

EAST LYME BOARD OF SELECTMEN
MEETING OF FEBRUARY 6, 2013
MINUTES

FILED IN EAST LYME TOWN
CLERK'S OFFICE
2/7/13 AT 3:30 AM/PM
Lesley Blair
EAST LYME TOWN CLERK

PRESENT: Paul Formica, Mark Nickerson, Holly Cheeseman, Kevin Seery.

EXCUSED: Rose Ann Hardy, Rob Wilson.

Mr. Formica called the meeting to order at 7:30 p.m. and led the Pledge.

1b. Additional Agenda & Consent Calendar Items
There were none.

1c. Delegations
Bob Scheel of Upper Walnut Hill Road reviewed his statement with the Board regarding the need for a noise ordinance and urged their support (included as Attachment A).

Russ Moratori of 26 Bridebrook Road sympathized with Mr. Scheel and said that he has suffered from noise from Bridebrook Rehab for several years. He said that he had come in to Mr. Mulholland and filled out complaint forms and was told that the Rehab center has a noise buffer zone. He also went to the First Selectman (Mr. Fraser) to complain but it made no difference in the noise levels. He asked why he had to put up with the noise and said that if a noise ordinance was passed, he would have the law on his side and he could get the noise stopped.

1d1. Approval of Minutes, Special Meeting of January 20, 2013
MOTION (1)
Mr. Seery moved to approve the minutes of the Special Meeting of January 16, 2013 as submitted.

Seconded by Ms. Cheeseman. Motion passed 4-0.

1d2. Approval of Minutes, Regular Meeting of January 20, 2013
MOTION (2)
Mr. Nickerson moved to approve the minutes of the regular meeting of January 16, 2013 as submitted.

Seconded by Ms. Cheeseman. Motion passed 4-0.

1e. Consent Calendar
MOTION (3)
Mr. Nickerson moved to approve the Consent Calendar in the amount of \$ 2,387.06 for the meeting of February 6, 2013.

Seconded by Mr. Seery. Motion passed 4-0.

East Lyme Board of Selectmen Meeting Minutes of 2/6/13

2a. Ratification – Council #4 Contract

Mr. Formica noted that this contract was the subject of the earlier Special Meeting.

MOTION (4)

Mr. Nickerson moved to approve the contract between the Town of East Lyme and Local 1303-229 of AFSCME Council #4 dated July 1, 2012 through June 30, 2015.

Seconded by Mr. Seery. Motion passed 4-0.

2b. Authorize First Selectman to Sign Call for Public Hearing

Attorney Collins said that in order for the town to sell or lease property over \$10,000, the town must publish in the paper and post a sign on the property – just like when we leased town property to Care and Share and the Children’s Museum. She said a town meeting would not be necessary, but a public hearing is required.

Mr. Formica suggested holding the Public Hearing on March 20th at 7:00 p.m.

MOTION (5)

Mr. Nickerson moved to authorize the First Selectman to sign a call for a public hearing and to publish said call as necessary for a public hearing to consider the Niantic Sportsmen’s Club Inc. option to purchase real estate from the Town of East Lyme – said property known as the “Samuel Smith House” property.

Seconded by Mr. Seery. Motion passed 4-0.

2c.. Approve Expenditure – COA – Parahus Account

MOTION (6)

Mr. Nickerson moved to approve the expenditure of \$245.00 from the Parahus Account for a service call and repair to the bingo equipment as requested by the Commission on Aging.

Seconded by Ms. Cheeseman. Motion passed 4-0.

2d. Resolution Authorizing for Emergency Management Performance Grant Application

Emergency Management Director Dick Morris said that this resolution would allow him to apply for a grant and if received, would benefit the community.

MOTION (7)

Mr. Nickerson moved the following:

RESOLVED, that the Town of East Lyme may enter into with and deliver to the State of Connecticut Department of Emergency Services and Public Protection, Division of Emergency Management and Homeland Security, any and all documents which it deems to be necessary or appropriate; and FURTHER RESOLVED, that Paul M. Formica, as First Selectman of the Town of East Lyme is authorized and directed to execute and deliver any and all documents on behalf of the Town of East Lyme and to do

and perform all acts and things which he deems to be necessary or appropriate to carry out the terms of such documents.

Seconded by Mr. Seery. Motion passed 4-0.

