

**TOWN OF EAST HADDAM**  
**Board of Finance**  
Regular Meeting Minutes  
August 14, 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  
Harvey Thomas

Others in attendance:

Emmett Lyman, First Selectman  
Debra Denette, Town Clerk and Recording Secretary  
Denise Dill, Tax Collector  
Ronald Turner, Director of Operations  
Cindy Varricchio, Finance Director

**APPROVAL OF AGENDA**

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

**APPROVAL OF MINUTES**

Mr. Bennett requested that the minutes be acted upon individually rather than as a slate.

a. **Regular Meeting April 10, 2017:**

**Motion was made by Mr. Bennett to approve the minutes of the April 10, 2017 regular meeting as presented. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.**

b. **Special Meeting May 1, 2017:**

**Motion was made by Mr. Bennett to approve the minutes of the May 1, 2017 special meeting with two corrections—that Ms. Dickinson lives on Daniel Peck Road**

and not Daniels Road, and to correct 8:20 am to 8:20 pm. Mr. Bennett requested that the last name of "Trish" be included to be consistent with the rest of the minutes (on page 3 of 4). Mrs. Denette advised that she did not know her last name and as a result could not include it. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

c. **Special Meeting, May 10, 2017:**

Motion was made by Mr. Dutch to approve the minutes of the May 10, 2017 , special meeting as amended on page 3 to correct a typo from "Boar" to "Board". Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

d. **Special Meeting June 6, 2017:**

Motion was made by Mr. Bennett to approve the minutes of the June 6, 2017 special meeting. Mr. DiCristofaro seconded the motion and it was unanimously approved. Motion carried.

e. **Regular Meeting June 12, 2017:**

Motion was made by Mr. Bennett to approve the minutes of the June 12, 2017 regular meeting with the correction noted by Mr. Lauria in an email to Mrs. Varricchio—page 3, the last sentence for Mr. Wamaster's comments, replace "was" with "way". Mr. DiCristofaro seconded the motion and it was unanimously approved. Motion carried.

## **CORRESPONDENCE**

a. **Plan of Conservation and Development—Planning and Zoning:**

Louis Salicrup, on behalf of the Planning and Zoning Commission, presented two copies of the Plan of Conservation and Development and a summary. He stated that State Statute requires the plan to be updated every ten years, with input from Town Boards and Commissions. He noted the plan to conduct a town wide survey to solicit input on the direction of the town. Economic, open space and housing factors and policies were noted as areas for consideration. Mr. Salicrup inquired if Mr. Thomas had anything to add. Mr. Thomas stated that he is advocating for bench markers. He also emphasized that the goal is to have the Plan of Conservation and Development reflect the views of all. Mr. Salicrup added that a cooperative effort is needed.

The Planning and Zoning Commission would like reviews of Boards and Commissions completed within six months. Mr. DiCristofaro inquired if there were specific chapters that need particular attention. Mr. Salicrup stated that he was not here to steer. Mr.

Thomas suggested that of priority to the Board of Finance may be to maintain a tip top bond rating therefore chapters relative to economic strength may be a priority. Mrs. Varricchio inquired if the Board would like this as an agenda item until the review has been completed, the Board responded that they did.

b. **Letter from Superintendent of Schools:**

Mr. Willis directed the Board's attention to a letter from Superintendent Brian Reas, The letter advised that in January of 2017 the Board of Education committed to return \$55,469 to mitigate impact from the State of Connecticut Education Cost Sharing Grant decrease. The letter advised that \$55,469 remains unexpected for the 2016-2017 fiscal year. Mrs. Varricchio reported that this funding will be returned to the general fund rather than a transfer to the Education Reserves.

c. **Board of Assessment Appeals, Spring 2017 Final Report:**

Mr. Willis noted that the Board of Assessment Appeals has filed its final spring 2017 report. Mr. Thomas sought explanation as to why the adjustments were made. Mrs. Varricchio directed Mr. Thomas to the comments section on the first page. Mr. Thomas requested that future reports have a brief explanation following each adjustment. Mrs. Varricchio will request that from the Board of Assessment Appeals on behalf of the Board of Finance.

## **CHAIRMAN'S REPORT**

a. **Tax Collectors Report—April, May and June:**

Reports for the months of April, May and June were reviewed. Mr. Bennett commented "excellent job as always".

b. **Board of Finance Annual Report:**

Mrs. Varricchio is beginning to put the annual report together, she requested suggestions as early as possible if any formatting changes were being requested. She also solicited suggestions for the cover photo. Mr. Willis stated that he liked the statistical format, he also noted that the BOE full time vs part time number needed to be reversed.

c. **Budget Follow up Discussion and Planning:**

Mr. Thomas read the following statement.

## **"ENVIRONMENT:**

1. *On second try budget passed by less than 100 votes.*
2. *There are citizens advocating for no budget increases, no mill rate increase*
3. *It is unlikely we can anticipate the same money from the State, let alone more money. So, it is very likely we will face the same or a worse environment in the next budget cycle.*
  - *Loss of state aid*
  - *A concerned citizenry*

*I would like to suggest three things we might discuss, consider and perhaps work on.*

## **1. REVENUES:**

*Whether or not we agree or disagree about expenses, I think we can all agree we have a revenue problem, for which there is probably no silver bullet. But...*

*PILOTS—so far as I know, it has been some time since PILOT programs have been reviewed. While the BOF has discussed such a review, no review has (to my knowledge) been undertaken.*

*Town Operations—There have been citizen remarks about the transfer station charging fees, about the school district generating revenue, etc.*

*Other—And the elephant in this room is how to increase the grand list.*

## **2. MORE LONG RANGE PLANNING:**

*We have an inventory of long-range capital projects/capital expenses. But we attack on-going expenses one year at a time. It might be helpful when developing each year's budget to have an idea of what is in store in future years both capital and on-going expenses. I do not know what the planning horizon should be 2 years, 3 years 5 years. But when proposing a budget for the next fiscal year, it would be helpful to have an idea of what is likely in the out years. That way if adjustments need to be made, they can be made gradually and if the expectations for the future are rosier than that for the next year we don't have to over react to the immediate situation, plus or minus.*

*I realize that when developing a plan for the future there are unknowns and uncertainties, and that unforeseen events can radically effect the best of long-range plans. But, plans are plans, they can be modified as dictated by events and experience, and knowing the effect of current events on future expectation on the future is always useful.*

*So in short, I suggest we consider a long range plan. I come from an environment in which we had a long range financial plan which I hope made better decisions possible.*

### **3. COMMUNICATIONS:**

*We have been told that taxes are too high, that there should be no budget increase and no mill rate increase.*

*Once a budget has been sent to referendum, elected officials and town employees cannot engage in advocating that budget, which leaves an information vacuum. Moreover, by the time a budget is set, it is too late to explain how it fits into context.*

*I suggest that the Board of Finance should undertake a communications campaign, what it should include are a matter for discussion, I can only suggest a couple of things.*

*Over time the town has added or increased the level of a number of services. If we were to choose a base year and identify the additional service and their cost, citizens would better be able to decide which of these services and at what cost they choose to support them. I do not know what would be the correct base year. But, for example, recently we have added or increased the level of services for*

- Senior center*
- Police presence*
- Infrastructure*
- New roads*
- Heritage Park*
- Dog Park*
- Etc.*

*Add the level of services required from the school district and services the district has chosen to increase, these too impact taxes.*

*Individually and incrementally, the added costs may be relatively small and the benefits supported by and advocated for by taxpayers. But, what is the cost per taxpayer? If the majority want those services, then we all must be willing to pay for them.*

*But do our citizens realize how much the cost is and how it effects our taxes? It may be helpful for them to know.*

*We have heard taxes in East Haddam are too high and out of line. I suggest we investigate how East Haddam taxes compare to taxes in other towns after*

*adjustment has been made for variables. (eg latest reval date, etc.) I believe that when compared East Haddam tax burden is in the middle of the 169 towns.*

*I suggest that it would make the job of the Board of Finance easier and be of service to our taxpayers were we to communicate about the context within which we find ourselves."*

Mr. Willis noted that Mr. Thomas presented a lot to digest. He agreed, however, that there should be an action plan. Mr. DiCristofaro concurred that the Board needed to step back, internalize and have some meaningful discussion as a Board. Mr. Dutch stated that he would like to see the Libraries added for discussion. Mr. DiCristofaro stated that there is a big revenue problem. It was suggested that Board of Finance members think on it and put it as a discussion item for next month.

## **FIRST SELECTMAN'S REPORT**

### **a. Shared Services Report:**

Mr. Lyman reviewed the Shared Services Report. He highlighted the preparations being made to ready the schools. Water damage at one of the libraries was noted, as well as requests to make the buildings handicap accessible. Mr. Lyman advised that two libraries are expensive. He added that we should probably only own one library. Mr. Lyman stated that he would like to see one library constructed between the grange and old town hall. He added that he has lots of ideas. He added that continued operations and maintenance on both structures is not sustainable. Mr. Willis inquired if there was a Committee in place to address this. Mr. Lyman responded, not yet, but that it is coming.

Mr. Lyman continued that the Harris fields are being cut in anticipation of a September 15<sup>th</sup> rededication of the Memorial for Captain Comer. He noted that many community groups are involved and that Comer descendants still live here. Attendees from Mystic Seaport and the Smithsonian are expected. The Governor has been invited.

Mr. Willis questioned what benefit there was to the Town in connection with this Comer celebration. Mr. Lyman stated that 90% of the efforts are volunteer and the event puts us on the map.

