

**TOWN OF EAST HADDAM
BOARD OF FINANCE**

Regular Meeting
November 14, 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, November 14, 2011 at 7:00 pm at the Grange Hall.

The Pledge of Allegiance was recited.

Swearing in of New Members

The Town Clerk administered the oath of office to Susan Link, Bruce Dutch and Harvey Thomas. The term of office for the newly elected members is November 8, 2011 to November 3, 2015.

In attendance:

Board of Finance Members:

Paul Maxwell
Robert Bennett
Bruce Dutch
Susan Link
Harvey Thomas

Others:

Mark B. Walter, First Selectman
Deb Denette, Town Clerk and BOF recording secretary
Cindy Varricchio, Finance Administrator
Deb Fiala, Board of Education Liaison
Jim Ventres
Nancy Pincus
Martha Hanson
Bryan Perry

Election of Officers

Mr. Maxwell requested nominations for Chairman.

Mr. Bennett nominated Mr. Maxwell. Mrs. Link seconded the motion. Mr. Maxwell called for additional nominations none were offered. Mr. Maxwell requested a motion to close nominations. Mr. Bennett motioned to close nominations. Mr. Dutch seconded the motion. The motion to close nominations was unanimously approved. Mr. Thomas requested that the vote be made by roll call.

The following vote was recorded.

Thomas:	Nay
Bennett:	Yeah
Link:	Yeah
Dutch:	Yeah
Maxwell:	Yeah

Mr. Maxwell nominated Mr. Bennett to serve as Board secretary. Mrs. Link seconded the motion. Mr. Maxwell called for additional nominations none were offered. Mr. Dutch motioned to close nominations. Mr. Bennett seconded the motion. The motion to close nominations was unanimously approved. Mr. Maxwell stated that the vote would be taken by roll call.

The following vote was recorded.

Thomas:	Yeah
Bennett:	Yeah
Link:	Yeah
Dutch:	Yeah
Maxwell:	Yeah

Minutes

Motion was made by Mrs. Link to approve the October 3, 2011 Regular Meeting minutes. Mr. Bennett seconded the motion. The motion carried with Mr. Thomas abstaining.

Mr. Maxwell requested a motion to alter the order of the agenda to accommodate the guests present.

Motion was made by Mr. Bennett to move up items on the agenda to accommodate the guests present. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

New Business

a. Green Committee—Fiskars Green Thumb Grant

Mrs. Nancy Pincus noted that the victory garden at the old middle school meets the criteria for a \$1,500 product and a \$3,500 cash award grant. The objective of the grant would be to put in rain barrels with a diverter to serve as a water source for the garden. She added that all of the produce is organically grown and given directly to the Food Bank.

Mr. Maxwell inquired whether there was any Town commitment to move this grant forward. Mrs. Pincus stated that the Town's commitment is for the use of the property.

Motion was made by Mr. Maxwell to authorize the Green Committee to submit an application for the "Orange Thumb" grant from Fiskars to benefit the Food Bank garden. Mrs. Link seconded the motion and it was unanimously approved. Motion carried.

b. Transportation Enhancement Program Grant

Mr. Ventres presented a map of the Moodus Village area and discussed the completed Phase I of the project. He stated that the grant funds available would be for Phase II of the project. Mr. Ventres noted that the competitive grant has a one in seven chance of being approved. He stated that the project has a 20% matching component. The map depicted in pink the areas where sidewalks had been installed in 2007 and in dark blue the proposed Phase II area. The yellow marks depicted a path that would be created on existing surface to enhance safety. This sidewalk would connect Oak Grove to the Senior Center, as well as put sidewalks in the vicinity of the elementary school. The proposed lighting was reviewed as well. Mr. Ventres stated that the application deadline is mid-December, with awards being made in January.

Mr. Ventres stated that during the public hearings on Phase I, the residents spoke favorably of Phase II. He noted that if the grant should progress, it would be necessary to hold additional public hearings.

Brief discussion was held relative to maintenance of sidewalks. Frustration was noted with the existing sidewalks in that the property owners, during winter storms, will shovel and the state will come by and plow the snow back up on the sidewalks. Mr. Ventres stated that the grant must be for a minimum of \$500,000 but could go up to \$1,000,000. He reiterated that there is a 20% match.

Mrs. Link noted that the elementary school children that attend are only up to grade three. She was doubtful that they were walking alone. Mr. Ventres stated that many seniors, mothers, walkers, runners and children traverse that road to the library.

Responsive to inquiry from Mr. Bennett, Mrs. Varricchio stated that if approved, the matching component could be incorporated into the 2012-2013 budget given the timing of the award.

Nancy Pincus stated that the sidewalks fixed in front of her home on Plains Road deteriorated after three months. She was hopeful that a different contractor would be utilized if this goes forward.

Motion was made by Mr. Maxwell to authorize the Land Use Administrator to move forward with the Transportation Enhancement Program Grant up to a maximum amount of \$1,000,000. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

First Selectman's Report:

a. Court Ordered Clean-up of 27 Powerhouse Road:

Mr. Ventres noted that the property in question has been a zoning violation since the 1980s. He summarized that it involves a property owner who has a large collection of household items and debris; said collection of items continues. The property burned down in 2007 and much litigation ensued when the Town knocked down the remainder of the home for safety reasons. At this time the Town has a court order for clean-up. The Town can place a lien on the property for the cost of clean-up and then foreclose on its lien and auction the property. It was noted that if collection of

household items and debris resumes after the clean-up occurs, the owner will be in contempt of the court order. Pictures of the property were reviewed. Mrs. Varricchio stated that the associated costs would require a Town Meeting. She was hopeful that it could be brought forward at the Town Meeting in December. Mr. Ventres noted that Ms. Zemienieski is working on a bid package now.

Motion was made by Mr. Maxwell to move ahead with obtaining bids for the clean-up of the 27 Powerhouse Road property and to bring back to the Board a proposal for submission to Town Meeting. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

Correspondence

Nothing noted.

Chairman's Report

a. Handbook for Boards of Finance:

Mr. Thomas was presented with a Board of Finance Handbook.

b. 2011-2012 Budget for New Members:

Mr. Thomas was presented with a 2011-2012 budget book.

c. Board of Finance Member List and Contact Information:

All members were presented with a member list and contact information for their review. Mrs. Varricchio will make the corrections provided and redistribute.

d. Board of Finance Liaison Assignments:

Mr. Maxwell provided the Board with liaison assignments as follows:

Bob Bennett:	Emergency Management, Fire Department, Fire Marshal, Land Use Offices, Open Space Committee, Police Officers, Resident State Troopers, Transfer Station.
Bruce Dutch:	Building Department, Conservation Commission, General Highways, Human Services, Senior Services, Snow Removal, Town Garage Maintenance, Town Greens.
Susan Link:	Education, Fringe Benefits, Insurance.
Paul Maxwell:	Board of Finance, Debt Service— Interest & Notes Payable, Economic Development Commission, Middle School Conversion, Old Middle School Operating, Reserves, Selectmen, Technology, Treasurer.
Ed Schwenzfeier:	Assessor, Board of Assessment Appeals, Building Maintenance & Operation, Central Services, Elections/Registrars, Tax Collector, Town Clerk.
Harvey Thomas:	Animal Control, Health District, Historic District Commission, Legal Services, Probate Court, Public Libraries, Recreation Commission, Youth & Family Services, Zoning Board of Appeals.

e. Tax Collector Monthly Report:

No comments were offered.

f. Non-Governmental Organization Information:

Mr. Maxwell noted that he and Mr. Budzik met in October with the Town's auditor to discuss what standards should be placed upon entities that receive Town funds; such as the Ambulance Association, Libraries and Youth & Family Services. A draft procedure was written as follows:

"TOWN OF EAST HADDAM

Review of Financial Information—Outside Entities

In order to evaluate the financial needs and capabilities of the various not for profit organizations requesting budgetary assistance, the following information is requested:

1. Financial statements for the most recent two **fiscal or calendar** years. Include both a balance sheet and an income and expense statement. If an audit, review, or compilation has been done by an outside accountant, please submit the report. If only unaudited information is available, please indicate that it is unaudited.
2. Please submit a copy of the investment policies used by the organization. Include a description of the efforts made to monitor investments and benchmarks used.
3. Provide a detail listing of investments and fair market values as of the date of the financial statement submitted. Ex. Names, number of shares, and fair market value of individual stocks, bonds, mutual funds, etc."

