

**EAST HADDAM
BOARD OF FINANCE
Special Meeting Minutes
August 29, 2006**

MEMBERS PRESENT: Bob Bennett (arr. 7:30), Matt Budzik, Mark Fortier, George Giesey, Tony Shetensky

MEMBERS ABSENT: David Meade.

OTHERS PRESENT: Brad Parker, Maryjane Malavasi, Jim Ventres (arr. 7:30).

1. Call To Order

Mr. Giesey called the meeting to order at 6:37 p.m. in the River House. The Pledge of Allegiance was recited.

2. Salary Survey Consultant Proposal Interviews

a. Randi Frank Consulting, LLC

Randi Frank addressed the Board and gave a brief overview of her experience. She listed a number of towns that she is currently working with as well as those that she has worked with in the past. She described the 13-week process that she proposed. She stated that the benefits of using a firm such as hers is that the employees get equal pay for equal work, objectivity, salary ranges if requested, and complete job descriptions. She stated that her final report is given in written form, but can also be emailed and/or supplied on disk.

Mr. Budzik requested a sample copy of a final report for review.

Mr. Shetensky asked Ms. Frank about her rating system. She replied that it is developed for small to medium towns, each job has its own degree system, and she does not look at the person doing the job but the position itself.

Mr. Giesey asked if her final report included an appraisal system. She replied that it did not, but that the job descriptions are set up to be used as a tool for evaluations.

Mr. Giesey asked how the salary range was used. Ms. Frank noted that most towns do not use a range, but that she would start with the current salary and develop the range from that along with the average of other towns.

Mr. Giesey explained that the Town has tried to put this together itself, but found they were comparing apples to oranges. Ms. Frank noted that it is difficult to exactly match job functions in different towns.

Mr. Giesey asked how thorough the responses were from other towns. She answered that it depended on the number of towns surveyed, as to how well the thoroughly the responses could be reviewed.

Mr. Giesey suggested conducting this survey every year. Ms. Frank recommended every 5 years with COL increases in between. She noted that job responsibilities do not change that often to warrant a fresh look every year. She could always be called in to review changes when they arise.

Mr. Fortier asked how the survey would affect other jobs such as those in a union. She noted that in this case she has been asked to survey for non-union positions, so union positions would not be looked at unless she were asked to expand the scope of the project.

Mr. Budzik asked for the cost of her service. She replied that it is \$385 per position, and she has been asked to look at approximately 12 positions.

Ms. Frank thanked the Board for their time and said that she would be able to start immediately. She left a copy of a final report for the Board's review.

b. William W. Swords, Management Consultant

Bill Swords stated that the material that was sent to the Board members speaks for itself. He said that he is the largest municipal wage consultant in the State, with 47 clients.

He went into detail throughout his presentation regarding his work for the Town of Old Lyme. He noted that he updated their wage survey every year. He provides a detailed wage summary by job by town. The detail is given to the client only. Other participants receive a summary.

He said there are 8-10 comparable towns to East Haddam that he would use. He remarked that other consultants don't understand the difference between exempt and non-exempt employees, putting all positions in as hourly when there should be hourly and salary positions. Mr. Giesey noted that all the positions in question for East Haddam are salary, not hourly.

Mr. Swords stated that there is a problem with compensatory time, if given. Mr. Parker noted that the Town has a policy that addresses compensatory time.

Mr. Giesey asked if municipalities were subject to all wage and hour laws. Mr. Swords replied that they were.

Mr. Swords stated that he uses a very professional, detailed and tested evaluation system designed for municipal governments. He noted that in Plan B of his proposal he would interview each employee one-on-one. He discussed the ADA requirements for job descriptions that would protect the town. He suspected that East Haddam's job descriptions did not include the ADA requirements, but was assured that they were.

(Mr. Bennett joined the meeting at this time, 7:30 p.m.)

Mr. Swords explained the merit-based program that is currently in place in Old Lyme.

He added that he is also available to provide the following services: personnel policies, rules/regulations, organizational staff studies, union negotiations, employee benefit analysis, and employee evaluation systems.

Mr. Giesey asked for clarification of Plan A in the proposal. It includes the review and updating of existing job descriptions.

Mr. Shetensky asked how he would differentiate between towns' job descriptions. Mr. Swords answered that he would review all surveys, develop a list of questions, and call each town to be sure that he was comparing apples to apples. As part of Plan A he would recommend a salary range, apply length of service, and recommend increases to bring salaries up where needed.

Mr. Shetensky asked if Mr. Swords ever saw an employee making too much, and what would he recommend if that were the case. Mr. Swords said that he has, and that he has handled it in different ways.

Mr. Fortier asked since Mr. Swords stated he does not use a linear system for pay grades, what is his process. Mr. Swords replied that in Plan B he would provide pay grades. He would provide steps only for clerical and non-exempt employees.

Mr. Fortier asked the cost of an annual follow up. Mr. Swords noted that Old Lyme pays \$4,000 per year.

The Board thanked Mr. Swords for his time. Mr. Swords noted that he was ready to go whenever the board made its decision.

3. Resolution for Purchase of Open Space – Lefebvre/Jones Hill Road Property

Mr. Ventres explained that the Nature Conservancy and the Town of East Haddam have applied with the DEP for the purchase of 115 of open space land. He noted that this parcel is part of an existing green belt.

The financial planner for the family has advised the family that the best plan is to wait until the current owner passes away before selling the property to the Town. She is currently 102 years old. This leaves the family with a financial hardship due to the cost of convalescent care. They have logged the property for income.

The Nature Conservancy worked out a deal for a total purchase price of \$586,000, with a down payment of \$45,000. Upon the owner's death the balance will be due. The cost will be split 50/50 with the town. The cost could be less if the State agrees to participate.

Mr. Fortier asked if we go ahead with this contract, what happens if we get the State award. Mr. Ventres said that the State would put the money into escrow as long as we have a written, signed and legal document. To be eligible, we could not purchase the property outright, but we could put down a deposit. Mr. Ventres noted that the price is based on last May's appraisals.

Mr. Shetensky asked if there were any buildings on the property. Mr. Ventres replied that there were not – just logging trails and some old foundations. He noted that there was another parcel that the Town has chosen not to purchase due to the fact that there are 3 buildings on it.

Mr. Fortier asked for more specifics on the appraisals. Mr. Ventres stated that the Town's appraisals were for \$460,000 and \$462,000 based on 10-14 lots and open space valuation. The family's appraisal was for \$758,000 based on 12-16 lots and a per-lot cost.

Mr. Ventres stated that the appropriation on the table this evening is the Town's maximum exposure.

Mr. Fortier asked why DEP would grant us an award for a parcel that we have already signed a contract for since that is not normally it's policy. Mr. Ventres stated that it is the property's relevance to other areas of protected property.

Mr. Fortier expressed his opinion that if we do not receive an award from the DEP that he would not be comfortable doing this again. Mr. Ventres again noted that this was the town's maximum exposure.

Mr. Parker noted that the Nature Conservancy is paying half and that if the DEP comes in we will be paying even less. He stated that the Nature Conservancy made an agreement with the family to have the deposit by September 22; therefore the question needs to go to town meeting right away.

Mr. Shetensky asked if there were any payment steps between the deposit and the purchase. Mr. Ventres replied that there were not.

Mr. Giesey asked how long after the owner's death would the purchase go through. Mr. Ventres stated that it would depend on probate.

Mr. Ventres suggested that we could bond for the money if the timing coincides with the purchase of the Shugrue property.

Mr. Giesey asked where was the best place to take the money from. There was considerable discussion on the merits and legalities of appropriating funds from the Open Space Fund. Mr. Fortier also felt strongly that the funds should be replaced through bonding.

After discussion, it was agreed that the deposit would be taken from the Open Space Fund and the balance from the Undesignated Fund Balance. It was also agreed that an additional item would be added to the resolution replacing the funds through bonding.

[Re: Appropriation and Acquisition of the Lefebvre Property:]

Motion made by Mr. Budzik, seconded by Mr. Giesey, that the Board of Finance of the Town of East Haddam hereby adopts the following Resolution to be referred to the Board of Selectmen and referral to the town meeting for approval:

“RESOLVED,

1. That the Town Meeting hereby appropriate the total sum of TWO HUNDRED NINETY-EIGHT THOUSAND DOLLARS (\$298,000.00), \$250,500 of said sum to come from the Undesignated Fund Balance and \$47,500 to come from the Open Space Fund, which includes the Towns portion of closing costs, as recommended by the Board of Finance, for the acquisition of a FIFTY (50%) PERCENT interest in certain property known generally as 117.6 \times acres located at Jones Hill Road, East Haddam, Connecticut from Edith Lefebvre, or her estate and/or successors and/or assigns in participation with the Nature Conservancy of Connecticut, Inc., and for payment of one half of related closing costs, all pursuant to a certain Option Agreement for the purchase of real estate between the said Lefebvre and the Nature Conservancy of Connecticut, Inc. and the participation Agreement between the Town of East Haddam and the Nature Conservancy of Connecticut, Inc., dated August 24, 2006, and;

2. That the Town of East Haddam pay from the sum appropriated in Paragraph 1, above, the sum of FORTY SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$47,500.00) as a non-refundable option deposit to be credited toward the 50% share of the Town of East Haddam for the acquisition cost of said property, and;

3. Funds appropriated pursuant to paragraph 1 to b replaced in the Undesignated Fund Balance by appropriate bond funds when available.

Mr. Bennett noted that there was no discussion regarding the purchase of the property itself. Mr. Fortier agreed and stated that in the future the board should discuss the merits of the purchase of properties before getting to

this point where the appropriation is needed right away.

Vote on motion: All aye.

2. Salary Survey Consultant Proposal Interviews Continued

Mr. Giesey asked Mr. Parker for his recommendation on which consultant the town should hire. Mr. Parker stated that he has spoken with both consultants and also with the Towns of Durham and Old Lyme. He stated that he would prefer the proposal of Randi Frank. He felt that Ms. Frank was professional and thorough. He added that Durham is impressed with how their survey is going so far. He added that her fee would be in the middle of Mr. Sword's two plans.

Mr. Shetensky liked that Ms. Frank looks at the position not the person, reviews other job descriptions, has a better methodology, had all the right terminology and objectivity.

Mr. Fortier felt that Ms. Frank was more professional. He suggested that Mr. Parker speak with a town that has completed their project with her to see how her recommendations are working out. Mr. Parker agreed, and will report back at the next meeting.

Mr. Giesey asked what the other Selectmen felt. Mr. Parker said that they were both given the packets, and although they were not here to hear the proposals and make a recommendation, that they both felt it was something the Town needed to do.

4. Adjournment

**Motion made by Mr. Fortier, seconded by Mr. Budzik, to adjourn the meeting at 8:31 p.m.
Unanimous aye.**

Respectfully submitted,

George B. Giesey
Chairman