

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, APRIL 11th, 2018**

Members in Attendance: William Weber, Chairman
Lisa Picarazzi, Vice Chairperson
Camille Alberti
John Birmingham
Jason Pazzaglia
Anne Santoro

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

Absent: No One

A. Call Meeting to Order

Chairman Weber 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.

C. Delegations

Mr. Weber called for delegations.
There were no delegations.

D. Approval of Minutes

▪ **Regular Meeting – March 14, 2018**

Mr. Weber called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of March 14, 2018.

Ms. Santoro asked that on Page 6 in the middle of the page where Mr. Newton is speaking that a line be added that the turf field is currently about five years old.

****MOTION (1)**

Ms. Picarazzi moved to approve the Board of Finance Regular Meeting Minutes of March 14, 2018 as amended.

Ms. Santoro seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

▪ **Special Meeting – March 19, 2018**

Mr. Weber called for a motion for approval or any changes to the Board of Finance Special Meeting Minutes of March 19, 2018.

****MOTION (2)**

Mr. Birmingham moved to approve the Board of Finance Special Meeting Minutes of March 19, 2018 as presented.

Ms. Picarazzi seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

▪ **Special Meeting – March 28, 2018**

Mr. Weber called for a motion for approval or any changes to the Board of Finance Special Meeting Minutes of March 28, 2018.

FILED

Apr 17 2018 AT 10:00 AM/PM
(Signature)
EAST LYME TOWN CLERK

Ms. Picarazzi asked that on the very bottom of the first page that the sentence where Mr. Nickerson is speaking be changed to read: that it is part of the agreement that he is working on making changes to.

****MOTION (3)**

Mr. Birmingham moved to approve the Board of Finance Special Meeting Minutes of March 28, 2018 as amended.

Ms. Picarazzi seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

E. New Business

a. Amend April 30, 2018 Public Hearing Location

Ms. Johnson recalled that she had mentioned the location change regarding the Public Hearing.

****MOTION (4)**

Ms. Picarazzi moved that the location of the April 30, 2018 Public Hearing on the budget be changed to the East Lyme Middle School Cafeteria.

Ms. Alberti seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

b. Discussion Board of Finance Action List

Mr. Weber noted that this is only to present the list this evening. They will spend time at a future meeting discussing any changes and actual agenda dates for items.

F. Reports

◆ Board of Education

Superintendent Newton thanked them for their time and efforts and for working with them towards a happy medium. He said that they will take their thoughts and suggestions into consideration and bring some of those ideas back in the next budget.

Eric Bauman, Board of Ed Representative also thanked them and echoed Mr. Newton's thoughts. He added that he had some suggestions for the next budget process. He said that he had noticed that as they have been discussing the budget that they were looking towards what the mil rate would be while the BOE is only thinking of what they will need and not the global challenges that the Board of Finance is facing. He said that the BOE would appreciate having any information that they could give them ahead of time and would also welcome them to come to the BOE budget workshops. He thinks that if they work together much earlier in the process that it will come out better. He said that this was just observations – he does not think that they (BOE) understands what the Board of finance needs to do and to look at and that if they were more aware then the budget would work out much better.

Ms. Picarazzi thanked him immensely for his comments, noting that he has expressed what she felt they were trying to get across for a long time.

Mr. Weber said that there are a number of factors that drive the mil rate and that it is all real time data and they are frequently working on a day to day basis with information.

Mr. Bauman said that it does not have to be the same person coming to their workshops and meetings – he really wants them to work together towards the common goal. He noted that the teacher contract negotiations will be up again next year and they would be a part of them as they were for the last one. He said that they have one meeting for their budget in November and December and invited them to attend and share information that they work with in crafting the total budget.

Ms. Alberti asked for an update on the bids for LBH and Niantic Center schools.

Mr. Newton said that the two alternates (fire alarm system & generator) are at around \$1M under budget and the bids are in the process of being finalized. There are about 13 other alternates for consideration. They still have contingency which potentially will be needed if they open up something and find that something else needs to be done.

Ms. Picarazzi thanked Mr. Bauman again for his comments and said that she feels like she has been speaking another language all these years and that the BOE has been oblivious to all of it – so anything that can be done is appreciated.

Mr. Bauman said that he hopes that they will gain better understanding between both sides.

◆ **First Selectman**

Mr. Nickerson said that he has met with the fire departments and they are ready for a review of the fire study. There are some things that they will do, are doing, won't do or won't work. He also reported that he met with the DOT regarding the work on the Niantic River Bridge. There is a considerable amount of work and it is a two-year project – which will necessitate times when they will have to drive around the long way. Once that ends – the I-95 projects begin. They are working through the issues. Also, contract negotiations are in progress and the unaffiliated agreement is being reviewed and drafted so that it is in one form. Lastly, there are a great number of events this month – April 14 – a fundraiser in Old Lyme with the money raised going to the Theater under the Shell here; another one to benefit the High School band; Earth Day is April 21st and the McCook's Boardwalk 5K is the next day. April 28 Little League opens. The Rotary Gala is May 5th. Meatballs for Miracles is being held on May 11th and May 18th is the High School seniors golf tournament.

Ms. Santoro asked if there is someone from the Board of Selectmen who goes to the BOE meetings to give a report.

Mr. Nickerson said yes, they rotate it on a monthly basis; the BOE has two meetings per month.

◆ **Finance Director**

Ms. Johnson noted that she had provided them with the reports in their packets and other information on fund balance history in their folders.

Ms. Picarazzi asked about expenditures for the month and why this year they were so much higher than last year at the same time.

Ms. Johnson said that it is probably the way the calendar falls – and there was an extra payroll for the BOE in that month this year.

Ms. Picarazzi asked in the report – if for retirement liability at 41% they budgeted for more than necessary. Ms. Johnson said no – they had two retirements this month that won't show up until next month. She added that they have an aging workforce and that they have also spread out how people are paid out – usually over a three year time frame.

Ms. Picarazzi asked about legal ads and legal and if they could trim that budget.

Ms. Johnson said that she looks at ten years for legal – noting that there are volatile items and there is also a lag with how the billing falls.

Ms. Alberti asked about ECS funding trickling in.

Ms. Johnson said that the last \$2.9M should be coming in this month.

Ms. Alberti said that she also took a look at legal and it does stick out.

Mr. Nickerson and Ms. Johnson said that there are also negotiations with three unions plus the FOI.

Mr. Nickerson noted that he did cut that down a bit anyways but would like not to have this run out. They also have some older issues that are hanging out there.

G. Old Business

▪ Continued Deliberations FY 2018/2019 Proposed Budget

Mr. Weber said that they have the Capital Plan to discuss.

Ms. Picarazzi asked if they could discuss the BOE further.

Ms. Alberti noted she would like to discuss the use of fund balance and revenues.

Mr. Weber said that would be at the time when they go to set the mil rate. Then, they would determine how much fund balance they wanted to use and what they have for revenues (in real time). We will also have more information from the State on what they will be providing. He asked that they work on the Capital right now as they have not addressed it.

Ms. Picarazzi said that she wants to further discuss the BOE.

Mr. Weber said that if she would like to make another motion –

Ms. Alberti said she would like to hear why they want to discuss the BOE further when she had thought that it was closed.

Ms. Picarazzi said that she had time to think about it and has done some research and has found that the BOE budget has increased by over 25% and by over \$10M in the last seven to eight years with the enrollment down by 4%. She thinks that this is an important analysis to review as if this continues she is afraid that we will price ourselves out of Town. While she did make the motion for the \$200,000 reduction to their \$1.2M requested increase, she would like to hear what the rest of this Board has to say. She added that this represents over a 5% increase in taxes to the taxpayers and she does not want to be a part of that.

Mr. Weber asked for comments from the Board –

Mr. Birmingham said that at this point he thinks that they need more information on revenues.

Mr. Pazzaglia said that when you look at the increase in salaries for the BOE, it comes to \$1.2M which is basically what they asked for. He said that Mr. Nickerson did a great job on the Town budget; he also understands what Mr. Bauman has said however; right now he is on the fence and while he thinks the \$200,000 is on the lower end, he would leave it.

Ms. Santoro said that she understands the conversation and that she came up with \$200,000 as a figure also. She thinks that if you want to increase that \$200,000 that you would have to find areas in the budget where you think it is. She said that she is dealing in, and with the reality that they have now. Without evidence, she cannot change her opinion.

Ms. Alberti said she thinks this shows the difference in their opinions. She does not think that this year is like last year was with all of the waiting.

Mr. Nickerson said that they are hoping for better numbers.

Ms. Johnson said that the ECS formula will change and be phased in over a ten-year period. The municipal stabilization was put in to hold the loss at no more than 5%.

Ms. Alberti said that as far as additional reductions – she has taken the high level view and is looking at around \$1M – but hoping to land somewhere in between. She does not feel at this point that they are locked into it and that they can go back and entertain other figures as things change.

Mr. Weber said that his position is that while he does not like how it continually increases he has gone through it and can't see where there could be other cuts without significant impact to services. The reduction they made is okay.

Ms. Picarazzi said that she sees the analogy differently and that they should be looking at it from the view that if they do not have the money then they do not spend it.

