

**TOWN OF EAST HADDAM  
BOARD OF FINANCE**

December 13, 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, December 13, 2010 at 7:01 pm at the Grange Hall.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

Paul Maxwell, Chairman  
Robert Bennett  
Matthew Budzik (arrived 7:04)  
Bruce Dutch  
Susan Link  
Edward Schwenzfeier

Others:

|   |                  |
|---|------------------|
| Mark Walter, First Selectman                        |                  |
| Deb Denette, Town Clerk and BOF recording secretary |                  |
| Cindy Varricchio, Finance Administrator             |                  |
| Deb Fiala   | Emmett Lyman     |
| Scot Mackinnon                                      | Arthur Merrow    |
| George Giesey                                       | Dirk Plas        |
| Claire Maeder                                       | Bob Ballek       |
| Jim Ventres   | Will Brady       |
| John Matthews                                       | Cynthia Matthews |
| Charlotte Gelston                                   | Todd Gelston     |
| Casey Carle   | Bernie Gillis    |

**Approval of Minutes**

**Motion was made by Mr. Bennett to approve the minutes of the November 8, 2010 Regular Meeting and the November 9, 2010 Special Meeting as presented. Mr. Dutch seconded the motion. The motion carried unanimously.**

**Correspondence**

A thank you note was received from the East Haddam Free Public Library for the funding assistance given with their fire alarm system problem.

Planning and Zoning will begin conducting a review of its Plan of Conservation and Development at its meeting of February 22, 2011. They have requested input from the various Boards and Commissions.

Mr. Budzik arrived at this time. Mr. Maxwell advised that the minutes had already been adopted, he inquired if Mr. Budzik had any comments or corrections; Mr. Budzik advised that he did not.

### **Chairman's Report**

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

There were no comments or questions on the monthly report.

### **First Selectmen's Report**

Mr. Walter reported that East Hampton is interested in utilizing our dog pound for a fee. He added that he is also negotiating with the Town of Hebron. He is hopeful that this cost sharing proposal will be beneficial for all. Mr. Walter stated that he is in the process of obtaining costs to complete expansion of the pound; the ground work was laid several years ago but never completed.

**Motion was made by Mr. Bennett to move New Business Item 10a—Open Space Acquisitions up on the agenda to accommodate the guests and audience. Mr. Dutch seconded the motion. The motion carried unanimously.**

### **New Business**

#### **a. Open Space Acquisitions:**

Mr. Ventres, Land Use Administrator, advised that the State of Connecticut has awarded grants for all three proposed open space properties that were reviewed with the Board of Finance last spring.

Mr. Ventres briefly reviewed the three parcels, detailing the Town's portion as well as what is being contributed by the State through Department of Environmental Protection (DEP) Grants.

##### Harris Property:

- 135 acres, including 18 acres reserved for future municipal use.
- DEP grant in the amount of \$108,900.
- Proposed Town share \$476,100. Survey and legal fees are estimated at \$20,000 and an additional \$15,000 is anticipated for the removal of barn and debris.

##### Dean Property:

- 280 acres.
- DEP grant in the amount of \$400,000.
- Proposed Town share \$420,000. Survey and legal fees are estimated at \$20,000. This is for purchase of the development rights. Ownership remains with the Dean family while preserving the land forever against development.

##### Bogan Property:

This is an East Haddam Land Trust initiative. The Land Trust is requesting that the Town partner with them in the acquisition of 45 acres along the Moodus River. The Land Trust is looking for the Town to contribute an amount not to exceed \$200,000. They are hopeful that the amount necessary will be less if they are successful with other fund

raising and grant seeking efforts. The Land Trust has been awarded a DEP grant in the amount of \$141,200 for this property.

In summary, Mr. Ventres stated that the bottom line to fund the three properties is \$1,096,100.

Mr. Maxwell stated that if the Town moves forward with the purchase, he would not recommend bonding, but to utilize reserve funds for it. Responsive to inquiry from Mr. Budzik, Mr. Maxwell expanded that the costs associated with bonding are not recaptured for such a small issue.

Mr. Maxwell stated that the language for the Board of Finance to move the properties forward has not yet been prepared. Mr. Walter advised that a meeting is scheduled for Wednesday at 1:00 pm with Town Counsel, the Selectmen's Office, as well as the Land Use and Finance Administrators to review the process. Mr. Walter requested Mr. Smith to attend the meeting to answer any questions that may arise with the Land Trust piece. Mrs. Link noted the difficult economic times and raised inquiry with the wisdom of buying development rights when no one is building. Mr. Ventres responded that due to the depressed economy, the purchase prices are lower.

Mr. Budzik inquired how long the state funds will remain available. Mr. Ventres stated that the closings are to occur within a year, and contracts need to move forward in 120 days. He stated that as long as diligent effort to move forward is progressing, contract extensions are feasible. Mr. Budzik also inquired with regard to the development potential of the properties. Mr. Ventres stated that he is working with Mr. Curtis to obtain a build out analysis and that unfortunately, it was not available for this meeting.

Responsive to inquiry from Mrs. Link, Mr. Ventres explained that the funding from the State is available pursuant to the Community Reinvestment Act (PA 09-229) and that the funds are collected when documents are recorded on the land records. The State attempted to utilize the funding for the budget deficit, however, their attempts were not successful and the money designated for open space acquisition was made available for open space acquisition. Mr. Ventres stated that it is not anticipated that open space monies will be available again until next fall; he added that the process is quite competitive and future legislative action may impede the process.

Brief discussion was held relative to the Town's balances. It was noted that there is approximately \$4,000,000 in the capital reserve account and \$5,000,000 in the general fund.

Mr. Maxwell stated at this point the best the Board of Finance could do is gain a consensus about moving forward, as the language to move the parcels forward is not yet prepared. There were no objections.

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

#### **a. 2011-2012 Budget:**

Mr. Walter provided the Board with a copy of the memo issued for the 2011-2012 budget process.

**b. Financial Committee:**

Mr. Walter stated that he is working to create a team to look at long term financial issues for the Town. He stated that the team is being made up of the First Selectman, the Chairman of the Board of Finance, Chairman of Board of Education, Chairman of Planning and Zoning and an opposite party member of each of the named Boards as well as a third board of Education member. There is only one Selectman because otherwise there would be a quorum. This group will be a planning and advisory committee to analyze and plan for the long term financial needs of the Town.

Mr. Maxwell stated that based on current economic conditions it is not a good time to be borrowing more money, however, the flip side of that that the State is giving the money away. Mr. Ventres stated that the beauty of open space acquisition is that it is forever.

Mr. Walter stated that Connecticut has the highest per capita debt in the country at the moment. East Haddam ranks in the middle of the State of Connecticut, if we were to bond for \$13,000,000 for the conversion of the old Middle School right now, we would potentially put East Haddam among the highest of per capita debt in the State and in the country.

**Finance Administrator's Report**

**a. 2009-2010 Audit Report:**

A copy of the audit was presented. All recommendations have already been implemented. No Corrective Action Plan was required. There were no findings or material weaknesses. Mrs. Varricchio pointed out a typographical error in the audit on page 3 (second bullet), the word says "more" but should say "less" in order to make sense. The error is being corrected.

**b. 2009-2010 Annual Report:**

A draft Annual Report was presented for review. The document is complete except for some additional information for the dedication.

**Motion was made by Mr. Bennett to approve the 2009-2010 Annual Report. Mr. Budzik seconded the motion. The motion carried unanimously.**

It was noted that the Rathbun Free Public Library recently received a grant and was the only library in the State of Connecticut to receive it.

**c. November YTD Review:**

Mrs. Varricchio reviewed the year to date reports through November. She stated that nothing out of the ordinary has materialized. She added that Town Aid Road funding is anticipated shortly and not delayed as it was last year. Mrs. Varricchio also reviewed the year to date information regarding the Recreation Special Revenue Fund. Mrs. Varricchio stated that the Special Revenue Fund will provide more information for the Recreation Commission regarding the revenues and expenses for each program.

**d. 2011-2012 Budget Calendar:**

The tentative 2011-2012 budget calendar was presented. Mr. Bennett stated that he found it confusing with so many "to do's" on it that were not meetings. Mrs. Varricchio stated that she would reprint the calendar, highlighting the meeting dates for Board of Finance members.

**Liaison Reports**

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

**Guests and Audience Comments**

Todd Gelston, Scot Mackinnon, Bernie Gillis, Arthur Merrow, Rob Smith, Charlotte Gelston, Bob Ballek, Claire Maeder and Dirk Plas all spoke in favor of open space acquisition. The audience left after this segment.

**Unfinished Business**

**a. Audit RFP:**

Mrs. Link advised that the committee comprised of Mr. Budzik, Mr. Dutch and Mrs. Link recommended that the Town retain Blum Shapiro and Company as its auditor.

**Motion was made by Mrs. Link to recommend the Board of Selectmen schedule a Town Meeting for a vote on the three-year Town auditor contract with Blum Shapiro and Company with the option to negotiate for an additional two years. Mr. Dutch seconded the motion. The motion carried unanimously.**

**b. 2011 Meeting Schedule:**

The meeting schedule was accepted with the modification of the February meeting, which was moved up one week. The meetings are to be held at the Grange Hall at 7:00 pm. All meetings are the second Monday of the month with the exception of February and October. The location of the February 7, 2010 meeting will need to be determined. Mr. Bennett noted his preference to hold meetings at the River House.

**Motion by was made by Mr. Bennett to approve the 2011 meeting schedule as follows:**

**January 10, 2011  
February 7, 2011  
March 14, 2011  
April 11, 2011  
May 9, 2011  
June 13, 2011  
July 11, 2011  
August 8, 2011  
September 12, 2011  
October 3, 2011  
November 14, 2011  
December 12, 2011  
January 9, 2012**

**Mr. Dutch seconded the motion. The motion carried unanimously.**

## Other

Mrs. Denette stated that to address space concerns in the vault she would like to purchase additional shelving. The shelving would be able to be moved to a new location when that becomes a reality. She stated that she has the funding available through the preservation account to fund the shelving. In order to make room for the additional shelving, grand lists from 1995–1940 would need to be moved. As grand lists require permanent retention, but are not frequently accessed, it was her recommendation that the grand lists be stored off site. An annual storage charge for vault space would cost approximately \$2,000 annually. Mrs. Denette stated that she could find funds for the current year in this budget, as the number of recordings are tracking 400 less than projected. She stated that going forward, however, there would be an annual \$2,000 expenditure until the documentation was returned to an East Haddam facility.

Mr. Maxwell inquired about digitizing the records to avoid the on-going storage charge. Mrs. Denette replied that there would still be a requirement to retain the document. Mrs. Denette added that approval from the public records administrator would still be required. There were no objections from the Board.

**Motion was made by Mr. Maxwell to enter into an Executive Session at 8:31 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  
Robert Bennett  
Matthew Budzik  
Bruce Dutch  
Susan Link  
Edward Schwenzfeier

Invited guest: Mark Walter

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

**Motion was made by Mr. Budzik to adjourn at 8:41 pm. Mr. Bennett seconded the motion. The motion carried unanimously.**

Respectfully submitted,

Paul Maxwell  
Chairman  
Board of Finance