

**EAST LYME BOARD OF FINANCE  
PUBLIC HEARING MINUTES  
FY 2010-2011 PROPOSED BUDGET  
Monday, APRIL 26th, 2010**

Members In Attendance: Robert Kleinhans, Chairman  
Steve Larcen, Secretary  
Steve Harney  
Raymond Hart  
Steve Kelley  
Jeff Langan

Also In Attendance: Paul Formica, First Selectman & Ex-Officio  
Tim Hagen, Chairman, Board of Ed  
James Lombardo, Superintendent of Schools

Absent: No One

**A. Call Meeting to Order**

Chairman Kleinhans called this Public Hearing on the FY 2010-2011 Proposed Budget of the East Lyme Board of Finance to order at 7:05 PM.

**B. Pledge of Allegiance**

The Pledge was observed.

Mr. Kleinhans outlined the format of the meeting and introduced the members of the Board to the audience.

**C. Board of Finance Presentation of Proposed Budget for FY 2010-2011**

Mr. Kleinhans said that he would have Mr. Larcen, Secretary on the Board of Finance do the presentation.

Mr. Rando called Point of Order and asked why the Chairman was not doing the budget presentation.

Mr. Kleinhans said that as the Chair that he could appoint anyone to do the presentation and that he had chosen Mr. Larcen to do it as he had done it last year.

Mr. Larcen explained the summary process that they followed: - the Board met nine (9) times with the various departments and to review and cut some \$822,000 from the budget that was presented to them. The budget represents an overall 1.9% increase in the property tax mill rate. He noted that they had received over \$400,000 less in funding from the previous year. He said that they have a lack of revenue and that the revenues are some \$17,000 less than they were two years ago. The lack of revenues is due to the lower interest rates, and less income from building and other fees. He said that they would not be using any money from the fund balance this year. In a PowerPoint presentation he went over the major reasons for reduced revenues in the FY10-11 budget and the reductions that the Board of Finance had proposed from the budget, as received from the Board of Selectmen. He said that the current budget is \$60,368,873 and that the budget being submitted this evening for comment is \$60,770,731. He noted that people ask if the cuts proposed are proportionate and the pie chart shows that Education is 65% of the total budget with General Government at 24%; Capital 2%; Contingency 0% and Debt Service, 9%. He said that each of the department heads was helpful in working with them on this budget and there were wage concessions made by the Education administrative staff and management and reductions in the overtime hours. Most significantly, within the Public Works Department, the advent of single stream recycling should realize some savings and revenues. The \$60,770,731 proposed budget is a 1.9% increase from the current year. The mill rate would go from 19.186 to 19.551 with no money being used from the undesignated fund balance. There is a contingency item set aside for unexpected items. He said that they had all worked together in these tough economic

times. The Town Meeting on the budget will be held on Monday, May 10, 2010 at 7 PM here in the High School Auditorium and he said that the referendum on the budget would be on Thursday, May 20, 2010 at the East Lyme Community Center.

Mr. Kleinhans said that Mr. Formica, First Selectman would say a few words regarding the budget.

#### **D. Comments by First Selectman**

First Selectman, Paul Formica thanked everyone for coming and for all of the hard work on the budget by everyone. He said that this is the first time that they have done this under the new process of going to the automatic referendum. The referendum voting will be on Thursday, May 20, 2010 from 8 AM to 8 PM at the Community Center.

He said that the budget being proposed is for the fiscal year beginning July 1, 2010 and running through June 30, 2011. This six month budget process started with the department heads and then went to the Board of Selectmen and to the Board of Finance. It will go to Town Meeting and Referendum after this. The revenues come primarily from property taxes, licenses and fees and from the State. He said that they are all affected by this economy and thanked the department heads for holding the line on spending. They have heard him say that the Town needs to be run like a business and difficult times offer unique opportunities in running the Town as a business as the Town will be around 100 years from now, (unlike many businesses) and they have to invest in the infrastructure. He noted that they will be a four Town hub for Probate beginning in January 2011 and that the Registrars will be moving to an office in the Community Center which will put them closer to the voting process. They switched from CIRMA to MIRMA and were able to save some \$300,000 in that year. He noted that Emergency Management has not been as easy to regionalize as he had hoped as people do not want to give up their own system so this budget represents an increase in personnel for Emergency Management. He thinks that they will see a new type of model set-up for the Police in the future. Parks & recreation represents a new type of program that will be tried in the upcoming year – a Special Revenue Fund where revenues will be shared with the Town. He also noted that the debt service payments would be reduced from \$6.1M to \$5.4M and reviewed the long range capital plan items. There is also a vision committee that is looking at the needs of the Town for the future. He noted the recent \$1.6M Boardwalk settlement and said that Amtrak is expecting to be done with the bridge replacement in May of 2013 and that they are looking at the possibility of working on fixing the other part of the Boardwalk sooner than that time. He cited the streetscape monies that they had received and the new sidewalks, trees, granite curbing and streetlights that are going in downtown and the new sidewalks that had been put in at Cini Park with grant money. He said that he feels that this is a good budget and thanked everyone for all of their hard work and urged them to go out and vote at the referendum. He said that Tim Hagen, Board of Ed Chairman and Dr. Lombardo, Superintendent of Schools would speak to them next.

#### **E. Comments by Board of Education Chairman**

Tim Hagen, Board of Ed Chairman noted the extent of the meetings that they held and said that the Board of Ed budget has been looked at extensively. He acknowledged the great staff that they have and thanked the community for their support in sustaining excellence in the education of the children. He thanked staff, teachers, administrative personnel, custodians and all of the people who make things happen in the schools each day. He especially thanked the teachers, paraprofessionals and administrative personnel who will receive no wage increases and no step increases in the next fiscal year. He then introduced Dr. Lombardo and thanked him for his objectivity in bringing forth new methodology.

Dr. Lombardo, Superintendent of Schools thanked everyone and said that he and his family very much enjoy their new home in Saunders Point. He said that he would present the high points of the school district budget but first explained his two daughters non-traditional educational paths noting that East Lyme has the same type of students and that the goals and priorities for the year were crafted around educating the whole child and making sure that no child is invisible and is supported by caring adults. He said that by the end of the year they will have hired nine (9) new administrators and that 70% of the teachers have less than 10 years experience. He went over a PowerPoint presentation noting that the FY 2010-2011 budget represents a 1.83% increase over the current year. The frozen salaries represent around an \$850,000 savings and there is a 15% reduction in supplies for \$185,000 savings. One increase is \$85,000 for a SPED coordinator K-12 which will be offset by stimulus funds and paraprofessional reductions (10 less by attrition). He said that they know that this is a difficult year and he thanked Mr. Formica for all of his hard work and the Boards of Selectmen and Finance and everyone who has worked tirelessly on this for many months now. He said that as always, they put the children first and will continue to give them the best possible education.

## **F. Public Discussion**

Mr. Kleinhans called for public comments and asked that speakers give their name and address and spell their last name if it might be unusual or subject to being misspelled.

John Drabik, 18 Drabik Road said that he heard that there is a reduction in revenues for East Lyme from the State. The Economic Development Commission has a budget of \$7600 and they have not done a thing in 20 years for this Town. They give half of their budget to Celebrate East Lyme which does not make any sense. Take that budget to offset the loss. There is \$50,000 in the Parks & Recreation budget for a walking path – they have Oswegatchie Hills, Rocky Neck, sidewalks on Main Street and paths all over the Town to walk on and they don't need another one. Take that \$50,000. They just got \$1.6M for the Boardwalk but he read that the Boardwalk legal bills cannot come from taxpayer money so the \$1.6M will be less once that is taken out. He said that the Board of Finance should hold a Public Hearing in January/February to get public input on what they want to see. The Board of Selectmen handles the personnel, not the Board of Finance. When it comes to the Public Hearing, they do not get to vote on Town Government line items or the Board of Ed as they cannot cut line items in the Board of Ed budget. He reminded them that they work for the taxpayers of East Lyme. He noted the State aid reduction that was presented and said that he paid his State and Federal taxes just as others have and that if they cut giving it to the Towns that the Town should not pass the shortfall on to the taxpayers as the taxpayers have already paid their share – cut the budget/reduce it so that the taxpayers are not hit again. He said that there are challenging, unprecedented times and that if they asked him in January about the budget that he would tell them to reduce it to zero.

Phillip Delaney, 34 Huntley Court thanked Mr. Formica for the nice presentation and said that he is doing a fine job. He said that Mr. Formica has said that he wants to run the Town like a business and that if he does want to do that then AT & T and Electric Boat no longer give pensions to their workers – they do a 401K and sometimes don't match it. So – why make the taxpayers pay for Town workers. The same with the health benefits – the taxpayers should be paying for it. Also, they had teachers with experience 20 years ago with much less of a budget – so they are not holding the line there. He asked that they think about these things in going forward.

Ron Rando, 194 Boston Post Road said that he has been coming to these meetings for 20 years along with Mr. Drabik and some others and they have been giving them some good ideas but they do not listen. They told them about the goat path at the Boardwalk in Niantic that cost over \$4M. He asked how much the legal bills have cost for that. They got \$1.6M – but how much do they have after the legal bills are paid. Over the last two years and what they are presenting the Town Government side of the budget has been \$22M, \$21M and now \$20.8M. The point is that Town Government serves the entire Town and they keep cutting the Town side and just barely cut \$54,000 from the Board of Ed. After the stimulus ends next year – they will be short \$1.5M – where will they get that money. He congratulated Mr. Lombardo for living in this Town and paying taxes here but said that they gave him a nice raise as the Superintendent's salary is \$194,218 with perks and extras. To the teachers, he said that they should give back 10% as they have the most crooked union that there is. To the new superintendent from Pennsylvania he said that he does not think that he should have been given a raise and that he should have to prove himself first. He said that while he has known Mr. Formica for a long time, thinks the world of him and that he is doing a good job for the Town and is a nice guy, that he did not vote for him as he thinks that the Board of Ed has him. He said that he wishes that they had the budget split so that it could be voted on separately.

Bob Gadbois, 358 Boston Post Road congratulated Mr. Formica on the good job that he has done for the Town but added that he could not say the same for the Board of Ed. The people on Social Security did not get a raise this year and will not get one next year either. His wife wrote to Senator Dodd who wrote back to her that if she thought that two years without an increase was bad that she should prepare for four years without one. The Board of Ed gets the gold mine and the Town gets the shaft.

Karen Rak, Black Point Road said that the perimeter path at Bridebrook while a nice idea, she does not see as necessary as they have many nice places to walk in Town. She asked that they re-think the \$50,000 that they would be spending on that. The reduction on the Town side for two years in a row now is quite impressive she said that she cannot imagine that they could go lower. The Board of Ed side is top heavy with administrative people and while they cite statistics from other Towns she said that we are not like other Towns in that we can have success with fewer administrators and then maybe we could spend more a little more on supplies so that the teachers do not have to. She asked that they also look at Human Resources as

they are funding a wellness program and there are too many employees who cannot participate in those programs because they are working and cannot just leave their job. She asked that they please look at that. She also requested that they look at 'pay for play' on activities at the schools.

John Drabik, 18 Drabik Road said that his family has lived in Town since 1920. They have been paying debt service since 1966. At one time it was at \$89M which was \$6000 per household and it was finally going down and now you are leveling it off - rather than doing that – reduce it so that the taxpayers can save. Things are not good and will not be better in this year or the year after. Get rid of the Economic Development Commission as it does nothing for the Town. Also, the Board of Ed has a lot of nerve asking for a Sports Complex in this fiscal environment.

Bob Jones, 5 Applewood Common asked what the mill increase was with the 1.95% increase in the budget.

Mr. Larcen said that it is a .365 mill increase.

Ann Siebel, 245 Grassy Hill Road said that she is a parent and said that she has followed this process since 2005. She thanked the Board of Ed, teachers and administrative staff for the zero increase in their salaries. She said that she would also like to see this budget go to referendum as she has been watching the Board of Ed budget being chipped away at for years. She thanked the Board of Finance for allowing them the opportunity to speak and asked that they please continue to balance the needs of the Town.

Ron Rando, 194 Boston Post Road said that he did not see anything on the student population increase or decrease and that he understood that they lost 78 students in the upcoming year. At \$10,000 per student, times 70 students – that is \$700,000 that they could cut the budget by. He noted that the State of CT is \$16B in debt on bonding and read from a list of retirees that the State pays for – stating that at least half of them are teachers such as the UConn professor who retired at \$259,800 per year.

Phillip Delaney, 34 Huntley Court said that several years ago an ethics code was put together and put to the Selectmen and that while it was to be adopted he thought that they threw it out –

Mr. Kleinhans noted that the comments need to be relevant to the Budget for FY 2010-2011 and asked that Mr. Delaney please stick to that format.

Jonathan French, 3 Oriole Circle thanked the Board of Finance and Board of Ed for taking time to work on the budget and making hard decisions. He thanked the teachers for not taking their raises and for running the Town like a business. As such, they have to pay people what they are worth to run that business.

James Lombardo, Superintendent of Schools, Maple Street said that he was speaking as a citizen and noted the enrollment changes for the 2010-2011 year. They will have 78 less students however the split of where those students come from (various grade levels) does not lend itself to large cuts. The staff sizes can only be reduced when student decline permits staff reduction. The Board of Ed did consider those declines as they reduced the full time teaching staff by three (3) teachers. They also reduced the supplies by the 78 students and with the paraprofessional reduction of 10 people; the total reduction comes to \$585,000 which is close to the \$700,000 that was mentioned.

## **G. Board Comments**

Mr. Kleinhans thanked everyone for coming and speaking and asked if any of the other board members had comments.

Hearing none –

He said that they would adjourn this meeting and hold a Special Meeting in the INTV Room to take action on this budget for Town Meeting.

He concurred with all who spoke that a great deal of effort and time has gone into this budget and thanked everyone for their hard work.

He invited the public to attend the Special Meeting in the INTV Room.

## **H. Adjournment**

Mr. Kleinhans called for a motion to adjourn.

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

Mr. Kelley moved to close this Public Hearing of the Board of Finance on the proposed FY 2010-2011 Budget at 8:55 PM.

Mr. Langan seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary