

Town of East Haddam  
Board of Finance  
March 10, 2008  
Regular Meeting

**1. Call to Order**

The Regular Meeting of the East Haddam Board of Finance was called to order on Monday, March 10, 2008 at 7:00 p.m., at the River House, by Chairman Paul Maxwell.

In attendance were Paul Maxwell, Matthew Budzik- arrived 7:48 pm, Bob Bennett- arrived 7:07 pm, Dave Meade, Sue Link and Bruce Dutch.

Also in attendance were First Selectman Mark Walter, Stephanie Tatro, Gerald Paradis – Partner BlumShapiro and Ruth Ziobron.

The Pledge of Allegiance was recited.

**Motion by Mr. Meade to change the order of the agenda and proceed to 4b. Review of audit by Blum Shapiro. Second by Mrs. Link and unanimously passed.**

**4. Chairman's Report**

**b. Review of audit report by Blum Shapiro**

Mr. Paradis reviewed and discussed the following documentation:

- Town of East Haddam, Connecticut, BlumShapiro report, dated June 30, 2007;
- Town of East Haddam, Connecticut, BlumShapiro report, State Single Audit Report, dated June 30, 2007;
- Town of East Haddam, Connecticut, BlumShapiro report, Federal Single Audit Report, dated June 30, 2007.

Responsive to a question by Mr. Maxwell, Mr. Paradis reviewed the type of procedures that were normally put in place to monitor account records on a regular basis. The finance director is to run certain reports every month to make the determination that funds are in balance. Mrs. Tatro stated these procedures were being followed since March. Mr. Maxwell requested a monthly review of the monitored accounts.

Mrs. Tatro stated item 07-01 of the Federal Single Audit Report, General Ledger Maintenance, had been addressed and she would be providing written policy to the board. Mrs. Tatro informed the board that item 07-02 of the Federal Single Audit Report, Park and Recreation Department Controls had been corrected. Three new people have been introduced into the collection/ deposit process. Payable methods have been altered in that they now go through the general fund and then the general fund is reimbursed on a quarterly basis from the Park and Recreation account. Mrs. Tatro stated a detailed 18 month audit was also performed to determine that expenses were reasonable, appropriate and documented. This approach has been applied to similar type departments that also collect cash.

Mr. Maxwell questioned if there was anything excluded from the report which the board should be made aware of. Mr. Paradis replied no.

Mrs. Tatro stated she would provide the board with written policies.

Mrs. Tatro questioned if donation money was required to be included in the budget. Mrs. Tatro explained donations had been made to the Senior Center's FF & E budget and questioned if the center should want to use the funds for a horseshoe pit, if it would be required to go to town meeting before the funds could be used. Mr. Paradis replied no, explaining the Appropriations Laying of Tax Statute refers to the general fund and not to other separate funds. The statute refers to the laying of the tax. These other funds are not being taxed and are not required to be included in the budget to go to town meeting. Forms may be requested from OPM to capture the information in relation to the Appropriations Laying of Tax Statute; it is just for the general fund. Mr. Paradis stated similar towns generally don't budget for special revenue funds.

Mr. Maxwell questioned if organizations in town were required to disclose fund raising efforts when the funds were to be used to purchase an item such as a playscape. Mr. Paradis replied no provided the organization made the payment directly for the playscape. Mr. Paradis stated this would show up in the town budget as an addition to fixed assets and the offset to that would be a contribution. This would show up only in exhibit 2 (revenues and expenditures) of the report, and would not show up on the budget or general fund.

Mrs. Tatro questioned how taxes collected for sewer (WPCA) should be treated. Mr. Paradis advised a legal budget or administrative budget for the WPCA because fees were being set against the budget, requiring a more heightened accountability.

Mr. Paradis recommended the formation of an audit committee.

Responsive to a question by Mr. Dutch, Mr. Paradis replied the town comparative to other towns was fiscally healthy and sound.

## **2. Approval of Minutes**

### **a. Regular Meeting of February 12, 2008**

**Motion by Mr. Meade to approve the regular meeting minutes of February 12, 2008 as presented. Second by Mr. Bennett and unanimously passed.**

## **3. Correspondence**

Mrs. Tatro informed the board of discussions regarding the Public Works and Voter of Registrar's/ Election Workers request for increased salaries during the Board of Selectmen meeting. Randy Frank has been contacted to perform an updated salary survey at an estimated cost of approximately \$425.00 for Public Works and \$425.00 – 850.00 for the Voter of Registrars/Election Workers. This will come out of line 701, Selectman's budget. First Selectman Walter advised against a survey for the librarians because they were not town employees. The cost for Public Works is less comparative to the Voter of Registrars/ Election Workers because of previous work and because the Selectman's Office is helping to gather data.

## **4. Chairman's Report**

### **a. Budget meeting schedule**

The board agreed to meet March 18<sup>th</sup>, 20<sup>th</sup>, 25<sup>th</sup> and 26<sup>th</sup> at 6:30 at the Town Annex. The Public Hearing was tentatively scheduled April 22<sup>nd</sup> at 7pm at the Old Town Hall. The referendum date was tentatively scheduled for May 6<sup>th</sup>.

### **c. Grand list review**

The following document was reviewed and discussed:

- 2007 Grand List of Taxable Property for Town of East Haddam. This document contains but is not limited to; Type of Accounts, # of Accounts, Gross Assessment, Total Exemptions, Total Net Valuation and Tax for This List Is Computed as Follows.

Mrs. Tatro explained the proper procedure for filing the grand list required the signature of the assessor and First Selectman in the book that listed every property, real estate and personal property etc. Then this book should be sent to the State. Mr. Maxwell questioned if the procedure used was in compliance with the State Statute. The board will request the town assessor to attend the April meeting to review the revaluation process and reporting requirements.

### **5. First Selectman's Report**

First Selectman Walter stated there were still budget items the Board of Selectmen were not comfortable with. First Selectman Walter stated the Board of Selectmen had not received requested financials from the librarians or Ambulance Association. Mrs. Tatro stated she had received the Ambulance Association's financials but that they were a couple of years old. Mrs. Link will request current financials.

### **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**

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 keep the bonding of the additional \$9,618,000 in the next legislative session.

#### **b. Middle School – status of construction**

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

The FF & E budget is currently \$300,000 over budget. They are working to reduce the figure. Technology figures came in higher than originally projected.

**c. Middle School – update on land issue**

First Selectman Walter is waiting for a Supreme Court date.

**d. Bonding for new Middle School**

Webster bank has provided Mrs. Tatro with updated schedules for bonding at a rate of 3 ¼ % to 4 ¼% interest rate for 19,500,000. This will include funding for open space and the new school. Webster bank advised if the town is concerned with missing good interest rates, the Bonds could be sold the last week of April. The BANS could then be paid off on their due date of May 15<sup>th</sup>. In the interim, the funds could be put in an interest bearing money market fund. If this option is chosen, an operating statement will need to be completed by April 14<sup>th</sup>. Mrs. Tatro stated she is awaiting a response from the bond council if they would provide a clean opinion to bond for up to what has been spent for the school regardless of whether or not the land issue has been settled. Mrs. Tatro advised bonding as soon as possible to take advantage of low interest rates.

**Motion by Mr. Bennett to move ahead with bonding as soon as possible. Second by Mr. Dutch and unanimously passed.**

**10. New Business**

**a. Grant acceptance Emergency Management**

**Motion by Mr. Meade to recommend that the Board of Selectmen schedule a Town Meeting for acceptance of the State of Connecticut, Department of Emergency Management and Homeland Security FY 2008 Emergency Management Performance Grant in the amount of \$3,000. Said grant to be appropriated to Line 746 – Emergency Management. Seconded by Mr. Dutch and unanimously passed.**

**b. Grant acceptance Little League**

**Motion by Mr. Budzik to recommend that the Board of Selectmen schedule a Town Meeting for acceptance of the Department of Environmental Protection Athletic Field Improvement Grant in the amount of \$50,000. Said grant to be appropriated to Fund 10 – Park and Recreation. Second by Mr. Meade and unanimously passed.**

**Motion by Mr. Budzik to approve applying for the Department of Social Services, Aging Services Division 2008 Special Funding Initiative in the amount of \$1,500. Seconded by Mr. Meade and unanimously passed.**

Mr. Bennett questioned if the town would be required to provide these services if a grant was not provided next year to which Mrs. Tatro replied no.

**Motion by Mr. Budzik to approve applying for the Department of Social Services, Aging Services Division 2008 Special Funding Initiative in the amount of \$3,000. Seconded by Mr. Meade and unanimously passed.**

**c. Transfer from contingency to Line 706**

Mrs. Tatro stated if the budget goes to referendum a transfer from contingency to line 706 would be required.

**d. Conservation Commission request**

There was no one in attendance from the Conservation Commission to make a request.

**11. Other**

The following documents were provided:

- Municipalities 2008 Special Funding Initiative;
- Connecticut Senior Centers 2008 Special Funding Initiatives.

**12. Adjournment**

**Motion by Mr. Meade at 8:32 p.m. to adjourn. Second by Mr. Bennett and unanimously passed.**

Respectfully submitted,

David Meade  
Secretary