

## **TOWN OF EAST HADDAM**

### **Board of Finance**

#### **Regular Meeting Minutes**

**November 13, 2017**

**Grange Hall**

The regular meeting of the East Haddam Board of Finance as called to order at 7:00 pm by member Bruce Dutch at the Grange Hall. The Pledge of Allegiance was recited.

#### **In attendance:**

Board of Finance Members:

William DiCristofaro (elected Chairman)

Gregory Lauria (elected Secretary)

Bruce Dutch

Todd Gelston

Tracey Gionta

Harvey Thomas

Others in attendance:

Emmett Lyman, First Selectman

Debra Denette, Town Clerk and Recording Secretary

Denise Dill, Tax Collector

Cindy Varricchio, Finance Director

### **ELECTION OF OFFICERS**

**Motion was made by Mr. Dutch to nominate Mr. DiCristofaro to serve as Board of Finance Chairman. Mr. Lauria seconded the motion.**

Other nominations were called for and none were offered.

**Motion was made by Mr. Thomas to close nominations. Mr. Lauria seconded the motion and it was unanimously approved. Motion carried.**

**Mr. Dutch called for a vote on the motion for Board Chairman and it was unanimously approved. Motion carried.**

Mr. DiCristofaro called for nominations for Board of Finance Secretary.

**Motion was made by Mrs. Gionta to nominate Mr. Lauria to serve as Board of Finance Secretary. Mr. Dutch seconded the motion.**

Other nominations were called for and none were offered.

**Motion was made by Mr. Thomas to close nominations. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.**

**Mr. DiCristofaro called for a vote on the motion for Board Secretary and it was unanimously approved. Motion carried.**

Mr. DiCristofaro thanked the Board for the honor. He noted that he planned to be prudent regarding town funds. He also noted his intent to have focus on long-range planning, communications and increasing revenue.

### **APPROVAL OF AGENDA**

**Motion was made by Mr. Gelston to approve the agenda as written. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.**

### **APPROVAL OF MINUTES**

**Motion was made by Mr. Lauria to approve the minutes of the regular meeting of October 16, 2017 as presented. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.**

### **CORRESPONDENCE**

Copies of correspondence sent to prior Board members Raymond Willis and Robert Bennett in appreciation of their service was reviewed.

### **CHAIRMAN'S REPORT**

a. **Handbook for Boards of Finance for Board Members:**

Board members were provided with a copy of the Handbook.

b. **2017-2018 Budget:**

It was noted that Board members had received a copy of the budget.

c. **Board of Finance Member List and Contact Information:**

Mr. DiCristofaro circulated a Board member list asking that each member to update their information.

d. **Board of Finance Liaison Assignments:**

A brief discussion was held regarding liaison assignments. The outcome was that Mr. Gelston accepted the assignments formerly held by Mr. Bennett and Mrs. Gionta accepted the assignments formerly held by Mr. Willis (Mr. DiCristofaro and Mrs. Gionta share assignments—Village Revitalization Committee was added to their assignments).

e. **Board of Finance Rules:**

Mr. DiCristofaro noted that Board members had received a copy of Board of Finance Rules.

f. **Freedom of Information and Other Educational Workshops:**

Mr. DiCristofaro noted that Board members had received information regarding:

- A Freedom of Information Workshop being hosted by the Town Clerk at the Gelston House on Tuesday, November 14, 2017 with Thomas Hennick the State's Freedom of Information Public Education Officer.
- Connecticut Conference of Municipalities is conducting workshops for newly elected officials covering fundamentals of municipal government, FOIA, meetings, ethics and budget and fiscal management. The sessions will be held on December 8, 2017 and January 20, 2018. Board members wanting to attend were asked to let Cindy Varricchio know so that they could be registered.

It was also noted that the Connecticut Conference of Municipalities Annual Conference was scheduled for November 28 and 29, 2017.

g. **Tax Collector's Report—October:**

The October report was provided. Mrs. Dill was present to answer any questions. None were raised.

h. **Board Planning Workshop held on November 9<sup>th</sup> Follow-up:**

Mr. DiCristofaro stated that what he came away from with from the goal setting meeting held on November 9<sup>th</sup> was the need to focus on three areas—increasing revenues, long-range financial planning and communications.

Mr. DiCristofaro suggested forming a Sub-Committee for each with two members per Sub-Committee. The following assignments were made:

Increasing Revenues: Mr. DiCristofaro and Mr. Thomas

Long-Range Financial Planning: Mrs. Gionta and Mr. Lauria

Communications: Mr. Dutch and Mr. Gelston

It was noted that the Sub-Committees would be required to post Agendas and prepare minutes. Mr. DiCristofaro stated that he would like to have goals put together and have these items on the agenda each month to track progress.

