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
  Denise Dill, Tax Collector
  Ronald Turner, Director of Operations
  Cindy Varricchio, Finance Director
  Erik Dill

APPROVAL OF AGENDA

Motion was made by Mr. Gelston to approve the agenda. Mr. Lauria seconded the motion and it was unanimously approved. Motion carried.

Mr. Gelston inquired why there was no Shared Services report. Mr. DiCristofaro responded that it is included in the First Selectman’s report and that the First Selectman will provide highlights.

APPROVAL OF MINUTES

Motion was made by Mr. Gelston to approve the minutes of the November 19, 2018 regular meeting. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Gelston to approve the minutes of the December 10, 2018 special meeting. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

GUESTS AND AUDIENCE COMMENTS

None.
CORRESPONDENCE
None.

CHAIRMAN’S REPORT

a. **Tax Collector’s Report—December:**

   The Tax Collector’s Report was reviewed.

b. **Board Subcommittee Reports:**

   **Communications:** Mr. Gelston reported the most recent article was in last week’s *East Haddam News*. The subcommittee is working on the next article with a topic of endowment funds.

   **Increasing Revenues:** Mr. DiCristofaro reported that there are no changes to report.

   **Financial Policies:** Mr. Thomas noted that we have a draft budget policy that will address looking at future projections. The subcommittee is looking at ways to develop “weighting” to prioritize potential capital projects and to provide guidance to the Financial Needs Roundtable. Mr. DiCristofaro reported that we are working with our Financial Advisor regarding data points and how we can forecast what we can afford in the future for major capital projects. He stated that this is a very exciting subcommittee.

   **Financial Needs Roundtable:** Mrs. Gionta stated that the next meeting is scheduled for February 4, 2019.

FIRST SELECTMAN’S REPORT

a. **Storm Damage:**

   The storm of September 25 has been approved as FEMA eligible. An applicant briefing was held in Colchester on January 2. Our Request for Public Assistance as well as the required associated documents has been submitted. The grant application is being prepared. This will result in a 75% recovery of covered costs.

   The RFQ/RFP for Neptune Ave is ready for final review by our town attorney. The combined RFQ/RFP for Hemlock Valley Road and Bonfoey Road is being completed for final review. Our town attorney is drawing up a hold harmless agreement to permit Consumer’s Reports to work on Ackley Road. Work reestablishing the channel for Neptune Brook and removing debris from Neptune Ave has been completed. With the exception of the above noted roads all others are passable with needed repairs underway.
b. **Tree Evaluation:**

We have spent about $40,000 in removal costs to date. Work continues using Charlie Iselin in tandem with our crew. We contacted Distinctive Tree service of Windsor about their equipment, it was made clear that a Feller Buncher was not appropriate for use near electrical wires.

c. **Transfer Station:**

The Board of Selectmen will consider raising bulky waste fees from $100 per ton to $120 per ton at this Wednesday’s meeting.

Replacement of the overhead door on the Hopper will commence on January 17 and be done by January 22. The hinges for the back safety gate will be installed at that time. This will permit us to open the back for larger loads. Immediate changes will then include a revised traffic pattern improving control by our staff. Improved on site signage, handouts and instructional sessions.

A series of four articles in the *East Haddam News* are underway. These will describe our current operations, planned short term changes, recycling challenges and what we can expect in the future.

We have reached out to Chris Nelson of DEEP, Supervising Environmental Analyst Kristen Brown will be in touch to help us with moving forward with the recyclable bag system.

Mr. DiCristofaro inquired about the impact to next year’s budget. Mr. Lyman responded that we do not yet know the full impact. He noted that when we go to the bag system the haulers will stop coming to us and that will reduce significantly what we process.

