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 (arrived 7:10 pm)
- Harvey Thomas

Others
- Emmett J. Lyman, First Selectman
- Debra Denette, Town Clerk and Recording Secretary
- Ronald Turner, Director of Operations
- Cindy Varricchio, Finance Director

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.

GUESTS AND AUDIENCE COMMENTS

Nothing noted

APPROVAL OF MINUTES

Motion was made by Mr. Dutch to approve the minutes of the June 10, 2019 regular meeting as amended by Mr. Gelston to change “Petticoat Landing” to “Petticoat Lane”. Clarification of the term “traffic calming” was also explained and no changes were made. Mr. Lauria seconded the motion and it was unanimously approved. Motion carried.

Correspondence

a. Memo from Blum Shapiro Regarding Annual Audit;
b. Blum Shapiro Audit Engagement Letter:

The Board of Finance was directed to two items of correspondence from the auditor Blum Shapiro. The first addressed auditing standards and the second was a copy of the engagement
letter. Mr. Gelston inquired if there was anything new or different that the Board should be aware of, Mrs. Varricchio responded that the documentation identified Blum Shapiro’s legal requirements and that there was nothing new at this time.

c. **Letter from Superintendent of Schools 2018-2019 Budget Results:**

Mr. DiCristofaro noted that Superintendent Reas provided a letter stating that at this time for the 2018-2019 fiscal year, $493,646.63 has been encumbered, which leaves $3,056.45 unexpended. Superintendent Reas requested that the unexpended funding be transferred to the Board of Education Capital Reserve Fund upon completion of the annual audit.

Mrs. Gionta arrived at this time.

**CHAIRMAN’S REPORT**

a. **Tax Collector’s Report—June:**

No questions were asked.

b. **Board Subcommittee Reports:**

**Communications:** Mr. Gelston stated that a link will be placed on the Town’s website for prior communication articles. He also stated that he spoke to the East Haddam News editor regarding a previous article published as a letter to the editor. Mr. Gelston further relayed concern that a table was not printed in color. Mr. Gelston stated that he was advised that color may come at a cost. The editor, Mr. Holahan, was uncertain as to why the article ran under an editorial. Mr. Gelston stated that he would like to rerun the article in September or October to include this year’s contributions from endowments.

Mr. Gelston stated that another idea is publishing a summary of the status of major projects and quarterly statements. Both ideas were well received.

**Financial Planning:** Mr. Thomas introduced a draft of the Town of East Haddam Capital Improvement Program (CIP) Policy. He stated that the document creates a ranking system for capital projects. He stated that it puts more discipline or process in the planning of projects. Mr. DiCristofaro added that the document will be refreshed annually. Mr. Thomas reviewed the prioritization matrix which provides a rating score. Mr. Dutch stated that he liked the way the document leaves emotion out of topics. Mr. Lauria replied that it was very well done. Mr. Gelston stated it will be a very useful tool. Mrs. Gionta inquired how many unanticipated projects come up on an annual basis. It was noted that the maintenance fund has eliminated many of the unanticipated surprises, yet they tend to still happen. Mrs. Gionta inquired how the top score (need) worked in relationship with what the people want. It was noted that reserves could be established to work toward a want (or goal). It was noted that ultimately all decisions would be made by the taxpayer.
FIRST SELECTMAN’S REPORT

Mr. Lyman noted the following:

