Mr. DiCristofaro called the Board of Finance meeting to order at 7:02 pm. The Pledge of Allegiance was recited and recording devices started.

In attendance:

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

Others
- Emmett Lyman, First Selectman
- Deb Denette, Town Clerk and Recording Secretary
- Denise Dill, Tax Collector
- Beth Lunt, Public Works Director
- Ron Turner, Director of Operations
- Cindy Varricchio, Finance Director
- Erik Dill

**APPROVAL OF AGENDA**

Mr. Gelston requested the following items be placed on the Agenda and a summary report received for each item under the First Selectman’s report until further notice: Tree cutting/removal, East Haddam Village property, Transfer Station, and weather related issues. The financial impact relating to each item was emphasized. Mr. Thomas suggested that a motion directing this to occur might be in order. Mr. DiCristofaro concurred.

**Motion was made by Mr. Thomas to direct the First Selectman to provide monthly updates regarding tree removal, the East Haddam Village property, the Transfer Station and weather related issues. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.**

**Motion was made by Mr. Thomas to approve the agenda as presented. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.**
APPROVAL OF MINUTES:

a) Regular Meeting, September 17, 2018:

Motion was made by Mr. Gelston to approve the minutes of the September 17, 2018 regular meeting, as modified by Mr. Gelston to add % following 3.625 under the first paragraph of the Finance Director’s report relating to the USDA loan on page 3. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

GUESTS AND AUDIENCE COMMENTS

Follow-up to September meeting:

Mr. DiCristofaro followed up on questions from Mrs. Dickinson regarding police officers working to assist Eversource and whether the town received compensation for those hours. In response to that request, for the current year for Police Private Duty:

- Receipts and Receivables $35,087
- Police Officers have been paid $26,877
- Net to the Town of East Haddam $8,210

Private duty is paid at $62.00 per hour. This is the rate for non-town events. The amount billed to vendors is $81.30 per hour.

There were no Guests and Audience Comments.

CORRESPONDENCE

None.

CHAIRMAN’S REPORT

a. Tax Collector’s Report:

The report was presented. Mr. DiCristofaro stated that he was pleased with collection rates year to date and encouraged Mrs. Dill to keep up the good work

b. Board of Assessment Appeals Fall Report:

The Fall report was presented. Reductions totaling $8,380 were made. Mr. Lauria suggested that the low number of appeals may be related to the appeal date being the Saturday of Labor Day weekend. He encouraged different timing in the future.

c. Board of Finance Annual Report:

The Board of Finance draft submission was presented. Members were asked to submit comments or corrections to Mrs. Varricchio as soon as possible. It was noted that the entire report will be on the agenda for adoption at next month’s meeting. Mrs. Varricchio reported that she is still waiting on several submissions.
d. **Board Subcommittee Reports:**

i. **Communications:** Mr. Gelston reported that this committee published an article in the *East Haddam News* last week. The next article will focus on fund balance. The Committee’s next meeting is October 25th. Mrs. Varricchio reminded Mr. Gelston to submit the agenda and minutes so that she can forward them to Mrs. Denette.

ii. **Long Range Planning:** The Selectmen are reconstituting the Financial Needs Roundtable. Two members (from opposite parties) from the Board of Finance are needed. Mr. DiCristofaro appointed Mr. Thomas and Mrs. Gionta. The objective of the Committee will be to review the needs of the town, the town’s ability to pay and a prioritization of potential projects.

Mrs. Gionta noted that the Board of Education has identified a high school roof, air conditioning $772,000, track $1,000,000+, irrigation of fields $1,000,000+ and elementary school exterior $1,100,000 + as needs with a large financial impact. It further has determined that the cost of consolidating the three schools to two would be approximately $10,000,000.

Mr. Gelston advised that he was very disappointed in the attendance at the meeting, he stated that a focus needs to be to engage the community to attend and provide feedback. He suggested sign boards.

iii. **Financial Policies/Increasing Revenues:** Mr. Thomas advised that this committee is now working on debt management and budget policies. In particular, for debt service the ratios of debt service to revenue, which will create guidelines for spending and major projects. A five-year planning model is also a goal. Mr. Thomas stated that he was hopeful that a rough draft will be available for the November meeting.

**FIRST SELECTMAN’S REPORT**

Mr. Lyman reported on the devastation caused by the September 25, 2018 storm. Mrs. Varricchio explained the FEMA process and noted that it is hopeful that the event will qualify. It was noted that unlike the widespread damage of the hurricane’s down South, the flash flooding was isolated and East Haddam is unique in the damage it received, however, the damage meets the threshold.

Mrs. Lunt noted that she has provided assessment and estimated costs where she has been able, some of the projects (such as the Neptune Avenue crossing) require engineering, which has been initiated. She anticipated it would be a couple of weeks before she has final figures. She also noted that the rains continue to fall and additional damage occurs as a direct result of prior damage not yet addressed.

FEMA grants are typically a 75% grant with a 25% match, which can be in kind. Loans are low interest. Mr. Lyman reiterated that our event, which is huge to us, is minimal in comparison to the Carolina’s and the Florida panhandle.
Mrs. Lunt advised that she has expended $85,000 to date on storm response. She advised that she has suspended other projects and is repurposing funds from other accounts due to this new priority. Mr. Lyman advised that we still don’t know what we are dealing with, Mrs. Lunt reiterated that she has provided preliminary assessments and needs funding to stabilize these areas to prevent further damage. It was anticipated that a FEMA determination would be made within two weeks. Mr. DiCristofaro requested a copy of the assessment, Mrs. Varricchio responded that she would provide it. It was recognized that additional funding would need to be allocated, however, the amount to allocate was still unknown.

Discussion was held regarding the status of Petticoat Lane. Mrs. Lunt advised that site preparation was 90% complete and near ready for paving to begin, however, she has pulled staff off of the job.

Responsive to inquiry from Mr. Thomas, Mrs. Lunt confirmed that if she had additional funding her priority list would change. Mr. Thomas stated that is not where we want to be. He inquired what the Board could do to make it right.

Mrs. Lunt advised that Neptune Avenue has been secured to the best of Public Works ability. Spending further funding on securing it will be lost when repair is undertaken. Mrs. Lunt suggested it would be cost effective to repair it now. Mr. DiCristofaro solicited feedback from the Board as to how it wished to proceed, Mr. DiCristofaro and Mr. Lauria concurred that it is sometimes necessary to spend money now in the name of safety even if it has to be undone when repairs are made. Mrs. Gionta reminded the Board that it should be dealing with the finances and not making recommendations in how to best handle road repair.

Mrs. Varricchio suggested that a special meeting may be held when FEMA determination is made and engineering figures are in. Mrs. Gionta inquired if insurance was available for any of the damage. She was advised that it is not.

Mrs. Varricchio reminded the Board that the Town cannot spend funding that has not been appropriated. She noted that it is premature to call a Town Meeting for supplemental appropriations until solid numbers are in place.

**Motion was made by Mr. Thomas to authorize the repurpose of funds in two capital accounts for on-going road maintenance to weather-related damage that the staff in their professional opinions feel are most important. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.**

Mr. Lyman continued that the Committee for the Financial Needs Roundtable will consist of: Board of Selectmen—Emmett Lyman, Board of Finance—Tracy Gionta and Harvey Thomas, Board of Education—Bryan Perry, Jill Kelly and Erik Anderson and Planning Zoning Commission—Crary Brownell.

The Superintendent of Schools, Director of Operations and Finance Director will also participate. It is anticipated that the first meeting will be held on November 14th.
FINANCE DIRECTOR’S REPORT

a. **September YTD Budget Report:**

Mrs. Varricchio reported that 25% of the year has been completed and 16% of the budget has been expended. Tax collection is at 46% of budget. Fees are up $1,600 in the Tax Collector’s office. Interest income is still marginal but better than it has been. Building fees are way up. The Town Clerk is on track. $6,600 has been expended on legal year to date.

b. **Budget Calendar—Draft:**

It was the consensus of the Board to hold Saturday budget workshops. Dates will be identified and submitted to members.

LIAISON REPORTS

Mr. Gelston noted that he has met with the Building Department. He noted that as Mrs. Varricchio reported permits are up 67% and revenue is accordingly above projections. He noted that permit fees increased effective October 1, 2018. Mr. Gelston advised that the Building Department is looking to acquire a program for a more efficient method of documenting permits.

Mr. DiCristofaro stated that he has been working with the Crisis and Communications Committee. He stated that it is a good group and he has been pleased with its progress.

OLD BUSINESS

a. **Plan of Conservation and Development:**

Brief discussion was held regarding the Plan of Conservation and Development.

Motion was made by Mr. Gelston to accept the proposed Plan of Conservation and Development as presented. Mr. Dutch seconded the motion.

Mr. Thomas motioned to amend the original motion to add to approve the recommended changes to the Plan of Conservation and Development and to forward the recommended changes to the Planning and Zoning Commission and to incorporate the text of those changes into the minutes. Mr. Gelston seconded the amendment to the motion and it was unanimously approved. Motion carried.

Unanimously approved. Motion carried.