Mrs. Gionta inquired as to what we are currently paying Willimantic Waste per ton and cost per trip.

d. **East Haddam Village Revitalization:**

The East Haddam Village Revitalization Committee is preparing a RFQ for review by our town attorney prior to releasing. Once reviewed a subset of selected applicants will prepare a response for a follow-up RFP. The single applicant then selected will be submitted for Town meeting review and approval. The proposed time-line is:

- RFQ release date by February 1, 2019
- RFQ response by April 18, 2019
- RFQ interviews by Mid May
- Short list for RFP by May 30, 2019
- RFP response by August 30, 2019
- Town Meeting/Referendum by October 1, 2019
e. **East Haddam Free Public Library:**

Our town attorney has indicated that we can anticipate “stipulated Judgement” in our favor next month

**Follow-up Questions to the First Selectman’s Report:**

Mrs. Gionta inquired about Bonfoey Road and whether we could put something more absorbent along the road way or divert the water. She stated that water is coming down and there have been accidents.

Mr. Thomas suggested that we try to see if there is another contractor or some other option for tree removal. Mr. Lyman responded that other options could be as expensive as $8,000 a day for full removal. He noted that Mr. Iselin is only doing the tree removal near the wires and that we do the remainder. Mr. Thomas asked if Public Works Director Beth Lunt is look at a road-by-road basis to triage. Mr. Lyman responded yes and if a danger is identified and then tree has to be removed.

Mr. Thomas asked about the series of articles in the *East Haddam News* and suggested that the fourth article be “what we are going to do?”.

Mr. Thomas also spoke to the East Haddam Free Library, if/when the process is completed in Superior Court in the next month or so. If the Town Meeting accepts, what is next? It is an important issue to face. He noted that the libraries are an important culture asset of the town, yet the physical plants are woefully inadequate. Mr. Lyman stated that there is a subcommittee reviewing.

Mr. Lauria stated that the library may be a very expensive gift.

Mr. Gelston stated that libraries in other towns are the town center of community. Not just books—movies, crafts, real vibrant part of the town. Mr. Gelston stated his full support of the libraries.

Mr. Gelston stated that we will need more help than Mr. Iselin to remediate the tree issue.

Mr. Gelston inquired about the bulky waste. Mr. Lyman responded that the Board of Selectmen is considering this week. He wants to be certain that no one misses the gate. Mr. Gelston inquired about the timeline. Mr. Lyman indicated that the fee increase could be implemented right away and that the traffic pattern will be completed as quickly as they can. Mr. Lyman credited Randy Dill for the traffic pattern change ideas. He also noted that the staff is eager to implement.

**Additional First Selectmen Item:**

Mr. Lyman reported that we will be advertising for a Building Official. We have tried to work within a part-time capacity but that is not working out. We have been receiving complaints about availability during the day. The position will most likely be 32 to 35 hours per week. Mr. Lyman will keep the Board of Finance informed. Mr. Garofalo was a good stop gap when things were slow.
FINANCE DIRECTOR’S REPORT

Mrs. Varricchio stated that she anticipated that the audit would be available for the December meeting.

a. Fiscal Year 2018 Audit Report:

Mrs. Varricchio reported that Blum Shapiro Partner Leslie Zoll will be at the February meeting to review the audit with the Board. Mrs. Varricchio noted that there was a management letter with two recommendations:

1) Student Activity Funds: The management letter addressed processing school operating expenditures via the Board of Education expenditure process rather than the individual Student Activity Funds. We are in the process of updating our procedures to ensure greater controls and procedures.

2) Parks and Recreation: We brought to the attention of the auditors an issue that surfaced when we transitioned staffing in the Recreation office. There were several stale outstanding credit card receivables. We were able to resolve this issue via research to collect outstanding payments and to clear registrations that were recorded in the system and not utilized. We have remedied the situation going forward by not allowing any registration for programs without full payment in our credit card payment processing system.

Mrs. Varricchio talked about the recent article in the East Haddam News regarding the prior year budget surplus. The consensus of the Board was that we reach out to East Haddam News to provide them with additional information regarding the factors of the budget surplus—to include that revenue actuals were one percent over budget and expenditures actuals were one percent under budget. Key contributors were tax collections $263 thousand over budget, the unused $75,000 in Board of Finance contingency and various other under expenditures.

b. December 2018 YTD Budget Report:

Mrs. Varricchio reviewed the December YTD budget report.

c. Budget Calendar Update:

No updates to share with the Board.

LIAISON REPORTS

Mrs. Lauria reported that the Board of Education is looking for an increase in teachers for A/P courses.

