

TOWN OF EAST HADDAM

Special Meeting

April 13, 2015

Grange Hall

The April regular meeting of the East Haddam Board of Finance was called to order at 7:02 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
Deb Denette, Town Clerk and recording secretary
Cindy Varricchio, Finance Director
Peter Simmons, Economic Development Coordinator

APPROVAL OF AGENDA

Mrs. Link requested a motion to add:

- Discussion of Upcoming Capital Projects. (Under Chairman's Report)
- Appointment of Auditor ((under Finance Director's Report)
- And to move the New Business Item—Tax and Business Incentive Ordinance Program to after the approval of the minutes to accommodate Mr. Simmons.

Motion was made by Mr. Dutch to approve the agenda with the requested additions. Mr. DiCristofaro seconded the motion and it was unanimously approved. Motion carried.

APPROVAL OF MINUTES

Motion was made by Mr. Willis to approve the minutes of the March 9, 2015 regular meeting with the following amendment:

Page 2, under the first bulleted item strike: "a new budget was created called "Town Greens, Grounds and Fields" and replace it with "An existing budget line item was renamed "Town Greens, Grounds and Fields".

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

NEW BUSINESS

a. Tax and Business Incentive Ordinance Program:

Mr. Peter Simmons, Economic Development Coordinator reviewed a proposal for amendments to the current Municipal Tax Abatement Program. He stated that the current program benefits are very small and are not an effective tool for attracting new business to Town. He stated that no changes were being recommended to the assessment for small projects. He stated that it is recommended that for new business development or relocation of existing businesses to a new property that the assessment be on the total assessed value rather than only the increase in assessment. For expansion of the existing businesses at its current location, the town should fix the assessment on the increase resulting from the new project.

Mr. Thomas suggested that when a business owner moves from one location to another the difference should be netted out. He stated that under the scenario explained, the owner would receive the abatement on both the land and the new building. Mr. Simmons added that the municipality would ultimately approve any incentive that came forward through the Town Meeting process.

Mr. Simmons reviewed the definitions and scenarios of case studies for both a medium and large project. Mr. DiCristofaro suggested that individual negotiations may be more beneficial to lure new business rather than set parameters. Mr. Walter stated that he would not want any incentives to appear arbitrary. Responsive to inquiry from the Board, Mr. Simmons stated that under State Statute a land developer subdividing land could qualify for tax abatement. Mr. Thomas was vehemently opposed. Mrs. Link stated that everything is owned by open space.

Motion was made by Mr. DiCristofaro to move forward the proposed amendments for the Tax and Business Incentive Ordinance Program. Mr. Willis seconded the motion.

FAVOR: Bennett, Link, DiCristofaro, Dutch, Willis

OPPOSED: Thomas

MOTION CARRIED

Mr. Thomas stated that he would support the proposal if it did not benefit residential development and if the assessment value was netted out under swapping parcels of land. He stated that without those, he will be speaking out against it.

CHAIRMAN'S REPORT:

a. Tax Collector's Report:

February and March were presented. There were no questions raised.

b. Discussion of Upcoming Capital Projects:

Mrs. Link stated that at the Tri-Board meeting the four projects were reviewed; she solicited feedback. Mr. Thomas stated that he thought that the Board of Finance was going to conduct its discussion after the Public Hearing.

Mr. Thomas stated that at the Public Hearing it would be important to provide additional detail regarding our reserves. It was noted that the Financial Advisor will provide detail and clarity of explanation. Mr. Thomas suggested that a better sell will

be needed for the radio project. He stated that he found the presentation overly wordy, and although he listened to the presentation, he did not really understand the reason for it. He stated that the concerns noted from Hurricane Irene did not seem compelling enough to warrant a \$2,100,000 expenditure. Mr. Bennett stated that the Committee discussed but did not want to use a "scare tactic".

It was noted that the Public Hearing regarding the projects is set for Wednesday April 22, 2015 at the Elementary School. The Town Meeting sending the budget to referendum is set for Tuesday April 21, 2015. Mrs. Link inquired if the Board needed to attend these meetings, Mr. Walter responded that your commitment to the projects would be helped by your attendance. Mr. Walter added that the presentation needs to be less technical.

Mr. Thomas advised that he will not be conflicted with Monday evenings this fall. He stated that if it is the will of the people, he will be in attendance. Mrs. Link stated that she will not be seeking re-election.

FIRST SELECTMAN'S REPORT

a. Shared Services Report:

Mr. Walter stated that he did not have a written report however, much staff time has been spent working with the Office of Policy and Management regarding retaining and repurposing the STEAP grant for the Harris property. As it stands today, an open air pavilion, tool shed, bathroom with washing station and road improvements will be substituted. He added that the Town is working with the friends of Harris group. Mr. Thomas stated that he would prefer an enclosed space that perhaps is heated for educational purposes. Mr. Walter stated that the group seems concerned that a kitchen will sneak back in and are therefore, opposed to any buildings on the property. A barn will also be built at Public Works to house equipment utilized in maintaining the fields and greens. Both Mr. Thomas and Mr. Dutch expressed interest in seeing how the funds were being allocated and both stated that they would like to see the structure enclosed.

Mr. Walter added that Mr. Mansfield is closing out the paperwork on the school security grant.

FINANCE DIRECTOR'S REPORT

a. March YTD Budget Report:

Mrs. Varricchio reviewed the March year-to- date budget reports. She highlighted the following:

- A column with a year-end forecast has been added. Most expenses are forecasted at 100% at this time.
- Police and Town Clerk receipts are down; correspondingly their expenses are down.
- Risk Management—workers' compensation audit resulted in the Town owing an additional \$18,000.
- Snow Removal will be approximately \$70,000 over budget. Mrs. Link inquired about how that overage would be handled, Mrs. Varricchio responded with a year-end supplemental appropriation.
- Expenses exceed revenues by \$146,000 with most expenses at projected at 100%.

- Legal—labor and several union contracts, Shorthouse settlement and several other ongoing challenging items.

b. **Financial Advisor Update:**

Covered under Chairman's Report.

c. **Appointment of Auditor:**

The Board of Finance is required to appoint the auditor each year. It was noted that there is a three-year contract with Blum Shapiro that provides for an option for the Town to renew on a year-by-year basis for two additional years; fiscal year 2015 will be the second year of that renewal. A 2% increase for a total 2015 annual cost of \$39,000 is the amount shared by both the town and the Board of Education

Motion was made by Mr. Bennett appoint Blum Shapiro & Company P.C. as the Town of East Haddam Auditor for the July 1, 2014 to June 30, 2015 fiscal year audit. Mr. DiCristofaro seconded the motion and it was unanimously approved. Motion carried.

LIAISON REPORTS

Nothing noted.

GUESTS AND AUDIENCE

Nothing noted.

OLD BUSINESS

a. **Emergency Radio Towers:**

Moving forward to Public Hearing on April 22nd. Already covered can be removed from future agendas.

NEW BUSINESS

Item a covered earlier in the meeting.

b. **Historic Document Preservation Grant Application:**

Mrs. Denette is seeking \$3,000 in grant funds from the Connecticut State Library to purchase a map cabinet. The Town Clerk budget will fund an additional \$325 toward the purchase.

Motion was made by Mr. Bennett to authorize the Town Clerk to apply for the Historic Documents Preservation Grant. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

c. **Enhanced Mobility of Seniors and Individuals with Disabilities (for purchase of a new senior bus) Grant Application:**

Senior Center Municipal Agent Brad Parker is seeking grant funds to replace a 15 year old bus that is utilized for transportation for seniors. There is funding to meet the 20% grant match in the Senior Transportation Fund for the match. We have used the Senior Transportation Fund for grant matching in the past. There was discussion with regard to the 9-Town Transit and their transportation services cannot be used for social events for our seniors and individuals with disabilities.

Motion made by Mr. Bennett to authorize the Municipal Agent to apply for the Enhanced Mobility of Seniors and Individuals with Disabilities Grant for purchase of a new senior bus). Mr. DiCristofaro seconded the motion and it was unanimously approved. Motion carried.

d. **Tax Suspense List:**

Each year the Board of Finance is required to vote on the Tax Suspense List. The suspense list is accounts deemed uncollectable by the Tax Collector. It does not mean that they cannot be collected, it removes them from the financial statements as an asset.

Motion made by Mr. Thomas approve the Suspense List in the amount of \$28,639.50. Mr. Willis seconded the motion and it was unanimously approved. Motion carried.

ADJOURNMENT

Motion made by Mr. DiCristofaro to adjourn at 8:05 pm. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Debra H. Denette
Town Clerk—recording secretary