

Town of East Haddam
Board of Finance
April 2, 2007
Regular Meeting

1. CALL TO ORDER

The Regular Meeting of the East Haddam Board of Finance was called to order Monday, April 2, 2007 at 7:07p.m., at the River House, by Chairman Matthew Budzik.

In attendance were Matthew Budzik, Bob Bennett, David Meade, George Giesey and Mark Fortier.

Tony Shetensky was absent.

Also in attendance were First Selectman Brad Parker, Selectman Govert and Stephanie Tatro.

The Pledge of Allegiance was recited.

2. Approval of Minutes

a. Regular Meeting of March 5, 2007

Motion by Mr. Meade to approve the minutes of March 5, 2007 as amended. Second by Mr. Giesey and unanimously passed.

-Page 1, under Call to Order, third paragraph, strike "xxx" and replace with "Webster Bank".

-Strike "council" and replace with "counsel" throughout.

-Page 3, 5th paragraph, third line, strike "and" and replace with "but".

-Page 6, under Old Business, 1st line, replace "Jerry" with "Gerry Paradis".

-Page 8, under Other" third line, after include, insert "increase for school".

b. Special Meeting of March 8, 2007

Motion by Mr. Budzik to approve the minutes of March 8, 2007 as presented. Second by Mr. Giesey and unanimously passed.

c. Special Meeting of March 12, 2007

Motion by Mr. Budzik to approve the minutes of March 12, 2007 as amended. Second by Mr. Meade and unanimously passed.

-Strike "council" and replace with "counsel" throughout.

d. Special Meeting of March 23, 2007

Motion by Mr. Bennett to approve the March 23, 2007 meeting minutes and presented. Second by Mr. Budzik and unanimously passed.

3. Correspondence

The following correspondences were reviewed by the board.

- Memo from the East Haddam Economic Development Commission regarding a village update meeting scheduled For Thursday, April 5, 2007pm at the Grange Hall.
- Letter to First Selectman Parker from Gould, Larson, Bennet, Wells & McDonnell, dated March 28, 2007 regarding Rathbun Library Funding.
- Middletown Press news article, dated March 17, 2007, titled Fighting the stormy weather, Cromwell tries out a new type of road salt to combat the slippery snow.

Mr. Giesey questioned if the Rathbun Library and Youth and Family Services had provided financial statements. Mrs. Tatro replied affirmatively to the Rathbun Library and that the Youth and Family Services had not.

The board decided to discuss future library funding after the budget season.

4. Chairman's Report

Mr. Budzik reviewed the agenda's of upcoming budget meetings.

5. First Selectman's Report

First Selectman Parker reviewed the following:

- Party invitation for Dr. Durham at the Saybrook Inn on May 31, 2007.
- Connecticut Conference of Municipalities, Education Committee proposal for modifications to ECS Grant, dated March 28, 2007.

First Selectman Parker informed the board that the current snow budget was at \$117,000 and that it excluded the most recent snowstorm expenses.

First Selectman Parker informed the board that an application for an additional grant for the Senior Center had been applied for. Responsive to a question by Mr. Fortier, First Selectman Parker replied he was unsure of the amount. First Selectman Parker stated the grant was similar to the East Seals grant. The grant will be used for a staffing position inside the Senior Center. Because the amount is unknown, it will not be included in the budget.

First Selectman Parker questioned the board if they still wanted a quote for the CMERS plan. First Selectman Parker explained that he did not want to spend \$2,000 to get a quote if there was no interest in the plan. It was agreed that First Selectman Parker would investigate other options and bring the information to the board. Mr. Budzik stated town employees should get competitive retirement benefits. First Selectman Parker stated the current plan was not competitive. Mr. Fortier questioned the percentage the town contributed. First Selectman Parker replied 4 ½ %. Responsive to a question by Mr. Fortier, First Selectman Parker confirmed it was a defined contribution.

6. Finance Director's Report

Mrs. Tatro discussed the following:

- Town of East Haddam Year-to-Date Budget Reports dated 03/30/2007.

7. Liaison Reports

There were no liaison reports.

8. Guests and Audience

There were no guests or audiences to contribute.

9. Old Business

a. Middle School

Mrs. Tatro informed the board that she had given Terri Larson the disclosure information for the BANs. Mrs. Tatro stated that First Selectman Parker, Kathleen Klink and herself had an appointment May 3, 2007 for the issuance of the BANs for the project. Mrs. Tatro stated the proceeds would be issued approximately two weeks after this date. Mrs. Tatro stated the amount requested was \$18,400,000.00.

Mrs. Tatro stated Ms. Mordecai had informed her that the project was running behind. Mr. Budzik questioned why to which Mrs. Tatro replied Ms. Mordecai did not know. Mr. Budzik questioned if State reimbursement was being implemented to which Mrs. Tatro replied affirmatively and Bob Carroll had submitted it, based on the cash flow projections by Mr. Moss. Mrs. Tatro stated these moneys should be available in June and the anticipated amount was approximately 2,800,000. State reimbursements will be made every other month. Mrs. Tatro informed the board she would track Newfield Construction's actual amounts with Mr. Moss's projections.

Mr. Budzik stated he would like the School Building Committee to review invoice paying procedures. Mrs. Tatro briefly reviewed the accounting system for the project. Mr. Budzik questioned First Selectman Parker if he was comfortable with the accounting system. First Selectman Parker replied affirmatively. Mr. Fortier requested that the process be documented in writing.

b. High School Gymnasium Insurance Proceeds

Motion by Mr. Budzik, seconded by Mr. Meade to appropriate \$76,433.32 from the General Fund to the Board of Education to pay for the repair of the gymnasium floor, and to request that the Board of Selectmen schedule a Town Meeting for approval. Motion passed unanimously.

c. Long-term dept discussion

First Selectman Parker distributed and discussed the following.

- 4 Potential Debt Management Plan options.

Mr. Budzik stated the undesignated fund should be drawn down to 15% because there should not be too much money in reserves. Mr. Fortier stated the undesignated fund

was above 15% in order to get favorable interest rates for bonding. Mrs. Tatro stated Terri Larson had advised bringing down the fund balance. Mrs. Tatro stated earnings were projected on the conservative side of 3% and that Terri Larson had advised her that 5-½% could be earned. Mr. Fortier requested backup information for the options. Mr. Meade stated reoccurring revenue needed to be included. The board agreed to revisit this topic during the November meeting.

10. New Business

a. Appointment of Auditors

Motion by Mr. Bennett, seconded by Mr. Giesey to appoint Blum Shapiro PC as the auditors for the fiscal year ending June 30, 2007. Motion passed unanimously.

The auditor position will go out to bid next year. Mr. Budzik questioned if Town Counsel had reviewed the contract, to which First Selectman Parker replied no.

b. Tax Collector – suspense

Motion by Mr. Bennett, seconded by Mr. Giesey to accept the Tax Collector’s Suspense List. Motion passed unanimously.

c. Town Clerk – preservation grant

Motion by Mr. Meade, seconded by Mr. Fortier to authorize the application of the Historic Document Preservation Grant. Motion passed unanimously.

d. Dolbia Bridge and Jones Hill Bridge Funding

First Selectman Parker informed the board that the Dolbia and Jones Hill bridgework was complete and the State and Federal Government had approved expenditures above and beyond what was approved earlier. First Selectman Parker stated in order to be reimbursed on the overages the board needed to act and then it needed to be sent to town meeting to accept it.

Motion by Mr. Fortier, second by Mr. Meade that the Board of Finance request that the Board of Selectmen call a Town Meeting to authorize the reallocation of funds between the “contract items and contingencies” and “allowable incidentals to construction” categories, to complete the following project: The replacement of the Dolbia Hill Road Bridge, Bridge No. 04650. Said appropriation shall be funded by state and federal grants as are available to the Town. Motion passed unanimously.

Motion by Mr. Fortier, second by Mr. Meade that the Board of Finance request that the Board of Selectmen call a Town Meeting to appropriate an additional \$442,000 to complete the following project: The replacement of the Jones Hill Road Bridge, Bridge No. 05267. Said appropriation shall be

funded by state and federal grants as are available to the Town. Motion passed unanimously.

11. Other

Responsive to a question by First Selectman Parker, Mr. Fortier replied his figures did include the interest on the bond. Mr. Fortier stated it was a net figure.

4. Adjournment

Motion by Mr. Meade at 8:46pm to adjourn. Second by Mr. Bennett and unanimously passed.

Respectfully submitted,

David Meade
Secretary