2e. COLA Recommendation – Unaffiliated Personnel

Mr. Formica noted that since this item had to do with his salary, he would be abstaining from the vote.

MOTION (8)

Ms. Cheeseman moved to address the COLA for the unaffiliated personnel at the end of the agenda and to label the item as Item 3c.

Seconded by Mr. Seery. Motion passed 4-0.

2f. Budget Transfer – Library to General Fund

Ms. Johnson said that once the January 1, 2012 valuation was completed the funding requirements are \$953,049. She said the Library budgeted amount was \$52,000 however, the amount they were required to fund was \$38,474. Because of this, she was requesting a transfer of \$13,526.

MOTION (9)

Mr. Nickerson moved to approve a transfer in the amount of \$13,526 from account 3-01-40-420-150-295 (EL Public Library) to account 3-01-01-114-100-124 (Pension) due to differences in defined Pension funding requirements and forward to the Board of Finance for approval.

Seconded by Mr. Seery. Motion passed 4-0.

2g. Budget Reviews

Mr. Formica said that he had been pleasantly surprised by what he had heard about the Governor's budget speech and that the State would be holding the municipalities harmless. He added that this would also have to be approved by the legislature so we would have to wait and see. He reviewed his budget letter dated February 6, 2013 (identified as Attachment B).

Mr. Formica inquired if Ms. Hardy had sent in any questions regarding the budgets we were reviewing this evening.

The Recording Secretary responded that she had not.

Niantic Fire Department:

Mr. Formica said that this budget reflects a \$7200 increase.

Chief McDonald was present and noted that last year, the Board of Finance put off a lot of the department's purchases to the Ambulance Fund. He said that the Ambulance Fund can only purchase things that are medically oriented. He said that the Ambulance Fund provides diesel fuel for both fire departments and if the Town had to pay it would be approximately \$22,000. He said that his OSHA fees are up and this was due to the increased cost for reviews of the apparatus. He added that he was requesting two sets of turn out gear.

Flanders Fire Department:

Mr. Formica said that this budget reflects a \$2000 increase which was due to contractual obligations.

Chief Levandoski was present and reviewed his budget.

Emergency Management:

Director Dick Morris was present and noted that the increase in his department was mostly due to salaries. He said that the transportation line had a large increase because in the past, Ms. Rathbun never put in for mileage and now the staff member does.

2h. Discussion – Regional Dispatch / State Budget Update

Mr. Formica said he had attended a press event with the Mayor of New London and the First Selectman of Waterford to discuss the potential of regionalizing dispatch services. He said that feasibility groups had been established to study this issue with Tammy Doherty of New London, Lt. Mahoney of Waterford and Bill Allen of East Lyme. He said that he had originally asked Bill Rix to participate and he had started however, he had scheduling concerns so Mr. Allen was substituted. He said that he also signed a potential grant application which could bring \$25,000 to each town for capital and infrastructure should the regional program go forward. He added that this was a non-binding application. He said that simultaneously, he has asked Forrest and Chris Taylor to study the potential of regionalizing with Montville and he has asked Dick Morris to investigate who would want to join up with us. He added that he would not have the answers to these questions until July 1st.

He said that the Governor gave his speech today and he would address what was said at the next meeting.

2i. Discussion – Economic Development Commission

Mr. Formica said that he has not funded this Commission for the upcoming year and instead, has put an additional \$4000 into the Selectmen's budget as a committee addition. He said that there have been a number of resignations and it was difficult to generate any interest for this commission since it was advisory by nature. He said that the \$4000 would be used as had been spent previously, for the winter stroll and to help fund the Tourist Information Bureau.

3a. Continued Discussion – Potential Noise Ordinance

Mr. Formica said that this item has been on numerous meeting agendas and tonight we not only heard from Mr. Scheel, the Board heard from someone else. He recommended calling a public hearing and letting other people weigh in. He said that we could either purchase a decibel meter or Waterford said that we could borrow theirs.

Mr. Nickerson said that the Police have enough tools with the purchase of a decibel meter to handle noise complaints. He asked if Resident Trooper Blanchette thought we needed an ordinance. He added that he is not opposed to an ordinance if it is truly needed, he just questioned if it was needed.

Mr. Seery said that Mr. Scheel's problem could be easily taken care of with criminal statutes that are already on the books. He said that constant humming sound that Mr. Moratori talked about should be a zoning enforcement problem and then the police could assist.

Ms. Cheeseman said that she was opposed to spending so much money and inquired if there was money in the contingency budget line that could pay for the advertisement. She said that Mr. Scheel is here week after week and said we should set it for a public hearing and if the feeling is that the townspeople do not want an ordinance, then they will have had a chance to speak.

MOTION (10)

Ms. Cheeseman authorized the First Selectman to sign a Call for a Public Hearing on the proposed noise ordinance for March 6, 2013 at 7:00 p.m. and to fund the cost for publication from Contingency and to forward to the Board of Finance for their approval on the funding.

Seconded by Mr. Seery.

Aye: Mr. Formica, Mr. Seery, Ms. Cheeseman.

Nay: Mr. Nickerson. Motion passed 3-1.

3b. Schedule Budget Reviews

The consensus of the Board was to review the following budgets:

Police, Public Works, Parks and Recreation, Human Resources, Debt, Revenue and Capital Improvement.

3c. Discussion – Unaffiliated Personnel – COLA

Mr. Nickerson said that he and Ms. Hardy had been meeting with the unaffiliated group and they had identified several issues. He said that he was only addressing the COLA this evening. He was recommending the standard 2.5% increase; 1.25 as of July 1, 2012 and 1.25% as of January 1, 2013. He said that they will be having on-going meetings and one of the recommendations will be not to delay the COLA for next year and noted there should be a discussion on one of the agendas in June.

MOTION (11)

Mr. Nickerson moved to approve a 2.5% increase for all unaffiliated personnel; 1.25% effective as of July 1, 2012 and 1.25% effective as of January 1, 2013.

Seconded by Mr. Seery.

Aye: Mr. Nickerson, Mr. Seery, Ms. Cheeseman.

Nay: None.

Abstain: Mr. Formica. Motion passed 3-0-1.

5a. Ex-Officio

Mr. Seery attended the Town Building Committee meeting where they received an update on the turf field. He said that they hope to have the track finished in late March.

Ms. Cheeseman had no report.

Mr. Nickerson attended the Water and Sewer Commission meeting and attended a suicide prevention presentation hosted by Youth Services. He attended the initial discussion meeting with Waterford and New London on a regional animal control potential and added that Montville and Old Lyme were also invited. He also attended the Board of Education meeting where 50 student athletes were acknowledged.

5b. First Selectman's Report

Mr. Formica noted that there are 5 towns looking to create a regional animal control facility; Old Lyme, New London, Waterford, Montville and us with hopes of combining resources.

He noted that he has been working all month with the Finance Director and Department Heads reviewing departmental budgets.

He said he attended a regional water interconnection meeting and that on February 7th; Montville's Wetlands Commission would be having a meeting about the project. He added that the project is moving forward and the permitting is coming in. He hoped to have the RFP out in the month of March and be operational this time, next year.

He attended a regional advisory water board meeting (SCWA). He said that Mr. Fogarty had resigned as Chair and Mike O'Connor had taken his place.

He said the Water and Sewer Commission had met and they discussed upgrading the meters, the regional interconnection and sewer capacities. He said that they had decided that there was not enough sewer capacity for the Landmark development proposal.

He attended his first meeting as Chair of the Council of Governments.

He attended a wake for John Markowitz and one for Jean Resnisky and sent his sympathies to the family.

East Lyme Board of Selectmen Meeting Minutes of 2/6/13

He attended a 20 / 20 Commission meeting. He said that the Board of Education had brought forward their vision for the future and offered a report.

He talked with DEEP today regarding the 2007 sewer capacity report and the sewerage of Saunders Point.

He noted the new addition of Granville Morris Sr's portrait in the back of the meeting room.

He said that the new sign had been installed at the Field Complex building and that the dedication would take place sometime in April.

He noted that the Rotary Gala would be this Saturday, February 9th at the Mystic Marriott and that he, Ed Jutila and Esther Williams would be dancing.

He said that the CT Environmental Review team would be producing an environmental review of Darrow Pond and the site walk would be on February 13th.

7. Public Discussion

Russ Moratori asked why Mr. Nickerson voted against the noise ordinance.

Karen Rak of 27 Black Point Road asked how individuals were chosen for the governing board of the regional dispatch potential. She said that she has issues with regionalization because the governance gets further away from the town.

8. Selectmen's Response

Mr. Formica noted that the initial governing board would be made up of the three CEO's of the communities involved.

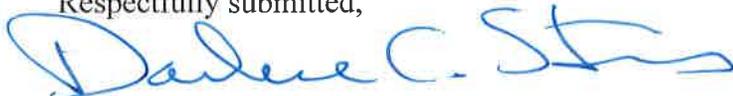
Mr. Nickerson said that he very much cared about noise pollution and the health of individuals, but that we already have state statutes on the books along with some rules and regulations that are not enforced and likened this to gun control. He said it was not about the money, it was about the enforcement.

MOTION (12)

Mr. Seery moved to adjourn the February 6, 2013 meeting of the East Lyme Board of Selectmen at 9:31 p.m.

Seconded by Ms. Cheeseman. Motion passed 4-0.

Respectfully submitted,



Darlene C. Stevens

Statement of R. Scheel, Upper Walnut Hill Road, February 7, 2013

As you might imagine, I find discussions of this type extremely difficult. I don't like to dwell on negative situations or be quoted in the newspaper, but I feel compelled to address a shortcoming in EL town ordinances, state statutes and enforcement capability that can result in the unchecked capability for an individual to "reach out" across property boundaries and impose an unwanted acoustical environment upon his or her neighbors.

In previous meetings, I hope to have convinced you of two things...(1) That there is undisputed evidence that prolonged loud noise can adversely affect health (as well as significantly aggravate the unwilling recipient) and (2) There are people that will not or cannot adhere to normal community standards and produce noise levels far above what might be considered an "annoyance".

Tonight, I would like to discuss three things: (1) Why CT Town noise ordinances have not been "unworkable"; (2) Is East Lyme currently positioned to stop unwanted generation of noise; and (3) Should EL spend money on such an ordinance?

Firstly, noise ordinances have been approved by the DEEP for over seventy Connecticut towns and based on internet searches, once implemented, none have been repealed. In 2009, I had contacted several CT towns to obtain background on such ordinances and universally received feedback that noise ordinance are infrequently used but, if necessary, can be invaluable in the control unwanted noise. At our first meeting you heard Mr. Formica make similar remarks after contacting the First Selectman in Waterford. In addition, you may have read Sargent Blanchette's comments in the paper regarding noise.....complaints in East Lyme are few and usually the noise has stopped before police arrive. But why is this? I believe the following points apply.

- a. Most people just don't like very loud noise. It can cause damage to hearing, ringing of the ears and headaches. It is usually avoided.
- b. Noise dissipates relatively quickly. Although sound is more complex than other energy forms, it generally follows the law of inverse squares. If an ATV is making a 110 decibel noise (painful) at 10 feet, the energy is roughly half at 20 feet and roughly half again (1/4) at 40 feet. Hence, your neighbor's lawn mower is not perceived as "loud" to you although he may be wearing ear protection because he is close to the source
- c. Noise is not cumulative. A trumpet in a band may produce 80 decibels, but two trumpets do not produce 160 decibels.
- d. Most importantly, people are almost always aware of the noise that they produce and most try not to impact their neighbors. I still believe that 99.9% of the people in East Lyme are courteous. Like most of you, I was raised where you didn't start a lawn mower before 9:00am and machinery/noise was stopped after supper. In short, most people naturally comply with the spirit and intent of this noise ordinance.

I guess I almost made a strong argument for why a noise ordinance is NOT required! But in the unusual case where people are not conscious of the noise they make, or use noise as a weapon, an ordinance of this type is invaluable. I ask you to consider my story as a "Case Study" and not a unique occurrence. In the December meeting, Mr. Formica talked of a man that just parked a riding lawn mower at the property line and ran it at full throttle until his neighbor reached over and shut it off. I have told you of ATV's without mufflers running up and down my property line. These situations occur infrequently, but they do occur. In short, this ordinance, if adopted, will be infrequently enforced, but will be incredibly valuable to the unfortunate East Lyme resident who finds himself living adjacent to a "noise generator"

The next thing I would like to talk about is East Lyme's ability to respond to a chronic "noise generator". In January 2009, extensive ATV activity started next to my home. I tried to lessen the impact to my life by first calling the individuals involved and then writing letters requesting that they reduce noise levels. When that failed, I researched state statutes and town ordinances and contacted the First Selectman and the Land Use Department and summarized my concerns, as they have been presented at the December, January and Tonight's Board of Selectmen Meetings. The "flagged sheet" I have attached to my statement provides a very high level summary of events and some narrative provided by the "noise generator" on Facebook.

