

**TOWN OF EAST HADDAM
BOARD OF FINANCE**

March 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, March 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

Emmett Lyman, Selectman

Peter Govert, Selectman

Cindy Varricchio, Finance Administrator

Deborah Fiala, Board of Education, Finance Subcommittee Chairman

Approval of Minutes

Motion by Mr. Bennett, seconded by Mr. Dutch to approve the minutes of the regular meeting of February 8, 2010 as written. The motion carried unanimously.

Correspondence

Nothing noted.

Chairman's Report

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

The Board reviewed the February 2010 Tax Collector's Report.

b. **Appointment of Auditor:**

Mr. Maxwell stated that he would like to revisit the RFP for audit services at this time. Mr. Maxwell stated that in light of upcoming bonding and other matters, it would be better to issue the RFP in the fall. It was the consensus of the Board that a RFP be issued in the fall.

Motion by Mr. Schwenzfeier, seconded by Mrs. Link to request to the Board of Selectmen that we waive issuing a RFP for audit services for the fiscal year 2009-2010 with the requirement that a RFP will be issued in for November audit services. The motion carried unanimously.

First Selectman's Report

a. Board of Selectmen 2010-2011 Proposed Budget:

Mr. Maxwell provided a brief summary of the budget:

- Two positions are being reduced to part-time—the Assessor and the Zoning Enforcement officer.
- The budget provides for utilizing \$1 million in reserves for capital projects to address pending capital items; some as old as six years.
- To establish a reserve for the Board of Education for future capital projects and to provide for the allocation of Board of Education budget surpluses to the fund; encouraging the Board of Education to save money.

Mr. Walter asked the Board to address one outstanding matter prior to the review of the budget. Mr. Walter reported that a great deal of work has been done at the dog pound to bring up to State specifications. There is an additional need for repairs to the front of the roof. We have received a quote for \$2,000 from JPN Construction to complete the work. Mr. Walter stated that we have encumbered some funds for the purpose of the dog pound, but this would exceed encumbered funds; we have other projects for which funds were encumbered that are under budget. Mr. Walter asked for approval from the Board to complete the dog pound repairs with the acknowledgement that this line item would go over. Mr. Dutch clarified that this is a local contractor that may buy his supplies locally as well.

Motion by Mr. Dutch, seconded by Mr. Budzik to repair the front roof at the dog pound with the acknowledgement that the line item for the dog pound (prior year encumbrances) would be over expended. The motion carried unanimously.

Board of Selectmen Proposed Budget – continued:

Mr. Walter reported that the Board of Selectmen unanimously approved the proposed budget to the Board of Finance which provides for a decrease in General Government of 2.2% or \$217,965 and an increase in Education of 2.51% or \$446,253.

Operating budget items—Section II of the Budget Book:

- Assessor (pgs 1A & 1B): Reduction of Assessor's hours from 35 to 20 per week. *Follow-up required: mapping services information.*
- Central Services (pgs 3A & 3B): Creation of an account entitled Supplemental Wages which combines former Clerical Wages of \$2,500 plus \$7,500 for a total request of \$10,000. Supplemental wages to be used to supplement areas in which there are staffing cuts or to provide for seasonal or project driven workloads.
- Elections/Registrars (pgs 4A & 4B): Provides for the purpose of a new secure fireproof cabinet to store ballots. *Follow-up required: conference costs.*
- Finance Office (pgs 5A & 5B): The budgets to operate the Finance Office and the Board of Finance are now presented separately.
- Land Use Offices (pgs 6A & 6B): Reduction of Zoning Enforcement Officer's hours from 35 to 20 per week. Mr. Dutch asked if Mr. Ventres had been consulted. Mr. Walter indicated that he had and that initially he [Mr. Walter] was proposing to eliminate the position altogether and that after consultation

with Mr. Ventres had made the change to 20 hours per week. The increase of State Fees is a pass through to the State, the increase in Legal Ads is because advertising will need to be done in two zones; the New London zone for Lake Hayward and Middlesex zone for the remainder of the Town.

