

CONNECTICUT RIVER GATEWAY COMMISSION
REGULAR MEETING MINUTES
January 28, 2010

Present/Absent:

Chester:	Margaret (Peggy) Wilson , <i>Martha Wallace</i>
Deep River:	Amy Petrone, Nancy Fischbach
East Haddam:	Harvey Thomas , <i>Robert Boulware</i>
<i>Essex:</i>	<i>Ellen Whaley, Fred Vollono</i>
<i>Fenwick:</i>	<i>Ethel Davies, Borough Warden</i>
Haddam:	<i>Susan Bement</i> , Derek Turner
Lyme:	<i>Kevin Mazer</i> , J. Melvin Woody
Old Lyme:	<i>Vacancy, Ted Crosby</i>
Old Saybrook:	Madge Fish , <i>Vacancy</i>
<i>CRERPA:</i>	<i>Steve Williams</i>
<i>Midstate RPA:</i>	Raul De Brigard , <i>Stacia DeMichele</i>
DEP:	David Blatt
Staff:	J.H. Torrance Downes
CRERPA:	<i>None</i>
Tidewater:	<i>Judy Preston</i>
Guests:	Bill Childress, Maggie Gallagher, Paul Barry (part owners), all on behalf of Between Bridges/Marina Village; Amy Paterson of Trust for Public Land, Angus MacDonald, Jr.

Call to Order

Chairman **Melvin Woody** called the regular meeting of the Gateway Commission to order at 7:34 pm in the CRERPA meeting room.

Approval of Minutes

Motion to approve 12/03/09 minutes with correction to reflect that **Derek Turner** was in attendance at the 12/03/09 meeting. Motion by **Peggy Wilson**, seconded by **Harvey Thomas**. Approved unanimously.

Guests

Angus MacDonald, Jr. Mr. MacDonald presented drawings of future expansion to the Lace Factory building on River Street at the Deep River Town Landing. The improvements, which will require a height variance and will therefore come before the Gateway Commission, will be submitted as part of an application to the Deep River ZBA most likely in March, 2010. The improvements are intended as a restoration which will return the building to the historic form that existed prior to the removal of the top story. Mr. MacDonald described what uses are anticipated in the restored upper floors (offices, apartment and commercial kitchen in first floor; meeting space in the second floor; and personal living space on the third level) and noted that regulations to reestablish restaurant/food preparation uses were approved in 2009. The Gateway Commission previously reviewed those regulations and "approved" them, as required by statute. A rough drawing which superimposes the proposed modifications on a current photo was presented, noting that current gables would be eliminated. Height characteristics of the proposed building were described, including the fact that roof peak height will be approximately 43 feet, 8 feet in excess of the 35 foot height maximum, and match that of the original building. Comments from GW members included noting that the structure, as seen on photographs submitted by MacDonald, wasn't visible from the river in any significant way due to its

location. Mr. MacDonald indicated that he was not seeking an opinion or decision at this meeting, rather he wanted the Commission to be aware of plans prior to their receiving the variance application during the referral process.

Marine Village/Between the Bridges Affordable Housing/Restaurant/Marina Development, Old Saybrook (Section 8-30 CGS). In that this item was not on the agenda, a motion and second were made by **Peggy Wilson** and **David Blatt** to amend the agenda to hear the developer's response to GW questions. Representatives of the developer appeared to present new drawings which addressed questions raised by the Gateway Commission during their meeting on Thursday, December 3, 2009. Drawings included section views/sight lines which showed the relative height of the proposed manor house as seen from a location due east within the river (as if seen from a boat in the middle of the river), and a river view profile which differentiated between *current* bulk and *proposed* bulk (noted that this second profile did *not* include the form of the manor house). Three different perspectives were shown at 30 degree offsets as seen from the river. Applicants presented that current *visible* square footage is approximately 24,700sf. Proposed work along with demolition will result in a 3000sf *net increase* of visible façade, or an increase of approximately 12% as seen from 90 degrees east of the property. Roofs are included in the net increase, but not chimneys. The "green" vegetated lower walls *are* included in that calculation. Green walls total approximately 3700sf of the 25,000sf total, or approximately 15% of the total. Discussion included the need for an elevation drawing that *includes* the manor house as it appears to the rear of the riverfront buildings.

Trust for Public Land. Amy Paterson of TPL appeared to report on recent discussions regarding the potential purchase of the Otfinoski property on the riverfront in Chester. To discuss the potential purchase, the Commission unanimously voted to enter Executive Session, inviting Amy Patterson of TPL and GW staff J. H. Torrance Downes to attend as well. Motion made by **Peggy Wilson**, seconded by **Nancy Fischbach** to enter Executive Session at 8:13pm.

Following the Executive Session, the Commission voted to return to their regular meeting. Motion made by **Peggy Wilson**, seconded by **Harvey Thomas**, to come out of Executive Session at 9pm.

Following Executive Session, a decision was made to form an Ad Hoc Committee, composed of the Land Acquisition Committee, to structure a "package" with respect to acceptable terms for purchase of the property and report on said package within 30 to 45 days. Motion by **Raul Dibrigard**, seconded by **Nancy Fischbach**, which passed unanimously. JHTD to forward copy of the Otfinoski ERT to Commission members.

Correspondence & Staff Report

See "Gateway Items of Interest" following the minutes.

- (1) It was noted that the recent information released on the Tiger Grant applications did not indicate that the Valley RR was successful in acquiring financial support for the project as a part of this stimulus grant.
- (2) It was also noted that at a January 25, 2010 Town Meeting, the Old Lyme Harbor Management Commission was successful in having the Harbor Management addendum, including dock standards, was unanimously approved by the Town Meeting attendees. The effective date for the addendum is February 15, 2010.
- (3) Downes reported that he will be a panel member at the February 11th CT River Museum Forum from 5:30p to 7:30p.

Treasurer's Report

Peggy Wilson presented a letter from auditor Joe Wollack, dated January 21, 2010, confirming the accuracy of the records presented for audit (attached).

Peggy Wilson reported that the finance committee had completed amendments to the Commission's investment policies (attached). **Wilson** provided an explanation of "investment grade", a term that was unclear to some members of the Commission. Motion to approve the amendments presented by **Peggy Wilson**, seconded by **Nancy Fischbach** and approved unanimously.

Wilson next reported on a conversation she had with Auditor Joe Wollack, **Mel Woody** and J.H. Torrance Downes. Question was raised in that meeting whether an audit was necessary and whether a lesser "compilation statement" would suffice. The difference in cost would be \$4500 vs. \$1500 for the compilation. **Woody** suggested that the \$3000 savings could be used in other areas of the Commission's operations. The difference between the audit and the statement was basically described in terms of the need for independent auditor confirmation of all of the financial information. With the compilation, the accountant would accept the financial information from the Gateway Commission as "correct" and do the compilation without independent confirmation like that which occurs with an audit. It was explained that the independent confirmation is one of the primary expenses in the audit which allows the auditor to draw an "opinion" as to the accuracy of the financials. It was said that when an organization has significant internal procedures to guard against "fraud", an audit may not be needed. The Gateway Commission uses a double-signature procedure that would make fraudulent activities amongst members, staff or others difficult. On the side of continuing audits, comments were made by Commission members regarding the comfort level they had with having an audited financial opinion that would allow any organization to be confident that land gifts or donations were to be handled by an organization that operated at such a high financial standard. **Madge Fish** commented that, with a husband who is a Town Treasurer, a significant level of confidence accompanies the completion of an audit, which is invaluable. In addition, a concern was raised with respect to lack of discussion of the concept by the financial committee. Question was also raised with respect to whether or not the CTDEP would have any thoughts on whether or not an audit was needed, the assumption forwarded being that the Gateway is statutorily an agency which is a part of the DEP. Discussion regarding this assumption ensued. There was a difference in opinion regarding whether or not the DEP would have an opinion on this matter. As a result of concerns and differing opinions, **Raul Dibrigard** voted to refer the matter to the finance committee, seconded by **David Blatt**. The vote passed unanimously.

The issue of the need for a Conflict of Interest Policy was raised. Such a policy will also be considered by the finance committee.

Three bills were submitted for payment in the amount of \$403.75 (CRERPA, staffing, 11/09), \$1611.75 (CRERPA, staffing 12/09) and \$4500 (Audit). Motion to pay by **Harvey Thomas**, seconded by **Madge Fish**, approved unanimously.

Last, the monthly financial report, as of the morning of the meeting, showed financial resources in the amounts of \$687,114, \$754,191 and \$1,441,305 in the three accounts.

Referrals Reviewed by Staff

As reported in the "Gateway Items of Interest" following these minutes.

Committee Update

- Land Acquisition Committee. No report (see Property Report below).
- Land Trust/Rules/Membership. **Nancy Fischbach** reported on the status of the CT River Land Trust, stating that Attorney Peter Chadwick indicated that the issues of membership and past actions can be “ratified” in a fairly straight forward manner and that this procedure would serve to alleviate legal concerns over past actions and membership. **Fischbach** disclosed that Chadwick is a partner with the firm for which her husband works and has done legal consulting for she and her husband personally. **Peggy Wilson** motioned, seconded by **Madge Fish**, to appropriate up to \$3000 to conduct the work described above. Vote was approved unanimously.
- Outreach. **Harvey Thomas** reported on recommendations that were developed in recent months. **Peggy Wilson** commented that the Commission should continue to seek the updating of the “Mission Booklet” originally produced by Judy Preston of Tidewater Institute. Motion made by **Nancy Fischbach**, seconded by **David Blatt**, to proceed with the committee’s recommendations, with the addition of the Mission Booklet in priorities.

Status of 2004 Standards

There was no report on the status of efforts to move forward with the adoption of the 2004 standards in Essex. Downes was asked to contact **Ellen Whaley** on any progress on that front while **Mel Woody** was asked to continue attempts to contact **Fred Vollono**.

Gateway Owned Properties

Peggy Wilson reported that Robert (Rob, not Bob) Smith, President of the East Haddam Land Trust, informed her that the survey of the Duncan property in East Haddam has been completed. Smith reported that the Land Trust is interested in what the next step should be in order to transfer the property from the Gateway Commission to the East Haddam Land Trust. It was suggested that Deep River attorney Jane Marsh be requested to work on completing the legal aspects of the transfer. Downes will contact Marsh. It was then reiterated that the Klar property in East Haddam, due its being surrounded by State park land, will be on this year’s property transfer schedule.

Other Business

None.

New Business

Harvey Thomas publicly thanked Downes and CRERPA’s Margot Burns for appearing before the East Haddam Environmental Roundtable on January 16, 2010 to talk about the Gateway Commission and the Land Trust Collaboration, respectively. Downes reported that he, along with willing Commission members, will be attending the February 22nd meeting of the Chester ZBA and the February 25th meeting of the Haddam Conservation Commission. **Mel Woody** reported that the land trust collaboration met again on Wednesday, February 20, 2010.

Adjournment

There being no further business, **Peggy Wilson**, seconded by **Harvey Thomas**, moved to adjourn the meeting at approximately 9:55 pm.

**The next regular meeting of the Gateway Commission is
Thursday, February 25, 2010**

Gateway Items of Interest

January 28, 2010

Correspondence

- Middlesex County Community Foundation. Fall/Winter, 2009 Newsletter.
- Trust for Public Land. Copy of Press Release with 11/16/09 article entitled “Helping Communities put Nature’s Priorities into Local Planning”. Accompanied by a thank you letter for support in 2009.
- Party Invitation: Geraghty & Bonnano Winter Stimulus Party. Attorney’s office that represented the Gateway Commission in the Chester ZBA appeal. Thursday, February 4th at 5:30p. New London.
- DEP Presentation: Habitat Management Guidelines (HMG) for reptiles and amphibians. Addressed to Gateway as “conservation partner”. To be held on March 20th, 10a – Noon at DEP office in Sessions Woods, Burlington, CT.

Staff Report

Peter and Katherine Griswold, Smith’s Neck Road, Old Lyme. After determining that the proposed residential structure exceeds 35 feet contrary to GW standards, the applicant has requested a Special Exception to construct a “manufactured grade” – essentially backfilling of the foundation so as to bring the height from “manufactured grade” to the peak of the roof under 35 feet. The review letter points out that the ability for a local Commission to approve a “new manufactured grade” (NMG) was not intended for this type of situation – essentially what has been described as a design error. The letter recommends denial and suggesting that if the application is approved under the discretion of the OLZC, reasons should be stated for the record indicating why the exception is appropriate for this particular property so as to separate it from other properties where similar requests may be made. Letter also suggested that architectural renders should be required to include the “existing natural grade” rather than an arbitrary level from which the structure height is measured. This will lessen confusion in the future and make such renderings clearer to review by the local Commission and staff. Public Hearing was held January 11, 2010 where the application was.....

In communications with ZEO Ann Brown and with the applicants and their attorney, I pointed out that the resulting construction *with* the new manufactured grade will not likely significantly impact the “natural and traditional riverway scene” (as stated in the letter). The letter, Ann was told, is more of a clarification than an admonishment regarding the intent for use of the NMG. There appear to be extenuating circumstances at the site that would allow for specific findings on the record that would separate this property from others where the NMG may be proposed in the future. In addition, I *did* remind Ann that, through the language of the standard and the adopted regulation, it is the Zoning Commission’s *discretion* to approve or deny – if they feel it’s warranted, then its warranted. Just make sure, I said, that the findings reflect why. **Copy of letter attached.**

UPDATE: The Old Lyme Zoning Commission approved the Special Exception on 1/11/10, citing specific site considerations that they felt differentiates this property from others. Communications with ZEO Ann Brown after the meeting indicates that the Zoning Commission understood the Gateway concern but felt that approval of the Special Exception was warranted under the existing circumstances surrounding the application.

Old Lyme, Harbor Management Plan Addendum

At a Town Meeting on Monday, January 25th, the ordinance approving the inclusion of dock standards in the existing Old Lyme Harbor Management Plan was unanimously approved, culminating almost 2 ½ years of work by the HMC and CRERPA. As a result, Old Lyme is the first town in the state to legally include binding dock standards in their local Harbor Management Plan. Through the planning study that was conducted with CRERPA and the assistance of members of DEP/OLISP (including the Commissioner’s representative to the Gateway Commission), the HMC was able to elevate the importance of “scenic vistas” as a resource worth significant and binding protection. Although briefly citing “scenic vistas” as an important resource, the CT Coastal Management Act places most significance on the protection of natural resources and navigation when it comes to the balancing of development and protection in the coastal areas of the state. It was public access and scenic vistas that were cited by the OLHMC as the primary reason for limiting the construction of docks as the sole mean for “reasonable

riparian access to navigable waters” along the Long Island Sound shoreline in Old Lyme. Elevation of the protection of “scenic vistas” in this document is a huge step forward in the future protection of the lower Connecticut River, adjacent coastal areas and other coastal areas throughout the state. In that the addendum was first approved by the DEP, the ACOE and the DOT as required by statute and will be honored by DEP/OLISP in their permit review process, this local initiative likely rates as one of the bigger advances in shoreline management efforts since the adoption of the Harbor Management Act in 1984.

Variance Referrals/Regulation Proposals/Special Exception Reviews for Commission Review

None.

Variance Referrals with Impacts Reported by Staff to be Insignificant

Kay Knight Clarke, 89 River Road, East Haddam Request for variance of street frontage in order to split a lot for conservation purposes. Located near the Ballek property and the entrance to Gillette State Park. Deep into the Conservation Zone in an area of heavy tree growth. No “*deterioration of the natural and traditional riverway scene*” expected per 25-102a CGS.

Fabrice & Michelle Klein, 5 Parker Terrace, Essex. Request for variances to construct an addition. Location is not visible from the CT River, tributaries or wetlands.

Status of Standards

No report at this time.

Transfer of Gateway Property/Inventory Project

Email received from Bob Smith, President, East Haddam Land Trust. The Trust is proceeding with surveying the property to prepare for the transfer. Smith will let the Commission know when they have their tasks complete.

UPDATE: Peggy Wilson spoke to Bob Smith on January 15th and was informed that the survey was just completed.

Connecticut River Gateway Commission INVESTMENT POLICY GUIDELINES

I. GENERAL Commission funds are generally invested for the long term. The primary investment objective is to preserve, in real terms, the future purchasing power of the Commission's assets while building a well-balanced and diversified portfolio. Accomplishing this objective means balancing the desire for maximum total return with the desire to maintain prudent and acceptable levels of risk. Investments will, if possible, be in socially appropriate vehicles.

II. ASSET ALLOCATION The portfolio will be diversified by asset class, i.e., common stocks and fixed income instruments, e.g., bonds or certificates of deposit and cash equivalents. The most important factor governing investment performance will be the allocation between common stocks and fixed income investments.

Investments in fixed income instruments are primarily to provide current income and to reduce the overall volatility of the portfolio. Investments in common stocks are expected to provide growth for the future in both principal and income, thus preserving the purchasing power of the Commission's assets.

Allocation criteria may be met by investments in appropriate mutual funds. To ensure the portfolio's ability to provide a suitable level of income each year, the allocation between common stocks and fixed income instruments should fall within the following ranges, based on market value:

Common Stocks: Up to 60%. This limit should vary with market conditions and the income needs of the Commission. This limit should be reviewed regularly with the Finance Committee and the Investment Advisor.

Fixed Income Instruments & Cash Equivalents: Up to 80%. As in the case of common stocks, this limit should be reviewed at regular intervals.

International Investments: *Up to 30% of all holdings.*

A. Common Stocks

1. Investments in individual stocks will be confined to investment grade issues listed on the New York Stock Exchange, the American Stock Exchange, or over-the-counter issues with reasonable trading volume (liquidity) and mutual funds which are of comparable quality.
2. The common stock portfolio should be diversified by industry and economic sector exposure as well as by the number of stocks purchased. As a rule, no more than 5% of the market value of the Commission's common stock portfolio shall be invested in any one company.
3. The common stock portfolio or its mutual fund equivalent should be expected to produce a return, over time, equal to or in excess of that of the S&P 500 Index.
4. Commission funds may be invested in convertible preferred stocks of acceptable quality (as above), and their performance will be viewed as part of the common stock component in performance measurements.
5. Investment in any single common stock mutual fund shall not exceed 20% of the Commission's entire portfolio, based on market value.

B. Fixed Income

1. The purpose of investing in fixed income instruments is to obtain a fixed and reasonable high level of current income and to reduce volatility.
2. Such investments should not be subject to significant levels of interest rate or credit risk. Bond investments should be limited either to those backed by the full faith and credit of the United States or should be of investment grade *as rated by* Moody's or Standard & Poor. *This would include international investments.*
3. No more than 5% of the fixed income portfolio should be invested in any individual issue not backed by the full faith and credit of the United States. All corporate bonds must be publicly issued, registered and denominated in U.S. dollars. *Mutual funds administered and managed in the United States but consisting of international investments would meet this requirement.*
4. Cash equivalents, certificates of deposit, or money market funds will be classified as fixed income for allocation and performance measurement purposes.
5. Investment in any single fixed income mutual fund shall not exceed 20% of the Commission's entire portfolio, based on market value.

III. RESTRICTED INVESTMENTS If funds are received by the Commission through donations on which the donor has placed restrictions on the form of investment, either by specifying the qualifying vehicles or indirectly by stipulating a higher than normal spending rate, the donor's wishes are to be followed to the extend such a requirement is a condition of the gift, but the funds will be excluded from the total; pool of funds subject to asset allocation guidelines.

IV. SPENDING POLICY It is the policy of the Commission to spend no more than 5% of a trailing three year average of the portfolio's total asset value in any single year. The expectation is that this spending rate plus inflation will not normally exceed total real return (return net of inflation) from investments. This trailing three year average will be set back six months from the time of current year calculations for the purpose of spending.

V. INVESTMENT ADVISOR The Commission shall engage one or more professional investment advisors. In accordance with generally accepted practice, the advisor(s) shall be evaluated considering portfolio performance as well as the service(s) provided to the Commission. A formal performance review shall take place at intervals of two to four years, however consideration should be given annually as to whether the relationship with the any investment advisor warrants continuation.
(added 12/03/09)

Adopted: July 27, 2006

Amended: December 3, 2009 (added Investment Advisor)

Amended: January 13, 2010 (regarding international holdings and bond ratings)