

TOWN OF EAST HADDAM

Board of Finance

Regular Meeting

April 10, 2017

Grange Hall

The regular meeting of the East Haddam Board of Finance was called to order at 7:00 pm by Chairman Raymond Willis at the Grange Hall. The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members
Raymond Willis, Chairman
Robert Bennett, Secretary
William DiCristofaro
Bruce Dutch
Greg Lauria
Harvey Thomas

Others in attendance:

Emmett Lyman, First Selectman
Debra Denette, Town Clerk and Recording Secretary
Denise Dill, Tax Collector
Bryan Perry, Chairman, Board of Education
Michael Gilroy, Library Director
Brian Reas, Superintendent of Schools
Ronald Turner, Director of Operations
Cindy Varricchio, Finance Director
Approximately 10 members of the public

APPROVAL OF AGENDA

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

MINUTES

Motion was made by Mr. Bennett to approve the minutes of March 13, 2017 regular meeting as written. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Bennett to approve the minutes of the March 18, 2017 Special Meeting as written. Mr. Lauria seconded the motion and it was unanimously approved. Motion carried.

CORRESPONDENCE

Chairman Willis advised that no correspondence had been received.

CHAIRMAN'S REPORT

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

The Tax Collector's report for February/March was reviewed with no comment or questions.

b. **Budget Discussion:**

Mr. Willis advised that the Board of Finance remains in limbo waiting for the impact of State budget cuts before it votes on its budget. Potential impact could be as great as \$1,800,000 if the legislation

passes the budget proposed by the Governor. This would include passing on teacher's retirement pensions to the municipalities. It is anticipated that the impact will be less than what was proposed, however, State funding will likely continue to be reduced incrementally until it reaches the threshold proposed. Discussion ensued regarding the feasibility of a special appropriation to address cuts that may materialize after the budget is finalized. Mr. Willis noted many options being discussed at the State level to increase revenues. Mrs. Varricchio clarified that \$492,000 was a reduction to capital projects in the Selectmen's budget. It was noted that this is a one-time reduction and that next year the budget would need to include a \$492,000 increase to remain status quo.

Additional discussion was held relative to the teacher's retirement system, which is believed to be only 40% funded at present time. The Governor would like to pass this expense onto municipalities.

Mr. DiCristofaro stated that next year the Town will need a 1.5% revenue increase to close the gap to make up for the reduction in capital projects this year. He stated that he would like to look for ways to make up that. He suggested that PILOT's (payment in lieu of taxes) should be negotiated (or re-negotiated) with non-profits to offset the shortfall. Particularly he noted Franklin Academy that was paying \$140,000 annually and is now tax exempt.

Mr. Thomas inquired whether it would be reasonable to hold the Board of Education at the same level of funding this year as it was at last year noting that next year funding cuts cannot be made because of the minimum budget requirement. Mr. Lyman advised that there is a bill pending in the legislature that eliminates minimum budget requirement.

Mr. Lyman noted the challenges facing small schools to keep options open and remain competitive for its students'; he noted that the costs are steadily shifting to the municipalities to fund more and more. Mr. DiCristofaro stated that East Haddam has to cut either costs or increase revenues, or some mixture of both. He stated that a 7.4% tax increase would never fly with the residents.

Mrs. Varricchio requested that any questions be forwarded to her office in advance of the May 1, 2017 meeting so that any research needed could be done ahead of time. She emphasized the tight schedule.

Mr. Willis stated that the public has raised concern with 2.5% salary increases. It was also noted that both the fund balance and the reserve accounts could be maintained at lower levels.

FIRST SELECTMAN'S REPORT

a. Shared Services Report:

Mr. Lyman reviewed the Shared Services Report. He highlighted the heating repairs that were undertaken at the Rathbun Library, spring stuff being taken care of throughout town, and an environmental study at Company #1.

FINANCE DIRECTOR'S REPORT

a. Major Capital Projects:

Mrs. Varricchio reviewed the materials presented. She highlighted that the Board of Education is expected to accept the elementary school project as complete when it meets next week. This action will allow the project to be submitted for state grant reimbursement. If all payments are approved, the project will be completed at \$92,000 under budget.

Mr. Willis inquired about the furniture for the new offices and questioned who donated it. He was advised that the donor wished to remain anonymous.

b. March YTD Budget Reports:

Mrs. Varricchio reported that the Board of Finance has yet to use any of its contingency. She also noted that the Board of Education has committed to absorb \$55,000 cut in funding. It was noted that a surplus equipment sale generated revenue, Town Clerk and Conveyance Tax Fees are ahead of predictions.

c. **2017-2018 Revised Budget Calendar:**

No changes were made to the calendar.

LIAISON REPORTS

Nothing noted.

GUESTS AND AUDIENCE COMMENTS

Denise Dill, Tax Collector stated that she was strongly opposed to a special assessment. She anticipated that there would be many very angry people resulting from a tax bill at Christmas time.

Todd Gelston inquired about the dates eluded to earlier. He was advised that May 1, 2017 at 7:00 at the Grange would be a budget workshop. (May 2nd, also if needed). May 10th would be the public hearing on the budget, and June 6th would be the referendum.

Mr. Gelston stated that it is a difficult budget year, but the Board of Finance needed to be diligent to balance revenue and spending. He encouraged taxpayer funds to be spent wisely.

OLD BUSINESS

None noted.

NEW BUSINESS

a. **Library Grant Application:**

Michael Gilroy advised that the Rathbun Library wishes to apply for a grant from the National Endowment for the Humanities to purchase and install shelving appropriate for the historical materials in library care. The grant request is for \$4,710 with no matching funds.

Motion was made by Mr. DiCristofaro to authorize the East Haddam Library system to apply for a National Endowment for Humanities Grant in the amount of \$4710 for the proper care and storage of historical library materials. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

b. **Historic Document Preservation Grant:**

Mrs. Denette requested permission to apply for the Connecticut State Library Historic Document Preservations Grant. The grant would fund preservation of historic documents from 1704 to 1743. The grant request is in the amount of \$3,850. No matching funds are needed. Mr. Willis noted that this is a frequent grant. He was advised that it is awarded annually.

Motion was made by Mr. Bennett to authorize the Town Clerk to apply for a Historic Document Preservation Grant for the preservation of historic documents dated from 1704 to 1743 in the amount of \$3,850.00. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

c. **Suspense List:**

Mrs. Dill stated that the Suspense List contains accounts deemed uncollectable by the Tax Collector. It does not mean that they cannot be collected. It removes them from the financial statement as an asset. The 2017 suspense list totals \$49,145.69 and is made up of individuals that have died, moved out of town, etc.

Motion was made by Mr. Thomas to approve the Suspense List in the amount of \$49,145.69. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

Motion made by Mr. Lauria to adjourn at 7:52 pm. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette