

**EAST LYME BOARD OF FINANCE
SPECIAL MEETING MINUTES
Wednesday, MAY 25th, 2011**

Members In Attendance: Bob Kleinhans, Chairman
Steve Larcen, Secretary
Steve Harney
Raymond Hart
Steve Kelley

Also In Attendance: Paul Formica, First Selectman
Anna Johnson, Finance Director
James Lombardo, Superintendent of Schools
Don Meltabarger, School Business Manager

Absent: Lisa Picarazzi

A. Call Meeting to Order

Chairman Kleinhans called this Special Meeting of the East Lyme Board of Finance to order at 7:03 PM.

B. Pledge of Allegiance

The Pledge was observed.

C. Delegations

Mr. Kleinhans called for delegations.

Robert Gadbois, 358 Boston Post Road said that as a taxpayer he is upset by the thirteen page document put out about the status of the school buildings. They have been neglected and the taxpayers have been paying for the upkeep for many years and it has not been done and he wants to know where the money has been going. The many years of neglect are a shame and he wants to know where that money has gone to and what they do with it each year.

D. Approval of Minutes

◆ **Wednesday, April 13, 2011 - Regular Meeting**

Mr. Kleinhans called for a motion for approval or any changes to the Board of Finance April 13, 2011 Regular Meeting Minutes.

Mr. Larcen asked that on the bottom of Page 9 where he is speaking that the word 'basis' be changed to read 'basic'.

****MOTION (1)**

Mr. Kelley moved to approve the Board of Finance Regular Meeting Minutes of April 13, 2011 as amended.

Mr. Harney seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

◆ **Tuesday, April 12, 2011 – Special Meeting**

Mr. Kleinhans called for a motion for approval or any changes to the Board of Finance April 12, 2011 Special Meeting Minutes.

****MOTION (2)**

Mr. Kelley moved to approve the Board of Finance Special Meeting Minutes of April 12, 2011 as presented.

Mr. Larcen seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

◆ **Monday, April 25, 2011 – Public Hearing**

Mr. Kleinhans called for a motion for approval or any changes to the Board of Finance April 25, 2011 Public Hearing Minutes.

****MOTION (3)**

Mr. Kelley moved to approve the Board of Finance Public Hearing Minutes of April 25, 2011 as presented.

Mr. Larcen seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

◆ **Monday, April 25, 2011 – Special Meeting**

Mr. Kleinhans called for a motion for approval or any changes to the Board of Finance April 25, 2011 Special Meeting Minutes.

Mr. Larcen said that he recalled that there was a lot of discussion regarding his proposal on increasing the tax programs for the elderly and that he would like added to the minutes: *'Mr. Larcen suggested that the issue of expanding the elderly tax credit program be discussed by the Financial Policies Subcommittee and the Board of Finance and brought up before the Board of Selectmen for further consideration.'*

****MOTION (4)**

Mr. Kelley moved to approve the Board of Finance Special Meeting Minutes of April 25, 2011 as amended.

Mr. Harney seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

E. Reports

◆ **First Selectman**

Mr. Formica reported:

- That he toured the Amtrak project and that it is on 'track' to be completed in 2013.
- Discussion on a regional police is moving along.
- The streetscape project is underway and will provide more parking for downtown.
- He has also been working with the Mitchell Trust on a new parking scheme to benefit the downtown area.

◆ **Finance Director**

Ms. Johnson said that her reports were in their packets and that she had given them a copy of her monthly report. She said that she had also given them the updates that they had requested on the outstanding checks.

Mr. Kelley said that he found it hard to ask about checks going back to 2003 but understands that at that time not all of them were balanced.

Ms. Johnson said that was correct.

Mr. Kelley asked if the same would apply to the Board of Ed with the checks going back to 2007.

Mr. Meltabarger said that they are probably okay and have been taken care of.

Mr. Kleinhans asked if they were ready to ask the auditors if this could be cleared out.

Ms. Johnson said that she would speak with them about this and clearing it out from being outstanding.

F. New Business

a. Budget Re-Allocation - Assessor

Mr. Kleinhans called for a motion for discussion.

****MOTION (5)**

Mr. Kelley moved to approve the re-allocation of \$7000 from PO# 10-01461 to be used for the remaining balance of the appraisals of unique properties.

Mr. Harney seconded the motion.

Mr. Formica explained that this is for the hiring of the appraiser for the five unique properties of significant value that they have in Town and that this was what they had spoken about before with respect to where they would get the rest of the money from.

Mr. Larcen said that he was not sure of the semantics of what they are doing and where they are getting this money from a PO that dates to the 2006 revaluation.

Ms. Johnson explained that it is money that will not be needed for Court appeals and therefore it could be utilized here and still leave enough in that account to close out any appeals.

Mr. Kleinhans called for a vote on the motion.

Vote: 3 – 0 – 1. Motion passed.

Abstained: Mr. Larcen

b. Discussion/Action Tax Collection Suspense List 1995 – 2009 in the amount of \$30,414.93

Mr. Kleinhans called for a motion for discussion.

****MOTION (6)**

Mr. Larcen moved to approve the 2011 Suspense List (for the years 1995 through 2009) in the amount of \$30,414.93 as presented by the Tax Collector.

Mr. Harney seconded the motion.

Mr. Formica noted that the Tax Collector had taken a few days off and that if they were not comfortable with this item that they could table it to the next meeting when he could make himself available to them.

Mr. Kleinhans asked if anyone had any issues with the listing. He also noted that the taxes listed while deemed uncollectible at this time are not abated as a tax liability of the person against whom it was levied and are collectible.

Mr. Kleinhans asked for a vote on the motion.

Vote: 4 – 0 – 0. Motion passed.

c. Bond Authorizations – Capital Improvement Plan

Mr. Formica explained the items that the bonding resolution would cover – road and sidewalk improvements for public works. This would include Plants Dam Road, Roxbury Road, a portion of Fair Haven and Walnut Hill at the intersection of 161 to Grassy Hill Road including drainage, under drainage and catch basin work that would first need to be done. It would also cover the streetlights for the Main & Hope Street parking lot; McCooks and Vets Park restrooms as well as a number of items for the Board of Ed including replacement of the roof on the LEARN wing of Lillie B. Haynes. This project has the potential for a 43% reimbursement from the State and the LEARN rent is also going towards the \$300,000 price.

(Note: 7:40 PM – Mr. Hart arrived and was seated.)

Mr. Formica noted that Mr. Scheer, Town Engineer was present and that some of the very bad roads are being improved. They would start with the drainage work and do the asphalt work in a few months

when the oil prices drop. He noted that there is also a new round of STEAP grant monies available and they would be applying for it. The total amount of the bonding is \$2,585,000.

Mr. Kleinhans called for a motion for further discussion.

****MOTION (7)**

Mr. Kelley moved that it be RESOLVED: That the resolution entitled "Resolution Making Appropriations Aggregating \$2,585,000 For Various Capital Improvements and Authorizing the Issuance of \$2,585,000 Bonds of the Town to meet said Appropriations and Pending the Issuance Thereof the Making of temporary borrowings for such purpose", a copy of which is attached hereto, is hereby adopted and recommended for approval by the legal voters of the Town at Town Meeting.

Mr. Hart seconded the motion.

Mr. Larcen asked if the amounts in the bond are consistent with what they had listed.

Ms. Johnson said that she did not have the list with her but thought that they were.

Mr. Formica noted that Bond Counsel was present if they should have any questions.

Mr. Hart asked about the road replacement process.

Mr. Scheer said that Plants Dam would be done by a cold and place recycled process that they have found works well.

Mr. Kleinhans said that all of the projects listed except for the streetlights are in the capital plan and that they are hoping to get grant monies to offset the streetlights. They are also hoping for reimbursement from the State on the roof replacement. He asked Bond Counsel if he would agree that the terms are consistent with what they are discussing.

Bond Counsel said yes and added that the language authorizing the First Selectman to handle these items is there as well as language to take care of what happens when the money comes in for these items. Regarding the bonding he said that the percentage is less than 1% which is practically 'free money'.

Mr. Kleinhans called for a vote on the motion.

Vote: 5 – 0 – 0. Motion passed.

d. Discussion/Action – Set Mill Rate for the 2011-2012 Budget

Mr. Kleinhans said that the current mill rate is 19.551 and asked the members if they thought it would be reasonable to go with the .08 reduction to 19.472 mills.

Mr. Harney said that he thinks that they still have some leeway and if there are no changes to the budget and the money that they get from the State that it would be fine to do this.

Mr. Larcen said that the last that he had heard about the State budget is that things would be okay with regard to the cities and Towns and the funding and that he thought that it would remain that way.

Mr. Kleinhans agreed and said that he has not heard of any further funding cuts to the Towns.

****MOTON (8)**

Mr. Harney moved to set a 19.472 mill rate for the 2011-2012 fiscal year.

Mr. Larcen seconded the motion.

Mr. Kleinhans called for a vote on the motion.

Vote: 5 – 0 – 0. Motion passed.

G. Old Business

▪ Sub-Committee Report – Financial Policies

Mr. Kelley said that they would be setting up a meeting prior to the next meeting of the Board.

◆ Review of Open Items

This was done previously.

H. Public Discussion

Mr. Kleinhans called for Public Discussion.

Dr. Lombardo, Superintendent of Schools thanked them on behalf of the Board of Ed for their support during the budget process and said that they will endeavor to do this budget properly.

Karen Rak, 27 Black Point Road said that with respect to the Capital Improvement Plan that they talk about it all year long and spend a great deal of time on it and have the public vote on it only to have it change.

I. Board Comments

Mr. Kleinhans called for any comments from the Board.

Mr. Hart said that he was representing the Pension Committee and that they had met and overall they feel that they are in good shape for now. They may in the future consolidate some of the funds.

Mr. Larcen asked Mr. Formica for an update on the discussions between the Town and the Ambulance Fund.

Mr. Formica said that there has been follow-up but no update as yet.

Mr. Larcen asked about the \$4M purchase of the Darrow Pond land that he read about in the Day newspaper and said that he felt that they should have been apprised of it prior to having to read about it in the newspaper. He asked if they had the money for the purchase.

Mr. Formica said that it is in the capital plan and that the Trust for Public Land has come to an agreement with Webster Bank on it and they will do all of the work on it. Prior to all of this, the Water & Sewer Department is doing a due diligence report on the best location for the water tank for the regional interconnection. He added that there are also wells on the property that can produce 200,000 gpd of water. What had been approved at the Board of Selectmen meeting was for him to sign a 'Technical Assistance Letter with the Trust for Public Land.' The letter did not incur any commitment by the Town and was only a way of tracking for the Public Trust and for them to move forward with their fact finding and information gathering.

Mr. Larcen said that it is still awkward to learn about this from the newspaper and that they should have perhaps requested that a special meeting be held with them so that they would be apprised of it. He added that he is not sure how the Trust for Public Land would be involved in this purchase and if their services would be in kind or what.

Mr. Formica said that this is no different from other similar proceedings undertaken by his predecessors. The Trust for Public Land has concern for this type of property as they seek to create and preserve public land for public use and were active with Oswegatchie Hills property for preservation purposes. There is 300 acres at Darrow Pond and if they carved out 75 acres for the tank and utilities that would leave some 225 acres for other use. With respect to the services of the Trust for Public Land – they would be covered by Webster Bank as they are working with them and came to the \$4M agreement with them.

J. Adjournment

Mr. Kleinhans called for a motion to adjourn.

****MOTION (9)**

Mr. Kelley moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 8:05 PM.

Mr. Hart seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary