The regular meeting of the Board of Finance was called to order by Mr. Lauria at 7:04 pm. The Pledge of Allegiance was recited and recording devices started.

In attendance:

Board of Finance Members
- Gregory Lauria, Secretary
- Bruce Dutch
- Todd Gelston
- Tracey Gionta
- Harvey Thomas

Others
- Emmett Lyman, First Selectman
- Deb Denette, Town Clerk and Recording Secretary
- Ronald Turner, Director of Operations
- Cindy Varricchio, Finance Director
- Bob Morsch

APPROVAL OF AGENDA

Motion was made by Mr. Thomas to approve the agenda as presented. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

APPROVAL OF MINUTES

Motion was made by Mr. Gelston to approve the minutes of the July 9, 2018 regular meeting as presented. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

GUESTS AND AUDIENCE

Mr. Robert Morsch reviewed the financial issues with the dead and dying ash and oak trees published in the East Haddam News that quoted a figure between $1,000,000 and $4,000,000 to address it. He stated that he provided a roadmap to savings for the town by implementing changes in operation at the Transfer Station. The first was with the purchase of a truck, for which the Board of Finance provided financing in this fiscal budget. Mr. Morsch stated that he now understands that the employees refuse to drive a hauler truck, which would save the Town $100,000 annually. He stated that if staff is unable or unwilling to perform the duties of the position, administration should replace them with people who are. Mr. Morsch further noted disappointment that little has been done in the other areas recommended as well. Mr. Morsch stated that the Selectmen have the power to establish rules, regulations and fees. Mr. Morsch opined that only 20-30% of individuals that utilize the transfer station have stickers. He estimated
that $50,000 to $70,000 could be earned by enforcing the rules that are in place. Additional savings could be generated by implementing the suggestions identified in the final report of the Transfer Station Committee. He stated that additional copies of the report could be provided if needed.

Mr. Morsch continued that 25-30% of the residents do not utilize the Transfer Station but employ private companies. East Haddam is passing on the cost burdens from those that do not utilize the facility to the other 70% that do by not charging the private haulers that charge fees to their clientele. Subsidizing private business by a government entity is illegal. Mr. Morsch stated that there is an additional $150,000 to $160,000 revenue that could be made in this area. Bulky waste was another area that is not being managed effectively resulting in lost or unrealized revenue.

Mr. Morsch also discussed the combined budgets with Board of Education and municipal government. He stated that he would like to see them separated. He stated that Shared Services sometimes makes sense, but questioned whether items are being apportioned fairly. He opined that the municipal side of government is supplementing the education side well beyond its budget. He noted that the Board of Education used to pay rent, and now is provided space in the Municipal Office Complex free of charge. He also opined that the IT Staff is more heavily utilized by the school system and that should be reflected accordingly. Mr. Morsch stated that his comments were not personal, just better business.

Mr. Gelston noted that Mr. Morsch identified a lot of low hanging fruit. He sought assurance that minutes capture the comments accurately. Mr. Gelston suggested that perhaps a committee should be convened to execute the recommendations. He noted that the public wants to see changes.

CORRESPONDENCE

a. Memo from Blum Shapiro Regarding Annual Audit:

A disclosure memorandum was provided by Blum Shapiro. Mr. Gelston thanked Blum Shapiro for having it presented. He questioned when the audit is considered complete. He was advised that there can be variables, however it is after the issuance of a financial statement. He noted that a Fraud tip hotline was recommended in the letter, he questioned whether East Haddam had one. Mrs. Varricchio responded that there is a police tip hot line. Mr. Gelston suggested the Board of Finance members review the movie All the Queens Horses.

CHAIRMAN’S REPORT

a. Tax Collector’s Report:

Mrs. Varricchio reported that the Tax Collector has submitted the report, however, she was unable to turn it around for this meeting.

b. Board Subcommittee Reports:

i. Communications: Mr. Gelston reported that this committee is working on an article for publication in early September regarding the importance of fund balance. He added that the GASB publications are very helpful.
ii. **Increasing Revenues:** Mr. Thomas noted that fee increases in the Tax Collector’s office are anticipated to generate over $6,000 of additional revenue. He added that fees are now collected for duplicate efforts.

iii. **Long Range Planning:** Mr. Lauria reported that the Committee met August 7th and the next meeting is August 30th. He stated that plans for outreach to departments and commissions are being discussed. He noted that a needs assessment for what the next ten years will look like as far as staffing, equipment and facilities are being discussed. An architect has been reviewing consolidation of the elementary school and middle school into one building and has submitted it to the Board of Education. No discussions have occurred at this time.

iv. **Financial Policies:** Mr. Thomas stated that pleasing progress has been occurring. The current focus is establishing target ranges for ratios such as debt to revenue.

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**FIRST SELECTMAN’S REPORT**

Mr. Lyman advised of the following:

- Environmental testing has been completed at 7 Main Street and results are being analyzed and the preliminary reports on the environmental testing are better than anticipated;
- The bridge at Bone Mill road is under construction;
- Lighting at Heritage Park has been installed and is operational;
- A secondary list of vendors is being compiled for tree work. Discussions occurring regarding hiring additional public works personnel for tree work. Mr. Lyman emphasized that the dying trees represent a liability to the town and risk management cannot be overstated.

Mr. Lyman responded to comments regarding the Transfer Station made by Mr Morsch. He stated that he has been busy thinking about the mechanics and has outlined four different options to pursue. Mr. Lyman added that the stickers are not the issue; enforcement of the stickers is the issue. He will present his work at the next Board of Selectmen meeting.

Mr. Gelston inquired whether there is any monetary value in the trees being removed for firewood or lumber. Mr. Lyman advised that staff is looking into a wood burning standalone furnace unit for the public works garage rather than gas. Wood is plentiful and could result in significant savings to the town.

**FINANCE DIRECTOR’S REPORT**

a. **June Year End Preliminary Budget Report:**

Mrs. Varricchio presented preliminary unaudited year end reports. Responsive to inquiry from Mr. Gelston, Mrs. Varricchio advised that the Board of Finance did not fully utilize its contingency funding. Mr. Gelston also inquired about fees associated with Central Services and was advised that most costs have been eliminated, however, there are still costs associated with the vacated Town Office Building such as insurance and heating, which will remain until ownership of the property is conveyed.

It was noted that the Police line was $33,000 over budget, however, that was offset by special duty income received well above what was budgeted. Mrs. Varricchio stated that a special revenue fund will likely be created for this in the future. Mrs. Varricchio noted that recreation went over budget, due to a long time employee leaving and earned benefits being paid. In
summary, it was noted that $236,998 less than budgeted was spent resulting in 99% of the budget being utilized. 101% of the revenue budget was collected as the Tax Collector, Denise Dill, collected $263,601 in fees and revenue beyond what was budgeted. Responsive to inquiry, Mrs. Varricchio reported that the Assessor’s Agreement with Chester is being negotiated. Reliance on fund balance, although authorized, was not utilized. Brief discussion was held relative to legal fees and costs associated therewith. It was noted that several union contracts were negotiated. Further explanation was provided regarding costs attributable to legal, wherein public safety issues were addressed.

A Capital summary was provided. Discussion was held regarding the major capital projects. A Bond Anticipation Note is due on September 6th. The Municipal Office Building Committee has $1,100,000 remaining. Many items are in contingency and improvements that were put on hold that may now go forward such as the Tennis Courts. The Building Committee will remain active until all state grants are closed. Additional discussion was held relative to the Radio Tower project. It was noted that very little has been expended on this project. Mr. Lyman briefly reviewed the difficulty this project has been experiencing with frequency and location. Mr. Dutch added that a new site was anticipated to be at the middle school however the Board of Education disallowed it.

Responsive to inquiry, the large balance remaining in public works capital is due to three bridges that are in various stages of work and not yet expended. Particularly Foxtown Road, Bone Mill Road and Johnsonville Bridge totaling $3.1 million.

OLD BUSINESS

a. Plan of Conservation and Development:

All were reported to have received the document in word format. Action on amendments needs to occur at the September meeting.

NEW BUSINESS

a. Grant Acceptance—FY2017 Emergency Management Performance Grant:

This is an annual grant that is built into the General Fund operating budget.

Motion was made by Mr. Thomas to recommend to the Board of Selectmen the acceptance of the State of Connecticut, Department of Emergency Services and Public Protection, Division of Emergency Management and Homeland Security Grant, entitled FY 2017 Emergency Management Performance Grant” in the amount of $5,000 (revenue budget 10542-43000 and expense budgets 10541810-51510—$4,000 and 10541810-51590—$1,000 and to ask the Board of Selectmen to schedule a Town Meeting for approval. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.


This is an annual grant that the Town Clerk applies for. The Board approved this grant application at the May 2018 meeting.
Motion was made by Mr. Gelston to accept a grant from the State of Connecticut, State Library in the amount of $4,500 for historic document preservation (Historic Document Preservation Fund, account 26041-43000) and to request that the Board of Selectmen schedule a Town Meeting for approval. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

GUESTS AND AUDIENCE COMMENTS

Mr. Morsch wished Godspeed to the Lyman family and thanked those involved for their efforts in moving change forward. He noted his appreciation for the financial policies being created and opined how wonderful it would be if the State and Federal Government would live within such policies as well.

Mrs. Denette suggested that when the Board of Finance authorizes application of a grant with no financial burden to the town that it simultaneously authorizes “and if awarded, authorizes acceptance and requests that the Board of Selectmen schedule a Town Meeting for approval). She noted that such action would greatly expedite processing.

OTHER

Mr. Gelston encouraged ordinances to be established allowing for fees and revenues to be collected for fines and violations.

Mr. Dutch stated that he recalled a meeting where he specifically asked the Public Works Director about licensed CDL operators and willingness to run (transport to Willimantic Waste) and was told yes. He inquired why this was now an issue. Mr. Lyman stated that he is in union negotiations and cannot speak to the issue, he advised that discussions are continuing. Mr. Dutch questioned why all vehicles are not funneled over the bulky waste scale. Mr. Lyman responded that he will make his presentation (to the Board of Selectmen) on Wednesday.

Mr. Gelston stated that large tree companies would never allow staff to cut trees with a chain saw. He noted much safer equipment is now available for wide scale removal. He suggested the town solicit companies from New Hampshire and Maine if local tree removal companies are too busy. He also suggested that winter may provide better value in tree removal costs.

Motion was made by Mr. Dutch to adjourn at 8:25 pm. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,
Debra H. Denette