

**EAST LYME BOARD OF FINANCE
SPECIAL MEETING MINUTES
BUDGET REVIEWS – FY 2017-2018
Monday, APRIL 17th, 2017**

Members In Attendance: Camille Alberti, Chairperson
Lisa Picarazzi, Vice-Chairperson
Peter De Rosa
Beth Hogan
Jason Pazzaglia
William Weber

Also In Attendance: Mark Nickerson, First Selectman
Anna Johnson, Finance Director
Jeffrey Newton, Superintendent of Schools

Absent: No One

A. Call Special Meeting to Order

Chairperson Alberti called this Special Meeting of the East Lyme Board of Finance to order at 6:31 PM.

B. Pledge of Allegiance

The Pledge was observed.

FILED

C. Delegations

Ms. Alberti called for Delegations.
There were none.

apr 20 2017 AT 11:15 AM/PM
Karen Gallo, CTR
EAST LYME TOWN CLERK

D. Old Business

a. Any Outstanding Information

Ms. Alberti noted that Ms. Johnson had provided them with updated information. She then asked Mr. Nickerson if he had an update from the State.

Mr. Nickerson said that he could not assure them one way or the other regarding the Governor's numbers as the Legislature is due back within the week with their numbers. He thought that they might come out somewhere in the middle.

Ms. Alberti concurred saying that she also thinks that they will fall somewhere in the middle. She noted that she was looking at the revenue sheet from April 3.

Ms. Johnson said that sheet does not factor in the State figures and was created at the request of Ms. Hogan.

Ms. Alberti said that the budget going forward is not taking into consideration the potential cuts.

Mr. Nickerson said that was correct – it does not have the Malloy proposal to cut \$7M or the teacher's pensions – however they are doing what the other Towns are doing – working on what they can and we will see where we end up once the Legislature comes back with what they think.

E. New Business

a. Budget Deliberations

Ms. Alberti called for discussion.

Ms. Picarazzi asked what happens if they pass the budget and then get State cuts.

Mr. Nickerson said that his opinion is that they would have to make more cuts – Hartford would like them to pass it on to the taxpayers but they will see. They have already discussed spreading it out across the different areas and the taxpayers. He added that they get mid-year cuts, like they did this year and while they cannot increase the budget, they can decrease it.

Ms. Hogan said that she is comfortable with the numbers and with going to Public Hearing and then on to Town Meeting and Referendum. By the time they come back to set the mil rate they will have a clearer idea of where they stand. She added that she does not see them going back inside of everyone's budget at that time; it will be up to the First Selectman to work it out.

Mr. Nickerson said that they do make things work when they get the mid-year cuts. Also, statutorily, if the State cuts come in at June 30 – they could do another mil rate if necessary.

Mr. Weber said that he realized that the 40% - 40% - 20% cuts that he had proposed should be different and to that effect he has set up a calculation that they can use to see how they have to work things out once they know what the actual cuts will be.

Mr. Pazzaglia said that they will have to see where the numbers fall and go from there.

Ms. Picarazzi said that when the revenue figures come back from the State that she wants to make sure that they don't just go back to the taxpayers to make it up.

Ms. Hogan said that there really is no rule of thumb – they will have to see it as it comes.

Mr. DeRosa said that he is just watching and waiting to see what happens.

Ms. Alberti said that with all the adjustments that they have made to date and with what they have taken into account that if all of the Governor's proposed cuts were passed on to us that we would be looking at a 4 mil increase. She said that her best case was that they were looking at a 1.3 mil increase.

Ms. Johnson said that it would be a .66 mil increase based on last years revenues from the State.

Ms. Alberti said that there was a mid year cut to the BOE and that they do not know about this year and if it would impact the taxpayers in some way. She feels that they have not accounted for a shortfall in anyway and they are increasing the budgets over 2% which will impact the taxpayers. She asked at what point they would propose reducing services a bit. They use fund balance every year and may return less this year. They cannot raise the tax rate on the taxpayers just to increase fund balance. She thinks that they should be looking to reduce spending; to reduce the debt spending; not take on any other expenditures until they can increase the tax base and maybe wait for Costco to come in. The fund balance increase has to come from good management.

Further, she does not think that they have cut enough from the Town side. The \$100,000 cut from the Town does not go deep enough and 'hope' does not go far enough here. She does not feel comfortable with what they have put forth and will be looking for more cuts from the Town.

Ms. Hogan said that she does not think that they are married to the reductions and that they can look at it again as information comes in. She agrees with Mr. Weber's thought on sharing whatever happens. She does not want to make a prediction on something that is not in front of them as that would be premature. She said that she is sticking by the numbers that they voted on at their last deliberation meeting.

Mr. Pazzaglia said that he sees both sides and that he thinks that there will be cuts from the State; he questioned if they cut now or later and agreed that it was not fair to just pass it on to the taxpayers. The balance between dollars and services is a hard balance.

Ms. Alberti said that there are projects that they have entered into that scare her such as going to an independent police force. What they had voted on was represented as a zero based budget and then they saw that \$50,000 was needed on start-up costs. She thinks that this is budget creep and they need to rein in

this budget. She said that she does not think that they should wait. She thinks that the .66 mil increase is reasonable and that they are looking at a potential 1.34 mil increase.

Mr. Nickerson said that the .66 mil increase is based on last years revenue.

Ms. Alberti asked Mr. Nickerson how confident he is with getting last years revenue.

Mr. Nickerson said that he is pretty confident that it will not be as bad as the Governor has proposed.

Ms. Picarazzi said that she does not think that they have cut enough out of the General Government budget and she wants to see them cut more. She thinks that the Town can do better and she will ask for a couple hundred thousand more to come out of Town Government.

Ms. Alberti asked about the Open Space plan and if the \$250,000 is included in the budget.

Mr. Nickerson said no – it is a place holder and not in the capital budget.

Ms. Johnson explained that anything that is a bonded item does not just happen – it would have to go through the channels and the \$250,000 would have to go out for a new bond. There is no money there now.

Ms. Alberti said with that she thinks that they should not go after anymore capital which leaves them with Town Government.

Mr. Weber said that he looks at the budget holistically and these budgets have been gone over many times before they received them and also by them. They have been cut and cut and cut and he does not see where they have anything to balance to so they should wait to see what happens.

Ms. Hogan said that she thought that last week they went through the process on cuts for a budget that they would present at Public Hearing. They are here tonight due to hoping that they would have more information, as they do not have more she thinks that without it they need to leave it as it is for now with the understanding that they will get more information later which may require further adjustments.

Ms. Picarazzi said that she thinks that a 3.65% increase to General Government is way too much and that she will propose more cuts. The BOE came in with an austere budget in the 2% range and she said that she would not recommend a further cut to them.

****MOTION (1)**

Ms. Alberti moved to reduce Town Government by another \$200,000.

Ms. Picarazzi seconded the motion.

Mr. Weber asked what figures they are using to come up with this.

Ms. Alberti said that she is assuming that ECS will be \$3.8M, she has not included the teacher pensions and her 1.34 mil rate includes the 45% reduction to ECS. Further, last week she said that Town Government should be reduced by \$300,000 and this will get them to her original \$300,000 reduction. The BOE is at stake for more cuts than the Town is.

Mr. DeRosa said that they are making assumptions. They have made some cuts and have put forth their intent if cuts come through; he is not sure what they are doing here as they are communicating their intent however they would need more solid numbers and tonight is not the night to do this.

Ms. Alberti called for a vote on the motion.

Vote: 3 – 3 – 0. Motion failed.

For – Ms. Alberti, Ms. Picarazzi, Mr. Pazzaglia

Against – Mr. DeRosa, Ms. Hogan, Mr. Weber

Mr. Nickerson asked if he could review the cuts that he had made from the previous session.

Ms. Hogan said that she did not agree with the First Selectman pay cut and asked if he had checked with the Town Attorney regarding the legality of it.

Mr. Nickerson said that he feels comfortable with it as he does not offer new people coming in what the last person out left at. Further, cutting back is what you have to do in this economy. If Hartford comes back with

cuts, then everyone will see cuts, it has to start somewhere and he is taking this cut. (\$16,000) He reviewed the cuts that had been made to the various departments (Attached).

(Note: 7:38 PM – Mr. Pazzaglia left the meeting)

Ms. Alberti asked about police cruisers.

Ms. Johnson said that there is money already in the acquisition program and they were able to obtain better pricing. She explained that when they go for the acquisition they have a certain amount of money as part of the five year financing plan. They cannot use it to pay down the debt or put it into other accounts – they need to use it to purchase some form of equipment – so with the reduced pricing the money went further.

Mr. DeRosa asked if they are thinking of replacing two police vehicles or just one.

Mr. Nickerson and Ms. Johnson said two – any extra dollars they might need would come from funds in the CNRE that came from the sale of the old vehicles. They only purchased one vehicle last year which threw off the program and has caused issues. The vehicles are in constant use and have a five to six year life.

Ms. Alberti asked how many they have.

Mr. Nickerson said 13 however not all of them are working as they have issues with accidents, etc.

Ms. Alberti said that equates to about one vehicle for every two officers with a life of five to six years.

Mr. Nickerson noted that he brought the department heads in and they worked out the numbers that are on the reduction sheet.

****MOTION (2)**

Ms. Hogan moved to approve the proposed Town Government budget including Capital as amended.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Ms. Alberti noted that the Public Hearing on the proposed budget would be held on April 24, 2017 at 7 PM in the High School Auditorium with a Special Meeting to follow in the INTV Room.

F. Public Discussion

Ms. Alberti called for any comments from the Public.

Lisa Timothy, Library Director said that she has an observation regarding her budget. The largest item in her budget that has to do with the overall increase of it is the Health Insurance figure each year. She said if the mess with Healthcare could be controlled and straightened out, that it would reflect much better in her budget.

G. Board Comments

Ms. Alberti asked if there were any comments from the Board.

There were none.

H. Adjournment

Ms. Alberti called for a motion to adjourn.

****MOTION (3)**

Ms. Picarazzi moved to adjourn this Special Meeting of the East Lyme Board of Finance at 7:55 PM.

Ms. Alberti seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary

TOWN OF EAST LYME
Board of Finance Budget Review
BoF General Government Budget Reduction Directive

Dept	Account #	Description	Proposed	Revision	Change	Notes
Selectmen	01-01-101-100-111	First Selectman	115,459	99,459	(16,000)	
	01-01-101-100-412	PT Clerical	3,000	109	(2,891)	New ee shorter time away
	01-01-101-300-320	Misc Supplies	4,500	3,500	(1,000)	
Assessor	01-01-102-200-216	Service Contracts	25,756	26,581	825	To cover actual contracts
Tax Collector	01-01-103-200-216	Service Contracts	12,359	11,550	(809)	Walsh maintain 16/17 fee ✓
Building	01-01-104-100-212	Building Official	46,800	44,800	(2,000)	from PT person
Town Clerk	01-01-107-100-311	Asst Town Clerks	80,637	75,637	(5,000)	Reduce PT ee
Bldg Maint	01-01-113-400-210	Electricity	230,234	219,000	(11,234)	PWD rev after BoF Mtg
GG & Misc	01-01-114-100-121	FICA/Medicare	641,814	637,705	(4,109)	Reduction per position changes
	01-01-114-100-128	Retirement Liability	114,726	112,605	(2,121)	
	01-01-114-140-235	Labor Town	29,000	25,000	(4,000)	Attey.
	01-01-114-200-290	LAP Insurance ^{Retiree/PT/} _{page}	272,454	267,454	(5,000)	Reduce UST Coverage ^{all used covered} _{and removed}
Finance	01-01-118-300-320	Misc Supplies	6,245	5,926	(319)	
	01-25-215-100-213	PT Dispatch	76,170	95,212	19,042	Extra PT Disp 11 am 3 pm back in +
	01-25-215-300-243	Training	3,991	9,735	5,744	Police portion Power Ph \$359/ +
	01-25-215-300-320	Misc Supplies	6,747	9,100	2,353	IMC support +
Police	01-25-216-NEW	Facility Rental	50,000	40,281	(9,719)	Actual Contract w/Waterford
Emer Mgt	01-25-224-300-201	Telephone	17,387	14,387	(3,000)	
PWD	01-30-317-100-211	Hwy Supp/PWD/	265,427	239,665	(25,762)	Allocate DPWD to W&S BS-250% back
	01-30-317-100-314	OT Highway	38,000	20,000	(18,000)	
Library	01-45-420-150-295	EL Public Library	1,148,922	1,140,922	(8,000)	BoF proposed 23,000 - Sol. cat. 8,000
P & R	01-45-421-100-412	PT Seasonal Labor	237,800	232,800	(2,000)	Elim hours for Rec Secy
	01-45-421-110-314	OT Maintenance	204,257	199,257	(5,000)	Week end coverage
	01-45-421-NEW	Beach Security	10,000	9,000	(1,000)	Yelow. Ven
	01-45-421-300-335	Materials	54,080	52,080	(2,000)	
		TOTAL			(100,000)	

Attachment BoF 4/17/17

2 pgs.

Town of East Lyme
Board of Finance Budget Review
BoF General Government Capital Budget Reduction Directive

Dept	Account #	Description	Proposed	Revision	Change	Notes
Capital	01-70-724-700-100	CNRE Muni Project				
		CAD Software	5,000	0	(5,000)	Current CNRE Bal \$5,065
		Town Projects Var	50,000	43,389	(6,611)	Current CNRE Bal \$44,544
	01-70-724-700-418	Financial Software	97,493	0	(97,493)	Do in a later year
	01-70-700-700-463	PS Police Cruisers	85,320	62,424	(22,896)	Use remaining funds 16/17
		TOTAL			(132,000)	acquisition & CNRE (2) Patrol