BOARD OF FINANCE RECOMMENDATIONS TO THE PLAN OF CONSERVATION AND DEVELOPMENT:

**Fiscal Planning (existing text page 43):**

The Board of Finance should explore ways to improve the Town’s long range fiscal planning, including:
a. **Capital Plan:** identify anticipated capital needs, develop a method for prioritizing such needs in order to facilitate planning and decision-making.

b. **Revenue and Operating Expense Plan:** identify significant increases/decreases in anticipated revenues and operating expenses and develop a method for illustrating pro forma budgets for the next X years.

**Financial Policies (no existing text):**

The Board of Finance should develop and maintain financial policies in the areas of and others as needed:

- Fund Policies
- Debt Management Policies
- Budgeting Policies
- Cash Management/Investment Policies
- Capital Improvement
- Revenue

**Increased Revenue (no existing text):**

The Board of Finance should identify, evaluate and make appropriate recommendations concerning opportunities to increase non-tax revenues, including but not limited to fees, fines, cost recovery charges, grants and Payment in Lieu of Taxes (PILOT) payments.

**Communications (no existing text):**

The Board of Finance should develop and implement a plan/policy to improve communication with the Town’s citizens including:

- Soliciting and responding to citizens’ questions and concerns
- Explaining the concepts and terms relevant to the Town’s finances
- Illustrating comparisons of the Town’s financial position relative to towns of similar size and situation
- Explaining the environment within which the Town must develop its budget and its plans for future budgets and capital expenditures

**Existing Plan of Conservation Text—changes in Bold Italics**

**Fiscal Strength (page 41):**

Continue to exercise fiscal restraint, while providing the necessary funding to provide high-quality education and Town services (public safety, roads, infrastructure, open space acquisitions, etc.)

**Increase the existing tax base (page 42):**

The Town has many available opportunities to capitalize on its strengths wisely and increase the ratio of tax revenue from commercial development. It would be beneficial to increase the overall non-residential tax base from approximately 10% to around 15% to 20%, while at the same time maintaining the rural character and values of the Town.
**Diversify the Grand List (page 43):**

Diversify the Grand List consistent with East Haddam’s fundamental values to maintain a stable and predictable tax rate. This can only happen with a balanced approach towards issues under local control, such as open space acquisition, comprehensive review and implementation of compatible economic initiatives, and slowing the rate of residential growth.

**Continue to maintain a favorable bond rating (page 43):**

*Some of the factors that determine the Town’s bond rating are:*

- Annual debt services as a percentage of expenditures
- Total debt outstanding as a percentage of the full value of the Grand List
- Total debt outstanding as a percentage of revenues

**Explore grant opportunities (page 43):**

All Town agencies shall aggressively explore the availability of and make application for grant funds. The Board of Selectmen, Board of Education and Board of Finance should investigate the benefits of a grant writer.

**Improve property tax system (page 44):**

The Town through the Board of Selectmen and Board of Finance should lobby both the executive and legislative branches of state government for improvements to the property tax system, seeking to reduce its negative impacts and developing an alternative system for local government funding.

**Continue tax relief programs (pages 44 and 131):**

The Boards of Selectmen and Finance should evaluate tax relief opportunities for senior citizens and emergency service volunteers and maintain the present Public Act 490 tax incentive to keep excess property as open space. The Board of Selectmen, Board of Finance and Economic Development Commission should investigate tax relief programs for business.

**NEW BUSINESS**

a. **Grant Application Authorization—FY2019 Comprehensive DUI Enforcement Program for Resident Trooper:**

Motion was made by Mr. Gelston to authorize the grant application for the FY 2019 Comprehensive DUI Enforcement Program for Resident Trooper. Mr. Lauria seconded the motion and it was unanimously approved. Motion carried.

Mr. Gelston inquired if this grant was only for alcohol or other substances. He was advised that DUI stands for driving under the influence.
b. **2019 Meeting Calendar—Draft:**

A draft 2019 calendar was presented. Action to adopt a meeting calendar for 2019 will occur at the next meeting. Conflicts were requested to be noted in advance.

**GUESTS AND AUDIENCE COMMENTS**

Mr. Dill of 166 Beebe Road offered that Consumer Reports would work on Ackley Cemetery Road if the Town would provide a hold harmless agreement. He noted that it would be part of its good neighbor policy. He further noted that they have all of the proper equipment.

Mr. Lyman advised that the offer would be presented to the town’s attorney. It was anticipated that such a gift would require acceptance at Town Meeting.

Motion by Mr. DiCristofaro to adjourn at 8:47 pm. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Debra H. Denette