

**TOWN OF EAST HADDAM  
BOARD OF FINANCE**

November 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, November 8, 2010 at 7:00 pm at the Grange Hall.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

Paul Maxwell, Chairman  
Bob Bennett  
Matthew Budzik  
Bruce Dutch  
Susan Link  
Ed Schwenzfeier

Others:

Mark Walter, First Selectman  
Deb Denette, Town Clerk and BOF recording secretary  
Cindy Varricchio, Finance Administrator  
Joanne Maynard, East Haddam Free Public Library  
Donald Angersola, Jr. Fire Chief

**Approval of Minutes**

**Motion was made by Mr. Schwenzfeier to approve the minutes of the October 4, 2010 Regular Meeting as presented. Mrs. Link seconded the motion. The motion carried unanimously.**

**Correspondence**

Nothing noted.

**Chairman's Report**

Mr. Maxwell requested that Mr. Budzik reflect on the Middle School Conversion Committee meeting attended by Mr. Budzik, Mr. Dutch and Mr. Maxwell. Mr. Maxwell added that he has been rather vocal with his opinions on the subject. Mr. Budzik stated that the Committee presented a series of options ranging from \$9,000,000 to \$13,000,000; depending upon how much of the old middle school is converted. The \$9,000,000 option would eliminate many key services and the Committee did not feel this would be a suitable solution. There is a minimum price of \$11,000,000 to what the Committee believes to be necessary. It was stated that phasing of the project is very difficult because of the configuration of the mechanics of the building.

It was noted that the Town is functioning on what it has presently and the new configuration would be nice to have, but is not a must have. Mr. Dutch stated that the Middle School Conversion Committee does not appear to be in unanimous agreement. Mr. Budzik stated that the Committee will be holding a public hearing this Wednesday to hear the public's opinion on which, if any, option to go forward with. It was noted that there is not any State reimbursement available for the project.

Mr. Walter and Mr. Angersola arrived at this time.

Mr. Maxwell requested a motion to move New Business Item 10a, East Haddam Free Public Library funding request up on the agenda.

**Motion was made by Mr. Bennett to move New Business Item 10a—East Haddam Free Library Funding Request up on the agenda. Mrs. Link seconded the motion. The motion carried unanimously.**

### **East Haddam Free Library Funding Request**

Mrs. Maynard joined the Board at the table. She advised that the Library's fire alarm system was malfunctioning and setting off alarms. The system was deemed unsalvageable. The library was verbally given a quote of \$2,000. When the invoice arrived, it was over \$3,200. It was determined that the quotation for \$2,000 did not include labor. Mrs. Maynard informed the Board that in addition to this unanticipated expense, the library addressed from within its budget a flood in the basement and a ceiling that had fallen in. She noted that this expense was "the straw that broke the back". It was noted that the alarm system is a Town wide system that is in all of the Town's public buildings and that the library really had no choice.

Mr. Schwenzfeier expressed his concerns over the lack of a written quote, particularly one that did not include labor charges. It was noted that the bill has been paid; however, it depleted all funds for the purchase of books.

**Motion was made by Mr. Dutch to fund \$1,550 from the Contingency Fund to the East Haddam Free Public Library for expenses associated with the failed alarm system.**

Mr. Maxwell stated that he would be willing to fund the entire expense; however, he noted that a "slap on the wrist" was necessary for not following standard business policies. Mr. Walter stated that he and the Finance Administrator are available to work with the library on such issues.

**Mr. Dutch withdrew his motion.**

**Motion was made by Mr. Maxwell to transfer \$3,223.05 from Board of Finance Contingency (704-588701) to the East Haddam Free Public Library (772-587210). Mr. Schwenzfeier seconded the motion. The motion carried unanimously.**

The Library volunteers were thanked for their service and encouraged to seek guidance with regard to standard business practices. Mrs. Maynard thanked the Board and left at this time.

Mr. Maxwell requested a motion to move New Business Item 10b, Donation Acceptance—1977 Maxum Ladder Truck up on the agenda.

**Motion was made by Mr. Bennett to move New Business Item 10b—Donation Acceptance—1977 Maxum Ladder Truck up on the agenda. Mrs. Link seconded the motion. The motion carried unanimously.**

Fire Chief Donald Angersola stated that the Town has been given a 1977 85' ladder truck from the Essex Fire Department, Company 1. The truck was noted to be in great shape, the ladder was cut down to 85' from 100'. To date we have expended \$1,024 on the ladder test. The annual expenses are estimated to be approximately \$2,000 to \$2,200 for oil changes and hydraulics. The safety benefit of the truck for chimney fires was emphasized and other uses were briefly discussed. It was noted that the Essex Fire Department is a 501c(3) and accordingly, the Town of Essex did not need to approve the transfer inasmuch as the donation was directly from the Fire Department. It was stated that Essex had hoped to donate the truck to Haiti, when the Fire Department's efforts to sell the truck were unsuccessful. The truck was offered to other fire departments that were not able to accept the truck.

**Motion was made by Mr. Bennett to accept a donation of a 1977 Maxum 85' Ladder Truck from the Essex Fire Engine Company #1 and to request the Board of Selectmen set a Town Meeting for approval. Mr. Schwenzfeier seconded the motion. The motion carried with all votes cast in favor. Mr. Dutch abstained.**

Mr. Bennett stated that the Fire Department is closely watching its budget as it had several unanticipated expenses. Mr. Bennett requested Mr. Angersola to speak to those concerns. Mr. Angersola stated that the tanker had a leak that resulted in \$4,000 worth of unanticipated expenses and that electronic components costing \$2,000 were necessary, along with the ladder testing on the aforementioned 85' ladder truck. He noted that the oldest truck with no electronics is running great. He stated that the department is trying to limp along without requiring additional funds; however, the department is not positioned to handle any additional unforeseen expenses.

#### **Chairman's Report** *(continued)*

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

There were no comments or questions on the monthly report.

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

a. **Animal Control Officer:**

Mr. Walter noted that we are on the fourth Animal Control Officer in three years. He requested additional funding for the Animal Control Officer budget stating that the current total budget is approximately \$25,000 which is inadequate to retain qualified personnel. Mr. Walter stated that we have hired a new Animal Control Officer with experience. Mr. Walter is concerned that the salary may be insufficient to retain the new Animal Control Officer. Mr. Walter stated that the new Animal Control Officer has also provided a list of items that are essential. The supply budget is insufficient to fund these items. Mr. Walter reviewed the budgeted salaries for area towns. Mr. Walter requested an additional \$12,451 for the Animal Control Officer budget for the current fiscal year.

Discussion was held relative to how much salary increase would be provided and what had been promised. Mr. Walter stated that nothing had been promised, however, he felt that fair compensation should be offered. He further added that the amount requested would be split in salary for the Animal Control Officer and the Assistant Animal Control Officer and to fund some of the supplies requested. Mr. Walter also noted his ongoing efforts with Hebron for potential inter-local efforts to offset costs associated with the pound.

**Motion was made by Mr. Dutch to honor the First Selectman's request for an additional \$12,451 for the 2010-2011 fiscal year for the Animal Control budget by transferring \$12,451 from the Contingency Fund (704-588701) to Animal Control Salaries (747-514701) in the amount of \$7,451 and Animal Control Supplies (747-560000) in the amount of \$5,000. Mr. Maxwell seconded the motion. The motion carried with Dutch, Budzik, Bennett and Maxwell voting in favor. Schwenzfeier and Link were opposed.**

b. **Open Space:**

Mr. Walter reviewed the three open space parcels that received open space grants. It was noted that a thorough presentation was made to the Board of Finance prior to the grant applications being filed. Mr. Walter recapped the three parcels:

Harris Property—\$570,000 total project cost. DEP contribution \$108,900. The Town's portion is \$461,100 for outright purchase of 135 acres of Mt. Parnassus Road, reserving 18 acres for future municipal use.

Dean Property—\$820,000 total project cost. DEP contribution \$400,000. The Town's portion is \$420,000, including \$15,000 for survey and \$5,000 for legal costs. The property is located on Parker Road and is a conservation easement for 280 acres of forest and farmland.

Bogan Property— \$200,000 Town grant is being requested. This was noted to be a first for East Haddam, but commonly occurs in other towns. The Land Trust would be the owner of the property and a State grant is also pending. The Land Trust is hopeful that through other resources, the grant required would be well under the \$200,000 requested. This purchase would protect 3,200 linear feet of the edge and wetlands of the Moodus River.

In total, approximately \$1,100,000 of Town funding will be sought. Mr. Walter stated that no action is required this evening; however, it will be brought forward with a request to go to referendum. Mr. Bennett questioned whether the grant expired if purchase was not completed within a certain time frame. Mr. Walter stated that he was uncertain, but would find out. Mr. Walter added that he would not advocate for bonding. He stated that he would propose that should the Town choose to purchase these properties or others in the near future, it would be his recommendation that it do so from savings.

c. **Middle School Conversion:**

Mr. Walter stated that the Middle School Conversion Committee has worked hard to bring forth a renovation project of the old middle school into a municipal center. He stated that figures of \$10,000,000 to \$13,000,000 are on the table and that he is

concerned with these estimates. He stated that the charge of the Committee had been revised to incorporate phasing, however, phasing was not a realistic option given the mechanicals of the building. He stated that the Superintendent is looking into the feasibility of converting the building to a tech school or a magnet school. Mr. Walter stated that he believes the Town needs to be prepared for lessened state funding. He added that two commercial buildings are for sale and that renovation of a more modern building would likely be much less costly than conversion of the 1920's building. Mr. Walter stated his opinion that the project should be abandoned and other options explored.

### **Finance Administrator's Report**

**Motion was made by Mr. Budzik to add Item 6d Year-End Transfers under the Finance Administrator's Report. Mr. Dutch seconded the motion. The motion carried unanimously.**

a. **Audit RFQ:**

A spreadsheet summary of the Request for Quotations for auditor was reviewed. It was noted that only one bidder had met all of the criteria. A subcommittee of Mr. Budzik, Mrs. Link and Mr. Dutch was previously established. It is anticipated that the subcommittee will provide a recommendation to the Board at its next meeting. Feedback from other members was solicited.

b. **October YTD Review:**

Mrs. Varricchio noted that it is still early in the fiscal year and she stated that there was nothing disconcerting to report.

c. **Forestry Management Special Revenue Fund:**

Mrs. Varricchio stated that we are in the process of writing procedures for all of the Town's funds. The Board received the proposed fund procedures at the last meeting and we are seeking approval tonight.

**Motion was made by Mr. Maxwell to approve the Forestry Management Special Revenue Fund procedures (see below). Mr. Schwenzfeier seconded the motion. The motion carried unanimously.**

### **Forestry Management Special Revenue Fund Procedure**

**Fund #:** 0030

**\*2010-2011 Town Support to Fund:** \$1,500

**Purpose:** The definition of a Special Revenue Fund is a fund that is used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects. The Town of East Haddam Forestry Management Fund (Fund) has been established beginning with the 2010-2011 Fiscal Year to account for stewardship activities of Town-owned open space by the Conservation Commission. Stewardship activities include forest management, boundaries, signage, trail construction and maintenance and accessibility for enjoyment by citizens. The Conservation Commission endeavors to meet stewardship responsibilities with minimal cost to the taxpayers through a fiscally

prudent self-sustaining Forest Management program. The program involves harvesting trees for marketable timber and firewood where appropriate and utilizing revenues toward expenses related to stewardship of Town-owned open space parcels.

**Fund Administration:** Oversight of the fund will be performed by the Forestry Management Subcommittee Chair and Conservation Commission Chair. Quarterly performance reports of the Fund will be submitted to the Conservation Commission and the Board of Finance by the Conservation Commission Chair and the Finance Administrator. The Forestry Management Subcommittee Chair in coordination with the Conservation Commission will be responsible for preparing and presenting the annual budget request for the Commission. Accounts have been established within the Fund to capture anticipated sources of revenue and areas of expenditure. Fund revenues and expenditures will be closely monitored to prepare more comprehensive projections for the 2011-2012 fiscal year budget.

**Revenue Sources:** Potential sources of revenues that will be accounted for in the Fund are as follows:

1. Program revenue: receipts for the sale of firewood and marketable timber.
2. Sponsor revenue: monies collected from individuals or organizations that wish to underwrite a portion of the cost of a stewardship activity.
3. Grant revenue: funding for an activity of the Fund under a grant.
4. Town support: an annual subsidy of the Fund by the General Fund through the annual Town operating budget to be determined each year.

**Expenditures:** Expenditures consist of all payments by the Town directly related to stewardship of open space parcels. These included but are not limited to expenses for forester services for inventorying forested parcels for invasive species, crowded, damaged or diseased trees and timber value.

**Town Support and Fund Balance:** The Boards of Selectmen and Finance will annually assess the following:

- c. Annual Town support: the amount of Town support/subsidy from the General Fund included in the Conservation Commission budget.
- d. Projected change in Fund balance: an annual evaluation of the Fund balance based upon the budget request and projected activities shall be completed by the Finance Administrator to provide budgetary recommendations for annual Town support and annual Conservation Commission revenues.
- e. Year-end Fund balance threshold: the Board of Finance shall determine annually the threshold amount for the Fund balance. Amounts in excess of the threshold shall be returned to the General Fund at the fiscal year end. It should be noted that Funds that have been donated for specific purposes; such as grants shall not be included in determining Fund balance for threshold purposes.

**d. Year-End Transfers:**

Mrs. Varricchio stated that Town Counsel has advised that transfers are necessary to remedy overages. She stated that it was our intention to show how the budget year was completed, however, that is not the recommendation of Town Counsel. She stated that the budget book and audit will reflect overages. The following overages were noted:

<b>Contingency Funds Remaining</b>				39,398		
<b>TRANSFERS FROM CONTINGENCY (704-588701) TO:</b>						
<b>Org</b>	<b>Obj</b>	<b>Proj</b>	<b>Description</b>	<b>Amount</b>	<b>Town Meeting Required</b>	<b>Comments</b>
701	513000		Selectmen—Clerical	(755)		Additional clerical hours
702	587010		Town Clerk—Sports Licenses	(7,605)		Additional fees to State, corresponding revenue
704	540531		Board of Finance—GASB 45	(3,480)		GASB 45 Compliance - in budget now
710	582201		Tax Collector—Tax refunds	(796)	Yes	Tax refunds
716	554000		Historic District Commission—Legal Ads	(77)		Legal ads
723	542301		Technology—Finance Software	(6,039)	Yes	Implementation of MUNIS VPN
723	542390		Technology—IT Service	(1,727)	Yes	IT Service, installation of new servers
739	562000		Millington School House—Electricity	(41)		Higher than anticipated costs
747	563100		Animal Control—Propane	(407)		Propane
761	531400		Health District—Water testing	(240)		Water testing
770	562000		Greens Maintenance—Electricity	(180)		Higher than anticipated costs
775	587712		Debt Service—Interest	(6,699)		4-8 MS not budgeted
776	587711		Debt Service—Notes Payable	(9,207)		4-8 MS not budgeted
947	574701		Animal Control prior year encumbrances	(2,145)		Dog pound improvements
<b>Contingency Funds Remaining</b>				0		

<b>SUPPLEMENTAL APPROPRIATIONS TO:</b>						
<b>Org</b>	<b>Obj</b>	<b>Proj</b>	<b>Description</b>	<b>Amount</b>	<b>Town Meeting Required</b>	<b>Comments</b>
712	540000	71712	Town Counsel	(21,433)	Yes	Goodspeed Airport litigation (\$20,156) and miscellaneous
712	540000	71722	Labor Counsel	(17,940)	Yes	Police union negotiations
723	542390		Technology—IT Service	(14,391)	Yes	IT Service, installation of new servers
<b>Total Supplemental Appropriations</b>				(53,764)		

**Motion was made by Mr. Maxwell to approve the year and transfers and supplemental appropriations as presented and to request that the Board of Selectmen schedule a Town Meeting for those transactions requiring Town Meeting approval. Mr. Bennett seconded the motion. The motion carried unanimously.**

Mrs. Varricchio reported that this year's audit produced no findings and that the Audit would be given to the Board at the December meeting.

### **Liaison Reports**

Mrs. Link stated that she would like to report under Executive Session.

### **Guests and Audience Comments**

Nothing noted.

### **Unfinished Business**

Nothing noted.

### **New Business** *(Items a and b addressed earlier in meeting)*

#### **c. Grant Acceptance—Bullet Proof Vest Grant:**

Mrs. Varricchio advised that in anticipation of this grant, that corresponding budget item for the current fiscal year was reduced.

**Motion was made by Mr. Maxwell to recommend that the Board of Selectmen Schedule a Town Meeting for the acceptance of a Bureau of Justice Assistance, Bullet Proof Grant Program in the amount of \$1,750 (revenue budget 701-410155 and expense budget 744-564410). Mrs. Link seconded the motion. The motion carried unanimously.**

#### **d. 2011 Meeting Schedule**

A proposed meeting schedule was reviewed. The schedule remains at the second Monday in each month, except for October to address Columbus Day. Mr. Bennett stated that he favored meetings to be at the River House. There was no other consensus to move the location. Mr. Bennett requested opportunity to review the schedule prior to adopting it. Action was deferred until the December meeting.

### **Other**

Mr. Walter stated that he has reached an agreement with the Town of Chester regarding subcontracting out 16 hours of our Assessor's time. This agreement allows our Assessor to remain a full time employee relative to benefits. He stated that he is having similar discussion with the Town of Haddam regarding our ZEO officer. He reiterated that he is working with Hebron regarding animal control issues.

**Motion was made by Mr. Maxwell to enter into an Executive Session at 8:26 pm for the purpose of the Board of Education Liaison report. Mr. Budzik seconded the motion. The motion carried unanimously.**

Respectfully submitted,

Deb Denette



## **EXECUTIVE SESSION**

Members present: Paul Maxwell  
Bob Bennett  
Matthew Budzik  
Bruce Dutch  
Susan Link  
Ed Schwenzfeier

Invited guest: Mark Walter

**Motion was made by Mr. Maxwell to exit Executive Session. Mrs. Link seconded the motion. The motion carried unanimously.**

**Motion was made by Mrs. Link to adjourn at 8:43 pm. Mr. Bennett seconded the motion. The motion carried unanimously.**

Respectfully submitted

Paul Maxwell  
Chairman  
Board of Finance