

**TOWN OF EAST HADDAM  
BOARD OF FINANCE**

Regular Meeting  
December 12, 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, December 12, 2011 at 7:00 pm at the Grange Hall.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

Paul Maxwell  
Robert Bennett  
Bruce Dutch  
Susan Link  
Ed Schwenzfeier  
Harvey Thomas

Others:

Mark B. Walter, First Selectman  
Deb Denette, Town Clerk and BOF recording secretary  
Emmett J. Lyman, Selectman  
John Blaschik, Selectman  
Cindy Varricchio, Finance Administrator  
Don Angersola, Fire Chief  
Dan Barry  
Dave Shelberg  
Ed Blaschik  
George Scrivener  
Leslie Zoll, Blum Shapiro  
Louis Pear  
Mike Cooley

**Approval of Minutes**

- a. **November 14, 2011 Regular Meeting:**
- b. **November 15, 2011 Special Meeting:**

**Motion was made by Mr. Bennett to approve the November 14, 2011 Regular Meeting minutes and the November 15, 2011 Special Meeting minutes as written. Mr. Dutch seconded the motion. The motion carried with Mr. Schwenzfeier abstaining.**

**Correspondence**

- a. **Letter to Matthew Budzik:**

Mr. Maxwell reviewed a letter that was sent to Mr. Budzik thanking him for his service to the Town of East Haddam as a member of the Board of Finance.

## **Chairman's Report**

### **a. 2010-2011 Audit:**

Leslie Zoll of Blum Shapiro presented the audit report for the period July 1, 2010 to June 30, 2011. She reviewed the summary, balance sheet and management letter. Ms. Zoll reported that the audit was very clean.

Ms. Zoll reported that the total fund balance as of June 30, 2011 was \$16,500,000, which represented a positive net change of \$4,600,000. She stated that most of that was a result of bonds that were issued. Ms. Zoll noted that as a result of GASB 54; fund classifications and fund names have changed. She called the Board's attention to the definitions contained in the audit. She also noted, by way of example, that there are no longer restricted and unrestricted funds, there are now non-spendable, assigned, unassigned, committed, and restricted. Ms. Zoll reported that the Tax Collector has maintained a strong collection rate. Ms. Zoll stated that there were no findings, concerns or significant control issues.

Ms. Zoll stated that part of their charge is to recommend internal controls to improve processes and to identify risks. She stated that stronger procedures are recommended regarding the reconciliation of the collection of taxes on a monthly basis to tie them to the general fund. Ms. Zoll also indicated that there is a prior year recommendation with regard to the reconciliation of the grand list to the rate book and the need for better documentation.

Mrs. Zoll also reviewed that although the Town's expenditure budget was not over expended in total, there were several overruns at the department level and there should be a procedure with regard to budget overruns. Mr. Maxwell stated that the Board of Finance is kept well-informed of the status of budget overruns on a monthly basis. He further stated that he prefers that we show actual expenditures and overruns to provide transparency to the public of true expenditures. He inquired if it would be sufficient if the Board of Finance adopt a policy that effect. Mrs. Zoll indicated that it would be.

Mrs. Varricchio stated that she and Tax Collector Denise Dill have worked together to establish a stronger tax reconciliation process. Mrs. Varricchio explained that the acceptance of credit card and electronic payments has presented challenges. Specifically, a payment could be collected by the Tax Collector one month, yet received by the Town in another. Accordingly, there have been disparities between the Tax Collector's report and the Finance Administrator's reconciliations. Those problems have already been remedied. Mrs. Dill further added that e-checks also pose similar problems. Overall, however, she reported that the electronic option has been positive. Mrs. Varricchio and Mrs. Dill were asked to provide the Board of Finance with formal correspondence that a procedure has been implemented.

Mr. Maxwell asked for further clarification regarding reconciliation of the grand list to the rate book. Ms. Zoll responded that a clear trail should be in place documenting adjustments to the grand list, prior to the posting of the rate book. Mr. Maxwell noted that this issue has been cited on several audits, but has not been remedied. He requested that the Assessor be invited to the next Board of Finance meeting. Ms. Zoll left at this time.

### **b. IRS Tax Designations:**

Mr. Maxwell reviewed two pieces of correspondence from Mrs. Varricchio the first seeking professional accounting assistance regarding tax concerns for both cash and non-cash taxable benefits in particular, our current practice for boot allowances, park and recreation aftercare workers and the usage of Town vehicles and the second which included recommendations from Blum Shapiro with regard to these items.

**Motion was made by Mr. Bennett to adopt the following policies with regard to taxable/non-taxable benefit items be adopted as of January 1, 2012: Boot allowances: if no receipt is provided it is a taxable item paid through payroll, if a receipt is provided reimbursement will be made through accounts payable (up to the amount allowed by the employee's collective**

**bargaining agreement). Park and Recreation aftercare workers: will be paid through payroll and not through accounts payable. Use of Town vehicles by employees/elected officials will be treated as non-cash taxable benefits in accordance with IRS regulations. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.**

**c. Board of Finance Liaison Assignments:**

The Board of Finance Liaison assignments were presented as follows:

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

Mr. Maxwell stated that if any member needs to switch their assignment, they should arrange for a swap with another member and inform Mrs. Varricchio so that the list may be updated.

**d. Tax Collector's Monthly Report:**

Mrs. Dill was available to answer any questions on her reports. No questions were raised, regarding the reports. Additional discussion was held on the difficulty created by e-checks. Mrs. Dill advised, for example that on September 30<sup>th</sup> a payment could be made via e-check and on October 3<sup>rd</sup> that e-check could bounce.

**First Selectman's Report**

**a. Old Middle School (Joint Meeting with the Board of Selectmen):**

Mr. Walter called the Board of Selectmen's meeting to order at 7:20 p.m.

Mr. Walter stated that a very detailed report was received from the Middle School Conversion Committee to convert the old middle school to Town offices which provided for three options with a cost range of \$10,500,000 to \$13,000,000, depending upon which of the options were pursued.

Mr. Walter stated that the majority of the Board of Selectmen did not wish to move the project forward as they felt that the cost was above and beyond what the Town could afford. Mr. Walter added that a Financial Needs Roundtable Committee was established, consisting of members of various Boards to review the long-term financial needs of the Town. In conjunction with that Committee, a 10-year Capital Improvement Plan has been drafted. Mr. Walter stated that while some of the costs are already incorporated in the Town's Capital Improvement Plan, there are over \$40 million in items that need to be addressed.

Mr. Walter stated that there is a need to discuss all of the items, establish priorities and determine the financial commitments the Town can make, given the reduction in revenues and the economic times we are experiencing.

Mr. Walter reviewed the 10-year Plan noting that the items identified in a taupe brown color are newly identified items. He also presented documentation received from the Superintendent regarding desired renovations to the Elementary School. Mr. Walter stated that for Town office facilities, the goals need to focus on creating handicap accessibility, additional space and the potential redevelopment of the riverfront area. Mr. Walter stated that he believed that re-locating the River House and garage from the 7 Main Street facility would provide opportunity for economic development. He also stated that the current Town Office Building could be expanded including installation of an elevator for much less than \$13,000,000. Mr. Walter also noted that Liberty Bank in Moodus would like to accommodate the Police Department in its facility. Mike Fisher has also offered his building for rent, lease or sale. The former Moodus Bank site is another possibility for relocation of the Police Department. Mr. Walter stated that the emergency management operations of the Town were tested this year with Tropical Storm Irene, Winter Storm Alfred, and a large scale search and rescue operation for a missing person. He stated that although additional facilities would have been nice, the resources available worked.

Mr. Walter identified some of the new larger costs identified through the 10-year Capital Improvement Plan, including approximately \$8,000,000 in renovations to the Elementary School and High School. There is approximately \$755,000 in renovations needed for the Libraries. Mr. Walter also stated that should renovations begin on the old middle school, there is a reasonable likelihood that costs could escalate. Mr. Maxwell stated that the Middle School Conversion Committee did not have great communication with the Board of Finance during its process. Mr. John Blaschik questioned why they were not invited to report. Mr. Maxwell stated that they were asked, however, they made their report to the Board of Selectmen, as was its charge. Mr. Maxwell stated that he was in attendance when their report was made.

Mr. Maxwell further noted that the full written report of the Middle School Conversion Committee was given to all members, Mrs. Varricchio was asked to get a copy to Mr. Thomas.

Mr. Thomas stated that there are reports that go back into the 1970's recognizing the need to move the Town Office Building out of the most valuable piece of real estate in East Haddam. Mr. Thomas stated that he has a problem with the capital needs analysis completed by Mr. Walter, in that it captures many items that are already contemplated for. Mr. Thomas added, however, that it was a great starting point. Mr. Walter reiterated that \$10,000,000 to \$15,000,000 is recurring costs already covered within the Capital Improvement Plan. Mr. Thomas also added, that as savings from paying off prior debt are realized, those figures should be captured within the document, as should offsetting revenue from the sale or lease of the 7 Main Street property. Mr. Walter referred to a document entitled authorized and issued debt, reflecting all bonding, principal and interest payments out to the year 2031.

Mr. Walter added that the East Haddam Village Revitalization had issued a request for qualifications for the Main Street property and that 75 bid packets were sent out and there was no response.

Mr. Thomas stated that many volunteers spent four years and much money to obtain a reasonably good figure, and that it would be expected that they could be off by a million or so dollars. Mr. Thomas stated that if the old middle school continues to sit, it will need to be demolished.

Mr. Schwenzfeier stated that for 30 years he has wanted to see the Town Offices move out of the riverfront property. He stated that many opportunities for revitalization have been lost over the years and that the property is absolutely beautiful. He stated that he believed that a \$10,000,000 to \$13,000,000 price tag is too costly for new offices. He stated that he would like to see a piecemeal approach.

Mrs. Link stated that her problem with the Middle School Conversion Committee's proposal is that the project is too big. She did not believe that 67,000 square feet of office space was necessary and added that she would not support such a costly project. Mrs. Link asked members of both Boards if they would vote for the project in the form recommended by the Committee. The unanimous response was that they would not.

Mr. Thomas stated that in his opinion the left hand and the right hand are doing two different things and are not being directed properly. In particular, he was referring to the East Haddam Village Revitalization Commission and the Middle School Conversion Committee. Mr. Walter responded that based upon the plan created by George Fellner for the Village Revitalization Commission, it is not necessary to vacate the Town Office Building.

Mr. Thomas stated that for the property to be economically viable and a revenue producer, the Town Offices need to move.

Mr. Bennett inquired about the status of the old middle school. Mr. Walter stated that the boiler, which was a huge issue and part of the reason the Board of Education vacated the building in the first place needs approximately \$15,000 of repairs to keep it running. He stated that draining the pipes and cold storing the building is also an option, although he stated that it is an option not recommended by the architect. Mr. Ed Blaschik stated that the professionals have advised that if the building does not have air flow it will be taken over by mold. Mr. Walter stated that it does not have air flow now and had mold issues prior to being vacated by the Board of Education.

Responsive to an inquiry, Mr. Ed Blaschik advised that rough demolition estimates were approximately \$2,000,000 for the Ray section. It was noted that asbestos is present.

Mr. Dutch inquired what would be necessary to bring the choices to referendum for the tax payers to decide. Mr. Walter advised that referendum items must be in the form of a yes or no question, not choices or parameters. He further stated that items go that route, "as recommended by the Boards of Selectmen and Finance" and this item is not yet been "recommended by". Further, if a question is formulated, the Town must be prepared for its

passing. Mr. Walter reiterated his concern that the Town cannot afford this scope of a project with the additional projects needed at this time.

Mr. Ed Blaschik stated that it would cost an additional \$80,000 to present "real costs" to the voters. He stated that the Committee did not want "best guesses" but real figures and would accordingly have contracts ready to sign upon the successful passage of referendum. He further stated that while the economy is down it also brings advantages in the form of cheaper labor, materials and interest rates.

Mr. Maxwell stated his opinion that he did not see any increase in services associated with a new Town Hall. He stated that taxes would increase approximately \$400 to \$500 a year for the average taxpayer for the next 20 years.

Mr. Thomas stated that he believed the voters should decide. Mr. Maxwell stated that he believed the voters did decide on November 8<sup>th</sup>.

Mr. Walter inquired how much the Town could afford, so that the Board of Selectmen could work to prioritize identified needs.

Mr. Bennett stated that he was initially in favor of renovating the old middle school for Town Offices, but not at a cost of nearly \$13,000,000.

Mr. Lyman stated that he would find this project unconscionable at this time with over 200 families in Town dependent upon the Food Bank for survival. Mr. Lyman stated that he does not want to lose the building however, he would like to see a project that is much smaller in scope. Mr. Lyman stated that he sees scary similarities between the current situation and the Moodus redevelopment project of the late 60's.

Mr. John Blaschik stated that in 1973 a committee issued a report that the Town had outgrown its Town Hall, since then it has added personnel and kept the same building. He further stated that the Town's government needs are continually put on a back burner for school issues. He stated that it is time that the government side came first. He added that he liked the concept of a centralized location. Mr. Blaschik stated that he believed that \$5,000,000 had been put away for this project. He added that it may be a good time to do such a project as more competitive pricing is likely available to keep employees working. Mr. Blaschik stated his concern with the cost of approximately \$13,000,000.

Mr. Maxwell stated that a Capital Reserve Fund was implemented to mitigate mill rate spikes when Mr. Fortier was on the Board of Finance. Mr. Maxwell indicated that he has reviewed several years of Board of Finance minutes with regard to the Capital Reserve Fund and the minutes reflect that it was not targeted for any specific project.

**b. Firefighter Pension—Ordinance Amendment (Joint Meeting with Board of Selectmen):**

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

**WHEREAS, the Town of East Haddam wishes to amend the ordinance entitled "East Haddam Volunteer Fire Pension Plan", adopted December 13, 1990, to: (1) limit participation in the Volunteer Firefighters' Incentive Plan established by said ordinance to those persons who were eligible to receive a benefit from or participate in said Incentive Plan on December 31, 2011 or who had a vested benefit under said Incentive Plan on December 31, 2011; (2) exclude from participation in said Incentive Plan those individuals who become members of the East Haddam Volunteer Fire Department after December 31, 2011; (3) establish a new plan to provide length of service awards to those individuals who become members of the East Haddam Volunteer Fire Department after December 31, 2011; and (4) provide individuals who are participating in said Incentive Plan and who have five or less years of credited service under said Incentive Plan with a one-time opportunity to elect to participate in the new length**

of service award plan by waiving their rights to participate in and receive a benefit from said Incentive Plan.

NOW, THEREFORE, IT IS HEREBY RESOLVED, by the Board of Finance and the Board of Selectmen, that the ordinance entitled "East Haddam Volunteer Fire Pension Plan", adopted December 13, 1990, is hereby amended by adding the following new section 5 and new section 6

5. Limitation on eligibility to receive a benefit from or participate in the Volunteer Firefighters' Incentive Plan established by this ordinance. The only individuals who are eligible to receive a benefit from or participate in the Volunteer Firefighters' Incentive Plan established by sections 1 through 4 of this ordinance (the "Incentive Plan") are those individuals who were eligible to receive a benefit from or participate in the Incentive Plan on December 31, 2011 or who had a vested benefit under said Incentive Plan on December 31, 2011. Individuals who become members of the East Haddam Volunteer Fire Department after December 31, 2011 shall not be eligible to receive a benefit from or participate in the Incentive Plan with regard to volunteer services performed by such individuals for the East Haddam Volunteer Fire Department after December 31, 2011. All plan documents for the Incentive Plan are hereby amended to incorporate the provisions of this section 5.

6. Establishment of East Haddam Length of Service Award Plan for Volunteer Members of East Haddam Volunteer Fire Department

(a) Statement of Purpose. In recognition that the public interest, safety, and welfare will be promoted and advanced through the retention and recruitment of volunteer members for the East Haddam Volunteer Fire Department (the "Department") and through the encouragement of active involvement by those volunteer members in the firefighting and prevention services which the Department provides to the Town of East Haddam (the "Town"), it is in the best interests of the Town to establish a system which will provide length of service awards to the following active volunteer members of the Department (the "Eligible Volunteers"):

- (i) active volunteer members of the Department who become members of the Department after December 31, 2011 and who meet the eligibility requirements for participation set forth in the plan documents for the length of service award system; and
- (ii) active volunteer members of the Department who became members of the Department on or before December 31, 2011 and who have five or less years of credited service under the Volunteer Firefighters' Incentive Plan established by sections 1 through 4 of this ordinance (the "existing Incentive Plan") and who do not have a non-forfeitable interest or vested interest in any accrued benefit under the existing Incentive Plan and who no later than February 1, 2012 waive all benefits and rights which they may be entitled to under the Town's existing Incentive Plan and who meet the eligibility requirements for participation set forth in the plan documents for the length of service award system.

(b) Establishment. Pursuant to Sections 7-148(c)(5)(A) and 7-148(2) of the Connecticut General Statutes, the Town establishes a system for providing length of service awards to the Eligible Volunteers and such system (the "LOSAP") is intended to be a length of service award plan as defined in section 457(e)(11)(A)(ii), section 457(e)(11)(B), and section 457(e)(11)(C) of Title 26 of the United States Code, as amended, and any successor sections.

(c) The First Selectman is empowered, authorized and directed to enter into and execute on behalf of the Town a plan document for the LOSAP and such other such documents and agreements as may be required to establish and maintain the LOSAP, such plan document and such other documents and agreements to become effective after approval by the Board of Selectmen and the Board of Finance.

(d) The LOSAP shall be administered by the Plan Administrator as defined in the plan document for the LOSAP. The adoption of this section 6 of this ordinance shall constitute a specific delegation to the Plan Administrator, pursuant to the Board of Selectmen, to accept the responsibilities of and to perform the duties of the Plan Administrator in the administration of the LOSAP and to exercise the powers and rights of the Plan Administrator to administer the LOSAP.

(e) The Town shall enter into a trust agreement establishing a trust (the "LOSAP Trust") to receive contributions from the Town to fund the length of service awards under the LOSAP. The trustee shall be a trustee approved by the Plan Administrator of the LOSAP. The trustee shall disburse funds from the LOSAP Trust in accordance with the provisions of the trust agreement, Connecticut law and this section 6 of this ordinance.

(f) The Town may periodically contribute to the LOSAP Trust such amounts of cash as may be determined and approved by the Board of Selectmen and the Board of Finance to fund the length of service awards which have been credited under the LOSAP to the accounts of the Eligible Volunteers under the plan document for the LOSAP.

Mr. Lyman seconded the motion.

Discussion:

It was noted that a committee has been working on this item for several years. It was emphasized that this change does not alter anyone's benefit that is currently in the plan.

**Board of Selectmen motion unanimously approved. Motion carried.**

**Motion was made by Mr. Maxwell to approve the following resolution and to recommend that the Board of Selectmen schedule a Town Meeting for approval:**

WHEREAS, the Town of East Haddam wishes to amend the ordinance entitled "East Haddam Volunteer Fire Pension Plan", adopted December 13, 1990, to: (1) limit participation in the Volunteer Firefighters' Incentive Plan established by said ordinance to those persons who were eligible to receive a benefit from or participate in said Incentive Plan on December 31, 2011 or who had a vested benefit under said Incentive Plan on December 31, 2011; (2) exclude from participation in said Incentive Plan those individuals who become members of the East Haddam Volunteer Fire Department after December 31, 2011; (3) establish a new plan to provide length of service awards to those individuals who become members of the East Haddam Volunteer Fire Department after December 31, 2011; and (4) provide individuals who are participating in said Incentive Plan and who have five or less years of credited service under said Incentive Plan with a one-time opportunity to elect to participate in the new length of service award plan by waiving their rights to participate in and receive a benefit from said Incentive Plan.

NOW, THEREFORE, IT IS HEREBY RESOLVED, by the Board of Finance and the Board of Selectmen, that the ordinance entitled "East Haddam Volunteer Fire Pension Plan", adopted December 13, 1990, is hereby amended by adding the following new section 5 and new section 6:

**5. Limitation on eligibility to receive a benefit from or participate in the Volunteer Firefighters' Incentive Plan established by this ordinance.** The only individuals who are eligible to receive a benefit from or participate in the Volunteer Firefighters' Incentive Plan established by sections 1 through 4 of this ordinance (the "Incentive Plan") are those individuals who were eligible to receive a benefit from or participate in the Incentive Plan on December 31, 2011 or who had a vested benefit under said Incentive Plan on December 31, 2011. Individuals who become members of the East Haddam Volunteer Fire Department after December 31, 2011 shall not be eligible to receive a benefit from or participate in the Incentive Plan with regard to volunteer services performed by such individuals for the East Haddam Volunteer Fire Department after December 31, 2011. All plan documents for the Incentive Plan are hereby amended to incorporate the provisions of this section 5.

**6. Establishment of East Haddam Length of Service Award Plan for Volunteer Members of East Haddam Volunteer Fire Department**



(a) **Statement of Purpose.** In recognition that the public interest, safety, and welfare will be promoted and advanced through the retention and recruitment of volunteer members for the East Haddam Volunteer Fire Department (the "Department") and through the encouragement of active involvement by those volunteer members in the firefighting and prevention services which the Department provides to the Town of East Haddam (the "Town"), it is in the best interests of the Town to establish a system which will provide length of service awards to the following active volunteer members of the Department (the Eligible Volunteers"): (i) active volunteer members of the Department who become members of the Department after December 31, 2011 and who meet the eligibility requirements for participation set forth in the plan documents for the length of service award system; and (ii) active volunteer members of the Department who became members of the Department on or before December 31, 2011 and who have five or less years of credited service under the Volunteer Firefighters' Incentive Plan established by sections 1 through 4 of this ordinance (the "existing Incentive Plan") and who do not have a non-forfeitable interest or vested interest in any accrued benefit under the existing Incentive Plan and who no later than February 1, 2012 waive all benefits and rights which they may be entitled to under the Town's existing Incentive Plan and who meet the eligibility requirements for participation set forth in the plan documents for the length of service award system.

(b) **Establishment.** Pursuant to Sections 7-148(c)(5)(A) and 7-148(2) of the Connecticut General Statutes, the Town establishes a system for providing length of service awards to the Eligible Volunteers and such system (the "LOSAP") is intended to be a length of service award plan as defined in section 457(e)(11)(A)(ii), section 457(e)(11)(B), and section 457(e)(11)(C) of Title 26 of the United States Code, as amended, and any successor sections.

(c) The First Selectman is empowered, authorized and directed to enter into and execute on behalf of the Town a plan document for the LOSAP and such other such documents and agreements as may be required to establish and maintain the LOSAP, such plan document and such other documents and agreements to become effective after approval by the Board of Selectmen and the Board of Finance.

(d) The LOSAP shall be administered by the Plan Administrator as defined in the plan document for the LOSAP. The adoption of this section 6 of this ordinance shall constitute a specific delegation to the Plan Administrator, pursuant to the Board of Selectmen, to accept the responsibilities of and to perform the duties of the Plan Administrator in the administration of the LOSAP and to exercise the powers and rights of the Plan Administrator to administer the LOSAP.

(e) The Town shall enter into a trust agreement establishing a trust (the "LOSAP Trust") to receive contributions from the Town to fund the length of service awards under the LOSAP. The trustee shall be a trustee approved by the Plan Administrator of the LOSAP. The trustee shall disburse funds from the LOSAP Trust in accordance with the provisions of the trust agreement, Connecticut law and this section 6 of this ordinance.

(f) The Town may periodically contribute to the LOSAP Trust such amounts of cash as may be determined and approved by the Board of Selectmen and the Board of Finance to fund the length of service awards which have been credited under the LOSAP to the accounts of the Eligible Volunteers under the plan document for the LOSAP.

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

Motion was made by Mr. Walter to adjourn the Board of Selectmen meeting at 8:42 pm. Mr. Blaschik seconded the motion and it was unanimously approved. Motion carried.

**c. Funding Request for Generator, Fire House #1:**

Mr. Walter reported that the generator failed at Firehouse #1 at the start of Storm Irene. We rented a generator and those costs were submitted to FEMA.

**Motion made by Mr. Maxwell to transfer \$6,474 from the Board of Finance Contingency (704-588701) to the Fire Department Equipment budget (841-574105) for the purpose of purchasing a generator. Mr. Bennett seconded the motion.**

Discussion:

Mr. Dutch sought assurances that the equipment will be maintained and serviced. He was advised that Norpro will service the new generator.

**Motion unanimously approved. Motion carried.**

**d. Funding Request for Dog Pound**

Mr. Walter reviewed the necessary upgrades required to bring the dog pound to code. It was noted that the building was constructed in the late 50's or early 60's and has had little maintenance done to it. Presently, water drips through the electrical panel. Mr. Walter stated that bids were solicited. The low bid was for \$51,100 from JPN Construction. The next lowest bid was \$57,800, followed by \$80,300 ranging up to \$125,000. Mr. Walter noted that Mr. Shelberg from JPN Construction was in the audience if there were any questions regarding the scope of work required.

Mr. Walter stated that he hoped that the Town may be able to bring in other towns to share in the costs, such as it has done with East Hampton. It was further noted that an Animal Control Officer is a statutory requirement.

It was noted that the Board of Finance approved a carry forward into the current fiscal year of \$25,000 for improvements to the dog pound.

**Motion was made by Mr. Maxwell to approve a special appropriation in the amount of \$26,100 to the Animal Control Capital-Buildings budget (847-570703) for the purpose of improvements to the Dog Pound facilities and to request that the Board of Selectmen schedule a Town Meeting for approval. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.**

**e. Health Savings Accounts—Annual Contribution Rates:**

Mr. Walter requested that the Board of Finance establish contribution rates for the next three fiscal years. At the initial implementation of the plan (for non-union employees), there was an intent that the deductible share from the Town would be 85% the first year, 75% the second year, 65% the third year and 50% the fourth year. We are currently at 85% for non-union employees and an 8% premium share. In addition, we have the \$1,500/\$3,000 deductible plan which is being phased out to be replaced by a \$2,000/\$4,000 plan which provides for a substantial premium savings, both to the Town and the employee.

Mr. Walter recommended to the Board we implement that the higher deductible plan and deductible/premium share as follows:

Calendar Year	Plan Type	Town Deductible	Employee Deductible	Town Premium Share	Employee Premium Share
2012	2,000/4,000	75%	25%	94%	6%
2013	2,000/4,000	65%	35%	94%	6%
2014	2,000/4,000	50%	50%	93%	7%

Gratitude to Mrs. Link was expressed for bringing the H.S. A. initiative to the Town as it has generated a cost savings for both the town and employee.

**Motion was made by Mr. Bennett to establish the H.S.A. contribution rates as follows:**

Calendar Year	Plan Type	Town Deductible	Employee Deductible	Town Premium Share	Employee Premium Share
2012	2,000/4,000	75%	25%	94%	6%
2013	2,000/4,000	65%	35%	94%	6%
2014	2,000/4,000	50%	50%	93%	7%

**Mrs. Link seconded the motion and it was unanimously approved. Motion carried.**

#### **Finance Administrator's Report**

**a. 2010-2011 Annual Report:**

Mrs. Varricchio presented a draft of the 2010-2011 Annual Report. She noted that the report has an open space theme. She requested that any changes and corrections be reported to her by Wednesday at noon as it is the deadline to get it to the printer. She noted that 600 copies will be ordered and copies will be available for the Annual Town Meeting planned for December 28<sup>th</sup>.

**Motion was made by Mr. Maxwell to approve the 2010-2011 Annual Report. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.**

**b. November YTD Budget Reports:**

Mrs. Varricchio reported that there are no surprises within the reports. She advised that Emergency Management is well over budget, however, the overages are related to the Tropical Storm Irene and reimbursement is expected through FEMA.

Mrs. Varricchio advised that the investment interest is depressing. She noted that the Building Department is seeing an increase in applications. Mrs. Varricchio stated that the financial reports will be posted on the website.

**c. Storm Irene—Cost Analysis/FEMA:**

Mrs. Varricchio reported that if approved, the Town could see reimbursement in an amount of up to \$155,000 which represents 75% of the eligible expenses. She noted that our 25% match was achieved by volunteer time being calculated at \$15 per hour a total of \$57,811.

Mrs. Varricchio stated that she is putting together figures for Storm Alfred; however, East Haddam was clearly impacted as significantly as it was from Irene.

#### **Liaison Reports**

Mr. Dutch reported that Public Works would like to purchase a box paver. He stated that typically they rent one for a month during the summer at a cost of \$9,000. A used box paver is available for purchase at a cost of \$41,200. There are funds available from prior year encumbered funds for road improvements. There was discussion regarding the flexibility of Public Works to be able to pave and repair roads by owning a box paver

**Motion was made by Mr. Dutch to authorize Public Works to purchase a box paver in the amount of \$41,200. Mr. Maxwell seconded the motion and it was unanimously approved. Motion carried.**

## **Guests**

Nothing noted.

## **Unfinished Business**

Nothing noted.

## **New Business**

### **a. Connecticut Fair Plan (Anti-Arson Committee) Grant:**

**Motion was made by Mr. Bennett to recommend that the Board of Selectmen schedule a Town Meeting for the acceptance of a grant in the amount of \$480.92 from the Connecticut Fair Plan (Anti-Arson Committee), for the purpose of purchasing needed equipment relating to the prevention, investigation or prosecution of arson fires and to amend the 2011-2012 budget accordingly (revenue account 701-410155 and expense account 742-574601). Mrs. Link seconded the motion and it was unanimously approved. Motion carried.**

### **b. 2012 Federal Highway Safety Program (DUI):**

**Motion was made by Mr. Bennett to recommend that the Board of Selectmen schedule a Town Meeting for the acceptance of a grant in the amount of \$27,600 from the State of Connecticut, Department of Transportation, entitled "FY 2012 Comprehensive DUI Enforcement Program", and to amend the 2011-2012 budget accordingly (revenue account 744-424420 and expense account 744-514403). Mrs. Link seconded the motion and it was unanimously approved. Motion carried.**

### **c. Non-Union Wage Scale:**

Mr. Maxwell distributed a non-union wage scale that that was prepared by consultant Randi Frank under the directive of former First Selectman Brad Parker several years ago. Mr. Maxwell encouraged Board members to review the document for discussion at the January meeting.

## **Other**

Mr. Maxwell reminded Board members that the location for the Board of Finance meetings will be the high school cafeteria effective with the January 2012 meeting.

Mr. Maxwell distributed the procedures developed for non-governmental agencies that the Town funds as approved at the November meeting.

**Motion was made by Mr. Dutch to adjourn at 9:10 p.m. Mr. Maxwell seconded the motion and it was unanimously approved. Motion carried.**

Respectfully submitted,

Deb Denette