Mr. Gelston reported that he met with the Board of Fire Commissioners who are planning the Fire Department budget as had been done before (rather than the Chief).
OLD BUSINESS

None.

NEW BUSINESS

a. **Board of Education Transfer to Reserves Request:**

Mrs. Varricchio noted that with the completion of the audit, the Board of Education is looking to transfer their remaining funds to Reserves. Correspondence from the Superintendent of Schools making the request was provided to the Board.

**Motion was made by Mr. Gelson to approve a transfer in the amount of $21,725.31 from the General Fund (10549010-58928) to the Board of Education Capital Reserve Fund (3320-10506-25790) and to request that the Board of Selectmen schedule a Town Meeting for approval. Mrs. Lauria seconded the motion and it was unanimously approved. Motion carried.**

b. **Nathan Hale-Ray High School Roof Appropriation:**

Mr. DiCristofaro reported that he had met with Superintendent of Schools Brian Reas and Board of Education Chairman Bryan Perry and that the roof needs to be replaced. Director of Operations Ron Turner reported that there are small leaks popping up and other concerns that need to be addressed before serious problem arise. Mr. DiCristofaro asked Mrs. Varricchio to review the costs and funding sources.

Mrs. Varricchio reviewed that the high school roof has been on the capital plan for quite some time. The roof has deteriorated to the point that requires replacement in the near future. There are funds in the Board of Education Capital Reserves fund that have been planned for this project. The State requires that the town fully appropriate the cost. This appropriation will require Board of Finance approval, a call to Town Meeting by the Board of Selectmen and Town Meeting approval.

We have received an estimate from Jacunski Humes Architects in the amount of $1,347,720 with an estimated $37,697 not eligible for State reimbursement. The State reimbursement rate in 2018 for eligible costs was 50.71%. The reimbursement rate for 2019 has not yet been released. It is recommended that an appropriation totaling $1,400,000 be made to hopefully account for any change in the reimbursement rate.

Mr. Gelston asked what the life expectancy of the new roof is. Mr. Turner will provide that information. Mr. Thomas inquired the age of the roof. Mr. Gelston responded 26 years.

**Motion made by Mrs. Gionta to appropriate an amount not to exceed $1,400,000 for the purpose of replacing the Nathan Hale-Ray High School Roof. Funding for the roof as follows:**

1) $556,170 transferred from the Board of Education Capital Reserves Fund (332-10506-25790) to the Capital Projects Fund (33250013-58926-C0004).
2) $159,245 transferred from the Capital Projects Reserve Fund (332-10506-25023) to the Capital Projects Fund (33250013-58926-C0004).

3) A special appropriation from the General Fund (undesignated fund balance) in the amount of $684,585 (10549010-59700—General Fund Transfer to Capital Projects), such funds to be reimbursed to the General Fund by anticipated State Grant funds. and to request that the Board of Selectmen schedule a Town Meeting for approval. Mr. Lauria seconded the motion and it was unanimously approved. Motion carried.

Mr. DiCristofaro noted the prudence of establishing the Board of Education Capital Reserve Fund by the Board of Finance several years ago.

c. **Ford Disaster Relief Vehicle Grant Application:**

There is an opportunity for a grant for an Emergency Management vehicle with no matching costs to the town. The requested amount is $70,000. Mr. Thomas inquired whether acquiring a vehicle of this type was necessary even with a grant.

Motion was made by Mr. Lauria to authorize the application to the Ford Disaster Relief Grant Program for Emergency Management in the amount of $70,000. Mr. Gelston seconded the motion.

IN FAVOR: DiCristofaro, Dutch, Gelston, Gionta, Lauria
AGAINST: Thomas

Motion carried.

**GUESTS AND AUDIENCE COMMENTS**

None.

**OTHER**

Mr. Gelston reviewed the workshop “Budgets 101” that he, Mrs. Gionta and Mrs. Varricchio attended. He provided a thorough presentation to the Board of the highlights of the workshop. Mr. Gelston’s overview is available in the Finance Office.

Motion by Mr. Dutch to adjourn at 9:05 pm. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Cindy Varricchio