

TOWN OF EAST HADDAM
BOARD OF FINANCE
Regular Meeting
August 12, 2013
Grange Hall

CALL TO ORDER

The regular meeting of the Board of Finance was called to order at 7:02 pm by Chairman Susan Link.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

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

Others:

Mark B. Walter, First Selectman
Deb Denette, Town Clerk & Recording Secretary
Cindy Varricchio, Finance Director
Craig Mansfield, Director of Facilities and Operations
Members of the Municipal Facilities Building Advisory Group:
Ed Blaschik
David Morrison
David Nelson
Chuck Smith
Patty Stricker
Ray Wiley, O & G

APPROVAL OF MINUTES

Motion was made by Robert Bennett to approve the minutes of the special meeting of July 22, 2013 as presented. Raymond Willis seconded the motion. The motion carried with Daniel Alexander abstaining.

CORRESPONDENCE

a. **Old Middle School Construction Grant:**

Chairman Link reviewed correspondence from the State of Connecticut regarding a grant for the old middle school for windows which had not been fully amortized because of the relocation to the new 4-8 Middle School. The unamortized amount is \$37,886. Chairman Link also reviewed correspondence from Superintendent Mary Beth Iacobelli to the State requesting "forgiveness" under Connecticut State Statute 10-283. Finance Director Cindy Varricchio reported that State Representative Melissa

Ziobron and State Senator Art Linares have been contacted for their assistance in this matter. Chairman Link expressed disappointment that this matter was not brought forward during the budget discussions. She further added that if the funding is not forgiven, it would be her thought that it be found from the Board of Education's budget and not from the Town's contingency fund or a special appropriation. Mrs. Varricchio indicated that the legislature would not take action until December, 2013.

CHAIRMAN'S REPORT

a. Tax Collector Monthly Report:

There was no discussion regarding the report. Tax Collector Denise Dill was not present at the meeting.

FIRST SELECTMAN'S REPORT

a. Municipal Facilities Building Advisory Group:

First Selectman Mark Walter requested Director of Facilities and Operations Craig Mansfield to talk about the Municipal Facilities Building Advisory Group. Mr. Mansfield introduced Ray Wiley from O & G and the members of the Group that were present. It was noted that Chairman Malavasi was unable to be present because of family obligations. Preliminary plans were reviewed.

The cost of renovation to the existing 67,000 square foot structure was estimated at \$16,266,788. Proposed additions of \$727,080 were estimated for an entryway and construction of a vault, along with additional funding of \$3,360,087 to for fire and police. It was noted that the cost of demolishing the entire structure and rebuilding is estimated at \$37,000,000.

Discussion regarding the status of the fire companies was held, it was noted that the septic at company #1 cannot handle additional capacity. Harvey Thomas inquired whether the proposed emergency center could handle an emergency, such as the likes as was seen the past couple of years. Mr. Mansfield responded that the proposal would accommodate staff, but the Senior Center and High School would remain emergency centers for our citizens.

Discussion regarding the newly formed Elementary School Building Advisory Group was held. It was noted that they have not had their preliminary meeting yet. Their first meeting is anticipated for either August 19th or August 26th. The same footprint would remain.

Mr. Thomas noted that as the process moves forward, it will be necessary to see what we get for our money, to determine where trimming might occur. Chairman Link noted that debt issuing and forecasting will play a large factor as to whether this project can move forward. Raymond Willis, as debt service liaison will meet with the financial advisors in the coming weeks. Mr. Willis stated that he believed the plan needed to be refined into one plan without so many options.

It was also noted that savings will be recognized from funds recaptured or saved for buildings no longer used when the municipal complex is completed. The River House,

Town Office Annex, Town Office Building, Board of Education Office and Youth and Family Services Building were cited as examples.

Chairman Link solicited feedback from the Board regarding direction. It was the consensus of the Board to encourage the Municipal Facilities Building Advisory Group to proceed, it was noted that this issue has been out there far too long and that something needs to be brought to the people to vote on. The Board of Finance suggested two separate referendum questions, one for municipal space and fire and ambulance, the second for the elementary school.

Daniel Alexander stated that he felt the last plan was all encompassing. He encouraged options for doing part of the plan if that is all the municipality can afford. First Selectman Walter stated that the 10-year capital needs study revealed other needs that were not considered by the last plan. He stated that the scenario being proposed offers a solution that solves many issues.

Ed Blaschik stated that with the last go round, he personally felt that there was little support from the Board of Finance or the Board of Selectmen. He inquired whether this project would be different. First Selectman Walter responded that he believed that the Board of Selectmen would vote to send this project to referendum.

b. **Center for Agriculture Business Plan:**

First Selectman Mark Walter presented a draft business plan summary for consideration by the Board of Finance. He emphasized that this center has the potential for serving as a model for agricultural economic development for Connecticut small towns. He stated that it is anticipated that years one and two will operate at a deficit, however, that when the concept proves successful, it will begin to produce an income that will offset expenditures. Mr. Walter stated that operational expenditures were modeled, in part, from what is experienced at the Senior Center.

Responsive to inquiry from the Board, Mr. Walter stated that there are citizens in Town that would like to see the property turned into a mega sports complex. Should the agriculture initiative fail, the building could become a concessions building and the agriculture fields could become soccer fields.

Once again, Mr. Walter praised the efforts of Economic Development Coordinator Peter Simmons for securing the \$431,200 grant to build the facility, and an additional \$20,000 grant for installation of fencing.

Chairman Link inquired as to what budget year the expenditures for the Agriculture Center would be in. Mrs. Varricchio responded that it would be the 2014-2015 budget year.

FINANCE DIRECTOR'S REPORT

a. **Preliminary Year-End Update:**

Finance Director Cindy Varricchio reported that the auditors were here last week and that all is going well. She reported that the municipal revenue sharing (State sales tax increase), FEMA monies and additional Interest and Penalties collected by the Tax

Collector have lessened the reliance on fund balance which was budgeted at \$620,000.

Mrs. Varricchio reported that Munis implementation will begin shortly. She stated that she is looking for guidance from Blum Shapiro with regard to the unified chart of accounts. She further stated that the process will be carefully and methodically carried out, she emphasized that it will not be quick process.

LIAISON REPORTS

Robert Bennett reported that the Fire Marshal vehicle is now in service.

Daniel Alexander stated that Town Clerk Debra Denette has voluntarily acted in the capacity as recording secretary to the Board of Finance for several years (since 2008). He stated that Mrs. Denette is not looking for personal compensation for this work, however, as her time is assessed to the Town Clerk's department, and not to the Board of Finance, she would like to see a transfer of what the expenditure would be out of the Board of Finance and into the Town Clerk account where it could be used for historic document preservation. Mr. Alexander stated that he believed that this service had a value of between \$2,500 and \$4,000.

Mrs. Varricchio stated that she did not know that wages could be exchanged. It was suggested Mrs. Varricchio check with the auditors.

Mrs. Varricchio further reported that additional funding for preservation was included in the Technology budget that could be utilized. Mrs. Denette reported that such a line did not appear on the line item statements she received and was responsible for (account 702). Mrs. Varricchio will follow up with Mrs. Denette.

GUESTS AND AUDIENCE COMMENTS

Nothing reported.

OLD BUSINESS

Nothing reported.

NEW BUSINESS

a. Grant Acceptance—FY2013:

Motion was made by Robert Bennett to recommend to the Board of Selectmen the acceptance of the State of Connecticut Department of Emergency Services and Public Protection, Division of Emergency Management and Homeland Security grant, entitled "FY2013 Emergency Management Performance Grant" in the amount of \$4,570.50 (revenue budget 746-431510 and expense budget 746-531510 and to ask the Board of Selectmen to schedule a Town Meeting for approval. Daniel Alexander seconded the motion and it was unanimously approved. Motion carried.

OTHER/ FOLLOW-UP ITEMS

Finance Director Cindy Varricchio reported that in preparing the year end encumbrances, funds were encumbered for installation of surveillance cameras at the old middle school in the amount of \$15,000. There was a delay in the bid process and the auditors have advised that the funds cannot be encumbered. Mrs. Varricchio requested that the Board approve transfer of those funds to the Capital Projects and Reserve Fund (as was done in July for outstanding capital items).

Motion was made by Robert Bennett to transfer \$15,000 from the General Fund (old middle school operating budget) to the Capital Projects and Reserves fund for the purpose of installation of surveillance cameras at the old middle school. Harvey Thomas seconded the motion and it was unanimously approved. Motion carried.

The Fire Marshal will be invited to the September meeting to review recommendations regarding school buildings.

Motion was made by Bruce Dutch to adjourn at 8:15 pm. Raymond Willis seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Debra H. Denette