

Town of East Haddam
Board of Finance
February 11, 2008
Regular Meeting

1. Call to Order

The Regular Meeting of the East Haddam Board of Finance was called to order on Monday, February 11, 2008 at 7:04 p.m., at the River House, by Chairman Paul Maxwell.

In attendance were Paul Maxwell, Matthew Budzik, Bob Bennett, Dave Meade, Sue Link and Bruce Dutch.

Also in attendance were First Selectman Mark Walter, Selectman Emmitt Lyman, Stephanie Tatro, Craig Mansfield, Tony McCabe, Garrett Havican, Chris James and Ruth Ziobron.

The Pledge of Allegiance was recited.

2. Approval of Minutes

a. Regular Meeting of January 14, 2008

Motion by Mr. Meade to approve the regular meeting minutes of January 14, 2008 as presented. Second by Mr. Budzik and unanimously passed.

Motion by Mr. Budzik to change the order of the agenda and proceed to 10. New Business, a. Local Prevention Council presentation. Second by Mr. Bennett and unanimously passed.

10. New Business

a. Local Prevention Council presentation

Mrs. McCabe and Mr. Mansfield distributed a document titled East Haddam Youth & Family Services East Haddam Local Prevention Council 2008 Report To The Community. Mrs. McCabe and Mr. Mansfield presented a power point presentation titled Developmental Asset Survey 2007.

Responsive to a question, Mrs. McCabe replied the responses to the survey had been validated and the results were comparable to surrounding similar towns.

Responsive to a question by Mr. Maxwell, Mrs. McCabe replied the hard copy survey broke down the results by grades.

First Selectman Walter questioned if research had indicated parents being too involved. Mrs. McCabe replied she was unaware of such research, adding parents needed to be appropriately involved with their children. Being appropriately involved means having reasonable boundaries, reasonable expectations of kid's behavior and holding them accountable for their behavior with legitimate consequences.

Mr. Meade commented positively with respect to the availability of the ice rink for young youth in town.

Mr. Bennett questioned how many students took the 2007 survey. Mrs. McCabe replied 247 males and 286 females.

Mrs. Tatro questioned if the initiatives discussed could be funded by grant monies. Mrs. McCabe replied it depended on the grant specifications. Mrs. McCabe reviewed grants which would be applied for.

Motion by Mr. Bennett to change the order of the agenda and proceed to East Haddam Ambulance Incentive Program, under Finance Director's Report. Second by Mr. Budzik and unanimously passed.

Chris James- East Haddam Ambulance Association President and Garrett Havican- East Haddam Ambulance Association Vice-President presented and discussed:

- Power point presentation titled East Haddam Ambulance Association Volunteer Incentive Program, dated February 11, 2008;
- Proposed stipend amounts for various positions and years of service as well as a draft agreement with the Town of East Haddam.

The East Haddam Ambulance Association is proposing an incentive program costing \$134,409.75.

Mr. Meade commented the board had agreed to hire an EMT to reduce the usage of mutual aid. Mr. James stated the mutual aid was utilized primarily in the daytime because most of the volunteers are working their regular daytime jobs. Mr. Havican agreed to provide data for EHAA-Call Volume. Mr. James stated the calls which were least responded to were from 4am to 4pm. The call volume goes up during the daytime hours, needing mutual aid assistance.

The frequency of calls was discussed. First Selectman Walter reviewed the written hired EMT agreement. Currently, there is no driver during the day, so an ambulance can not be dispatched. Although there is a daytime EMT available, there are not enough volunteers during the day to drive the ambulance. Calls have increased 12% since the EMT/fireman has been hired by the town.

The board requested a copy of the East Haddam Ambulance Association's financials and record of runs.

First Selectman Walter questioned the amount of revenue monies which were being lost due to the mutual calls. Mr. James replied the billings matched the expenses.

Mrs. Tatro questioned when the last time was that the state mandated an increase in what they could charge for a run. Mr. James replied every year a rate schedule is applied for. The state has a rate schedule based on per-capita population and call volume. Mr. James replied the rate increase averages out to about 3% every year. The association also enters into a bundle billable agreement with the Middlesex paramedic program.

Mrs. Tatro questioned how much money the association had in net assets. Mr. James replied approximately \$400,000, explaining it was earmarked for updating equipment/ replacement. The association plans on replacing an ambulance within the next two years. The average life of an ambulance is 5 – 7 years. The ambulance to be replaced is approximately 5 years old. A new ambulance will cost approximately \$200,000. The association also purchases equipment with these funds. For example, they just recently purchased electric lift stretchers.

Mrs. Tatro questioned if the association was organized as a 501(c) 3 to which the response was affirmative.

Mrs. Tatro questioned what they considered a successful incentive program. Mr. James replied retention of volunteers, more volunteers with a filled schedule for going out to calls. Mr. James voiced concern with an increase of call volume as demographics increase.

Responsive to a question by Mr. Maxwell, Mr. James replied not a majority of associations had become a part of public service. Mr. Maxwell had cited Colchester as an example. Mr. Maxwell questioned the disadvantages of being a part of the municipality. Mr. Havican replied it would limit the number of volunteers, impose budgetary constraints and fundraising ability. Mr. Havican added they had raised about \$1,000. Mr. James explained the town should not assume the liability that the association does.

Currently the association has a pension for volunteers. Volunteers also receive annual \$1,000 tax abatements. Mr. Bennett questioned if these benefits would remain in addition to the proposed incentive program to which Mr. James replied affirmatively. Those volunteers that choose the incentive program will not be eligible for the \$1,000 tax abatement.

Responsive to a question, Mr. James replied the reimbursement rate was regulated by the state. Last years total billing was approximately \$200,000; this figure includes the 10% billing charge.

Mr. Maxwell questioned hypothetically if the incentive plan did not recruit additional members, what the advantage of implementing it would be to the town. Mr. James replied if a volunteer can not be found for the peak hours of 4 am to 4 pm, then they could go to a management service to hire an employee which would be paid an hourly rate. Mr. James stated the association would pay for this service. First Selectman Walter questioned if billing for the runs by this employee would be absorbed by the association. Mr. James replied yes. Mr. Maxwell stated hiring of an EMT would mean the only time mutual aid would need to be used would be when there were multiple calls at the same time, consequently reducing the mutual aid calls. Mr. Maxwell questioned if they were anticipating an increase in billings. Mr. James replied affirmatively due to the increase in population of approximately 25%. Billings pay for the cost of the run, without surplus.

Mr. James explained their \$400,000 of assets had been saved since 1968 and this year no funds would be added to the assets.

Mr. James reviewed the rules which members would need to follow in order to qualify for a stipend. Policies will be adapted. Responsive to a question by Mr. Maxwell, Mr. James explained the incentive program was not a living wage. Mr. Maxwell voiced concern that regardless of the incentive program, the association would still be required to hire a service to be available during peak times of 4 am to 4pm when there were not volunteers. The stipends will be taxed.

Mr. Meade stated when the town entered into the agreement to hire the EMT position; it was presented that it would resolve the shortage problem during peak times. Mr. James stated it has not resolved the problem. Mr. James explained there had been issues with the position which were being resolved. Mr. Meade stated the EMT was hired by the town to be an EMT first. Mr. Bennett stated he questioned if an incentive program would be requested by the fire department if the proposed program is approved by the board.

Mr. Maxwell questioned how the incentive plan model would change if the town assumed the maintenance, purchase and fueling of the ambulance vehicles. Mr. James replied it would give them the ability to fund some of the incentive plan on their own. Mr. Havican commented it could effect certification. How certification is maintained through the State of Connecticut was briefly reviewed. Madison was cited as being a town in which the town assumed the maintenance etc. of vehicles.

Response vehicles can be purchased through the state, ambulances are not offered.

Mrs. Tatro questioned how many miles an average trip was. Mr. James replied 30 to 60 miles.

3. Correspondence

The East Haddam BOE Teachers Century Preferred benefits were distributed.

Mrs. Link explained the town's plan was richer than the BOE's plan. The town pays 90% while BOE pays 85%. There are 16 non union employees using the town health insurance plan. Mrs. Link stated if the 16 employees changed plans, there would be a savings of over \$20,000.

Mrs. Tatro agreed to email members a copy of the town plan for discussion and comparison at the next meeting.

4. Chairman's Report

Mr. Maxwell reported there was a pre-budget meeting last week. Mrs. Link, Mr. Maxwell and Mr. Dutch attended. The next meeting is scheduled for tomorrow at 2pm.

5. First Selectman's Report

First Selectman Walter reported on discussions with Mike Price, Eileen Daily and Linda Orange. The Goodspeed Opera House has put in writing that when actor housing is relieved due the building of the new actor housing project; the housing will be made available for the village project. The Goodspeed Opera House desires a larger facility with more seating. First Selectman Walter stated there would be consideration for this when the master plan for the village is developed.

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.

b. Budget Schedule

The most recent budget schedule was included in board member's packets.

c. Salary increases

The board agreed to budget 3 ¼ % salary increases for town employees. This is consistent with the clerical union contract for 2008-2009 based on last year's discussions.

Responsive to a question by Mr. Bennett, Mrs. Tatro replied there were 13 people, who a part of the salary survey. For the employees that were not on their top step, they were given a 3 ¼ % cost of living increase plus a step increase. Mrs. Tatro explained they ended up with approximately 3.6 % salary increases. The proposed budget assumes that all employees will receive their step up.

First Selectman Walter stressed the importance of setting up an accurate appraisal performance program which will be reviewed and distributed on a regular basis.

Mrs. Link questioned if all employees were up to the step/level they should be. Mrs. Tatro replied yes, and that the Senior Service Coordinator had been pushed up to the first step for 2008-2009. Mrs. Tatro offered to bring this down, and only include ½ the increase, and delay the full increase to the next year.

Mr. Budzik commented the purpose of adding an annual salary increase was to retain good employees. Mr. Meade suggested the implementation of a salary survey every 3 – 5 years. Mrs. Tatro agreed to speak with Randy about performing a benefit analysis for comparison to other towns.

Mrs. Tatro stated employee evaluations would need to be performed before they may be moved up a step.

d. GASB 45 discussion

GASB 45 is the post employee benefits. Mrs. Tatro explained an actuary valuation for a post employee benefit liability will need to be performed. This will be put out to bid with a RFP. Mrs. Tatro explained technicalities involved with the GASB 45.

Mr. Maxwell questioned if it would be a liability which needed to be considered in this year's budget. Mrs. Tatro replied no that it created an off balance sheet in this year's budget and subsequently updated every other year. This year's deadline is June 30th. Although the Board of Education is required to file their own GASB 45, all funding will more than likely come out of the town's budget due to timing issues. Mrs. Tatro will update the board on this issue at the next meeting. Mrs. Tatro anticipates the cost to be approximately \$14,000.

7. Liaison Reports

There were no liaison reports.

8. Guests and Audience Comments

There were no comments.

9. Old Business

a. Middle School status of reimbursements

Mrs. Tatro reported she anticipated a reimbursement in March. This is the last reimbursement until the other \$9,618,000 is approved by the state. Mrs. Tatro has asked First Selectman Walter to remind Linda Orange and Eileen Daily to put the bonding of the additional \$9,618,000 onto the next legislative session.

b. Middle School – status of construction

Mrs. Tatro reported the construction of the new middle school was on schedule.

First Selectman Walter informed the board that the School Building Committee had an emergency meeting. The Building Inspector determined that the breaker boxes were not to code costing an additional \$19,000. First Selectman Walter informed the board that the contractor had been made aware of the discrepancy during the design phase of the project.

c. Middle School – update on land issue

Mr. Budzik questioned if there had been thought to retaking the land. First Selectman Walter replied yes and they were awaiting a Supreme Court date. Mr. Budzik questioned why it wouldn't be done right now. Selectman Lyman replied Attorney Bennet had advised against it.

d. Fire Fighters Pension

Mrs. Tatro reported they had met before this meeting and was still in the negotiation process. Mrs. Tatro stated it would require a \$12,000 increase over last year for changes in the plan. A defined contribution plan has been proposed.

e. Assessor reval update

Meetings are taking place with the revaluation company for adjustments at the Annex.

Mr. Maxwell questioned if the revaluations for commercial property had been complete. First Selectman Walter replied he did not know.

f. Elderly tax relief program update

The Elderly Tax Relief Program Public Meeting was scheduled March 3, 2008 at 7 pm at the Grange.

g. Juvenile Funding available

Mrs. Tatro reported the Juvenile Funding grant was due April 9th. There is no town match required. It is a \$10,000 maximum grant.

h. STEAP Funding available

Mrs. Tatro reported the application was due February 9th. It is a 50/50% match for a maximum of \$500,000 a year. Mrs. Tatro commented the STEAP funding could be used for the rehab of the existing middle school. The state will require a commitment of spending the funds by June 30, 2009.

Mr. Maxwell questioned what the limits were on how the funds could be spent. Mrs. Tatro replied rehab of the existing middle school was one of the criteria. Mr. Maxwell questioned if it could be used for architectural fees to which Mrs. Tatro replied affirmatively. The Conversion Committee will be made aware of the grant. Mrs. Tatro informed the board that she had informed the chairman of the Conversion Committee to provide a number from a contractor for the cost to rehab the building by January 2009. This figure is necessary so that the town knows how much the total bond will need to be.

Mrs. Tatro informed the board that STEAP grants are offered every year. The town is not limited to receiving them only once.

i. Watershed Grant available

The Watershed Grant application is due February 19th. Mrs. Tatro is awaiting an update by Mr. Ventres.

Mrs. Tatro explained the grant was intended to be used for studies, informational meetings and education for the Salmon River Watershed area. First Selectman Walter stated \$2,000 in dues had just been paid with the Nature conservancy to perform this type of work. First Selectman Walter questioned if the Watershed Grant could pay for the dues. Mrs. Tatro will review if this can be done.

j. Midstate Grant for new elderly and disabled transportation vehicle

The Midstate grant for new elderly and disabled transportation vehicle is due March 13th. It is a 20% match and the state will pay the additional 80% not to exceed \$40,000. The senior little bus has had

significant maintenance issues. This bus will be replaced with this grant. Mr. Meade requested written documentation pertaining to the viability of the little bus. A driver is needed.

k. Title III funds available

The Title III funds are used for health services for the elderly and is due Friday. Mrs. Tatro stated she did not have time to meet the deadline this week. There have been no meetings with anyone to get the application complete.

l. Youth and Family Services grant

Mrs. Tatro stated this was a \$125,000 grant and after much discussion with Mrs. McCabe, they had decided not to apply for the grant because there were not enough resources available to administer it.

10. New Business

b. Transfer from contingency to Line 836 – River House

A transfer has been made to line 836 River House. The River House's oil tank rusted at a replacement cost of \$2,800.

11. Other

Mrs. Tatro informed the board the probate court had gone over the budget for postage by \$400. Mrs. Tatro recommended transferring \$1,200 out of contingency into the probate line for further expenses. Mr. Maxwell questioned if the probate court had submitted their budget to which she responded no. Mrs. Tatro stated she was requesting more than the \$400 to avoid going to town meeting.

Mrs. Tatro stated the probate court had made 15,000 copies in the month of December. They are charged per copy. The service contract will need to be reviewed.

Motion by Mr. Meade to take \$1,500 from contingency and move it to line 703. Second by Mr. Bennett and unanimously passed.

Mr. Meade requested reporting standards for public agencies. These standards should include budgets and how the information should be reported. The board would like standardized and objective information.

12. Adjournment

Motion by Mr. Budzik at 9:19 p.m. to adjourn. Second by Mrs. Link and unanimously passed.

Respectfully submitted,

David Meade
Secretary