

**EAST LYME BOARD OF FINANCE
SPECIAL MEETING MINUTES
BUDGET REVIEWS
Wednesday, MARCH 30th, 2011**

Members In Attendance: Bob Kleinhans, Chairman
 Steve Larcen, Secretary
 Steve Harney
 Ray Hart
 Steve Kelley
 Lisa Picarazzi

Also In Attendance: Paul Formica, First Selectman
 Anna Johnson, Finance Director
 Dr. James Lombardo, Superintendent of Schools
 Don Meltabarger, School Business Manager
 Tim Hagen, Chairman, Board of Education
 Robyn McKenney, IT Coordinator

Absent: No One

A. Call Special Meeting to Order

Chairman Kleinhans called this Special Meeting of the East Lyme Board of Finance to order at 6:30 PM.

B. Pledge of Allegiance

The Pledge was observed.

C. Delegations

Mr. Kleinhans called for Delegations.

Karen Rak, 27 Black Point Rd. said that she sees that the Board of Ed is presenting a budget with a 2.93% increase. There is a need for flat funding as they had a tax increase last year for the Town and it needs to be flat this year. There are new initiatives in this budget and she said that she thinks that they should pay for themselves. She also noted that the solar and other initiatives that they presented to them and received the funding for with the promise of savings for the taxpayers never translate into any savings for the taxpayers.

John Drabik, 18 Drabik Road said that he agrees with Ms. Rak. The grand list is flat and the State and Federal taxes going up are a given. The fuel costs are already way up. Any savings that are always talked about never get back to the taxpayer. The grand list being up a bit this year is due to Cianbro having the equipment here and that will be gone in a year and the list will go back down and they will have to further tax the taxpayers to make up the difference. They talk about a capital improvement plan – that program is a wish list that should be suspended as we are not in that type of position or economy to do those things. He said that anyone can lead in a good economy.

D. New Business

a. Budget Reviews – FY 2011 - 2012

◆ **Smith Harris House Commission (134) – Gary Lakowsky**

Mr. Kleinhans called for a motion to open this budget review.

****MOTION (1)**

Ms. Picarazzi moved to open the budget review for Item 134 – Smith Harris House Commission.

Mr. Hart seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Mr. Formica noted that this budget falls into the flat or no increase budget category. He noted that with regard to capital improvements that the Historic Properties Group was set up so that they could receive funding for such projects.

Mr. Kelley noted that last year with the same budget that they had only spent \$9,600 and suggested that they look at this when they do their deliberations.

Mr. Lakowsky of the Smith Harris Commission said that traditionally their expenses come during the spring as that is when they do the work on the grounds and the buildings and ready everything for the events. This is why the budget looks better than it actually is right now.

****MOTION (2)**

Mr. Hart moved to open the budget review for Item 134 – Smith Harris House Commission.

Mr. Harney seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

◆ Board of Education (999) – Dr. James Lombardo, Superintendent of Schools

****MOTION (3)**

Mr. Hart moved to open the budget review for Item 999 – Board of Education.

Mr. Harney seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Tim Hagen, Chairman of the Board of Education thanked the Board and Dr. Lombardo for their hard work on the budget. He noted that there was a zero increase across the board this year and that in the next year the teachers will not get the step increase. He said that they had a good and engaging discussion with the Board of Selectmen on their budget and that Dr. Lombardo would present the budget and the new initiatives. The school system in East Lyme is a valuable one and it is this way due to the great staff and para-professionals that they have. He lastly noted that Mary Broderick was recently named President of the National School Board Association which is quite an accomplishment and honor.

James Lombardo, Superintendent of Schools said that he has lived here for a year and a half and that he calls this home and plans on staying here. He noted that this year as last year, they face challenges. He reviewed the PowerPoint presentation with them noting the four 2011-2012 budget priorities:

- **Ensure that the students and staff work and learn in a safe and healthy school environment** by increasing the repair budgets and addressing long-term maintenance needs as outlined in the Feasibility Study
- **Ensure that the students are engaged and challenged to achieve a personal vision of success** by implementing a hardware and software replacement schedule, implementing changes for an improved alternative education program and implementing program revisions to improve the efficiency of the SPED program.

Dr. Lombardo noted that some of their technology switches are at their 10 year life and the increase in this area is meant to alleviate breakdowns. He also said that they would like to build a school based on a model seen in Providence, RI for those who do not learn in a traditional method. A couple of these positions would come from the federal jobs fund and the program would pay for itself as it would have an associated cost to utilizing it.

(Note: 6:55 PM – Mr. Larcen joined the meeting)

- **Ensure that students are supported by Best Leadership Practices** by providing professional development resources to address the differentiated learning needs of the teachers, administrators and staff.

Dr. Lombardo said that they were able to maintain the same level of support as the teaching profile is made up of newer/younger people.

- **Ensure that each child is supported by caring adults** by maintaining reasonable class sizes that reflect the current research on class size and providing the services of a school social worker and adequate professional development.

Dr. Lombardo said that the full time social worker would come at a cost of \$40,000+ and other services would come through grants from child and family services.

He explained that 2.21% of the 2.93% increase is due to salary and benefit increases and that salaries were frozen for most employees in the 2010-2011 (current) year. He said that he sees his main purpose as Superintendent of Schools to reduce areas of the budget to be able to re-allocate those dollars to other areas of the budget where they can be better utilized.

Mr. Kelley said that the table of contents in the Board of Ed budget books that they were given listed six sections however they only had back-up paperwork for four sections. He said that it would have been helpful to have that information to review to ask questions as they spend a lot of time at home reviewing this and they are missing important information.

Mr. Meltabarger, Business Manager said that Section 5 – on the Strategic School Profile they just received today and that Section 6 on the Budget Detail by School & Program he could get to them.

Mr. Kelley asked where the \$135,000 in new program dollars was coming from.

Dr. Lombardo said that it would be coming from the federal jobs bill and after that it would be funded by the program itself.

Mr. Kelley asked if it includes salaries and benefits.

Dr. Lombardo said yes.

Mr. Kelley said that was fine for the coming year and after that the federal money dries up and then what happens.

Dr. Lombardo said that it would be his job to bring it in under the general funding with tuition paid to join the program.

Mr. Kelley asked how many teachers they have.

Dr. Lombardo said 400.

Mr. Kelley said that there is \$17M in salaries and asked how many admin and non-certified and aides there are.

Dr. Lombardo said that he could get them the exact numbers.

Mr. Kelley said that his point is that the admin is a much smaller number than the 400 teachers and that when they look at the pay raise for the admin and non-certified it is only about \$9600 less than the pay raise for the 400 teachers.

Dr. Lombardo said that the paraprofessionals do not have a union and to be fair to them, they have budgeted them at the same 3% increase as the union. The admin staff received 0 in the first year and 2.89% in the second year of their contract. For the teachers three year contract, they received 0 and no steps in the first year; 2.89% and no step in the second year; and 2.99% and no step in the third year. The secretaries will not receive an increase this year; they will get 3% in the second year and 3% in the third year of their contract. The increase averages out to the 2.89%

Mr. Kelley noted the outplacement reduction trend (from 21 to 15) on Page 14 of the presentation and asked if they are happy with that number.

Dr. Lombardo said that he is happy with what works best for the individual and that it involves a combination of professional development and having programs available.

Mr. Kleinhans asked that they try to stay in the same area and ask all questions in one area before moving on to another.

Mr. Harney asked about the 2/28/2011 BOE report which shows a \$2M variance from \$37M to \$39M.

Mr. Meltabarger said that the actual differs from the estimated and that he would have to get back to them with that information.

Dr. Lombardo said that the \$39M is the actual audited budget figure and that he suspects that the column carried was an older one and was accidentally not updated. He added that he will completely reformat how the budget is and that it would be by programs to make it easier for the general public to understand.

Ms. Picarazzi asked if she understood correctly that there would be no increase in the number of administrators for FY 11/12.

Dr. Lombardo said that was correct. He added that they have however changed some positions in the current year and have the SPED coordinator position at \$84,000.

Ms. Picarazzi asked about the increase in the teacher salaries.

Dr. Lombardo said that it is a 2.89% raise on average and that people near the top get 2.2% and those near the bottom get 3.4%. The admin get a 2.89% increase.

Mr. Kleinhans asked if the federal jobs bill positions have been hired yet.

Dr. Lombardo said not yet. The social worker and jobs coach are new positions next year.

Mr. Kleinhans asked what if there is enough money to fund the Coastal Connections program.

Dr. Lombardo said that the federal jobs money is to be used to add or maintain positions prior to 6/30/2012. He said that he has worked so as to not be stuck once the federal jobs bill dollars are no longer available.

Mr. Kleinhans asked about the 8.26% - \$173,594 increase in non-certified and if it was people in addition to wages.

Dr. Lombardo said that was correct – in the previous year they had eliminated 10 para-professionals and this is for para-professionals and a nurse. He added that the para-professional raises are 3%.

Mr. Kleinhans asked that they provide the costs against the SPED.

Mr. Larcen said that 10 para-professionals were eliminated last year and asked what the number added during the year was as there is around \$100,000 in wages.

Dr. Lombardo said that the \$100,000 is what was in wages and transportation.

Mr. Larcen asked that they provide the numbers within the categories.

Mr. Kleinhans noted that class sizes have come down.

Dr. Lombardo said that is intentional and the goal is to keep the primary grades low.

Mr. Kleinhans said that there are a lot of 14's and that is a very small number. He noted that there also were no class sizes given for the Middle School or High School and asked that they be provided with that information before their April 12, 2011 meeting.

Mr. Kleinhans asked for any questions on Benefits –

Mr. Larcen asked if the \$200,000 increase in benefits was due to personnel changes.

Dr. Lombardo said yes and explained that when you go to a younger teaching staff that they tend to be with the family plans for insurance and those cost more.

Ms. Johnson noted that they had a flat renewal for insurance this year however the Town went down by \$13,000 and the Board of Ed went up by \$100,000.

Mr. Larcen said that he is looking at the \$200,000 so something else is in there and added that he thought that it should reflect more reduction on the Town side – he would like to have this right.

Mr. Kleinhans asked that they have that information before 4/12/2011.

Mr. Meltabarger said that whatever is in the line for health insurance is what is given to the Town.

Mr. Larcen asked if that was even with the changes that happen during the year.

Mr. Meltabarger said yes – the amount encumbered is the expected premium for those enrolled and any left would build the reserve.

Mr. Larcen said that he would need to see the reserve.

Mr. Hart asked about benefits line #204 which shows a \$62,000 increase this year.
Dr. Lombardo said that those people are part of the Town's defined benefit plan and they had to add more to make the fund more solvent.
Mr. Hart asked if there are a number of people in that defined benefit fund.
Ms. Johnson said that she would get that number for them.
Dr. Lombardo said that it is not teachers but some admin staff and secretaries.

Mr. Kleinhans asked about the increase in projects/repair.
Dr. Lombardo said that they would provide a full list.
Mr. Meltabarger said that some of the items are asbestos abatement, Flanders door replacement, middle school double doors, curbing and roof drainage.
Mr. Kleinhans asked why a \$60,000 transformer would not be a capital expense.
Mr. Meltabarger said that it could be.

Ms. Picarazzi asked Mr. Meltabarger to put the list in priority order also.
Mr. Meltabarger said that he would do that although they see all of it as a priority.

Mr. Larcen noted that there is \$50,000 more in electricity for next year and that he tried to estimate the cost savings with the solar and came up with about \$40,000.
Mr. Meltabarger said that they look at savings of \$40,000-\$41,000 and that they are also looking for savings from the LED lighting for about a \$50,000 total savings. He said that while they had expected more that they also had the mold problem and had to run the industrial dehumidifiers for that and the AC more due to the hotter weather – so that hurt the savings.

Mr. Hart asked about line 611 – Instructional supplies which has almost doubled.
Dr. Lombardo said that in the past the funds were allocated on an enrollment per pupil basis and that this year he asked the teachers to base it on their actual needs. This was then reviewed by the principles and re-adjusted and this is what they said that they needed.

Ms. Picarazzi and Mr. Hart asked for a breakdown on the instructional supplies line.

Ms. Picarazzi asked what professional materials are.
Dr. Lombardo said that it is journals and materials that the teachers use to develop their curriculum.

Ms. Picarazzi asked what the 'switches' are.
Robyn McKenney, IT Coordinator explained that they are a critical part of the network and that they connect the parts of the network together so that everything communicates and works. There are 20 in the Middle School and they have 55 switches in the network. 38 of the switches are from 2003 or earlier and the typical life is 5 to 7 years.

Mr. Kleinhans and Ms. Picarazzi asked for a 'priority first' list of the equipment by 4/12/2011.

Ms. McKenney said that the servers, switches, computers and wireless controller are on a 5 year replacement plan. They also need smart boards for equitable education. The dollars in the line item are the daily cost of running the network.

Mr. Kleinhans asked about a comparison of a lease plan.
Dr. Lombardo and Ms. McKenney said that they are still looking at such a large amount in numbers of computers and items that need to be replaced that the lease plan would not work.

Mr. Kleinhans asked Mr. Lombardo for a breakdown on what they want to buy and the five year plan.
Dr. Lombardo said that the replacements represent about 16% of the work stations and that with the size of this fleet of items that he could not figure out how to make it economical or feasible beyond year one however they would take another look at it.

Dr. Lombardo noted that 78% is the expected excess cost sharing (ECS) that they will get for the current year although they had anticipated receiving 84%.

Mr. Hart asked if they had planned on seeing revenue from bringing some of the services in-house. Dr. Lombardo said that they have not gone out recruiting and that opportunity has not presented itself yet with the three programs.

Mr. Kleinhans thanked Dr. Lombardo, his staff and the Board of Ed on the work that they did bringing forth this budget. That being said, he said that it is a difficult budget year; the seniors in Town have seen a zero increase for the past two years and the taxpayers are being hit by the State to fund that spending. They are looking at 1/2 of a mil increase just on the Board of Ed budget and he said that he personally does not see that as attainable. They will also see 1100 people without jobs soon in this area and he is not sure of how many of them will be from this Town. Everything is on the increase and this will be a very tough year.

****MOTION (4)**

Mr. Hart moved to take a five minute break.

Mr. Larcen seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

****MOTION (5)**

Mr. Hart moved to close the budget review for Item 999 – Board of Education.

Mr. Larcen seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

◆ Long Range Capital Plan (CIP) – presented by Paul Formica

****MOTION (6)**

Mr. Hart moved to open the budget review for Item CIP – Long Range Capital Plan.

Mr. Kelley seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Mr. Formica went over the five year capital improvement plan noting the items and funding sources for those items for the upcoming year. He said that they have to vote on this plan every May as a community. He noted that the carpet downstairs is the last to be replaced and that while this was being done that because the Land Use side of the building has only 5 people and Public Works has 11 people with less area that the two areas would be swapped. Ledge Light would be keeping two people here once they get their new building organized and they would probably be located downstairs to be more functional with the every day operations. Also, Care & Share would be moving to part of the highway area and would pay for the heating and electricity there and the other bays will be set up for storage for other areas to use such as Parks & Recreation and COA. Part of the Youth Services area would be re-worked so that the Registrars can store their machines.

Mr. Larcen asked how much the LoCIP funding is.

Mr. Formica said \$140,000.

Mr. Kleinhans asked for the FY11/12 payment on the Public Works vehicle acquisition.

Mr. Formica and Ms. Johnson said that they would get that schedule to them for their deliberations.

Mr. Formica noted that they have the sidewalk construction project for the end of 161 north of Gorton Pond and over Gorton Pond to the light and that it probably will not happen this year.

Mr. Larcen asked if it was a multi-year plan for sidewalk construction.

Mr. Formica said yes.

He then said that Mr. Morris would explain the proposal on the radio and network system.

Dick Morris, Fire Marshal said that he had provided them with a proposal on a radio and network system that has 4-5 significant areas that do not get coverage. The proposal is to simulcast and add triple angle antennas to better cover the community. This is for the fire, police, schools, etc. as a joint venture to complete the project as they have drop out areas such as Oil Mill Rd., and areas of Grassy Hill Rd.

Mr. Larcen said that he thought that when they tested the new radio system that they thought that this would be taken care of.

Mr. Morris said that they did test everywhere and even some of the areas that they tested; they have since found as they have used the system that they are not working and there are drop out areas. They are proposing here to drop utility poles with boxes and 40'-45' antennas.

****MOTION (7)**

Ms. Picarazzi moved to close the budget review for Item CIP – Long Range Capital Plan.

Mr. Larcen seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

E. Public Discussion

Mr. Kleinhans called for any comments from the Public.

Karen Rak, 27 Black Point Road said that there was a lot to digest from this evening. She thanked the Board for their questions as there was a lot of information presented. During the break she was talking with Mr. Kleinhans and had suggested that they ask for the 'Master teacher building schedule' for each school as it shows where the teachers are and how many students. This would give them a better idea on the staffing. She said that she also spoke with Ms. Picarazzi during the break and explained that there is a Dr. Armand Fusco who is a Dr. of Education who could explain how to best analyze and understand the school budget. She suggested that they sit down with him and also have some of the Board of Ed people join them. She thanked Chairman Kleinhans for his comments on the budget and the fiscal year and the hardships that everyone is facing. She said that they should come up with a zero increase as it has been a difficult year and their job as the Board of Finance is to look at the overall population and the school only serves 1/6th of the Town.

F. Board Comments

There were none.

G. Adjournment

****MOTION (8)**

Mr. Hart moved to adjourn this Special Meeting of the East Lyme Board of Finance at 9:55 PM.

Ms. Picarazzi seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary