

**EAST LYME BOARD OF FINANCE  
SPECIAL MEETING MINUTES  
AFTER PUBLIC HEARING  
Monday, APRIL 25th, 2011**

Members In Attendance:     Robert Kleinhans, Chairman  
                                   Steve Larcen, Secretary  
                                   Steve Harney  
                                   Raymond Hart  
                                   Steve Kelley  
                                   Jeff Langan

Also In Attendance:         Paul Formica, First Selectman  
                                   Anna Johnson, Finance Director

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 8:20 PM after the previously scheduled Public Hearing on the Proposed FY-11/12 Budget.

**B. Deliberations & Action to Send Proposed FY 11-12 Budget to Town Meeting on May 9, 2011**

Mr. Kleinhans said that they had completed the Public Hearing process and heard comments. He asked Mr. Formica if he had any new information for them.

Mr. Formica said that they had received word of an additional decrease in the Health Insurance policies of approximately \$173,000. He was told that Cigna was making a big business push and had pushed Anthem more. He suggested that they may want to put some of this in the fund balance.

Mr. Kleinhans said that he would like to take a further cut and called for discussion.

Mr. Larcen asked to reconcile the new information with the budget before them.

Ms. Johnson said that the Town's portion of health insurance includes the Town, Water & Sewer and the Library.

Mr. Formica said that they would need that broken out.

Mr. Kleinhans commented that the Board of Ed would be a reduction of the one number.

Ms. Johnson suggested that for the reduction on the Town side that they could take half of the figure of \$38,000.

Mr. Kleinhans suggested taking the \$107,000 back that they put in to help out.

Mr. Larcen said that they would be capturing wages and benefits in that figure.

Ms. Johnson said that the \$5370 is for the benefits for the civil engineer

Mr. Kleinhans said that they could increase the Board of Ed Health Insurance by \$107,796 and the Town side by the one-half of the \$38,000 or \$19,000.

Mr. Larcen said that they could put it in fund balance.

Mr. Kleinhans said that they heard numbers tonight and they have seen numbers regarding the Board of Ed monthly report to make a reasonable assumption for the return from the Board of Ed for \$250,000 to fund balance.

Mr. Hart suggested leaving half for the Board of Ed for next year and using the rest to reduce the budget.

Mr. Larcen said that the Town has programs available for the elderly and disabled who make less than \$39,000 where part of their property taxes are forgiven. Some Towns have increased the \$39,000 to \$55,000 to encompass more taxpayers. He suggested putting on the table for the Board of Selectmen to work by ordinance to increase the \$39,000 to aid more taxpayers. He said that under the State program that the maximum tax reduction is \$1200.

Ms. Picarazzi said that she would need to see more data in order to make an informed decision on that proposal.

Mr. Larcen suggested that they reserve \$90,000 for such a program and use the rest for a small budget reduction.

Mr. Formica said that he is not sure that the timeline is there to put this into the budget.

Mr. Harney said that while he has no aversion to putting aside money for such a program that he does not want it to be used for something else in the interim.

Mr. Larcen suggested that they could reduce the fund balance by \$90,000 and then come back and appropriate it.

Mr. Kleinhans asked if they were ready to make some motions.

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

Mr. Larcen moved to further reduce the Board of Ed budget - #999 by \$134,925.

Ms. Picarazzi seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

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

Mr. Larcen moved to reduce Town Govt. Misc. & Benefits #114-100-121 by \$5,370.

Mr. Hart seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

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

Mr. Larcen moved to reduce the use of fund balance by \$84,000 from \$537,500 to \$453,500.

Mr. Harney seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Mr. Hart asked Mr. Formica if he had any other information from the State.

Mr. Formica said that CCM had sent out information and that the impact on East Lyme at this point seems too rough to be able to work out. The \$44M in new revenues could be sent to the cities and Towns once a formula for distribution is set. He also noted that the one elephant in the room is the \$1B caveat in union concessions that the Governor is looking for.

Mr. Kleinhans said that he thinks that they will find a way out of the \$1B. He asked for a recap on the final budget numbers.

Ms. Johnson said that the total budget is \$61,352,411. The Board of Ed portion is \$40,494,179 and Town – General Government is \$14,810,030 with debt service remaining the same.

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

Mr. Larcen moved to send the proposed FY11-12 budget in the amount of \$61,352,411 to Town Meeting on May 9, 2011 and to Referendum on May 19, 2011 as presented: Town Government - \$14,810,030; Contingency - \$235,000; Debt Service - \$5,206,083; Capital - \$607,119 and Board of Education - \$40,494,179.

Mr. Hart seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

### **C. Discussion & Possible Action on the Capital Improvement Plan**

Mr. Kleinhans called for a motion on this.

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

Mr. Larcen moved to accept the long range capital improvement plan with the adjustments and funding sources as made during the budget process for FY 11/12.

Mr. Kelley seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

### **D. Public Discussion**

Mr. Kleinhans called for Public Discussion.

Karen Rak, 27 Black Point Road asked where they are at for an overall increase in spending as they were at 1.22%.

### **E. Board Comments**

Mr. Kleinhans called for comments from the Board.

There were none.

### **F. Adjournment**

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

Ms. Picarazzi moved to adjourn this Special Meeting of the East Lyme Board of Finance at 9:05 PM.

Mr. Harney seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary