

**TOWN OF EAST HADDAM  
BOARD OF FINANCE**

June 11, 2012

7:00 pm

Nathan Hale Ray High School - Cafeteria

**Call to Order**

The regular meeting of the East Haddam Board of Finance was called to order by Chairman Paul Maxwell on Monday, June 11, 2012 at 7:02 pm at the Nathan Hale Ray High School cafeteria.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

Paul Maxwell, Chairman  
Robert Bennett  
Daniel Alexander  
Bruce Dutch  
Susan Link (arrived 7:10)  
Harvey Thomas

Others:

Deb Denette, Town Clerk and BOF recording secretary  
Cindy Varricchio, Finance Director  
Denise Dill, Tax Collector  
Beth Lunt, Public Works Administrator  
Emmett Lyman, Selectman  
Jiffy Spencer, Deputy Emergency Management Director  
Craig Mansfield, Emergency Management Director  
Joe Sczcech  
Dr. Ellen Solek, Superintendent of schools  
Nancy Haslam, Chairman of the Board of Education

**Motion was made by Mr. Maxwell to alter the agenda to accommodate the guests in the audience. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.**

**New Business**

**a. Emergency Management Radio Committee Funding Request:**

Mr. Mansfield advised the Board that the three major emergencies in the last fiscal year really brought to light the communication deficiencies within the Town. He stated that in response a Committee was formed, and an RFP for a Town-wide Radio Analysis and New System Design was developed and issued. The Committee would like to award the bid to a company called Tactical Communications from Guilford to study, identify and recommend how to address our communication deficiencies. Further funding for the reservation of frequencies is also being requested. Mr.

Mansfield reviewed the qualifications of the vendor being recommended and what he felt set them apart from the other vendors. He noted that the challenges are East Haddam's large geographical size and tough terrain, which was not a surprise, and finding a frequency to build a system on. Much technical discussion was held regarding the engineering of frequencies which are controlled by the FCC. He noted that for issues of public safety, business frequencies are ill advised.

Mr. Mansfield stated that the Committee also consulted with the State of Connecticut, Department of Public Safety, Director of Telecommunications Paul Zito for guidance. Mr. Mansfield relayed some of the insight brought to the Committee by Mr. Zito.

Mr. Mansfield stated that the Committee is requesting \$10,500 to proceed with Tactical Communications and \$9,000 for the purchase of frequencies should they become available. The need to act quickly was emphasized. The total request is for \$19,500. Mr. Maxwell was advised by Mrs. Varricchio that the Contingency Fund balance of \$47,777 is sufficient for the request. Assurance was given that the system being built will be capable of expansion.

**Motion was made by Mr. Maxwell to transfer \$19,500 from the Board of Finance Contingency (704-588701) to Emergency Management (846-541040) for the purpose of awarding the bid to Tactical Communications to evaluate the Town of East Haddam's communication deficiencies (\$10,500) and to purchase radio frequencies (\$9,000). Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.**

## **First Selectman's Report**

### **b. Public Works Excavator**

Mrs. Lunt presented documentation with analysis as to the cost savings that would be generated by owning a small excavator versus renting. Lengthy discussion was held, including Mr. Alexander's disagreement with the figures presented and his opinion that the savings would occur nine to ten years out rather than six to seven years out as projected by Mrs. Lunt. Mr. Alexander noted that he called another rental agency and found different equipment with similar reach and horse power at a lower price. Mrs. Lunt responded that household use equipment would not have the torque necessary to address the likely uses. She also stated that there are over 1,000 outflows in the Town and all will require attention. Mrs. Lunt emphasized the efficiency in owning the equipment, adding that less subcontracting would be necessary and more projects could be undertaken.

Mr. Maxwell noted that the funding source for this equipment would be from the unexpended Snow Removal budget. It was reiterated that part of the benefit is in the convenience factor as the equipment could be utilized during seasonable months as time and projects necessitate rather than during a short two month period if it were rented.

Mrs. Link inquired about whether the department had the time to undertake additional projects that would be feasible with this equipment. Mrs. Lunt responded that there is a never ending list of projects to do, however, the list must always be re-prioritized. She reiterated that the crew would be more efficient with this equipment.

Mrs. Link inquired if we could reduce the crew if we had less for them to do? Mrs. Lunt responded that the Town has a great crew, each member is very valuable and she would not propose to do that. It was noted that this would require Town Meeting approval.

**Motion was made by Mr. Bennett to transfer \$62,982 from the Snow Removal—Salt and Sand budgets (Salt: 754-565420 in the amount of \$50,000 and Sand: 754-565410 in the amount of \$12,982) to the Public Works Capital Improvement budget (850-575002) for the purchase of a mini excavator and to request that the Board of Selectmen schedule a Town Meeting for approval. Mr. Thomas seconded the motion.**

**FAVOR: Maxwell, Thomas, Dutch, Bennett**

**OPPOSED: Link, Alexander**

**MOTION CARRIED**

### **New Business**

#### **b. Transfer of Funds – Transfer Station Renovations:**

As has been discussed previously, the improvements to the restroom at the Transfer Station were completed this year with the understanding that it would be funded utilizing unspent Snow Removal funds. Mrs. Lunt advised that the water was unsanitary and conditions had been the subject of a grievance filed by the Transfer Station staff.

Mr. Alexander stated that the Snow Removal budget expenditures from April to May had increased by \$9,180, he questioned whether the Transfer Station restroom improvements had already been charged to the Snow Removal budget without Board of Finance approval. Mrs. Varricchio responded that this did not occur, and that all costs for the Transfer Station restroom improvements had been charged to the Transfer Station—Building Maintenance budget. It was noted that this would require Town Meeting approval because the Board had approved the transfer from the Snow Removal budget for the excavator triggering a required Town Meeting.

**Motion was made by Mr. Maxwell to transfer \$6,372.04 from the Snow Removal—Salt budget (754-565420) to the Transfer Station Building Maintenance budget (756-566000) for the purpose of restroom improvements at the Transfer Station and to request that the Board of Selectmen schedule a Town Meeting for approval. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.**

### **Approval of Minutes**

**Motion was made by Mr. Alexander to approve the minutes of the May 14, 2012 Regular Meeting with the following amendments:**

- **Page 1—In Attendance, Others include Bob Casner.**
- **Page 1—Approval of Minutes, first motion, second sentence, strike “and it was”.**
- **Page 2—Chairman’s Report, Item (a) Tax Collector’s Report, first paragraph, first sentence, add % following .03.**
- **Page 3—First Selectman’s Report, Item (a) Public Works Excavator, third paragraph, first sentence should read: “Mr. Alexander opined that for the next nine to ten years it would appear to make more financial sense to rent the equipment rather than purchase and maintain it based on the rental cost of**

**\$3,500 per month provided by Mrs. Lunt. He noted that to him convenience was not a compelling enough reason to expend \$62,000.”**

- **Page 4—New Business, Item (c) Proposed Open Space Acquisition, second paragraph, last sentence should read: “He noted that he is waiting on the development potential report to be submitted to Planning and Zoning.”**
- **Page 6—Finance Director’s Report, Item (a) BAN Update, first sentence, strike “\$875,000” and replace it with “\$895,000”.**

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

**Motion was made by Mr. Alexander to approve the minutes of the May 22, 2012 Special Meeting as presented. Mr. Thomas seconded the motion. The motion carried with Mr. Maxwell and Mrs. Link abstaining.**

### **Correspondence**

Nothing noted.

### **Chairman’s Report**

#### **a. Tax Collector’s Report**

Mrs. Dill reported that with interest and penalties she has generated a 99.2% collection rate and that she is awaiting two large collections that should boost that up even further.

Mr. Maxwell inquired what the public feedback was on the credit cards. She stated that residents understand that the processing fee goes to the provider and not to the Town and the feedback is generally positive.

### **Finance Director’s Report**

#### **a. May YTD Budget Reports:**

Mrs. Varricchio noted that she has added two new lines at the top of the Expense and Revenue reports at the request of Mrs. Link which indicates the percentage of the budget (number of months) to the percentage of budget actually expended/received. She reviewed the reports highlighting that Town Clerk revenues will come in well under budget as there is not the activity anticipated, accordingly, expenses are down. Emergency Management activity shows that account significantly over due to Tropical Storm Irene expenditures. It is anticipated that we will receive a formal notification of FEMA reimbursement for year-end recording purposes. Mrs. Varricchio noted that she is forecasting a conservative reimbursement of \$100,000, but the award could be as much as \$175,000 if all of our requests are approved. She stated that FEMA has reassigned their project manager and much of the process has had to start over. Mrs. Varricchio is projecting the Town will finish the year with a slight surplus.

Mrs. Varricchio stated that she is projecting that there will be a surplus on the Board of Education side as well. She stated that she is working closely with Dr. Solek and the Board Chair to align reports for clarity.

Mr. Alexander called Mrs. Varricchio's attention to a calculation error on the Selectmen's budget. Mrs. Varricchio responded that she will check her formulas to correct.

### **Liaison Reports**

Nothing noted.

### **Guests and Audience Comments**

Nothing noted.

### **New Business**

#### **c. Consumers Union Gift:**

Consumers Union has made donations to the Town totaling \$25,000—(\$10,000 to the Fire Department for a UTV trailer; \$10,000 to the Middle School for dugout roofs and \$5,000 to the General Fund). The gifts to the Town need to be approved by the Board and forwarded to Town Meeting for acceptance. The Board of Education has accepted their gift.

**Motion was made by Mr. Maxwell to approve the gift of \$15,000 from Consumers Union of the United States Inc. for a Fire Department UTV (\$10,000) and for the Town's General Fund (\$5,000) 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.**

#### **d. Board of Education Capital Funding Requests:**

Dr. Solek thanked the Board of Finance for their time this evening and again for sharing Mrs. Varricchio with the school board. She stated that she has been a tremendous help to them.

Dr. Solek advised that the district took on three large projects in the current fiscal year and each came in significantly under budget. In particular:

<b>Description</b>	<b>11-12 Budgeted Amount</b>	<b>Actual Amount</b>	<b>Remaining Funds</b>
Elementary School Well	\$138,875	\$99,829	\$39,046
Elementary School Ventilators	\$305,176	\$177,135	\$128,041
High School Chimney	\$192,679	\$75,378	\$117,301
<b>Remaining Funds</b>			<b>\$284,388</b>

Dr. Solek briefly described the work of each project and requested that the remaining funds be repurposed for three additional projects: Improvements to the Elementary School gymnasium (estimated at \$40,000); the purchase of MUNIS software (estimated at \$50,000 to \$100,000) depending upon the modules needed and replacement of the High School auditorium ceiling.

Mr. Maxwell noted that the chimney project languished a very long time due to its significant cost. He questioned how reliable the quotes are for the upcoming projects. Dr. Solek expressed confidence in the figures.

It was noted that the replacement of the High School auditorium ceiling has already been completed. It was, however, paid for out of the maintenance budget rather than as a capital expenditure and the maintenance budget is now substantially over budget. Responsive to inquiry from the Board, Mrs. Haslam advised that the Board of Education was aware of the expenditure as a necessary safety issue; fixtures were falling from the ceiling.

Mr. Alexander questioned whether the Board of Finance should clean up the mess that the Board of Education made or set the tone for what it wants going forward. Mrs. Haslam reported that going forward regular facilities reports will be received and that procedures are being tightened. Dr. Solek reported that all problems cannot be fixed overnight, however, a good faith effort is being made and she was hopeful that the Board of Finance would recognize and not penalize the sincere effort being made.

Mrs. Link requested that she receive, as liaison to the Board of Education, the full Board packet. Dr. Solek stated that she would assure she is on the distribution list going forward.

Mr. Alexander questioned why repainting of the Elementary School gym is not an operating expense and is part of the capital funding request. Mrs. Varricchio responded that because the painting is part of the overall gym improvements project being proposed it is included in the capital request.

Mr. Alexander questioned the capital threshold? Mrs. Varricchio responded that it is \$5,000. Mr. Thomas requested that Mrs. Varricchio put a summary together outlining the criteria for capital expenditures.

**Motion was made by Mr. Maxwell to appropriate \$40,000 for the purpose of improvements to the Elementary School gymnasium (account 890-579001) with acknowledgement that the Capital Improvement Plan for Education budgeted items for fiscal year 2011-2012 are under budget and no additional costs will be incurred beyond the 2011-2012 budget as amended 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.**

Dr. Solek stated that the Board of Education Finance Subcommittee as well as the Board of Education has approved the request for MUNIS financial software. There has already been a lot of discussion with the Board of Finance with regard to the benefits and enhancements to reporting capabilities of the Board of Education using the same financial software as the Town. Preliminary cost estimates range from \$50,000 to \$100,000 depending upon the modules needed. The first step would be to evaluate the needs and put forth a comprehensive request for funding.

**Motion was made by Mr. Maxwell to authorize the Finance Director to conduct an evaluation of the Board of Education financial software requirements to implement the MUNIS financial system and to provide the Board of Finance with a formal**

**recommendation for funding and implementation no later than October 31, 2012. Mrs. Link seconded the motion and it was unanimously approved. Motion carried.**

It was noted that this is separate from the proposal from Blum Shapiro for consulting services.

**Motion was made by Mr. Maxwell to appropriate \$32,000 for the purpose of replacement of the Nathan Hale-Ray High School auditorium ceiling (account 890-579001) with acknowledgement that the Capital Improvement Plan for Education budgeted items for fiscal year 2011-2012 are under budget and no additional costs will be incurred beyond the 2011-2012 budget as amended 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.**

Mr. Maxwell expressed best wishes and appreciation to Dr. Solek as she departs for her new position as Superintendent in Bristol; an 8,500 student school system. Likewise, Dr. Solek advised that it had been a pleasure working in East Haddam.

**e. Budget Amendment Shared Finance Services**

It was noted that as part of the shared Finance Director services between the Town and the Board of Education, the Town's budget needs to be amended for both revenue and expenditures in the amount of \$4,167 for the current fiscal year.

**Motion was made by Mr. Maxwell to amend the 2011-2012 budget to reflect the shared Finance Director services between the Town and the Board of Education (revenue account 701-410110 and expense account 704-510401). Mr. Alexander seconded the motion and it was unanimously approved. Motion carried.**

Mr. Maxwell stated that it was necessary to elect a new Board Chairman. He solicited nominations. Mrs. Denette stated that as a point of order a motion to add Election of a Board Chair to the agenda would be required and the item could be added to the agenda if it received a two-thirds majority vote.

**Motion was made by Mr. Maxwell to add Election of a New Board Chairman to the agenda. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.**

**Election of New Board Chairman:**

Mr. Maxwell solicited nominations.

**Motion was made by Mr. Bennett to nominate Susan Link as Board Chairman. Mr. Maxwell seconded the motion.**

Mr. Maxwell inquired if there were other nominations.

**Motion was made by Mr. Maxwell to close nominations. Mr. Alexander seconded the motion and it was unanimously approved. Motion carried.**

Mr. Maxwell stated that the term of Board chair would run from today until the municipal election of 2013.

**Mr. Maxwell called for a vote on the motion on the floor regarding approval of Susan Link to serve as Board of Finance Chairman.**

**FAVOR: Maxwell, Bennett, Dutch, Alexander**

**OPPOSED: Thomas**

**ABSTAINING: Link**

**MOTION CARRIED**

Mr. Maxwell inquired whether Mr. Thomas wished to state his reason for the opposition or whether it was purely partisan. Mr. Thomas declined comment. Mr. Maxwell opined that it was Mr. Thomas who lacked vision.

**Motion was made by Mr. Maxwell to adjourn at 8:55 pm. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.**

Respectfully submitted,

Deb Denette