

**EAST LYME BOARD OF FINANCE  
REGULAR MEETING MINUTES  
Wednesday, OCTOBER 10th, 2018**

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

**Also In Attendance:** Mark Nickerson, First Selectman  
Jeffrey Newton, Superintendent of Schools  
Maryanna Stevens, BOE Finance Director  
Eric Bauman, Board of Ed Representative  
Joe Bragaw, Director of Public Works  
Anna Johnson, Finance Director

**Absent:** Jason Pazzaglia

**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 – September 12, 2018**

Mr. Weber called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of September 12, 2018.

Ms. Picarazzi asked that on Page 4 after the third paragraph where Risk is mentioned that the following be inserted: *Ms. Picarazzi said that the risk was that they could plan to spend money and not have an accurate accounting of the dollars that they would receive from the State.*

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

Ms. Picarazzi moved to approve the Board of Finance Regular Meeting Minutes of September 12, 2018 as amended.

Ms. Santoro seconded the motion.

Vote: 4 – 0 – 1. Motion passed.

Abstained: Ms. Alberti

Mr. Weber asked that it be tagged that if the purchasing policy is approved/accepted that they review it yearly and assess local preference at that time. He asked that this be placed on a list.

**E. Reports**

◆ **Board of Education**

Eric Bauman, BOE Representative reported on the following:

- They are looking to finalize the BOE goals on Monday

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OCT 16 20 18 AT 10:00 AM/PM  
*[Signature]*  
EAST LYME TOWN CLERK

- The renovations of the schools is going well and he welcomed them to come out and take a look at the progress
- The new budget season is about to start and they will have budget workshops. He invited the BOF members to attend them. There will be one within the next two (2) weeks.

Mr. Newton said that he would send out notices so that they will have lead time to be able to attend.

Ms. Picarazzi asked if the public can see the schools.

Mr. Newton said yes, they just need to let him know so that they can be checked in.

Ms. Picarazzi asked about the finalization of the goals and if it was those that they had seen previously.

Ms. Alberti asked if they will be on the website.

Mr. Newton said that they would be voting on them soon and that they would be posted on the website for everyone to see.

Ms. Alberti noted that she would like them to add Executive Session to the agenda for the first item under New Business.

#### ◆ **First Selectman**

Mr. Nickerson reported on the following items:

- They held their first ever Oyster Fest for Miracle League and the turnout exceeded expectations. They hope to make it an annual event.
- He has heard from many people regarding the State paving of Route 156 – they milled it but it has not been paved – the paving was supposed to follow the milling, it is a mess and people are hitting things. He has been told that they would begin the paving this coming week, however it would be during the daytime rather than at night as the contractor who was awarded the job by the State lost the window to pave right after the milling due to rain.
- The Town has been paving Saunders Point and this is on target and going well. It also involves some drainage work.
- The Costco project continues to gain momentum. They came in with a check for \$213,000 for permits and the project continues to move forward.
- There are still some union contracts out that they are waiting on some votes. They are also looking into the State Plan on insurance for next year. The plan would be cheaper and offer better coverage.

Ms. Picarazzi asked if they all agree that they are hiring a new police officer as she has seen the position in the newspaper.

Mr. Nickerson said that it is not a new position – it is replacing a person that left.

Ms. Picarazzi asked if they have a visual plan on the Costco and other projects that people could see.

Mr. Nickerson said that November 2019 is when Costco plans on opening. He added that it would take some three (3) to five (5) years for the DOT to do the permanent road fixes. He added that the bridge project will probably take some 18 months. The bridge is 25 years old.

#### ◆ **Finance Director**

Ms. Johnson said that the reports were sent in their packets. There are no surprises at this point in time.

Ms. Picarazzi asked about overtime on Public Safety and Public Works as we are at 25% of the new fiscal year and they are showing 56% usage. She asked if there is a way to have a trend analysis for overtime as they seem to be over-extended.

Ms. Johnson explained that for instance – they had an officer leave and it will take time to get a new one in and the shifts will have to be filled in the meantime with current staff.

Mr. Nickerson said that they could have Chief Finkelstein come and explain how his overtime works and when he uses it the most.

Ms. Picarazzi said that she is looking for a way to potentially save money and improve how things are.

Mr. Nickerson explained that there is planned overtime and that Public Works never comes back for overtime dollars. They could perhaps scrutinize if/when the police come back to request extra overtime dollars but he is not sure of exactly what she wants.

Ms. Alberti used the Health Insurance tracking sheet as an example noting that it shows where they were last year at this time compared to where they are now.

Mr. Birmingham suggested that so as not to belabor the issue that they have Chief Finkelstein come in to explain how and when they use overtime the most.

Ms. Alberti commented that in some instances there is a union component to it.

Mr. Bragaw explained that he is down by three (3) people right now as he had two (2) people retire. He sends people for Celebrate East Lyme, Touch-a-Truck, the Light Parade and other seasonal items. This is also a busy season as they have a lot of projects that they are trying to complete.

Ms. Santoro said that while she understands what Ms. Picarazzi is asking for that she is not sure that they should be asking Ms. Johnson to provide yet another report. Perhaps they can have the information on overtime issues come directly from the department head as she is not sure of any end point at this time.

Mr. Weber said that his opinion is that they always ask about concerns and Ms. Johnson always identifies those areas of concern and does a good job and, they do not need yet another report. He said that he trusts staff to do their job.

Mr. Birmingham said that he would agree and noted that a lot of the percentages wash out by the end of June. And, Ms. Johnson lets them know when there is a concern.

Mr. Weber added that to bring department heads in would also be spending resources that they are trying to save.

Ms. Alberti said that she considers it a significant issue; maybe not to bring people in – but they are concerned when they see 60% spent in the first quarter of the year.

Ms. Alberti said that they had received \$213,000 in building permit fees in October and asked if that was part of the \$300,000 in revenues that they had anticipated for this year.

Ms. Johnson said that Costco was no longer coming when they planned the new budget so it was not included in the original \$300,000.

Ms. Alberti asked if they then could expect it to exceed the \$300,000.

Ms. Johnson said that she would be doing an analysis shortly.

Ms. Alberti noted that they had not received any ECS dollars yet.

Ms. Johnson said that was correct.

Ms. Alberti asked if the State is behind on it.

Ms. Johnson said no, they get checks three (3) times during the year for ECS.

## **F. New Business**

### **a. Commitment of Funds – SPED Lawsuit \$543,778**

Ms. Alberti noted that this is where she wanted the Executive Session added.

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

Ms. Alberti moved to add Executive Session – for the purpose of discussion on the SPED Lawsuit to the agenda.

Ms. Santoro seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

#### **▪ Executive Session – Discussion – SPED Lawsuit**

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

Ms. Alberti moved to enter Executive Session for the purpose of discussion – SPED Lawsuit at 7:59 PM inviting Mr. Newton and Ms. Stevens to join them.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

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

Ms. Alberti moved to return to Regular Session at 8:12 PM with no action taken in Executive Session.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 0.

#### **▪ Commitment of Funds – SPED Lawsuit \$543,778**

Mr. Newton noted that they have frozen some budgets over the years and worked hard to amass some dollars to be used towards this case.

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

Ms. Alberti moved to commit \$193,778 remaining from the Board of Education 2016/2017 budget and \$350,000 from the 2017/2018 budget for a total amount of \$543,778 in fund balance specifically for the payment of the judgment in a pending litigation matter once it is finalized by the court.

Ms. Santoro seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

**b. Establish CNRE Fund – ELHS Turf Field \$25,000**

Mr. Newton recalled that at their last meeting that they had asked about a timeline for dollars to be put away for the turf field. They have about eight to ten (8-10) years left before it would require replacement. They have \$4,000 in another account so they would have \$29,000 with this \$25,000.

Ms. Picarazzi asked what the cost was to replace the field.

Mr. Newton said that it's around \$500,000 to \$700,000 now but down the road to when it would be replaced he is not sure.

Ms. Santoro said that if they were to use a ten year time frame that they would have under \$300,000 and if the cost is around \$700,000 – how would they do it.

Mr. Newton said that he would look for a collaborative approach – his thought is a shared expense.

Mr. Birmingham asked about people using the turf field and if they are paying to use it as that was a thought that they had originally had.

Mr. Newton said that if they did not have Parks & Rec using it as much as they do for free that then they might be able to charge others for the use of it. There is no income stream at this time.

Ms. Picarazzi thanked Mr. Newton for the start on this and asked that they try to add to it.

Ms. Alberti recalled that one of the selling points for the field was that it would save on chemicals, grass seed, etc – she asked if they had any idea of what those savings are.

Mr. Newton said that was a good question and he would guess that there is a savings but did not have that information at this time.

Mr. Weber noted that they had \$194,000 put away and another \$25,000 here so his question is how much else is there socked away somewhere.

Ms. Stevens said that there is nothing else and that this was put into specific accounts.

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

Ms. Picarazzi moved to approve a special appropriation to CNRE Fund 32 with remaining funds available from the Board of Education 2017/18 general fund budget in the amount of \$25,000 and establish an account titled, "ELHS Turf Field Replacement".

Mr. Birmingham seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

*(Note: This item requires Town Meeting Approval)*

**c. Special Appropriation Health Insurance \$597,544**

Ms. Johnson explained that the Aetna Health Insurance renewal increased by \$891,354 due to the large claims and the number of claims in the previous year. Also, ECS had an increase of \$597,544. They had agreed to use the excess funds for the Health Insurance increase in premium share.

**\*\*MOTION (7)**

Ms. Picarazzi moved to approve a special appropriation in the amount of \$597,544 from the final ECS grant as follows: \$597,544 to revenue account 01-02-200-201 (ECS) and budget accounts \$203,503 to account 01-01-114-100-127 (Health Insurance) and \$394,544 to 01-94-999-000-001 (Board of Education).

Mr. Birmingham seconded the motion.

Ms. Alberti said that they have not received the ECS funds yet. She asked why they would appropriate it before they have the dollars.

Ms. Johnson said that they do not expect any issues with receiving the money this year and further they do not receive it all at once. She added that she had provided them with information on where they are on health insurance and through October 8, 2018 they are already almost at \$200,000.

Ms. Alberti asked why the number of claims would affect what they are paying in insurance.

Ms. Johnson explained that after \$125,000 it goes to stop-loss (re-insurer). When they look at the plan group for the larger claims the severity of the claims is more – for example in the first quarter of this year they already have seven (7) large claims.

Mr. Nickerson added that more and more of the claims are hitting middle ground.

Ms. Alberti asked what caused it to go up by \$900,000 when we are self-insured.

Mr. Nickerson said that if they have people whose claims are \$10,000 then we are paying the claims.

Ms. Johnson said that when they do the renewal – allocation rates are done and they get what the Town pays and what the employee pays from that. Aetna's fees go up when our claims go up.

Ms. Alberti asked why ECS is the best place to fund this from.

Mr. Nickerson said that there is a commitment to get this money and they have not heard otherwise.

Ms. Johnson said that they should be able to make it through December with employee contributions.

Ms. Alberti asked how much has been expended to date.

Ms. Johnson said that they are at 49% now.

Ms. Alberti summed that they are at a 25% of the year and 50% has been expended. She asked where they would get the money if not from ECS.

Ms. Johnson said fund balance.

Ms. Alberti said that if that was so – would she be coming to them now for the money or would she wait.

Ms. Johnson said that she would have to let them know where they are at and identify the funds.

Mr. Weber said that this was a good point – they can't appropriate money that is not there – he suggested that they amend the motion to add 'upon receipt or when received'.

Ms. Johnson said that there then will be an issue as the caveat means that they would have to have the grant and they will not have all of it until April of 2019. It comes in three installments of \$2M each. They would also have to spend money on advertising this item again.

Discussion on the possibility of tabling the item for a month ensued.

Mr. Birmingham said that the appropriation, if approved is really only on paper –

Ms. Johnson said that is correct – it is an increase in expenditures and revenues.

Ms. Santoro said that she likes the caveat of 'when the first installment is received'.

#### **\*\*MOTION (7) Amended**

Mr. Weber moved to approve a special appropriation in the amount of \$597,544 upon receipt of the first installment of the ECS grant as follows: \$597,544 to revenue account 01-02-200-201 (ECS) and budget accounts \$203,503 to account 01-01-114-100-127 (Health Insurance) and \$394,544 to 01-94-999-000-001 (Board of Education).

Mr. Birmingham seconded the motion.

Vote on the Amended motion: 5 – 0 – 0. Motion passed.

*(Note: This item requires Town Meeting Approval)*

#### **d. Special Appropriation Building Official Vehicle - \$22,806**

Mr. Nickerson synopsisized that the building official was given a hand-me-down Jeep Liberty when the Fire Marshal got a new car in FY13-14. The Jeep is a 2005 with a diesel engine that has had many problems and no longer works. They have been using an old Crown Vic police car that was also handed down. It is not reliable nor the type of vehicle necessary for the type of areas that they have to go to for inspections. They are looking to use some of the revenue money that came from the Costco building fees as they feel that it would be appropriate to get a decent AWD vehicle that will last some 10+ years with three to five of them covered by warranty.

Mr. Bragaw said that the Jeep Liberty died in late March. The problem is that they are given a lot of hand-me-downs and when they go – they have no place else to go to for a vehicle. A big issue is that the Crown Vic is a rear wheel drive vehicle. The Ford Escape is an AWD vehicle which is better for the areas they go to and for the winter weather. He said that he also thinks it prudent to give to a department that brings in a lot of revenue.

Ms. Picarazzi asked why there were only two (2) bids.

