

**TOWN OF EAST HADDAM
BOARD OF FINANCE**

January 11, 2010
7:00 pm
Grange Hall

Call to Order

The regular meeting of the East Haddam Board of Finance was called to order by Chairman Paul Maxwell on Monday, January 11, 2010 at 6:59 pm at the Grange Hall. The Pledge of Allegiance was recited.

In attendance were: Bob Bennett, Matthew Budzik, Bruce Dutch, Paul Maxwell, Susan Link, and Ed Schwenzfeier (arrived 7:04 pm).

Also in attendance:

Mark B. Walter, First Selectman

Deb Denette, Town Clerk and BOF recording secretary

Cindy Varricchio, Finance Administrator

Approval of Minutes

Mr. Bennett questioned the statement "The process for capital improvement projects at the Board of Education is to be revised so that items that are not funded do not require resubmission". Brief discussion was held, no changes were made.

Motion by Mr. Bennett, seconded by Mrs. Link to approve the minutes of the regular meeting of December 14, 2009 as presented. The motion carried unanimously.

Correspondence

Nothing noted.

Chairman's Report

a. **Tax Collector's Monthly Report:**

Mr. Maxwell presented a newly formatted Tax Collector's Monthly Report that incorporates information regarding the prior year's tax collection for the same period.

Mr. Maxwell will continue to work with the Tax Collector to provide a comprehensive report to the Board regarding tax collection.

First Selectman's Report

a. **4-8 Middle School Project Closure:**

Mr. Walter reviewed with the Board steps required to close out the 4-8 Middle School Project as follows:

- Change Orders—need to ensure that all change orders have been received and approved by the State.
- Appraisals—the State requires two appraisals. Need to ensure that the appraisals have the same property descriptions and do not include properties that were not purchased by the Town.
- Bonding—in the process of putting together a project analysis for scheduled May bonding for bond counsel.
- Project accepted as complete—the Building Committee and Board of Education need to vote to accept the project as complete. It is recommended that they do not vote for completion until the first three items are complete.
- Final Reporting to the State—the Architect needs to complete the final project cost paperwork and this information needs to be submitted to the State.

Mr. Walter will keep the Board informed regarding the project closure.

b. **2010-2011 Budget Process:**

Mr. Walter stated that he has tentatively scheduled a public hearing for Monday, February 1, 2010 at 7 pm to offer opportunity for public input prior to developing the budget. He stated that he would like to hear public needs and wants. Mr. Walter would like to provide the public with information as to status of what is known and unknown regarding revenues and expenses going into the budget process. Responsive to inquiry from Mr. Budzik, Mr. Walter stated that he would like to address labor agreements and contracts as well as the status of state reimbursements at the public hearing.

Mr. Walter stated that there is a staff meeting scheduled for January 14th to begin the budget process for department heads. Responses will be due February 5, 2010. Focus will be on accomplishments and goals. As was requested last year, departments will be asked the consequences of budget cuts in increments of 5%, 10% and 20%.

Mr. Walter stated that the 2010-2011 budget meeting schedule will be prepared for the next Board of Finance meeting. Mr. Walter indicated that we might want to reflect in the 2010-2011 budget the ARRA funds that are given directly to the Board of Education. There is a Public Act that permits Towns to lower the Board of Education's budgeted amount by the amount of the ARRA funds in the current year budget. The Board of Education plans to return those funds to the Town in the current fiscal year. The ARRA funding will not be available in 2012-2013 budget, we need to be planning for that reduction in funds.

Finance Administrator's Report

a. **December YTD Budget Reports and Year-End Forecast:**

Mrs. Varricchio distributed December year to date budget reports and year end forecasts for both revenue and expenses. She also included a breakdown of legal fees and snow removal (being tracked by storm). Mrs. Varricchio stated that both budgets can be volatile. She reported that the New Year's storm had considerable

impact on the snow budget. Mrs. Varricchio will provide updates monthly for both areas. Mrs. Varricchio is forecasting a revenue shortfall of approximately \$40,000 and expenses exceeding budget by approximately \$41,000 for a net unfavorable budget impact of approximately \$81,000. Mrs. Varricchio noted that there is \$85,000 remaining in contingency. Mrs. Varricchio reviewed with the Board the Recreation Special Revenue Fund and the goal with the upcoming budget to reflect the revenues and expenses for recreational programs within that fund.

Mrs. Varricchio reported that she attended a Connecticut Conference of Municipalities conference on budget challenges. She stated that one of the recommendations of the workshop leader was to review with our financial advisor any upcoming bonding and to determine if BANs (Bond Anticipation Notes) are more cost effective for the Town given the current interest rates for BANs. Mrs. Varricchio stated that she will work with the Town's Financial Advisor and auditor to assure that holding off on bonding is the right position for East Haddam.

b. **Budget Transfer**

Mrs. Varricchio reported that the land use area needed to replace a Plotter at a cost of \$2,894.99. She stated that they were able to utilize funds within their budget. For audit purposes and to reflect the expenditure appropriately, Mrs. Varricchio requested a transfer from Land Use Offices, School/Training (713-541100--\$2,000.00) and Legal Ads (713-554000--\$894.99) to Land Use Offices, Equipment (713-564410--\$2,894.99) to reflect the expenditure in the proper account. The Board asked Mrs. Varricchio to seek further clarification from Mr. Ventres as to what training would not be able to be done with the expenditure of the funds from the training account.

Liaison Reports

Mr. Maxwell reported that the Economic Development Commission is developing a tax abatement program to encourage new businesses. He anticipated that a draft would be available shortly.

Guests and Audience

None present.

Unfinished Business

Health Savings Accounts: It was noted that the same level of funding will continue until the new budget is set. The Board will need to determine what level it intends to fund during the budget cycle. Open enrollment timeframes, fiscal calendars and yearly calendars were discussed.

New Business

a. **DUI Enforcement Grant Acceptance:**

Motion by Mr. Budzik, seconded by Mrs. Link to recommend to the board of Selectmen the acceptance of the DUI Enforcement Grant in the amount of \$19,350 and to ask the Board of Selectmen to set a Town meeting for legislative body approval.

It was noted that grant pays for 70% of the officer's hours and the town budgets for the remaining 30%. Discussion was held as to how the grant funding could be reflected in the budget. Mrs. Varricchio will confirm that the town's practice is appropriate with the auditors.

The motion carried unanimously.

Other

Deb Denette encouraged attendance at the February 28, 2010 Freedom of Information training seminar being hosted by the Town Clerk's Office. Tom Hennick of the Freedom of Information Commission will be the speaker.

Motion by Ed Schwenzfeier to adjourn at 7:35 pm. Seconded by Susan Link and carried unanimously.

Respectfully submitted,

Deb Denette