

TOWN OF EAST HADDAM
BOARD OF FINANCE
Special Meeting
February 20, 2013
Grange Hall

CALL TO ORDER

The special meeting of the East Haddam Board of Finance was called to order by Chairman Susan Link on Wednesday, February 20, 2013 at 6:02 pm at the Grange Hall.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

Susan Link, Chairman
Robert Bennett
Daniel Alexander
Bruce Dutch
Harvey Thomas
Raymond Willis

Others:

Mark B. Walter, First Selectman
Deb Denette, Town Clerk and BOF recording secretary
Cindy Varricchio, Finance Director
Denise Dill, Tax Collector
Craig Mansfield, Emergency Management Director
Jim Ventres, Land Use Administrator
Dr. Mary Beth Iacobelli, Interim Superintendent of schools
Nancy Haslam, Chairman Board of Education
Deb Fiala, Board of Education
Scot Mackinnon, Chairman, Agriculture Commission
Mickey Pear, Board of Fire Commissioners

APPROVAL OF MINUTES

Motion was made by Raymond Willis to approve the minutes of the Regular Meeting of January 14, 2013 as presented. Harvey Thomas seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Harvey Thomas to approve the minutes of the Special Meeting of January 22, 2013 as amended to correct the location of the meeting to the Nathan Hale-Ray High School. Raymond Willis seconded the motion and it was unanimously approved. Motion carried.

CORRESPONDENCE

Nothing noted.

CHAIRMAN'S REPORT

a. **Tax Collector Monthly Report :**

Tax Collector Denise Dill was present. No comments or questions were raised.

b. **Health Insurance Request for Proposals:**

Susan Link noted that a request for proposals for health insurance been issued by Joseph Spurgeon, from Lindberg and Ripple; responses are due on Monday, February 25. Mrs. Varricchio noted that she is hopeful that the results of the RFP will result in something less than a 26% increase in health benefits.

FIRST SELECTMAN'S REPORT

a. **Boating Infrastructure Grant:**

Mark Walter reported to the Board that the Town was awarded a boating infrastructure grant from the State of Connecticut in the amount of \$60,000 for construction and installation of a dock between the Goodspeed Airport parking lot and the Goodspeed Opera House. The Town has already expended \$2,900 in engineering costs to apply for the grant. He stated that the Town's matching component is \$15,000. Mr. Walter requested matching funds; he suggested that the Board transfer the funds from the Contingency Fund. Considerable discussion was held relative to the terms of the grant and the length of the boat that would be eligible to use the dock. It was noted that the documents presented were in conflict on the matter. Mr. Walter stated that he will research the conflicting language and will report back to the Board.

b. **Governor's Proposed Budget:**

Mr. Walter advised that the Governor's proposed budget eliminates car taxes on all vehicles assessed under \$28,500. If approved as it stands, East Haddam will see a reduction in tax revenue of \$1.4 million at the current mill rate. He noted that should this be approved, the reduction in car tax revenues would have to be made up in other taxes. He stated that municipalities are watching closely.

FINANCE DIRECTOR'S REPORT

a. **January YTD Budget Reports:**

Cindy Varricchio reported that we continue to track well year-to-date. She noted that the recent blizzard will have a major impact on the snow removal budget. She also noted that interest income continues to be abysmal.

b. **2013-2014 Budget Workshop Schedule:**

The Board reviewed potential dates for budget workshops. The dates of Wednesday, March 13; Thursday, March 14; Wednesday, March 27; and; Thursday, March 28 were selected. Daniel Alexander indicated that he is not able to attend the March 28 meeting. Mrs. Varricchio noted a typo in the timeline provided and clarified that the proposed date for the budget referendum is Tuesday, May 21, with a Special Meeting

of the Board of Finance following the referendum to set the mill rate provided the budget is approved.

c. **BAN Sale Update:**

Mrs. Varricchio reported that short term debt for the 4-8 middle school and prior open space purchases rolled for nine-months. She stated that the interest rate was .3%.

Mrs. Varricchio reported that the State has begun its audit of the 4-8 middle school project

LIAISON REPORTS

Raymond Willis reported on activity of the Agriculture Commission. Harvey Thomas informed the Board that Scot Mackinnon is the new Agriculture Commission Chairman. Mr. Willis also advised that he had opportunity to tour the old middle school.

Mrs. Link reported that she will be attending a Board of Education meeting this evening.

GUESTS AND AUDIENCE COMMENTS:

Nothing noted.

OLD BUSINESS

a. **Open Space Acquisitions:**

Jim Ventres reported that in the spring the Town applied for an open space grant for the Zieller property on Florida and Clark Road and Pages property on Mill and Parker Road. He stated that the grant awarded was at 50% of the contract price. In total, the DEEP would award \$696,500 toward the purchase of 336 acres of open space. Mr. Ventres briefly reviewed the importance of each parcel and the linkage with other preserved property that would result with the acquisition. Mr. Ventres also reviewed the open space bonding previously approved, reported that the balance is approximately \$1,800,000.

Cindy Varricchio stated that the Open Space Committee was seeking permission to move to the next step. Legal fees would be incurred. It was noted that there would be several more opportunities for questions and answers prior to ultimate approval, which would come at referendum. Responsive to inquiry from the Board as to the chances of the referendum passing, Mark Walter replied that we are facing the worse economy in 50+ years, however, open space purchases have always been approved by the Town, and by a fairly wide margin.

Harvey Thomas emphasized the long term savings benefit to the Town if it were to permanently preserve 31 potential home sites from the financial burden home sites bring. Brief dissention began over the reliability of that figure. Mr. Thomas stated that the soil scientist and engineer have provided that figure. Mr. Thomas questioned the credentials of those offering differing opinions. Mr. Alexander commented that the Town has more open space than developed land. Mr. Ventres concurred with the observation and noted that this was not the case ten years ago. Mr. Ventres added that the proposed parcels are centrally located.

Mrs. Link noted that the question at hand is to determine whether the Board of Finance wishes to move the proposal forward. The consensus of the Board of Finance was to move forward at this time.

NEW BUSINESS

a. **Board of Education Budget Request:**

Deb Fiala stated that the Finance Subcommittee of the Board of Education is requesting to create separate Technology and Maintenance Funds to plan for future level funding to eliminate spikes from budget to budget. She stated that the Board of Education Finance Subcommittee is hopeful that it can seed these funds with reserve funds and other Board of Education savings. Responsive to inquiry, Mrs. Varricchio advised that funds can be repurposed through the budget process. In this case, funds allocated for education would be repurposed for education.

Mrs. Fiala reiterated that the intent is to reduce spikes within the budget. She stated that due to variations in technology at the different schools, the five-year technology refresh budget would remain steadier. She added that budgeting this way would provide a very useful planning tool. She further stated that she was looking for Board of Finance opinion on the concept and not any other commitment. Mr. Willis stated that the concept made great sense to him, particularly in light of the blending in services.

The Board of Finance raised no objection to the Board of Education preparing its budget in this manner.

b. **VOIP Phone System:**

Craig Mansfield joined the Board at the table. Mrs. Varricchio noted that a Voice Over I.P. system would run through the internet and create both professionalism and convenience for the Town.. Mr. Mansfield stated that many systems were reviewed. He noted that experience through the many storms showed a need to refine what was originally proposed. He noted that he is confident that the Broadsmart System will meet the Town's needs for many years to come. Responsive to inquiry, he added that the system proposed will be movable and features a remote host. He encouraged support to allow a contract to be executed.

Motion was made by Raymond Mr. Willis to recommend that the Board of Selectmen schedule a Town Meeting for the purpose of executing a multi-year contract with Broadsmart Cloud Telephony for the installation, implementation and ongoing services of a VOIP system. Bruce Dutch seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Bruce Dutch to adjourn at 7:02 pm. Daniel Alexander seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted

Debra H. Denette