

**PUBLIC HEARING MINUTES FY 2009-2010 PROPOSED BUDGET  
EAST LYME BOARD OF FINANCE  
Monday, APRIL 27th, 2009**

Members In Attendance: Steve Larcen, Chairman  
Jeff Langan, Secretary  
John Birmingham  
Jill Carini  
Bob Jones  
Allan Taylor

Also In Attendance: Paul Formica, First Selectman & Ex-Officio  
Kevin Seery, Chairman, Board of Ed

Absent: No One

**Call Meeting to Order**

Chairman Larcen called this Public Hearing on the FY 2009-2010 Proposed Budget of the East Lyme Board of Finance to order at 7:05 PM.

**B. Pledge of Allegiance**

The Pledge was observed.

Mr. Larcen 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 2008-2009**

Mr. Larcen explained the summary process that they followed: - the Board met eight (8) times and cut \$1.38M from the budget that was presented to them. In order to present a flat budget, they had to cut 1.8% from the budget to keep the taxes the same. He said that people have asked him why, if they have cut so much – are the taxes the same and not lower. They have a lack of revenues; which, much like the State is due to the lower interest rates, and less income from building and other fees. After this public hearing, the Board will hold a Special Meeting to further discuss the budget. Then, in a PowerPoint presentation he went over the major reasons for reduced revenues in the FY09-10 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 \$61,497,215 and that the budget originally proposed for FY 09-10 was for \$61,751,964 however; the budget being submitted this evening for comment is \$60,368,873. 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 1%; Contingency 0% and Debt Service, 10%. While debt service is a non-negotiable item; they cut 32% from Education and 20% from General Government. He said that each of the department heads was helpful in working with them on this budget and there were wage concessions made by management and reductions in the overtime and part-time hours. Most significantly, within the Public Works Department, the advent of single stream recycling should realize some savings and revenues. He noted and also thanked the Library who made concessions and gave up their wage increases. There was also a contingency reduction in anticipation of bargaining unit reductions. They would also be utilizing \$350,000 from the undesignated fund balance. With respect to the Board of Ed, there is \$335,000 through the Recovery Act Funding that they will receive and the actual cut is \$446,431 which is up to the Board of Ed as to where they will make the cuts within their budget. The \$60,368,873 proposed budget is 1.83% less than the current year. He thanked everyone for working together in these tough economic times. The Town Meeting on the budget will be held on Monday, May 11, 2009 at 7 PM here in the High School Auditorium and he said that the referendum on the budget would be on Friday, May 22, 2009 at the East Lyme Community Center. He urged everyone to attend the Town Meeting and to vote. He said that First Selectman Paul Formica would now say a few words with respect to the budget.

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

First Selectman, Paul Formica thanked everyone for coming and said that as an aside: due to the recent events surrounding the Swine Flu that representatives from Ledge Light Health District are present this evening and would be available after the meeting to answer any questions that they might have. He also thanked the IT department for putting a link on the Town website to get to the Ledge Light Health District and obtain more information.

He thanked Mr. Larcen for the presentation and thanked the Board of Finance, Board of Selectmen and Board of Ed for all of their hard work during the six month budget process. He said that they are all affected by this economy and that during the year he asked the departments to hold back on spending a portion of their budget to help with these difficult economic times. Difficult times offer for unique opportunities and in running the Town as a business he said that he has found that as the Town will be around 100 years from now, (unlike many businesses) they have to invest in the infrastructure. He noted the expense of road repairs and said that he would present at Town Meeting a prudent bonding package for road repairs so that they can be done before the prices go up – as they surely will with the rise in the price of oil in the next couple of years. He said that he has been working with Mr. Giannattasio, the Public Works Director regarding the single stream recycling program that they are looking to start. This would achieve some \$65,000 to \$75,000 in reductions on the cost of solid waste. He said that they have also saved \$200,000 from this year's budget as he asked the department heads to hold in reserve some of their budgets. Town staff and the library personnel voluntarily gave up wage increases for a savings of \$50,000. Jobs that are open will not be filled – such as the receptionist position. The receptionist is now working at the Community Center full time between the Senior Center and Parks & Recreation and she is also the Union President and may help save them some money in a vote to be taken later with the union employees. The new Planner has moved to a full time position from a .8 position by taking over the conservation officer position. This has provided for a savings of approximately \$11,000. The Civil Engineer position will be shared with Water & Sewer (2 days) and the Town (3 days). There is a copier system in place that has taken the place of the desktop printers and they have merged purchasing in order to get the best deals. He noted that this has also spurred other vendors to come up with even better prices on some of the items that they use. The Commission chairs have been asked to be as efficient as possible to save on fees and they are also looking into fuel cells among other methods by which to conserve on energy usage. They are also implementing a vehicle acquisition program to improve the fleet and a sidewalk improvement program. The Commission on Aging and East Lyme Youth Services are proposing the sharing of a vehicle and there is a zero percent increase in the Health Plan renewal. All of this reflects a new leaner government for the Town. He said that he is looking to put together a vision committee to look into the future of our Town and to work with a consultant. For right now, they need to keep an eye on State Government in Hartford to see what they will be funded. He thanked everyone for all of their hard work and thanked Dr. Smotas for his efforts and wished him well in his retirement. He urged them to go out and vote at the referendum and said that Kevin Seery, Board of Ed Chairman would speak to them next.

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

Kevin Seery, Board of Ed Chairman said that he has a PowerPoint presentation to go along with the handout that they had at the door. He noted that they had initially come in with a budget request that was for 2.4%; which would have been fine in other years – however, they will have 145 less students in the next year so they have taken some staff reductions which were done before the Board of Finance did their work on the budget. They reduced one administrative person in the central office, seven teachers which are enrollment based, four secretaries, six instructional/teaching assistants and one custodian who will not be going but who will now be funded by the increased revenue from outside contracting. This provided for a total of over \$800,000 in savings. Mr. Meltabarger will be working five days now and will be overseeing the custodial employees. They have locked in on oil prices. Steve Buck, the SPED Director retired and they are reviewing that area for efficiencies and savings. He noted the adjustments which would leave them with \$446,431 in cuts and said that they anticipate \$200,000 in savings from vendor services; \$50,000 from benefits and another \$50,000 in SPED leaving them with \$146,431 that they will have to find. He said that a letter has been sent to all of the bargaining units asking them for concessions and they have indicated that they are willing to talk. They are not looking at the elimination of kindergarten specials or elementary Spanish and they have no intention of instituting 'pay for play'. 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.

#### **Public Discussion**

Mr. Larcen 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.

Joe Mingo, 397 Boston Post Road thanked the Board of finally giving them the opportunity to speak and for going to Hartford on their behalf. He said that he wants to know who played by all the rules as his stock portfolio is down by \$250,000 and there should be a reason why the budget should be the same and not less. He said that in looking over the budget that he noticed quite a reduction in the amount of monies for Board meetings and conventions and said that no Board member should have to beg or pay (out of their pockets) to go to a conference or for training. He has gone to many training classes and found them invaluable. He said that it is Morgan Stanley who owns the New Haven Harbor and that they are the people who regulate the price of the heating oil and the crooks who drove the price of gas/oil up to \$4+ per gallon. He said that he has always spoken against the capital budget and he hopes that it is zero as he thinks it is voodoo financing. He wants the people who use the fire truck to pay for the fire truck and not the people who will never live long enough to see it. He said that he is personally fairly happy with the budget and thanked everyone for their efforts.

Mike Schulz, Lovers Lane said that he had attended pretty much all of the Board of Finance and Board of Selectmen meetings this year and he knows that they all worked very hard. He agreed with Mr. Mingo that people's personal portfolios have taken hits. He said that his concern is the \$46M-\$47M indebtedness and the premium on it which is around \$6M. He said that with more bonding, this will grow. He said that they have department heads who gave up their raises for this year – he thanked them and the Assistant Superintendent and the library people. They are now hearing at the last hour that the Board of Ed will meet with their unions and sit down and talk. He said that he thinks that they need concessions by the school administration. They have been asking for concessions for two months now and just now the letter goes out to them. They need concessions as their increases are ranging from 7% to 11% and that is too much. He said this also pertains to Town employees and that these increases are compounded and are ridiculous. He wants to see concessions.

Sarbari Rayi, 52 Webster Road said that her family moved here five years ago for her children. She thanked them for their PowerPoint presentations as it showed things more clearly than what was obtained in just going to the meetings. She said that she would like to know the areas that will be impacted in the school budget as she has a seven year old and is concerned that there is no room for improvement for kids who are above average. There are no classes that offer challenges to those children who are above average and she would like to see that. She said that she can afford private school but prefers to keep her child in the public school system. She would like to see classes that offer diversification so that kids can be treated differently and challenged.

Bob Gadbois, 358 Boston Post Road said that he also attended almost all of the Board of Finance and Board of Ed meetings. He thanked Paul Formica for his work and all of those who gave back. He said that he thinks that it is awful that the Town budget was cut back so much. He is taken aback by it and as Mr. Schulz has said – it is late in the season to be thinking of giving back on the school side as they have know about this for some two months now. He said that he was also taken aback at one meeting where the Superintendent made a comment to the effect that they would have 'to squirrel away some money.'

Robin Soule, (?) said that she speaks as a Niantic Center School employee and asked that they be mindful of the goals and objectives that they live by in the education process. The preservation of the teaching staff is of the utmost importance. She asked that they please be mindful of this.

John Drabik, 18 Drabik Road said that Mr. Mingo touched on the artificial turf when he spoke on the capital. He asked them for a yes or no answer regarding if artificial turf was being budgeted for on the Board of Ed side.

Mr. Formica said no; it is part of a bonding process that would be presented as part of the infrastructure upgrade.

Mr. Drabik said that he is not in favor of anymore bonding. They always hear how it is a great time to bond but the taxpayer always ends up paying more. He noted the budget process and suggested that they should have held a public hearing in December so that the process reflects input from the public and so that they get a budget based on what the people tell them they want to see. He noted that they work for the people and not the other way around.

Ruth Reluga, 10 Bronson Street asked about the vote on the budget at referendum as by not having a referendum, they would be able to save that expense. She said that she thinks that it is a shame to want

money from the public employees who make a modest income. She said that due to the various cuts that have been made that she would vote against the budget.

Bob Bulmer, 99 Lovers Lane said that this is the first meeting that he has been to where there has been such a spirit of communication amongst the Town, Board of Ed and everyone. He said that he usually sits in his seat and gets steamed over the comments that are made. He thanked Mr. Formica for his spirit of cooperation amongst the Board of Finance, Board of Ed and everyone involved with the budget as they have done a fantastic job. He said that he thinks that it is great that they are looking at alternative methods of energy resources. He said that Don Meltabarger is a genius with the solar panel system at the High School and that he also is behind the use of green energy. He congratulated everyone on working together to come up with this budget.

John Drabik, 18 Drabik Road said that during the Charter Revision meetings that they discussed the bifurcation of the budget and that a lot of people would like to see that happen as the Town Government and Board of Ed budgets are two very separate budgets. The Town cannot decide any cuts of line items for the Board of Ed. He said that he is in favor of bifurcation and that he would like to have that question put on the referendum ballot so that the people can decide.

### **Board Comments**

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

Mr. Formica said, with reference to Ms. Reluga's comment regarding the referendum expense – that simply put they felt that it is important to get the budget out to the whole populace of the Town to share their thought/vote as they are property owners in the Town.

Mr. Larcen asked if there were other Board comments – Hearing none; he said that they would adjourn this meeting and hold a Special Meeting in the INTV Room to potentially 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.

### **Adjournment**

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

Mr. Taylor moved to close this Public Hearing of the Board of Finance on the proposed FY 2009-2010 Budget at 8:25 PM.

Ms. Carini seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,  
Recording Secretary