- An equity distribution of $24,311 has been received from CIRMA. Over the years we have received nearly $100,000.
- $550,000 in reimbursable expenditures have been submitted to FEMA in connection with the September 2018 storms. A 75% reimbursement rate is anticipated. They are now suggesting that they will reimburse when the projects are completed rather than pay as we go.
- The Fox Town Bridge is now open, it was 90 days late. It is anticipated that fees and penalties will come to the Town from the vendor due to their miscalculations.
- Four Police officer candidates applied, only one qualified. Once filled, applicants will be solicited for the SRO. It was noted that if none of the police apply, the newest hire will be released.
- East Haddam Village revitalization committee will be completing the RFP process on September 19th.
- Mr. Lyman offered a heads up relative to EverBridge. Next July Chatham Health will discontinue its use, other alternatives are being reviewed.
- Considerable discussion was held relative to the Transfer Station. Mr. Lyman noted that the contracts with Willimantic Waste are renewable for October 1. He stated that there are several different contracts that they are looking to consolidate. The present contract provides revenue of $30 per ton for recyclables rather than the going rate of $5.00 per ton expenditure for recyclables. Mr. Lyman reviewed several other quotes and noted that Willimantic Waste still provides the best value for East Haddam. Mr. Lyman also noted that the town is now receiving payment on approximately 60% of the bulky waste it delivers. He noted that given the limited staff, contractual time off, and the amount of bulky waste not charged for (evictions as an example) that he was pleased with the improvement. Mr. Lyman stated that he would like to purchase a gate that may be operated by the scale operator instead of the cones to alleviate stress on the scale house.
- Mr. Lyman noted that responsive to a request from the Economic Development Commission, the Building Department reviewed its recently increased fees. Mr. Thody, the current building inspector, found that East Haddam is significantly higher than its cohorts for permits of single-family new construction. The Board of Selectmen is charged with setting the Building Department’s fees, changes can be expected. Responsive to an inquiry from Mr. DiCristofaro, it was noted that in fiscal year 2019-2020, $135,000 is budgeted for revenue and for 2018-2019 $177,000 was received. A budgetary impact of $7,000 to $9,000 in anticipated with the change. It was noted that the permit costs associated with a single-family home in East Haddam are presently at $4,300 compared to $2,800 in Chester, $2,300 in Colchester and $2,500 in Hebron.

Mr. Lyman fielded several questions regarding his report.

Lastly, Mr. Lyman reported that the Reading Room Association has submitted a letter offering to convey the East Haddam Free Public Library to the Town of East Haddam. A public hearing is scheduled for September 4, 2019, the Board of Finance and the Board of Selectmen would be expected to move it to town meeting for a vote. Mr. Lyman noted that both libraries need
considerable work on them, (over $300,000 each) and that five years out there are plans for the construction of a new library.

FINANCE DIRECTOR’S REPORT

a. **June 2019 Year-End Preliminary Budget Report:**

Mrs. Varricchio referred to a preliminary report of 2019 YTD expenditures. She reported that expenses were under budget and revenue slightly exceeded what was budgeted. She reviewed the areas that went over budget. Highlights included:

- **Highways**—$99,000, $90,000 of which was for tree removal.
- **Transfer Station**—$88,000, due to hauling charges as anticipated.
- **Library System**—$15,000, $10,500 of which is additional labor costs resulting from not replacing the assistant librarian.
- **Town Greens**—$7,100 due to wages and repairs/maintenance.
- **Tax Collector**—$1,900 due to refunds.
- **Fringe Benefits**—$2,432 due to additional employees taking benefits.

Mrs. Varricchio reviewed revenue:

- **Tax Collection**—Mrs. Dill collected $80,000 over budget.
- **Tax Suspense**—utilizing a collection agency generated $25,614 in revenue. The revenue budget was $1,200—budget exceeded by $24,414. It was noted that this high rate of this collection will not continue year-to-year as past due/suspense taxes are collected.
- **State revenue sources**—several items were under what was budgeted.
- **Ambulance Association**—$1,000 in receipts from when our paid firefighters left East Haddam on a call.

b. **2018-2019 Annual Report:**

Mrs. Varricchio suggested a streamlined Annual Report as a majority of the information contained within it is already available on the Town’s website. She noted that streamlining the content reduces costs and saves time. Responsive to inquiry it was noted that audit reports and Town Meeting minutes are available on the town’s website. It was the consensus of the Board of Finance to start with a streamlined version.

LIAISON REPORTS

Nothing noted.

OLD BUSINESS

Nothing noted.
NEW BUSINESS

a. **Grant Authorization—Historic Documents Preservation Program:**

Mrs. Denette stated that she has collaborated with Library Director Michael Gilroy for use of the grant on the Town’s most at risk documents. She stated that the targeted grant of $5,500 will conserve Library records from the 1830s that are in danger of total loss. As these documents do not exist anywhere else, she felt this use of the grant was appropriate. Mrs. Denette stated that while there are additional records within the Town’s vault that are meritorious of additional preservation efforts, none were of such a priority at this time. She noted that Mr. Gilroy was also present. No questions were asked.

**Motion was made by Mr. Lauria to authorize the application of a Historic Document Preservation Program grant for preservation of documents located at the Rathbun Library. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.**

b. **Gift Acceptance – Town Beach “Bird’s Nest”:**

Mr. Lyman advised that the Bird’s nest is a swing, and it will replace the tire swing at the town beach that has “seen better days”.

**Motion was made by Mrs. Gionta to accept the gift of a Bird’s Nest with attachment joints and labor for installation at the Town Beach valued at approximately $2,023.13 from NetPlay USA and to request that the Board of Selectmen schedule a Town Meeting for approval. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.**

c. **Lakes Association Request:**

Mr. DiCristofaro stated that the Moodus Reservoir Preservation Group had not expended its allocation of funding under the 2018-2019 budget and has requested that the funding be transferred to a capital fund for its future use. Mr. Gary Christopher stated that the Moodus Reservoir group is taking a different approach than the other associations and is saving for the purchase of an ECCO harvester to address the weed problem at the lake rather than invest in herbicides. Mr. Christopher explained how the ECCO harvester works to eradicate the weeds at the root and stop their spread rather than to chemically treat. Accordingly, they did not have the reimbursable expenditures to utilize the funding. Complicating the matter is that in years past if one lake did not use its allotment, it was up for grabs by another lake. It was felt that the funding offered to the lakes should be equal to each. Mr. DiCristofaro was most interested in the concept of the ECCO harvester and was very pleased with the efforts of the Moodus Reservoir Preservation Group that was pursuing a viable long-term solution. Mr. Lauria inquired if the Moodus Reservoir Preservation Group would be willing to share its purchase once acquired. Mr. Tim Varriale stated that at this time it would be unlikely. Mr. Christopher stated that Bashan Lake is too deep a lake for the ECCO harvester to be effective. He stated that he was not familiar enough with Lake Hayward to speak to whether it could be effective for them.
It was noted that the purchase price of the ECCO harvester is $85,000. The MRPG has raised $50-60k to date. They are hopeful that a purchase order can be issued this fall so that it can be built over the winter with a spring delivery. Mr. DiCristofaro inquired about operating expenses. Mr. Christopher responded that there are volunteers who will operate it and low maintenance costs are expected. Mr. Christopher stated that they anticipate great results however, it will take a few years to notice the difference.

Mr. DiCristofaro stated that the Board has three choices for the remaining $5,550.15:
1) Return the funding not used by the MRPG to the General Fund
2) Allocate the funding not used by the MRPG to the other lakes that had reimbursable expenditures
3) Reserve or carry forward the $5,550.15 for capital expenses of the MRPG.

Mr. DiCristofaro stated that the Board of Finance, during its budget process, intended to have the funding revert back to the General Fund. He stated that he was unaware of this pending capital purchase. He stated that it would be his choice to allow them to utilize this funding toward the purchase of the machine. Mr. Thomas stated he concurred, however, going forward he stated that he would like to see an equal allocation to each lake. Period. He reiterated that this was set up to provide incentive the lakes to spend money to get money, he stated that it should not just be a handout. Mr. Dutch commended the fundraising efforts and the research done. It was the consensus of the Board to visit capital reserves for each lake in the future. It was noted that the Town’s portion will be sent directly to the vendor.

Motion was made by Mr. Thomas to transfer $5,550.15 from the fiscal year 2018-2019 budget for the Moodus Lakes Association to the capital projects line towards the purchase of an ECCO Harvester. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Dutch to enter into Executive Session for the purpose of personnel matters—the discussion of the Teachers’ Contract negotiations at 9:17 pm. Mr. Lauria seconded the motion and it was unanimously approved. Motion carried.

Executive Session

Invited Guests: Bryan Perry, Chairman, Board of Education
Brian Reas, Superintendent of Schools

Motion was made by Mr. Thomas to exit the Executive Session at 9:55 pm. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Dutch to adjourn at 9:55 pm. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Debra H. Denette
Recording Secretary