## **FIRST SELECTMAN'S REPORT**

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

Mr. Lyman reviewed the Shared Services report. He highlighted that the Town Beach was closed and winterized, that the firehouse improvements are progressing nicely.

Mr. Lyman noted that the details of the recently adopted State budget are still emerging and that there are concerns with both the renters rebate and circuit breaker programs. He stated that the Town is slated to receive more funding than budgeted for, however, he anticipates harder times are coming.

Mr. Lyman reported that the Municipal Office Building is progressing. He anticipates a completion at the end of January with a move in date of mid-February. He noted that the meeting rooms will be much more elaborate than we are used to and will have the capability of live meeting feeds. Mr. Lyman noted that the project remains under budget.

Mr. Gelston inquired as to why costs were not associated with the Shared Services Report. It was noted that these expenses were already allocated and within the Shared Services budget. Responsive to further inquiry by Mr. Gelston, Mrs. Varricchio advised that detail for each item is available.

## **FINANCE DIRECTOR'S REPORT**

Mrs. Varricchio reported that the audit should be available for the December meeting. At the request of the Board, she will ask Blum Shapiro to attend the January meeting and present on its audit findings.

### **a. Overview of State of Connecticut Budget/Municipal Aid:**

Mrs. Varricchio invited Assessor Loreta Zdanys to expand upon the renters rebate and circuit breaker programs. Regarding renters rebate Mrs. Zdanys advised that low-income renters, when they meet the criteria, can apply to the State and receive rebates from between \$250 to \$700 annually. Historically, the towns coordinated the applications and the State issued the funding. The State's approved budget did not incorporate funding for the program and shifted full administration to the towns. We are awaiting a decision as to whether the town is legally obligated to fulfill the rebates. The town's financial exposure is \$12,386.20. The program benefits the most needy of our town residents—there are 27 households impacted.

The circuit breaker program is similar to the renters rebate program, however it is for homeowners. This program has been cut as well. It was anticipated in planning the budget the reduction in revenues from the state would be 50% but the approved State budget eliminates all funding. The town's liability for this program is \$34,265—there are 105 households impacted.

Both of these items were presented as informational to the Board of Finance with no action needed at this time.

In response to an inquiry from Mr. Gelston, it was noted that towns were not made responsible for any portion of the teachers pensions. It was also noted that the MBR formula has been left alone at this time.

Mrs. Varricchio reviewed the budget projections vs. State funding. At this point in time East Haddam is \$209,000 to the good, but that may change.

**b. October YTD Budget Report:**

In response to an inquiry from Mr. Thomas, Mrs. Varricchio advised that the town has received \$90,000 year-to-date for Education Cost Sharing compared to the \$900,000 for the same period in the prior fiscal year.

Mrs. Varricchio reported that 23% of the 2017-2018 budget has been expended year-to-date and 47% or \$14,500,000 in revenues have been collected year-to-date. Many expenses were noted to not be processed until the last quarter.

Mrs. Varricchio also reported that the town is doing well with regard to interest income, as result of the unexpended short-term borrowing for the major capital projects.

A breakdown of legal expenses was also provided. It was noted that a spending freeze remains in effect.

Responsive to an inquiry from the Board, the status of the town-wide radio project was briefly reviewed. Mr. Lyman advised that a meeting is planned for Saturday regarding the State Tower on Mt. Parnassus Road. He added that the plan is coming together and a new radio tower will go up at the middle school.

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

Board members received a copy of the draft budget calendar. Considerable discussion was held as to how to incorporate more public input earlier in the process. It was noted that the

Board of Education and Board of Selectmen conduct a line-by-line review earlier in the process and citizen input was encouraged at that time.

Ultimately it was determined that a Public Hearing would be held prior to the Board of Finance commencing its budget work and another one held after. Saturday meetings were deemed to work well, however one evening meeting for the benefit of having staff attend was deemed to be beneficial. Mrs. Varricchio will prepare a schedule based on availability of space.

## **LIAISON REPORTS**

Nothing noted.

## **GUESTS AND AUDIENCE COMMENTS**

Susan Link, Beebe Road, stated that she found Tri-Board meetings early in the process to set the Board of Finance expectations very beneficial.

Karin Blaschik, Ray Hill Road, stated that the Board of Education will be holding a budget forum this Thursday.

Charlene Riling, Main Street, encouraged the Tri-Board meeting and earlier kick-off meetings. She also encouraged the use of meaningful measurable data. She also noted frustrations with the recent renegotiations of contracts of administrative personnel and the Superintendent with 2.5% to 3 % raises in very difficult and uncertain financial times. She inquired who was responsible for these negotiations and encouraged a tougher stance.

Kim Barrows encouraged Agendas to be posted more timely rather than the statutory 24 hour prior. She also encouraged meetings to be held on a Tuesday night to be considerate of when staff are already out.

Chris Read encouraged long-term planning to address budget shortfalls so when the State cuts dollars from the budget, the Board of Finance is not scrambling to replace the funding.

Mr. DiCristofaro responded that the Board of Finance held a three-hour meeting this past Thursday to discuss the need to step up and internalize and long-range planning was cited as a priority. Mrs. Gionta and Mr. Lauria were appointed to a subcommittee to address it.

Debra Denette stated that she was encouraged by the tone and discussion of the last meeting. She also reviewed history how Park and Recreation programs were made self-sustaining. The Board of Finance approved "seed money" and reduced the amount each year until the goal was accomplished. She stated that regarding discussion of revenue opportunities at the Transfer

Station and the Board of Education, that the Board of Finance should determine financial expectations and establish timelines for them to be met. The Board should also hold its line on the appropriation provided to ensure compliance. Mrs. Denette also stated that the Board of Finance is at the top of the food chain when it comes to the power afforded to it. She encouraged it to exercise that power for the benefit of all East Haddam residents.

Kate O'Boyle, Main Street inquired if Thursday's meeting was recorded. She was advised that a digital recording was made and that minutes were taken. Ms. O'Boyle noted that there is a big job ahead. She encouraged transparency to help restore the faith.

Charlene Riling, Main Street, encouraged methodologies for people to be more operational. She inquired if work was categorized, she encouraged the case to be made for expenses as to whether it is a need or a want. She noted it is difficult and there is a lot of work to do but she stated that the town is not a money tree, and it is not just the leaves that are falling off, the tree is falling over. By way of example, she suggested a breakdown of Shared Services, how much is for Education and how much is for town services, what percentage of time by what staff, etc.

## **OLD BUSINESS:**

### **a. Plan of Conservation and Development:**

Mr. Thomas stated that the Plan of Conservation and Development is a ten-year planning tool on the direction of the Town. Planning and Zoning has asked for input on the financial piece from the Board of Finance. Mr. DiCristofaro requested each member to review it and see if anything pop out. Planning and Zoning member Louis Salicrup will be invited back again to address the request for new Board of Finance members.

## **NEW BUSINESS**

### **a. 2018 Meeting Schedule:**

The draft 2018 meeting schedule was reviewed. It was noted that the October and November meetings were the third Monday due to Columbus Day and Veteran's Day respectively. The Board was asked if they would like to move the September meeting to the third Monday as well due to Rosh Hashanah. The consensus was yes. The calendar will be updated with an anticipated vote at the December meeting.

### **b. Grant Application Authorization—Board of Education Title IV:**

Mrs. Gionta requested that the form be updated to identify the source of funds for grants. It was noted that there are no matching funds required. It was further noted that the application is contingent upon the Board of Education moving the grant forward at their

meeting on November 14, 2017.

**Motion was made by Mrs. Gionta to authorize the Board of Education to apply for a Title IV grant in the amount of \$10,000, said authorization contingency upon the Board of Education approving the application as well. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.**

## **OTHER**

Mr. Dutch inquired when the cost impact of the Libraries would be fully discussed. Mr. Lyman stated that the Town does not own the East Haddam Free Public Library building at this time. He stated that when it does, he would like to move forward with cost saving measures. He stated that it is a major part of the future. Responsive to inquiry from Mr. DiCristofaro, Mr. Thomas stated that he has not been invited or involved with ownership issues or cost savings dialogues. Mr. Dutch noted that it will be a rough road, but we will get through it

Mr. Thomas noted that an issue from the past was regarding the Revaluation inspections, he stated that we were to have discussions with the Assessor regarding it. He noted that she was here earlier, but had departed. He stated that he would like her to be invited back for discussion on how the appraiser is selected, monitored, supervised, etc.

**Motion was made by Mr. Dutch to adjourn at 8:55 pm. Mr. Lauria seconded the motion the motion and it was unanimously approved. Motion carried.**

Respectfully submitted,

Deb Denette  
Recording Secretary