

**TOWN OF EAST HADDAM
BOARD OF FINANCE
Regular Meeting
March 11, 2013
Grange Hall**

CALL TO ORDER

The regular meeting of the East Haddam Board of Finance was called to order by Chairman Susan Link on Monday, March 11, 2013 at 7:00 pm at the Grange Hall.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

Susan Link, Chairwoman
Robert Bennett
Daniel Alexander
Bruce Dutch
Harvey Thomas
Raymond Willis

Others:

Mark B. Walter, First Selectman
Deb Denette, Town Clerk and BOF recording secretary
Cindy Varricchio, Finance Director
Denise Dill, Tax Collector
James Ventres, Land Use Administrator
Deb Fiala, Board of Education
Jeff Cugno, O & G Industries, Inc.
Ray Wiley, Program Manager, O & G Industries, Inc.
Edward O'Dell, Chairman, Economic Development Commission
Deb Mathiasen, Economic Development Commission
Candy Carle
Peter Simmons, Economic Development Coordinator

APPROVAL OF AGENDA

Motion was made by Robert Bennett to accept the agenda. Bruce Dutch seconded the motion and it was unanimously approved. Motion carried.

APPROVAL OF MINUTES

Motion was made by Robert Bennett to accept the minutes of the Special Meeting of February 20, 2013 with the following amendments:

Page 2, Chairman's Report, item b: Health Insurance Renewal: first line, add a space between "for health", add the word "has" after "insurance".

Page 3, Finance Director's Report, item c: BAN Sale Update: second line add the word "over" after "rolled".

Daniel Alexander seconded the motion and it was unanimously approved. Motion carried.

CORRESPONDENCE

Nothing noted.

CHAIRMAN'S REPORT

a. **Tax Collector Monthly Report:**

Tax Collector Denise Dill was present. Responsive to an inquiry from Mr. Willis, Mrs. Dill advised what process is followed when tax debt cannot be collected.

FIRST SELECTMAN'S REPORT

a. **2013-2014 Budget Distribution:**

First Selectman Mark Walter distributed budget books to the Board.

Chairman Susan Link requested that should the Board have any questions with regard to the budget that any e-mail correspondence be copied to everyone so that everyone has the same information. Town Clerk Debra Denette reminded the Board of FOIA rules and encouraged questions and comments to be reserved for meetings and not via e-mail. Mrs. Link advised that she was aware of FOI requirements.

Mrs. Link stated that workshops were scheduled for March 13, 2013, March 14, 2013, March 27, 2013 and March 28, 2013. Mrs. Link stated that she would like meetings held the week of March 18, 2013. Members were requested to e-mail Cindy Varricchio with their availability.

b. **Program Manager for Four Municipal Properties:**

First Selectman Walter introduced Jeff Cugno and Ray Wiley from O & G Industries. He stated we would like to retain O & G to analyze and recommend a course of action regarding the top four projects identified through the ten-year capital plan. O & G would act as the owner's representative working with architects, engineers, etc. The qualifications and experiences of O & G were highlighted.

Daniel Alexander inquired what guidance or guidelines should be given to O & G regarding the old middle school. Mr. Walter stated that he would like the analysis to be the guide. The key components are town offices, Board of Education, Youth and Family Services, Police and Parks and Recreation. Mr. Walter stated that it would be nice to add the Probate Court however, that is not a driver. James Ventres stated that the first goal is to determine what is physically feasible and the second is to match what is feasible with long term needs. Mr. Alexander continued that clear direction should be given to get the desired results. Mr. Cugno responded that part of the job will be to ask the right questions. He emphasized the resources O & G has available.

Harvey Thomas questioned the timing for receipt of the completed report. Mr. Cugno responded that he anticipated three or four months to complete the full analysis; however, he stated that updates will be made at frequent intervals.

Mr. Alexander reiterated his preference that priorities be established. The remainder of the Board was in agreement to see what the analysis shows and work from there.

Mr. Walter stated that funding in the amount of \$45,000 was necessary for O & G to go forward, along with an additional \$14,000 for Silver Petrucelli the architects for the middle school conversion for some reworking.

Discussion regarding the funding source was held. Several options were reviewed.

Motion was made by Robert Bennett motioned to recommend the Board of Selectmen schedule a Town Meeting for the transfer of \$45,520 from Middle School Conversion Fund to the capital improvement budget for the purpose of a program manager and associated costs for four municipal projects identified in the ten year capital improvement plan. Harvey Thomas seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Harvey Thomas to transfer \$20,000 from the Board of Finance Contingency Fund (704-588701) to capital improvement budget for purpose of a program manager and associated costs for four municipal projects identified in ten year plan. Robert Bennett seconded the motion and it was unanimously approved. Motion carried.

It was noted that a Town Meeting is already scheduled for March 28, 2013 and these items will be added to that agenda.

Mr. Walter asked that the Boating Infrastructure Grant be added to the agenda.

Motion was made by Harvey Thomas to amend the agenda to add item c—Boating Infrastructure Grant. Daniel Alexander seconded the motion and it was unanimously approved. Motion carried.

c. **Boating Infrastructure Grant:**

First Selectman Mark Walter stated that this item was brought forward at the last meeting and was tabled due to conflicting information in the contract. Mr. Walter stated that the language has been clarified and that the dock will be built strong enough to accommodate boats up to 26' it does not mean that smaller boats cannot use the dock. The total cost of the dock is estimated at \$60,000. East Haddam's share will be 15% of total costs. Discussion was held relative to whether labor costs counted as in-kind donations. Mr. Ventres responded that it did. Mr. Walter further noted that a memorandum of understanding regarding use and maintenance of the dock between the Town and the Goodspeed Foundation is being prepared. He was doubtful that the dock could be installed during this summer season as the DEEP permitting process is presently four months out.

Motion was made by Raymond Willis to transfer \$15,000 from the Board of Finance Contingency Fund (704-588701) to the Grant Fund (fund 79) for the purpose of matching grant funds for the State of Connecticut Boating Infrastructure Grant. Harvey Thomas seconded the motion.

Discussion:

Mr. Alexander questioned whether this was an appropriate use of contingency given that it neither urgent or safety related. He further suggested that since the permit process is that far out, the item could be budgeted in 2013-2014. Mrs. Varricchio

suggested that since the grant needs to go to Town Meeting for acceptance that the Board may want to consider a special appropriation, which would also require Town Meeting.

Mr. Willis withdrew his motion. Mr. Thomas withdrew his second.

Motion was made by Harvey Thomas to approve a special appropriation in the amount of \$15,000 to the Grant Fund (fund 79) for the purpose of matching grant funds for the State of Connecticut Boating Infrastructure Grant (revenue account 79-431510-G1202 and expense account 79-541750-G1202) and to request that the Board of Selectmen schedule a Town Meeting for approval. Robert Bennett seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Harvey Thomas to recommend that the Board of Selectmen schedule a Town Meeting for the acceptance of a grant in the amount of \$45,000 from the State of Connecticut, Department of Energy and Environmental Project, BOR Boating Division to design and install floating docks for transient dockage for transient boaters upon the terms and conditions set forth in the Personal Service Agreement (revenue account 79-431510-G1202 and expense account 79-541750-G1202). Bruce Dutch seconded the motion and it was unanimously approved. Motion carried.

FINANCE DIRECTOR'S REPORT:

a. **February YTD Budget Reports:**

Cindy Varricchio reported on the year to date tracking. She stated that the Friday snowstorm and power outage made providing reports difficult and she apologized for their late arrival. Mrs. Varricchio reported that the budget is tracking well. She stated that there is a potential that the Town may qualify for FEMA assistance attributable to blizzard Nemo/Charlotte. She stated that last Friday's snow storm dug deeper into the snow budget.

Mrs. Varricchio reported that the Town is maintaining the same approximate \$6,000,000 balance that it has for several years, however interest income is tracking at \$30,000 for the year in comparison to the nearly \$400,000 it used to earn. Mrs. Link questioned the town-wide expenditures regarding heat, Mrs. Varricchio responded that due to the fuel surplus and allocating fuel storage costs, fuel has just been posted to the expense accounts.

b. **2013-2014 Budget Workshop Schedule:**

Discussed earlier.

LIAISON REPORTS

Chairman Susan Link requested that liaisons have a stance on the requests from the departments that they are assigned to.

Raymond Willis reported that he met with the Economic Development Commission. Daniel Alexander reported that he met with the First Selectmen on Town maintenance. he also met with the Tax Collector, Town Clerk and has a meeting with the Assessor scheduled for in the morning.

GUESTS AND AUDIENCE COMMENTS

Nothing noted.

OLD BUSINESS

a. Open Space Acquisitions—Pages and Zeiller Properties:

Resolutions drafted by bond council were presented for action. Chairman Susan Link questioned the timing, and noted her preference to combine this referendum with the Town's budget referendum rather than having two separate referendums six weeks apart. First Selectman Mark Walter noted that the town attorney encouraged the earlier dates.

James Ventres noted that the earlier date is necessary to honor the purchase contract. Daniel Alexander stated that he did not feel pressure to rush. Mrs. Link noted that the Board of Finance needs to send it to the Board of Selectmen and Town Meeting for action and that the Board of Finance does not choose a date for referendum. She inquired who does. Town Clerk Debra Denette stated that an item can be sent to referendum one of two ways, the Selectmen can remove an item from the call of a Town Meeting for vote at referendum or the townspeople can petition an item to be voted upon at referendum. She stated that past practice for open space purchases has been for the Selectmen to remove an item from the Town Meeting call for vote at referendum.

Motion was made by Bruce Dutch, seconded by Harvey Thomas for the following resolution:

RESOLVED, that the Board of Finance (the "Board") of the Town of East Haddam (the "Town") hereby accepts the recommendation of the Board of Selectman adopted at its meeting held on March 8, 2013, and recommends to the electors and citizens eligible to vote at town meetings of the Town the following:

- (1) That the Town (i) appropriate the sum of \$1,007,500 for costs related to the acquisition of approximately 238 acres of land or rights therein located on Mill Road and Parker Road (also known as the Pages property) in East Haddam, Connecticut, shown and designated as Lot 023 on the East Haddam Assessor's Map #20 (the "Property") for open space purposes (the "Project"), including, without limitation, the costs of land acquisition, site work, demolition and removal, easement acquisition, engineering, legal, administration, temporary and permanent financing and any other costs and expenses related thereto, including the costs of printing explanatory text and any other materials in accordance with Section 9-369b of the Connecticut General Statutes, and (ii) authorize the Board, through the actions of the First Selectman, to acquire the Property from Mauricio Pages and Patricia K. Pages pursuant to the terms of a certain contract dated June 26, 2012, as amended on December 13, 2012.**
- (2) That to finance said appropriation for the Project, general obligation bonds and notes of the Town may be issued pursuant to Chapter 109 of the Connecticut General Statutes, Revision of 1958, as amended (the "Connecticut General Statutes"), or any other applicable provision of law thereto enabling, in an amount not to exceed \$1,007,500 (or so much thereof as may be necessary**

after the deduction of grants or other sources of funds available therefor, including, but not limited to, a contribution from the East Haddam Land Trust in the amount of \$35,000 and a grant from the State of Connecticut in the amount of \$464,000, general fund monies and/or capital reserve funds).

- (3) That the First Selectman, or a majority of the Board of Selectmen, and the Treasurer (the "Officials") be authorized to issue and sell bonds and notes secured by the full faith and credit of the Town in an amount not to exceed \$1,007,500 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor, including, but not limited to, a contribution from the East Haddam Land Trust in the amount of \$35,000 and a grant from the State of Connecticut in the amount of \$464,000, general fund monies and/or capital reserve funds), pursuant to the Connecticut General Statutes or any other applicable provision of law thereto enabling, to finance the appropriation for such project having been made by this resolution; that the Officials are hereby authorized to appoint a bank or trust company to be the certifying agent, registrar, transfer agent and paying agent for such bonds and notes; that Updike, Kelly & Spellacy, P.C., Hartford, Connecticut is designated as the attorneys at law to render an opinion approving the legality of such issue or issues; that the Officials be authorized to sign any bonds by their manual or facsimile signatures; and that the Officials be authorized to determine the rate or rates of interest for such bonds and notes, their date or dates, the dates of principal and interest payments on such bonds and notes, the form of such bonds and notes, the provisions for protecting and enforcing the rights and remedies of the holders of such bonds and notes and all other terms, conditions and particular matters regarding the issuance and securing of such bonds and notes and to sell and deliver the same, in accordance with the provisions of the Connecticut General Statutes and any other act of the General Assembly thereto enabling.
- (4) That the Officials are authorized to sell the bonds or notes at public or private sale; to deliver the bonds or notes; and to perform all other acts which are necessary or appropriate to issue the bonds or notes. If the bonds or notes authorized by this resolution are issued on a tax-exempt basis, the Officials are authorized to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes, including covenants to pay rebates of investment earnings to the United States in future years.
- (5) That the Town reasonably expects to incur expenditures (the "Expenditures") in connection with the Project described above. The Town reasonably expects to reimburse itself for the cost of the Expenditures with the proceeds of general obligation bonds and notes of the Town described above. The maximum principal amount of such debt (both bonds and notes) is not expected to exceed \$1,007,500. This declaration of official intent is a declaration of official intent made pursuant to Federal Income Tax Regulations Section 1.150-2. The Officials are authorized to amend such declaration or official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the notes authorized by this resolution, if issued on a tax-exempt basis,

including covenants to pay rebates of investment earnings to the United States in future years.

- (6) That the Officials are authorized to make representations and enter into written agreements for the benefit of holders of the bonds or notes to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws of rules pertaining to the sale or purchase of such bonds or notes.
- (7) That the First Selectman is hereby authorized to enter into and/or execute any agreements, documents and instruments necessary or in furtherance of the acquisition of the Property.
- (8) That the Officials are authorized to take all other actions which are necessary or desirable to complete the Project consistent with the foregoing.

In Favor: Susan Link
Robert Bennett
Bruce Dutch
Harvey Thomas
Raymond Willis
Opposed: Alexander

Motion carried.

Mr. Alexander questioned why Harvey Thomas did not recuse himself as he has already supported this purchase as a member of the Agriculture Commission. Mr. Thomas stated that he was voting in the affirmative unless council told him he should not be voting. He stated that he did not see a conflict.

Motion was made by Robert Bennett, seconded by Bruce Dutch for the following resolution:

RESOLVED, that the Board of Finance (the "Board") of the Town of East Haddam (the "Town") hereby accepts the recommendation of the Board of Selectman adopted at its meeting held on March 8, 2013, and recommends to the electors and citizens eligible to vote at town meetings of the Town the following:

- (1) That the Town (i) appropriate the sum of \$474,000 for costs related to the acquisition of approximately 98.22 acres of land or rights therein located on Clark Hill Road and Florida Road (also known as the Zeiller Associates property) in East Haddam, Connecticut, shown and designated as Lot 030 on the East Haddam Assessor's Map #12 (the "Property") for open space purposes (the "Project"), including, without limitation, the costs of land acquisition, site work, demolition and removal, easement acquisition, engineering, legal, administration, temporary and permanent financing and any other costs and expenses related thereto, including the costs of printing explanatory text and any other materials in accordance with Section 9-369b of the Connecticut General Statutes, and (ii) authorize the Board, through the actions of the First Selectman, to acquire the Property Zeiller Associates, a Partnership under the Connecticut Uniform Limited Partnership Act acting by its General Partners,

Bette Ann Romaine and Robert Zeiller pursuant to the terms of a certain contract dated June 25, 2012.

- (2) That to finance said appropriation for the Project, general obligation bonds and notes of the Town may be issued pursuant to Chapter 109 of the Connecticut General Statutes, Revision of 1958, as amended (the "Connecticut General Statutes"), or any other applicable provision of law thereto enabling, in an amount not to exceed \$474,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor, including, but not limited to, a grant from the State of Connecticut in the amount of \$232,500, general fund monies and/or capital reserve funds).**
- (3) That the First Selectman, or a majority of the Board of Selectman, and the Treasurer (the "Officials") be authorized to issue and sell bonds and notes secured by the full faith and credit of the Town in an amount not to exceed \$474,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor, including, but not limited to, a grant from the State of Connecticut in the amount of \$232,500, general fund monies and/or capital reserve funds), pursuant to the Connecticut General Statutes or any other applicable provision of law thereto enabling, to finance the appropriation for such project having been made by this resolution; that the Officials are hereby authorized to appoint a bank or trust company to be the certifying agent, registrar, transfer agent and paying agent for such bonds and notes; that Updike, Kelly & Spellacy, P.C., Hartford, Connecticut is designated as the attorneys at law to render an opinion approving the legality of such issue or issues; that the Officials be authorized to sign any bonds by their manual or facsimile signatures; and that the Officials be authorized to determine the rate or rates of interest for such bonds and notes, their date or dates, the dates of principal and interest payments on such bonds and notes, the form of such bonds and notes, the provisions for protecting and enforcing the rights and remedies of the holders of such bonds and notes and all other terms, conditions and particular matters regarding the issuance and securing of such bonds and notes and to sell and deliver the same, in accordance with the provisions of the Connecticut General Statutes and any other act of the General Assembly thereto enabling.**
- (4) That the Officials are authorized to sell the bonds or notes at public or private sale; to deliver the bonds or notes; and to perform all other acts which are necessary or appropriate to issue the bonds or notes. If the bonds or notes authorized by this resolution are issued on a tax-exempt basis, the Officials are authorized to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes, including covenants to pay rebates of investment earnings to the United States in future years.**
- (5) That the Town reasonably expects to incur expenditures (the "Expenditures") in connection with the Project described above. The Town reasonably expects to reimburse itself for the cost of the Expenditures with the proceeds of general obligation bonds and notes of the Town described above. The maximum principal amount of such debt (both bonds and notes) is not expected to exceed \$474,000. This declaration of official intent is a declaration of official**

intent made pursuant to Federal Income Tax Regulations Section 1.150-2. The Officials are authorized to amend such declaration or official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

- (6) That the Officials are authorized to make representations and enter into written agreements for the benefit of holders of the bonds or notes to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws of rules pertaining to the sale or purchase of such bonds or notes.
- (7) That the First Selectman is hereby authorized to enter into and/or execute any agreements, documents and instruments necessary or in furtherance of the acquisition of the Property.
- (8) That the Officials are authorized to take all other actions which are necessary or desirable to complete the Project consistent with the foregoing.

In Favor: Susan Link
 Robert Bennett
 Bruce Dutch
 Harvey Thomas
 Raymond Willis
Opposed: Alexander

Motion carried.

Mrs. Link stated that she feels strongly that the open space items be included with the budget referendum.

NEW BUSINESS

a. **Economic Development Commission Grants:**

Economic Development Coordinator Peter Simmons stated that the EDC is looking to apply to the State of Connecticut for a grant with a focus to promote East Haddam's tourism. He stated that a \$10,000 grant is available with \$5,000 matching funds to come from East Haddam businesses. He noted that no town funds will be utilized. He stated that this will be a partnership with the East Haddam Stage Company that has had a presence at Gillette's Castle for the last several years.

No objections were raised regarding application submittal.

Mr. Simmons stated that the EDC has been awarded a \$20,000 grant to construct fencing on the Harris property. He stated that the next step is to contract with a vendor for the work. He stated that the terms of this grant are for the Town to fund the project and submit for reimbursement upon completion of the project.

Motion was made by Bruce Dutch to recommend that the Board of Selectmen schedule a Town Meeting for the acceptance of a grant in the amount of \$20,000 from the State of Connecticut, Department of Agriculture, Farmland Restoration Grant Program, for the purpose of fencing around the cultivated parcels of the Harris property (revenue account 79-431510-G1301 and expense account \$79-541750-G1301). Harvey Thomas seconded the motion and it was unanimously approved. Motion carried.

b. **Historic Documents Preservation Grant:**

Town Clerk Debra Denette sought approval to apply for a \$4,000 grant with an April 30th deadline from the Connecticut State Library. She stated that she is seeking to preserve town meeting records from the 1950's era that were assembled with glue and tape. No objections were raised

Other/Follow- up Items:

Chairman Susan Link stated that she is still waiting on information that she had requested from the Board of Education with regard to salaries and insurance. Cindy Varricchio stated that she will have the information to Mrs. Link by Thursday.

Motion was by Bruce Dutch to adjourn at 8:17 pm. Daniel Alexander seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted

Debra H. Denette