

**TOWN OF EAST HADDAM**  
**BOARD OF FINANCE**  
**Regular Meeting**  
November 18, 2013  
Town Grange

**CALL TO ORDER**

The regular meeting of the Board of Finance was called to order at 7:00 pm by Chairman Susan Link.

The Pledge of Allegiance was recited.

The special Board of Selectmen meeting was called to order by First Selectman Mark Walter 7:00 p.m.

The special Board of Education meeting was called to order by Chair Nancy Haslam at 7:00 p.m.

In attendance:

Board of Finance Members:

Susan Link, Chairman  
Robert Bennett, Secretary  
William DiCristofaro  
Bruce Dutch  
Harvey Thomas  
Raymond Willis

Board of Selectmen Members:

Mark B. Walter, first Selectman  
Emmett Lyman  
Ernest Malavasi

Board of Education Members

Nancy Haslam, Chairman  
Bryan Perry, Secretary  
Laurie Alt  
William Barney  
Brian Pear  
Marc Piscioti  
Shawn Conroy

Others:

Shawn Daigle, Fire Chief  
Deb Denette, Town Clerk and Recording Secretary  
Denise Dill, Tax Collector  
Craig Mansfield, Director of Facilities and Operations  
Cindy Varricchio, Finance Director  
James Ventres, Land Use Administrator

Municipal Facilities Advisory Group Members:

Mary Jane Malavasi, Chairman

Patty Stricker, Secretary

Edward Blaschik

Elementary School Advisory Group Members:

Nicholas Bonadies

Jason Guermon

Brian Ouellette

Ray Wiley, O & G Industries

Melissa Ziobron

## **JOINT MEETING OF THE BOARDS OF FINANCE, SELECTMEN AND EDUCATION**

### **a. Presentations by Building Advisory Groups:**

#### **i. Municipal Facilities:**

Chairman Maryjane Malavasi introduced the members of the group that have worked to bring the project forward. She stated that a public hearing was held last week. She stated that she would not provide the detailed presentation that was made at that meeting, but rather provide a following summary:

She stated that the current proposal puts all emergency services and Town departments under one roof. She elaborated that we need to move out of the Company #2 Firehouse on William F. Palmer Road due to structural issues. She added that it has been determined that Company #1 Firehouse on Town, does not have adequate soils to expand the septic capacity for greater expanded use.

Mrs. Malavasi reviewed the estimated costs associated with the renovation of the old middle school and the upgrades to Company #1. The projects total \$22,029,000. Mrs. Malavasi stated that the Group is working with the Finance Director in hopes of securing a USDA grant and financing. Responsive to a question from the Board of Finance, Cindy Varricchio advised that applications are in the process of being submitted. It is anticipated that a determination on the applications will be received by the end of December or the beginning of January. Discussion was also held relative to estimated costs to update/renovate our existing structures as they presently are. The cost estimates for such work were between \$13,000,000 and \$15,000,000.

Mrs. Malavasi noted that potential revenues could offset costs, for example Youth and Family Services, Chatham Health District or the Probate Court could utilize the facility. She stated, however, that no contracts for commitment have been signed.

Chairman Susan Link stated that she went to both public hearings. She inquired if any of the questions raised had been answered. Mrs. Malavasi stated that she anticipated that another public hearing would be held. It was also noted that there is the potential of resurrecting a \$500,000 emergency management grant. Mrs. Link questioned operating costs, to which she was advised that they have yet to be determined. Mrs. Link stated that those costs are very important to her in order to move the project forward.

James Ventres responded that the former Business Manager Robert Carroll had maintained a spreadsheet on operating costs at the site when it was a school. He stated that it presents a good baseline. Mrs. Link further questioned whether any energy saving measures such as solar were being incorporated. Mrs. Malavasi stated that the groups charge is conceptual, she stated that such decisions would come into play during the design phase.

Craig Mansfield added that a proposal is also on the table to add 17' to the Company #1 firehouse. Said addition will enable the housing of two trucks back to back, further upgrades will bring the building up to code with a new exhaust system and additional storage.

William DiCristofaro inquired why the stand alone project would be \$3,500,000 to \$4,000,000; whereas the project as part of the middle school conversion is only \$2,000,000. Mr. Mansfield reported that offices are incorporated into the middle school. Without that component they would need to be added to the Company #1 facility. Responsive to inquiry from Mrs. Link, Fire Chief Shawn Daigle responded that there would be an exit plan for emergency personnel housed at the Town office facility that would not be impacted by patrons to the facility. Ray Wiley from O & G advised that the renovation cost for municipal space is approximately \$285.00 per square foot.

Mrs. Malavasi wrapped up that the results of an exit poll at the public hearing demonstrated an 86% support rate of the project. It was noted that approximately 50% of the participants completed the survey.

Mrs. Malavasi noted that there is a whole spectrum that could come up between the best and worst case scenario. She stated that the ideal situation would be for the USDA grant and financing to be approved as submitted. She stated that realistically it may come in somewhere between the best and worst case scenarios. She also noted that selling the 7 Main Street facility would bring in revenues, however, that is something the group did not figure in as disposition of the site and its future use was not within the advisory group's charge.

Mrs. Link thanked Mrs. Malavasi and the committee for their work.

## **ii. Elementary School:**

Jason Guernon and Brian Ouellette offered a brief presentation on behalf of the Elementary School Building Advisory Group.

He reported the group reviewed three options:

- Short term fix
- Renovating as new
- Demolish and rebuild

Mr. Guernon stated that based on state reimbursement options, declining enrollment and fiscal prudence, the committee has recommended the Town pursue a renovate as new option, which would include safety and security upgrades, upgrades of the IT infrastructure and classroom technology, improved vehicle traffic flow for pedestrian safety, replacement of building

systems, code compliance issues, new exterior finishes and repairs, energy efficiency initiatives, kitchen and cafeteria renovation.

Mr. Guernon recognized lower enrollments and stated that current enrollments do not support a school of the size we presently have. He further stated, however, that if a smaller school were constructed, it may tie the Town's hands in the future.

Mr. Malavasi questioned whether a partial renovation could occur where the entire structure is presently too large. It was noted that reimbursements are based on an entire project and that the integrity of new wiring, etc. could be compromised if the entire project is not completed simultaneously.

Mr. Ouellette advised that the school has had a maximum of 600 students. He stated that staff reports that 450 is a comfortable level. Present enrollment is 300. Mrs. Varricchio added that the Town could build a new 55,000 square foot building, however, the State will only assist with 39,000 square feet. If the Town renovated as new, approximately half the square footage of the building would be eligible for reimbursement.

Mr. DiCristofaro recognized operating costs would be greatly reduced with a smaller building. He questioned if analysis occurred for a properly sized building with the ability for expansion. Discussion regarding state reimbursement formulas were reviewed.

Safety and security were reviewed. With a failed referendum, a band-aid approach would need to be undertaken.

Harvey Thomas questioned what mandated requirements were necessary between now and next September regarding safety and security. Mr. Mansfield responded that if the renovation project passes at referendum, the Fire Marshal will provide a waiver on items that should be addressed. He further emphasized that the building is safe, however, due to its age is getting out of code compliance. Melissa Ziobron emphasized that new projects are subject to the state safety and security mandates when funding is received, as are built as new. The legislature does not mandate safety and security when it is not providing funding; that is left to the local officials.

Mr. Malavasi inquired whether Grade 4 would be part of this new project. Mr. Guernon advised that the advisory group's charge was for Pre-K to Grade 3. Mrs. Haslam stated that the school board has not had discussion regarding moving the 4th grade back to the elementary school.

**b. 2014-2015 Budget Discussion:**

Board of Education Chair Nancy Haslam reported that Superintendent of Schools Dr. Mary Beth Iacobelli had a medical issue that required her to be home this evening. She stated that the Board of Education will be utilizing a zero based budgeting approach, meaning that they will be building a new budget. She also identified Dr. Iacobelli's identified priorities of a curriculum director and human resources support.

Harvey Thomas requested that the Board of Finance be provided with some type of summary regarding the costs associated with implementation of the Common Core Curriculum.

Mrs. Link stated that she would like to see data regarding the ratio of students in comparison to administrators, teachers, non-certifieds, etc. She would also like to see staffing trends. She commented that in years past the Superintendent's salary was justified because it included the curriculum responsibilities. She stated that she was very concerned with more administrative positions being created with declining enrollment.

First Selectman Mark Walter stated that he will be working to present a tight budget. He advised, however, that difficult challenges will be the legal budget, the issues with the salt shed and mutual aid for emergency services. Discussion was also held regarding union negotiations and the merged libraries.

Mrs. Link stated that her goal would be a budget without increases and one that passes the first time. Bryan Perry explained the zero based budget approach versus a zero percent increase. Mrs. Link noted budget trending would require all considerations for the costs of education, including shared services.

Mrs. Ziobron inquired if there was opportunity for public comments it was noted that it is at the end of the Board of Finance agenda but not part of the special meeting agenda for the Board of Selectmen or Board of Education.

**c. Grant Application Process:**

Mrs. Link stated that when grants are received that have a matching component it creates a financial burden upon the Town. Accordingly, when the Town applies for a grant, there is a policy in place that requires the Board of Finance to approve the grant application prior to proceeding.

Director of Pupil Services David Scata stated that it is very unusual for East Haddam or any other non-urban Town to be qualified to apply for a grant. Most grants require the applicant to be a "priority town" meaning essentially an inner city.

Mrs. Haslam reviewed potential funding sources for the grants applied for.

Mr. Thomas inquired what the technology grant will buy and questioned why we needed it. Mr. Mansfield replied that it is mostly for wiring, which in effect buys an increased capacity. Mr. Mansfield noted that each school is essentially a separate island and the goal is to bring those islands together. He added that the alarm system at the high school is 20 years old.

Mrs. Link stated that she would like a policy on the Board of Education side regarding how grants are handled. William Barney advised that the Long Range Planning Committee was made aware of the grant and the matching component. Mrs. Link requested that a draft policy be brought forward regarding grants with an indicator whether the grant funds are new, continuing, etc.

Mr. Thomas and Mr. Willis stated that the message to the Superintendent in preparing the 2014-2015 budget is that it be no greater than the 2013-2014 budget.

### **Freedom of Information Meeting**

Mrs. Link encouraged attendance at Thursday's educational workshop regarding FOI. The workshop is hosted by the Town Clerk and will be held in the middle school cafeteria at 7:00 p.m.

**Motion was made by Mark Walter to adjourn the Board of Selectmen meeting at 8:10 pm. Ernest Malavasi seconded the motion and it was unanimously approved. Motion carried.**

**Motion was made by William Barney to adjourn the Board of Education meeting at 8:10 pm. Bryan Perry seconded the motion and it was unanimously approved. Motion carried.**

### **APPROVAL OF MINUTES**

**Motion was made by Robert Bennett to approve the minutes of the October 21, 2013 meeting as presented. Harvey Thomas seconded the motion and it was unanimously approved. Motion carried.**

### **CORRESPONDENCE**

Nothing noted.

### **CHAIRMAN'S REPORT**

#### **a. Tax Collector Report:**

Tax Collector Denise Dill was present. No questions were raised.

#### **b. 2014 Meeting Schedule:**

Suggested meeting times were presented. Action will occur next month. It was noted one of the dates was on Passover, other dates would be reviewed.

### **FIRST SELECTMAN'S REPORT**

#### **a. Shared Services Update:**

The November report was reviewed. The 4-8 middle school audit was discussed. Responsive to inquiry from Mrs. Link, Mrs. Varricchio opined that the Town's maximum exposure was \$100,000 to \$150,000, and that it could be incorporated into the 2014-2015 budget.

It was noted that security cameras have been installed at the skateboard park.

## **FINANCE DIRECTOR'S REPORT**

### **a. October YTD Budget Report:**

Mrs. Varricchio reported that the budget is tracking nicely. She reviewed the legal budget in detail. She also reported better than usual revenues for the Town Clerk and Building Department.

Mrs. Link inquired if overtime is still being worked within the town. Mr. Walter responded affirmatively. She asked if there was no one else that could pick up the slack. Mr. Walter replied that overtime is managed and worked with approval.

A sample spreadsheet was reviewed for the tracking of capital projects and reserve funds. Mr. Willis suggested a simpler document. Mrs. Link noted it a work in progress and solicited suggestions from the Board to improve its presentation.

Responsive to inquiry from Mr. DiCristofaro, Mrs. Varricchio reported that in municipal budgets many expenses are front loaded or come in late at year end, meaning that the percentage of budget expended is not necessarily the best indicator of how a budget will track.

### **b. MUNIS/Unified Chart of Accounts Update:**

Responsive to a mandate of July 1, 2015 the Town is moving to a unified chart of accounts as well as merging the Board of Education into the Town's MUNIS accounting system. We have sought quotes from accounting firms to provide guidance in the new Chart of Accounts. Additional information will be presented to the Board in December

Mr. Willis departed the meeting at this time (9:10 p.m.)

## **LIAISON REPORTS**

Nothing noted.

## **GUESTS AND AUDIENCE COMMENTS**

Melissa Ziobron addressed the Board as a citizen and not as a legislator. She noted that as a volunteer in the Town for many, many years, she was concerned and frustrated with the lack of answers available regarding the two building projects. She provided copies of documentation prepared in 2007, such as schematics, charts for operating costs, alternatives to renovation, partial demolition, full demolition, etc. She stated that the middle school conversion project is a project that has been discussed and worked on for the past ten years; she added that there is a lot of back history readily available and she presented a large pile of her documentation on the subject. Mrs. Ziobron added that the new middle school project went \$10,000,000 over budget, she cautioned against bringing forward conceptual plans and repeating history. Mrs. Ziobron recognized that bringing forward the right project is a difficult task, she encouraged the Board of Finance to not go forward on estimates.

## **OLD BUSINESS**

Nothing noted.

## **NEW BUSINESS**

### **a. FEMA Grant Acceptance—Storm Sandy and February Blizzard:**

**Motion was made by Robert. Bennett to recommend that the Board of Selectmen schedule a Town Meeting for the acceptance of a grant in the amount of \$74,697.49 for the Federal Emergency Management Agency Disaster No. DR-4087-CT grant for Hurricane Sandy from the State of Connecticut Department of Emergency Services and Public Protect, Division of Emergency Management and Homeland Security (revenue account 701-410155 for fiscal year 2012-2013) contingent upon Board of Selectmen acceptance, and;**

**to recommend that the Board of Selectmen schedule a Town Meeting for the acceptance of a grant in the amount of \$60,661.32 for the Federal Emergency Management Agency Disaster No. DR-4106-CT grant for the February 8-11, 2013 Severe Winter Storm from the State of Connecticut Department of Emergency Services and Public Protect, Division of Emergency Management and Homeland Security (revenue account 701-410155 for fiscal year 2012-2013) contingent upon Board of Selectmen acceptance, and to;**

**to recommend that the Board of Selectmen schedule a Town Meeting for the transfer of \$51,500 to the Capital Projects and Reserve Fund from FEMA grant proceeds in accordance with the approved 2013-2014 Capital Budget for the following items: Town Office Building Generator, Light Tower for the Fire Department, Emergency and Police Radios.**

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

### **b. 2014 Federal Highway Safety Program (DUI) Grant Acceptance:**

**Motion was made by Robert Bennett to recommend that the Board of Selectmen schedule a Town Meeting for the acceptance of a grant in the amount of \$33,075 from the State of Connecticut Department of Transportation, entitled "FY 2013 Comprehensive DUI Enforcement Program for Municipalities" (revenue account 744-424420 and expense account 744-514403). William DiCristofaro seconded the motion and it was unanimously approved. Motion carried.**

### **c. Fire Department Funding Request:**

Fire Chief Shawn Daigle noted that the Town is embarking on the acquisition of a new fire vehicle. He stated that it was anticipated that we would trade in an older truck and receive \$15,000 toward the new one. He stated that the Town had planned to purchase a generator to run the municipal office site in the event of power failure. An alternative has been suggested. As the Fire Department needs the \$15,000 for outfitting the new truck and the Town was to purchase a generator, the following motion was offered.



**Motion was made by Robert Bennett to transfer \$15,000 from the Town Office Building Generator Budget (25-579999-C0014) to the Fire Vehicle Budget (25-579999-C0002). William DiCristofaro seconded the motion and it was unanimously approved. Motion carried.**

**d. Annual Report:**

This year's theme was noted to be the swing bridge, which celebrated its 100<sup>th</sup> anniversary.

**Motion was made by Harvey Thomas to approve the 2012-2013 Annual Report subject to proofreading and to request the Board of Selectmen to schedule a Town Meeting for adoption. Bruce Dutch seconded the motion and it was unanimously approved. Motion carried.**

**OTHER/FOLLOW-UP ITEMS**

**a. Debt issuance policy:**

**Mr. Thomas reiterated that last month he requested such a policy. Mr. Walter stated that the bond resolution defined the policy. Mr. DiCristofaro stated that it would not be unreasonable for the Town to establish parameters that the Town must work within for each debt issuance.**

**b. Ten Year Loan Issuance Cost:**

**It was also noted that the loan with Webster Bank issuance cost was \$20,000 as projected.**

**Motion was made by. Bennett to adjourn at 9:35 p.m. Bruce Dutch seconded the motion and it was unanimously approved. Motion carried.**

Respectfully submitted,

Deb Denette