Mr. Bragaw said that the lowest price is a State bid price and they have already gone out to bid. The local vendor bid was for a 2018 at a higher price.

Ms. Alberti said that she has an issue with not going with the local vendor.

Mr. Bragaw said that it went to State bid and that he felt that it would not be appropriate to bring a figure from one vendor to the other vendor who had already bid higher on a year older vehicle.

Ms. Alberti said that they have not gone to the local vendor to ask if they would meet the State bid price from the other vendor.

Mr. Nickerson said that would be totally inappropriate and maybe even illegal.

Mr. Bragaw said that he would be totally uncomfortable with doing that.

Ms. Santoro and Mr. Birmingham said to Mr. Bragaw that what he did in obtaining the bids that he presented was totally correct.

Ms. Santoro added that the proposed purchasing policy also does not address local preference.

#### **\*\*MOTION (8)**

Mr. Birmingham moved to approve a special appropriation for the purchase of a 2019 Ford Escape from Columbia Ford in the amount of \$22,806 from a budget account to be established titled, "Vehicle – Building Official" and revenue account 01-05-500-501 (Building Permits).

Ms. Santoro seconded the motion.

Vote: 4 – 1 – 0. Motion passed.

Against: Ms. Alberti

*(Note: This item requires Town Meeting Approval)*

Ms. Alberti said that she had voted against this as she is not in favor of voting on it until the purchasing plan is finalized.

### **G. Old Business**

#### **▪ Other Town Wages & Benefits**

Ms. Picarazzi said that the information that they had received is intense and that perhaps a subcommittee would be in order. She noted that our benefits and wages are way higher than the majority of the other 10 Towns.

Mr. Weber said that he had gone through it and found that there were areas where there were people out of the ranges that were listed. He said that it seems for the wages side that they are high and low and some outside of the ranges entirely.

Ms. Picarazzi asked what the plan is for those outside of their range – what do they do with that.

Mr. Birmingham asked if the top amount stays the same when you reach it or if it goes up.

Ms. Johnson said that for the non-affiliated that the Board of Selectmen decides on the general wage increase.

Ms. Picarazzi asked if they look at the ranges.

Ms. Johnson said that she did not know.

Ms. Picarazzi said that she would ask Ms. Hardy as she is present this evening.

Ms. Hardy said that she would speak during public discussion.

Ms. Santoro asked if steps are related to degrees or certificates.

Ms. Johnson said that to her knowledge – steps do not align with performance or certificates. They max out when you hit the top. This year they received 2% salary increase and some received an additional 2% in their 401K.

Mr. Weber asked about the last time that ranges were reviewed, noting that he felt that it is a Board of Selectman function.

Ms. Alberti said that she and Ms. Johnson would work on policy as it deals with real dollars. There is no policy once people top out – they seem to keep getting the 2%. They need some framework in order to be able to make decisions with regard to the budget.

Ms. Picarazzi said that some salary ranges go from \$50,000 to \$100,000 which is extreme.

Ms. Alberti suggested they meet and pull some of the issues together.

Mr. Weber said that if Ms. Alberti and Ms. Johnson meet and put together a list of policies that they think are necessary or should be reviewed then he will go to the Board of Selectmen and present them.

#### **▪ Discussion – Board of Finance Action List**

Ms. Johnson noted that the Turf Field Fundraising could come off and the study of other Town wages etc would be included in a review of financial policies that Mr. Weber would present to the Board of Selectmen. Also, the BOE and BOF would meet to discuss the budget process in November. There would be a note

added that once the Purchasing Policy is approved that there would be an annual review of it which would include the local contractor preference item.

Ms. Santoro said that after some discussion and thought that she would like to run the \$25,000 threshold item by the Purchasing Policy subcommittee again.

Ms. Alberti asked what the issue is.

Ms. Santoro said that she was not sure if they want to try the \$50,000 threshold due to the number of sealed bids at \$25,000.

Mr. Weber said that this has been debated to death and suggested that they not have any more meetings on it as it is a policy with waivers in it. They have been debating it for over a year and a half – let's get it passed and see how it goes. It can always be re-worked when it is reviewed annually.

Ms. Alberti and Ms. Santoro said that they would attend the next Board of Selectmen meeting regarding this item.

#### **H. Public Discussion**

Mr. Weber called for Public Discussion.

There was none. Ms. Hardy had left the meeting.

#### **I. Board Comments**

Mr. Weber called for any comments from the Board.

There were none.

#### **J. Adjournment**

Mr. Weber called for a motion to adjourn.

#### **\*\*MOTION (9)**

Ms. Picarazzi moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 10:10 PM.

Mr. Birmingham seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary