

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Tuesday, DECEMBER 9th, 2009**

Members In Attendance: Steve Harney
Raymond Hart
Steve Kelley
Steve Larcen
Jeff Langan

Also In Attendance: Bob Kleinhans
Paul Formica, First Selectman
Anna Johnson, Finance Director

Absent: No One

A. Call Meeting to Order

Mr. Larcen 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.

Mr. Larcen welcomed the new members to the Board, Mr. Harney, Mr. Hart and Mr. Kelley. He noted that they have the elections as the first item on the agenda this evening.

C. Board of Finance Elections

• **Fill Vacancy**

Mr. Larcen said that they all had Mr. Taylor's letter of resignation in their packets and that they would first be filling that position. He opened nominations to fill this vacant position.

****MOTION (1)**

Mr. Kelley nominated Bob Kleinhans to fill the vacancy on the Board of Finance.

Mr. Hart seconded the motion.

Mr. Larcen asked if there were any other nominations for the vacant position –
Hearing none –

Mr. Larcen closed nominations for the vacancy and called for a vote on the motion to nominate Mr. Kleinhans.

Vote: 3 – 0 – 2. Motion passed.

For: Mr. Harney, Mr. Hart, Mr. Kelley

Abstained: Mr. Larcen, Mr. Langan

Mr. Kleinhans was sworn in by Mr. Formica, First Selectman and was seated at the table. He said that he would record it with the Town Clerk.

• **Elect Chairman**

Mr. Larcen called for nominations for the position of Chairman of the Board of Finance.

****MOTION (2)**

Mr. Kelley nominated Mr. Kleinhans for the position of Chairman of the Board of Finance.
Mr. Harney seconded the motion.

****MOTION (3)**

Mr. Langan nominated Mr. Kelley for the position of Chairman of the Board of Finance.
Mr. Larcen seconded the motion.

Mr. Larcen asked if the people who made the nominations would like to say a few words about the people that they had nominated.

Mr. Harney said that he has known Mr. Kleinhans through the election campaign and has also come to realize that through the past 25 years of his career that he is well esteemed by many people. He has also served as the Deputy First Selectman here in Town and has been actively engaged in other Towns in many capacities. He said that he is comfortable with his abilities to lead.

Mr. Langan said that he thinks that it is important that the Chair of a Board as important as the Board of Finance be dedicated to the Town and while he is certain that Mr. Kleinhans is he also feels very strongly that the Chair should be someone who was elected. Mr. Kelley was elected and is quite qualified to lead.

Mr. Kelley said that he nominated Mr. Kleinhans for the position of Chairman as he has known him for a few years and has also watched the meetings on the local TV channel and feels strongly that he is quite capable of leading this Board and serving the Town.

Mr. Larcen said that they would vote by paper ballot and passed out the pieces of paper. He asked that they first put their names on them and then underneath, the name of the person that they are voting for so that the votes could be properly recorded.

Mr. Formica noted that the ballots would be filed with the Town Clerk, attached to the minutes of the meeting.

Votes for Mr. Kelley: 2

Voted for Mr. Kelley: Mr. Langan, Mr. Larcen

Votes for Mr. Kleinhans: 4

Voted for Mr. Kleinhans: Mr. Harney, Mr. Hart, Mr. Kelley, Mr. Kleinhans

Mr. Kleinhans thanked everyone and took over the chairing of the meeting.

• **Elect Secretary**

Mr. Kleinhans called for nominations for the position of Secretary of the Board of Finance.

****MOTION (4)**

Mr. Kelley nominated Mr. Larcen for the position of Secretary of the Board of Finance.
Mr. Hart seconded the motion.

Mr. Kleinhans asked if there were any other nominations for the position of Secretary – Hearing none – Mr. Kleinhans closed nominations for the position of Secretary of the Board of Finance and called for a vote on the nomination of Mr. Larcen.

Vote: 5 – 0 – 1. Motion passed.

For: Mr. Harney, Mr. Hart, Mr. Kelley, Mr. Kleinhans, Mr. Langan

Abstained: Mr. Larcen

Mr. Kleinhans congratulated Mr. Larcen.

D. Delegations

Mr. Larcen called for delegations.

Allan Taylor, 10 Lakeview Drive welcomed all of the new members and new officers and said that with the current economic climate that it would be a tough time for them and that he was sorry that he could not be a part of it. He said that he would attend as many meetings as possible and that he would also be available to them by phone as necessary, should they need him. He asked that they feel free to contact him for any information that they might need.

E. Approval of Minutes

◆ Wednesday, November 10, 2009 – Regular Meeting

Mr. Kleinhans called for a motion for approval or any changes to the Board of Finance November 10, 2009 Regular Meeting Minutes.

Mr. Kelley asked that on Page 2 in the fourth paragraph down where Mr. Birmingham is speaking that 'the' be changed to read 'they'.

****MOTION (5)**

Mr. Larcen moved to approve the Board of Finance Regular Meeting Minutes of November 10, 2009 as amended.

Mr. Langan seconded the motion.

Vote: 4 – 0 – 2. Motion passed.

Abstained: Mr. Harney, Mr. Kleinhans

F. Reports

a. First Selectman

Mr. Formica thanked Mr. Larcen for his service to the Town and Board as Chairman over the last two years. He then reported the following:

- They are done on the south side of Main Street with the streetscape curbing and sidewalk project and the north side and the green should be buttoned up in time for the Light Parade on Sunday.
- The second installment on the Streetscape in the amount of \$200,000 has been approved and they were informed that they would not have to bid the work out if they were happy with the prices that they received from the company that they are working with.
- They are in the process of taking depositions on the Boardwalk. There was more damage to it with the recent storm and they now have signs posted that it is closed until it can be repaired and made safe again.
- The Facilities Committee has been meeting and identifying the demographics of the Town for now, and 10 and 20 years from now.
- The Pension Committee has been meeting and they will have their first presentation from a Financial Advisor tomorrow. Mr. Taylor has asked to continue as a private citizen member and, as he was the representative from the Board of Finance, he asked for another member to volunteer to fill that position.

Mr. Larcen asked how often they meet.

Mr. Formica said that it is about once a month but he would know better next month how often they would decide to meet.

Mr. Hart volunteered to be the Board of Finance representative to the Pension Committee.

- He noted that the Governor is proposing a 3% cut to the aid that the State gives to the Towns. He said that he spoke with the Lt. Governor and it may not include the ECS.
- Prison consolidations – they do not know yet if some of the prisoners will be coming here from the other closings.

Mr. Larcen asked if they know the percentage of the prison population here at present.

Mr. Formica said that he is not sure as some of the areas are closed off. Of the areas that are in use, it is probably around 94%.

- The audit process has begun and they are trying to work hard to stay ahead of it. January 8, 2010 is the target date for the audit draft – just before the Board of Finance meeting on January 13, 2010. This date however has required that they file for an extension so they have filed for a one month extension of time.
- He has spoken with Mr. Seery who is the Chair of the Board of Ed until Mr. Hagen takes over as the Chairman. There is a \$250,000 shortfall at this time. The boiler project is moving forward with the Building Committee who will come up with a concrete price. The Superintendent of Schools has requested a joint discussion with the three Boards (Board of Selectmen, Board of Finance and Board of Ed) as he is new to the district and would like to present some ideas for consideration.

Mr. Langan asked how they got into the situation of having to request an extension of time with the auditors to get the audit done as he thought that they were supposed to be okay and on time.

Mr. Formica said that he thought so also and that he would defer the answer to that question to Ms. Johnson.

Mr. Larcen mentioned the capital lease issue and said that at the last meeting it was requested of him to follow up with a letter to Mr. Seery. He said that he did send a letter and that Mr. Seery had indicated that he might have a reply for them. He asked Mr. Formica if Mr. Seery had passed along any information on that.

Mr. Formica said that Mr. Seery had suggested that Mr. Hagen as the new Chair would address it.

Mr. Larcen noted that while the solar panels were not the issue that this was based on, that they had become a part of the discussion.

Mr. Formica noted that in speaking with Attorney O'Connell regarding the Public Works capital lease program for the vehicles that he had said that it must have a fiscal funding clause and that it would have to go through the normal processes.

Mr. Formica noted that Mr. Jones had been on the Capital Improvement Committee and that they would need to have another volunteer from the Board of Finance to fill that position.

Mr. Harney volunteered to be the Board of Finance representative to that Committee.

b. Finance Director

• Monthly Report Review

Mr. Kleinhans asked that Ms. Johnson begin her report by answering the question that Mr. Langan had raised regarding the need for the audit extension.

Ms. Johnson said that while the reconciliations were up to date, that she was slow on some other items and that they are now done.

Ms. Johnson then reviewed her November 2009 month end report that she had put in packets to them.

Mr. Larcen explained the ECS funding change this year for the benefit of the new members. Part of the funding came from Federal Stimulus monies that went directly to the Board of Ed rather than to the Town. He said that it should be that way in the next year also and then it would not be done that way.

Mr. Kleinhans noted that as the State had not figured that money in their budget, that when it no longer came from the Federal sector, they would have to find it elsewhere. This would create more difficulty in already stressed economic times.

Mr. Larcen asked about receiving a revenue forecast starting in January to keep up with revenues versus projections so that they will have this information for their budget review process. He also asked about the disparity in the Youth Services fees.

Ms. Johnson said that she would research that and report back with an answer.

Mr. Kleinhans noted that there was mention in the previous months' minutes of a report that they had wanted and had received last month –

Ms. Johnson said that she did not have it this month.

Mr. Kleinhans asked that they receive it each month.

- **Update on Outstanding Items**

Mr. Langan said that he had not done an updated list for this month and that most of the items on the list were completed. He said that he would transfer the function of this list to Mr. Larcen who is now the Secretary on the Board.

- **Status of the 2008/09 Audit**

Ms. Johnson said that she goes back and forth with the auditors on questions that they have and that the audit process is on-going.

Mr. Formica said that they are meeting tomorrow with Mr. Bassett regarding the audit progress.

G. New Business

a. Schedule of meetings for 2010

Mr. Kleinhans said that they had done this last month.

H. Old Business

◆ Sub-Committee Report: Financial Policies

Mr. Langan said that they were waiting for the new Board and to see who would want to be on this subcommittee. He said that he would like to continue on it.

Ms. Johnson said that the Fund Balance Policy was adopted and that the other areas that were to be worked on were Debt Management and Investment.

Mr. Formica suggested that they might be able to parallel some of this with the pension information.

Mr. Larcen explained that the reason for this is that they are working on updating a policy manual that is 10 or more years old.

Mr. Kleinhans asked for another volunteer for this subcommittee.

Mr. Kelley volunteered to be on this subcommittee.

Mr. Langan said that they would try to pull a meeting together before their next Board meeting.

◇ Review of Open Items

This was addressed previously.

I Public Discussion

Mr. Kleinhans called for Public Discussion.

Karen Rak, 27 Black Point Rd., congratulated all of the new members and the new officers. She said that she is concerned about the audit and that it is more than discouraging to hear that there is an extension that has been filed for – especially after spending all of the extra money that they did last year, hiring the auditors to do the extra work and hiring extra help to get them caught up and hearing all the assurances that they would not have this happen again. She asked that they very carefully watch over this discouraging situation.

J. Board Comments

Mr. Kleinhans said that he looks forward to working with all of them and sharing in their expertise during these trying times.

K. Adjournment

Mr. Kleinhans called for a motion to adjourn.

****MOTION (6)**

Mr. Kelley moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 8:10 PM.

Mr. Harney seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary