

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, MARCH 13th, 2019**

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

FILED IN EAST LYME
CONNECTICUT
March 19 2019 AT 10:00 AM/PM
Bradletton ATC
EAST LYME TOWN CLERK

Also In Attendance: Mark Nickerson, First Selectman
Jeffrey Newton, Superintendent of Schools
John Dwire, Niantic Fire Chief
Joe Bragaw, Director of Public Works
Anna Johnson, Finance Director

Absent: Camille Alberti

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 – December 12, 2018**

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

Ms. Santoro said that in the fourth paragraph on Page 3 where she is speaking that there was another separate item in there with the iron and manganese that she wanted to clarify but was not sure of the language.

Ms. Picarazzi said that she wanted to know what it was that they were going to approve to amend before doing so.

Mr. Weber asked Ms. Santoro to review the video for the information that she wanted to add and that they would table this for now and take it up at their next meeting.

▪ **Regular Meeting – February 13, 2019**

Mr. Weber called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of February 13, 2019.

****MOTION (1)**

Mr. Birmingham moved to approve the Board of Finance Regular Meeting Minutes of February 13, 2019 as presented.

Ms. Santoro seconded the motion.

Vote: 4 – 0 – 1. Motion passed.

Abstained: Ms. Picarazzi

E. Reports

a. **Board of Education**

Mr. Newton reported that last week he had tried to set up a morning tour of the schools but it did not work out. He said that he would try to set it up for another time perhaps in the afternoon.

Mr. Weber suggested that as people work that later in the afternoon or on a weekend might be better.

Mr. Newton said that they are on target, on schedule and on budget with the school projects and about to start the largest Phase of it – Phase 3. The other two phases are done. Also, they have a subcommittee on their board that is working on the technology changes that are happening in the classroom environment today. They are trying to keep up with where the other districts are and they will see some of this at the budget presentation on Monday. Lastly, the re-districting will be coming up next year.

b. First Selectman

Mr. Nickerson reported on the following:

- They are in the time of the year where they move money around in the budgets and they will see this on the agenda this evening.
- Costco has broken ground aggressively and is moving along.
- The Honeywell title search has come back clean and they are now determining the tests that would be needed. The Vision Committee has started meeting and is working on an RFQ
- The Miracle League project received a \$25,000 gift from the Chamber of Commerce.
- This Saturday, March 16, 2019 there is a 5K Road Race here

Mr. Weber asked about the snow plowing and the budget so far for it – how we are doing.

Mr. Nickerson noted that they could ask Mr. Bragaw about that when he comes up this evening.

Ms. Picarazzi asked with the Miracle League being a regional item – if we are getting funding from others in the region for it.

Mr. Nickerson said that other organizations (banks, Dominion, etc.) outside of us but within the region have been donating.

c. Director of Finance

Ms. Johnson said that the monthly budget report shows the storm overtime and storm supplies for February. She noted that there is around \$25,000 left for storms. She noted that she anticipates the potential for spending \$100,000 less than planned at this point in time and potentially \$45,000 more in revenues than anticipated. They will have to see how this continues.

Ms. Picarazzi noted her concern over the State cuts in the upcoming year.

Ms. Johnson reviewed the current status of the Health Insurance noting that December & January were okay but February ran a bit higher which did not help and so far this month on the 8th it was a \$100,000 day. So far for this month they are at \$271,050 so they will have to see how they track.

Ms. Picarazzi asked about any areas of concern.

Ms. Johnson said that they are on the agenda this evening.

F. New Business

a. Special Appropriation & Transfer Funds – IWA Rec Secy \$800

Mr. Nickerson explained that they had to use someone in the Town who already worked FT and that it cost them overtime so the budget was used up. They have since hired someone who does not work within the Town and this has alleviated the overtime issues.

Ms. Santoro asked about the current account for the secretary as it is showing in the red – she wanted to know if the \$800 would cover this and finish out the year.

Mr. Nickerson said yes.

****MOTION (2)**

Ms. Picarazzi moved to appropriate and transfer \$800 from account 01-01-120-200-500 (contingency) to account 01-01-132-100-412 (IWA PT Clerical).

Mr. Birmingham seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

b. Special Appropriation & Transfer Funds – Planning Rec Secy \$800

Mr. Nickerson said that this is the same as the above item and reiterated that they have alleviated the overtime situation.

****MOTION (3)**

Mr. Birmingham moved to appropriate and transfer \$800 from account 01-01-120-200-500 (Contingency) to account 01-01-117-100-412 (Planning Rec Secy).

Ms. Santoro seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

c. Special Appropriation & Transfer Funds – NFD TO \$9205

Mr. Nickerson said that Niantic Fire Chief John Dwire was present to explain this item. He noted that Mr. Dwire had inherited this budget.

Chief Dwire said that he worked with Ms. Johnson and came up with some work sheets that break out the costs by holidays, etc. to that they have an idea of the associated costs for the request of \$9205. It is anticipated that this will carry them through to June 30, 2019. He explained that it has become more difficult to have adequate volunteers staffing and responding to emergency calls and has caused him to have to pay overtime to have the necessary staffing.

Ms. Picarazzi asked how they had managed this over the past two years.

Ms. Johnson said that she did not have that information however in the past they had had areas within the budget to move from to cover these situations.

Mr. Dwire said that he is of the opinion that people previous to him did not budget appropriately. The information that he is presenting is based on contractual obligations and the events that they have to cover and the calls that they have covered.

Mr. Weber noted that these budgets are reviewed and re-reviewed by a number of people and questioned how they could have made it by. He asked Mr. Dwire how the recruiting efforts were going.

Mr. Dwire said that it is an uphill battle. He said that he had the information on the actual overtime numbers expended over the past couple of years.

Ms. Johnson said that to 6/30/17 they expended \$71,143 in overtime dollars; to 6/30/2018 they had expended \$74,968 in overtime dollars and for this fiscal year with this transfer they will expend \$88,757.42 in overtime dollars.

Ms. Picarazzi asked if they have this problem in other departments also but just have not picked up on it yet. She said that she wants to understand how they got here.

Mr. Nickerson said that it is a first responder issue – they are 24 hour departments that are always on call.

Mr. Dwire said the he worked with the Flanders Fire Chief Rix and they came up with the worksheet to determine the numbers.

Ms. Picarazzi asked where the \$88,757 for the total overtime cost comes from.

Mr. Dwire explained that they had to add the holiday(s) coverage and the respective pay for that coverage (FT - \$17,777.84 + PT \$6,832.00) and the Weekly overtime (\$46,309.90) plus the unscheduled overtime for storm coverage, light parade, special events, shift coverage etc. (\$17,837.68) and they would come up with the \$88,757.42 figure.

Mr. Birmingham asked if Flanders has the same issues.

Mr. Dwire suggested that they ask Chief Rix as he does not wish to speak for him. He noted that they do meet and that they do discuss the same issues with regard to coverage.

Mr. Birmingham asked if they help each other out.

Mr. Dwire said that they do and that they also do mutual aid for highway issues and other Towns. He reiterated that staffing is very important.

****MOTION (4)**

Ms. Picarazzi moved to appropriate and transfer \$9205 from account 01-01-120-200-500 (Contingency) to account 01-25-217-100-614 Overtime).

Ms. Santoro seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

d. Transfer funds – Dispatcher OT \$9600

Ms. Johnson explained that when they cannot get the part time dispatchers to cover the shifts that they have to have the full timers do it and this is that cost. There are excess funds in the Police salary account to cover it.

Mr. Weber said that he thought that they had added the extra half person to help with this.

Mr. Nickerson said that all the weekenders are part time so if one calls out then it is a struggle. He said that they would be moving toward full time people and rotating schedules like the Police. The positions need to be manned.

Mr. Weber noted that this did not decrease overtime as was expected.

Mr. Nickerson said that the part time person added was to cover the phones as the call volume has grown.

Ms. Picarazzi asked for information on call volume statistics and comps.

****MOTION (5)**

Mr. Birmingham moved to approve a transfer in the amount of \$9,600 from account 01-25-216-100-511 (Police Officers) to account 01-25-215-100-214 (Dispatch Overtime) effective April 1, 2019.

Ms. Picarazzi seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

e. Special Appropriation & Transfer Funds – Payroll Contingency Selectman 101, NFD 217, FFD 218 - \$7123

Ms. Johnson explained that this transfer of funds is to cover the new rates that were subsequent to the budgets. Additionally, the Selectman's salary increase was not figured in the formula.

Ms. Picarazzi asked if this was something that they usually have where contracts happen after the budget cycle has begun.

Ms. Johnson said that two (2) out of four (4) contracts are in place so they should have less this year.

****MOTION (6)**

Ms. Picarazzi moved to appropriate and transfer \$7,123 from account 01-01-120-100-500 (Payroll Contingency) to the following accounts: \$1,952 to 01-01-101-100-111 (First Selectman) \$3,111 to 01-25-217-100-612 (PT Firefighters NFD) and \$2,600 to account 01-25-218-100-612 (PT Firefighters FFD).

Mr. Birmingham seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

f. Special Appropriation of up to \$81,851.46 from remaining 2016/17 Vehicle Acquisition Program

Mr. Bragaw, Public Works Director explained that there is a remaining balance of \$81,851 from FY 16-17 from purchasing vehicles and equipment for less than the estimates used during the process. Total funding was \$834,540. Mr. Holyfield, at the time, was able to obtain a great deal when they went to purchase a truck as another Town had cancelled on it and we were able to realize a great savings. They looked at the proposed FY 19-20 vehicle acquisition plan to see which vehicles were needed that made sense to purchase at this time. They are proposing to use these funds for a new pickup for the Highway Department and a Ford Escape to replace the 2008 Ford Expedition that has over 133,000 miles on it and has broken down three (3) times in the last four (4) months. He noted that Mr. Nickerson did go to Crest asking to see if they could match the quote since it was a sensitive issue with them previously even though it is not a part of the purchasing policy. Crest did say that while they did not know how that price had been arrived at that they would match it. With respect to the Highway vehicle they are looking to get a Ford F250 Supercab with a 6.5' bed, compartments, work lights and a plow package and they will hand down to the BOE a 2006 Chevy pickup (88,000 miles) with a plow that is in good condition and should last the BOE another three (3) to four (4) years minimum. The Parks & Rec has loaned the BOE a truck until they need it for their seasonal crews. This will greatly benefit the Highway department and the BOE.

Mr. Weber and Ms. Picarazzi asked why they found \$81,851 and just have to spend it.

Ms. Johnson said that the financing bank has various rules that go with it and here they are unable to use the funds to pay down the financing as it exceeds 4% of the total amount borrowed, and they have to spend it on what the loan was taken out for.

Mr. Weber said that it would seem that they would take it and pay down the health insurance bill.
Ms. Johnson said that they just want to clean this up according to the financing guideline.
Mr. Weber asked if they could take \$50,000 and get a new vehicle and use the rest for a pay down on the health insurance.

Mr. Pazzaglia said that he wants to understand this financing.
Ms. Johnson explained that the funds are put in an escrow account and taken out when they make the purchase.
Ms. Picarazzi said that they would just have to do business differently.
Mr. Pazzaglia asked about the legality if they don't spend the money and if there is a penalty.
Mr. Bragaw said that he understands the concern – but at least the \$51,000 for the truck provides a greater benefit for the Town as the BOE has been borrowing vehicles from us and we would be able to pass a good one down to them and a new one for us.

Mr. Weber asked, just as an aside – why he BOE has the same equipment as us and why the redundancy.
Mr. Bragaw said that they used to have private contractors doing the work and that now they do it themselves.

Mr. Nickerson said that they need to keep in mind that this is not a shopping spree – these are items coming off of the future spending plan.
Ms. Picarazzi said that she is not supporting this until they have more information from Ms. Johnson on the bank policy as there is no incentive to not spend everything there. She said that she thinks this is the wrong way to do business. If they can use it for something else and just pay a higher interest rate then so be it.
Mr. Weber asked if there was any urgency to doing this tonight and if they could push it off to the next meeting, even if they end up with the same information which he said he thinks that they may.
Mr. Nickerson said that he does not think that the information is going to change anything – the bank may raise the rate on us within that deal. Further – the need is there for these items.

Mr. Bragaw said that both of these vehicles prices go up by a couple thousand dollars each in May.
Mr. Weber said that it sounds like the need is there but this Board would like them to ask the financial institution about the obligation on this money.
Mr. Bragaw said that this solves many issues for them and would come off the new acquisition plan.

Ms. Johnson said that these items are all in the new FY 19-20 budget.
Mr. Bragaw said that the two (2) vehicles only add up to \$74,000 not the \$81,856.
Ms. Picarazzi said that if it were up to her that she would spend it too; she is upset with the arrangements with the bank regarding this.

Mr. Birmingham said that they are two years into the loans and that it has been his experience that once you have signed the contract they don't change the agreement. His opinion is that they look forward so in the future they settle with a different agreement.
Mr. Weber said that is where he has ended up also and why he felt that they should move forward.
Mr. Pazzaglia said that he does not understand this loan or penalty and wants to know what the penalty is. He said that they could also save by not purchasing a Supercab and was not sure why they needed it.
Ms. Santoro asked what the loan arrangements are and thinks that perhaps it is worth inquiring to the bank. She said that she is hesitant to go forward on this. They also have a couple of vehicles over the \$50,000 and the purchasing policy kicks in.
Mr. Bragaw said that they did the specs and that the pricing is also based on the UConn pricing.
Ms. Picarazzi asked the Board to vote this down and also the next item pending further information.

Mr. Weber asked Ms. Johnson to get the effects of financing on these items and bring it back to them.

g. Special Appropriation of up to \$68,500 from remaining 2016/17 Streetlight Acquisition Program
Mr. Bragaw explained that this comes from the Streetlight project. They were told that there would be rebates and they received \$198,000 which is \$60,000 more than projected. They also put in contingency for this project dollars for traffic control but did not use a lot of it. They are proposing to purchase a Skid-Steer that would not only be highly valuable to the Highway department but also Parks & Rec, Water & Sewer and the BOE. They also obtained three (3) comparative model bids.

Mr. Weber said that he does think that the information that they get will come back indicating that this is the thing to do but feels that they will have to wait to see.

Mr. Nickerson explained that with rebate items that they do this all the time and these items are on the acquisition list. Doing this now will remove them from that list.

Mr. Pazzaglia asked if they had a Skid-Steer.

Mr. Bragaw said no and added that they have wanted one for five (5) years now.

There was no motion.

Mr. Weber said that they would like the same information as with the previous item on what happens if they don't spend the money on these items.

h. Ratify Departmental Transfers - \$15,529.05

Ms. Johnson explained that these are all transfers within departments.

Ms. Santoro asked about the Registrars.

Ms. Johnson said that there are more events happening with them and things having to be programmed for the voting, etc.

Mr. Nickerson added that the machines are expensive.

****MOTION (7)**

Mr. Birmingham moved to ratify departmental transfers in the amount of \$15,529.05 processed for fiscal year end June 30, 2019.

Mr. Pazzaglia seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

i. Review 2019/2020 Proposed budget

Mr. Nickerson noted that they received the books this evening. He asked that they take the time to review it as they have been holding off on items that they will now see.

Ms. Picarazzi asked for some information when they get to it on the Ambulance fund – the history and how it works.

Ms. Johnson explained the wage contingencies and transfers that were made recently – in the budget she made two (2) columns to make the percentage increase clearer. She also noted that in October they did special appropriations to the Town and also the ECS increases (State funding).

Ms. Picarazzi asked about the teacher pensions.

Mr. Nickerson said that Hartford has not done anything on that yet.

Mr. Weber said that if anyone wants anything for the budget with respect to information to ask now.

The following was requested:

- Cost per student
- Student enrollment
- Call volume in Town
- Town population
- Information on the police case load
- Trend data for the public safety sectors

j. Discuss BOF By-Laws

Mr. Weber called for discussion.

Ms. Picarazzi said that she had reviewed them and felt that they were fine.

Ms. Santoro said that she had a number of things that she felt could be addressed – under Board Comments they had an Attorney opinion that it be less open-ended. Perhaps they could have a Chair or member response. Under Article 6 she said that she would like to add an item to explain to new members the agenda and the process – a mentoring process to guide them.

Ms. Johnson said that at the point in time that new members run that we send them the agenda and packets.

Mr. Weber said that people do not understand things such as department numbers and accounts so it is a mentoring process.

After further discussion it was agreed that it would be best to do this after the budget season is over. They can present areas to clean up and then decide.

Mr. Weber suggested that they have the changes that they would like to see ready for the May meeting of the Board.

G. Old Business

There was none.

H. Public Discussion

Mr. Weber called for Public Discussion.

There was none.

I. Board Comments

Ms. Santoro noted that they should review the Purchasing Policy in the July time frame – November would be a year.

J. Adjournment

Mr. Weber called for a motion to adjourn.

****MOTION (8)**

Ms. Picarazzi moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 9:38 PM.

Ms. Santoro seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary

**Town of East Lyme
Budget Transfers
Fiscal Year 2018/19**

To Account

From Account

| Date | Dept | Account # | Description | Account # | Description | Amount | Reason for Transfer |
|------------|------------|-------------------|---------------------------|-------------------|--------------------------|----------|---|
| 8/22/2018 | Bldg | 01-01-104-300-320 | Misc Supplies | 01-01-104-100-211 | Chief Bldg Official | 1,995.00 | Cash register is no longer repairable. Orig purch |
| 9/6/2018 | Fin | 01-01-118-100-412 | PT Clerical | 01-01-118-300-320 | Misc Supplies | 276.00 | Additional hours for AP Staff during peak times and for cross training. |
| 10/1/2018 | Dispatch | 01-25-215-100-217 | Training PR | 01-25-215-300-243 | Training | 1,500.00 | Training needed for new employees. |
| 12/3/2018 | COA | 01-40-418-200-240 | Vehicle Inspections | 01-40-418-300-246 | Transportation Allow | 230.00 | Vehicles require annual lift inspection from certified Braun mehcanics that was not budgeted for. |
| 12/4/2018 | Brookside | 01-01-134-300-201 | Telephone | 01-01-134-200-236 | Museum Program | 100.00 | Planned Museum Program cancelled, therefore funds available |
| 12/7/2018 | P & R | 01-45-421-400-210 | Utilities/Electricity | 01-45-421-400-211 | Utilities-Athletic | 557.09 | Increase due to Main St Park, not included in original budget. |
| 12/12/2018 | Registrars | 01-01-110-500-401 | Election Day Expenses | 01-01-110-500-402 | Referendum/Primary | 439.46 | Invoice for election day ballots greater than original estimate. |
| 12/17/2018 | COA | 01-40-418 200-240 | Vehicle Inspections | 01-40-418-300-215 | Program Services | 350.00 | Additional funding for the annual lift inspections from certified Braun mechanics. |
| 1/2/2019 | Registrars | 01-01-110-500-401 | Election Day Expenses | 01-01-110-100-412 | Deputy Registrars | 1,365.08 | Unexpected invoice for election day coding of ballots. |
| 1/3/2019 | COA | 01-40-418-200-240 | Vehicle Inspections | 01-40-418-300-321 | Program Supplies | 250.00 | Additional funding for the annual lift inspections from certified Braun mechanics. |
| 1/31/2019 | Legal | 01-01-114-140-238 | Legal Conservation | 01-01-114-140-234 | Legal Zoning | 8,000.00 | Re-allocate legal fees from Zoning to Conservation. |
| 2/20/2019 | Debt | 01-50-523-600-640 | Principal DWSRF 2012-7010 | 01-50-522-620-640 | Interest DWSRF 2012-7010 | 166.42 | Re-allocate DWSRF between categories |
| 2/26/2019 | FFD | 01-25-218-300-201 | Telephone | 01-25-218-200-243 | Training/Fire Prev | 300.00 | Additional funding needed for FFD portion of Frontier invoices for remainder of fiscal year. |
| | | | | | | | |

TOTAL \$ 15,529.05

C:\Users\sanderson\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Outlook\51NV83WJ\Transfer List to Boards Approve 2018-19 #1.xls]Sheet1

BoS

Attachment

BO7

3/13/19

*(items
motion 7)*