

**TOWN OF EAST HADDAM
BOARD OF FINANCE**

January 10, 2011
7:00 pm
Grange Hall

Call to Order

The regular meeting of the East Haddam Board of Finance was called to order by Chairman Paul Maxwell on Monday, January 10, 2011 at 7:04 pm at the Grange Hall.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

Paul Maxwell, Chairman
Robert Bennett
Matthew Budzik
Bruce Dutch
Susan Link
Edward Schwenzfeier

Others:

Mark Walter, First Selectman
Deb Denette, Town Clerk and BOF recording secretary
Cindy Varricchio, Finance Administrator
Deb Fiala
Tiffany Quinn
Mike Kolman
Dan Varghese

Approval of Minutes

Motion was made by Mr. Bennett to approve the minutes of the December 13, 2010 Regular Meeting as presented. Mr. Schwenzfeier seconded the motion. The motion carried unanimously.

Correspondence

Nothing noted.

Chairman's Report

a. Tax Collector's Monthly Report:

Mr. Maxwell noted that a new format with all of the information on one page was received. The new format includes a current year, last year comparison and a year to date total. It was also noted that tax receipts are closed on the last day of each month. Prior practice was to hold the month open all receipts postmarked within the time period, had been processed. No comments or questions were raised.

First Selectman's Report

a. Grange Hall Improvements:

Mr. Walter offered a tour of the lower level of the Grange after the meeting so that the renovations for the future home of the Food Bank could be reviewed. He stated that there will be a larger grocery area than what was available at the Old Middle School, however, there will not be as much storage space. It was also noted that a fire alarm system still needs to be installed. Wi-Fi service is being investigated to allow computer access to the internet at meetings as well as accommodate the alarm system.

Mr. Walter also mentioned that the Rathbun Library does not have a fire alarm system. Quotes to remedy the situation are being procured. Responsive to inquiry from Mr. Budzik, Mr. Maxwell stated that the failed alarm system at the East Haddam Free Public Library is what brought to light the lack of a fire alarm system at the Rathbun.

Motion was made by Mr. Bennett to move New Business Item 10a—Recreation Commission Town Beach Repairs up on the agenda to accommodate Mrs. Quinn. Mr. Dutch seconded the motion. The motion carried unanimously.

New Business

a. Recreation Commission Town Beach Repairs:

Mrs. Quinn advised that pipes froze at the restroom facilities at the Town Beach. She stated that she has a volunteer that winterizes the facility upon request. She stated that she left a message that he did not receive and she failed to follow up. Mrs. Quinn estimated that the damage is approximately \$2,000 for replacement of pipes and three toilets. She stated that additional damage from mold in the walls is possible, but will not be determinable until spring. It was noted that the insurance carrier has been notified, however, the Town maintains a \$5,000 deductible.

Mrs. Quinn stated that she has been working with the Recreation Commission Chairman and the First Selectman to develop procedures to ensure such a mishap does not happen again. She stated that the Recreation Commission will review the procedures at their next meeting. Ms. Zemienieski is also adding the Town Beach winterization on her building check list.

Mrs. Quinn again apologized for the damage that occurred and left after soliciting questions.

Finance Administrator's Report

a. 2009-2010 Annual Report:

A final copy of the Annual Report was provided to each Board member. Positive comments were received.

b. December YTD review and Year-End Forecast:

Mrs. Varricchio reviewed year-to-date expenditures and revenues along with the year-end forecast. The Town Clerk revenues and expenses have been reduced to reflect less activity. It was noted that the majority of these revenues are collected for and passed through to the State. Mrs. Denette noted that a further decrease in revenue can be expected as new legislation exempts conveyance tax on bank and short sales.

Mrs. Varricchio stated the Town is getting away from ink jets, and that has resulted in additional fees in Technology for wiring Public Works and the River House so that they can utilize networked printers. Mrs. Link questioned the insurance payment at 78% of budget, it was noted that insurance is paid quarterly.

For revenue Miscellaneous State and Federal allotments have been cut from \$75,000 to \$35,000.

Investment income is down drastically from prior years. Revenue from investments was noted to have been received as follows:

2007-2008	\$400,000
2008-2009	\$300,000
2009-2010	\$138,000
2010-2011	\$95,000 projected

Mr. Schwenzfeier questioned what dividends the State was paying in comparison to that of the local bank. Mr. Maxwell inquired if the lower numbers were due solely to lower interest rates or to lower principal on what was being invested. Mr. Maxwell suggested that the Treasurer be invited to the February meeting. Mrs. Varricchio stated that she would provide a breakdown of investments for Mr. Schwenzfeier.

Mrs. Varricchio reviewed the special revenue funds and updated the legal budget.

Mr. Maxwell requested a synopsis of what the Goodspeed Airport litigation is about as that has been ongoing for so long. Mr. Walter stated that Mr. Mellon feels that the buildings (hangers) should be taxed as commercial buildings however, he feels the remainder of the airport property should be taxed as open space. The Assessor calculates the property as commercial property. The court continually rules in favor of the Assessor and Mr. Mellon continually appeals.

c. Open Space Bonding August 2010:

Mrs. Varricchio stated that all the costs for the 4-8 Middle School and open space bonding were paid directly from the 4-8 Middle School account. The account needs to be reimbursed for the open space portion. Mrs. Varricchio requested action to authorize this transfer.

Motion was made by Mr. Maxwell to transfer \$20,646.84 from the Open Space Reserve (25-11560-25022) to the 4-8 Middle School fund (59-110100) to reimburse the 4-8 Middle School fund for bonding costs associated with the August 2010 bond issuance. Mr. Budzik seconded the motion. The motion carried unanimously.

Liaison Reports

Mr. Bennett advised that the ladder truck needs approximately \$7,000 in repairs. Mr. Walter advised that the ladder truck was used at the Racine home fire and was very beneficial.

Mr. Maxwell advised that the Middle School Conversion Committee made a request for \$12,800,000 for rehabilitation of the Middle School to Town Offices. He stated that the Board of Selectmen declined to take action other than ask the Committee to come back with an estimate of the cost to obtain actual bids. The estimate of costs to move forward with bids was \$80,000. The Board of Selectmen has not taken any action to move the project forward to the Board of Finance at this time.

Mr. Maxwell also advised that a Financial Needs Committee, a Committee comprised of members of Board of Selectmen, Board of Finance, Planning and Zoning Commission, and the Board of Education. Mr. Maxwell stated that the Committee will lay out the needs of the Town and look at the funds. He stated that it will be interesting to see what the Committee thinks the priorities should be.

Guests and Audience Comments

Mr. Kolman and Mr. Varghese noted that they were civic students here to observe a government meeting. They had no questions.

Unfinished Business

Mrs. Varricchio reminded the Board that the February meeting will be held on the first Monday in February, rather than the second. The date of the next meeting is February 7th.

Other

Mr. Dutch inquired how Animal Control is working. Mr. Walter stated that it is doing great as he has not had any phone calls. The new Animal Control officer has handled many issues, including dog bites and impoundments. Mr. Walter added that East Hampton is still contemplating disbanding its pound and paying a fee to East Haddam to utilize our facility. He stated that Hebron is also considering a similar inter-local arrangement with us. Mr. Walter stated that our facility is easily expandable, and that he is working on estimates for the cost to complete it.

Motion by Mr. Dutch, seconded by Mrs. Link to adjourn at 7:35 pm

Respectfully submitted,

Deb Denette