

**TOWN OF EAST HADDAM**  
Financial Needs Roundtable  
Wednesday, February 9, 2011  
Town Grange Hall  
6:00 pm  
Special Meeting

Members present:

Mark Walter, First Selectman  
Bruce Dutch, Board of Finance  
Paul Maxwell, Board of Finance  
Bryan Perry, Board of Education  
Crary Brownell, Planning and Zoning Commission

Others:

Deb Denette, Town Clerk and Recording Secretary  
Cindy Varricchio, Finance Administrator

**Call to Order**

Mark Walter called the meeting to order at 6:20 pm.

The Pledge of Allegiance was recited.

**General Discussion**

**A. Review of Any Handout Material**

Mr. Walter distributed documentation entitled The New Fund Balance, which identifies the compliance standards with GASB Statement No. 54. Essentially, this identifies new requirements to classify fund balance dollars. The document was briefly reviewed and attendees were encouraged to read it. Mrs. Varricchio advised that the town maintains over 50 funds. Written procedures and restrictions for each fund are being identified and drafted.

Mr. Maxwell noted that the undesignated fund balance has often been thought of as the town's piggy bank. He added that this new requirement will nicely demonstrate what funds the town has to work with.

Mr. Walter also distributed and reviewed a memorandum regarding Recommended Fund Balance and a document entitled "Fitch on Fund Balance" which he summarized identifies the level of reserves that should be maintained and speaks to the importance of and what is necessary to maintaining a strong credit rating. Mr. Walter noted that the town exceeds the recommended funding levels.

The last document reviewed was one identifying fiscal indicators. The document identified population, school enrollment, bond rating, average unemployment, debt per capita and expenditures per pupil. From this data, East Haddam per

capita state ranking are (as of 2009) 60<sup>th</sup> for debt and 96<sup>th</sup> for per pupil spending. Mr. Walter advised that he believed that the State of Connecticut has the highest debt per capita in the country.

Mr. Maxwell stated that there has been confusion regarding the reserve for capital projects that was established in 2004 when Mark Fortier was chairman of the Board of Finance. He stated that a review of the minutes shows that the intended use of the reserves was to avoid large spikes in the mill rate. Mr. Maxwell opined that overtaxing people was never a good idea regardless of the motive.

The Committee next discussed the draft estimates of five year capital improvements and projects spreadsheet that they were provided. Mrs. Varricchio advised that another year out (2016-2017) the town is scheduled to purchase a \$750,000 fire truck. The Committee requested that a ten year schedule be prepared for their review.

Brief discussion was held regarding a technology and records management initiative to digitize town records, particularly the building and land use departments. She also discussed records security and safety, shelving and filing systems that would be movable should the town move to a different location.

The enter capital projects spreadsheet was reviewed, It was noted that \$15,453,744 in capital improvement projects have been potentially identified for the town in the next five years. That projection does not include the proposed Middle School conversion project. It was also noted that the grand list had a .75% increase resulting in approximately \$156,000 of additional taxes for 2011-2012. The result of reduced revenue received by the town, however, has not yet been calculated. It was noted that it is too early to know the State's funding level to the town.

Mr. Perry noted that funding for open space purchases were not on the spreadsheet. Expenses associated with improvements for the senior center, town grange, old town hall, town garage, and River House, annex and town office building were noted not to be on the sheet. Mrs. Varricchio stated that there is a building maintenance fund for town buildings that is \$50,000 annually. She added that funds that are not expended roll over rather than return to the general fund. She stated that it is anticipated that this fund will build and be able to accommodate most emergency, preventative and regular maintenance items.

Mr. Maxwell stated that the open space purchase for Harris property states that the 18 acres being reserved for municipal use could be home to a fire house and athletic fields. He inquired how much and when would funding for those items be needed.

Mr. Dutch noted that the gorilla in the room that had not been discussed was the old middle school. Mr. Walter advised that the Selectmen are holding that project at the moment. It was noted that the MSCC has requested an additional \$75,000 to bring the project forward to referendum. Mr. Brownell suggested the

Town purchase Johnsonville for a future municipal complex. He stated that it is for sale for \$4,000,000 and would be a beautiful setting for parks and parades.

Mr. Walter stated that it is no longer necessary to take down the tables after each meeting held in the grange as yoga is now meeting at the Senior Center.

Motion was made by Paul Maxwell to adjourn at 7:10 pm. Bryan Perry seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted

Deb Denette