- Old Middle School Operations (pgs 7A & 7B): Have been able to reduce the costs of electricity and heating.
- Probate Court (pgs 8A & 8B): The budget reflects the implementation of the new court on January 1, 2011. The costs are allocated; according to State Statute by Grand List. The budget does not include payroll costs. *Follow-up required: Grand List by all four Towns—East Haddam, East Hampton, Marlborough and Portland.*
- Selectmen (pgs 9A & 9B): The budget provides for no raises for the First Selectman and Board of Selectmen.
- Tax Collector (pgs 10A & 10B): There was discussion regarding the salary increase to the newly elected Collector with less than one year's service. *Follow-up required: Wage comparison prior Tax Collector or current Tax Collector as well as wage chart information.*
- Town Clerk (pgs 11A & 11B): Increase in surcharge is an increase in a pass through to the State.
- Fringe Benefits (pgs 13A & 13B): Overall reduction attributed to Health Insurance, changes to stipend and H.S.A.
- Legal Services (pgs 15A & 15B): The budget now reflects historic experience of expenditures. Past practice was to budget \$22,000 per year for Town Counsel and labor. Budget reflects all legal costs in one location. *Follow-up required: Collective Bargaining Agreement expirations.*
- Technology (pgs 16A & 16B): Increases reflect change to remote server with Munis and the conversion by Munis to SQL from Informix. Additional software costs for antivirus; reimplementation of support for GIS and the potential increased costs for IT Services as we migrate to best practices for all technology.
- Board of Finance (pgs 19A & 19B): It was noted that the original Contingency Fund amount for 2009-2010 was \$90,000 as the Board of Finance approves appropriations from contingency that amount goes down and other department budgets go up.
- Conservation Commission (pgs 20A & 20B): Provides for the establishment of a Special Revenue Fund for Forestry Management.
- Middle School Conversion Committee (pgs 23A & 23B): Increase of \$2,000 for Other Supplies is offset by reduction in Legal fees (see pg 15B).
- Building Department (pgs 28A & 28B): Reviewed Building Inspector suggestions for additional revenue such as a re-inspection fee and assessing a fee of two times the permit when work has commenced without a permit.
- General Highways (pgs 34A & 34B): Wage increase—contracted. Temporary Help—cut the past two years, used in summer time, public works employees not able to take vacation during winter months, the Temporary Help keeps our staff at capacity and enables us to do items such as roadside mowing (which was performed by a service; substantial savings to the Town).
- Snow Removal (pgs 35A & 35B): Snow removal reflects rolling five year average less the reduction in supplies. We are paying lower costs for sand and salt and buying locally.

- Transfer Station (pgs 37A & 37B): There is a reduction in expenses, which have a corresponding reduction in revenues.
- Senior Services (pgs 41A & 41B): Clerical is down because there is Grant funding. Position of municipal agent reflects January 1 additional increase to put the position on Step 1 of the wage scale.
- Youth and Family Services (pgs 42A & 42B): They requested an increase of \$10,181 to their budget, plus an increase of \$22,000 in anticipated lost State funds. 5% increase proposed from last year's budget.
- Lakes Association (pgs 43A & 43B): New budget proposal to provide assistance in the preservation and upkeep of three Town lakes.
- East Haddam Free Public Library (pgs 44A & 44B): 5% increase proposed from last year's budget.
- Rathbun Free Public Library (pgs 45A & 45B): 5% increase proposed from last year's budget.

There was discussion regarding the organization of a Library Committee to review the present operations of both libraries.

- Recreation Commission (pgs 46A & 46B): Implementation of a Special Revenue fund for Recreation. Reduces the operating budget by \$33,781 and removes the subsidy from the General Fund for the operations of recreational activities.
- Debt Services—Interest (pgs 48A & 49B): Reflects an increase of \$152,995 for issuance of a bond in May 2010 for the remaining funding of the 4-8 Middle School and the open space approved at referendum in June of 2009.
- Reserves (pgs 50A & 50B): Budget provides for implementation of an Education reserve for future Education capital needs, the implementation of a Maintenance Fund for the Town. The budget does not provide for appropriating funds to the Reserves for Capital Projects, only drawing from to do some long overdue capital requirements. The budget also includes the establishment of a reserve in accordance with the contract with the East Haddam Ambulance Association.

Capital items—Section IV of the Budget Book:

- Fire Department (pg 5): Improvements to Fire Co. #1 were slated for last year moved out one year--\$25,000.
- Police Officers (pg 7): New cruiser with light bar and lights.
- General Highways (pgs 8 & 9): Purchase two new trucks, implementation of pavement management program, an overall savings of \$200,000 next three years. Five year plan details scheduled road improvements.
- Recreation Commission (pg 12): Playground improvements at Nichols Field. Some of the equipment is no longer safe. Also looking to move playground closer to the basketball court and more visible.
- Education (pg 13): Provides for replacement of the chimney at the High School. Installation of ventilators at the Elementary School (all in one year rather than three) saving approximately \$45,000 to the Town.

Reserves—Section V of the Budget Book:

- Reserves for Capital Projects (pg 2): The budget provides for an allocation of \$1 million. It should be noted that we anticipate additional proceeds to the fund from the Powerhouse Road grant in the amount of \$250,000 and well reimbursement from the State at approximately \$200,000. The estimated

balance at June 30, 2011 is \$3,398,365. It was also noted that should the anticipated costs for capital projects for which reserves were to be used were under that what is budgeted, less funds would be transferred from Reserves.

There was discussion as to what departments the Board of Finance would like to have attended the budget meetings. The Board requested Public Works and Youth and Family Services to start.

Finance Administrator's Report

a. February YTD Budget Reports and Year-End Forecast:

February year to date reports were reviewed. Mrs. Varricchio reported that she is watching expenses closely. She is forecasting an approximate revenue shortfall of \$41,666 and an approximate expense overage of \$35,834; with \$77,500 still remaining in the Board of Finance Contingency Fund. We anticipate that the budget for Legal Services will be over by approximately \$41,300. The Snow Removal budget is tracking well.

Liaison Reports

None.

Guests and Audience Comments

None.

Unfinished Business

None.

New Business

a. Rockfall Foundation Grant (Victory Garden):

Motion by Mr. Maxwell, seconded by Mr. Dutch, to recommend to the Board of Selectmen the acceptance of a grant in the amount of \$250.00 from the Rockfall Foundation for the "Green Committee Organic Victory Garden" and to amend the 2009-2010 budget accordingly (revenue account 799-431510-G1003 and expense account 799-541750-G1003) and to ask the Board of Selectmen to set a Town Meeting for approval.

a. ARRA Energy Efficiency and Conservation Block Grant:

Motion by Mr. Maxwell, seconded by Mr. Dutch, to recommend to the Board of Selectmen the acceptance of a grant in the amount of \$50,632.00 under the ARRA Energy Efficiency and Conservation Block grant for energy efficiency retrofits for lighting upgrades to the Elementary and High School and to amend the 2009-2010 budget accordingly (revenue account 799-431510-G1004 and expense account 799-541750-G1004) and to ask the Board of Selectmen to set a Town Meeting for approval.

b. ARRA Pavement Management Grant:

Motion by Mr. Maxwell, seconded by Mr. Dutch, to recommend to the Board of Selectmen the acceptance of a grant in the amount of \$81,673.00 under the ARRA Pavement Preservation Project Grant for the purpose of resurfacing Lake Shore Drive and to amend the 2009-2010 budget accordingly (revenue account 799-431510-G1005 and expense account 799-541750-G1005) and to ask the Board of Selectmen to set a Town Meeting for approval.

There being no further business to discuss, **Mr. Bennett motioned to adjourn at 9:32 pm. Mr. Dutch seconded the motion. The motion to adjourn carried unanimously.**

Respectfully submitted,

Cindy Varricchio
Acting Recording Secretary