Mr. Nickerson said that they are at a 1.4 mil increase now – the State revenue cuts to our Town are \$1.5M and the struggle is that the 1.4 mil is very high.

Ms. Picarazzi asked what fund balance would be.

Ms. Johnson said that the approximate 1.3 mil is with revenues as presented the first time and also using the \$675,000; with the \$249,000 in reductions it would be 1.19 mil while also using the \$675,000 fund balance. They go to bond in August so this budget would already be in place.

Ms. Picarazzi asked if it would be the \$5.2M fund balance less the \$675,000.

Ms. Johnson said that they will have to see how this works out; she added that they would be going with Standard & Poor.

Ms. Alberti said that the way to get the budget passed may be to keep the \$675,000 in there – as long as they don't use it.

Ms. Johnson reviewed the ten year history of the fund balance with them; noting that they generally do not use all of it however they have not been adding to it. She noted the spike they made in use of fund balance from 2014 forward to the present.

Ms. Alberti said that the bottom line for her is that they have to do more as a Town to generate revenue as they can't put this 100% on the taxpayers.

Mr. Weber agreed saying that they need to increase the revenue side of the equation.

Ms. Picarazzi summed that 26.16 is the current mil rate. If they use the \$675,000 and have made reductions of \$249,000 – it goes up by 1.19 mil. This would equate to a 4.5% increase in taxes as there is no reval this time.

Ms. Johnson said that sounded reasonable. She noted that there were some other things on the revenue side that they took hits on besides the State cuts. They are also looking towards what else comes in.

Ms. Alberti said that they heard two pieces of good news – the school project bids came in \$1M less and there is some contingency funding left.

Mr. Weber moved on to discuss Capital.

Mr. Nickerson said that the new capital consists of buying a few pieces of equipment – a trash truck and two sidewalk trackless tractors for the 20 miles of sidewalks in our Town. The trackless that they have are old and broken and no longer worth the expense of fixing.

Ms. Alberti asked about the status of the sidewalk ordinance.

Mr. Nickerson said that they are looking into an ordinance for property owners to be responsible for the sidewalks in front of their property. The language is being drafted.

Mr. Weber reiterated that for Capital the only items are the trash truck and two sidewalk trackless tractors. There was no further discussion.

Ms. Johnson noted that the State Legislature has until May 4th to give the budget.

Mr. Weber said that process wise – after changes that the total budget is \$71,787,140. He asked how they would like to proceed with a motion.

Ms. Picarazzi said that she would like the areas to be motioned and voted on separately.

The following motions were made to send the budget to Public Hearing on April 30, 2018.

****MOTION (5)**

Ms. Santoro moved to approve the Town Government budget of \$18,045,025.

Ms. Alberti seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

****MOTION (6)**

Mr. Birmingham moved to approve the Debt Service in the amount of \$5,369,986.

Ms. Santoro seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

****MOTION (7)**

Mr. Birmingham moved to approve Capital in the amount of \$795,186.

Ms. Picarazzi seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

****MOTION (8)**

Mr. Birmingham moved to approve the Board of Education budget in the amount of \$47,576,943.

Ms. Alberti seconded the motion.

Ms. Picarazzi said that she would not support this for the reasons that she had previously stated: the budget is going up too fast and it is too much of a burden on the taxpayers.

Vote: 4 – 2 – 0. Motion passed.

For: Mr. Birmingham, Mr. Pazzaglia, Ms. Santoro, Mr. Weber

Against: Ms. Alberti, Ms. Picarazzi

H. Public Discussion

Mr. Weber called for Public Discussion.

There was none.

I. Board Comments

Mr. Weber asked if there were any comments.

Ms. Johnson noted that the State budget is due on May 4th and they have a meeting scheduled for deliberations (If Necessary) on April 23, 2018.

Mr. Weber asked for a motion to cancel that meeting.

****MOTION (9)**

Mr. Birmingham moved to cancel the April 23, 2018 Special Meeting of the Board of Finance.

Ms. Santoro seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Ms. Alberti said that she would like the Board members to be a bit more receptive to hearing each other's comments.

Mr. Pazzaglia said that he thinks that Mr. Bauman had some great suggestions. Also, he would like to see what the enrollment is next year as we have been very good to the BOE over the years. He said that he would look at their budget harder next year.

Mr. Weber noted that the population data on the schools is very inconsistent so he will be looking at the population information as that data was the selling point for the renovations of the three elementary schools.

J. Adjournment

Mr. Weber called for a motion to adjourn.

****MOTION (10)**

Mr. Birmingham moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 9:18 PM.

Ms. Picarazzi seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary