

TOWN OF EAST HADDAM

Regular Meeting

September 14, 2015

Grange Hall

The September regular meeting of the East Haddam Board of Finance was called to order at 7:00 pm by Chairman Susan Link.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

Susan Link, Chairman

Robert Bennett

William DiCristofaro

Bruce Dutch

Raymond Willis

Others:

Mark Walter, First Selectman (arrived 7:35)

Deb Denette, Town Clerk and recording secretary

Denise Dill, Tax Collector

Cindy Varricchio, Finance Director

Erik Dill

Michelle Grant

APPROVAL OF AGENDA

Mrs. Link stated that she would like to add an item to the agenda regarding expense consulting. Old Business, Item a, Expense Consulting Services was added to the agenda.

CORRESPONDENCE

a. **Connecticut Conference of Municipalities Workshop, October 8, 2015—Ethics, Accountability, and Conflicts of Interest:**

Mrs. Link called the Board's attention to a Connecticut Conference of Municipalities Workshop on Ethics to be held in Griswold on October 8th. Attendance was encouraged.

APPROVAL OF MINUTES

a. **Regular Meeting, June 8, 2015:**

Motion was made by Mr. DiCristofaro to approve the regular meeting minutes of June 8, 2015 as amended by Mr. Bennett to correct a typographical error on page 5, "Mrs. Linked" to "Mrs. Link" and "it as unanimously approved" to "it was unanimously approved". Mr. Willis seconded the motion.

FAVOR: Link, DiCristofaro, Willis,
OPPOSED: None
ABSTAINED: Bennett, Dutch
MOTION CARRIED

b. Special Meeting, July 20, 2015:

Motion was made by Mr. Bennett to approve the special meeting minutes of July 20, 2015. Mr. DiCristofaro seconded the motion.

FAVOR: Link, Bennett, DiCristofaro, Dutch
OPPOSED: None
ABSTAINED: Willis
MOTION CARRIED

c. Regular Meeting August 10, 2015:

Motion was made by Mr. Bennett to approve the regular meeting minutes of August 10, 2015. Mr. Willis seconded the motion.

FAVOR: Bennett, Link, Willis
OPPOSED: None
ABSTAINED: DiCristofaro, Dutch
MOTION CARRIED

CHAIRMAN'S REPORT

a. Review of Board of Finance Statutes and Responsibilities:

Mrs. Link called members attention to the Statutes regarding Boards of Finance. She stated that at the last meeting there was a lot of politicking and showboating going on and that it is unacceptable. She stated that the meetings shall follow Robert's Rules and that the audience shall only speak if invited to do so by the chair.

b. State Budget Information:

Mrs. Link called the Board members attention to the adopted State budget and the impact on East Haddam. She noted that the Resident State Trooper Program cost to the town increased from 70% to 85%. Additionally, Mrs. Varricchio reported that the municipality is required to fund the program based on where the officer is on the step with the state police contract, resulting in an additional impact to the own. A \$40,000 shortfall was estimated (it was noted that we may realize savings in other areas to offset this). It was also explained that beginning with the October 1, 2015 grand list, there will be a cap on the motor vehicle mill rate. The cap will be 32 mills for the 2015 grand list and 29.36 mills for each grand list year after that. East Haddam's grand list is presently 28.68. Should the mill rate rise above the cap, it will be necessary to separate the grand list and apply two separate rates.

c. **Tax Collector's Report:**

Mrs. Dill stated that the uncollected tax from 2005, 2006 and 2007 have been cleared as a result of a recent tax sale. She stated that the outstanding taxes from 2008, 2009 and 2010 will be resolved through tax sale when the property is released from bankruptcy. Mrs. Varricchio reported that interest and penalties collected are at \$120,000. She noted that \$130,000 was budgeted.

FIRST SELECTMAN'S REPORT

a. **Shared Services Report:**

Mr. Walter reviewed the August 2015 Shared Services report. Highlights for the Board of Education included the removal of the old portables at the elementary school, fire tank repair and cleaning at the high and middle schools, carpet installation and painting. Highlights for town government included installation of a town dock and replacement of the patio at the Senior Center, Mr. Walter advised that a new roof will be placed on the River House shortly.

Mrs. Link inquired about the rules for political signs. Mr. Walter advised that they cannot be placed on town greens or on town property. He further noted that the State will remove them if they are not back far enough. Responsive to further inquiry from Mrs. Link, Mr. Walter stated that typically the town chairman are contacted when candidates need reminders.

Mrs. Varricchio reported that opening the new fiscal year July 1 with only one system was delightful. She commended Dawn Snow and the staff at the Central Office for their efforts relative to the conversion. She noted that the copiers are being replaced at the schools with a new vendor for significant savings. She also noted we are now doing emailed direct deposit notifications saving staff time and the town money by not using paper notifications and the corresponding envelope. Mr. DiCristofaro inquired why all notifications are not handled in this manner. Mr. Walter stated that it was a union issue. He added his belief new hires are direct deposit and receive the electronic notifications.

Mrs. Varricchio reported that the school district food service management contract will need to be rebid for the next school year because of an error by the State of Connecticut in interpreting USDA requirements. She also noted that an RFP will be issued for an auditor as Blum Shapiro is in the fifth year of its contract. Mrs. Varricchio added that staff was very busy with technology over the summer months. Mrs. Varricchio noted that the water tank projects came in approximately \$15,000 under budget. Mr. Walter left at this time.

FINANCE DIRECTOR'S REPORT:

a. **June 2015 Preliminary Results:**

Mrs. Varricchio reported that the 2014-2015 expenditures were \$346,000 less than budgeted. She added that revenue shortfalls were under budget by \$121,000. Mrs. Varricchio reviewed interest income, she also focused on income generated from the Purple, Cone and Ray School funds. Legal fees were reviewed as well, particularly those associated with the Dolbia Hill/Jones Hill and Shorthouse settlements.

Mrs. Varricchio reported that she will be working on the Annual Report shortly.

b. **Audit RFP:**

Addressed under the Shared Services Report.

LIAISON REPORTS

Mr. Bennett reported that the radio frequencies are operational.

Mrs. Link stated that the informational meeting held on August 27th regarding the STEAP grant and the Harris property was amazing. She stated that no one seems to remember how much information has been provided to the public. Mrs. Link reminded the Board of Finance that they unanimously moved this project forward. Mrs. Link stated that to date, \$56,000 has been expended and if the vote passes to return the grant funding, this Board will have to find a funding source to cover it, Mrs. Link added that there is also the potential for fines and fees. She added that attorney fees would be expected as well. Mrs. Link added that the Economic Development Commission will meet tomorrow night to discuss possibilities for repurposing the grant.

Mr. Dutch stated that to him it was worth it to accept over four hundred thousand dollars to improve our infrastructure even with the small cost of maintaining it. Mrs. Link stated that she is opposed to spending additional funding for a referendum. Mrs. Varricchio advised that a petition requiring referendum had been received. It was also noted that at the August 27th meeting, it was reported that the costs to rescind the STEAP grant were potentially \$150,000. Legal fees associated with such a return are unknowns at this time.

Mr. Willis stated that this is not an issue for the Finance Board. Mrs. Link stated that if the STEAP grant is voted to be returned, the Board of Finance will need to find the funding to replace what has been expended to date. Mrs. Link further added that there was a business plan in place and that the project did not go forward without one. Mr. Willis reiterated that there was nothing for the Finance Board to do at this time. Mrs. Link stated that this is a liaison report. Mr. DiCristofaro raised concern whether this could impact the town's credit and or debt issuance.

Mrs. Link added that she attended a Board of Education meeting, however, she had nothing to report.

Mrs. Link stated that she would like updates regarding the four capital projects under old business at each meeting. Mr. Walter added that the Municipal Building Committee has been appointed. He inquired of Mr. Dill if he recalled the first meeting date. With the permission of the Board Chair, Ms. Dill responded that the first meeting is scheduled for September 24th.

GUESTS AND AUDIENCE COMMENTS

Michelle Grant suggested that the STEAP grant be repurposed for a fire house. She stated that the community gardens could remain and felt that the public would not object to maintaining a fire house.

OLD BUSINESS

a. Expense Consulting Services:

Mrs. Link reported that in August the Board voted regarding the Expense Consulting Services. She stated that the vote was two in favor, one opposed and one abstention. She stated that a vote of three ayes is required to pass a vote. She requested that the vote be revalidated.

Motion was made by Mr. Dutch to revalidate the August 10, 2015 vote to approve the letter of engagement between Expense Consulting LLC and the Town of East Haddam for the purpose of analyzing and implementing cost saving initiatives and to request the Board of Selectmen schedule a Town Meeting for approval. Mr. Bennett seconded the motion.

FAVOR: Bennett, DiCristofaro, Dutch, Willis

OPPOSED: None

ABSTAINED: Link

MOTION CARRIED

Mrs. Link disclosed that she utilizes the services of Expense Consulting in her job.

Mrs. Varricchio reported that the town was not awarded a \$2,000 Neglected Cemetery Grant (approval for application was voted on by the Board at their August meeting). She stated that the grant was awarded on a first come, first serve basis and that there was a lot of interest.

Motion made by Mr. Dutch to adjourn at 8:10 p.m. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette
Recording Secretary