

TOWN OF EAST HADDAM
Regular Meeting
October 19, 2015
Grange Hall

The October 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.

Mr. Walter noted that this was Mrs. Link's last meeting on the Board of Finance, he thanked her for her eight years of dedicated service. Refreshments were brought forward.

In attendance:

Board of Finance Members:

Susan Link, Chairman
Robert Bennett
William DiCristofaro
Bruce Dutch
Raymond Willis

Others:

Mark Walter, First Selectman
Deb Denette, Town Clerk and recording secretary
Denise Dill, Tax Collector
Cindy Varricchio, Finance Director
Erik Dill
Lisa Treat-Perry
Terry Dickerson
Todd Gelston
Tracey Gionta
Linda Stuhlman
Shawn Daigle
John Matthews

APPROVAL OF AGENDA

Motion was made by Mr. DiCristofaro to approve the agenda as presented. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

CORRESPONDENCE

Mrs. Link called the Board's attention to the Board of Assessment Appeals September report. She summarized that 14 appeals were heard, and adjustments totaled \$25,290. Expenses totaled \$416.

No comments or questions were raised.

APPROVAL OF MINUTES

Motion was made by Mr. Bennett to approve the regular meeting minutes of September 14, 2015. Mr. Willis seconded the motion and it was unanimously approved. Motion carried.

CHAIRMAN'S REPORT

a. Tax Collector's Report—September:

Mrs. Link stated that it was trending well. Responsive to inquiry from Mrs. Link, Mrs. Dill responded that everything is going well. No questions were raised.

FIRST SELECTMAN'S REPORT

a. Shared Services Report:

Mr. Walter reviewed the September 2015 Shared Services report. He particularly highlighted improvements at the greens, three schools, libraries and River House roofing project. Mrs. Varricchio added that 250 tech tickets were issued and responded to in September.

Mr. Walter distributed an article from a CCM publication that highlighted East Haddam's approval with the USDA. He stated that while East Haddam was qualified for a loan of up to 40-years. We have structured our financing on a 20-year assumption. Mrs. Link emphasized that despite misinformation in the community, the Town based its financing on 20-year assumptions.

FINANCE DIRECTOR'S REPORT

a. September YTD Budget Report:

Mrs. Varricchio reported that the 2015-2016 first quarter tracked very well. She highlighted that \$126,000 has already been collected by the Tax Collector where \$130,000 was budgeted for interest and penalties. Mrs. Varricchio also reviewed a summary of legal expenses to date. Responsive to inquiry from Mrs. Link it was noted that no union contracts required negotiation at this time. Questions were asked and answered regarding risk management.

b. 2015 Fiscal Year End Review:

Mrs. Varricchio presented a draft summary of a 2015 year end review. The document reviewed historical revenue comparing actual to actual, budget to budget, capital expenditures by area, fund balance comparison and authorized and issued debt-annual debt service. The source was cited to be Audited Financial Statements. Mrs. Link stated she was pleased with the report. Mrs. Link stated that she thought this would be great to post on the web site as people do not take the time to review the minutes.

LIAISON REPORTS

Mr. Bennett reported that the Open Space Committee is looking at more property. It was reported that there is less than \$1,000,000 of the initial \$5,000,000 authorization remaining.

Mrs. Link noted that liaisons are needed to the four newly established building committees.

GUESTS AND AUDIENCE COMMENTS

Terry Dickerson, Daniel Peck Road inquired what the rate of interest is for the USDA loan. It was reported at 3.625%. It was emphasized that a grant does not need to be paid back, a loan does.

Mrs. Dickerson inquired where the Board of Education portion came from (47% State/53 Town grant match) for the school security grant. She was advised that it came from the Board of Education Capital Reserve Funds.

Mrs. Dickerson also inquired who the Town's Financial Advisor was. Mrs. Varricchio responded that it is Bill Lindsay of IBIC.

John Matthews of Creek Row inquired why we couldn't use a 40 year loan for a lower rate. He was advised by Mrs. Link that debt service was projected on \$20,000,000 for a term of 20 years. It was noted that when the financing is necessary, the most advantageous financing will be utilized, which may or may not be the USDA loan.

Todd Gelston of Bogel Road inquired about a time table on when the financing will be necessary. He further inquired where funding for expenses needed to come from now. Mrs. Varricchio advised that funding comes from the General Fund, which will be paid back upon financing of the project. She added that generally short term debt is utilized. She stated that it can cost approximately \$100,000 to issue bonds, accordingly the Town would not want to do that too often.

Mr. Gelston concurred that it was a great idea to put the charts up on the website. He inquired when that would occur. He was advised that they could be expected to appear on Wednesday morning.

OLD BUSINESS

a. Building Projects Update:

Mr. Walter stated that the Elementary School Renovation Committee will meet on Wednesday. The Municipal Office Renovation Committee has met three times. He stated that the Municipal Office committee is looking at hiring a construction attorney—an attorney from Halloran & Sage is providing a quote. Additional quotes were requested.

NEW BUSINESS

a. Special Appropriation Rescinded STEAP Grant:

Mrs. Link stated that despite being approved by the Board of Finance, the Board of Selectmen and at Town Meeting, the taxpayers unapproved a \$431,200 grant. Accordingly, \$62,132 that has been spent to date no longer has a funding source. Mrs. Link provided the Board with a potential proposal for reducing departmental budgets.

Mrs. Link felt that it was too early in the fiscal year to expend the funds from contingency. She stated that a special assessment could be imposed, or department budgets could be cut.

Mr. Dutch inquired what could be done to prevent this from happening again. He inquired if the funding that was expended happened too soon. Mrs. Link stated that the Board of Finance requires all grant applications to come before the Board of Finance prior to submittal. Mr. Dutch was hopeful that everyone could learn from the process. Mr. Walter stated that the grant could have been repurposed as long as it had a similar use, which would result in job creation. Mr. Dutch and Mrs. Link both advocated for identifying the funding source sooner rather than later.

Mr. Matthews requested the opportunity to ask a question, which Mrs. Link entertained. He inquired why they were looking at it as a receivable, Mrs. Link answered that it is because reimbursement will not come.

Mr. Willis suggested taxing all those who voted yes.

Mr. Bennett stated that the Board does not have enough information to make a decision. Mr. Willis suggested that the First Selectman make recommendations for the Board of Finance to evaluate. He concurred that it was necessary to plan where the funding would come from, but who to penalize should not come from the Board of Finance. Mr. Willis also stated that the Town must move forward and added that what is done is done.

Mr. Walter stated that he will come back to the Board with recommendations after meeting with all departments. It was suggested that this item remain on the agenda for next month.

b. Fire Department Capital Request:

The Fire Department is looking to adjust their capital plan and acquire a new tanker truck. The 2014-2015 budget planned for a \$350,000 expenditure to acquire a new tanker truck. Instead the department is able to refurbish the existing tanker at the cost of \$150,000 and as a result they would like to utilize the remaining \$200,000 to purchase a new smaller tanker. They also recommend an update to the capital plan to combine two future planned purchases into one vehicle maintaining the size of the fleet.

Mr. Shawn Daigle spoke of the benefits of the amendments, particularly due to the lack of fire hydrants throughout town to be able to bring additional water on to the site. It was noted that the funding source for the tanker truck and proposed change was from the Fire Department's Capital Reserve Fund. In addition it was recognized that the additional plan will have an approximate \$6,900 difference to the yearly set aside. A Town Meeting is required because there is a change to what was originally planned to be purchased.

It was the consensus of the Board to amend the Fire Department's Capital Plan to combine the two vehicles scheduled for 2018-2019 and 2020-2010 to one vehicle to be purchased in 2022-2023 for a total amount of \$700,000.

Motion was made by Mr. Bennett to revise the Fire Department's Capital Improvement Plan to include repurposing the \$350,000 originally budgeted for one tanker to refurbishing the existing tanker at a cost of \$150,000 and adding the purchase of a small tanker at a cost of \$200,000 to be funded through the Fire Department's Capital Reserve Fund and to recommend to the Board of Selectmen to schedule a Town Meeting for approval. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

Motion made by Mr. Dutch to adjourn at 8:20 p.m. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette
Recording Secretary