

**TOWN OF EAST HADDAM
BOARD OF FINANCE**

February 7, 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, February 7, 2011 at 7:00 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
Kathleen Klinck, Treasurer
Cindy Varricchio, Finance Administrator
Will Brady, Chairman Open Space Committee
Bernie Gillis
Rob Smith, representing the Land Trust

Motion was made by Mr. Bennett to move New Business Item b—Open Space Resolutions: Dean, Harris and Bogan Properties up on the agenda. Mrs. Link seconded the motion. The motion carried unanimously.

New Business

b. Open Space Resolutions: Dean, Harris and Bogan Properties:

Mr. Brady stated that the request is to bring forth to referendum the three open space parcels with grant funding from the State of Connecticut. Mr. Brady briefly reviewed each of the three parcels, noting that the Board has had a full presentation on the parcels in the past. Mr. Brady emphasized that this expense now is a long term permanent investment in the Town.

Mrs. Varricchio advised that the resolutions were written by bond counsel and stated that they are worded to provide the town flexibility with payment options. She also noted that each resolution must be acted upon individually. Mr. Maxwell noted that Mr. Budzik questioned his opinion that open space funding should come from reserves, at a prior meeting. Mr. Maxwell stated that Mr. Budzik was correct in leaving all funding options open and he thanked him for the discourse. Mrs. Link inquired why

the Town would not bond for the purchase price. Mr. Maxwell responded that the costs of bonding are high, it would be better to front the funding and bond at a later date when other bonding projects are put together.

Mr. Brady stated that the amount of funding for the Bogan property is up to \$200,000. He stated that the Land Trust is pursuing fund raising efforts and seeking additional grants to lessen that burden to the Town. Mr. Maxwell inquired what would happen to the property if the Land Trust did not raise its portion. Mr. Smith who was arriving at this time, answered that if the Town did not fund the requested grant, additional fundraising efforts would have to be undertaken. He was hopeful that the State would allow additional time for it to occur. Noting that the question was misunderstood, it was repeated and Mr. Smith responded that the Land Trust has the \$70,000 it has committed to go forward.

Bogan Property:

Motion was made by Mr. Maxwell to approve the following resolution:

RESOLVED, that the Board of Finance (the "Board") of the Town of East Haddam (the "Town") hereby accepts the recommendation of the Board of Selectman, adopted at its meeting held on February 4, 2011, and recommends to the electors and citizens eligible to vote at town meetings of the Town, the following:

- (1) That the Town (i) appropriate the sum of \$200,000 to fund a grant (the "Town Grant") to the East Haddam Land Trust (the "Land Trust") for costs related to the acquisition of a conservation easement in respect of approximately 45 acres of land located along the Moodus River in East Haddam, Connecticut, known as the "Bogan Property" and designated as Lots 26, 27, 70, 179, and 181 on the East Haddam Assessor's Map #65 and Lot 69 on the East Haddam Assessor's Map #74 (the "Property") for preservation, conservation, hiking and open space purposes (the "Project"), including, without limitation, the costs of easement and land acquisition, site work, demolition and removal, engineering, legal, administration, temporary and permanent financing and any other costs and expenses related thereto, including the costs of printing explanatory text and any other materials in accordance with Section 9-369b of the Connecticut General Statutes, and (ii) authorize the Board, through the actions of the First Selectman, to make the Town Grant to the Land Trust pursuant to agreements satisfactory to the First Selectman and the Town Attorney.**
- (2) That to finance said appropriation for the Project, general obligation bonds and notes of the Town may be issued pursuant to Chapter 103 of the Connecticut General Statutes, Revision of 1958, as amended (the "Connecticut General Statutes"), or any other applicable provision of law thereto enabling, in an amount not to exceed \$200,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor).**
- (3) That the First Selectman, or a majority of the Board of Selectmen, and the Treasurer (the "Officials") be authorized to issue and sell bonds and notes secured by the full faith and credit of the Town in an amount not to exceed \$200,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor), pursuant to the Connecticut General Statutes or any other applicable provision of law thereto enabling, to finance the appropriation for such project having been made by this resolution; that the Officials are hereby authorized to appoint a bank or trust company to**

be the certifying agent, registrar, transfer agent and paying agent for such bonds and notes; that Updike, Kelly & Spellacy, P.C., Hartford, Connecticut is designated as the attorneys at law to render an opinion approving the legality of such issue or issues; that the Officials be authorized to sign any bonds by their manual or facsimile signatures; and that the Officials be authorized to determine the rate or rates of interest for such bonds and notes, their date or dates, the dates of principal and interest payments on such bonds and notes, the form of such bonds and notes, the provisions for protecting and enforcing the rights and remedies of the holders of such bonds and notes and all other terms, conditions and particular matters regarding the issuance and securing of such bonds and notes and to sell and deliver the same, in accordance with the provisions of the Connecticut General Statutes and any other act of the General Assembly thereto enabling.

- (4) That the Officials are authorized to sell the bonds or notes at public or private sale; to deliver the bonds or notes; and to perform all other acts which are necessary or appropriate to issue the bonds or notes. If the bonds or notes authorized by this resolution are issued on a tax-exempt basis, the Officials are authorized to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes, including covenants to pay rebates of investment earnings to the United States in future years.
- (5) That the Town reasonably expects to incur expenditures (the "Expenditures") in connection with the Project described above. The Town reasonably expects to reimburse itself for the cost of the Expenditures with the proceeds of general obligation bonds and notes of the Town described above. The maximum principal amount of such debt (both bonds and notes) is not expected to exceed \$200,000. This declaration of official intent is a declaration of official intent made pursuant to Federal Income Tax Regulation Section 1.150-2. The Officials are authorized to amend such declaration or official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.
- (6) That the Officials are authorized to make representations and enter into written agreements for the benefit of holders of the bonds or notes to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws of rules pertaining to the sale or purchase of such bonds or notes.
- (7) That the First Selectman is hereby authorized to enter into and/or execute any agreements, documents and instruments necessary or in furtherance of the making of the Town Grant and the acquisition of the Property by the Land Trust.
- (8) That the Officials are authorized to take all other actions which are necessary or desirable to complete the Project consistent with the foregoing.

Mr. Budzik seconded the motion. The motion carried unanimously.

Dean Property:

Motion was made by Mr. Maxwell to approve the following resolution:

RESOLVED, that the Board of Finance (the "Board") of the Town of East Haddam (the "Town") hereby accepts the recommendation of the Board of Selectman, adopted at its meeting held on February 4, 2011, and recommends to the electors and citizens eligible to vote at town meetings of the Town, the following:

- (1) That the Town (i) appropriate the sum of \$820,000 for costs related to the acquisition of a conservation easement in respect of approximately 280 acres of land located on Parker Road (also known as Peter's Path) in East Haddam, Connecticut, consisting of parcels of land located on the east of Parker Road, generally known as 126 Parker Road (excluding 25 certain acres and structures located thereon) and designated as Lots 021 and 022 on the East Haddam Assessor's Map #29 and Lot 022 on the East Haddam Assessor's Map #20, and a single parcel of land located on the west of Parker Road, designated as Lot 007 on the East Haddam Assessor's Map #29 (the "Property"), for open space purposes (the "Project"), including, without limitation, the costs of easement and land acquisition, site work, demolition and removal, engineering, legal, administration, temporary and permanent financing and any other costs and expenses related thereto, including the costs of printing explanatory text and any other materials in accordance with Section 9-369b of the Connecticut General Statutes, and (ii) authorize the Board, through the actions of the First Selectman, to acquire the Property from Peter W. Dean and Claudia B. Dean pursuant to the terms of a certain contract dated May 3, 2010.**
- (2) That to finance said appropriation for the Project, general obligation bonds and notes of the Town may be issued pursuant to Chapter 103 of the Connecticut General Statutes, Revision of 1958, as amended (the "Connecticut General Statutes"), or any other applicable provision of law thereto enabling, in an amount not to exceed \$820,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor, including, but not limited to, a grant from the State of Connecticut in the amount of \$400,000, general fund monies and/or capital reserve funds).**
- (3) That the First Selectman, or a majority of the Board of Selectmen, and the Treasurer (the "Officials") be authorized to issue and sell bonds and notes secured by the full faith and credit of the Town in an amount not to exceed \$820,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor, including, but not limited to, a grant from the State of Connecticut in the amount of \$400,000, general fund monies and/or capital reserve funds), pursuant to the Connecticut General Statutes or any other applicable provision of law thereto enabling, to finance the appropriation for such project having been made by this resolution; that the Officials are hereby authorized to appoint a bank or trust company to be the certifying agent, registrar, transfer agent and paying agent for such bonds and notes; that Updike, Kelly & Spellacy, P.C., Hartford, Connecticut is designated as the attorneys at law to render an opinion approving the legality of such issue or issues; that the Officials be authorized to sign any bonds by their manual or facsimile signatures; and that the Officials be authorized to determine the rate or rates of interest for such bonds and notes, their date or dates, the dates of principal and interest payments on such bonds and notes, the form of such bonds and notes, the provisions for protecting and enforcing the rights and**

remedies of the holders of such bonds and notes and all other terms, conditions and particular matters regarding the issuance and securing of such bonds and notes and to sell and deliver the same, in accordance with the provisions of the Connecticut General Statutes and any other act of the General Assembly thereto enabling.

- (4) That the Officials are authorized to sell the bonds or notes at public or private sale; to deliver the bonds or notes; and to perform all other acts which are necessary or appropriate to issue the bonds or notes. If the bonds or notes authorized by this resolution are issued on a tax-exempt basis, the Officials are authorized to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes, including covenants to pay rebates of investment earnings to the United States in future years.
- (5) That the Town reasonably expects to incur expenditures (the "Expenditures") in connection with the Project described above. The Town reasonably expects to reimburse itself for the cost of the Expenditures with the proceeds of general obligation bonds and notes of the Town described above. The maximum principal amount of such debt (both bonds and notes) is not expected to exceed \$820,000. This declaration of official intent is a declaration of official intent made pursuant to Federal Income Tax Regulation Section 1.150-2. The Officials are authorized to amend such declaration or official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.
- (6) That the Officials are authorized to make representations and enter into written agreements for the benefit of holders of the bonds or notes to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws of rules pertaining to the sale or purchase of such bonds or notes.
- (7) That the First Selectman is hereby authorized to enter into and/or execute any agreements, documents and instruments necessary or in furtherance of the acquisition of the Property.
- (8) That the Officials are authorized to take all other actions which are necessary or desirable to complete the Project consistent with the foregoing.

Mr. Bennett seconded the motion.

Discussion: The process the parcels will follow to get to referendum was reviewed at the request of Mrs. Link. (Selectmen's meeting, Town Meeting, Referendum). Mrs. Link noted that she would prefer the Town owned the parcel rather than the development rights. Mr. Maxwell responded that many State's only purchase development rights. Mr. Smith noted that the State's match is 50% on this property, indicative of the importance of the parcel for preservation. Responsive to inquiry from Mr. Maxwell, Mr. Smith cited the large size of the parcel, the proximity to whalebone creek, and the protection of a greenway between the Eight Mile River and the Connecticut River as reasons the parcel is so highly desirable to be protected.

Responsive to inquiry from Mrs. Link, Mrs. Varricchio advised that the entire purchase price must be on the ballot. She also noted that the fund balance is approximately \$7,000,000. She stated that at the end of last fiscal year it was \$5,200,000, however, it was recently repaid \$1,800,000 for open space purchases.

The motion carried unanimously.

Harris Property:

Motion was made by Mr. Maxwell to approve the following resolution:

RESOLVED, that the Board of Finance (the "Board") of the Town of East Haddam (the "Town") hereby accepts the recommendation of the Board of Selectman, adopted at its meeting held on February 4, 2011, and recommends to the electors and citizens eligible to vote at town meetings of the Town, the following:

- (1) That the Town (i) appropriate the sum of \$585,000 for costs related to the acquisition of approximately 135 acres of land or rights therein located on Mount Parnassus Road in East Haddam, Connecticut, shown and designated as Lot 061 on the East Haddam Assessor's Map #39, excluding the existing family home and approximately 6 acre parcel (the "Property") for municipal purposes (approximately 18 acres) and open space purposes (approximately 117 acres) (the "Project"), including, without limitation, the costs of land acquisition, site work, demolition and removal, easement acquisition, engineering, legal, administration, temporary and permanent financing and any other costs and expenses related thereto, including the costs of printing explanatory text and any other materials in accordance with Section 9-369b of the Connecticut General Statutes, and (ii) authorize the Board, through the actions of the First Selectman, to acquire the Property from David Harris and Roberta Harris pursuant to the terms of a certain contract dated May 3, 2010.**
- (2) That to finance said appropriation for the Project, general obligation bonds and notes of the Town may be issued pursuant to Chapter 103 of the Connecticut General Statutes, Revision of 1958, as amended (the "Connecticut General Statutes"), or any other applicable provision of law thereto enabling, in an amount not to exceed \$585,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor, including, but not limited to, a grant from the State of Connecticut in the amount of \$108,900, general fund monies and/or capital reserve funds).**
- (3) That the First Selectman, or a majority of the Board of Selectmen, and the Treasurer (the "Officials") be authorized to issue and sell bonds and notes secured by the full faith and credit of the Town in an amount not to exceed \$585,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor, including, but not limited to, a grant from the State of Connecticut in the amount of \$108,900, general fund monies and/or capital reserve funds), pursuant to the Connecticut General Statutes or any other applicable provision of law thereto enabling, to finance the appropriation for such project having been made by this resolution; that the Officials are hereby authorized to appoint a bank or trust company to be the certifying agent, registrar, transfer agent and paying agent for such bonds and notes; that Updike, Kelly & Spellacy, P.C., Hartford, Connecticut is designated as**

the attorneys at law to render an opinion approving the legality of such issue or issues; that the Officials be authorized to sign any bonds by their manual or facsimile signatures; and that the Officials be authorized to determine the rate or rates of interest for such bonds and notes, their date or dates, the dates of principal and interest payments on such bonds and notes, the form of such bonds and notes, the provisions for protecting and enforcing the rights and remedies of the holders of such bonds and notes and all other terms, conditions and particular matters regarding the issuance and securing of such bonds and notes and to sell and deliver the same, in accordance with the provisions of the Connecticut General Statutes and any other act of the General Assembly thereto enabling.

- (4) That the Officials are authorized to sell the bonds or notes at public or private sale; to deliver the bonds or notes; and to perform all other acts which are necessary or appropriate to issue the bonds or notes. If the bonds or notes authorized by this resolution are issued on a tax-exempt basis, the Officials are authorized to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes, including covenants to pay rebates of investment earnings to the United States in future years.
- (5) That the Town reasonably expects to incur expenditures (the "Expenditures") in connection with the Project described above. The Town reasonably expects to reimburse itself for the cost of the Expenditures with the proceeds of general obligation bonds and notes of the Town described above. The maximum principal amount of such debt (both bonds and notes) is not expected to exceed \$585,000. This declaration of official intent is a declaration of official intent made pursuant to Federal Income Tax Regulation Section 1.150-2. The Officials are authorized to amend such declaration or official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.
- (6) That the Officials are authorized to make representations and enter into written agreements for the benefit of holders of the bonds or notes to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws of rules pertaining to the sale or purchase of such bonds or notes.
- (7) That the First Selectman is hereby authorized to enter into and/or execute any agreements, documents and instruments necessary or in furtherance of the acquisition of the Property.
- (8) That the Officials are authorized to take all other actions which are necessary or desirable to complete the Project consistent with the foregoing.

Mr. Bennett seconded the motion. The motion carried unanimously.

Mr. Budzik, Mr. Walter, Mr. Smith, Mr. Brady, and Mr. Gillis departed at this time.

Motion was made by Mr. Maxwell to move New Business Item a—Treasurer—Review of Investments up on the agenda. Mrs. Schwenzfeier seconded the motion. The motion carried unanimously.

New Business

a. Treasurer—Review of Investments:

Ms. Klinck reviewed the Town's investments that have seen interest rates from February 2008 to now decrease from 3.48 to .23%. She noted that these rates are indicative of the economy we are presently in. She noted that she moves the funding, where advantageous between Liberty and the State of Connecticut Treasurer's Short Term Investment Fund (STIF) to obtain the best rates. She noted that long term CD's are not generating as good a return as they have in the past.

Responsive to inquiry from Mr. Schwenzfeier, Mrs. Klinck advised that she works closely with Mrs. Varricchio. She also responded that she would be prohibited from entering into any investments with the Town's money that would be deemed "risky". Mrs. Klinck advised that several accounts have been consolidated to generate a better return.

Mr. Schwenzfeier stated that he would like to see a report of investments from the Treasurer at least annually. Mrs. Klinck stated that she would be happy to oblige any time requested.

Approval of Minutes

Motion was made by Mr. Bennett motion to approve the minutes of January 10, 2011 as presented. Mr. Dutch seconded the motion. January 10, 2011 meeting carried unanimously.

Correspondence

Nothing noted.

Chairman's Report

a. Tax Collector's Monthly Report:

Mr. Maxwell inquired how he would determine, under the new format on the report, how much tax levy remained uncollected. Mrs. Varricchio referred him to the appropriate column on the second side of the report.

First Selectmen's Report

Nothing noted as Mr. Walter had recently departed.

Finance Administrator's Report

Mrs. Varricchio reviewed the snow removal line. She stated that there is an anticipated \$23,878 in the snow removal budget. She stated that the equipment is taking a beating on this particularly hard winter, accordingly, the machine and equipment repair line is also over expended by \$2,827 and it is not even mid-February.

Mrs. Varricchio reported that the Town is out of salt and that it is both difficult to come by and expensive to purchase.

Mrs. Varricchio stated that the good news is that some of the snow removal costs may be grant eligible from FEMA. Mrs. Varricchio stated that last season was a relatively mild winter for snow removal and some stock piling of sand and salt occurred. She noted how beneficial that worked out for the Town. She also noted that the snow budget is computed based on a five year average.

Mr. Maxwell noted that the harsh winter has also taken a toll on many of the roads. He stated that it may be necessary to revise its road re-work plan in response to pot holes and frost heaves.

Liaison Reports

Mrs. Link advised that the Board of Education will receive its budget from its Finance subcommittee at its meeting tomorrow evening. The meeting will be held at 7:00 pm in the high school cafeteria.

The Board questioned who the liaison is to the libraries.

New Business

Discussed at the beginning of the meeting.

Other

Mrs. Denette reminded the Board that to address space needs in the vault she was looking at removal of the grand lists to off-site storage which would cost approximately \$2,000 annually. She stated that she has been working with the Connecticut State Library and they have agreed to accept grand lists from 1937 to 1987 which will free up much needed space within the vault for land records.

Motion was made by Mr. Dutch to adjourn at 7:50 pm. Mrs. Link seconded the motion. The motion carried unanimously.

Respectfully submitted,

Deb Denette