Based on this time line and my experiences, I have concluded:

- a. The EL Land use department is not always able to curtail excessive noise generation or wetlands damage using existing ordinances or statutes. These departments normally work with citizens that voluntarily apply for permits to build or modify land use. They are not well equipped to deal with individuals that purposefully and continually disregard statutes, ordinances or town interpretations. The town should not expect the wetlands or zoning officials to show up "on a Friday Night" to enforce our ordinances.
- b. The police were very responsive but were not able to utilize existing town ordinances or state statutes to reduce or eliminate excessive and purposeful noise. Unrelated to my complaints about noise, arrests of the "noise generators" for other reasons eventually resulted in significant reductions in environmental noise in my neighborhood. While this helped my current situation, others facing excessive noise might not be "lucky enough" to have their "noise generators" involved in other illegal activities.
- c. The town is very cautious when developing a strategy to combat "noise generators". In my case, I had the first discussions with the town about a noise ordinance in 2009 and let Town Hall know of dozens and dozens of instances of noise "harassment". While town officials have been sympathetic, it has taken significant effort to gain agreement on an approach to protect EL citizens from such occurrences.....In my case, 4 years have lapsed since initial events..... and they could be repeated tomorrow. The draft ordinance you are considering has been modeled after other town ordinances, approved by the DEEP and the town attorney. It is enforceable by the police and represents "best practices" learned by other CT towns.

My third and last point.....should the town spend \$7000 to move forward. It is a lot of money. But I ask you....what is peace in your home worth. Five of you sit on the board. If ATVs were roaring up and

down your property line for several years, would you each chip in \$1500 to be able to sit on your deck and enjoy a summer evening? What is peace in a home worth? If the town currently has a population of 20,000, is it worth 35 cents each to give our residents the right to live in an environment free of excessive and unreasonable noise? I believe the answer is yes and over 70 other Connecticut towns have reached the same conclusion.

Again, I ask you not to look the events I have described as an isolated occurrence, but a case study of what can happen. People will always come and go. Residents in my neighborhood will change, but eventually others in our town will be faced with situations similar to mine. I hope they will not search for four years to find an answer and peace. I believe that if this ordinance had existed in 2009, it would have quickly become apparent to me and my neighbors what the town considers reasonable sound levels. They would have put mufflers back on their ATVs and used them on parts of their 70 acres that are not immediately adjacent to my home. All parties would have been happier and better off. It would have been a win-win situation.

Attachment B

TO: Board of Selectmen
FROM: Paul M. Formica, First Selectman
DATE: February 6, 2013

Board Members:

The budget presented to you represents our continued line by line in depth approach to budgeting Town Government. I look forward to your input as we further fine-tune this approach for public approval.

This proposed municipal budget that I present to you for review, \$906,221 increase for the Town, \$1,377,187 for the Board of Education, (\$175,929) decrease for debt service and \$549,777 increase for capital represents a total dollar increase of \$2,657,256 or 4.27%.

The guidelines used to develop the proposed budget are as follows:

1. Emphasis was placed on maintaining existing public services, improving and upgrading our town infrastructure and the prevailing quality-of-life within the Town. I continue to place special emphasis on recreational activities that the Town can offer to all residents as we believe that during the coming recovery, more and more people will be utilizing economical recreation opportunities.
2. The Chief Building Official requested an increase in hours for a Building Official to assist him; I supported a part of this request. There has been a noted increase in permit activity in each of the three past fiscal years as well as town projects.
3. The Governmental Accounting Standards Board (GASB) issued statement number 45 to account for Other Post Employment Benefits (OPEB). While we have implemented reporting the standard in our financial statements we have yet to establish the recommended practice of a trust. Included in this budget is \$500,000 to establish the trust which is funded by revenue offsetting through claims savings in our Self Insurance Fund.
4. With the loss of Mike Giannattasio, Public Works Director, we are in the process of restructuring the management team in the Public Works, Land Management and Water and Sewer Departments which we include funding within this proposed budget.
5. Emergency Management once again requested a fifth full-time dispatcher which I am not recommending due to the continued efforts to create a regional dispatch facility. Last week

along with Mayor Finzio from New London and First Selectman Steward from Waterford, we announced establishing a committee to explore the feasibility of our towns creating a Regional Dispatch Center.

6. A new position to be shared with the Planning and Parks and Recreation Departments was proposed, however, at this time I support only funding the Parks and Recreation Department portion of this request. The additional hours will support increased special events activity.
7. The Parks & Recreation Department includes additional wages in the Part Time Seasonal account for an anticipated opening of the new beach area as a result of the Amtrak project in May of 2013.
8. Where possible, departmental operating costs have been kept to a minimum maintaining or decreasing the 2012/13 level of spending. Increases in operating costs are primarily due to contract obligations, state mandates, implementation of an OPEB Trust and the Capital Improvement Program.
9. In working on the proposed 2013/2014 Capital Improvement Program we continue the trend of the multi-year acquisition program for the fifth consecutive year to maintain and replace aging vehicles from our fleet; for the upgrade of Board of Education technology infrastructure; for a bonding program for town-wide infrastructure improvements consistent with our debt management plan and for increased security in our schools.
10. The Contingency line item has been funded at \$145,000 to continue with the practice established to have a resource to fund unplanned expenditures during the fiscal year. This will enable us to more efficiently handle unexpected issues that arise during the fiscal year without appropriating from undesignated fund balance. This best fiscal practice will assist management in financial planning and was a critical element in Moody's maintaining our town's high credit rating of Aa2 in their recent evaluation of our fiscal operations.

The increase in the proposed Town and Board of Education budgets for the coming fiscal year are shown below in millions of dollars.

	<u>2012/13</u>	<u>2013/14</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
General Government	\$15.246	\$16.152	\$.906	5.94%
Board of Education	41.214	42.591	\$1.377	3.34%
Debt Service	4.957	4.781	(\$.175)	(3.55%)
Capital	0.796	1.314	\$.549	69.0%
Totals	\$62.215	\$64.840	\$2.657	4.27%

The proposed budget includes a 3.34% increase from the Superintendent of Schools for the Board of Education who will act upon the budget later this month, I propose a 5.94% increase for

the Town, a (3.55) decrease for Debt Service and a 69.0% increase for capital. Together, the entire municipal budget is expected to increase by \$2.66 million or 4.27%. *As establishing an OPEB Trust is a large item, I point out that without this proposal the Town budget would increase \$406,221 or 2.66% and the entire municipal budget increase would be \$2,157,256 or 3.47%.*

Budget Increases/Highlights

The following major cost increases have been included in this budget because they were required, mandated by the State, or deemed to be in the best interest of the Town. Major budget increases are detailed below with the exception of the Board of Education. Per the Charter, I am passing on to you in total the Board of Education budget as presented to them by the Superintendent of Schools. The Board of Education has not officially forwarded the budget to the town yet and we will determine a schedule for them to present at a subsequent meeting. Also, noted below are areas where we have significant decreases.

First Selectman \$5,000

Increase is primarily due to the re-allocation of the Economic Development Commission community support in the amount of \$4,000 to this department. Currently, there is no interest in membership to this commission. The Economic Development Commission has provided funding for the down-town winter stroll as well as for the information center during peak tourism from their previous budgets.

Building \$13,074

As noted in my opening remarks, this increase is for additional hours in part-time assistance for the Chief Building Official. As permit activity continues to increase and as long time projects come to fruition we expect more demand for inspections.

Human Resources \$4,950

This increase is to expand upon the wellness program efforts we have done in the past few years. The original request was for \$15,000 which I reduced in half. In addition to these expanded efforts we plan to work with the Board of Education to establish a joint committee. Our efforts have been to focus more on "health" care and less on "sick" care which has resulted in Health Insurance increases for our budgets well below industry standards.

Information Technology \$4,000

We currently have a program for leasing various town-wide copy machines which is nearing expiration, therefore, in the process of receiving new bids. The leasing program keeps us in a better position to have more modern efficient equipment. As we proceed through the budget process we can tighten this projection.

Health Benefits/Town \$47,854

While other cities and towns have been experiencing double digit increases, our preliminary renewal from our current carrier is 9%. In concert with our insurance consultant we are in the process of obtaining quotes from other providers which we are hopeful will bring us savings. We have also been attending meetings with the Board of Education to explore joining an insurance consortium with other towns and boards of education for potential savings. In the upcoming weeks more information will be forth-coming and I am hopeful to maintain our budget at or slightly above our 2012/13 level. This amount would be higher; however our efforts to increase contractual cost sharing and coverage changes contribute in keeping the overall cost down. We continue to offer wellness programs to promote healthier, happier more productive employees with the expectation of reducing health insurance and workers compensation premiums

Pension \$28,443

This represents the increase in the annual required contribution to the town's defined benefit pension plan which is the result of the Actuarial Valuation. The Pension Committee is in the fourth year of oversight. The Committee reviews reports on the results of the changes made to the portfolio resulting in increased stability for the fund. I am hopeful that as a result of these efforts we will begin to see improvements in the overall funding of the plan with some operating budget relief in the near future.

Legal Services (\$42,500)

A comprehensive analysis was completed to determine the amount of funding that is needed for legal matters of the town. For the first time in several years we are able to make a decrease in this area. While there is uncertainty of what may come forward during the upcoming year, a decrease is recommended.

FICA/Medicare \$27,348

Payroll taxes increased in relation to wage increases of the various employee groups as follows: The impact of the Management non-union mid-year wage increases of 2.5%, Police, Dispatchers and Council 4 Administrative and Maintenance Workers 1.25% increases July 1, 2013 and January 1, 2014 with an effective rate of 1.88%.

OPEB Trust \$500,000

The Town adopted the requirements of GASB Statement No. 45 during the year ended June 30, 2009. In doing this, the Town recognizes and accounts for the cost of postemployment healthcare in the year when the employee services are received. To date our contributions represent payments made for premiums for insured individuals on a pay-as-you-go method. Now that we have some historical trend information, I recommend we establish an OPEB Trust. Due to funding our Self Insured Health Insurance properly and having historical lower than projected claims, we have the funding available in our Self Insured fund to transfer to this trust, therefore, the increased cost to our budget is offset with existing funds.

Contingency (\$38,100)

The decrease in this area of the budget is due to having just one collective bargaining group the Firefighters and
and a provision for Management and non-union employees for 2012/13 and 2013/14.

As in the past, the Deputy First Selectman and Selectwoman Hardy have been appointed as a committee to review non-union employee benefits and make a recommendation for consideration for this group.

Public Safety – Police \$81,341

The increase in this department is primarily due to wages and funding the full year for our 23rd Patrol Officer which was approved in the 2012/13 budget beginning in the second half of the fiscal year. The impact is for both regular and overtime wages.

Public Safety/Niantic Fire Department \$7,263

The increase is primarily for two sets of turn-out gear and other miscellaneous operating expenditures.

Public Safety/Fire Marshal \$24,698

In the most recent collective bargaining agreement with the Dispatchers, provides that they receive first refusal on Monday - Friday OT, as well as FT's being included at the end of the call list for rotational backfill. In addition, more frequent inspections by the Fire Marshal's office are being done which means additional transportation expenses.

Public Works \$68,004

The increase is due to restructuring of the management team as discussed in my opening remarks.

Library- \$15,729

The increase requested by the East Lyme Library is primarily due to salaries and fringe benefits with some also due to materials

Parks and Recreation – \$140,836

The general fund incorporates new expenditures that are projected for opening of the magnificent new beach along the east boardwalk. Included is a new part-time position funded at \$20,000 for a Special Events Coordinator, \$17,240 for part-time Seasonal Maintainers and \$56,656 Park Staff for the new beach and boardwalk. Approximately \$5,000 increase for daily and seasonal maintenance for the new beach and boardwalk.

Debt Service/Interest on Debt – (\$175,929)

The decrease in this department is due to principal and interest related to the general obligation bond reduction in outstanding debt over time and taking advantage of the economic climate and completing four refundings on previous issues realizing total budget savings of \$2,039,000. We are continuously monitoring our debt position relative to planning for future projects. We know we cannot improve on our interest income on our operating budget due to lower interest rate offers; however we can achieve operating savings by offsetting that with reductions in this line.

Capital Outlays/Equipment - \$549,777

You have heard me say that while we must run the Town like a business, unlike most businesses, the Town will be here 100 years from now so, it is important to adequately maintain our infrastructure, replace older vehicles and equipment for efficiency in costs and plan for the future.

Maintaining our roads is more efficient if accomplished before requiring reconstruction. You will note in the Capital Improvement Plan (CIP) a five-year bonding proposal for this purpose. The timing of this plan works with our existing debt service. In the first year of implementing road improvements residents would complement on the progress, now everyone wants to know when their roads will be done!

We are in the process of our fourth year of the vehicle acquisition package which has systematically upgraded our aging fleet. Replacing older vehicles improves operating efficiencies and decrease some of the higher maintenance costs on the older vehicles. The proposed budget will be the fifth year of this plan.

Included in capital is funding in the amount of \$396,000 for the Capital Non-recurring Fund as follows: \$4,000 CAD software program, \$37,000 HVAC replacement town-wide, \$50,000 roof replacement town-wide, \$50,000 sidewalk repair, \$110,000 to be available for town-wide projects \$70,000 remaining funding for the Grand Street Boat Launch and \$75,000 to begin setting aside funding for the Towns next mandated revaluation in October 2016.

Various town capital items as follows: \$15,000 web-based permit software for Building and Land Use, \$12,000 town-wide computers continuing our replacement program, 5,000 for a fire proof file cabinet for the Registrars, \$15,000 for the Harbor Management Plan Update, \$7,000 GIS programming, \$10,000 to begin planning for a fueling station and tanks at the Field Services Facility, \$8,400 for hose replacement at Niantic Fire Department, \$28,000 for SCBA Gear replacement at Flanders Fire Department, \$26,762 for a server upgrade in emergency services, \$6,000 for snow plows, \$5,000 for street sign making equipment.

We've added a start-up in the amount of \$10,000 for safety equipment at the new beach due to Amtrak work on the boardwalk and the beach expansion and \$25,000 to continue work on a skate board park.

Our vehicle acquisition program is successful and as such we are entering our fifth year. The

2013/14 plan includes the following new equipment proposed for purchase: Public Works, Dump Truck and Auto Loader Trash Truck; Police, Two Explorer Vehicles fully equipped; Niantic Fire Chief vehicle, Fire Marshall vehicle and Pick-up Truck, Surf Rake, Infield Pro and 65 HP Tractor for Parks and Recreation.

We are currently in the second year of operations as a Regional Probate District. I continue to pursue an expanded regional approach to Animal Control.

Proposed Revenues

We are all aware of the ever-changing State budget deficit situation currently estimated at \$140 million. Governor Malloy will present his budget on February 6, 2013 at which time we will gain a better understanding what our local revenue situation will be. As such, Anna and I are working on potential revenue projections and I will present this to you at our February 20th meeting. Once the Governor presents his budget address I believe that we can include more realistic projections at that time. These revenue sources, as well as their amounts, may change as his budget goes through the State's upcoming legislative process.

Following is a listing of those major municipal revenue sources that are expected to increase or decrease during the coming fiscal year. Only those revenue sources changing by \$20,000 or above are shown.

Revenue Increase:

- Building Permits– \$30,000
- Tuition Other Districts - \$131,673
- OTI Health Insurance Fund - \$500,000

Revenue Decreases:

- Conveyance Taxes – (\$25,000)
- Youth Service Fees – (\$25,000) *included in Special Revenue Fund*
- OTI Sewer Assessments – (\$439,006)
- Use of Fund Balance – (\$50,000)

Conclusion

As previously mentioned, this budget, for the most part, reflects the maintenance of existing levels of public services within the community with a few enhancements most notably the opening of the new beach off Cini Park.

This budget represents a fiscally conservative and prudent approach to developing a Town-wide spending plan for the coming year. If we were to remove the wage increases reflected in the budget in the amount of \$269,355, the town's budget increase would be \$636,866 or 4.17%. And without the OPEB Trust the budget increase would be \$136,866 or .90%. The Town's overall budget including the preliminary Board of Education budget is increasing 4.27%.

The Town's department managers are to be congratulated for their efforts to hold-the-line on their respective department expenditures for the coming fiscal year. I would like to thank each of them individually for their willingness to keep their expenses in line with the fiscally conservative guidelines used to develop this municipal budget and for returning unused dollars to the General Fund in each of the previous two years.

Lastly, I would like to acknowledge and personally thank the Town's Finance Director, Anna Johnson, for the many hours of hard work that she personally spent assisting me with the development of the recommended budget for your consideration for the coming fiscal year.

In closing as we move into a period of improving economic conditions we must be mindful of the effects of the consolidations of large corporations who currently are located in southeastern Connecticut. We will continue to look to make East Lyme the wonderful place to live, raise our children and work that it has been for so many years.

Respectfully submitted,

Paul M. Formica
First Selectman