Mr. Lyman continued with his report and advised that Fire Company #1 is getting ready to be bid. The audit is going well. He also noted that final inspection for the Shagbark solar array is scheduled for tomorrow. He advised that legal and related costs to the Town totaled \$33,000. Responsive to inquiry from Mr. DiCristofaro, Mr. Lyman advised that the original deal is still in place. It was noted that we have a guaranteed lock on the cost, however, because oil has dropped, current savings may be less than anticipated. It was noted that Town action guaranteed a market to make this project viable.

Mr. Lyman also noted that the cost of putting a sidewalk on the bridge was estimated at \$14,000,000. Haddam and East Haddam were initially invited to contribute the costs to make it happen. Refurbishment of the bridge has been pushed off to 2019-2020 and with 80%/20% federal/state funding. The sidewalk project was included in the proposal.

Mr. Lyman noted that Mr. Thomas brought up the Transfer Station. He stated that he has been working on an ordinance proposal and had the budget passed the first time, it would have been moving forward sooner. Mr. Lyman stated that the big question is always what to do about the haulers. Mr. Lyman stated that the Town could save an additional \$70,000 to \$80,000 if we recycled like we should.

Mr. Willis stated his concern that the Town has four full-time police officers, three part-time police officers and a resident state trooper. He suggested that the cost of the police department is \$1 million. It was clarified that the cost was not \$1 million. Mr. Willis inquired about crime in East Haddam and if it warranted the number of officers. Mr. DiCristofaro stated that the size of town creates challenges. Mr. Bennett stated that all of the officers are not always working at the same time. Mr. Lyman stated that we have a good police force. He opined as to whether or not it is larger than it needs to be, noting that that may be the case, and we need to look at it. Mr. Lyman stated that was a discussion for another time.

Lastly Mr. Lyman read letters from Dannel Malloy, Governor and Ben Barnes, Secretary of OPM. The Governor's letter addressed inequitable distribution of burden. Mr. Lyman noted that when small towns go up against big cities, the small towns always lose. Mr. Barnes letter was looking for the balance of our general fund (past and projected). Mr. Lyman stated that these documents left little question that they would be looking at those towns that have been fiscally responsible and punishing them for it.

Brief discussion followed regarding how to respond to the request for projections when it is uncertain what the funding level from the State will be. Mr. Lyman advised that in addition to the State not yet having a budget, it appears that the framework is not yet established.

## **FINANCE DIRECTOR'S REPORT**

### **a. June 30, 2017 Preliminary Report:**

Mrs. Varricchio advised that the audit is underway. She advised that there is a lot of work that goes into gathering all of the documentation for it.

Mrs. Varricchio advised that the unaudited figures indicated that expenses were \$300,000 less than budget and revenue was \$16,000 less than budget. Mrs. Varricchio noted that Tax Collector Denise Dill brought in in \$100,000 more than budgeted. She further noted

that the Treasurer instituted a nightly sweep for the general fund that brought additional interest income. Mrs. Varricchio stated that the Town Clerk exceeded revenue projections, expenses did as well noting that they are tied together. Other expenditures that exceeded budget were land use, the libraries, resident state trooper, and police. It was noted that for the police there was additional revenues that tied to their budget overage. Legal fees were reported under budget, however, the cost to negotiate labor contracts was over budget \$12,000. Mrs. Varricchio emphasized that these are draft preliminary numbers.

b. **Major Capital Projects Update:**

Mrs. Varricchio reported that overall capital did well. It was noted that the Board of Finance did not use its contingency fund. It was recommended that the Board consider transferring the unexpended \$90,000 to capital projects fund; especially in light of the state budget Mr. DiCristofaro stated that he supported that recommendation; because the 2017-2018 budget was underfunding capital projects.

**LIAISON REPORTS**

Nothing noted.

**GUESTS AND AUDIENCE COMMENTS**

Ms. Barrows asked (as she did prior to the meeting starting) about handouts so the audience could review what the Board was reviewing. Mrs. Varricchio responded that once the Board received the materials, she would be happy to provide them.

**NEW BUSINESS**

a. **Gift Acceptance for Heritage Park Lighting Project—East Haddam Lion's Club:**

**Motion was made by Mr. Thomas to accept a gift from the East Haddam Lions Club for the Town of East Haddam in the amount of \$10,000 for the Heritage Park Lighting Project 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.**

b. **Grant Acceptance—2018 Historic Document Preservation Grant:**

**Motion was made by Mr. Bennett to accept a grant from the Connecticut State Library, Office of Public Records Administrator in the amount of \$4,000 and to request that the Board of Selectmen schedule a Town Meeting for approval. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.**



## **ADJOURNMENT**

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

Respectfully submitted,  
Deb Denette