

TOWN OF EAST HADDAM
BOARD OF FINANCE
Regular Meeting
March 10, 2014
Town Grange

CALL TO ORDER

The regular meeting of the Board of Finance was called to order at 7:00 pm by Chairman Susan Link.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

Susan Link, Chairman
Robert Bennett, Secretary
William DiCristofaro
Bruce Dutch
Harvey Thomas
Raymond Willis

Others:

Mark Walter, First Selectman
Deb Denette, Town Clerk & Recording Secretary
Denise Dill, Tax Collector
Board of Education Members:
William Barney
Shawn Conroy
Tracey Gionta
Mary Beth Iacobelli, Superintendent of Schools
Peter Simmons, Economic Development Coordinator
Cindy Varricchio, Finance Director
Jim Ventres, Land Use Administrator
Scot MacKinnon, Agriculture Commission, Chairman
Conservation Commission:
Rob Smith, Chairman
Todd Gelston
Jay Moreau

APPROVAL OF AGENDA

Motion was made by Mr. Bennett to approve the agenda as presented. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried

APPROVAL OF MINUTES

Motion was made by Mr. Bennett to approve the minutes of the February 10, 2014 regular meeting as presented. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

CORRESPONDENCE

Nothing noted.

CHAIRMAN'S REPORT

a. Tax Collector Report:

Nothing noted.

b. Receipt of Board of Selectmen and Board of Education Budgets:

Mrs. Link noted that this evening the Board of Finance is receiving the budget, it has not had opportunity to review any of it at this time. Mr. Walter reviewed the summary contained in the beginning of the book.

Responsive to comment from Mr. Walter regarding the Libraries budget, Mrs. Link recognized that the budget request has actually increased \$35,000. The libraries line reflects a decrease of \$1,500 while a new expenditure has been placed under the technology budget (LION system). Mr. Walter also emphasized that considerable attention is necessary to the Town's cemeteries, greens and ball fields and is addressed in the proposed budget.

Likewise, reviewing the documentation provided, Mr. Walter reviewed proposed revenues. He emphasized that this budget makes no reliance upon fund balance.

Board of Education, Finance Subcommittee Chair Tracey Gionta joined the Board Members at the table. She reviewed the lengthy process taken by the Board of Education to present its budget. She stated that it starts with the teachers and principals putting forth their requests, followed by the Superintendent who compiles and refines the budget. The Superintendent presents the budget to the Finance Subcommittee of the Board of Education who forward it to the full Board. Mrs. Gionta recognized that school enrollment has been declining. She noted that in response two teaching positions are being eliminated. She noted that a math interventionist for the high school and a hall monitor for the elementary school, are new positions added into this budget. Mrs. Gionta also discussed that a curriculum director was initially proposed, however, that position is not going forward. The Board of Education did, however, put funds in the budget to support curriculum development.

Responsive to inquiry from the Board, Mrs. Varricchio reported that the Town does not pay for unemployment insurance; rather it pays for the cost of unemployment. Mrs. Gionta reviewed a staffing chart that included ratios; teacher to student and staff to student.

Mr. Thomas noted that under the 2014-2015 staffing projections one reference cited 184.3 and another noted 185.3. This inconsistency was noted to be a typographical error.

Mrs. Link noted that there is a lot to digest. She further advised that based on enrollment, the Board of Finance is statutorily allowed to cut the budget below the 2013-2014 level of funding by \$93,830.

Mr. Bennett recalled that the Board of Finance advised the Board of Education that it did not want to see any increase over last year's budget. Mr. Thomas and Mr. Willis recalled the discussion. Mrs. Link stated that she was surprised that Mrs. Gionta presented the Board of Education's budget request and not the Chairman of the Board. Mrs. Link questioned what next steps will be taken responsive to Superintendent Iacobelli's retirement announcement. Mrs. Gionta stated that the Board of Education voted to work with a search firm; she added that Dr. Iacobelli will be with the school district until June 30th.

Mrs. Link noted that March 20th is the deadline for the Board of Finance to make non-educational recommendations to the Board of Education, accordingly much discussion was held regarding the scheduling of meetings in advance of that deadline. Mrs. Link noted that Shared Services is a monumental part of the educational budget and she stated that she would like to have that presentation first. Mrs. Varricchio reported that she had been asked to rework the Shared Services budget information and she did not know that she could have it completed by Thursday's meeting.

Mr. Willis stated that the budget presented does not take into consideration the large projects on the horizon. He stated that it is necessary to understand the tax implication of those projects in concert with this budget. Mr. Walter stated that the Board of Finance could identify the maximum amount of debt service that the Town is willing to carry. It was also noted that if the projects do not pass, considerable expenditures for the elementary school will be necessary to address long overdue items. The timetable for the municipal facilities and elementary school projects has still not been set, once funding is determined it will be approximately six weeks to conduct public hearings and all necessary legal requirements prior to conducting referendum.

Overall, the total budget presented by the Board of Selectmen represents an 11.23% expense increase.

The next meeting of the Board of Finance will be a special budget workshop on Thursday March 13th with another workshop scheduled for March 18th to include discussion with Shared Services and Board of Education to allow them time to make any decisions prior to the March 20th deadline.

Mr. Thomas requested that modeling be prepared showing what debt service will be if the referendum passes and without. He also requested information on timing to be included.

FIRST SELECTMAN'S REPORT

a. Shared Services Update:

Mr. Walter reported that the major focus area of Shared Services has been the budget. A hardcopy of the report will be provided to the Board. Mr. Walter reiterated (from budget discussion) that the Town's athletic fields, greens and cemeteries are in need of "resurrection". He stated that our Animal Control Officer has a side business and last year he was contracted for restorative work at Nichols field, and did a great job. Mr. Walter stated that he would like to hire him full time to maintain the Town's grounds. Mr. Walter stated that this would free up public works a great deal and would afford more accessibility than we have with contractors. Mr. Walter stated that he would like to implement this position in advance of the 2014-2015 budget as that does not go into effect until July and

there is much to do before the grass begins to grow. He stated that this position would be funded from what is currently budgeted for contractors that perform this service.

Considerable discussion was held relative to the equipment to be utilized for this position. Costs associated with contracting vs. purchasing vs. leasing were held. Mr. Bennett raised concern with tailoring a position around a specific individual. The benefits of having the ACO in Town for dog calls was noted. It was noted that the ACO presently owns the equipment. Mr. Walter reported that the Town's insurance carrier prefers the Town to own its own equipment. Mrs. Link noted that the Town already employs public works, 14 custodians and a facilities. Mr. Bennett opined that the Town would be better off leasing and see how it works out prior to purchasing the equipment.

Mr. Ventres added that presently the Town does not have the proper equipment to maintain the fields. Contingency funds were discussed as a potential financing source.

FINANCE DIRECTOR'S REPORT

a. February YTD Budget Report:

Mrs. Varricchio reported that snow is still the wild card. Presently there is \$12,000 remaining in the snow line, one more storm will wipe that out. Mrs. Varricchio reported that library endowments and donations are down. She noted that next month she will begin preparing a year end forecast.

Mr. DiCristofaro inquired why interest income was down significantly as rates have not changed. Mrs. Varricchio reported that the Town is carrying open space costs pending funding from the State. Mrs. Varricchio emphasized that legal costs, particularly regarding Shady Brook, are impacting the legal budget despite the insurance windfall received thanks to Mr. DiCristofaro as reported last month.

b. Budget Workshop Dates:

Addressed under budget discussion.

LIAISON REPORTS

Mrs. Link encouraged Board members to meet with their assignees.

GUESTS AND AUDIENCE OF CITIZENS

Sean Conroy a member of the Board of Education responded to earlier comments regarding a zero increase over last year. He noted that while he was not a member last year, it has been a difficult year for the Board of Education regarding implementation of the common core curriculum. Responsive to his comment regarding funding, Mrs. Link advised that funds absolutely were allocated to support common core. Mrs. Link reported that it did. He continued that the Superintendent requested \$160,000 for a curriculum director that the Board did not support because it was being fiscally responsible. He added that teachers are working with textbooks that are 20 years old. He noted that the hall monitor is a safety issue for the most vulnerable population at the elementary school. He recognized that 3.7% is a big increase, he stated however, that he wanted the Board to understand that what is needed is new this year. Mrs. Link responded that curriculum is something that should be addressed every year.

Jay Moreau commented on the ACO/facilities maintenance position. He stated that it would make sense to contract with the ACO for the first year and evaluate how it works prior to making any long term commitment on purchasing or leasing the equipment, particularly where it was reported that the ACO already has the equipment needed.

OLD BUSINESS

Nothing reported.

NEW BUSINESS

a. Economic Development Commission Grant Application—Connecticut Department of Agriculture Farmland Restoration Program:

Economic Development Coordinator Peter Simmons stated that the Commission is requesting permission to apply for a grant. Mr. Simmons read the following from the grant application. "The Town of East Haddam is requesting \$19,999 from the Connecticut Department of Agriculture through their Farmland Restoration Program. The funding will be used for additional land clearing at the Harris Farm site for the food processing center, high tunnel/greenhouse area and common area. Project estimate are for \$5,000/acre for clearing up to 4 acres. Town public works services will make up the Town match for the State grant in kind."

Motion was made by Mr. Willis to authorize the Economic Development Commission to apply for the Connecticut Department of Agriculture Farmland Restoration Program grant for the purpose of funding for land clearing at the Harris Farm Site for the Food Processing Center, high tunnel/greenhouse area and common area. Mr. DiCristofaro seconded the motion and it was unanimously approved. Motion carried.

b. Open Space Commission Grant Application—Connecticut Department of Energy and Environmental Protection, Open Space and Watershed Land Acquisition Program:

Land Use Administrator Jim Ventres reviewed the Lena and Zeleznicky parcels proposed by the Open Space Commission for purchase. He noted that both parcels meet the criteria established. The Lena property is 207 acres, and has a total cost of \$767,000. The property has a mix of upland forest, intermittent streams, vernal pools and woodland wetlands that support a variety of the woodland species. If preserved, this parcel will provide continued wildlife habitat and corridor linkage in a very large forest block. Mr. Ventres reported that at this time he is seeking permission to apply for the grant. Notification of the award would likely be anticipated in late fall.

The Zeleznicky parcel is 19.26 acres and is surrounded by a Nature Conservancy piece. If preserved, this piece will provide continued wildlife habitat and corridor linkage in a very large forest block. The forested land has small streams and wetlands that feed Burnham Brook and the Eight Mile River.

Mr. Ventres reviewed poster boards depicting the protected areas in Town. For the benefit of Mr. DiCristofaro, he also reviewed the \$5,000,000 bonding authorization that was authorized in 2003.

Mr. Bennett stated that the request is for the permission to apply. He stated that when the DEEP acts on the grant, the purchase will again be before the Board of Finance to move it forward and if it does it would still need to be approved by referendum. Responsive to inquiry, it was noted that should the grant be received, the Town has no obligation to accept it. Mr. Ventres stated that the State of Connecticut goal for open space is 21%. East Haddam is at 19%. He added that the 19% includes State land. Mr. Ventres added that 60% of the Town's land is still undeveloped and unprotected.

Mrs. Link stated that if the Town agrees to purchase this property we need to figure out how to pay for it. She raised concern with the debt service the Town presently has. She stated that although she does not dispute that it would be nice to have, she questioned the Town's ability to afford it. She further noted that the townspeople clearly support open space and commented that more people come out to vote for open space than they do for the Town's budget. Mr. Smith added that the last trust is contributing \$25,000 toward the purchase.

Motion was made by Mr. Thomas motioned to authorize the Open Space Commission to apply for a Connecticut Department of Energy and Environmental Protection, Open Space and Watershed Land Acquisition Program grant for the Lena Property located on Tater Hill Road and Babcock Road and the Zeleznicky Property located on Sarah Baker Road. Mr. Dutch seconded the motion.

FAVOR: Bennett, DiCristofaro, Dutch, Thomas, Willis

OPPOSED: Link

Motion Carried

OTHER/FOLLOW UP ITEMS

a. Proposed Elementary School Project Operating Costs:

Mrs. Varricchio stated that Mr. DiCristofaro had asked for a scaled down version of operating costs for a 39,000 square foot building. Mr. Mansfield had asked this of O & G, however, it has not been received yet.

Mrs. Link reiterated that Thursday's workshop will be held at the Annex. The Fire Department and Public Works are requested to attend.

Motion was made by Mr. Bennett to adjourn at 9:12 pm. Mr. Willis seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted

Deb Denette
Town Clerk and BOF Recording Secretary