

TOWN OF EAST HADDAM

Regular Meeting

August 10, 2015

Grange Hall

The August 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:

Robert Bennett

Susan Link, Chairman

Harvey Thomas

Ray Willis

Others:

Cindy Varricchio, Finance Director

Mark Walter, First Selectman (arrived 7:35)

Deb Denette, Town Clerk and recording secretary

APPROVAL OF AGENDA

Motion by Mr. Willis, to amend the agenda to include discussion and action regarding a Cemetery Grant. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

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

CORRESPONDENCE

Nothing noted.

CHAIRMAN'S REPORT

It was noted that the Tax Collector will present a report next month.

FIRST SELECTMAN'S REPORT

a. Shared Services Report:

Mr. Walter reported that Kevin Reich is on board as the interim Facilities Director, and that he hit the ground running. Asbestos abatement at the Elementary School has been the major focus. Additionally decommissioning of an underground fuel tank at the elementary school must be completed by the start of school. New carpet is being installed at the high school and the roof replacement at the River House are also being undertaken. Mr. Walter advised of a meeting to be held tomorrow with the USDA regarding funding for the municipal facilities project.

Mr. Walter stated that the State has concurred that the Ray portion of the Old Middle School is not a historic treasure and has blessed its demolition. Also a refinancing of previous loans is underway. Mr. Walter reported that the elementary school interior has been painted and other improvements are being undertaken. He summarized that it has been a very busy summer. Mrs. Varricchio reviewed the very tight time frame for the asbestos removal, She stated that generally State approval take 3 to 6 months; East Haddam secured it in five weeks. Mr. Walter added that George Fellner was fantastic in moving the process forward. Mrs. Varricchio also offered kudos to Michelle Dixon from the State Department of Education for her assistance..

FINANCE DIRECTOR'S REPORT

Mrs. Varricchio reported that the auditors arrive next week and added that she is almost ready for them. She stated that as previously reported regarding a State error in school food services contracts the Town will not need to redo the food service contract this year, but will need to rebid it next year. She also stated that the Town will be soliciting a request for proposal for bus transportation shortly for transportation beginning July 2016. She concurred that it has been a very busy summer.

Mrs. Varricchio added that it is very helpful that the Interim Facilities Director is familiar with school systems.

Mrs. Varricchio reported that if the Town's mill rate exceeds 29.89 the town will be required to have two separate mill rates one for vehicles and one for real estate. (the current mill rate is 28.68). Responsive to inquiry from Mrs. Link, Mrs. Varricchio explained that it is in essence a cap to cars and puts the greater burden on the home owner rather than the car owner. It was noted 2017 is a revaluation year.

LIAISON REPORTS

Mr. Bennett reported that the radio committee has 14 days to get operational to retain its frequency. As a temporary solution, it will place an antenna on the garage at the Town Office Building location to satisfy the requirement. The State tower was to go up on Mount Parnassus Road at the end of August, and will allow the town to utilize it. That project has been delayed likely until next summer. Mr. Thomas sought clarification that the temporary tower will satisfy the rules until the permanent tower is placed. Mr. Bennett responded affirmatively. It was also noted that the antenna was to go on the River House initially. Mrs. Denette reminded of permit requirements.

Mrs. Link stated that the Board of Education is installing carpeting as budgeted. She noted that \$26,500 was budgeted for several areas including the auditorium. As the costs are coming in under budget, additional areas will be addressed that are also in need.

GUESTS AND AUDIENCE COMMENTS

Nothing noted.

OLD BUSINESS

a. Expense Reduction/Consulting Firms:

At the July meeting the Board requested Mrs. Varricchio solicit additional consulting/reduction firms. Mrs. Varricchio contacted three firms, the original firm and two others, one firm did not respond. The remaining two firms are both qualified. However, it was her recommendation to go with Expense Consulting which is Connecticut owned, offers a three year contract, and has a fee structure as follows: 40% for the first 24 months and 15% for the third year of the agreement.

Mr. Thomas inquired what would happen if no savings were discovered; he was advised that no payments would be made. Mr. Thomas further inquired what recourse the municipality would have if it were dissatisfied with the service it was receiving. He was advised that the Town would cease to use the firm. It would, however, be obligated to pay a percentage of the savings that it was enjoying on prior negotiated savings at 40% for 24 months and 15% for the remaining 12). Mrs. Varricchio added that there is a clause that if either party breaches the contract it can be voided upon 30-days notice. It would, however, owe the savings that had been negotiated. Mr. Thomas continued that he did not understand the terms of the contract. He raised concern that big ticket items would be negotiated and then the company would disappear. Mrs. Varricchio stated that periodic review is a term of the contract. Mr. Willis recognized that to be successful they need to produce quantity.

Motion was made by Mr. Willis to approve the letter of engagement between Expense Consulting, LLC and the Town of East Haddam for the purpose of analyzing and implementing cost saving initiatives and to request the Board of Selectmen schedule a Town Meeting for approval. Mr. Bennett seconded the motion.

FAVOR: Willis, Bennett

OPPOSED: Thomas

Abstained: Link

Motion carried.

b. Board of Education Reserve – FY 2013-2014 Transfer:

The Board of Education has \$23,418.37 remaining from 2013-2014 to be transferred to Education Reserves. It was noted that historically this transfer occurs during the winter months but due to the conversion with MUNIS it was delayed.

Motion was made by Mr. Willis to approve a transfer of \$23,418.37 from the General Fund (10549010-58928) to the Board of Education Capital Reserve Fund and to request that the Board of Selectmen schedule a Town Meeting for approval. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

NEW BUSINESS

a. Historic Preservation Grant Acceptance:

Motion was made by Mr. Thomas to accept the State of Connecticut State Library Historic Document Preservation Grant in the amount of \$3,000 and to appropriate said Funds to Fund 2600-Document Preservation fund and to request that the Board of

Selectmen schedule a Town Meeting for approval. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

Mr. Thomas asked the Town Clerk where East Haddam stood in comparison to its cohorts. Mrs. Denette responded that the Clerk's Office has its land records on line, has images that go back into the 1990's and indexes that go back into the 1960's. Additionally, all of the maps are electronically available. She stated that some towns have gotten further back with digitizing data, however, they have expended thousands and thousands of dollars to do so. East Haddam has been back scanning and re-indexing primarily in house. She stated that she is proud of the office and added the cliental is pleased and often complimentary.

b. Unified Chart of Accounts Conversion Grant Program Acceptance:

East Haddam was awarded a grant for the conversion to a Unified Chart of Accounts/MUNIS. Mrs. Varricchio stated that when the budget was developed, additional training for MUNIS was not incorporated in anticipation of this grant and that she would like it to be earmarked for training. Mrs. Link opined that \$30,000 for training was excessive. Mrs. Varricchio responded that the charge is \$1,200 per day plus travel expenses. She stated that it does not all have to be expended.

Mr. Thomas asked where East Haddam was in comparison with its cohorts. Mrs. Varricchio reported that East Haddam was the first in the State to merge the Board of Education and municipal side of its government with the unified chart of accounts. She stated that additional training is needed to incorporate the human resources piece which has not been utilized yet and she added that as staff becomes more comfortable with the system they are looking for a higher level of training. Mrs. Varricchio added that the full conversion has eliminated much duplication of effort.

Motion was made by Mr. Willis to accept (contingent upon Board of Selectmen approval) the State of Connecticut Unified Chart of Accounts Conversion Grant Program in the amount of \$30,000 (revenue account 33250-43000-C0035 and expense account 33250013-58926-C0035) and to request that the Board of Selectmen schedule a Town Meeting for approval. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

c. Small Cities Community Development Block Grant for Oak Grove Senior Housing Rehabilitation – Phase 2:

Motion was made by Mr. Thomas to accept (contingent upon Board of Selectmen approval) the Connecticut Small Cities Community Development Block Grant in the amount of \$800,000 for the Oak Grove Senior Housing Rehabilitation Project and to request that the Board of Selectmen schedule a Town Meeting for approval. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

d. Cemetery Grant:

Mr. Walter stated that a grant has become available for up to \$2,000 per year on a first come first served basis to reclaim neglected cemeteries. He advised that there is no matching component to this grant.

Motion was made by Mr. Bennett to authorization submission to the Neglected Cemetery Account Grant Program in the amount of \$2,000. Mr. Willis seconded the motion.

Discussion: Mrs. Link stated that any additional savings is helpful.

The motion was unanimously approved. Motion carried.

Mrs. Denette suggested that the cemetery committee should be involved, or at least informed, when such a grant is being applied for. Mrs. Link suggested that the liaison, in this case, Mr. Thomas, be involved.

Mr. Thomas stated that he wished to explain why he did not vote in favor of engaging the services of a consulting firm to assist with contract negotiations. He stated that it was his belief that Shared Services was established for that purpose and that additionally a Facilities Director was hired and he opined that such responsibility belonged with that position. He continued that if savings are found, the town could enjoy all of the savings without paying the contracted fees. Mrs. Link countered that it is not an expense as it is the result of savings. Mr. Thomas stated that there will be a contract and a check will be written, which to him indicated it was an expense.

Motion was made by Mr. Bennett to adjourn at 7:46 p.m. Mr. Willis seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

**Debra H. Denette
Recording Secretary**