

TOWN OF EAST HADDAM
BOARD OF FINANCE
Regular Meeting
January 13, 2014
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.

In attendance:

Board of Finance Members:

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

Others:

Mark B. Walter, First Selectman
Debra Denette, Town Clerk & Recording Secretary
Denise Dill, Tax Collector
Craig Mansfield, Director of Facilities and Operations
Cindy Varricchio, Finance Director

APPROVAL OF AGENDA

Motion was made by Harvey Thomas motioned to approve the agenda as presented. Robert Bennett 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 December 9, 2013 regular meeting with the following changes: Page 5—Item D: November & YTD Budget Report add DiCristofaro following William and Page 6—Old Business: add elementary school renovations following municipal office building. Raymond Willis seconded the motion.

Discussion: Mrs. Link questioned the discussion under the First Selectman's Report as she was not present at the meeting. Mr. Walter stated that the discussion was to advise of the intent to create flexibility to negotiate the hours of clerical union employees. He further noted that the many grants obtained create volumes and volumes of paperwork for the clerical staff. Mrs. Link stated that during last year's budget workshops much discussion was held relative to additional staffing for Parks and Recreation and the Board of Finance could not justify it. She stated that on-line registration should minimize the work necessary. Mr. Thomas stated that only about 50% of the registrations are being done on line. Mrs. Varricchio stated that the Parks and Recreation Director does a lot of secretarial functions.

FAVOR: Bennett, DiCristofaro, Thomas, Willis
ABSTAINED: Dutch, Link
MOTION CARRIED

CORRESPONDENCE

Nothing noted.

CHAIRMAN'S REPORT

a. Tax Collector Report:

Mrs. Dill reported that her office has been busy. She stated that a new attorney has been retained, Adam Cohen from Pullman & Comley. She stated that a tax sale of delinquent real estate is anticipated this spring. Mr. Walter encouraged Mrs. Dill to work with the Land Use Administrator prior to selling any parcels. As in a case from a decade ago, it would have been better for the Town to have acquired a lot that was sold at a tax sale due to the water issues associated with it.

b. Events Magazine Submission:

Mrs. Link stated that she wanted the upcoming regular and budget workshop meeting schedule published in the *Events Magazine*. Mr. DiCristofaro suggested that the wording to check the Town's website to confirm the meeting be bolded. Mrs. Varricchio texted the First Selectman's Assistant Linda Zemienieski with the Board's amendments to the schedule at this time because the Events Magazine was on final deadline.

c. Board of Finance 2014-2015 Budget:

Prior year Board of Finance budgets were reviewed for the purpose of the Board's 2014-2015 budget request. Mrs. Varricchio will prepare the Board's budget request for Mrs. Link's review. It was noted that the audit is scheduled to go out for bid in 2015 and that the current contract with Blum Shapiro calls for a 2% or \$750 increase. Past practice with contingency was discussed.

d. Grant Submission Policy Form:

Mrs. Varricchio reported that the form was approved at last month's meeting with some revisions and that she wanted the Board to review to ensure the revisions were made as the Board intended. No additional revisions were made.

e. Updated Budget Calendar:

The East Haddam Budget Development Calendar for the Board of Education and Town for 2014-2015 was presented. The January 24, 2014 deadline for budget requests to be sent to the First Selectman was extended to January 31, 2014. Mrs. Link requested that the calendar be loaded onto the Board of Finance page on the Town website.

FIRST SELECTMAN'S REPORT

a. Shared Services Update:

Mr. Walter advised that renovations to the Grange and Town Hall are on-going. He demonstrated the ability to now open the Grange Hall windows. Mr. Walter reported that \$100,000 was cut out of the current year budget for the project which is presenting challenges for items such as the parking lot which is becoming more of a crisis and that quotes for chip sealing are being solicited. Mr. Mansfield reported that the funds for the project are a \$200,000 STEAP grant and a \$10,000 gift from Consumers Union for the lighting. He further stated that cost for the project should be at approximately \$209,000. Mr. Bennett responded that there is \$1,000 remaining to address the parking lot. Mr. Mansfield added that it is becoming a safety issue.

Mr. Walter continued that the RFP has been sent out for the Agriculture Community Center and that the fencing project has been completed. Another grant is being prepared for an additional \$20,000 for land clearing with in kind matching by Public Works. Mrs. Link inquired if any analysis has been performed indicating the impact on Public Works for all of the in-kind services being provided. Mr. Walter stated that there is occasionally pushback. Mr. Mansfield stated that a good rapport is being built between the schools and the Public Works department.

Mr. Walter reported that the State has issued a template for the school safety plan. He noted that it is quite voluminous. Mr. DiCristofaro inquired if there was anything in the report that will have major financial implication. Mr. Mansfield stated that the biggest compliance concern is with the elementary school. He stated that if the proposed renovation passes referendum it will address those concerns. He stated that if it does not pass, other options will be explored. Mr. Mansfield added that the majority of the report is a focus on policy and procedure, particularly regarding training. The plan also focuses on The National Incident Management System (NIMS) to ensure that all incidents are run following the incident command system. This provides for common terminology and guidelines no matter what the incident is or where the incident occurs. School staff will be required to take online training classes to ensure they understand how NIMS works and what their role will be during an incident.

Mr. Walter stated that a meeting with the State Department of Education is scheduled regarding the 4-8 middle school audit with key staff and Representative Melissa Ziobron. He also noted that Representative Ziobron has filed for legislative forgiveness regarding the windows at the old middle school.

Lastly, Mr. Walter and Mrs. Varricchio reported on the implementation of MUNIS. The Unified Chart of Accounts process has begun. Mrs. Varricchio reported that it is a labor intensive project. Mrs. Link inquired whether overtime was planned for this project as well. Mrs. Varricchio responded that it was most likely and would need to be determined as the project moves forward. Mrs. Link suggested that college interns or temporary help could be a more efficient way to address the workload. Mrs. Varricchio reported that the data entry process provides the staff familiarity to learn the new system. Mrs. Link stated that she does not want to pay a lot of overtime. Mrs. Varricchio responded that the staff does not want to work a lot of overtime. Mrs. Varricchio noted that the end result is exciting, getting there will not be easy.

FINANCE DIRECTOR'S REPORT

a. December YTD Budget Report:

Legal expenses are tracking over budget, particularly due to the Shady Brook and Shorthouse matters. Mrs. Varricchio reported that the Building Official is out on medical leave and substitute staff has been retained so that there is no disruption in inspections. She stated that depending upon the length of the leave, overages may result. Investment income continues to yield a discouraging rate. The Tax Collector and Town Clerk revenues are tracking nicely. Mrs. Varricchio reported that approximately \$75,000 in tuition is expected to be received directly by the Town for out of district students attending in East Haddam representing a cost to the Board of Education to provide these services.

LIAISON REPORTS

Mrs. Link reported that she attended the initial Board of Education Finance Subcommittee budget presentation. The budget was submitted with a 3.3% increase. Mr. Thomas and Mr. Willis commented that they were looking for a budget from the Board of Education that did not contain any increases. Mrs. Varricchio reported the challenges with education, particularly with the variable of special education.

Mr. Thomas stated that he has met with the Library and Recreation Directors, however, he had nothing to report.

It was noted that revenue modeling development is planned with Tim Cahill. It was noted that revenues are down significantly and that has great impact on the budget.

OLD BUSINESS

Nothing noted.

NEW BUSINESS

a. Gift Acceptance—InCord Ltd.:

The Town received a gift in the amount of \$25,000 for the Harris property from InCord Ltd (Mr. Ritz and Mr. and Mrs. Bob Martin).

Motion made by Robert Bennett to accept a gift in the amount of \$25,000 from InCord Ltd in support of the Harris Property and to request that the Board of Finance schedule a Town Meeting for its acceptance. Bruce Dutch seconded the motion and it was unanimously approved. Motion carried.

Mr. Walter advised of another generous donation to East Haddam from Robert Knakal, however, as that gift went to the fuel bank and the toy drive, which are non-profits, it is not necessary for the Town to accept those gifts.

b. Board of Education Reserve—FY 2012-2013 Transfer:

It was noted that several years ago the Board of Finance established the Board of Education Reserve Fund. Every year since \$100,000 has been budgeted in the General Fund budget for the reserve. In addition, any funds remaining in the Board of

Education at the end of the year have been transferred to this fund. This encourages the Board of Education to not expend any surplus funds it may have. Superintendent of Schools Dr. Mary Beth Iacobelli has advised that the 2012-2013 year end surplus is \$204,258.

Motion made by Robert Bennett to approve a transfer of \$204,258 from the General Fund (781-579790) to the Board of Education Capital Reserve Fund and to request that the Board of Selectmen schedule a Town Meeting for approval. William DiCristofaro seconded the motion and it was unanimously approved. Motion carried.

c. School Security Grant Application:

The Board of Education was awarded a school security grant. The grant monies may be expended over two fiscal years. The Board of Education would like to use reserves for their match. The total grant is for \$524,500 of which \$290,363 is to be provided by the Town. The grant will be used for installation of cameras, access control and intrusion alarms for all three schools. It was noted that the grant has already been submitted and awarded. Mr. Mansfield advised that the system is web based and is expandable.

Motion was made by Raymond Willis to authorize the Board of Education to accept the School Security Grant in the amount of \$524,500 with a match of \$290,353 and to approve the use of Board of Education Reserve Funds in an amount not to exceed \$261,363 for the purpose of matching grant funds for said grant and to request the Board of Selectmen to schedule a Town Meeting for approval. Robert Bennett seconded the motion and it was unanimously approved. Motion carried.

d. STEAP Grant Application—Fire Company #1:

Mr. Mansfield reviewed a grant that if approved would work in tandem with the municipal facilities complex should it pass at referendum for improvements for the Company #1 Firehouse. It was noted that Economic Development Coordinator Peter Simmons wrote the grant request.

Motion was made by Robert Bennett to authorize the STEAP grant application for Fire Company #1 improvements in the amount of \$500,000 Raymond Willis seconded the motion.

Discussion: It was noted that there are no up-front costs associated with the grant as the required accompanying documentation was previously completed by Mr. Fellner in accordance with evaluating town-wide projects.

Unanimously approved. Motion carried.

OTHER/FOLLOW-UP ITEMS

a. Proposed Municipal Facility Operating Costs:

Mrs. Varricchio presented a draft of projected annual operating costs for the proposed municipal facilities complex. Annual operating costs are projected to be up \$250,000 with the new facility in comparison to today, vastly in part due to increased custodial personnel. Currently part time contractors are utilized. Projected are two full time and two part time custodial employees. It was noted that not included in these

figures would be offsets from the sale/repurposing of properties such as the Town Office Building, and Firehouse Company #2. Mrs. Link stated that she thought that this was a great exercise, she was not pleased to see an additional quarter of a million dollars annually attributable to the operating costs. Mr. DiCristofaro inquired what course of action would be planned if the referendum did not pass. Mr. Walter stated that he would likely recommend knocking the old middle school down and doing a smaller scaled project. Mr. DiCristofaro requested operating costs for the elementary school including projected costs for a scaled down project.

b. Assessment Appeal Insurance:

Mr. Walter reported that staff is working with CIRMA on an Assessment Appeals Insurance claim for Shady Brook. Thanks to Mr. DiCristofaro for alerting us that such a claim was even possible.

Motion was made by Bruce Dutch to adjourn at 8:40 pm. Robert Bennett seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette