Board of Selectmen
Board of Finance
Joint Special Meeting
May 3, 2010
Town Office Annex

1. Call to Order: The special joint meeting of the East Haddam Board of Finance and Board of Selectmen was called to order by Chairman Paul Maxwell, on behalf of the Board of Finance, and by Mark Walter, on behalf of the Board of Selectmen on Monday, May 3, 2010 at 7:03 p.m. at the Town Office Annex. The Pledge of Allegiance was recited.

In attendance for the Board of Finance were:
Bob Bennett, Matthew Budzik, Bruce Dutch, Paul Maxwell, Susan Link, and Ed Schwenzfeier
In attendance for the Board of Selectmen were: Mark Walter, Emmett Lyman, Pete Govert

Also in attendance:
Deb Denette, Town Clerk and BOF recording secretary
Cindy Varricchio, Finance Administrator
Approximately 23 people were in attendance in the audience

Motion by Mr. Walter to approve the agenda. Seconded by Mr. Govert and carried unanimously by the Board of Selectmen.

2. Joint Meeting of the Board of Selectmen and Board of Finance:

Transfer Station MSW, Bulky Waste, Hauling and Recycling Contracts - BOF

Mr. Walter stated that action was necessary to move the contracts forward to town meeting. Mrs. Varricchio stated that during the budget process, Mr. Thumm detailed projected savings that will be achieved by virtue of new two-year agreement extensions. She added that this action was necessary to implement those savings.

Mr. Govert noted enthusiasm for single stream processing as studies have shown that more recycling will occur when individuals do not have to sort.

Motion made by Mr. Bennett, seconded by Mr. Schwenzfeier to approve three two-year contracts for Municipal Bulky Waste Disposal Services, Municipal Waste and Recyclables Hauling Services and Municipal Solid Waste Disposal Services with Willimantic Waste Paper Co., Inc and to ask the Board of Selectmen to schedule a Town Meeting for approval. The motion carried unanimously.

Motion made by Mr. Bennett, seconded by Mr. Schwenzfeier to approve the five year contract for single stream recyclable processing with Willimantic Waste Paper Co., Inc. and to ask the Board of Selectmen to schedule a Town Meeting for approval. Motion carried unanimously.

Mr. Maxwell read a letter from Webster Bank advising that the Town's bond rating with Moody's increased to AA2 from A1. It was noted that the town's bond rating is already AA with Standard & Poor's. Mr. Budzik indicated that the Attorney General's Office had pursued Moody's with regard to lower bond ratings for municipalities and that the change was a result of the actions of the Attorney

General's Office. Mr. Maxwell stated that the town should receive a reduction in future borrowing costs due to this new rating.

Mr. Maxwell read a letter received from the Town Clerk and Tax Collector giving back their respective 3.5% salary increases proposed for 2010-2011. (A copy of the letter is included as part of these minutes.) Mrs. Varricchio stated that she conferred with officials in other communities who indicated that is how they have processed salary give backs. Mr. Maxwell noted that both the Town Clerk and Tax Collector were in attendance and he inquired if they had anything to add. Mrs. Denette stated that she did not include an increase in salary for her position in the budget when she prepared it.

Mrs. Link motioned to accept with appreciation, salary give backs from the Town Clerk and Tax Collector totaling $3,328 and to establish a revenue line to reflect the give back. Mr. Schwenzfeier seconded the motion.

Mrs. Link noted that the First Selectman did not put in a salary increase for his position. She noted concern, as has been discussed in the past; that the position was not being funded in accordance with the salary study already. She suggested that the line be increased to the appropriate level, and perhaps the First Selectman would similarly give it back. Responsive to inquiry, Mrs. Varricchio advised that the salary for the First Selectman is presently $65,292 and would require an increase of $4,947 to be at step 1. Mr. Budzik stated that this was shenanigans. Brief debate between Mr. Budzik and Mr. Maxwell ensued. Mr. Maxwell noted that the Board of Finance established the First Selectman's salary and offered the following motion.

Mr. Maxwell motioned to increase the First Selectman's salary to step 1. Mr. Schwenzfeier seconded the motion.

Mr. Maxwell called for a vote on the first motion, which involved the establishment of a new line for elected official givebacks from the Town Clerk and Tax Collector. The motion carried unanimously with gratitude.

Mrs. Varricchio stated that she would assure that the auditors were in agreement with the accounting methodology regarding the give back, she noted that regardless of the methodology, the appropriation, minus the give back would net in a zero impact to the town.

Mrs. Link continued that each year the town gets farther behind in offering a competitive salary. She noted that the lack of a competitive salary makes it increasingly difficult to recruit people for the position. It was noted that town managers make double of what top elected officials do and do not have to run for their position every two years. Mr. Maxwell stated that he motioned to provide an outright raise for the First Selectman due to the suggestion that there were financial shenanigans going on. He noted that a motion to put the First Selectman's salary at step 1 was on the floor.

Mr. Budzik noted that the position never got "to step" after the salary survey for a variety of reasons. He stated that similarly, Sue Merrow chose to forego raises during the 1990's. Mrs. Link stated that each year the raise was put off, the competitive gap increases. Mr. Bennett noted that he would be in favor of adjusting the salary in an election year, that way it was for the position and not for the person. Mr. Budzik stated that he was more concerned with other budgetary issues this year than personnel raises. Mr. Maxwell stated that position was a "cop out".

Mr. Maxwell reiterated that the vote was to increase the First Selectman's salary to step 1 of the salary scale.

FAVOR: Maxwell, Dutch, Schwenzfeier, Link
OPPOSED: Bennett, Budzik
Motion carried

A. 2010-2011 Budget: Mr. Maxwell stated that if the Board of Finance were to reinstate everything requested at the Public Hearing, the Superintendent's original budget, capital reserve requests, the Assessor's hours, the ZEO's hours, we would have a net increase of over $2,000,000 resulting in a mill rate increase of 5.26% or $565.00 per household.

Mr. Maxwell motioned to reinstate all items cut from the budget, as noted above. His motion did not receive a second.

Mr. Dutch inquired whether the Board of Selectmen was comfortable with the reduction in hours for the Assessor and Zoning Enforcement Officer. Mr. Govert stated that he was happy with the budget as passed on to the Board of Finance by the Board of Selectmen. He stated that he was not pleased with the decrease to the Board of Education budget, imposed by the Board of Finance. He added that the Finance Subcommittee cut the Superintendent's request to begin with.

Mr. Maxwell stated that at the public hearing one-third of the speakers supported the cuts to the budget, another two-thirds supported increases for education. Mr. Budzik stated that was a fair analogy. Mr. Maxwell inquired of Deb Fiala whether the Board of Education had anything to work with regarding concessions or give backs from staff. Mrs. Fiala replied that nothing formal has been received and added that informal dialog has occurred.

Motion by Mr. Budzik to approve the Board of Education budget as presented minus the fuel savings representing a 2.24% increase for Board of Education over last year's allocation. Susan Link seconded the motion.

Mr. Schwenzfeier stated that he would like to see a figure somewhere between 0% increase and their full request, still allowing for BOE staff to do the right thing and make up some of the shortfall. He suggested a 70/30 split. Mrs. Link raised concern regarding what if the unions did not make up the difference. She stated that if it did not, it would be detrimental to the kids as it would be necessary to cut staffing and programs. Mr. Budzik noted he did not want to approve a budget on the expectation that funds would be given back.

Mr. Budzik inquired whether the Board of Education had any authority to mandate a furlough day. Mrs. Fiala responded that it did not. Mr. Maxwell noted that the teachers have a contract. He further expressed hope that the town has a good negotiator on its side when the contract comes up again. Mrs. Varricchio noted that the impact of the motion on the floor would be a .42 mill rate increase (approximately $105.00 per household). Mr. Maxwell noted that he attended a Board of Education meeting where the concept of pay for play was on the table and two dozen audience members stated that they could not afford that. The Board was now contemplating raising each households taxes by that same amount regardless of whether their child attended the school system or not; let alone play sports. Responsive to inquiry made, the budget brought forth to public hearing by the Board of Finance, represents a $202,801 decrease, with a mill rate increase of .14 to 20.69 with an average impact of $35.00 per household.

Mr. Budzik stated that the Town cannot afford to have substandard education in town. Mr. Govert noted that East Haddam placed 14 out of 17 in per pupil dollars spent. Mr. Maxwell countered that the quality of education can be enhanced by funding, but the dollars spent was not the only measure of it. Mr. Bennett noted that he was in favor of the caveat Mr. Dutch introduced which restored any give

backs to be utilized for Education. Mr. Walter added that the new reserve accounts established provide incentive to the Board of Education for saving to fund their own capital reserves.

Mr. Govert and Mr. Maxwell disagreed on the symbolic message that would result based on the figure that was ultimately provided.

Mr. Schwenzfeier noted that East Haddam needed to remain a beautiful and competitive town to attract a class of people that would continue to enhance its school system. Mr. Maxwell countered that the reason the town purchased so much open space was to keep people out of East Haddam. Mr. Budzik stated that the purchase of open space does not prevent people from moving into East Haddam, it prevents new housing starts. Mr. Schwenzfeier stated that newer homes being built tend to be large scale homes that would not necessarily struggle with a $100.00 tax increase. Mr. Maxwell suggested cutting open space and utilizing those funds for education. Mr. Budzik responded that there were not funds in this budget for open space.

Mrs. Denette reread the motion on the floor. Mr. Maxwell called for a vote.
FAVOR: Budzik, Schwenzfeier
OPPOSED: Dutch, Maxwell, Link, Bennett
Motion failed

Mr. Schwenzfeier noted that he abstained last time to move the budget forward, He stated that he would not abstain this time. He stated he still favored a 70/30 split.

Mr. Dutch motioned to appropriate $300,000 over last year's budget to the Board of Education and to allocate any teacher give back or concessions ultimately received to the educational budget. Mr. Maxwell seconded the motion.

Mrs. Link noted that the union did not give anything, and that the Board of Education will need to make an additional $97,000 in cuts.

Mr. Maxwell stated that if the Board of Finance intended to coerce the teachers into cooperating with the town, it did not work. Mr. Schwenzfeier stated that the Board of Finance has been in a poker game with the unions, unfortunately the BOF was playing with their cards on the table and the union has their cards down. It was noted that the kids were being held hostage by the unions. Mr. Dutch added that the teachers make up the union.

Mrs. Varricchio stated that a $300,000 BOE increase over last year's appropriation equates to a .32 mill increase. (an approximate $85.00 average household increase based on a home assessed at $250,000).

FAVOR: Maxwell, Bennett, Schwenzfeier, Link, Dutch
OPPOSED: Budzik
MOTION CARRIED

Mr. Maxwell noted that a general budget still needs to be put forth:

Motion by Mr. Maxwell, seconded by Mr. Schwenzfeier to present to the annual budget meeting, scheduled to be called by the Selectmen for May 12, 2010 at 8:00 pm in the Town Meeting Hall, a total budget of $27,456,210 based on the grand list as of October 1, 2009 of $976,174,837. The budget would require a tax rate increase of .32 mills. The Board of Finance recommended that the Selectmen send the budget to referendum.

FAVOR: Dutch, Maxwell, Link, Schwenzfeier
OPPOSED: Bennett, Budzik

Mr. Bennet advised that his no vote was due to the proposed increase in salary for the First Selectman in this budget year.

Upon a motion made by Mr. Maxwell, seconded by Mr. Dutch and unanimously carried, the Board of Finance meeting adjourned at 8:15.

3. Board of Selectmen Budget Town Meeting Resolution:

Motion made by Mr. Walter and seconded by Mr. Lyman, to adopt the following resolutions:

RESOLVED, that a Special Town Meeting is hereby called to be held on May 12, 2010 at 8:00 p.m. in the Town Hall on Town Street in the said Town of East Haddam, Connecticut (the "Town Meeting"), to consider the resolution recommended and approved by the Board of Finance at its meeting held on May 3, 2010 to approve the budget of $$27,456,210 for fiscal year 2010 – 2011.

BE IT FURTHER RESOLVED, that the Board of Selectmen, pursuant to Section 7-7 of the Connecticut General Statutes, as amended, hereby removes the item described above on the call of the Town Meeting for submission to the voters on May 25, 2010 for vote by voting machine by the voters entitled to vote at the Town Meeting between the hours of twelve o'clock p.m. and eight o'clock p.m. at the Town Meeting Hall, East Haddam, Connecticut under the following heading:

> Shall the Town of East Haddam budget of $27,456,210, as recommended by the Board of Finance for fiscal year 2010- 2011 be approved?

The moderator of the Town Meeting shall adjourn such meeting after reasonable discussion of such item and conclusion of such other business as may properly come before the Town Meeting and order such vote by voting machine in accordance with this resolution and Section 7-7 of the Connecticut General Statutes.

BE IT FURTHER RESOLVED, that the voters at the Town Meeting shall determine whether the polls shall be open at six o'clock a.m. to conduct the referendum on May 25, 2010 and this resolution is hereby added to the agenda of such meeting.

FAVOR: Walter, Lyman
OPPOSED: Govert
MOTION CARRIED

Mr. Govert stated that he was in favor of the budget as initially proposed by the Board of Selectmen.

4. Call for Town Meeting: The Selectmen discussed the call to send the budget and various other items to Town Meeting.

Motion made by Mr. Walter, seconded by Mr. Lyman, to approve the following call for Town Meeting:

The Electors and citizens of the Town of East Haddam, Connecticut qualified to vote in Town Meeting are hereby warned and notified that a Special Town Meeting will be held in the Town Hall on Town

Street in the said Town of East Haddam at 8:00 p.m. on Wednesday, May 12, 2010 for the following purposes, to wit:

Item 1. To consider and discuss (but not to vote on) the Town Budget for the 2010-2011 fiscal year in the amount of $27,456,210 as recommended by the Board of Finance.

All those persons qualified to vote in town meetings of the Town of East Haddam, Connecticut, are hereby further notified that pursuant to Section 7-7 of the Connecticut General Statutes, the Board of Selectmen of the Town of East Haddam have removed the above item on the call of this Special Town Meeting for submission to the voters of the Town of East Haddam who are qualified to vote at Town meetings for "yes" or "no" vote by voting machine on the following question:

> Shall the Town of East Haddam budget of $27,456,210, as recommended by the Board of Finance for fiscal year 2010–2011 be approved?

The vote by voting machine will be conducted at the Town Meeting Hall, East Haddam, Connecticut between the hours of twelve o'clock p.m. and eight o'clock p.m. (in absence of a contrary determination at the Town Meeting) on May 25, 2010.

Item 2. To consider and vote on the recommendation of the Board of Selectmen that the polls shall be open at six o'clock a.m. to conduct the referendum on May 25, 2010.

Item 3: To consider and act upon the following resolution as recommended by the Board of Selectmen:

BE IT RESOLVED: That the **"Economic Development Commission Ordinance" adopted May 26, 1987 and amended April 26, 1989** be further amended as follows:

Section I. Members

Alternate Members. There shall be two alternate members who shall be appointed by the Board of Selectmen each for a term of five (5) years commencing the date of appointment. Any alternate member may be removed in accordance with Section III of this Ordinance. An alternate member in attendance at a meeting shall be counted in the determination of a quorum. Whenever a member is absent or recuses himself/herself from participation or voting on a matter before the commission, the chairman or the person serving as acting chairman of the meeting shall appoint an alternate member to take the place of the absent or recused member which alternate member shall be invested with all powers and attributes of full membership on the commission for the duration of the meeting or on the matter from which the regular member has recused himself/herself including the right to participate in any discussion and the right to vote.

Item 4: To consider and act upon the recommendation of the Board of Selectmen and the Board of Finance to enter into two-year agreements with Willimantic Waste Paper Co., Inc. for a contract for Municipal Bulky Waste Disposal Services, a contract for Municipal Waste and Recyclables Hauling Services and a contract for Municipal Solid Waste Disposal Services.

Item 5: To consider and act upon the recommendation of the Board of Selectmen and the Board of Finance to enter into a five-year agreement with Willimantic Waste Paper Co., Inc. for Single Stream Recyclable Processing.

Motion carried unanimously.

Mr. Govert stated that he was enthusiastic about simplifying recycling procedures.

Mr. Lyman noted that although the .32 mill rate increase was lower than many area towns, he hoped it did not hurt any East Haddam families. He stated that he has been helping at the food bank and noted how many people were struggling for basic necessities.

Motion to adjourn made by Mr. Walter, seconded by Mr. Govert at 8:24 pm. Motion carried unanimously.

Tape: None

Respectfully submitted,

Emmett Lyman, Secretary

May 3, 2010

To the East Haddam Board of Finance:

As the Town of East Haddam's elected Tax Collector and Town Clerk we would like to "give back" the 3.5% salary increase proposed for 2010-2011. We believe as elected officials that it is our duty and responsibility to give back the salary increase in consideration of the current economic times.

We also believe that it is important that the expense budget for the salary be reflective of the increase to maintain a competitive salary. Therefore, we would like to propose to the Board of Finance that a revenue line be established to reflect our salary give back.

Proposed Salary Increases:

Tax Collector	$1,525
Town Clerk	$1,803
Total	$3,328

Proposed New Revenue Line:

Elected Official Salary "Give Back"	$3,328
Total	$3,328

Denise B. Dill
Tax Collector

Debra H. Denette
Town Clerk