

**TOWN OF EAST HADDAM  
BOARD OF FINANCE**

February 8, 2010

7:00 pm

Grange Hall

**Call to Order**

The regular meeting of the East Haddam Board of Finance was called to order by Chairman Paul Maxwell on Monday, February 8, 2010 at 7:00 pm at the Grange Hall. The Pledge of Allegiance was recited.

In attendance were: Bob Bennett, Matthew Budzik, Bruce Dutch, Paul Maxwell, Susan Link, and Ed Schwenzfeier

Also in attendance:

Mark B. Walter, First Selectman

Deb Denette, Town Clerk and BOF recording secretary

Cindy Varricchio, Finance Administrator

Susan Taylor, Board of Education, Finance Subcommittee

Phil Barlow, East Haddam Village Revitalization Committee

Bill Gerrish, Chairman, East Haddam Village Revitalization Committee

Bob Scherer, Chairman, Economic and Community Development

MaryEllen Klinck, East Haddam Village Revitalization Committee

Dean Anderson, East Haddam Ambulance Association

**Approval of Minutes**

**Motion by Mr. Bennett, seconded by Mr. Dutch to approve the minutes of the regular meeting of January 11, 2010 as written. The motion carried unanimously.**

**Correspondence**

Nothing noted.

**Chairman's Report**

a. **Tax Collector's Monthly Report:**

Mrs. Varricchio distributed the Tax Collector's Monthly Report for January. She stated that the report does not reflect \$600,000, collected February 1, 2010.

b. **Appointment of Auditor:**

Mr. Maxwell advised that the Auditors are requesting a 3% increase for their services for the 2010-2011 fiscal year. He stated that the Board needs to either go out to bid or request a waiver from the Selectmen to retain the same firm. Mr. Maxwell stated that he has been happy with their services. Mrs. Link stated that she had concerns with their communication two years ago. Mrs. Varricchio stated that the fees appear to be

rather competitive. The cost to go out to bid was noted to be nominal, staff time for the process was the bigger commitment. Mrs. Varricchio opined that the 2011-2012 year would be a better year to contemplate a change, given the financial reporting issues that are being worked through. Mr. Budzik noted that bids could be solicited, and the town could choose to change or not. It was the consensus of the Board of Finance to solicit bids. It was noted that the auditor must be selected by May 31<sup>st</sup>.

Mr. Maxwell requested a motion to alter the order of the agenda to accommodate The guests present.

**Mr. Budzik made the motion, Mrs. Link provided the second. The motion altering the order of the agenda carried unanimously.**

### **First Selectman's Report**

#### **a. Village District Commission:**

Mr. Walter introduced Bill Gerrish, Chairman of the East Haddam Village Revitalization Commission to speak to the Commission's request for \$7,500 to engage a designer to produce a rendering of the vision the Commission is developing for the Village.

Mr. Gerrish reviewed the history of the Commission, its vision to create a daycation destination, the Harrall-Michalowski Report, the economic benefit to the Village, the tax revenue that could be anticipated. It was also noted that advice from other municipalities that have completed revitalization projects emphasized the need for a town to drive its own project; this was noted to be the step to assure the town's concept is captured.

Mr. Maxwell summarized that the \$7,500 is to hire a designer that will take the Commission's vision and put it onto paper. After this project is completed, a public hearing would be held to obtain public feedback on the concept. Mr. Barlow anticipated that it would take the designer six to eight weeks to produce a rendering. Dialog relative to how potential tax revenue was derived at was held. Mr. Scherer added that the town will have better success with a developer if it knows what it is working toward and that the project already has the support of the town.

Mr. Gerrish continued that the vision discussed by the Commission would have 80% retail and small business, include a walkable village and have residential second story. Mrs. Klinck stated that if the funding is not available, the Commission will be at a standstill. The need for the town to drive the project was again emphasized. Responsive to inquiry from Mr. Maxwell, Mr. Gerrish responded that the Commission was relatively comfortable, but could not guarantee, that it could meet its objective in the \$7,500 range. Mr. Maxwell inquired of the Finance Administrator where the funds could come from. Mrs. Varricchio advised that only \$5,000 had been expended from the Contingency Fund to date.

**Motion by Mr. Maxwell to authorize an expenditure of up to \$7,500 from the Contingency Fund for the East Haddam Village Revitalization Committee. Said funds are to retain a designer to produce a rendering of the Committee's concept for the Village of East Haddam. Seconded by Mr. Budzik. The motion carried unanimously.**

Mr. Gerrish, Mr. Scherer, Mrs. Klinck, Mr. Barlow left after this motion.

**Motion by Mr. Dutch, seconded by Mrs. Link to alter the order of the agenda to accommodate Mr. Anderson of the East Haddam Ambulance Association. Motion carried unanimously.**

b. **Ambulance Agreement:**

Mr. Walter stated that the agreement with the Ambulance Association was sent back to the attorney after the last Board of Finance meeting for further clarification of "appropriate facility". He stated that in addition to amending that paragraph, additional language was added under the default clause for both the town and the ambulance to assure coverage would continue within the town. The revised language was distributed for the members to review. Mr. Walter stated that the Board of Finance has approved the language as revised, and he requested Board of Finance action to move it to town meeting in its present form. It was also noted that a capital reserve fund would need to be established, and that would require town meeting as well.

**Motion by Mr. Maxwell to recommend that the Board of Selectmen call a town meeting to approve the East Haddam/East Haddam Ambulance Association Agreement and to establish a capital reserve account for funds, as identified in the Agreement. Mr. Bennett seconded the motion. The motion carried unanimously. Mr. Anderson left after this motion.**

Mr. Walter stated that he had hoped to have a public information meeting February 24<sup>th</sup> to listen to East Haddam's wants, needs and concerns prior to going into the budget process. He stated that the Board of Education does not want to participate until they have hard numbers that have been presented through its Board. He stated that the meeting is cancelled for now. Mrs. Taylor was thanked for attending.

**Executive Session—Network Security Strategy**

**Mr. Maxwell motioned to enter into an executive session at 7:44 pm for purpose of discussing the Town's Network Security. Mr. Walter, Mrs. Varricchio and Mrs. Denette were invited to remain. Mr. Bennett seconded the motion. Mrs. Taylor left at this time. The motion carried unanimously.**

**Mr. Maxwell motioned to re-enter regular session at 8:00 pm. Mrs. Link seconded the motion. The motion carried unanimously.**

**Finance Administrator's Report**

a. **January YTD Budget Reports and Year-End Forecast:**

January year to date reports were reviewed. Mrs. Varrichio reported that she is watching expenses closely. She stated that there may be some additional savings in fringe benefits, however, she is not forecasting that as yet due to the uncertainty of the replacement for a vacant position. She added that a revenue shortfall is presently

anticipated. Detail was provided for the legal and snow lines. Mrs. Varricchio added that sand costs for 2010-2011 are coming in much lower. A large snow storm is being anticipated for mid week that may have additional impact on the snow removal line.

b. **Budget Transfer:**

At the last meeting the Board tabled a transfer to pay for a plotter for the Land Use Department. Funding has been identified within the Land Use line to offset the costs for the unbudgeted expense. The Board inquired what would not occur to facilitate this purchase. Mrs. Varricchio stated that Mr. Ventres had anticipated having some one on one GIS training and that will not occur and will not be requested in the 2010-2011 budget. Mrs. Varricchio added that Mr. Ventres is trained on the GIS mapping system. Mrs. Varricchio stated that the purchase of the plotter will not impact the bottom line, however, she would like the transfer documented for audit purposes.

**Mr. Budzik motioned to transfer \$2,000 from Land Use Offices, School/Training (713-541100) and \$894.99 from Land Use Offices, Legal Ads (713-554000) to Land Use Offices, Equipment (713-564410). Mr. Schwenzfeier seconded the motion. The motion carried unanimously.**

c. **Budget Schedule:**

After discussion, the following budget meeting Schedule was established:

- March 8 (regular meeting) (BOF receives budget from BOS).
- March 16 (special meeting)
- March 24 (special meeting)
- March 29 (special meeting)
- April 22 Public Hearing
- May 12 Town Meeting
- May 25 Referendum

d. **Special Revenue Funds:**

Mrs. Varricchio distributed a sample of how she would like to track the income and expenses for the Park and Recreation fund. She stated that presently all funds go in and out of the general fund. The proposal would have an upfront transfer from the general fund to the recreation activity fund and at year end the "seed money" would be returned. Park and Recreation is working to have a better idea of the revenue and expenses association with each program, this accounting will be a great tool toward that end. This accounting practice is recommended for other funds as well, however, she only plans to implement it for Park and Recreation for this budget due to time constraints. There was no objection to proceeding in this manner.

**Liaison Reports**

Mrs. Link stated that she would like to have a better understanding of grant funds received and expended under the Board of Education budget. The entire Board was in agreement, but noted that it requested that last year and the Board did not accommodate the request.

Brief discussion was held. Mrs. Link, as Board of Education liaison, was requested to convey the Boards desire to receive the information in some fashion.

Mr. Bennett stated that he is pleased that the fire department pension committee has drafted an agreement. He stated that the present format is that the town holds a life insurance policy on its firefighters with the town as beneficiary to fund the pension program. The proposed plan, which will work similar to a 401k, will cost the town approximately \$500 per year per fire fighter. The tax abatement will still apply. The draft agreement is presently with the attorney. Mr. Bennett was hopeful that it would be set for July 1<sup>st</sup>.

### **Guests and Audience Comments**

None noted.

### **Unfinished Business**

None noted.

### **New Business**

#### **a. Grant Agreement Sabine Property:**

Mrs. Varricchio reported that at the December 27, 2007 Town Meeting the town approved the purchase of the Sabine and Patrell parcels with an appropriation from the undesignated fund to be repaid upon bonding. The Town received a grant for \$240,000 from the State of Connecticut Open Space and Water Shed Land Acquisition program for the Sabine parcel and expects to receive an additional grant award for \$165,700 for the Patrell property. The funds need to be returned to the general fund.

**Mr. Budzik motioned to recommend to the Board of Selectmen the acceptance of the State of Connecticut Open Space and Walter Shed Land Acquisition Grant program in the amount of \$240,000 to acquire permanent interest in land known as the Sabine Property, East Haddam OSWA 329, said funds to be returned to the general fund, and to ask the Board of Selectmen to set a Town Meeting for approval. Mr. Dutch seconded the motion. The motion carried unanimously.**

#### **b. Historic Preservation Grant:**

Mrs. Denette noted that the Historic Document Preservation Account was a victim of the State budgetary woes in 2009-2010, however, the program is being activated again for 2010-2011 with lesser amounts. A \$3,000 grant is available to municipalities of East Haddam's size for specific purposes. Mrs. Denette stated that she planned to apply for a grant to re-index land records backwards beginning from 1979. The Board of Finance granted its blessing to move forward. Matching funds from the town are not required.

#### **c. Emergency Operation Center Grant Application:**

Mrs. Varricchio stated that the Town has applied for a competitive grant for an Emergency Operations Center. She stated that if the new town hall is approved, the

matching portion from the town will be met with the construction. If the project is not approved and the grant is awarded, it will not be accepted. The amount of federal grant funds being sought with the grant are \$540,126.

There being no further business to discuss, **Mr. Bennett motioned to adjourn at 8:52 pm. Mr. Budzik seconded the motion. The motion to adjourn carried unanimously.**

Respectfully submitted,

Deb Denette