

Town of East Haddam
Board of Finance
October 1, 2007
Regular Meeting

1. Call to Order

The Regular Meeting of the East Haddam Board of Finance was called to order on Monday, October 1, 2007 at 7:17p.m., at the River House, by Chairman Matthew Budzik.

In attendance were Matthew Budzik, Tony Shetensky, David Meade and Bob Bennett.

Also in attendance were First Selectman Brad Parker, Ellen Solek-Superintendent of Schools, Bob Carroll – Education Business Manager, Robert Mather- Board of Education, Nick Iacovelli – Board of Education, Stephanie Tatro - Finance Director, Ruth Ziobron and approximately 4 other individuals.

The Pledge of Allegiance was recited.

2. Approval of Minutes

a. Regular Meeting of September 10, 2007

Motion by Mr. Bennett to approve the regular meeting minutes of September 10, 2007 as presented. Second by Mr. Shetensky and unanimously passed.

3. Correspondence

There were none.

4. Chairman's Report

Mr. Budzik had nothing new to report.

5. First Selectman's Report

First Selectman Parker reported CL & P is currently installing the street lights for the completion of the sidewalk project in Moodus. First Selectman Parker informed the board that two new businesses have opened in town; Impressions and New Image Salon at the Gristmill Plaza.

6. Finance Director's Report

a. YTD Budget status

The Town of East Haddam Year-To-Date Budget Report was included in board member's packets.

7. Liaison Reports

The 3rd party administrator will meet with Mrs. Tatro to review various pension plans for the fire fighters. Mrs. Tatro will review the plans at the November meeting. Mrs. Tatro stated the fire fighters currently have a defined benefit pension plan. Mr. Shetensky explained it was a service award program and that it was not a qualified retirement plan. Mr. Shetensky stated it would be advantageous for people who had been in the plan for a number of years to continue with the

plan and new employees would benefit by a contribution plan; this would help control costs to the town.

8. Guests and Audience Comments

Mary Jane Malavasi spoke favorably about the summer concert series and encouraged the board to consider funding of the program.

9. Old Business

a. Middle School status of reimbursements

Mrs. Tatro informed the board the project had not been reimbursed due to political issues. No more reimbursement requests may be submitted until the outstanding one is processed. Mrs. Tatro informed the board that if the project reimbursements from the State continue to be delayed, based on Newfield Construction's projections; the bond anticipation notes will be depleted by January 30th, 2008. If this should happen, funds will need to be advanced from the undesignated fund balance to continue payment for the project. Mr. Shetensky commented the other alternative would be to stop construction.

Mr. Shetensky stated the project went forward with the promise that the State would pay, which they were not, due to politics. Mr. Shetensky stated this was costing the town money. Mr. Shetensky questioned if lost interest income could be billed to the State. Mrs. Tatro replied she intended to submit for lost interest income and there was a potential to lose \$157,000 in interest income.

b. Middle School – status of construction

First Selectman Parker stated there was a well-attended Topping Off Ceremony last week. First Selectman Parker reviewed construction progress on site. The project manager has informed First Selectman Parker that the project is ahead of schedule. Mrs. Tatro confirmed, based on payments that the project was ahead of schedule.

c. Board of Education contract settlement

Mr. Carroll briefly reviewed the arbitrator award for the custodial, Para-professional Union. The Board of Education prevailed on 22 of the 32 issues. Mr. Carroll stated over the past two years, the Board of Education had been turning over surplus monies and was requesting the town hold on to them. Mr. Carroll explained the retroactive pay had been paid to employees for a total amount of \$154,205. These funds had been put into the undesignated fund balance.

**Motion by Mr. Shetensky to take \$154,205 out of the undesignated fund, transfer it to line 790 and recommend the Board of Selectman to go to town meeting.
Second by Mr. Budzik.**

Mr. Bennett commented the state had funded more for education than was originally projected in the budget.

Motion passed unanimously.

d. Accept America the Beautiful Grant

The Town's contribution will be for labor to plant the trees.

Motion by Mr. Shetensky to recommend that the Board of Selectman schedule a Town Meeting for acceptance of Connecticut DEP, Division of Forestry America the Beautiful Grant in the amount of \$7,000 and to appropriate said grant in the amount of \$7,000 to the Walkable Moodus Village-Sidewalk fund. Second by Mr. Bennett and unanimously passed.

10. New Business

a. Summer Concert Series Funding

Mr. Shetensky suggested having a line item in the Parks and Receptions 2008-2009 budget for the Summer Concert Series. This program has successfully funded itself, but advance funds are often needed to secure musicians before the concert series starts. Mr. Bennett voiced concern that fund raising efforts may be reduced if the town helps with funding. Mr. Budzik stated it should be evaluated each year during the normal budget process.

b. Legal line overrun-transfer of funds

First Selectman Parker explained unanticipated legal fees were incurred for the Goodspeed Airport trying to have the airport assessed as open space and labor attorney fees for contract negotiations.

Motion by Mr. Budzik to transfer \$19,750 from Contingency to Line 712 – Town Counsel. Second by Mr. Meade and unanimously passed.

11. Other

12. Adjournment

Motion by Mr. Bennett at 8:02 p.m. to adjourn. Second by Mr. Shetensky and unanimously passed.

Respectfully submitted,

David Meade
Secretary