

**EAST LYME BOARD OF FINANCE
SPECIAL MEETING MINUTES
BUDGET REVIEWS
Thursday, MARCH 17th, 2011**

Members In Attendance: Robert Kleinhans, Chairman
Steve Larcen, Secretary
Steve Harney
Raymond Hart
Lisa Picarazzi
Steve Kelley

Also In Attendance: Paul Formica, First Selectman
Anna Johnson, Finance Director
John McCulloch, Tax Collector
Joe Smith, Chief Building Official
Cathy Wilson, Senior Services Director
Sgt. Bill Blanchette, Police, Resident Trooper

Absent: No One

A. Call Special Meeting to Order

Chairman Kleinhans called this Special Meeting of the East Lyme Board of Finance to order at 6:30 PM.

B. Pledge of Allegiance

The Pledge was observed.

C. Delegations

Mr. Kleinhans called for Delegations.

There were none.

D. New Business

a. Budget Reviews – FY 2011 - 2012

Mr. Kleinhans explained the procedure that he would like them to follow stating that they would open each department budget by motion, motion any necessary changes to the budget and make a motion to close discussion on that department budget before going on to the next. Mr. Formica and the department head will give the presentation and then the Board will ask any questions that they have.

◆ **Assessor (102) – Donna Bekech, Assessor**

****MOTION (1)**

Mr. Kelley moved to open the budget review for Item 102 – Assessor.

Ms. Picarazzi seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Mr. Formica noted that Ms. Bekech was on vacation and that he would present this budget as it falls under the parameters of a zero or negative budget that they had set forth previously. The budget includes longevity for two people.

Mr. Kleinhans asked if the salary reflects the 3.5% COLA adjustment for this year.

Ms. Johnson said no, that adjustment would be made during April. However; the 2012 figure of \$74,602 does include the COLA adjustment.

Ms. Picarazzi asked what longevity was.

Mr. Formica said that at five years an employee gets a yearly \$100 longevity check and that at 10 years of service that figure increases to \$250.

****MOTION (2)**

Mr. Kelley moved to close the budget review for Item 102 - Assessor.

Ms. Picarazzi seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

◆ **Tax Collector (103) – John McCulloch, Tax Collector**

****MOTION (3)**

Mr. Hart moved to open the budget review for Item 103 – Tax Collector.

Ms. Picarazzi seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Mr. Formica noted that the increase was basically due to salaries and that Mr. McCulloch was present to answer any questions.

Mr. McCulloch explained that they utilize a service called Accurant to find delinquent taxpayers and that it is well worth the monthly fee that they pay for it.

Mr. Kelley asked about the book binding narrative for the general ledger and what would happen if they were not updated.

Mr. McCulloch said that while he would like to have them updated as they are the only copy that they have, that they could live with being a year behind as they have been that way before. He noted that they had also received notice from the DMV that the Collection Service from the DMV would be \$4,462.99 for this fiscal year and that the budget reflected the old figure which is short by \$978.72.

****MOTION (4)**

Mr. Kelley moved to adjust the Collection Costs figure in line item #258 and increase it by \$978.72 to be consistent with the State costs that have been passed on for the new fiscal year.

Mr. Hart seconded the motion.

Vote: 5 – 0 – 0. Motion passed.

MOTION (5)

Mr. Hart moved to close the budget review for Item 103 Tax Collector.

Ms. Picarazzi seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

◆ **Board of Assessment Appeals (127) – Donna Bekech, Assessor**

****MOTION (6)**

Mr. Kelley moved to open the budget review for Item 127 – Board of Assessment Appeals.

Mr. Larcen seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Mr. Formica noted that Ms. Bekech is on vacation and he would explain the difference in this budget. The increase in this budget is for a Recording Secretary for the appeals as this is a reval year and they expect that there will be a considerable number of appeals and hearings and accurate records are a must.

Mr. Larcen asked where the Board members that receive a stipend are being paid out of.

Ms. Johnson said that they are currently being paid out of the #412 account - PT Clerical Recording Secretary.

****MOTION (7)**

Ms. Picarazzi moved to close the budget review for Item 127 – Board of Assessment Appeals.

Mr. Harney seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

◆ **Building Department (104) – Joseph Smith, Chief Building Official**

****MOTION (8)**

Mr. Hart moved to open the budget review for Item 104 – Building Department.

Mr. Larcen seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Mr. Formica noted that this budget is fairly flat and that Mr. Smith was present.

Mr. Smith said that salaries and longevity are the main increases here and that it seems to be a fairly active year so he is projecting that revenues will be a bit above what he had previously projected.

Mr. Kleinhans asked about line 212 for the extra person and where they have expended for the year and what they anticipate.

Mr. Kelley said that he saw approximately \$2300 spent so far this year on that person.

Mr. Smith said that there is probably another \$200 that was spent for that person since the latest report.

Mr. Kleinhans recalled that in looking back that they had not utilized the whole number previously.

Mr. Smith explained that the number was created by using 2/3rds of the previous full time assistant building officials' salary at the time that person resigned as they did not know what to expect and things drastically changed after that. He said that he expects that the market will come back and that they may have some larger projects coming up.

Mr. Kleinhans asked how they plan on hiring if the market comes back – per diem.

Mr. Smith said that he would like to put someone on full time or part time as he prefers to have the continuity of the person being there so that they will know what is happening. This depends on the jobs that may start up as that is when he will need the help. He noted that he also looked into having someone do plan review.

Mr. Kelley asked about the application permit refunds line #293 as it was showing zero refunds.

Mr. Smith said that he recalled two in the works if they were not already refunded – one for around \$1200 and another one for over \$700. He said that the line item is really there just as a place holder in the event that a project gets scrapped and not completed and they refund 80% (upon request) of the fee paid and retain 20% for the administration services that they had already provided.

Mr. Harney asked Mr. Smith to explain what the Town keeps on average from a permit for a new house.

Mr. Smith said that they average from \$2200 to \$3000+ each depending upon the size of the house and the area that it is going in. A home in a beach area may not have the large size of a home in the north end of Town but the cost will be higher.

****MOTION (9)**

Mr. Kelley moved to close the budget review for Item 104 – Building Department.

Mr. Hart seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

◆ **Human Resources (106) – Renee Fecteau, Human Resources Manager**

****MOTION (10)**

Mr. Kelley moved to open the budget review for Item 106 – Human Resources.

Ms. Picarazzi. Larcen seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Mr. Formica noted that this fell well within the parameters of a flat or reduced budget and that there was a decrease in this budget. He said that this is a four day per week person. He commended Ms. Fecteau on the wellness programs for the staff that she has instituted and noted that they have made a difference and do help to reduce insurance costs. He said that they would have another walking program soon and that there will be a Health Fair in April.

In the new Field Services building there will be an Office Manager position that will have the expenses shared by the Public Works and Parks & Recreation Departments. This position will also cover certain human resource duties for the personnel in that building. He said that he is considering contracting out to a

private, confidential company to come in one day per week for other HR services. He said that part of the reason why they are able to reduce this function is the approval of the electronic time clock system that will be able to download information directly to the payroll system. This will also be able to track a lot of the comp, vacation, personal and sick time components. Some of the duties outside of the system his Executive Assistant will be taking over as they are items that she already works with anyways. This should make the system more efficient and provide a savings on the payroll end. He said that there are a whole series of things that they are looking to accomplish here and are still working out how they will come together.

Mr. Kelley asked about miscellaneous supplies line item and noted that he had added up all of the budgets that had miscellaneous supply items and came to around \$50,000 total. He asked if each department buys their own or if it is bought centrally and they get items from a central location. He said that he asked as it seemed to be part of the streamlining process that he is hearing about.

Mr. Formica said that it is through central ordering from a central supplier however each department buys their own items. Last year they showed a savings of \$19,000 and they are looking to do the same this year with the building supplies items.

Mr. Harney asked if the wellness programs line item would be expended as they were only at 29% currently. Mr. Formica said that they had just started with the programs due to the tough winter weather. They had a program in session now and will start another walking program soon. He added that this also covers the Health Fair.

Mr. Larcen asked about the HR restructuring and how many employees total that the Town has. Ms. Johnson said that there are around 120 full time and other assorted personnel, some part time.

Mr. Larcen asked how many employees between Public Works and Parks & Recreation are moving over to the Colton road facility.

Mr. Formica said that a good majority of the employees for the Town fall under those departments.

Mr. Larcen asked whom such an employee would go to with their HR questions.

Mr. Formica said that they would still go to the person that would be handling those items in that particular facility.

Mr. Larcen asked if there is an HR Director for the Board of Ed.

Mr. Formica said no – it is a position that is shared amongst three people.

Mr. Larcen asked about the labor dispute costs noting that they have been reduced considerably from the time that Mr. Formica had taken office and attributed such success to Mr. Formica. He noted that there was only \$495 spent so far of the \$15,000 budgeted.

Mr. Formica said that they have paid out more than that – some \$4000 recently, and they have some contracts coming up. He added that they have also reached out to the other unions who are coming into their last year and are looking to extend those for a few years.

Mr. Larcen said that his reason for asking is that the numbers are much more favorable than they were three (3) years ago. He noted that normally the investment in an HR person pays itself back. He said that he was just asking as he becomes worried about the unintended costs of putting a staff person in a position of handling some of these matters as he does not feel that the employees feel comfortable speaking with such a person which in turn lends itself to more grievances. He added that with a new electronic payroll system at his place of business with around 200 employees that they were able to eliminate one FTE with the new system in place.

Mr. Formica said that he agreed with respect to whom people feel comfortable speaking with and that the work that he was dispersing to others did not involve such contact with people. He said that he would however keep that in mind. He noted that Sgt. Blanchette has helped a great deal with getting and keeping the number of grievances down.

****MOTION (11)**

Mr. Larcen moved to close the budget review for Item 106 – Human Resources.

Ms. Picarazzi seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

◆ **Commission on Aging (418) – Cathy Wilson, Senior Services Director**

****MOTION (12)**

Mr. Kelley moved to open the budget review for Item 418 – Commission on Aging.

Mr. Larcen seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Mr. Formica noted that this is a fairly flat budget and that Ms. Wilson is a terrific department head who is doing a lot of things. He thanked her for all of her work, especially with the increase in AHEPA housing.

Cathy Wilson, Senior Services Director said she has been with the Town for 17 years and she has seen a lot of changes during that time. The 55+ population comprises about 35% of the Town and that contrary to other Towns statistics which were going up with the elderly population she said that hers had been going up and are now staying at the same level. She noted the variety of programs that they offer and said that her budget shows less than a 1% increase as she had a long term full time driver who retired and she brought in a new one for less with no longevity.

Mr. Larcen asked about the Program Instructors and if they have a high and low season as the spending seemed to be behind.

Ms. Wilson said that it usually runs level however due to the winter that they have had it is a little off and she expects it to pick up.

Mr. Kelley asked what the difference is between Miscellaneous Supplies and Program Supplies.

Ms. Wilson said that Miscellaneous supplies covers the office supplies and the fee for the senior newsletter while Program Supplies is for exercise items and food items for the various programs that are offered and run.

Mr. Kleinhans thanked Ms. Wilson for all of her efforts and great enthusiasm.

****MOTION (13)**

Mr. Larcen moved to close the budget review for Item 418 – Commission on Aging.

Ms. Picarazzi seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

◆ **First Selectman (101) – Paul Formica, First Selectman**

****MOTION (14)**

Mr. Kelley moved to open the budget review for Item 101 – First Selectman.

Mr. Hart seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Mr. Formica said that there is an increase for his salary and that of his Executive Assistant. He said that his Executive Assistant prepares and very closely monitors this budget.

Ms. Picarazzi asked about the stipend for the Board of Selectmen.

Mr. Formica explained that when he was on the Board of Finance that he tried, unsuccessfully, to get this dropped. This is a small stipend paid to the Board of Selectmen members for the meetings that they cover besides those of the Board of Selectmen and other functions that they attend on behalf of the Town.

Ms. Picarazzi asked where this originated from.

Mr. Formica said that it comes from the Charter and that it covers only the Board of Selectmen.

Mr. Kelley noted that by Statute that the Board of Assessment Appeals also gets a stipend.

Mr. Larcen asked about the postage line item as it seemed that they had not expended much.

Mr. Formica said that his Executive Assistant watches this like a hawk and that they also will have some large mailings coming up for tax bills, etc which will substantially increase the amount of postage that is used. This has seasonality to it.

****MOTION (15)**

Mr. Larcen moved to close the budget review for Item 101 – First Selectman.
Mr. Harney seconded the motion.
Vote: 6 – 0 – 0. Motion passed.

◆ **Finance Department (118) – Anna Johnson, Finance Director**

****MOTION (16)**

Mr. Hart moved to open the budget review for Item 118 – Finance Department.
Ms. Picarazzi seconded the motion.
Vote: 6 – 0 – 0. Motion passed.

Mr. Formica noted that Ms. Johnson has done a great job with this department over the last few years.

Mr. Larcen asked about the new time clock system and if they have evaluated having the payroll done outside.

Ms. Johnson said that they looked and that as far as they have been able to determine the savings would have been the cost of the health insurance benefits. With the new automated time clock system she said that they have asked staff to document their duties for a month so that they can see where they will stand. She said that they would like to make it a smooth transition.

Mr. Larcen noted that when they went to the electronic time clocks where he works that they had realized a big savings.

****MOTION (17)**

Ms. Picarazzi moved to close the budget review for Item 118 – Finance Department.
Mr. Harney seconded the motion.
Vote: 6 – 0 – 0. Motion passed.

◆ **Health & Welfare (419) – VNA, presented by Mr. Formica**

****MOTION (18)**

Mr. Kelley moved to open the budget review for Item 419 – Health & Welfare.
Mr. Hart seconded the motion.
Vote: 6 – 0 – 0. Motion passed.

Ms. Johnson said that they use the VNA for a large variety of services.

Mr. Larcen asked if the figure presented is what they have requested for those services.
Ms. Johnson said yes.

Mr. Larcen said that it seems that they have only spent \$2200 so far this year.
Ms. Johnson said that the VNA is very slow with the billing.

Mr. Larcen said that last year they only spent \$8,000 and asked for clarification.
Ms. Johnson said that was because one year they came in very late with the billing. She said that she would check and get back to them regarding where they stand with the actual figure.

****MOTION (19)**

Mr. Hart moved to close the budget review for Item 419 – Health & Welfare.
Ms. Picarazzi seconded the motion.
Vote: 6 – 0 – 0. Motion passed.

◆ **Police (216) – Sgt. Bill Blanchette, Resident State Trooper**

****MOTION (20)**

Mr. Kelley moved to open the budget review for Item 216 – Police.
Mr. Larcen seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Mr. Formica said that Sgt. Blanchette is present this evening and thanked him for the excellent job that he does. He noted that they have started a resource sharing program with Waterford and that they expect to have three plans on the table. The current program with the 70/30 split sharing – but the new Governor's budget plans have the Town paying 100% of the overtime. They are also now paying 63% of the fringe benefit. He said that he does not see a whole change by 7/1/2011. Also, they are now getting ready to implement some rules and regulations for the Police Department.

Sgt. Blanchette said that he has been trying to be conservative with the budget. The new cars are coming in fully equipped with video which has been very helpful to them. He said that he would like keep line item 213 as it is as it would allow them to get an antenna that would allow the cars to download the video to the server. He said that they purchased their own server after borrowing one for some time.

Mr. Larcen asked about line #314 – Overtime under Administrative Assistant and asked how they use that line item.

Sgt. Blanchette said that it is used for the Marathon and East Lyme Day as the Administrative Assistant comes in and works. He added that she also previously had to come in when the room was used for meetings for outside groups as she would have to open and then lock up the building. Recently Mr. Formica had a meeting room made to the side that is separate from the station area and the groups who use it can pick up a key and get in from the side entrance and leave that way. The line item does get used for the various events that the Town has.

Mr. Larcen asked about the overtime budget for the officers.

Sgt. Blanchette said that he has had two officers out which has affected the minimum staffing. Plus, there were all of the items that had to be photographed, listed and catalogued from the theft ring bust that they had. Many officers from many departments along the shoreline spent time in helping with this vast project. He noted that they will also have to look at getting another detective at some point soon.

Mr. Larcen asked about the part time constables and their contract.

Sgt. Blanchette explained that there are currently two (2) part time officers and that the contract calls for a four hour shift per week. He said that the amount in the line item would have been used if they worked the four hour shift year round.

Mr. Harney asked about the training as it appears that only 30% of that line item has been used so far.

Sgt. Blanchette said that he has been fiscally conservative here as he is concerned with the overtime budget and he does not want to have to come back and ask for more money. However, they will see an increase in spending in this account over the next few months as they are due for mandatory training so the line item will be used.

Mr. Formica noted that they had lost the dog last year as he was hit by a car. This was covered by insurance and they are in the process of interviewing for another one. He said that they would also be seeing some changes in this.

Sgt. Blanchette explained that the insurance company was nice enough to cover up to \$13,500 for the dog and the training. He said that the dog can easily cost some \$6000-\$7000 and the training another \$6000-\$7000 so the insurance may be able to cover it.

Mr. Kleinhans thanked Sgt. Blanchette for all of his hard work for the Town.

****MOTION (21)**

Ms. Picarazzi moved to close the budget review for Item 216 – Police.

Mr. Larcen seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

◆ Debt Service Interest & Principal (522 & 523) – Mr. Formica

****MOTION (22)**

Mr. Larcen moved to open the budget review for Items 522 & 523 – Debt Service Interest & Principal.
Mr. Hart seconded the motion.
Vote: 6 – 0 – 0. Motion passed.

Ms. Johnson noted that this has gone down and that they will do another refunding in April and are expecting to save some \$500,000 - \$600,000 over the life of the remaining debt. The sale is on for April 5, 2011 so they will have the information for them after that time but in plenty of time for the budget.

****MOTION (23)**

Mr. Hart moved to close the budget review for Items 522 & 523 – Debt Service Interest & Principal.
Mr. Harney seconded the motion.
Vote: 6 – 0 – 0. Motion passed.

◆ **Long Range Capital Plan – Paul Formica, First Selectman**

Mr. Kleinhans suggested that as they had just received the information this evening that they take the time to review it and discuss it at another meeting.
The Board members were in agreement on this.

E. Public Discussion

Mr. Kleinhans called for any comments from the Public.
There were none.

F. Board Comments

Mr. Kleinhans noted that they had received a request from Dr. Lombardo regarding having the Board of Ed presentation to the Board of Finance on Wednesday March 30 instead of Tuesday March 29. He asked if this was okay with the Board.

Mr. Larcen asked that they take a brief recess so that he could get his calendar to check the date and time.

****MOTION (24)**

Ms. Picarazzi moved that they take a five minute recess.
Mr. Harney seconded the motion.
Vote: 6 – 0 – 0. Motion passed.

Mr. Larcen said that he was available for Wednesday March 30 and that he also could come at 6:30 PM rather than the 7 PM.

Mr. Kleinhans said that they would cancel the March 29, 2011 Special Meeting and reschedule it for Wednesday March 30, 2011 at 6:30 PM.

G. Adjournment

****MOTION (25)**

Mr. Kelley moved to adjourn this Special Meeting of the East Lyme Board of Finance at 8:20 PM.
Mr. Hart seconded the motion.
Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary