

TOWN OF EAST HADDAM
Board of Finance
Regular Meeting Minutes
October 16, 2017
Grange Hall

The regular meeting of the East Haddam Board of Finance was called to order at 7 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
Gregory Lauria
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

Motion was made by Mr. Bennett to approve the minutes of the regular meeting of September 11, 2017 as presented. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried

CORRESPONDENCE

Nothing noted.

CHAIRMAN'S REPORT

a. Tax Collectors Report—August and September:

Reports for the months of August and September were noted. Mr. Willis commented that all was in order. No other comments were raised.

b. Board of Assessment Appeals Fall 2017 Report:

The report was presented, no comments or questions were raised.

FIRST SELECTMAN'S REPORT

a. Shared Services Report:

Mr. Lyman reviewed the Shared Services Report. Of particular interest was the new shed at the Senior Center donated by the Senior Club, this freed their former shed for donation to the High School Drama Club. Public Works coordinated the installations. Mr. Lyman advised that construction is underway at Firehouse Company #2 and that the work on Firehouse Company #1 will begin soon. He added that the audit should wrap up in a couple of weeks.

b. East Haddam Ambulance Association—Proceeds to Town:

Mr. Lyman advised that the East Haddam Ambulance Association, in accordance with our agreement with them, has given \$40,000 to the Town of East Haddam. Brief discussion regarding the Agreement ensued. Mr. Bennett noted that the Ambulance Association has \$400,000 in reserves, which he believed was quite high. He added that when the Town entered into an Agreement with the Ambulance, it was because they were in financial duress. Mr. Thomas inquired if this \$40,000 payment was a one-time event, or a new trend. Mr. Lyman responded that he did not have a crystal ball. He added that their investments went well.

Mr. Thomas requested that the Finance Director make a note to put this item on the agenda in January for the Board to monitor. Mr. Lyman added that there is a 60-day notice to negotiate per the contract and that it is a function of the selectman's office. He added that he has made it very clear in discussions what the town is looking for. Mr. Thomas inquired whether the discussions were documented. Mr. Lyman responded that they were not.

c. **Vision Appraisal Update:**

Mr. Lyman noted at last month's Board of Finance meeting that Mr. Ed Currie raised concern with documentation sent regarding the revaluation. Mr. Lyman advised that he reviewed the letter that was the subject of the concern and that he agreed with Mr. Currie. Mr. Lyman stated that the tone of the letter, approved by the Assessor, was that one was obliged to comply when in truth you are not. Mr. Thomas suggested more supervision was warranted, Mr. Lyman concurred. Mr. Lyman added that per contract, the revaluation company is obligated to inspect a certain percentage of homes and if they fail to achieve that level, there is penalty. Responsive to inquiry from Mr. Thomas, Mr. Lyman advised that inspections are now complete, so a fix is moot, but a lesson was learned. Mr. Lyman noted that the revaluation company advised that no other municipality has taken issue with their form letter.

Mr. Thomas inquired who negotiates the contract and oversees it. Mrs. Varricchio responded that the Board of Assessment Appeals and the Assessor have oversight. Mr. Thomas inquired who the Assessor reports to. Mrs. Varricchio reported that the Assessor reports to the Board of Finance and the Board of Selectmen. Mr. Thomas suggested that the Assessor be invited to a future meeting of the Board of Finance.

Mr. Lyman advised that he has instituted a spending freeze for items over \$1,000. He advised that all Department Heads and Committee Chairs were notified. It was noted that the State is over 100 days without a budget and there is impact.

FINANCE DIRECTOR'S REPORT

Mrs. Varricchio reviewed correspondence from CCM regarding the latest proposal of the State budget. It would result in a cut to East Haddam of \$362,000 and having East Haddam responsible for \$200,000 plus of the teachers retirement benefit for a net impact to East Haddam of \$590,000.

a. **First Quarter 2018 Budget Report:**

Mrs. Varricchio reported that East Haddam has expended 17% of its budget 25% into the fiscal year. She noted that revenues and expenditures are tracking nicely. Mrs. Varricchio reported that the Town received \$90,000 in revenue pursuant to educational cost sharing when in prior years it was \$900,000 at this point in the fiscal year. A summary of legal expenses was provided. Mrs. Varricchio reported that the Municipal Office Building Committee is on track.

b. **2016-2017 Annual Report Approval:**

Mrs. Varricchio noted that a draft of the Annual Report was in the Board packet, she encouraged review. Mr. Bennett requested that names to be placed with the photos, where possible. Mrs. Varricchio responded that names will be included.

Motion was made by Mr. Mr. DiCristofaro to approve the 2016-2017 Annual Report subject to proofreading and additional information from the annual audit and to request the Board of Selectmen to schedule a Town Meeting for adoption. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

c. **Draft 2018-2019 Budget Calendar:**

Mrs. Varricchio noted that the first draft of the 2018-2019 budget calendar has been developed. She encouraged feedback.

Mrs. Denette advised that an item on the call for tomorrow's Town Meeting is action on a Tax Relief for the Elderly and Disabled in the Town of East Haddam Ordinance. She stated that it is her intent to entertain a motion to amend the Ordinance to address the grand list gap years of 2015 and 2016 and to replace the reference to the Internal Revenue Code of 1954 (which was repealed) with a reference to the Internal Revenue Code of 1986. No objections were raised.

LIAISON REPORTS

Mr. Lauria advised that a Board of Education ad hoc committee has been meeting regarding enrollment and feasibility. He stated that the ad hoc committee consists of parents, administrators, Board of Education members and a Board of Finance member. He noted that in depth recommendations will be provided. He stated that the next meeting is tomorrow night. He advised that lots of work has gone into it. Responsive to inquiry from Mr. Thomas, Mr. Lauria advised that he would know more after tomorrow night's meeting.

GUESTS AND AUDIENCE COMMENTS

Terry Dickinson, Daniel Peck Road, inquired whether a meeting to discuss budget follow-up discussion and planning had occurred. Mr. Willis advised that he envisioned such action to be taken up by the new Board. Mrs. Dickinson inquired if the Board of Finance was aware that the Superintendent received a 3% raise in a non-contract year, in the absence of a State budget, and with the schools looking at significant funding cuts. Mr. Willis advised that the Board of Finance does not negotiate the Superintendent's contract. He further concurred that Board of Education salaries are a big elephant in the room, however, those are issues with the

Board of Education. He added that the Board of Finance has lots of restrictions it must work under.

Charlene Riling, Main Street, stated that if the Board of Education negotiates the contracts, the Board of Finance should provide directive to them to be cognizant of the budget. Mr. Willis stated that he frequently met with the First Selectman and the chairman of the Board of Education.

Mrs. Riling stated that there are several other employee agreements or special contracts for personnel, she inquired who negotiates those. Mrs. Varricchio advised that the former First Selectman entered into them. Mrs. Riling inquired about the length of time and pay raises attributable to those agreements. Ms. Riling noted that one of the agreements was hers. Mrs. Varricchio stated that she received a 1% raise like everyone else.

Mr. Thomas encouraged meetings to be scheduled sooner than later if anything is to be accomplished prior to starting on budget review. Mrs. Varricchio noted agenda item 11c. Mr. Thomas also suggested the Board utilize the local newspaper to publicize the rules and procedures.

Denise Dill encouraged people to participate in the budget process on the Board of Education side early on.

OLD BUSINESS

a. Budget Follow-up Discussion and Planning:

It was noted that discussions outlined in the August 14, 2017 Board of Finance minutes were going to have further discussion. Brief discussion ensued relative to waiting until the election had finished, orientation of new members, holidays and then it is budget season already. The date of November 9th was selected as a special meeting with new members to begin goal setting. The items for discussion will be the Plan of Conservation and Development and the outline contained in the August 14, 2017 minutes.

Motion was made by Mr. Thomas to establish a Special Meeting for November 9, 2017 at 7:00 pm at a location to be determined. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

b. Plan of Conservation and Development:

Mr. Willis opined that the Plan of Conservation and Development did not appear controversial. Mr. Thomas suggested that the Board of Finance should look to policy items that could potentially increase the grand list and revenues.

NEW BUSINESS

a. **Gift Acceptance—Millington Schoolhouse Foundation:**

Motion was made by Mr. DiCristofaro to accept a gift in the amount of \$777.77 for the Millington School House foundation in honor and memory of Ruth May Hotyckey Ciucias 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. **Gift Acceptance—East Haddam Senior Club:**

Motion was made by Mr. Bennett to accept a gift of a new shed for the East Haddam Senior Center from the East Haddam Senior Club valued at \$5,900 and to request that the Board of Selectmen schedule a Town Meeting for approval. Mr. Lauria seconded the motion and it was unanimously approved. Motion carried.

OTHER

Mr. Thomas requested that correspondence be issued by the Board of Finance secretary to thank Mr. Willis for his service, including his efforts as Chairman, and Mr. Bennett particularly for his longevity.

Mr. Lyman presented a proclamation to both Mr. Willis and Mr. Bennett for their service. Irene Haines took pictures and noted that she believed the newspaper would be happy to have such photographs.

Motion was made by Mr. Willis to adjourn at 8:07 pm. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette