

**TOWN OF EAST HADDAM**  
**BOARD OF FINANCE**  
**Special Meeting**  
July 14, 2015  
Town Meeting Hall

**CALL TO ORDER**

The special meeting of the Board of Finance was called to order at 7:02 pm by Mr. Bennett.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

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

Others:

Mark B. Walter, First Selectman  
Cindy Varricchio, Finance Director  
Brian Reas, Superintendent of Schools  
Denise Dill, Tax Collector  
Sharon Wheeler, Recording Secretary  
Eric Dill

**CORRESPONDENCE**

**a. Board of Education Reserve Fund Request 2014:**

Ms. Link called the Board members' attention to copy of a letter in their meeting packets from Superintendent Reas, dated June 2, 2015. Finance Director Varricchio reviewed the contents of the letter, noting Superintendent Reas' request to transfer \$23,418.37 of unexpended funds from the Board of Education's 2013-2014 budget to its Capital Reserve Fund. This will be an action item on the Board's August agenda.

**b. Board of Education Remaining Funds 2015:**

Ms. Link called the Board members' attention to a copy of a letter in their meeting packets from Superintendent Reas, dated July 8, 2015. Finance Director Varricchio reviewed the contents of the letter, noting Superintendent Reas' request to transfer \$45,184.96 of unexpended funds from the Board of Education's 2014-2015 budget to its Capital Reserve Fund upon completion of the annual audit.

## **CHAIRMAN'S REPORT**

### **a. Tax Collector's Report—June:**

Ms. Link called the Board members' attention to the Tax Collector's Month End Balance Sheet report for June 2015 in their meeting packets. Tax Collector Dill advised that tax revenues, fees, and interest are .27% above last year at this time.

## **FIRST SELECTMAN'S REPORT**

First Selectman Walter reported that he expects to get the charges for the following committees approved at a Town Meeting scheduled for later in the evening:

- I. Capital Improvements Building Committee
- II. Elementary School Renovation Building Committee
- III. Municipal Office Building Committee
- IV. Town Wide Radio System Building Committee
- V. Town Street and Moodus Firehouse Renovation Building Committee

## **FINANCE DIRECTOR'S REPORT**

Finance Director Varricchio advised that she has been working on preliminary numbers for year-end as well as the financial details for the recent referendum.

## **LIAISON REPORTS**

Nothing noted.

## **GUESTS AND AUDIENCE COMMENTS**

Mr. Dill expressed his frustration that the re-scheduling of this meeting was not posted on the Town's website. There was a general discussion about the reason the posting was not made and it was noted that Ms. Denette, who generally, posts the Town's meetings on the website, is on vacation and, consequently, the posting was inadvertently missed. Ms. Link extended an apology to Mr. Dill for the lapse.

## **OLD BUSINESS**

### **a. Expense Consulting Services Follow-up:**

Finance Director Varricchio advised that expense consultants' fees are typically a percentage of the savings they identify and, therefore, it has been challenging to craft appropriate language for an RFP. She stated that she has reached out to several vendors and has received a response from one additional vendor.

Mr. Thomas recommended that Ms. Varricchio draft a document outlining her findings from her research on expense consultants for the Board members' consideration at their next meeting. The Board members agreed with Mr. Thomas' recommendation and Ms. Varricchio stated she would comply with the request.

## **NEW BUSINESS**

### **a. East Haddam Elementary School Oil Tank Replacement:**

Chairman Link asked Superintendent Reas to speak about his request for funds to replace an oil tank at the Elementary School. Mr. Reas advised that the tank in question is 30 years old and has reached the end of its useful life. He stated that the work needs to be completed by the end of August and that the State will reimburse the Board of Education 48% of the cost of the replacement.

Mr. Reas reported that the Board of Education has received quotes of \$100,000 to \$150,000 for the work. In response to a question from a Board member, Mr. Reas explained that he feels the final expense will be significantly lower, however, the quotes anticipate the possibility of ground remediation due to leaks. He noted that the tank has been regularly tested and he does not expect that there have been any leaks.

Ms. Link asked Mr. Reas why the expense of the tank replacement wasn't included in the recent budget process. Mr. Reas advised that, although the issue surfaced awhile ago, the Board of Education tabled the project because they believed it would be included in the anticipated Elementary School renovations. He stated that, unfortunately, the issue then fell through the cracks until the recent tank inspection.

In response to a question from Ms. Link, Mr. Reas confirmed that there are sufficient funds in the Board of Education's Capital Projects Reserve Fund for the expense. He and Ms. Varricchio reviewed the Board of Education's savings over the past two years.

In response to a question raised by Mr. DiCristofaro, Mr. Reas stated that the two oil tanks at the Elementary School are located in separate locations because each services a separate boiler. He advised that they had researched the possibility of locating both tanks together; however, found that it would be cost prohibitive because of the lines that would have to be run to the farther boiler. He agreed to research whether or not there would be any cost savings to replace both tanks at the same time.

### **b. East Haddam Elementary School Ceiling Tile Replacement:**

Chairman Link asked Superintendent Reas to speak about his request for funds to replace the ceiling grid and tile in the one-hundred wing of the Elementary School. Mr. Reas advised that, in anticipation of removing the portables at the school, Fuss & O'Neil was testing for existing toxic materials; they included the ceiling tiles in their tests and found asbestos. He stated that it was not required to test the ceiling tiles at this time; however, he believed the tiles would have been tested prior to beginning the roof replacement project anyhow.

Mr. Reas stated that estimates to replace the ceiling tile and grid in the hallways and classrooms of the one-hundred wing are \$100,000 to \$150,000. He noted that they had investigated cleaning the grid rather than replacing it but it was more cost effective to replace the grid. Mr. Reas stated that the State will reimburse the Town 48% of the cost of the project.

In response to a question raised by Mr. Thomas, Mr. Reas stated that the upcoming roof replacement project will not damage the new ceiling in the one-hundred wing.

Mr. Thomas expressed his frustration that no one at the Board of Education or Facilities kept track of the timing for the replacement of the oil tank. He stated that he is very disappointed that the Town continues to be surprised by such issues and expressed his concern that the good faith of the citizens is wearing thin. Mr. Thomas strongly encouraged the Board of Education to assign accountability for keeping on top of its capital projects.

In response to a question raised by Mr. Dill, Ms. Link confirmed that there are sufficient funds in the Board of Education's Capital Projects Reserve Fund for the expense.

**Motion made by Mr. DiCristofaro to approve a transfer in an amount not to exceed \$150,000 from the Board of Education Capital Reserves Fund (332-10506-25790) to Capital Projects Funds for the Board of Education for the purpose of matching state grant funds for two improvements at the East Haddam Elementary School:**

- 1) \$75,000 for the removal of asbestos-containing ceiling tile and the associated suspended ceiling tile grid from the one-hundred wing and installation of replacement tile (33250013-58926-C0080);**
- 2) \$75,000 for the decommissioning and removal of an underground fuel oil tank and the replacement of said tank and fuel lines (33250013-58926-C0081).**

**And to request that the Board of Selectmen schedule a Town Meeting for approval.**

**Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.**

Ms. Varricchio advised that the approved minutes from this meeting will have to be included in the grant applications to the State for both projects. The Board members agreed to schedule a special meeting at 6:00 p.m. on July 20, 2015 to review and approve the minutes. It was agreed that the special meeting will be held in the First Selectman's office.

### **Adjournment**

**Motion was made by Mr. Thomas to adjourn at 7:46 p.m. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.**

Respectfully submitted,

Sharon Wheeler