

**TOWN OF EAST HADDAM
FINANCIAL NEEDS ROUNDTABLE**

Special Meeting
Monday, December 3, 2012
Grange Hall
6:30 pm

1. **CALL TO ORDER**

First Selectman Mark Walter called the meeting to order at 6:33 pm.

In attendance:

Financial Needs Roundtable Members:

Mark Walter, First Selectman
Bryan Perry, Board of Education
Brian Pear, Board of Education
Bruce Dutch, Board of Finance
Raymond Willis, Board of Finance

Others:

Cindy Varricchio, Finance Director
Dr. Mary Beth Iacobelli, Superintendent
Bob Casner
Deb Denette, Recording Secretary

2. **APPROVAL OF AGENDA**

Motion was made by Mark Walter to approve the agenda as presented. Bryan Perry seconded the motion and it was unanimously approved. Motion carried.

3. **APPROVAL OF THE MINUTES OF OCTOBER 27, 2011**

Motion was made by Bryan Perry to approve the minutes of the October 27, 2011 meeting. Brian Pear seconded the motion and it was unanimously approved. Motion carried.

4. **GENERAL DISCUSSION**

- a. **Review of 10-Year Capital Plan:**
- b. **Discussion of Future Capital Needs:**
- c. **Other:**

Mark Walter stated that past practice was to drive one big project at a time. He stated that the old middle school conversion project recommendations were not moved forward because the Boards of Selectmen and Finance felt that it was too large of a project in light of other needed projects. He stated that it was essential that the town evaluate and document all needed projects into one document, that would provide a guiding tool for the town for years to come. He further noted that he would like to proceed with a design build firm to evaluate all the projects in

coordination with the architects; eliminating the need for the town to act as the general contractor

Mr. Walter noted that there are four major projects that have been identified and need to be addressed within the next ten years:

- conversion of the old middle school
- firehouse company #1
- firehouse company #2 and
- the elementary school

He noted that an architect has put forth renderings for company #1 in order to be eligible for grant funds.

Mr. Walter reported that considerable time has been spent reviewing all four projects. The firehouse company #2 has been determined to have structural defects. It has been determined that the most efficient option, provided that the septic can support it, would be to consolidate office and storage for both firehouses to the company #1 property. The plan would be to utilize the facility at company #2 for storage of vehicles only as the majority of volunteers come from the Moodus area. It was noted that at this time it is unclear whether firehouse company #2 can be repaired/renovated or if it will need to be demolished and rebuilt.

Dr. Mary Beth Iacobelli explained that the renovations requested for the elementary school do not change the footprint. The items address code compliance, handicap accessibility issues and needed upgrades. Much of the building was constructed in the 1960's and is severely outdated.

Mr. Walter stated that the older Hale section of the old middle school is a solid facility. He stated that at this time it would be his recommendation to demolish the Ray portion.

Mr. Walter stated that he and Cindy Varricchio have been meeting with our financial advisor Webster Bank regarding how we would structure debt for these projects; as well as looking into any refinancing options of existing debt.

Responsive to inquiry from Raymond Willis, it was noted that the high school debt will mature shortly, leaving outstanding debt from the sewers, open space acquisitions and the new middle school.

Mr. Walter stated that it would be his goal to bring a ten year plan to the voters and have them vote on a long range vision of up to a certain dollar amount much like it has for open space purchases. Mrs. Varricchio addressed the cost of a bond issuance, and noted that issuing short term debt (bond anticipation notes) is a lower cost financing option at the start of the implementation of the plan. She noted that presently the town has BAN's at an interest rate of .349.

Mr. Walter emphasized the intent to keep the debt structure as level as possible.

Mr. Walter recognized that predicting the town's needs and costs is a moving target. For example, he cited the need for an emergency radio system. He stated

that \$1,500,000 was estimated for a town wide emergency radio system. Mr. Walter also informed the Committee that our present 9-1-1 system (KX out of Colchester) lost Hebron—a member town. The loss of one member town is estimated to cost the remaining seven member towns approximately \$100,000 each annually. He stated that placement of another tower on high ground in East Haddam could effectively cover 15 area towns.

Mrs. Varricchio reviewed pages 11-58 of the documentation presented addressing the capital needs department by department. Mr. Willis commended the amount of work that has been done. Bryan Perry inquired what was needed. Mrs. Varricchio reviewed the Committee's charge "to evaluate the town's short and long-term capital needs and to make recommendations to the Board of Selectmen with regard to capital requirements and corresponding economic and taxpayer impacts". Mr. Walter noted that it is still necessary to put the financial piece in place. He stated that Webster Bank has been working on that and he anticipated a document to be received shortly. He further noted that a study was authorized a while back to evaluate both the town and Board of Education functions with regard to finance, technology and facilities in an effort to recommend efficiencies and reduce redundancies.

Mr. Walter reiterated that he is working on bid specs for a design build firm that would then work with the Board of Education to put costs to their project.

Mr. Pear inquired what time frame Mr. Walter had in mind. Mr. Walter stated that he is hopeful that the town would be able to go forward with a referendum for a ten year capital plan by spring. He noted that much education would be necessary. Mrs. Varricchio added that bond council looks favorably on long range capital plans.

Bob Casner arrived at this time and Mr. Walter briefed him on the prior discussion, which included a review of the proposed schematic for company #1.

Mr. Willis raised concern with the future of East Haddam Village if and when town offices vacate. Mr. Walter stated that the East Haddam Village Revitalization Commission received no response to their request for proposal for the area. Mr. Walter felt that it could be a different scenario if the Goodspeed were included in the proposal. He noted that the recent addition of the actor housing presents some creative options for the Goodspeed.

Mr. Walter stated that he would like to hold a joint meeting between the Board of Selectmen, Board of Finance and Financial Needs Committee when the Webster Bank financial piece is available. Mr. Walter stated that Webster Bank will be addressing the four identified projects.

5. **NEW BUSINESS**

a. **Recommendations to Board of Selectmen:**

Motion was made by Bryan Perry to recommend the proposed ten year capital plan as presented to the Board of Selectmen. Bruce Dutch seconded the motion.

Further discussion was held on what the passage of the motion would mean. It was noted that each project would still need all of its permits and approvals, this motion would essentially begin the process of moving the proposal forward and that each project would still need approval on its merits. Dr. Iacobelli stated that the document provides a wonderful "big picture" plan.

The motion carried unanimously.

Mr. Walter stated that he hoped to schedule the joint meeting before year's end.

- b. **Review Future Goals for Committee:** No discussion or action occurred.
- c. **Next Meeting Date:** No discussion or action occurred.
- d. **Other:** No discussion or action occurred.

AUDIENCE OF CITIZENS: None.

Motion was made by Bruce Dutch to adjourn at 8:10 pm. Brian Pear seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette