendance: Steve Larcen, Chairman  
Jeff Langan, Secretary  
John Birmingham  
Jill Carini  
Bob Jones  
Allan Taylor

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

Absent: No One

**A. Call Meeting to Order**

Chairman Larcen 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.

Mr. Larcen asked that they make a motion to add Delegations to the agenda.

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

Mr. Taylor moved to add Delegations to the agenda as the next item on the agenda.

Mr. Langan seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

**C. Delegations**

Mr. Larcen called for delegations.

Bob Gadbois, 358 Boston Post Road, said that he had attended the recent Board of Ed meeting and that they had talked about replacing the boilers and converting from oil to gas. He said that he did not have any problem with that however, they then talked about replacing the building that the boilers are in and this building that they are talking about is only 17 years old! He said that his house is 45 years old and he is not looking to replace it. He said that he does not see any reason to replace a building that is 17 years old and he is appalled that they are not maintaining it as they should be so that they won't be looking to spend more money. We should be maintaining what we have and not always looking to replace.

John McCulloch, Tax Collector reported that the July revenues are still being processed and that the reason for the delay was equipment failure and no money for overtime in the budget. He said that they presently have 10 drawers to process (each drawer is approximately the size of an envelope box) and that this represents approximately \$1.5M in timely payments that they have to process. He said that once this is process, they would have collected around \$23M in July-August revenues.

Mr. Jones asked if it is a hardware problem that is causing them to not be able to post receipts.

Mr. McCulloch said yes. He explained that they turn the computer on and it runs for about an hour and then shuts down and they cannot get it back on. He said that they have asked for help with it and he has been told that he has to be patient. He said that he is not sure of the specifics except that they cannot keep the system running for more than an hour.

Mr. Jones asked Mr. Formica if they have another terminal available in the building that they can provide to fix this problem.

Mr. Formica said that the problem would be corrected tomorrow.

Mr. Langan asked how much money in tax payments they collect on line.

Mr. McCulloch said that it is around \$1.5M and that it has been steadily growing over time.

#### **D. Approval of Minutes**

##### **◆ Thursday, May 7, 2009 - Special Meeting Minutes & Amendment**

Mr. Larcen called for a motion for approval or any changes to the Board of Finance May 7, 2009 Special Meeting Minutes and Amendment Minutes.

Mr. Taylor asked that on Page 2 of the Special Meeting Minutes, about halfway down the page where Mr. Larcen is speaking that 'loosing money' be changed to read: 'losing money'; on Page 5 under Item E. in the line discussing the Capital Improvement Plan, that 'steady level of bond' be changed to read: 'steady level of bonding'.

Mr. Langan asked on Page 5 of the Special Meeting Minutes, who made and who seconded MOTION (1). Mr. Larcen asked if any of the members recalled who had made and seconded the motion. Because no one could recall, Mr. Larcen noted that because the vote was unanimous that for this time, they could let it go as they did not have to try to determine who voted for or against the motion as everyone was in favor of it.

Mr. Formica asked that on Page 5 of the Special Meeting Minutes, at the very bottom under Public Comment that where Karen Rak is speaking that "Master Plan Consultant" be changed to read: 'Capital Improvement Plan'.

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

Mr. Taylor moved to approve the Board of Finance Special Meeting Minutes of May 7, 2009 as amended and to approve the May 7, 2009 Special Meeting Minutes Amendment as presented.

Mr. Jones seconded the motion.

Mr. Taylor noted that there are a number of items within the Special Meeting Minutes that required answers that they were supposed to get but still do not have. He cited the open item regarding the school roofs on the bottom of Page 1; the Board of Ed \$900,000 in encumbrances discrepancy on the top of Page 2; the school solar panels and Capital Leases on bottom of Page 2; Compliance #4 on the bottom of Page 3 regarding Ms. Johnson meeting with the Board of Ed on accounting system items; Compliance #6 on Page 4; Compliance #8 on Page 4 and all of the follow-up information that they were supposed to receive.

Mr. Larcen said that he would ask Mr. Seery to send them a letter updating them on the outstanding items.

Mr. Langan said that he would compile a list of the outstanding items and get it to Ms. Johnson and everyone so that they could have answers for their next meeting.

Mr. Formica asked that the list also be sent to him so that he could follow-up on it.

Vote: 6 – 0 – 0. Motion passed.

##### **◆ Wednesday, July 8, 2009 – Regular Meeting**

Mr. Larcen called for a motion for approval or any changes to the Board of Finance July 8, 2009 Regular Meeting Minutes.

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

Mr. Jones moved to approve the Board of Finance Special Meeting Minutes of July 8, 2009 as presented.

Mr. Langan seconded the motion.

Mr. Taylor made note of the items listed on Page 4 in IC08-4 as there is a lot of money there. He also noted that in IC08-5 that they had said that it would be updated monthly and he wanted to know if it is being done.

Ms. Johnson said that at some point they could establish a schedule of what the department has and also the matter of the staffing they have and if they are available to go out to do this.

Mr. Taylor said that under the old system that the departments were given print out copies and asked to report on what they had. He asked if there is a time table on when this would be set up.

Ms. Johnson said that she has the information to give to the departments and it looking to get this working on a monthly basis.

Mr. Taylor asked if they could have a copy of the letter that she is sending to the departments.

Ms. Johnson said yes.

Vote: 6 – 0 – 0. Motion passed.

## **E. Reports**

### **a. First Selectman**

Mr. Formica reported:

- The Charter Revision Commission report was accepted by the Board of Selectmen and the questions will be prepared and advertised for the November ballot.
- The Pension Committee has met a couple of times with the actuary and they are moving along on this.
- The Capital Improvement Committee has met and reviewed the process.
- The Board of Selectmen approved the Police Union contract for the next two (2) years. The contract calls for deferred raises and increased rates for health care and it also offers the HSA option. It also called for retirees' health benefits to be consistent with the current health plan. He thanked the Police Union President and the union for working on this to get it done in a timely manner and also for the deferment on their raises. He said that they have enough in contingency to cover this with a little left.
- On August 25th he will host a bus tour of the Gateway District with Mr. Dodd and Mr. Courtney to discuss the I-95 interchanges at Exits 74 & 75 so that they can make improvements to them and make them safer. They are working on this in conjunction with a private developer. He said that the Gateway is still moving forward and should start up in the fall of 2010 or spring of 2011.
- He is working with the Finance Office so that they will be better organized after this year.
- He has met with Dr. Lombardo, the new Superintendent of Schools and will continue to meet with him.
- He has met with the potential new owners of Darrow Pond and they expect to have that contract closed shortly. He said that it appears to be a 'green' type of development. He noted that the Town was interested in the property but was unable to obtain it.

Mr. Langan asked if the Darrow Pond project would require a special taxing district to build it.

Mr. Formica said no.

- Celebrate East Lyme was a great day and he said that he spent a lot of time in the dunk tank for Cancer live.

Mr. Larcen asked if the local business support was enough to cover the expenses of the Celebrate East Lyme event.

Mr. Formica said yes, although they did not get the larger business donations as they had in the past. He added that they are still getting donations and still paying bills.

- He said that they are in the process of starting a Summer Music series in the pavilion in back of Town Hall. They will have music there on August 22 and 29 (Saturdays) and September 5 and 12 (Saturdays) from 5 PM to 7 PM. He noted that Pro-Tek has music on Friday nights and that they are trying to have something throughout the weekends for people to enjoy and get out and walk around the Town.

Mr. Jones asked if there is anything new on the Amtrak situation.

Mr. Formica said that the project is still on track to be done.

Mr. Birmingham asked about the \$650,000 savings they had spoken about to offset the shortfalls of around \$475,000 and if they know if that has worked out that way as they said that they would have a clearer picture of that for this meeting.

Mr. Formica said that he did not have that information.

Ms. Johnson said that everything is not paid out yet so she does not have those final numbers yet. She said that it seems that it will be close.

Mr. Taylor asked when they would be getting the final figures.  
Mr. Formica and Ms. Johnson said that it takes 60 days to close out.  
Mr. Larcen said that they could then expect the June 30, 2009 close out for September 1, 2009.  
Mr. Taylor said that they normally get figures each month to update them throughout the process.

**b. Finance Director**

**• Update on Account Reconciliations**

Ms. Johnson reported that the July statements are still coming in and that once they receive all of them, they will begin working on them. She said that it has been a long two (2) years and that it has taken extra time and expense to get everything done. She thanked them for their patience throughout the process. She said that they have made corrections on the way that they do tax reporting and payroll and that they can start moving forward with improving how they look at things and that they would develop better work sheets.

Mr. Taylor asked if they have the first draft done through June and if the correcting entries have been done. Ms. Johnson said that they have not done all of the correcting entries yet. She then synopsisized her monthly report for the Board.

Mr. Larcen asked Ms. Johnson for an encumbrance report for their September meeting. Ms. Johnson said that she would have one. She noted that they had received the Board of Ed report in their packets and that they are giving back \$100,000.

Mr. Larcen asked Ms. Johnson to get a report for them on those encumbrances also. Ms. Johnson said that she would. She also noted that she had provided them with a list of the month end closing procedures that she had started and a list of the financial policies that they had discussed in subcommittee. She lastly noted that she had provided them with an email that she had received from McGladrey & Pullen regarding the audit and that they had pushed out their start date schedule one month – into September.

**F. New Business**

**a. Discussion and possible action to appropriate the \$400,000 STEAP Grant to construct the downtown Main Street Streetscape.**

Mr. Larcen called for a motion.

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

Mr. Langan moved to appropriate the \$400,000 STEAP Grant to construct the downtown Main Street Streetscape.

Mr. Birmingham seconded the motion.

Mr. Formica noted that these monies were to acted on previously and since the project is scheduled to start, it needs to be appropriated. The bids will be opened on August 18, 2009. He said that he would also be holding an informational meeting on this on August 26, 2009 at the Police Station for the merchants and anyone interested. He will be discussing the sidewalk replacement, brickwork, curbing, trees and other aesthetic changes. He said that they would like to start this work on September 7, 2009 and have it done in time for the Light Parade in December.

Mr. Langan asked if this would involve burying any utilities.

Mr. Formica said no.

Mr. Larcen called for a vote on the motion.

Vote: 6 – 0 – 0. Motion passed.

**b. Discussion and possible action to approve \$18,640.17 in departmental transfers for the 2008/2009 fiscal year.**

Mr. Larcen called for a motion.

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

Ms. Carini moved to approve departmental transfers in the amount of \$18,640.17 to be processed for fiscal year end June 30, 2009. (List attached)

Mr. Langan seconded the motion.

Mr. Larcen called for a vote on the motion.

Vote: 5 – 0 – 1. Motion passed.

Abstained: Mr. Taylor

Mr. Taylor noted that as he has said all along that he does not agree with 'sanitizing' the budgets so that it looks like they budgeted correctly for the items.

**c. Discussion and possible action to approve \$15,510.90 in departmental payroll transfers for the 2008/2009 fiscal year.**

Mr. Larcen called for a motion.

**\*\*MOTION (6)**

Mr. Birmingham moved to approve departmental transfers in the amount of \$15,510.90 to be processed for fiscal year end June 30, 2009 for payroll purposes. (List attached)

Ms. Carini seconded the motion.

Mr. Birmingham asked what the new programs were.

Mr. Formica said that it was for the seasonal new programs of the Parks & Recreation department.

Mr. Larcen asked where it was coming from and where it was going to.

Ms. Johnson said that it was within the same department from one line item to another in that same department.

Mr. Larcen called for a vote on the motion.

Vote: 5 – 0 – 1. Motion passed.

Abstained: Mr. Taylor

**d. Discussion and possible action to appropriate \$507,404 - Road Rehabilitation Funds, CNRE Fund 32.**

Mr. Larcen called for a motion.

**\*\*MOTION (7)**

Mr. Birmingham moved to appropriate \$507,404 in the Capital Non-recurring (CNRE) Fund (32) for the rehabilitation of portions of various Town roads to include Old Black Point Road, Mostoway road and various other Town roads as funding may allow.

Mr. Taylor seconded the motion.

Mr. Larcen asked for the rationale on this funding as he thought that they were going to do this by bonding.

Mr. Formica said that they still were and that this was incidental to the bonding.

Ms. Johnson explained where the various funding was coming from for these projects.

Mr. Larcen asked what if some of the State TAR money does not come as they are expecting once the State has come up with a budget.

Mr. Formica and Mr. Giannattasio said that they would just scale back the projects to suit what they do get.

Mr. Larcen called for a vote on the motion.

Vote: 6 – 0 – 0. Motion passed.

**e. Discussion and possible action to appropriate \$50,000 in CNRE fund 32 for Repair / Replacement of Town-wide sidewalks.**

Mr. Larcen called for a motion.

**\*\*MOTION (8)**

Mr. Taylor moved to appropriate \$50,000 in Capital Non-recurring (CNRE) Fund (32) for the repair and replacement of sidewalks Town-wide as funding will allow.

Mr. Jones seconded the motion.

Mr. Larcen asked if this appropriation was coming from the past years money.

Ms. Johnson said yes.

Mr. Larcen called for a vote on the motion.

Vote: 6 – 0 – 0. Motion passed.

**f. Discussion and possible action to appropriate \$48,015 in CNRE Fund 32 for repair / improvement of Town Parking Lots.**

Mr. Larcen called for a motion.

**\*\*MOTION (9)**

Mr. Taylor moved to appropriate \$48,015 in the Capital Non-recurring (CNRE) Fund (32) for the repair and improvement of Town facility parking lots to include the community Center, Emergency Operations Center and McCook's Park locations as funding permits.

Mr. Jones seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

**G. Old Business**

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

Mr. Langan said that he did not have a report but would have one for their next meeting.

**◇ Discussion on management Comments of the 2007/2008 Audit**

Ms. Johnson said that this was for open items and for comprehensive reports that would be provided quarterly and also for the policies and procedures manual.

Mr. Langan noted that the subcommittee would also have some input on the Policies and Procedures Manual.

**H. Public Discussion**

Mr. Larcen called for Public Discussion.

There was none.

**I. Board Comments**

Mr. Larcen called for any comments from the Board.

Mr. Taylor said that they were provided with a copy of the bonding information booklet and that on Page 13 it provided information on the Board of Ed. He said that the enrollment numbers stayed the same when they all know that enrollment has gone down. He asked who had provided this information – the Bond people, the Town or the Board of Ed as it was odd that those enrollment numbers did not change even though the national enrollment is going down.

Ms. Johnson said that she thought that it was the Board of Ed who had provided that information and that she had sent those pages over to the Board of Ed to update. She said that she would check and let them know for the next meeting.

## **J. Adjournment**

### **\*\*MOTION (10)**

Mr. Birmingham moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 8:45 PM.

Mr. Langan seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary