

**EAST HADDAM
BOARD OF FINANCE
Regular Meeting Minutes
August 7, 2006**

MEMBERS PRESENT: Bob Bennett, Matthew Budzik, Mark Fortier, George Giesey, Anthony Shetensky

MEMBERS ABSENT: David Meade

OTHERS PRESENT: Reed, Ameden, Deb Denette, Randy Dill, Mary Jane Malavasi, Craig Mansfield, Brad Parker, Steve Parady

1. Call to Order.

Mr. Giesey called the meeting to order at 7:06 p.m. at the River House. The Pledge of allegiance was recited.

Mr. Giesey altered the order of the agenda in order to accommodate the guests present.

School Roof Issues

Mr. Steve Parady reported that he met with Bob Carroll and Dr. Steve Durham regarding the problems with the high school roof. He stated that he disagreed with the findings of the engineer as delineated on page 14 of the DeCarlo & Doll report that opined that the louvers are the source of the water problems on the rooftop. Considerable discussion was held. Mr. Parady noted that the rot is so severe that the roof is unstable.

Mr. Parady estimated approximately 800 square feet of sub-decking needs to be replaced. He stated that it is possible that the damage could be more extensive than that, however, the extent of the damage will not be apparent until demolition begins. Mr. Parady believed the repairs could be completed on the ball field side of the high school roof in the \$20,000 range. He further believed that re-routing of drainage could be accomplished during repairs that would minimize the drop. He stated that getting the water closer to the roof would correct the design flaws.

Mr. Parady stated that he could not complete the work prior to the beginning of school, however, he stated that it could be completed prior to winter weather. Mr. Parady also stated that the roof is badly in need of maintenance. He stated that there are fasteners pushing through and that there are leaks here and there. Generally he stated that the roof has endured 12 years of wear and tear with no maintenance.

Mr. Giesey noted concern that the request for expenditure for repair to the roof was not coming through the Board of Education. It was noted that the repairs required are definitely urgent, however, they are not an emergency. It was also noted that the original proposal was for engineering and re-design.

Mr. Fortier stated that the repairs needed are urgent and since the current proposal is for repair rather than engineering and design he opined that the expenditures should be done through the Board of Education maintenance budget. He did not believe the expenditures would be burdensome as they were left an extra \$30,000 in their budget for emergency situations.

Discussions regarding the bid requirements and scenarios where this process could be waived were held. Concern was raised that following the RFP process would foreclose the ability to have the repairs made prior to winter.

Randy Dill arrived at this time 7:25 pm.

Matt Budzik raised concern that a decision authorizing a \$20,000 expenditure was being made to hastily.

Mark Fortier stated that he would enter a motion to send the issue back to the BOE for resolution from its own funds if there was no objection. Mr. Giesey stated that he had no objection to repairing the problem rather than a design change.

Motion by Mark Fortier to remand the problem (roof repair ballfield side) at the High School back to the Board of Education as a repair item, and to request that the Board of Education resolve the problem through their existing budget. Seconded by Anthony Shetensky.

Further discussion was held. It was noted that Bob Carroll originally deferred the issue to the Board of Finance because the Board of Education would rather see the funds come from this Board rather than its own budget.

Steve Parady added that the waterproofing on the roof is completely gone and that with the rot, the problem will only get worse quickly. He suggested that plywood be positioned to disburse the water in the short term.

The motion remanding the rot and leak roof issues on the ballfield side of the high school carried unanimously.

Mr. Parady continued that the other side of the roof is experiencing the same situation, however, the deck is still solid. He stated that it should be addressed before the same situation occurs. He stated that he would perform core samplings when he is up there to assure that there is no rot. He further stated that redesign to alleviate further damage would cost approximately \$2,000. He also reiterated that the fasteners are coming up and need to be pulled through, plugged and waterproofed. He stated that the roof is 12 years old at this point. He opined that it would not last 30 years. He also noted that the chimneys are another source of water entry and need repair.

Mr. Parady estimated that all the work noted could be accomplished for \$25,000 - \$30,000. He estimated that water repairs along the chimney would cost approximately \$1,000.

Mark Fortier stated that he would recommend that the Board of Education do all of the repairs noted at this time from its existing budget.

Middle School

Steve Parady advised that he also inspected the roof at the middle school. He stated that the roof over the 6th grade should have been replaced five years ago. He stated that estimated costs would be \$10,000 to remove the old roof and \$10,000 to re-shingle.

He also advised that the roof over the Ray School is 20 years old. He stated that it is not dead, but needs maintenance, estimated cost \$10,000 - \$12,000. Another \$1,500 of maintenance should be

performed over the gymnasium. He stated that there are 3-4 leaks that can be easily repaired. He stated that with repair work (total estimate \$25,000 - \$30,000) the roof should buy the town until it decides what to do with the building.

He further emphasized that the Ray School portion needs maintenance now. He further stated that the town should not go another winter without replacement of the section by the tennis court. Mr. Parady was thanked for his input.

It was noted that the cost estimates presented by Mr. Parady were approximately \$35,000 versus the \$450,000 estimates initially presented by the Board of Education. Discussion was held relative to funding the needed repairs through Contingency. It was the general consensus of the Board that the two roof issues were similar and should be handled in the same manner.

Motion by Mark Fortier to remand the middle school roof problem back to the Board of Education with a recommendation that they entertain the proposal outlined by Parady & Son. Seconded by George Gieseey and carried unanimously.

Route 149 Speeding Grant & DUI Grant

Craig Mansfield stated that they are in the process of applying for two grants, the first is for speeding along route 149. It is 100% funded. The second is the DUI grant that the town has received for several years now. It continues to be 75% grant with 25% required by the town.

Motion by Bob Bennett to authorize the application for the Route 149 speeding grant and the DUI grant. Seconded by Mark Fortier and carried unanimously.

MONECO Fire Department Pension

Mary Jane Malavasi introduced Reed Ameden from MONECO to discuss the pension provided to fire department volunteers. Mr. Ameden stated that he understood the Board had specific questions, he asked if he should address those first. He was requested to provide an overview.

Mr. Ameden advised that the town offers a type of 457 plan, particularly 457e-11. He engaged in a technical discussion with Mr. Shetensky who had a good understanding of the program specifically designed for volunteer organizations. Its benefit is derived by a formula computing the number of service years times service credit. Death benefits are taken out on the members by the town, which funds the program. Whole life policies were initially utilized, current practice is for universal life policies. Mr. Ameden noted that presently three members were uninsurable under the new plan and continue to be covered under the old. The present cash value of the policies is \$279,000. Mr. Ameden noted that a death of a member does not benefit the town, but funds the pool from which benefits are paid. He stated that often with this type of account there is some animosity that the town has an insurance policy out on someone. Policies are purchased after a one-year service requirement and points to be eligible are met. Mr. Parker stated that this typically takes 2 years to achieve.

Responsive to an inquiry from Mr. Bennett, Mr. Ameden advised that the town holds \$2,200,000 of life insurance on 49 volunteers.

Mr. Ameden concluded with the following recommendations:

1. Participants should be made aware of the benefits via annual statements.

2. Have town council review the plan and all provisions to keep up to date with changes in code.

The Board requested Mr. Ameden to review alternative methods of investment and report back through the Finance Director. Mr. Ameden was thanked for his presentation.

2. Minutes

Motion by Bob Bennett to approve the minutes of the July 10, 2006 meeting with the following amendments:

Page 1, second paragraph, third sentence. Replace ...”and had a copy of the appeal” with “and had a copy of the lawsuit”.

Page 6, second paragraph after He stated this was an FYI to the SBC. Add “Mr. Moss acknowledged this appropriation would bring the school building committee through the bid process and referendum.”

Mr. Giesey seconded the motion approving the minutes as amended. The motion carried unanimously.

3. Correspondence

Mr. Giesey reported that he received correspondence from the Board of Education regarding the status of the 05/06 budget. He stated that it appears as though \$49,636.23 will be coming back to the general fund unencumbered.

Mr. Giesey reported that he received correspondence from the Committee on Aging stating that they reviewed 14 area towns of comparable size and based on the results of the survey voted unanimously to recommend a \$6,000 raise effectively immediately for their municipal agent.

Mr. Fortier stated that this is a budgetary matter and the additional amount was not included in the 06/07 budget that was adopted. Mr. Giesey noted, however, that when people came forward during the budget process the impression was given that salaries were being reviewed. Mr. Giesey stated that the request can be considered in the next fiscal year.

4. Chairman's Report

Mr. Giesey stated that he had a discussion with Bob Carroll regarding the fire alarm system, he is pleased with the progress and stated that the job is anticipated to be completed within budget.

5. Selectmen's Report

Mrs. Malavasi submitted copies of the proposal in connection with the salary survey. The Board of Finance was requested to review the information and be prepared for discussion at the special meeting.

Brad Parker reported that upgrades were made at the Moodus Green. He stated that in addition to replacement of the tree, wiring and electrical work was done. He also noted that the veterans sign is being redone. Mr. Parker advised that sizable donations were made by the Rotary and Liberty Bank. He stated that the initiative was a joint effort between the Rotary Club and the Selectman's office.

Mr. Parker advised that the new dump truck is in. He stated that it was ordered almost a year ago. He stated that two court cases have received summary judgment. The appeal regarding the school land was ruled in East Haddam's favor, as was the Yardscape's case. He stated that both cases have a 20-day appeal period.

Bob Bennett inquired what the next step would be if no appeal were filed in the school land case. Mr. Parker advised that the land is under the town's ownership at this time. The only item outstanding at this time is the price. Bob Bennett inquired if no appeal is filed within the 20 days can construction begin. Matt Budzik stated that we would take a risk that someone else might own your school. Mr. Parker stated that the worse case scenario would be to restate the question at referendum, revote and then take the property. It was noted that if the referendum went down, the school could not be built because there would not be money to do so. Mr. Fortier inquired if a revote was taken and passed who you would take the property from yourself if you already owned it?

6. Finance Director's Report

Mrs. Malavasi thanked Deb Denette for taking the minutes of the meeting in the absence of the recording secretary.

Financial estimates on the new school were distributed.

Mrs. Malavasi noted that at the last meeting questions regarding revaluation were raised. She stated that an RFP is out for revaluation, the physical inspection, and bids are due back by August 28, 2006. Mrs. Malavasi advised that she has requested the Assessor to come to the September meeting.

Mrs. Malavasi advised that the auditors are due in the week of August 21. This follows her vacation week.

Mr. Fortier asked Mrs. Malavasi if she had a figure for our surplus at year end. Mrs. Malavasi stated that she had done some preliminary calculations at this time before the audit was complete. Mr. Fortier questioned how the \$210,000 estimated surplus was derived at. He noted that the report submitted shows that the town was over on revenue and under on expenditures, he then subtracted out prior year encumbrances and came up with an entirely different figure. Mrs. Malavasi stated that she would review the figures after the meeting. Mr. Shetensky suggested the item go under old business for next month.

7. Liaison Reports

Bob Bennett reported that the East Haddam Ambulance Association will meet on August 28, and that he will have a report at the September meeting.

8. Guests & Audience

Discussed earlier.

9. Old Business

a. High School Roof

Discussed earlier

b. Tax Sale

Mrs. Malavasi reported that the tax collector has requested a tax write off for pieces that were not sold at the tax sale. The pieces were reported to be land locked and of very little value.

Motion by Mark Fortier to approve the write off request as submitted by the Tax Collector, Janet Tucker. Seconded by Anthony Shetensky and carried by unanimous vote.

c. Other

Mr. Fortier referred to the documents entitled Final Estimate and Final Estimate Update prepared by Newfield Construction, Inc. regarding the 4-8 Middle School. Mr. Fortier stated that a request was made to show where the increases are. He stated that the document submitted just shows data. He stated that he would like to have a report detailing the changes. Mark stated that the item should remain on old business until it is received. Frustration was expressed that the School Building Committee said that it would make regular reports and advise of items going over budget and it has not. Mark stated that there needs to be better oversight of how the taxpayer's money is being spent. Monthly analysis was requested, similar to what is provided regarding the town budget.

Mrs. Malavasi stated that she has the financial information and can put it together year to date. Mr. Fortier requested that the information be provided monthly. There was no objection to having School Building Committee Financial updates on the agenda every month under old business. Mrs. Malavasi also stated that Mr. Moss has agreed so submit the information that was requested.

New Business

a. Historic Document Preservation Grant

Deb Denette presented a request to apply for a grant in the amount of \$7,000. The grant proposed will allow for microfilming, digitization and copying onto archival paper meeting minute records. Deb reported that the grant is the same as the one she applied for last time. Last year over 26,000 pages were preserved covering Planning & Zoning records from 1955-2005. There is no cost to the town associated with the project.

Motion by Bob Bennett to authorize the application of the Historic Document Preservation Grant. Seconded by Mark Fortier and carried unanimously.

b. Route 149 Speeding Grant

See above.

c. DUI Grant

see above.

d. 2006-2007 Quarterly Updates/IMS Hosting Funding Request (Sewall)

Mrs. Malavasi stated that much work and effort has been placed into the GIS system and it should continue. She stated that last year the town incurred \$15,000 in expenses that were not budgeted, although funds were left over at year end that could have been encumbered.. She further stated that

development of this year's budget did not include an appropriation for this year. Mrs. Malavasi reported that she has negotiated with the company for a website which Sewall will maintain and staff and the public can access. Mrs. Malavasi reported that the Assessor needs training with this program and was unavailable to be present for this evenings meeting. Mrs. Malavasi stated that the Assistant Assessor emphasized to her the importance of having maps updated and accurate. She also advised that Damon Braasch has been very accommodating in working with her on understanding the issue.

Motion by Bob Bennett to appropriate in the 2005/2006 fiscal year \$15,436 from the undesignated fund balance to line 808 Assessor. Seconded by Mark Fortier and carried unanimously.

Similarly the same appropriation was not included in the 06/07 budget. Mr. Fortier believed the option of enabling IMS site for download of .pdf files was worth the \$600.00. He believed the public would have better access to the information with that option available.

Motion by Mark Fortier to appropriate \$13,675 to line 808 Assessor from Contingency for the 2006/2007 budget. Seconded by Matthew Budzik and carried unanimously.

e. 2005/2006 Additional Appropriation Request

Mary Jane Malavasi reported that the Town Clerk's line went \$2,222.33 over. It was noted that the revenue generated greatly offset's the shortfall. Mary Jane noted that the town clerk was present if there were any questions. No questions were asked.

Motion by mark Fortier to designate \$2,223 from undesignated fund balance to line 702 Town Clerk. Seconded by Anthony Shetensky and carried unanimously.

e. 2005/2006 encumbrances

Following requests were made.

<u>Department/Line</u>	<u>Request</u>	<u>Comments</u>
<u>Fire Dept</u>		
841 Fire Ponds	4,738	Aug/Sept completion
841 Vehicles	4,583	Equip for new truck
841 Equipment	7,000	Compressor
<u>Police</u>		
844 Equipment	3,000	Pending training
<u>Education</u>		
890 BOE CIP	60,167	MS Asbestos Project
890 HS Lighting	48,000	HS Lighting Project
990 MS Asbestos	10,563	MS Asbestos Project
<u>EDC</u>		
818 Fiscal Analysis	3,500	To Complete Project

Animal Control

847 Pound Imprv. 5,000 Public Works to complete

Town Office

807 Site Prep 3,000

907 Site Prep 22,000

807 Codification 8,464

Public Works

850 Sunset Acres 50,000 In design phase

850 Hayward Rds. 13,722 Drainage out to bid

850 Dump Truck 49,270 Outstanding P.O.

850 Chip Seal 93,000 Work scheduled for August

850 Guardrails 4,144 Balance of retainage

856 Equipment 50,000 Awaiting DEP approval of design

Bob Bennett motioned to encumber \$481,951 from the 2005/2006 fiscal year. Seconded by Anthony Shetensky and carried unanimously.

f. Non-Profit Budget Request Policy

Anthony Shetensky stated the Board needs more consistency in how these different agencies are handled. He added, however, that it is too big an issue to begin at 9:30 pm. He requested that it be kept on the agenda and that it be discussed in advance of getting into the next budget season.

Mark Fortier suggested the item be placed under old business.

Motion by Mark Fortier to adjourn at 9:30 pm. Seconded by Anthony Shetensky and carried unanimously.

Respectfully submitted

David Meade