Mr. Thomas questioned the reason for the requirement. Mr. Maxwell stated that the Town should be aware of the organizations need for funding when a request is received. He further noted that the Town is held to a standard that the organizations it funds are not.

Motion was made by Mrs. Link to accept the procedure as noted above, with the addition under item 1—"fiscal or calendar" in between the words "two" and "years". Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

g. East Haddam Free Public Library Director's Health Insurance:

Mr. Maxwell noted that the Board of Finance had discussion regarding putting the Director of the East Haddam Free Public Library on the Town's health insurance. Mrs. Varricchio advised that the cost for a HSA for the remainder of the fiscal year would be approximately \$5,000. Mrs. Varricchio suggested that like the Rathbun Free Memorial Library, that the Town invoice the East Haddam Free Library for these insurance costs. It was noted that to accommodate this the East Haddam Free budget would need to be increased to correspond to the insurance costs.

Motion was made by Mr. Maxwell to transfer \$5,000 from the Board of Finance Contingency (704-588701) to the East Haddam Free Public Library (772-587210) for the purpose of health insurance for the Library Director. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

New Business:

c. 2012 Meeting Schedule:

Mr. Maxwell stated that the Nathan Hale Ray High School cafeteria is available for Board of Finance meetings for the next calendar year. He noted that the buildings are in use all day and are heated at a consistent temperature. There was consensus to hold the 2012 meetings at that location. It was noted that all meetings are the second Monday of the month with the exception of October and November which will be held on the third Monday because of the Columbus and Veteran's Day holidays.

Motion was made by Mr. Maxwell to adopt the 2012 meeting schedule as follows:

**January 9, 2012
February 13, 2012
March 12, 2012
April 9, 2012
May 14, 2012
June 11, 2102
July 9, 2012
August 13, 2012
September 10, 2012
October 15, 2012
November 19, 2012
December 10, 2012
January 14, 2013**

Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

First Selectman's Report

Mr. Walter noted that there will be a joint meeting of the Board of Finance, Board of Selectmen and Board of Education tomorrow evening at the High School regarding the beginning of the budget process.

Mr. Walter reported to the Board that immediate structural improvements are necessary for the Transfer Station hopper. Technical discussion regarding the mechanics of the repair needed was held. It was noted that recent hopper repairs were undertaken to the front side and that this new item is for the rear of the hopper and is not related to the prior repair. The hopper was reported to be approximately 50 plus years old. Mr. Walter stated that he believed the repair was a band-aid approach and that a more permanent solution will be necessary in the foreseeable future. Mrs. Varricchio stated that Mrs. Lunt hopes to absorb the costs associated with the repair from the tipping line. Mrs. Varricchio stated that she hopes to be able to report in December what the actual costs are and whether it can be absorbed within Public Works budget.

a. Court Ordered Clean-up of 27 Powerhouse Road:

Discussed above.

b. Combined Board of Selectmen/Board of Finance Meeting:

Mr. Walter stated that he would like to have a joint meeting between the Board of Finance and the Board of Selectmen to discuss the old middle school. He stated, in the interim he can either drain the pipes and mothball the building, which is contrary to the advice of the architect or fill the oil tanks. It was the consensus to fill the tanks one time and have further discussion at the December 12th meeting.

Mr. Walter reported that the Town is receiving a bus donation from the State of Connecticut that was previously used by the Red Cross (and is no longer needed by them). The bus is a 2008 short with 38,000 miles on it. The current bus, which was damaged in a recent accident, may likely be donated to urban search and rescue. The bus will need to be accepted at Town Meeting.

Finance Administrator's Report

a. September/October YTD Budget Reports:

Mrs. Varricchio reviewed the September and October budget reports. Mrs. Varricchio flagged several expenses that are showing overages, in particular she noted Emergency Management for costs associated with Tropical Storm Irene. Mrs. Varricchio stated that the Town is eligible through FEMA for up to 75% reimbursement for Storm Irene.

b. FY 2010-2011 Preliminary Audit Results:

Mrs. Varricchio stated that audit results will be presented to the Board by Blum Shapiro at their December meeting. She stated that both the Town and Board of Education were well prepared for the audit. Mrs. Varricchio reported that the audit will reflect the requirements of GASB Statement 54 with regard to how fund balances are reported.

c. FY 2010-2011 Year End Transfers:

Mrs. Varricchio submitted the following proposed year-end transfers and supplemental appropriations:

Contingency Funds Remaining		\$49,326		
TRANSFERS FROM CONTINGENCY (704-588701) TO:				
Org	Description	Amount	Town Meeting Required	Comments
701	Selectmen	(2,765)		27th payroll
703	Probate Court	(1,431)		Additional costs regional court
708	Elections and Registrars	(178)		Election workers
709	Board of Assessment Appeals	(150)		Additional compensation
710	Tax Collector	(2,034)		27 payroll
714	Zoning Board of Appeals	(2,218)		Recording secretary, legal ads, postage
716	Historic District Commission	(1,134)		Legal ads
723	Technology	(4,350)		IT service
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Org	Description	Amount	Town Meeting Required	Comments
724	Open Space Committee	(2,907)		Survey and postage
735	Town Meeting Hall	(364)		Maintenance
737	Grange Hall	(377)		Maintenance
739	Millington School House	(64)		Electricity
740	Building Department	(1,090)		27 payroll
741	Fire Department	(8,004)		Vehicle maintenance
744	Police Officers	(5,853)		DUI enforcement—grant offset
754	Snow Removal	(7,477)		Snow
755	Town Garage	(974)		Propane
761	Health District	(155)		Water testing
771	Recreation	(7,802)		Nichols Field and 27th payroll
Contingency Funds Remaining		0		

SUPPLEMENTAL APPROPRIATIONS				
Org	Description	Amount	Town Meeting Required	Comments
712	Legal Services	(28,753)	Yes	Goodspeed Airport, Labor, Shugrue Property
750	Snow Removal	(6,532)	Yes	Snow
781	Reserves - Education	(25,304)	Yes	BOE surplus 2009-2010 to reserves
Total Supplemental Appropriations		(60,589)		

Motion was made by Mr. Dutch to approve the year-end transfers and supplemental appropriations as presented and to request that the Board of Selectmen schedule a Town Meeting for those transactions requiring Town Meeting approval. Mrs. Link seconded the motion and it was unanimously approved. Motion carried.

d. Board of Education Reserve—FY 2010-2011 Transfer:

Mrs. Varricchio reported that the Board of Education is requesting that their remaining funds of \$66,845 from FY 2010-2011 be transferred to the Education Capital Reserve. The Board has additionally requested that of that amount \$35,000 be designated for the water system at the high school. Mrs. Varricchio indicated that the transfer requires Town Meeting approval.

Motion was made by Mr. Maxwell to approve the transfer of \$66,845 from the General Fund (781-579790) to the Board of Education Capital Reserve Fund (25-115160-25790) designating \$35,000 for the high school water system and \$31,845 for future capital expenditures and to request that the Board of Selectmen schedule a Town Meeting for approval. Mrs. Link seconded the motion and it was unanimously approved. Motion carried.

Mrs. Varricchio reported that to close out the 4-8 Middle School project that a State form ED0-49F needed to be completed, which requires Town Attorney and Superintendent sign-off as well as action by the Building Committee and the Board of Education. The form has been completed and is with our Town Attorney for review, prior to forwarding to the

Superintendent, Building Committee and Board of Education. Mrs. Varricchio will keep the Board updated on the process.

Liaison Reports

Nothing noted.

Guests

Nothing noted.

Unfinished Business

Nothing noted.

New Business

- a. **Green Committee—Fiskars Green Thumb Grant:** Discussed above.
- b. **Transportation Enhancement Program Grant:** Discussed above.
- c. **2012 Meeting Schedule:** Discussed above

Others

Motion was made by Mr. Bennett that the Board of Finance send a letter to Matthew Budzik for his dedicated service to the Town of East Haddam as a member of the Board of Finance. Mrs. Link seconded the motion and it was unanimously approved. Motion carried.

Mr. Maxwell stated that we would write the letter.

Motion was made by Mr. Bennett to adjourn at 8:15 pm. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette