

**TOWN OF EAST HADDAM
BOARD OF FINANCE**

Regular Meeting
June 13, 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, June 13, 2011 at 7:00 pm at the Grange Hall.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:
Paul Maxwell, Chairman
Matthew Budzik
Bruce Dutch
Susan Link
Edward Schwenzfeier

Others:

Mark Walter, First Selectman
Cindy Varricchio, Finance Administrator

Approval of Minutes

a. May 9, 2011 Regular Meeting:

Motion was made by Mr. Budzik to approve the minutes of the Regular Meeting of May 9, 2011 (with the correction noted that Item B under Finance Administrator report should read "Technology Training") as presented. Mr. Dutch seconded the motion. The motion carried unanimously.

b. May 24, 2011 Special Meeting:

Motion was made by Mr. Budzik to approve the minutes of the Special Meeting of May 24, 2011 as presented. Mr. Dutch seconded the motion. The motion carried with Mrs. Link abstaining.

Correspondence

Nothing noted.

Chairman's Report

a. Tax Collector's Monthly Report:

Mr. Maxwell noted the favorable collection rate.

First Selectman's Report

a. CIRMA:

Mr. Walter reviewed correspondence from CIRMA; the Connecticut Interlocal Risk Management Agency, with regard the distribution of Members' Equity of \$3,000,000 to be shared among the eligible CIRMA towns. East Haddam's share is \$6,775 and will be distributed on July 25, 2011 provided that we renew our policy for the 2011-2012 fiscal year.

b. Town Beach:

Mr. Walter updated the Board on the repairs at the Town Beach; which began with the pipes freezing. As the work has been conducted, the project has grown to include mildew within the walls due to poor ventilation, the electrical work needs to be placed underground and not on the roof because kids are climbing on the roof with electrical exposure, the roof is leaking, a new ventilation system needed to be designed. Mr. Dutch reviewed that the ventilation system was not going to be just an exhaust fan and that there would be constant ventilation, there will be an epoxy floor. The total cost is estimated at \$32,925. Our insurance claim coverage is \$19,313, less a \$5,000 deductible. The total cost to the Town is estimated at \$18,612 at this time. Mr. Walter will update the Board at the July meeting. There was discussion regarding the buildings construction and that while the exterior is cinder block everything else is wood that has rotted.

Finance Administrator's Report

a. GASB 54:

Mrs. Varricchio reviewed the requirements of the Town with the June 30, 2011 audit to be GASB 54 compliant. GASB 54 requires the Town to classify each of our funds as far as what is

- Non-spendable—such as endowment funds that cannot be spent, such as the \$400,000 principal of the Purple Fund.
- Restricted—such as endowment funds or grants that are restricted for specific purposes and the funds can only be expended within the restrictions provided by an entity outside of Town government; such as investment committees for the Purple and Palmer Fund or the granting authority.
- Committed—amounts that can only be used for specific purposes, determined by the highest decision-making authority of the Town's legislative body; this would include capital reserve funds that can only be expended with the authority given at Town Meeting or a referendum.
- Assigned—amounts that are intended for a specific purpose, such as year-end encumbrances or the appropriation of fund balance for the following budget year and the intent and spending authority can be a Board or Commission, or a position within the Town designated with the authority by the governing body; an example would be the authority of the Board of Finance for year-end encumbrances or Special Revenue Funds under the direction of a Board or Commission.

b. **May YTD Budget Reports and Year-End Forecast:**

c. **Year End Encumbrances/Carry Forwards:**

Mrs. Varricchio reviewed the May YTD and year-end forecast with the Board. It was noted that in accordance with GASB 54, our auditors have requested that the Board take action prior to June 30th on those budget items they may wish to carry into the next fiscal year. The exact amount does not need to be identified prior to June 30th, but the budget items do need to be identified. The Board will take final action at their August meeting on the amounts.

We are tracking well with expenses and revenues continue to be a concern especially in the areas of interest income and local revenues. Mrs. Varricchio anticipates that net of encumbrances we will finish the year flat with a potential variance of less than \$20,000.

Motion was made by Mr. Maxwell to carry forward/encumber funds for the following budgets:

- **Open Space Acquisitions approved at referendum March 10, 2011**
- **Public Works Engineering**
- **Transfer Station Engineering and Compliance**
- **Debt Service Interest**
- **Capital Improvements for Technology, Animal Control, Highway Equipment, Road Program, Johnsonville Road, AP Gates Road, Ridgebury Road, Woodmont Circle, Miscellaneous Roadwork/Drainage, Education-High School Chimney, Elementary School Ventilators and Roof**
- **Board of Education budgets**
- **Carry forwards for Central Services, Town Hall Maintenance, River House, Annex and Grange Hall, Emergency Management, Sunset Acres improvements, O'Connell Road Extension, Road Program, Town Road, Chip Sealing and Paving, Transfer Station, Cemeteries, and Education-Elementary School well.**

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

d. **Completed Corrective Action Plan:**

Mrs. Varricchio provided the Board with the final Corrective Action Plan to OPM for the fiscal year ended June 30, 2008. It was noted that Corrective Action Plans for 2007 and 2008 needed to be submitted to OPM because of audit findings. It was noted that was not required for 2009 or 2010.

e. **4-8 Middle School Project Update:**

Mrs. Varricchio reported that she is working with Mr. Carroll to finalize the required paperwork for the project. There is an issue with water leaking in the Media Center. We are communicating with Newfield Construction and the State Department of Education to finalize information and would like to have that information in order before the Committee and Board of Education take their final action on the project. It is anticipated that a more comprehensive report will be made at the July meeting.

Liaison Reports

None noted.

Guest and Audience Comments

No audience was present.

New Business

a. DEP Lawn Equipment Exchange Fund Program:

Motion was made by Mr. Budzik to recommended that the Board of Selectmen schedule a Town Meeting for the acceptance of the Department of Environmental Lawn Equipment Exchange Fund Program entitled "Connecticut Lawn Equipment Exchange Fund" in the amount of \$3,830 for the purpose of improving local air quality by replacement of lawn and grounds maintenance equipment, said grant requiring grantee match of 20% (revenue account 701-410155 and expense account 750-574202). Mr. Dutch seconded the motion. The motion carried unanimously.

Other

Mr. Maxwell asked if the Board would consider moving their July and August meeting dates as they conflict with the Music on the River Concerts. It was the consensus of the Board to move the July meeting to Tuesday, July 12th and the August meeting to Tuesday, August 9th.

Adjournment

Motion was made by Mr. Budzik to adjourn at 7:47 pm. Mrs. Link seconded the motion. The motion carried unanimously.

Respectfully submitted,

Cindy Varricchio