

**EAST LYME BOARD OF FINANCE  
SPECIAL MEETING MINUTES  
BUDGET REVIEWS – FY 2018-2019  
Tuesday, APRIL 3rd, 2018**

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

FILED

Apr 9 2018 AT 10:15 AM/PM  
*(Signature)*  
EAST LYME TOWN CLERK

**Also In Attendance:** Mark Nickerson, First Selectman  
Anna Johnson, Finance Director  
Karen Galbo, Town Clerk  
Lisa Timothy, Library Director  
Mary Smith, Registrar of Voters  
Dave Putnam, Parks & Recreation Director  
Joe Bragaw, Director, Public Works  
Bill Scheer, Assistant Director, Public Works  
Victor Benni, Town Engineer

**Absent:** No One

**A. Call Special Meeting to Order**

Chairman Weber 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. Weber called for Delegations.  
There were none.

**D. New Business**

**a. Budget Reviews – FY 2018 – 2019**

◆ **Town Clerk (107) – Mark Nickerson, Karen Galbo, Asst. Town Clerk**

Mr. Nickerson said that Karen Galbo is our new Town Clerk but has worked for the Town as the Assistant Town Clerk for many years.

Ms. Galbo explained that their office is not comprised of two full time people and that the only additions to her budget are some money for overtime and for part time clerical support to help when they are on vacation or in the event of illness while one of them was out on vacation. She explained that the preservation fees were eliminated from the budget as they are State fees and the line item served as a pass-through to send the money to the State. Recently the State raised those fees and that would have greatly increased their budget with no actual benefit to the Town so this item was moved out as the fees are for the State.

Ms. Santoro asked about the miscellaneous dog revenue.

Ms. Johnson explained that really is not the Town clerk budget – rather it is for the Animal control Officer which is a shared expense with Waterford.

Mr. Weber asked if the revenues for this year are flat or if they have gone up.

Ms. Galbo said that they have gone up this year. She added that dog licenses are due in June.

◆ **Library (Culture & Rec) (420) – Lisa Timothy, Library Director**

Ms. Timothy passed out statistics to the Board only and said that she has been the Director for six year and with the Library for 15 years.

Mr. Nickerson said that Ms. Timothy can explain the Board of Trustees Library set-up.

Ms. Timothy said that the Library is run by a Board of Trustees who serves three year terms; they are heavily funded by the Town and State Grant funds. They serve some 8,000 to 12, 000 patrons per month which varies with the season. Their budget is essentially flat, but does include contractual obligations. The Board of Trustees asked for another \$10,000 but that was removed by the Board of Selectmen. They did however restore the LION funding.

Mr. Birmingham asked about the two LION line items on page 4 of the budget.

Ms. Timothy explained that the \$4000 is a new fee for the LION delivery service and the other \$2000 is for increased cyber security.

Mr. Birmingham asked about the discrepancy on the bottom line of the budget – page 1 states \$1,183,645 but the bottom of page 7 states it is \$1,230,063.

Ms. Timothy said that \$1,183,645 is the correct revised figure and that page 7 reflects what they had asked for originally.

Ms. Picarazzi asked for an explanation as it is showing a 3.02% increase.

Ms. Johnson said that is for the overall budget and not the library.

Ms. Picarazzi said that the wording is very confusing and asked if the Library employees receive step increases, etc.

Ms. Timothy said that they are not union employees.

Ms. Picarazzi asked if this budget had been reduced when budget cuts came through.

Mr. Nickerson said that he had cut all budgets when Governor Malloy made the reductions to the Town.

Ms. Picarazzi asked how they did with the \$22,000 reduction.

Ms. Timothy said that the cost of health insurance came in a bit lower than was estimated so that helped.

Ms. Picarazzi asked Ms. Johnson why with respect to health insurance that some would go up and others down.

Ms. Johnson said that perhaps they had not carried the adjusted figure at the end over to all departments.

Ms. Timothy said that they are also spending less on books and materials – roughly some \$11,000 less so all of it was not coming from the insurance line savings.

Ms. Picarazzi asked where the bulk of the 3.02% increase was. What accounts for that?

Ms. Timothy said that it is in the wages and social security that they pay for their employees and the LION delivery system.

Mr. Weber asked if the materials budget had gone up.

Ms. Timothy said that they did try to bump it up but it was cut back down to the \$79,000.

Ms. Alberti asked for clarification – they are not employees of the Town but their health insurance is through the Town.

Ms. Timothy said yes, it is thought that it is better for them to be with the Town.

Ms. Alberti asked if there is some consortium that they could go with.

Ms. Timothy said that she did not know.

Ms. Alberti asked if their retirement is also with the Town.

Ms. Johnson said yes – they are part of the pool but they pay their share.

Ms. Alberti said that the Town would realize savings on the insurance difference and asked what happens to the savings.

Ms. Timothy said that it was less than \$15,000 last year.

Ms. Johnson said that it is applied to the new budget going forward.

Ms. Santoro thanked Ms. Timothy for the services that the Library provides the Town. She asked about the State aid that they had received.

Ms. Timothy said that the State Library had money to reimburse them for services to residents of other Towns but the State budget has done away with that, they may get some small amount this year but it will be totally gone for next year.

Ms. Santoro asked about Capital Reserves on page 11.

Ms. Timothy said that it is private money that does not come from the Town. She explained that they cover all the expenses for their furniture, computers, etc. She noted that the carpeting is in need of being replaced and that she had discussed that with the Town. However; they cover their own expenses.

Ms. Santoro asked if the strategic planning study that they had done had provided anything helpful.

Ms. Timothy said that it suggested re-structuring things for different needs but really did not provide cost savings.

Mr. Weber said that the \$1,183,645 is what the town provides to them and then they allocate it.

Ms. Timothy said yes, the Board of Trustees works on it and for the most part they spend it as it is shown.

◆ **Registrars (110) – Mary Smith, Registrar of Voters**

Mr. Nickerson said that Mary Smith, Registrar was present as he thought that they might want to hear about security due to the issues at polling places.

Mary Smith, Registrar of Voters said that they have hired security recently and will need to address this issue. Also, they have dropped the phone/fax line as they have computers that take care of that process now. This change is also a great aid to people with disabilities.

Mr. Nickerson said that they will see more police at the polling places as a result of what is happening in society today.

Mr. Pazzaglia asked about line 201 – phones/communications.

Ms. Smith said that it is for the phones to be on at the polling places. She noted that it has been reduced.

Mr. Nickerson said that there is not a lot of room in this budget so if there is a need for more it would have to come out of contingency.

Mr. Weber asked about actuals on #401 Election Day Expenses and #402 Referendum/Primary as the numbers have been carried along.

Ms. Smith said that it only varies by a small amount and they will have to see what the upcoming year brings.

◆ **Parks & Recreation & Youth Services (421/422) – Dave Putnam, Director**

Mr. Nickerson said that they have taken out the entire beach related expenses and revenues so that all of the taxpayers will not be paying for the beach services. The beachgoers will be paying for it instead. They removed some \$150,000 to \$170,000 in expenses and corresponding revenues.

Dave Putnam, Parks & Rec Director said that this enterprise fund has been taken out of his budget; also they are down by one maintainer which shows a 23% decrease. They are excited about this change and looking forward to seeing how this works out.

Mr. Nickerson noted that they had lost an employee and that they had chosen not to fill the position but rather to utilize part time people to help out as the work was more seasonally based.

Mr. Weber asked if the did not make that change for the upcoming year if the budget would be going up or would it be going down.

Mr. Putnam said that it would have gone down as they have one less maintainer.

Ms. Picarazzi asked how much of his time is spent working on the beach issue and projects.

Mr. Putnam said that from Memorial Day to Labor Day he would guess that it is about 75% and from Labor Day back around to Memorial Day around 20%.

Ms. Picarazzi noted that if other things were removed from the regular budget that belong to the beach enterprise fund that they would have shown a worse loss that what is reflected. She said that she does not feel that this accurately reflects the cost of the beach season.

Mr. Nickerson said that the Town would have a Parks & Rec Director if they had a beach or not so they are not sure what percentage needs to be assigned to the Beach Enterprise Fund. The long term hope is that this would build itself up and be able to support itself.

Mr. Putnam said that he could go back over this with respect to some of the numbers.

Mr. Weber said that he would agree with this approach and would appreciate the numbers so that they could see what they are and discuss during deliberations.

Ms. Alberti said that she would even like to see it for the ball fields etc so that they could see what would be profitable and what the services that are provided actually cost.

Mr. Nickerson said that the whole purpose was to put the beach expenses separately and have it pay for itself.

Ms. Picarazzi said that she would rather see one budget.

Mr. Weber said that they should entertain seeing all the figures so that this is structured to meet all the needs of the beaches.

Ms. Santoro asked what Mr. Putnam needs to do next.

Mr. Weber said that they would like to see the cost of the beaches and revenue from the beaches separately including any indirect costs such as the percentage of salaries; the cost and repair of equipment etc,

Mr. Putnam asked if they want him to go back to the old format but include the indirect costs.

Mr. Nickerson asked that they do an off-line accounting and let this stand as it is so that they can give it a chance.

Ms. Alberti said that personally she would rather go back to the old way of doing it as she does not find this to be very clear.

Mr. Nickerson said that he feels that it is accomplishing what has needed to be accomplished as things are changing and moving forward.

Ms. Picarazzi apologized for the way that she may have come across regarding this.

Mr. Weber summed that it would either be a stand alone showing what the costs/revenues are or they would go back to what was before with off-line information.

Ms. Santoro asked how they came up with the model of the enterprise fund.

Mr. Putnam explained that all with the special revenue account that all of the fees that are charged for the programs cover all the costs of their programs. The program dollars are in a special revenue fund. They thought that they might try it for the beaches.

(Note: A brief break was taken here)

#### **Public Works Overview – presented by Joe Bragaw, Director, Public Works:**

Mr. Bragaw handed out a sheet (attached) providing a synopsis of the budgets from the departments that he covers - Highway/Sanitation, Building Maintenance, Engineering and IT. He explained that 70% of the Town cut came from these budgets. Over the past two years they have been cut by \$500,000. The budget being proposed this evening is 5% less than the budget from two years ago. LoCIP is being pulled out of this budget and TAR (Town Aid Roads) (orange color) shows that we are only receiving half of what we originally were supposed to get. The items in the green color show where they have worked to save money. Even with these reductions they have to make things happen and have spread the work around accordingly to do so. The Highway/Sanitation budget is showing a 4.5% decrease from the current year.

#### **♦ Town Engineer (105) – presented by Joe Bragaw, Director, Public Works (Victor Benni, Town Engineer)**

Mr. Bragaw said that this department is comprised of Victor Benni, Town Engineer and Peter Gilberto, Civil Engineer. Marilyn Wright is the Admin Asst. – 25% of her salary is now allocated to the Water dept. as she spends that time on processing their work. He noted that he heard Ms. Picarazzi's comments with regard to the unaffiliated salary increases in some instances of 5% and said that he could guarantee that no one will be getting 5%.

Ms. Santoro asked about line 246 – Transportation Allowance.

Mr. Bragaw said that they have three vehicles and that some of them are not always working as they are handed down to them from the Police Dept. They try to use them but sometimes cannot so they have to use their own vehicles. This is for the reimbursement at the IRS mileage rate for that usage. 90% of it is for around Town and only perhaps 10% for going to training events.

Ms. Picarazzi asked if the 5.06% salary increase is for/from the previous year.

Mr. Bragaw said yes.

Ms. Picarazzi said that it is a lot of money.

Mr. Bragaw said that they are working on this going forward.

◆ **Building Maintenance (113) - presented by Joe Bragaw, Director, Public Works**

Mr. Bragaw said that this is pretty straight forward and that the budget shows a reduction. Line #295 – Fire Protection – Town is for the hydrants and it keeps increasing by 10% each year. This represents that increase. Overtime was increased due to having less people and to be able to cover for vacations or illness.

Mr. Birmingham asked about the new Town Garage on Capitol Drive – noting that it was supposed to save us money as the vehicles are housed inside. He asked what ball park figure have they saved from this.

Mr. Bragaw said that it has probably added a year or two to the life of the vehicles as they can wash them down and keep all of their equipment in there. It is their maintenance facility and it is a godsend.

Mr. Birmingham asked what the old building is being used for.

Mr. Bragaw said storage and Care & Share has a portion of it.

Ms. Picarazzi asked for actual figures on fire protection.

Mr. Bragaw said that is not how it is figured. The Water & Sewer Dept. covers the upkeep of these and it would probably cost more. It is a per hydrant fee and was reduced many years ago and is now climbing up by 10% each year.

Ms. Picarazzi asked if the long term 10-year plan could be implemented here.

Mr. Bragaw said that it has not kicked in right now as he does not have all the information yet and some contracts are in effect from before. They are not there yet with the plan.

Mr. Weber asked Mr. Bragaw if he has a slow season.

Mr. Bragaw said no, in the 17 years that he has done this work he has not had a slow season.

Mr. Weber said that it seems that for fire protection (hydrants) that there should be an end point target – say \$70,000, \$80,000, \$60,000 – something rather than a steady 10% increase.

◆ **Public Works (317) – presented by Joe Bragaw, Director, Public Works (William Scheer, Asst. Public Works Director)**

Mr. Bragaw explained that his and Mr. Scheer's salaries are paid 75% from this budget, with the other 25% coming from Water & Sewer. He noted that fleet fuel is increasing and that he has not locked in yet on it as he is trying to find the best price for the Town. As noted previously, they are only getting \$170,000 in TAR money instead of the \$340,000.

Ms. Johnson explained that LoCIP funds typically overlap the years so it can go to CNRE and be used from there. TAR is typically spent in the same year that it is received.

Mr. Bragaw said that he has spent very little as he has had to put everything off – he will spend some on salt for the salt shed so that they can be a bit ahead going into the next year.

Ms. Santoro asked about training at \$10,000.

Mr. Bragaw said that he has to send his Highway people to training and it adds up. They need to stay current.

Ms. Alberti said that she is not in favor of budgeting the \$340,000 for TAR since it is unlikely that we will get it.

Mr. Nickerson and Ms. Johnson said that they have to go with some assumption and this is what the State gave them to go with.

Mr. Bragaw said that there really is no down side to keeping the \$340,000 there as they will only spend what they receive.

Ms. Johnson concurred noting that this helps them to be able to move forward with the projects. If they budget for less and get more it is tied up in BOS meetings to move it.

Mr. Birmingham asked about line 320 – Miscellaneous supplies and what it entails.

Mr. Bragaw said that it is everything that they need to operate.

Ms. Picarazzi gave judos to Mr. Nickerson and Mr. Bragaw on the transfer station hour's change. She said that fuel seems high and wondered why.

Mr. Bragaw and Mr. Nickerson said that they locked in a really low rate a few years ago and that since that time it has not been that low.

Ms. Picarazzi said that the whole payroll line is up 5.08% and that is a lot of money.

Mr. Nickerson, Ms. Johnson and Mr. Bragaw said that represented two years worth of contractual increases due to the timing of the signing of the contract.

Ms. Picarazzi said that it is still too high. She asked if longevity is for union or unaffiliated or all groups.

Mr. Nickerson said both noting that they are also working on it.

Ms. Picarazzi said that when you are unaffiliated you get more money and don't punch a time clock and get better things so they should not be getting what the union people get also.

Ms. Alberti said in speaking to Ms. Picarazzi's point that they did hear that there was going to be a fresh approach to all of that.

Mr. Weber thanked Mr. Bragaw for being very tight with his budget and all the thought that goes into it.

◆ **Information Technology (109) – presented by Joe Bragaw, Director, Public Works**

Mr. Bragaw said that the only increase in this budget is for salary. This is supplemented with a contract with a private company of which the police department pays \$10,000 of. He said that they have done a great job in keeping the system working well. Mr. Scheer is also instrumental to the IT department.

◆ **Board of Finance (126) – Anna Johnson, Finance Director**

Ms. Johnson said that they are holding the line on everything.

Ms. Santoro noted that the Auditors are RSM and asked how long they have provided the contract for services to us.

Ms. Johnson said that this is the second contract and it has been around seven years total. She noted that the opinion of government finance is that it is okay to keep the same auditors as they have fresh people who work with them on this. She recalled that they only had two companies bid on this when they went out to bid.

◆ **Services to Community (115) – presented by Mark Nickerson, Anna Johnson, Finance Director**

Mr. Nickerson explained that these are organizations that they typically have supported. He said that he shifted Historic Properties to their own department (#139). Also, while some of these services have requested more, they have maintained what they have given and kept the donation the same as in the previous year.

Mr. Birmingham asked if there is ever a balance left.

Mr. Nickerson said no, the checks go out in these amounts.

Mr. Weber said that some of these organizations could be on the list for volunteers to help them.

**E. Public Discussion**

Mr. Weber called for any comments from the Public.

There were none.

**F. Board Comments**

Mr. Weber called for Board Comments.

Ms. Johnson noted that Historic Properties Dept. #139 could be added to their April 9, 2018 meeting if they wanted to see them.

Mr. Weber and Ms. Alberti said that they did not think that they needed to see them.

Ms. Picarazzi said that she wanted to ask some questions.

Ms. Johnson noted that for their Public Hearing that they could use the Middle School Cafeteria as the High School facility has been booked.

Mr. Weber said that the Middle School Cafeteria is fine.

Mr. Nickerson said that he would help spread the word.

Ms. Johnson said that it would also go on the board outside the Town Hall.

## **G. Adjournment**

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

Mr. Birmingham moved to adjourn this Special Meeting of the East Lyme Board of Finance at 9:30 PM.

Ms. Picarazzi seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary

**COMPARISON OF BUDGETS FROM DEPTS. 105, 109, 113 & 317 FROM FY 16/17, 17/18 and 18/19**

DEPARTMENT	DEPT #	ADOPTED FY 16-17	ACTUAL FY 16-17	ADOPTED FY 17-18	PROP FY 18-19	NET BUDGET FY 18-19	DIFF \$	DIFF %	COMMENTS
<b>without LoCIP (as shown in the BOS budget books)</b>									
Highway/Sanitation	317	\$ 3,897,902	\$3,844,947	\$ 3,824,704	\$ 3,703,698		\$ (121,006)	-3.16%	
<b>with LoCIP (see note 3)</b>									
Highway/Sanitation	317	\$ 3,897,902	\$3,844,947	\$ 3,824,704	\$ 3,821,698		\$ (3,006)	-0.08%	
<b>with LoCIP and only 1/2 of TAR (see note 4)</b>									
Highway/Sanitation	317	\$ 3,897,902	\$3,844,947	\$ 3,824,704	\$ 3,651,280	\$ 2,902,711	\$ (173,425)	-4.53%	see notes 5
Engineering	105	\$ 210,702	\$ 208,927	\$ 213,395	\$ 223,134	\$ 223,134	\$ 9,739	4.56%	Everything stayed relatively the same
IT	109	\$ 122,317	\$ 122,317	\$ 124,688	\$ 126,207	\$ 126,207	\$ 1,519	1.22%	Only increase was to salary line, all else flat
Maint Town Bldgs	113	\$ 695,608	\$ 666,333	\$ 697,501	\$ 680,860	\$ 680,860	\$ (16,641)	-2.39%	loss of 20 hr custodian position
		\$ 4,926,529	\$4,842,524	\$ 4,860,288	\$ 4,681,481	\$ 3,932,912	\$ (8,389)	-0.17%	
								-4.97%	

**NOTES**

- 1) This past FY 17-18, these four budgets (105, 109, 113 & 317) were cut \$170k out of the total \$243k mid year town govt budget or 70% of the total. In FY 16-17, these four budgets were cut a combined \$254k out of the \$415k total from the Town or 61.2% of the total town cut. That is \$497k of cuts over the last 2 years
- 2) These four budgets are 4.97% lower right now as proposed for FY 18-19 than they were in the Adopted FY 16-17 budget year (and this includes contractually salary inc)
- 3) Even if you added back the same amount for LoCIP from FY 17-18 (\$118k), our budget would still be down 0.8% including contractual salary increases
- 4) We have been told that we are only going to get 1/2 of the TAR they said (\$170.4k as opposed to \$340.8k) in this year and most likely next year
- 5) Not filling the Highway Supervisor position - \$80k in salary and another \$30k in benefits, promoted from within. We spread the duties out amongst the Director of Public Works, the General Foreman, and the Master Mechanic
- 6) Eliminated 20 hr PT custodian position, this is down from 32 hrs in FY 16-17, when this person got the Sen Ctr Admin position, we did not fill the custodian position
- 7) We reworked the Town's cell phone plan saving approx \$3k per year
- 8) Saved approx \$23k in Highway OT by negotiating TS staff to work Tues-Sat providing the public with more service with full day Saturday hrs
- 9) We renegotiated our scrap metal contract giving the Town top dollar for scrap metal (last month we received \$213.50 per gross ton)
- 10) We were able to replace all the boilers at the ELCC and now we are in the process of replacing the cooling tower by grabbing a large share of incentive \$ from Eversource and not requesting any additional money from the taxpayers. We are in line to have the cooling tower replaced by late May early June of this year
- 11) We have done energy incentive projects with the streetlights (which turned out to provide over \$180k in rebates), at the FSB, the PD, Town Hall, ELCC and we are looking at a new project at the old Highway garage at 12 Roxbury Rd. All these projects should save future operational costs for the Town

Attachment Bot 4/3/18 Cw's - submitted