

TOWN OF EAST HADDAM
Board of Finance
Regular Meeting
April 11, 2016
Grange Hall

The regular meeting of the East Haddam Board of Finance was called to order at 7:00 pm by Chairman Raymond Willis at the Grange Hall.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

Raymond Willis, Chairman
Robert Bennett, Secretary
Bruce Dutch
Harvey Thomas

Others:

Mark Walter, First Selectman
Deb Denette, Town Clerk and Recording Secretary
Denise Dill, Tax Collector
Cindy Varricchio, Finance Director
Erik Dill
Brad Parker
Chris Reed

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES

Motion was made by Mr. Thomas to approve the minutes of the March 14, 2016 regular meeting as presented. Mr. Dutch seconded the motion.

FAVOR: Willis, Dutch, Thomas

ABSTENTION: Bennett

Motion carried.

Motion was made by Mr. Thomas to approve the minutes of the March 26, 2016 special meeting. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

CORRESPONDENCE

None noted.

CHAIRMAN'S REPORT

a. Tax Collectors Report:

Mrs. Dill reported that collections are tracking nicely and that she is slightly ahead of total collection percentage in comparison to this time last year.

b. Citizens' Guide to the 2016-2017 Budget:

Mr. Willis noted that the document will be utilized for talking points for the Public Hearing scheduled for April 19, 2016 at the high school and for the May 3, 2016 Town Meeting. Mr. Willis advised that he was not available to attend the Town Meeting. Mrs. Varricchio noted the importance of members being able to attend the April 19, 2016 meeting as two members will be traveling and not available to attend in person. A quorum is necessary to move the budget to Town Meeting and ultimately the referendum, which is scheduled for May 17, 2016.

Mr. Bennett commented that the wording was confusing under Town Government (general government) decrease to fringe benefit costs of \$81,446 yet an increase of only 2.8% in premium cost. Mrs. Varricchio responded that she recognized the wording was confusing and advised that the guide has already been printed and will be distributed through *East Haddam News* at a significant reduction in cost. Mrs. Varricchio added that rather than the 15% increases we have been experiencing the 2.8% is a reflection on the savings by having employees accept a high deductible HSA.

FIRST SELECTMAN'S REPORT

Mr. Walter stated that he has been busy monitoring legislation. In particular those regarding unfunded mandates. Towns have been steadily receiving hits due to the State's attempts to cut its budget.

a. Shared Services Report:

Mr. Walter stated that Ron Turner has been hired as the Director of Operation under Shared Services. Mrs. Varricchio added that she inadvertently provided the March Shared Services Report. She stated that she would email the April report to members.

FINANCE DIRECTOR'S REPORT

a. March YTD Budget Report:

Mrs. Varricchio reviewed the March YTD budget report expenditures. Mrs. Varricchio stated that the snow removal budget is coming in well under budget and that those funds will be transferred to offset the cost of a larger truck than what was budgeted. She also noted that the Resident State Trooper was budgeted at \$104,000, however, it is coming in at \$137,000 and next year will increase to \$150,000.

Mrs. Varricchio stated that she anticipates that expenses will be \$276,000 less than budgeted, including leaving the Board of Finance contingency largely untouched. She added that Mrs. Dill has collected \$214,000 in interest in penalties; \$130,000 was projected. It was also noted that Educational Cost sharing was reduced by approximately \$39,000.

Mr. Walter added that we are looking to schedule a Special Meeting for Saturday, April 30, 2016 at 9:00 am. He stated that it is to be a joint meeting between the Board of Finance and the Board of Selectmen. There are two items to come forward, the first is regarding another large scale solar project. He added that it dwarfs the Shagbark Solar project as it is 12 times larger. The Boards will need to negotiate taxes. The other is regarding USDA financing. He stated that it may be meritorious to use other financing and the town's financial advisor will be brought in to discuss his recommendations. Mr. Thomas advised that he is not available on April 30.

Responsive to inquiry from Mr. Bennett, Mr. Walter clarified that the Town's involvement on the solar project will be to negotiate any tax incentives. He noted that the project will run through Planning & Zoning and the Inland Wetlands and Watercourses Commission as a courtesy but is totally under the jurisdiction of the Connecticut Citing Council.

LIAISON REPORTS

No reports noted.

GUESTS AND AUDIENCE COMMENTS

Nothing noted.

OLD BUSINESS

None noted.

NEW BUSINESS

a. Board of Education Reserve—FY 2014-2015 Transfer:

As has been the practice since 2012 the Board of Finance has allowed remaining Board of Education funds to be transferred to the Board of Education Reserve Fund to discourage end of the year spending. To date, approximately \$600,000 has been funded into this account by the Board of Education for utilization on capital projects.

Motion was made by Mr. Bennett to approve a transfer of \$92,612.35 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. Thomas seconded the motion and it was unanimously approved. Motion carried.

b. CRCOG CERT Grant Application:

Mrs. Varricchio advised that the Emergency Management Director would like to apply for a CRCOG Cert Grant for the CERT team in the amount of \$1,400. No matching funds are required.

Motion by Mr. Bennett to authorize the Emergency Management Director to apply for the CRCOG CERT Grant. Mr. Dutch 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:**

The Board authorized a grant application last April, however, staff was not able to meet all of the grant requirements in the required timeline. Mr. Parker is seeking to apply for the grant once again. This is to replace a 16-year old bus that is used for seniors. The anticipated cost of the bus is \$69,000. There is a 20% grant match. There is sufficient funding in the Senior Transportation Fund for the match.

Mr. Parker stated that currently there is a 22 passenger bus and a 12 passenger bus. He would like to retire the second bus once a new more reliable bus is obtained.

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

d. **Connecticut Local Bridge Program/Special Appropriation-Bone Mill Road-Grant Authorization:**

Mr. Walter advised that in 2014 the State of Connecticut closed the Bone Mill Road Bridge to vehicular traffic because the steel carry beams had corroded to the point where they were deemed unsafe. This bridge was noted to be a short bridge of only 18'. Cost estimate is at \$476,250, and the state's reimbursement is at 47.50% or \$226,219. The net cost to the Town will be approximately \$250,031. Mr. Walter added that site lines are greatly improved coming onto Town Street through the use of this bridge. Mr. Thomas and Mr. Bennett noted recent experiences with other State bridge projects and sought assurance as to how to avoid similar issues in the future. Mr. Walter responded that he would consider not accepting State money if the Town were forced to utilize the same contractor as it had issues with in the past.

Motion made by Mr. Thomas to approve a special appropriation in the amount of \$476,250 (transfer to capital projects fund 10549010-59700 for expense account 33250013-58923-C0070) for the Bone Mill Road Bridge project with the understanding that the State of Connecticut has committed to fund 47.50% of the eligible project costs through the Local Bridge Program Grant and to recommend that the Board of Selectmen schedule a Town Meeting for approval. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

e. **Tax Collector Suspense List:**

The Suspense List contains accounts deemed uncollectable by the Tax Collector. While they may ultimately be collected, approval of the suspense list removes the debt from the financial statements as an asset. The Suspense list for 2014 was \$25,544.44 and for 2015 was \$28,639.50. Mrs. Dill stated that the reason for the large increase for the 2016 List is because two accounts were offered at tax sale twice and did not sell. It was ultimately determined that it was better to accept what was offered and restore these properties to the tax roll, which resulted in the larger than usual suspense list.

Motion was made by Mr. Dutch to approve the Suspense List in the amount of \$85,503.21. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

f. **Neighborhood Assistance Act–ConnectiCare, Inc. & Affiliates Donation for Open Space Reserve Fund:**

The Connecticut Neighborhood Assistance Act is a tax credit program designed to provide funding for municipal and tax exempt organizations by providing a corporation business tax credit for businesses who make cash donations to these entities. ConnectiCare has made a donation in the amount of \$2,618.85 for the Open Space Reserve Fund. Acceptance by the Town is required.

Motion was made by Mr. Thomas to accept a donation from Connecticare, Inc. & Affiliates in the amount of \$2,618.85 for the Open Space Reserve Fund (revenue account (33250-43000-25022) and to recommend that the Board of Selectmen Schedule a Town Meeting for approval. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

OTHER

Mr. Bennett inquired whether some revenue could be generated through the sale of surplus or unused town equipment or items. Mr. Walter stated that staff is already working on such a sale.

**Motion was made by Mr. Dutch to adjourn at 7:35 pm. Mr. Bennett
The motion to adjourn carried unanimously.**

Respectfully submitted,

Deb Denette
Recording Secretary