

Board of Selectmen Meeting – Tri Board  
Grange Hall  
March 30, 2015  
Special Meeting Minutes

**Members Present:** Mark Walter, 1<sup>st</sup> Selectman, Emmett Lyman, Ernie Malavasi

**BOS Members Absent:** None

**Others Present:** The Board of Finance: Susan Link, Chair, Robert Bennett, Bruce Dutch, Harvey Thomas, Ray Willis, William DiCristofaro  
The Board of Education: Nancy Haslam, Chair, Bryan Perry, Secretary, Laurie Alt, Tracey Gionta, Jennifer Higgins, Brian Pear, Marc Piscioti, Michael Werner  
Brian Reas, Superintendent of Schools  
Craig Mansfield, Facilities Director  
Cindy Varricchio, Finance Director  
Cindy Hughson, Executive Assistant/Meeting Recorder  
Approximately 17 citizens and members of the project committees

1. The meeting was called to order at 7:05 pm. First Selectman Walter led in the Pledge of Allegiance.

**2. Presentation of Building Improvements:**

First Selectman Walter welcomed the three town Boards to the Tri-Board meeting. Mr. Walter reviewed the five major town projects which are the purpose of the meeting: improvements to the Elementary School, Town Wide Radio and Communication upgrade, improvements to Company #1 and #2 firehouses and the Municipal Facilities Building. Mr. Walter noted that following a full analysis of capital major capital needs, the total cost was approximately \$40,000,000.

With the costs identified, the Board of Selectmen then approached the Board of Finance to determine what the town can afford. It was noted that a USDA grant request of \$6 million was not available to help offset the costs of these projects to the town. The USDA did approve the town for \$20 million in loans at 4% interest. After reviewing the current debt service, the Board of Finance implemented a reserve for future capital projects. The Board of Finance recommended that the town review the scope of the proposed projects and bring the total cost to under \$20 million. At \$20 million using current reserves and reserves for future capital projects, there would not be tax increases to sustain the proposed debt load.

Mr. Mansfield handed out the detail information on each project that would be presented. Included was an overview of costs, a project timeline, a graph of the how the debt load and would be handled, and a timeline for Public Meetings and Referendum.

Mr. Pear, Board of Education, asked on the rationale behind cutting from all of the building projects rather than removing one entire project from the request. Mr. Mansfield replied that after receiving the total spend amount provided to the groups by the Board of Selectmen and Board of Finance, each group was charged with going back to review and reduce the scope of the projects. All though not ideal, each group has created a project that they believe is reasonable and that the town will support to move forward.

**Project #1, Elementary School Improvement.**

Copies of this presentation are available at the Town Offices and Board of Education office. Mr. Robert Weronik, Chairman of the Elementary School Advisory Group led the presentation. With four options outlined, Mr. Weronik said the Group's first recommendation would be to renovate as new with a \$14.9 million estimated cost; the Group understands that this is a fiscally difficult choice. The Group would then recommend that at the bare minimum, and in keeping with the understanding that all projects being presented are of equal importance, addressing the immediate issues, at a cost of approximately \$1.9 million would keep the school safe and operational for the near future.

Mr. Perry, Secretary, Board of Education, asked if the renovate as new option reduced the overall size of the elementary school. Mr. Weronik stated that it would not, but due to the size of the school and projected enrollment, the state reimbursement would not be 100% of the total possible eligible funding. Mrs. Haslam, Chair Board of Education, stated that it is important to note that if this referendum is passed, it will be a year or so before a new roof can realistically be put on.

**Project #2, Radio/Communications Project.**

Copies of this presentation are available at the Town Offices and Board of Education office. Mr. Mansfield presented. The fault in the town emergency communications came to light during Hurricane Irene in 2012, where when the cell service in town was disrupted, there was an obvious concern in the lack of proper radio communication. East Haddam is a unique town as it is 57 square miles and varied terrain. When the town went out to bid on the radio project, the committee quickly realized the extent and expense needed to do everything on the list. The initial RFP came in at \$4-5 million. Mr. Mansfield stated that minimum cost for this project will be \$2.1 million, done in three stages. There is an urgency in getting phase one complete. The town has been granted permission to piggy back onto the Department of Public Safety (DPS) radio tower that is being built on Mt. Parnassus Road, at no expense to the town. This is a huge savings, additionally, the state police will have the installation crew install the town system at the same time they are installing the police system, another savings of \$20,000 or more. With the use of the state police towers, the town will have further access to other towers and will be able to tie all emergency agencies together. Mr. Walter asked that the deadline with the FCC be explained further. Mr. Mansfield explained that the FCC has granted the town four frequencies that if not utilized, will expire. Two will expire in August of this year and the other two in November. Mrs. Haslam, Chair of the Board of Education, asked if the offer from the state police was in writing. Mr. Mansfield does have the offer in writing as part of the siting council minutes for approval of the project and stated the individual at the DPS has been very helpful and generous. Mr. Piscioti, Board of Education, asked if there were any studies on lost or dropped calls with the current system. Mr. Mansfield stated that studies have been done, and does not have the exact figures, but there was a significant disruption in communication, somewhere around the 20% range. Mrs. Gionta, Board of Education, asked if the upgrade will improve communication inside the schools. Mr. Mansfield replied that in the second phase, there will be a fairly inexpensive fix that will improve the coverage in the schools.

**Projects #3 & #4, Company #1 and #2 Firehouse Improvements.**

Copies of this presentation are available at the Town Offices and Board of Education office. Mr. Mansfield presented; Firehouse Company #2, located in Moodus, has severe structural needs that must be addressed. The town has already completed one major fix to the footings of the building and more is required. The committee reviewing these projects reviewed the needs of the firehouses and possible fixes. First was need for more space for the emergency vehicles, office, and storage. Adding an addition onto Company# 1 would cost \$3.5 million. The committee researched moving to the old middle school, where renovations and cost would be between \$6-8 million. The committee identified best options for reducing the overall scope of the projects and came up with a \$360,000 renovation/repairs, which would include an addition of a new bay and a ventilation system to Company #2. Additionally, the plan includes minor repairs and a ventilation system to Company #2 at a cost of \$150,000. Total repairs to both firehouses will be approximately \$510,000.

**Project #5, Municipal Facilities Conversion (old middle school).**

Copies of this presentation are available at the Town Offices and Board of Education office. Mr. Mansfield presented that once the \$20 million dollar cap was put in place the Municipal Facilities Advisory Group went back to a construction consultant and architect to develop a new plan including: demolition of the old Ray portion of the building, clearing of lower level of the building by demo, abatement of hazards and upgrading the air flow system; and the upper floor will house the Town offices, the offices currently in the River House building and the Board of Education offices. Mr. Walter asked about future use of the lower level. Mr. Mansfield stated that the lower level will basically be cleared, then made available for storage and use in the future.

At this time Mr. Walter opened up the floor to all Boards. Mr. Walter stated, at the direction of Bond Counsel, for the referendum the only two projects that can be combined on the vote are the two firehouses. Therefore there will be four separate referendum questions. Each item on the ballot will be a “will not to exceed” cost. Cost of demolition of Ray portion of the old middle school and abatement to the entire building is estimated at \$1.4 million, but we are hopeful this will come in less.

Mrs. Link, Chairman of the Board of Finance, addressed the town’s ability to pay for these projects. In the past, when the old middle school project was first reviewed, the town did not have a clear picture of the costs of all the capital projects that needed to be done. As a result, Mr. Walter developed the 10-year needs assessment showing a over \$40 million in projects. The Board of Finance analyzed what would be a realistic debt threshold of what the town could afford. Included in the handouts (available at the Town Offices and Board of Education office) is a chart of the town’s current debt. The Board of Finance made a decision to put money into a new reserve to help cover any overages of future debt that would offset an increase in taxes. In other words, the Board of Finance has established an annual debt service cap of \$2.2 million. As our debt is paid off, the difference between \$2.2 million and the current year debt service is set aside in a reserve fund for future capital projects. By doing this, the town will have reserves available to handle the increased debt load of these proposed projects without adding a tax burden. In calculating this, the Board of Finance came up with the total amount available for future capital improvements not to exceed \$20 million. To clarify, this is only one of many reserve funds that the town carries. This fund, along with a portion of the existing general capital reserve of \$3 million, are being earmarked for these proposed capital improvements.

Mrs. Link stated the calculations do not reflect the upside potential increases to revenue from capital projects, including the savings of over \$40,000 annually on rent of the Board of Education offices and future tax revenues from commercial opportunities in the prime, beautiful, downtown East Haddam. Mrs. Link noted that the revenue for the town has decreased significantly—she specifically highlighted the decrease in interest income from a high of \$600,000 ten years ago to \$30,000 in this year’s budget.

### **3. Planning for Project Referendum:**

Mr. Walter reviewed the plan for taking this to the public for Referendum.

April 22	Public Hearing
May 4	Board of Selectmen Approval of Final Project Scope, Special Meeting
May 11	Board of Finance approval of Final Project Scope and approval to move forward, Regular Meeting
May 20	Board of Selectmen approval to move to a Town Meeting
June 4	Town Meeting
June 16	Referendum

Mr. Willis, Board of Finance, clarified that the referendum would be four separate votes, allowing a taxpayer to pick which or all the projects they want.

Mr. Walter agreed, but stressed that it is very important that the public be fully educated in the total scope of the projects in hopes that all four pass together. Adding that this will open up a prime revenue location that the East Haddam Economic Development Commission has already been reviewing for possible scenarios to optimize utilization of that area.

Mr. Mansfield reiterated that the goal is to present all the projects as one item and each committee agrees that they are not pitting one project over another one.

Mrs. Alt, Board of Education, thanked all the committees, the Town Selectmen and Board of Finance for all their hard work in putting all this information together. She admitted that she had some trepidation prior to coming to the meeting and once the presentations were all done she is very excited about the projects and will be very happy to tell people the positive results of all this excellent work and diligence.

### **4. Tuition received from other school districts:**

Mrs. Link, Chairman Board of Finance, had the reimbursement of tuition, a Board of Finance action item, added to all three Board agendas so that this would be an open conversation. The town has received approximately \$72,000 in

reimbursement for services provided by the Board of Education for student(s) from other districts. The Board of Education has asked to be reimbursed that money to aid in the current shortfall that they are facing this fiscal year. Mrs. Link stated that the Board of Education is currently in a spending freeze of expenses due to items like Special Education and Transportation being significantly higher than budgeted. Mrs. Link asked that if the reimbursement of this money is approved that the Board of Finance will receive disclosure on how it was spent. Mrs. Haslam, Chair Board of Education, assured her this would happen. Mrs. Link addressed conversation of the Board of Education that individuals would be liable for any shortfalls in the current budget. Mrs. Link wanted to assure the Board of Education that as long as they are fiscally responsible and fully disclose any shortfalls that the Board of Finance would not allow that to happen. The Board of Finance recognizes that budget shortfalls can happen. Mrs. Haslam thanked her for this reassurance.

**MOTION:** Mr. Thomas, Board of Finance, made a motion that the Board of Finance reimburse the Board of Education for all tuition received for this and all subsequent years.

Mrs. Link stated that that would require a policy change and cannot be done at this time.

Mr. Thomas withdrew his Motion.

**MOTION:** Was made by Mr. DiCristofaro, Board of Finance, and seconded by Mr. Willis, Board of Finance, to reimburse the Board of Education for tuition received in the 2014-2015 school year in the amount of \$72,862.

Mr. DiCristofaro added that he believes policy should be made going forward in regards to this giving the Board of Education the ability to plan. Mrs. Link said it will be discussed at a future Board of Finance meeting.

**Favor (All Present):** Bennett, Dutch, Thomas, Willis,  
DiCristofaro

**Opposed: None**  
**Motion Passed**

## **5. Audience of Citizens**

Patricia Stricker, Petticoat Lane, asked that as this moves forward the financial side be explained more clearly. Mrs. Sticker wanted clarification on the reserves available. Mrs. Link stated there is \$2.7 in general capital reserve and \$400,000 in the reserve for future capital projects. Mrs. Stricker would like the \$2.2 million cap and use of the reserves to be laid out in more detail.

Robert Weronik commended the efforts put forth. Mr. Weronik said that each project has been working as a silo and the efforts of Mr. Walter and Mr. Mansfield to go to each committee and explain the total picture was great. It is the first time the town is working together as a whole group for the better of the town. Job well done and thank you.

**6. MOTION:** To adjourn was made by each Board at 8:12 pm.