TOWN OF EAST HADDAM
Board of Finance
Regular Meeting Minutes
December 9, 2019
Municipal Office Complex Meeting Rooms 1 and 2

In attendance:

**Board of Finance Members:**
- William DiCristofaro, Chairman
- Bruce Dutch, Secretary
- Joseph Corbett
- Todd Gelston
- Tracey Gionta
- Harvey Thomas

**Board of Selectmen Members:**
- Robert Smith, First Selectman
- Theresa Govert
- Carleen Quinn

**Board of Education Member:**
- Marc Pisciotti, Chairman
- Karin Blaschik, Secretary
- Erik Anderson
- Tracy Delventhal
- Nicole Hendry
- Bryan Perry
- Patricia Stricker
- Laurel White

Brian Reas, Superintendent of Schools
Cindy Varricchio, Finance Director
Leslie Zoll, BlumShapiro
Several citizens and staff in attendance.

Mr. DiCristofaro called the Board of Finance meeting to order at 7:00 pm.
Mr. Smith called the Board of Selectmen meeting to order at 7:00 pm.
Mr. Pisciotti called the Board of Education meeting to order at 7:00 pm.

The Pledge of Allegiance was recited and recording devices started.

**TRI-BOARD MEETING 2020-2021 PROPOSED BUDGET**
**BOARD OF FINANCE, EDUCATION AND SELECTMEN**

Mr. DiCristofaro welcomed everyone to the meeting.
Mr. DiCristofaro stated the purpose of the meeting was to provide an opportunity for citizen input. He indicated that the town leaders would like to hear from citizens what is acceptable and unacceptable.

He stated that the format of the meeting would be to receive questions and then post the questions and answers on the Town’s website so that everyone can see them. Mr. DiCristofaro noted that immediate answers to inquiries were not intended, but that we would endeavor to provide timely answers. He indicated that people would be allowed to speak and asked that when they did they provide their name, address and limit their comments to three minutes.

Each Board Chairman introduced the members of their respective Boards.

A brief PowerPoint presentation was provided that discussed the key points of the upcoming budget process, current state of East Haddam finances and the key factors that each Board reviews when determining a new fiscal year budget. A copy of the presentation is available on the Town’s website for review.

GUESTS AND AUDIENCE COMMENTS

Many residents, students and school staff spoke in favor of the benefits of a track at the high school. Comments included the benefits to the students, staff and citizens, that track is the sport with the largest student participation, student safety and that East Haddam is the only high school with a track program that does not have a track. Those speaking in favor were:

- Eric Sikorski
- Aiden Behilo
- Joe Lauria
- Rebecca Wonneberger
- Dave Holly
- Meg Dedman
- Chris Ottergren
- Sean Boardman
- Amanda Culmone
- Sally Riley

Tim Carr expressed his concern about the stability of the tax base and East Haddam’s ability to meet future debt obligations. Mr. DiCristofaro responded that when we take on new debt it has to fall within the parameters of the Debt Management Policy.

Marilyn Gleeson inquired if the Board of Finance policies were on the website. It was noted that the policies need to be updated on the website and that some are “working copies” being tested with the 2020-2021 budget process.

Chris Read encouraged candid and open discussion at Board meeting rather than Boards responding to questions at their next meeting. Mr. Read addressed his concerns with regard to the State of Connecticut budget and how it will impact East Haddam. Mr. Read thanked all of the Board members for their service. Mr. DiCristofaro responded that when there are detailed questions, the process is to research the questions to respond with complete information and to also provide the opportunity for others to see
the question(s) and answer(s). Mr. Read asked those in attendance at the meeting to not do the “gotcha”
to Board members on any misstatements that they might make whether they are right or wrong.

Motion was made by Mr. Smith to adjourn the Board of Selectmen meeting at 8:00 pm. Ms.
Govert seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Pisciotti to adjourn the Board of Education meeting at 8:00 pm. Mrs.
Stricker seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. DiCristofaro for the Board of Finance meeting to recess at 8:00 pm. Mr.
Gelston seconded the motion and it was unanimously approved. Motion carried.

The meeting reconvened at 8:10 pm.

Motion was made by Mr. Thomas to move the agenda item “Audit Fiscal Year Ended June 30,
2019—BlumShapiro & Co. PC next on the agenda. Mr. Gelston seconded the motion and it was
unanimously approved. Motion carried.

AUDIT FISCAL YEAR ENDED JUNE 30, 2019—BLUMSHAPIRO & CO. PC

Leslie Zoll, Partner with BlumShapiro provided an overview of the fiscal year ended June 30 2019. The
presentation is included as part of these minutes. There were no questions from members of the Board.

APPROVAL OF MINUTES

Motion was made by Mr. Gelston to approve the regular meeting minutes of November 18, 2019.
Mr. Corbett seconded the motion and it was unanimously approved. Motion carried.

CORRESPONDENCE

a. CCM Budget 101 Workshop:
b. CCM Newly Elected Official Workshop:
c. CCM How to Run Legal and Effective Meetings (hosted by East Haddam):

Members were encouraged to participate in the CCM (Connecticut Conference of Municipalities)
Workshops and were requested to contact Cindy Varricchio to be registered for Workshops.

CHAIRMAN’S REPORT

a. Tax Collector’s Report—November:

Mr. DiCristofaro stated that the tax collection rate remains high.

b. Liaison Assignments:

There were no changes to the liaison assignments that were proposed at the November meeting.
c. **Board Subcommittee Reports:**

**Communications:** Mr. Gelston indicated that there was not much to report. The subcommittee is working on the next set of articles and will be meeting this Wednesday.

**Financial Needs Roundtable:** Their next meeting is scheduled for December 16. The Financial Policies Subcommittee has recommended that the Roundtable become a full standing committee rather than an ad hoc committee and that the name of the committee become the Long Range Capital Improvements Committee. Mr. Smith indicated that he was in agreement with this change. Mr. DiCristofaro noted that there is some turnover to members of the Committee. Mr. Thomas stated that one reason that this process is advisable is that it is a useful fairly systematic non-subjective process to determine capital priorities. Mr. Gelston noted that it is very important to proceed objectively and all the components don’t need to be done at once. Mr. DiCristofaro noted that he has asked Superintendent Reas for a few different courses of action (especially related to the track).

**Financial Policies:** Mr. DiCristofaro stated that the Board was given copies of all the completed policies. The approved policies are Funds and Investment. Debt Service needs to be approved by the Board (it was noted this Policy be placed on the January meeting agenda). The Budget and Capital Policies are in a “pilot” mode and will be reviewed at the end of the budget season for review and recommended changes.

**FIRST SELECTMAN’S REPORT**

Mr. Smith stated that many of the ongoing items were touched on during the Tri-Board portion of the meeting. Mr. Smith noted that Neptune Avenue cost estimate is being carefully evaluated in an effort to reduce the cost. We will need to review the increased estimated cost with FEMA (from $500,000 to $1,000,000+). Tree are continuing to be an issue. Mr. DiCristofaro asked that in anticipation of budget season that courses of action to solve the tree issue be considered.

**FINANCE DIRECTOR’S REPORT**

Mrs. Varricchio noted that she and Mr. Smith had met with our municipal financial advisor Bill Lindsay to review overall debt, the upcoming Bond Anticipation Note (that we plan to roll forward because the Town-wide Radio Project has not been completed and we are not ready to bond), potential borrowing for FEMA projects (rather than drawing down on cash before reimbursement), our capital savings plan and our future debt capacity. The USDA loan was also discussed to determine if we can refinance that at a lower interest rate. We will plan to have information on debt capacity for the budget process.

There was discussion regarding Board members receiving the email with the meeting information and issues with our spam filter last week. Mrs. Varricchio inquired of the Board if they would like Town email addresses giving the better access to Board meeting information via OneDrive. It was the consensus of the Board that Town emails would be issued. There was caution given that there cannot be discussion via email regarding Board business which could result in a meeting. There was also discussion regarding receiving the entire Board packet in paper form prior to the meeting, rather than in an email. Mr. DiCristofaro, Mr. Corbett and Mrs. Gionta do not require the packet in paper form prior the meeting. Mr.
Dutch, Mr. Gelston and Mr. Thomas have requested a paper copy prior to the meeting. They are will to pick up the materials at the Municipal Office Complex when they are ready. All members will receive an email with meeting information as well.

Mrs. Varricchio also noted that she is looking at changing from processing payroll in-house to a payroll service for both the Town and Board of Education. She noted reasons for this consideration were compliance with required tax filings and various reporting requirements, to free up staff to work on other tasks to including the increasing requirements for State and Federal grant compliance, enhanced reporting, greater analytical opportunities and preparing a Comprehensive Annual Financial Report (CAFR). It is anticipated that a request for this change will be brought to the next Board of Selectmen meeting.

a. **November YTD Budget Report:**

Mrs. Varricchio reviewed the November YTD budget report. The budget is tracking well. We are carefully watching the Public Works with regard to the costs of outsourcing of vehicle maintenance (in the absence of a mechanic). It was noted that interviews for a mechanic were scheduled for tomorrow. Mrs. Varricchio informed the Board that we have not yet received our first installment of Town Aid Road.

b. **2020-2021 Budget Calendar Update:**

The budget calendar was reviewed. The Board of Finance has the following scheduled meeting dates:
Saturday, March 7, 2020  9 am  Board of Finance Budget Forum and Workshop  
Monday, March 9, 2020  7 pm  Board of Finance Regular Meeting date (may be cancelled)  
Saturday, March 14, 2020  9 am  Board of Finance Budget Workshop  
Thursday, March 19, 2020  6 pm  Board of Finance Budget Workshop  
Saturday, March 21, 2020  7 pm  Board of Finance Budget Workshop  
It was noted that the final date for the Board of Finance to recommend a budget to Public Hearing is March 24, 2020.

**LIAISON REPORTS**

Nothing noted.

**OLD BUSINESS**

a. **Board of Finance 2020 Meeting Calendar:**

Motion was made by Mr. Gelston to approve the Board of Finance 2020 meeting calendar. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

The calendar is below:
<table>
<thead>
<tr>
<th>DATE</th>
<th>Additional Information</th>
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<tbody>
<tr>
<td>January 13, 2020</td>
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<td>February 10, 2020</td>
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<td>March 9, 2020</td>
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<td>April 7, 2020</td>
<td>Budget Public Hearing</td>
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<td>April 7, 2020</td>
<td>Regular Meeting immediately following Public Hearing. Board will vote on a budget to send to the Annual Budget Meeting.</td>
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<td>April 21, 2020</td>
<td>Annual Budget Meeting, 8 pm @ Town Meeting Hall</td>
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<td>May 5, 2020</td>
<td>Budget Referendum, Times TBD @ Municipal Office Complex</td>
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<td>May 5, 2020 (following referendum)</td>
<td>Board meets to establish mill rate (provided the budget passes)</td>
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<td>May 11, 2020</td>
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<td>June 8, 2020</td>
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<td>July 13, 2020</td>
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<td>August 10, 2020</td>
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<td>September 14, 2020</td>
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<td>October 19, 2020 (third Monday)</td>
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<td>November 9, 2020</td>
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<td>December 14, 2020</td>
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<td>January 11, 2021</td>
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**NEW BUSINESS**

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

A draft Annual Report was provided to the Board for review. It was noted that a Town Meeting was scheduled for Wednesday, January 8 for acceptance.

**Motion was made by Mr. Thomas to approve the 2018-2019 Annual Report contingent upon receipt of missing reports and a final proofing. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.**

b. **Board of Finance Budget Request:**

The Board of Finance budget request was reviewed. Recommended changes including increase the audit/OPEB amount to provide for producing a Comprehensive Annual Financial Report (CAFR) and the associated cost of submitting to the Government Financial Officers Association for the financial statement award program (and review and feedback), decreasing postage (we no longer mail the Citizens’ Guides), increase advertising to allow for Board of Finance Communications in the East Haddam News, reduce bond disclosure fees to reflect actuals and hold Contingency at $90,000. Total budget request $139,510 an increase of $5,360 over the 2019-2020 original budget.
GUESTS AND AUDIENCE COMMENTS

None.

OTHER

Nothing noted.

Motion by Mr. Dutch to adjourn at 8:23 pm. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,
Cindy Varricchio