

**EAST HADDAM
BOARD OF FINANCE
Regular Meeting Minutes
June 5, 2006**

MEMBERS PRESENT: Bob Bennett, Matthew Budzik (arrived 7:06 p.m.), Mark Fortier, George Giesey, David Meade (arrived 7:20 p.m.), Tony Shetensky

MEMBERS ABSENT: None

OTHERS PRESENT: Mary Jane Malavasi, Brad Parker, Pete Govert, Jim Ventres

1. Call To Order

Mr. Giesey called the meeting to order at 7:02 p.m. at the River House.

2. Approval of Minutes

a. Special Meeting of March 13, 2006

Motion by Mr. Giesey, seconded by Mr. Fortier, and unanimously passed to approve the minutes of the special meeting on March 13, 2006 with the following amendment:

- **Page 3, Paragraph 8, third sentence: Change “generating” to “general”**

b. Special Meeting of March 14, 2006

Motion by Mr. Shetensky, seconded by Mr. Fortier, and unanimously passed to approve the minutes of the special meeting on March 14, 2006 as presented.

c. Special Meeting of March 20, 2006

Motion by Mr. Giesey, seconded by Mr. Fortier, and unanimously passed to approve the minutes of the special meeting on March 20, 2006 as presented.

d. Special Meeting of March 21, 2006

Motion by Mr. Shetensky, seconded by Mr. Fortier, and unanimously passed to approve the minutes of the special meeting on March 21, 2006 with the following amendment:

- **Page 2, Item 3.A., Paragraph 2, first sentence: Change “RISA” to “ERISA”**

e. Special Meeting of March 27, 2006

Motion by Mr. Giesey, seconded by Mr. Fortier, and unanimously passed to approve the minutes of the special meeting on March 27, 2006 as presented.

f. Special Meeting of March 28, 2006

Motion by Mr. Giesey, seconded by Mr. Fortier, and unanimously passed to approve the minutes of the special meeting on March 28, 2006 with the following amendment:

- **Page 1, Attendance: Strike “None”**

g. Special Meeting of April 4, 2006

Motion by Mr. Fortier, seconded by Mr. Bennett, and unanimously passed to approve the minutes of the special meeting on April 4, 2006 with the following amendments:

- **Page 9, Other, Paragraph 6, last sentence: Change “General Ledger” to “Grand List”**
- **Page 10, Paragraph 1, third sentence: Add “mill for last year only” after “0.75”,**
- **Page 10, Paragraph 1, last sentence: Change “have been 0.35” to “be 0.35 mills”**

h. Special Meeting of April 10, 2006

Motion by Mr. Giesey, seconded by Mr. Fortier, and unanimously passed to approve the minutes of the special meeting on April 10, 2006 as presented.

i. Special Meeting of April 11, 2006

Motion by Mr. Giesey, seconded by Mr. Fortier, and unanimously passed to approve the minutes of the special meeting on April 11, 2006 with the following amendments:

- **Page 4, Paragraph 8, last sentence: Add “for tax increases to pay for debt service.” to the end of the last sentence.**
- **Page 5, Paragraph 3, second sentence: Change “321 and \$175” to “\$321,000 and \$175,000”.**
- **Page 5, Paragraph 8, first sentence: Add “and by only” after “budget”**

j. Regular Meeting of May 1, 2006

Motion by Mr. Giesey, seconded by Mr. Fortier, and unanimously passed to approve the minutes of the regular meeting on May 1, 2006 as presented.

k. Special Meeting of May 17, 2006

Motion by Mr. Fortier, seconded by Mr. Giesey, and unanimously passed to approve the minutes of the special meeting on May 17, 2006 as presented.

3. Correspondence

Mr. Giesey acknowledged receipt of the Adopted State Budget for FY 06-07; a copy of the April 21, 2006 memorandum from First Selectman Parker regarding the American Legion Lighting project; a copy of the May 8, 2006 memorandum from First Selectman Parker regarding the Board of Education Insurance Savings; and the May 11, 2006 letter from the Economic Development Commission inviting all boards and commissions to an informational meeting on May 23.

The Board briefly discussed an anonymous letter received regarding the ambulance service and not hiring residents from East Haddam for the positions. Mr. Parker noted that East Haddam residents did not apply for the position. Mr. Bennett suggested this letter did not warrant further discussion since the author would not sign his/her letter.

Mr. Giesey suggested the agenda be altered to hear Item 8.A. next, as Mr. Ventres was here to present. Mrs. Malavasi requested that her report be given first, as there was one request for which Mr. Ventres' input would be needed.

6. Finance Director's Report

Mrs. Malavasi stated she needed to convene the investment committee. She asked Mr. Fortier and Mr. Shetensky to check their calendars, and to contact her with preferable meeting dates.

Mrs. Malavasi informed the Board she had two supplemental budget requests, one for snow removal and the other for Land Use.

Mr. Fortier questioned what the snow removal total was. Mrs. Malavasi stated the final snow removal total was \$41,917.48 over budget. She distributed a year-to-date snow removal budget report to the Board.

Mr. Bennett asked from where the money should come. Mrs. Malavasi suggested the Undesignated Fund. Mr. Fortier recommended using up the Contingency line before going into the Undesignated Funds line. Mrs. Malavasi stated there would be other small items before the fiscal year ended, and that the Contingency line would not cover the total amount for snow removal.

Mr. Bennett questioned what the "other" line from the budget report included. Mrs. Malavasi responded that this amount was used for ice melt and plow blades.

Motion by Mr. Fortier to appropriate \$44,918 for snow removal, Department 754, using \$35,824 from Line 787 Contingency, and the balance from the Undesignated Funds line. Seconded by Mr. Giesey, and carried by unanimous vote.

Mrs. Malavasi distributed the year-to-date Land Use budget report. Mr. Fortier noted this was the second time additional money would be allocated, and he asked what the overruns were from. Mr. Ventres stated the first time additional money was sought was for court cases. Currently, he stated they have a large number of subdivisions requiring engineering review, and also the new school project.

Mr. Fortier questioned for what the bills were. Mr. Ventres responded they were for engineering review, stormwater calculations, etc. Mr. Meade asked if this would be a pass-through, with revenue on the other side. Mr. Ventres responded they would see revenue for the subdivisions, but not for the school.

Mr. Parker inquired how much money would be needed for the rest of the year. It was noted that \$22,400 would be needed. Mr. Bennett believed the best way to handle this would be to authorize Mrs. Malavasi to cut the checks, but wait to allocate more funds until the end of the fiscal year. Mr. Fortier stated this could not be done, as they were required to go to a Town Meeting.

Motion by Mr. Fortier to allocate \$22,400 from the Undesignated Funds line to Line 713 – Land Use, and to request the Board of Selectmen to call a Town Meeting for approval. Seconded by Mr. Meade.

Discussion:

Mr. Fortier stated he was not present at the meeting the last time \$26,000 was allocated. He asked for an explanation of this amount. Mr. Ventres stated this was for the Mellon case. He believed they were now finished with the New Haven law firm costs. Mr. Budzik explained that the Federal Supreme Court denied the request, but the case would now revert back to the trial court before there would be a hearing on the attorney fees.

Mr. Ventres believed they were close to finished with the billings for the Federal case. Mr. Fortier asked if the Board needed to make a motion for the fees now, to which Mr. Budzik responded affirmatively. Responsive to inquiry by Mr. Fortier, Mr. Budzik estimated the cost for the trial court would be in the tens of thousands.

Mr. Fortier stated he had lost track of the Mellon case. He asked Mrs. Malavasi to compile the fees for this case and to mail them to Board members in their packets before the next meeting.

Voting: unanimous aye. Motion passed.

8. Guests and Audience

a. James Ventres, Open Space Grant

Mr. Jim Ventres presented the proposed open space grant process for three parcels of land. He explained the process of applying for the CT DEP grants, and noted that East Haddam was ahead of most towns, as they already had the bond authorization for the application process. This would help the town as this year's process was quicker than past years.

Mr. Ventres stated they needed affirmation from the Board in order to apply for these grants. There were three properties. The first property was the Shugrue property, comprised of 76 acres on the northern parcel, and 204 acres on the bottom parcel. Mr. Ventres explained that this would be split into two grants, one for the State and one through the Farmland Preservation. In order to apply for the farmland preservation grant, 50% of the parcel must be active farmland; therefore, the Open Space Committee planned to split the parcel for farming purposes. The Town would purchase the development rights of this parcel. In addition, 149.5 acres would be submitted to the DEP for grant funding assistance.

Mr. Fortier inquired about what the Town would be purchasing. Mr. Ventres explained that the Town would purchase the development rights. There would be an easement allowing farming on the property, and that it would have to be maintained as farmland. Mr. Giesey asked who would maintain it, to which Mr. Ventres responded the landowner would maintain the farmland.

Mr. Govert asked what would happen if the landowner decided to stop farming the land. Mr. Budzik asked what means, other than fines, the Town would have to enforce this. Mr. Ventres stated he would investigate what mechanisms for enforcement were in place.

Mr. Fortier acknowledged if the Farmland grant was awarded, the Town would pay 50% of the development rights for that portion. He asked if the Town would pay 100% of the other portion. He inquired if the Town could ask the DEP to partner with them for the other half of the amount for the farmland. Mr. Ventres stated this was possible, but he wanted to wait until he received feedback from the farmland grant. He hoped to have this feedback by June 12.

Mr. Ventres informed the Board that Mrs. Shugrue agreed to conduct an appraisal. He stated they needed to have two appraisals in order to proceed. Once they have this information, they will talk with Mrs. Shugrue. He acknowledged there is a slight holdup on the final numbers, but the Town Meeting would not be held until after all amounts were known.

Mr. Ventres reviewed the Magnano property, comprised of 126 acres, with a barn and a house. He indicated that the Open Space Committee (OSC) suggested the house and the surrounding four acres be sold, and the remainder of 122 acres be designated for open space.

Mr. Ventres informed the Board that the property owner agreed to get a second appraisal, and he expected the report by the end of next week. He stated the property owner lives out of state, and expressed an interest to sell the entire piece and house to the Town as one parcel.

Mr. Budzik inquired where the Magnano parcel was located. Mr. Ventres explained the location on Hone Hill Road.

Mr. Shetensky asked if the total price to the Town was \$800,000, before the sale of the house. Mr. Ventres stated the cost was \$800,000 for the 122 acres, and \$200,000 for the house and 4 acres. Mr. Fortier asked if the proposal was for the Town to buy the land and the house, and then sell the house, to which Mr. Ventres responded affirmatively. Mr. Fortier asked if the OSC was looking for a grant for \$400,000. Mr. Ventres stated they were applying for the grant.

Mr. Giesey asked for an estimate of the land and house that would be sold. Mr. Ventres stated they estimated the house and the four acres at approximately \$200,000. Mr. Fortier stated this was a question for the townspeople, as to whether they wanted to get into the real estate business or not. Mr. Ventres explained that the DEP would not want to see any application for open space that had a structure on it. This was why the two were split.

Mr. Ventres discussed the Lefebvre property, which included 116 acres. It is located between Burnham Brook and Devil's Hopyard. Mr. Ventres explained that there was a caveat with this property. The property owner is 101, and lives in a convalescent home. Her relatives need to cover the convalescent home costs, but would like to wait until her passing to sell the property. The relatives proposed a payment schedule.

Mr. Ventres stated the first two parcels were solid DEP grant applications. He stated he needed to come back to the Board on the Lefebvre property. They have an agreed price, but there were caveats to the purchase that needed to be discussed further. Mr. Ventres distributed informational packets to the Board.

Mr. Fortier asked what the Town planned to receive in assistance. Mr. Ventres anticipated 25% from the Town, 25% from the Nature Conservancy, and 50% (best case scenario) from the State. Mr. Ventres also noted that the DEP also has the ability to negotiate grants. Mr. Fortier questioned the DEP percentage. Mr. Ventres explained that the DEP can issue a grant for up to 50% of what they believe the value of a parcel is.

Mr. Giesey asked what areas the Lefebvre property connected. Mr. Ventres explained that this parcel is in the Eightmile River Watershed, and it connects to Nature Conservancy parcels and the Hopyard. He added that this parcel was high on the critical list, as East Haddam has gone through the wild and scenic designation. Mr. Meade asked, in the eyes of the DEP, if this was a Category 1 parcel, to which Mr. Ventres responded affirmatively.

Mr. Ventres stated he hoped to have more information by the end of June, and he hoped to give another report at the next Board of Finance meeting.

Mr. Fortier asked if tonight's presentation was just informational. Mr. Ventres stated he needed a letter of support from the Board of Finance for the OSC to proceed with the grant application.

Motion by Mr. Budzik to send a letter to the Open Space Committee supporting its request to proceed with the grant application process. Seconded by Mr. Meade, and carried by unanimous vote.

Mr. Fortier noted the purchase of these three parcels was \$2.1 Million, without assistance. Mr. Ventres stated this was now a 50/50 split with the State, but they were also applying to the Nature Conservancy.

4. Chairman's Report

Mr. Giesey stated he would like to critique the recent budget review process. He did not believe the liaisons were used in the process as much as they could have been. He also suggested fewer meetings could be held, and more information could be covered in each meeting. He noted this year's budget meetings began at 6:00 p.m. He suggested meetings could begin at 7:00 p.m.

Mr. Fortier stated there was not enough time at the end of the process to do the budget items justice. He believed they would need at least one additional week for budget reviews. Mr. Meade concurred with Mr. Giesey, and suggested the liaisons could gather all of the questions from the Board, which would make for better dialogue.

Mr. Fortier believed when the Board of Selectmen (BOS) submitted their budget, it should be for the actual budget request, and they should either recommend items or not. He stated he personally, as well as the media, were confused by the Selectmen's recommendations this year. Mr. Meade suggested if the liaisons work with the Board of Selectmen, it would streamline the process. Mr. Fortier stated he would welcome the BOS's recommendation on the whole budget, but this year seemed to be half and half. Mr. Parker believed this could be worked out next year. He stated as a Board, the BOS believed there were some areas that the BOF wanted control of, and they did not want to step on anyone's toes. Mr. Meade suggested these issues should be discussed prior to next year's process. Mr. Fortier believed the BOF spent too much time on the small items this year, and did not have enough time to scrutinize the larger items.

Mr. Shetensky stated some people had been critical about just one night for a public hearing before the budget vote. He believed it would be valuable to get more public involvement. Mr. Meade recalled in the past, some members of the public used to come in during the budget hearings, but this has changed in recent years. Mr. Shetensky suggested the public be welcomed to attend the budget hearings. He suggested putting a notice in the quarterly newsletter for the budget meeting dates might be helpful, and possibly hold additional meetings on a weekday afternoon or Saturday morning.

Mr. Fortier suggested a joint meeting with the BOF and the BOS in December to put the calendar together, and to refine the budget process. Mr. Parker suggested a note be made to put this on the agenda for December.

Mr. Shetensky recommended that the Board look at its policy on how it deals with non-profit agencies in town. He stated they were not all handled the same.

5. First Selectman's Report

Mr. Parker announced that the State Bond Commission would award East Haddam \$250,000 for the sidewalk project. He was told that Governor Rell has already signed off on it. He explained that when they went out to bid last year for the sidewalk project, all of the bids came in higher than anticipated. Mr. Budzik asked if this grant would allow them to expand the amount of sidewalk. Mr. Parker stated that this grant would enable them to complete the first phase of what was already planned.

Mr. Parker announced that all of the paperwork for the Grange Hall grand had been received. This was for handicap access and Code improvements. He stated they would likely come back to the Board for some money toward this project. He pointed out that money had been appropriated last year, but they decided to hold off once they learned they could get a grant for some of the improvements. This money had been returned to the town approximately one year ago. Mr. Fortier asked if this money had been encumbered. Mrs. Malavasi responded that the money had been turned back over to the Town, and had not been encumbered.

Mr. Parker informed the Board that he learned today from Mr. Craig Mansfield that the State police were putting in a new computer program for reporting, etc. All towns must hook into this system, but they cannot use it with dial-up service. Therefore, he stated they would need a DSL connection at the River House.

Mr. Fortier suggested a wireless card could be purchased for approximately \$200, and the wireless card could be used in the River House. Mrs. Malavasi stated she and Mr. Mansfield had talked about a wireless connection in the past.

Mr. Parker stated without this system, East Haddam's constables and troopers would have to travel to Colchester to use their system. Mr. Fortier agreed that the police needed access.

Mr. Parker stated he would ask the police to try to absorb the cost, but he asked the Board to be aware that they might need to request additional money later in the year.

Mr. Giesey asked if they would look into alternatives to the DSL connection, to which Mr. Parker stated they would.

On a separate issue, Mr. Fortier stated he did not see any money put in the budget for tuition reimbursement. Mr. Parker believed the BOS forgot to add this in this year.

Mr. Fortier stated he had heard a rumor that there were problems with the mobility study. He asked Mr. Parker to elaborate on this. Mr. Parker stated after the Goodspeed Opera House changed its plans for a new theatre, there was communication with the Federal Transit, DOT, etc. to see if East Haddam still met the criteria for the grant. He stated there had been a great deal of communication back and forth before it was finally determined that East Haddam did meet the criteria. He stated that Transit money would be issued to East Haddam.

Mr. Parker stated they had a meeting in May with the DOT representatives who funnel the money. At that time, he was informed that the Transit grant was an 80/20 split with the Town. Because of the funding and the way the grant was written, there would be approximately \$600,000 - \$700,000 for which the Town would be responsible. In addition, Mr. Parker stated he was given a time line of the end of May to confirm the co-pay and to issue a final plan. He stated that Congressman Simmons was working on an extension. He stated we should hear back soon, but we need to work out the details.

Mr. Parker stated he met today with the Goodspeed Opera House, and they will meet with the DOT. They will look at the EDC study to determine what the Town is interested in doing, and what it would cost the Town. He stated it would take a few months to get the final ideas, plans, and costs. At that time, they would see if the BOF would support it.

Mr. Fortier asked if there were any other grants through the DOT. Mr. Parker stated the DOT would not authorize more money unless the project actually happens. Mr. Fortier believed they should give enough money for the EDC to issue a final report. Mr. Parker stated that money was still available; however, they did not want to authorize the final engineering unless they knew the project would happen. Mr. Fortier stated the Town was not on the hook at the present time. If the project goes through, they could decide at that time.

Mr. Budzik asked if part of the project was for theatre parking. Mr. Parker stated the project was for realignment of the road, and some parking area. Without a new theatre, Mr. Parker did not know what the parking needs would be.

Mr. Fortier stated at the last meeting at the Town Hall, the Board approved \$575,000 in expenditures for the School Building Committee (SBC). He stated we still do not know what the resolution of the land would be. Mr. Parker stated the appeal was waiting for a court ruling. Mr. Fortier stated the SBC was now getting into fairly large funds, and he did not know if the Town should be spending large amounts of money until the land issue was resolved. Mr. Parker noted the land is now in the Town's name. Mr. Fortier stated there was an injunction on it.

Mr. Parker stated the funds transferred at the last meeting were for engineering work, etc. Mr. Budzik asked if this amount was to pay for services already rendered, to which Mr. Parker responded it was, and the work was almost complete.

Mr. Meade understood that the SBC was to prepare the documents for bid. Mr. Fortier did not know how prudent it was to spend large amounts of money without knowing the outcome of the land issue. Mr. Meade stated he believed they were just trying to move forward with the project. Mr. Parker stated the worst case scenario would be another town vote on the property.

Mr. Budzik asked when the 120 days ended, and the name of the judge. Mr. Parker did not have the information readily available.

7. Liaison Reports

Mr. Bennett stated during the budget process, when they reviewed the fire department's pension plan, they had talked about looking into pension plan options. He believed they should do this.

Mr. Shetensky stated the current plan was a typical service incentive program that grows to a certain amount, and is given at a determined age. Mr. Bennett mentioned an insurance policy. Mr. Shetensky stated this was an expensive alternative. He offered to look into the pensions.

Mr. Bennett recalled that during the budget review the Board had talked about reviewing the fire department pension plan. Mrs. Malavasi asked if the Board would like the agent to come in to talk with the whole board. Mr. Bennett believed this would be advantageous. Mr. Shetensky suggested he be invited to next month's meeting.

Mr. Bennett also discussed the ambulance service. He stated approximately one year ago, when the EMT and fire fighter were hired, the Board had discussed having the ambulance service contribute to these salaries. At the time, there was talk about the ambulance service becoming part of the town, and it was a moot point. He asked the status of this. He stated if the ambulance service was not part of the town, he believed the Board should review it.

Mr. Parker explained in the past year, there has been a vast change in the ambulance service board structure. He is now part of the board. At the last meeting, there was discussion about setting up a committee to begin looking into this. He will report on what direction the board decides to take. He estimated this would take approximately three months. He noted there were many things that had to be changed, such as bylaws, etc., they were struggling with their membership, and their mutual aid was greatly reduced.

Mr. Parker informed the Board that the Town is responsible for providing ambulance service. If the ambulance service stopped, the Town would have to cover all of the costs, and the cost would be significant. He stated he received a quote from Hunter's Ambulance for over \$500,000 per year.

Mr. Bennett responded that he believed the ambulance service was doing a wonderful job to the town at no cost; however, the town is paying for the EMT's salary, and the ambulance service receives the revenue from the calls.

Mr. Meade suggested that Mr. Bennett keep the Board apprised of this issue going forward. Mr. Fortier suggested a report be given at the August meeting.

9. Old Business

Mr. Giesey discussed the salary survey. He stated during the budget process, the Board discussed hiring a salary survey consultant. Although they could not do it at the time, he stated the consensus was that it would be prudent to seek a consultant and set up a more formal program for a finite comparison. He believed the Board needed to do something before the end of the next budget year. Mr. Giesey stated he would like to ask the Board of Selectmen to contact consultants to get an idea of the programs available, and the costs associated with those programs. He asked for input from the Board.

Mr. Meade believed they had struggled in their attempts to match job descriptions to other towns. Mr. Shetensky believed the Board had already agreed to go in the direction of looking into a salary survey consultant. Mr. Bennett asked if there was any cost to get the quotes.

Mr. Parker informed the Board that if they were not interested in spending the money this year, he did not see the need to go through the exercise of getting the quotes. However, if the Board was interested in obtaining this service, he would be glad to get the information. Mr. Giesey believed the Board should do this. Mr. Bennett believed they should find out what it would cost. Mr. Parker believed Old Lyme paid approximately \$10,000 to \$12,000 for this service. Mr. Shetensky did not believe this cost would be too much, and he suggested we should find out. Mr. Budzik stated they would have to deal with job responsibilities and salaries in the future, and they should check into it. Mr. Meade believed it would be worthwhile to find out, as he did not believe they had objectivity previously.

The consensus was to have Mr. Parker obtain information on the cost of a salary survey consultant.

10. New Business

a. BOE Anticipated Savings in Insurance

Mr. Meade reported on the BOE. He stated it appeared that there would be an additional \$20,000 for worker's compensation. He indicated there would be six new hires, but they did not yet know what their

insurance needs would be. In addition, it was now believed there was a problem with the high school roof, which could cost \$75,000 to correct.

Mr. Meade stated the BOE was short \$50,000 in last year's budget. It looks as though they will have approximately a \$60,000 shortage this year. He noted that the BOE was trying to file a claim for the previous water damage at the high school.

Mr. Fortier asked where there was a shortage on computers. Mr. Meade responded that the BOE manages its budget.

Mr. Meade informed the Board that the BOE would return \$48,000 that had been set aside for the non-certified contract, until the contract is settled.

Mr. Meade asked if Mr. Parady would look at the middle school roof this year. Mr. Fortier stated that Mr. Parady made a commitment to look at it this year. He believed it could be patched for \$50,000.

Mr. Meade stated the BOE would tentatively be short in the following amounts: Worker's Comp \$20,000; fuel \$10,000; and computers \$60,000. They were hopeful that the insurance claim would cover the cost of the computers.

11. Other

None

12. Adjournment

Motion by Mr. Meade to adjourn at 9:32 p.m., seconded by Mr. Shetensky, and carried by unanimous vote.

Respectfully submitted,

David Meade
Secretary