

TOWN OF EAST HADDAM
BOARD OF FINANCE
Special Meeting
September 30, 2014
Town Grange

The September regular meeting of the East Haddam 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 B. Walter, First Selectman
Craig Mansfield, Director of Facilities and Operations
Cindy Varricchio, Finance Director
Deb Denette, Town Clerk and recording secretary
Edward Blaschik
Lynn Branscombe

Approval of Minutes

Mrs. Link noted that there was a typographical error in the motion information provided to the Board at the August 25, 2014 meeting regarding New Business Item h—Transfer Station Contracts for Waste Hauling. The motion should have indicated three (3) year contracts for five (5) years rather than three (3) contracts for two (2) years each. It was noted that all supporting documentation provided to the Board at the correct contract information.

Motion was made by Mr. Dutch to approve the minutes of August 25, 2014 meeting correcting the motion for the Transfer Station Contracts for Waste Hauling to five (5) year contracts. Mr. Willis seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Dutch to approve the minutes of the special meeting of September 8, 2014 with the following corrections—Mr. Bennett is the Board Secretary—not Vice Chairman and Mr. Willis was not in attendance. Mr. Bennett seconded the motion.

FAVOR: Bennett, DiCristofaro, Dutch, Link, Thomas

ABSTAINED: Willis

MOTION CARRIED

CHAIRMAN'S REPORT

a. Tax Collector's Report:

There were no comments or questions with regard to the report.

b. Board of Finance Rules Update:

The Board revised their meeting rules that were established in 2012 to add recording of the meetings. Mr. Bennett noted favor of the practice in the event that anything is challenged it can be reviewed.

Motion was made by Mr. Willis to add recording of Board of Finance minutes to the Board of Finance Rules. Mr. DiCristofaro seconded the motion and it was unanimously approved. Motion carried.

FIRST SELECTMAN'S REPORT

a. Funding Request from Municipal Facilities Advisory Group:

The Municipal Facilities Advisory Group has requested that \$50,000 be appropriated to the Capital Projects Facilities Evaluation budget to conduct an environmental study to determine necessary abatements, for architectural fees to redesign the building entrance and for a second construction cost estimate and for continued services of the construction management firm. Mr. Walter advised that Mrs. Varricchio presented two options for funding the expenditure, one to utilize funds from contingency, the second for have a special appropriation.

Questions were raised regarding the status of the elementary school project and necessary costs to address identified issues prior to moving forward this one. Mr. Mansfield reported that the roof, boiler and parking lot need to be addressed.

Mr. Mansfield stated that there is \$1,400,000 proposed in the current renovation plan for abatement. The additional appropriation that is being requested will tell if that is a true figure.

Mr. Thomas inquired whether the three big projects getting ready to move forward, elementary school renovations, conversion of middle school and radios will be grouped together for one referendum. Mrs. Varricchio stated that she would anticipate one referendum with three questions on the ballot.

Responsive to inquiry from Mr. Thomas, Mr. Mansfield stated that the municipal facilities project could be ready to move forward to referendum four to six weeks after the \$50,000 is allocated.

Mrs. Link stated that she would rather use contingency than a special appropriation as those funds have already been taxed. She emphasized that either way the appropriation would go to town meeting. Mr. DiCristofaro offered a third option. He stated that the board reserved \$190,000 for future municipal projects from this budget and put it into capital reserves. Mr. Willis disagreed that this expense could be considered a capital expense until it was approved by the voters.

Mr. DiCristofaro noted that utilizing so much from contingency ties the hands so early in the fiscal year and he does not support the idea of a special appropriation when other funding is already taxed. It was also noted that last year the Board's contingency was untapped (\$90,000) and returned to the general fund. Mrs. Link stated her preference that the funds come from contingency. Mr. Bennett concurred.

Motion was made by Mr. Thomas to transfer \$50,000 from the Board of Finance Contingency to the Capital Projects Facilities Evaluation budget to conduct an environmental study to determine necessary abatements for architectural fees to redesign the building entrance, for a second construction cost estimate and for the continued services of the construction management firm as requested by the Municipal Facilities Advisory Group and to request that the Board of Selectmen call a Town Meeting for approval. Mr. Bennett seconded the motion.

Discussion:

Mr. Walter requested the word "entrance" be struck from the motion as that may be too limiting.

Motion was made by Mr. Thomas to amend his motion to remove the word entrance, Mr. Bennett seconded the amendment and it was unanimously approved. Motion carried.

The motion was unanimously approved. Motion carried.

Mr. Walter advised that a USDA loan in the maximum amount, of approximately \$20,240,000 has been approved. The loan would work like a line of credit and the rate would have a maximum interest rate of 4%. Actual rate would be determined at time of closing. It remains unlikely that any USDA grant funding will be available, however, the loan is guaranteed as long as the municipality continued to show progress is moving toward funding the projects. The loan would be structured for 20-40 years depending upon the project. Mr. Walter emphasized that the USDA funding presents another funding option, it would be up to the Board of Finance to determine the best options.

FINANCE DIRECTOR'S REPORT

a. Year to Date Reports

Mrs. Varricchio reported that two employees of the clerical union have recently left and approximately \$20,000 was paid out in unused vacation and sick time, which will have an impact on the budget.

Mrs. Varricchio reported that the Building Department has been very busy. Revenues are ahead of projections. She also reported that the Libraries gifts and donations are down, noting that fund raising efforts are being pursued.

LIAISON REPORTS

Mr. Willis reported that he received a lot of feedback regarding the September 25, 2014 public forum on the Agriculture Center. He heard that it was both emotional and antagonistic. He stated that public sentiment appears to be against the commercial kitchen. Mr. Walter stated that the kitchen appears to be off the table and that they are

looking to revise the grant funds to purchase green houses and farm equipment. Mr. Walter stated that public works does not have the time or the equipment to maintain the area as it should be maintained. Mr. Bennett was of the belief that funding had been expended for clearing. Mr. Walter stated that it was, however, it has grown back.

Mr. Willis also stated that he toured the old middle school and that he is encouraged that a scaled down version is being brought forward. Mr. Willis stated that he hopes the end product can be attractive, easy to use and something the Town can be proud of. He also commented on how nice the Lyme municipal center looks.

Mr. Thomas stated that he met with Michael Gilroy and Madeline Francese to brainstorm libraries fund raising ideas.

Mrs. Link added that she has met with Superintendent Reas. She stated that he was made aware of the Board of Finance's goals.

GUESTS AND AUDIENCE COMMENTS

Nothing noted.

OLD BUSINESS

Mr. Bennett inquired about the status of the emergency radios. He noted that at the August meeting it was reported that the license would expire in November and that \$80,000 was needed to renew the license. He noted that it was part of a \$650,000 package, however, that is not moving forward as of yet.

Mr. Mansfield reported that he has applied for an extension. He stated that he is confident that it will be accepted. If it is not, a special meeting of the Board of Finance will be requested. Discussion was held regarding appropriating the funds in the event the extension was denied. Mrs. Varricchio noted that this was a Special Meeting and such action cannot occur. Mr. Bennett requested the item remain under Old Business until it is resolved. The current license expires on November 27, 2014.

NEW BUSINESS

a. Non Union Employee Health Insurance Benefits:

Insurance rates for non-union employees were last set in 2011. Mr. Bennett inquired how many employees were impacted by this. Mrs. Varricchio responded approximately 20. Mr. Walter added that health benefits are negotiated through the clerical union and are also applied to non-union employees. What was recently negotiated is that the Town provides 49% of the deductible and 51% of the deductible is to be met by the employee. The premium share is met 93% by the Town and 7% by the employee. Responsive to inquiry from the Board, it was noted that historically the Board of Finance has voted on the health insurance arrangements. It was noted that the 49/51 split is a change from a 51/49 split. The resulting change provides for lower premiums. Joe Spurgeon is the consultant that works with the Town and he has indicating that an increase in the neighborhood of 15% in premiums can be anticipated for next year. No objections were raised to the agreement.

b. Johnsonville Road Bridge Project (Grant):

The Johnsonville Road Bridge, the Hopyard Road Bridge and Haywardville Road were all identified as State projects that needed attention and put into the federal local bridge program for grants. The Haywardville Bridge project was withdrawn.

The first step for the Johnsonville Road bridge is the design phase. The design phase is \$335,000. The Town's match is \$70,000 which was appropriated in the 2012 budget (the funds are earmarked in the general fund). The total project is anticipated to be \$1,600,000.

Mrs. Link inquired how these projects were identified. Mr. Walter reported that the State inspects bridges annually and determines priority. Mr. Thomas recalled the bridge being rebuilt 50 years ago when he was dating his wife.

Motion was made by Mr. Thomas to request that the Board of Selectmen call a Town Meeting for the following:

To accept a grant for federal funds from the highway bridge program for the purpose of the development of contract plans, specifications and estimates in conjunction with the replacement of the Johnsonville Road Bridge (Bridge No. 04656) over the Moodus River at a total cost of \$350,200 with a 20% municipal share in the amount of \$70,040 and 80% federal share in the amount of \$280,160.

To appropriate the sum of \$70,040 for the purpose of the development of contract plans, specifications and estimates in conjunction with the replacement of the Johnsonville Road Bridge (Bridge No. 04656) acknowledging that there may be temporary borrowing from the general fund to pay for costs prior to their reimbursement by grants for the federal share in the amount of \$280,160.

Mr. Willis seconded the motion and it was unanimously approved. Motion carried.

c. 911 Emergency Contract:

Mr. Walter reported that Hebron has left KX. This leaves only eight towns to share the cost which is anticipated to have a minimum of a \$10,000 impact on East Haddam. Montville has built a new complex which is looking to become a regional center. Mr. Bennett noted that whatever dispatch the Town utilizes, there cannot be an interruption in service. Mr. Mansfield added that Montville is going to be a very busy dispatch center.

Mr. Walter emphasized that no action is needed, he did, however, wish to provide the Board of Finance with a heads up on the issue.

Mr. DiCristofaro inquired how the switch to MUNIS was going. Mrs. Varricchio stated that training has been on going. Mr. DiCristofaro was hopeful that forecasting would be improve and would be ready by end of year, he noted that such modelling would be very beneficial with the emergency services being discussed. Mrs. Varricchio reported that presently most forecasting is done manually.

Motion was made by Mr. Willis to adjourn at 8:30 pm. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette, Town Clerk and Recording Secretary.