

TOWN OF EAST HADDAM
Board of Finance
Regular Meeting Minutes
December 11, 2017

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

In attendance:

Board of Finance Members
William DiCristofaro, Chairman
Gregory Lauria, 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
Ronald Turner, Director of Operations
Cindy Varricchio, Finance Director

APPROVAL OF AGENDA

Motion was made by Mr. Lauria to approve the agenda as recommended by Mr. DiCristofaro to move the Plan and Conservation Development discussion (Old Business, Item a) to after Approval of the Minutes to accommodate Mr. Salicrup. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

APPROVAL OF MINUTES

Motion was made by Mrs. Gionta to approve the minutes of the special meeting of November 9, 2017 as amended by Mr. Lauria (on page two mid page, remove the words "non-taxpaying" users regarding emergency services). Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Thomas to approve the minutes of the regular meeting of November 13, 2017 as presented. Mr. Lauria seconded the motion and it was unanimously approved. Motion carried.

OLD BUSINESS

a. Plan of Conservation and Development:

Mr. Salicrup thanked the Board of Finance for entertaining him again. He noted that he visited the Board last August soliciting input on the 2007 Plan that is due to be updated (statutory requirement). He noted that since that time, the town has lost revenue from the State and noted that \$25,000 to \$30,000 additional is needed to move the project forward with the assistance of a consultant. Mr. Salicrup noted that an RFP was issued, interviews were conducted and the field narrowed to one. The narrowed focus for the consultant is the village area, particularly in light of the \$55,000,000 bridge renovation and sidewalk proposal. It was noted that the consultant's fees for a full scope project would be \$50,000 to \$50,000.

Mr. Salicrup suggested that the Board of Finance meet with the Economic Development Commission when it drafts its piece. Mr. DiCristofaro inquired when the Board must have its response submitted by. After a brief discussion it was determined that, this will be an action item for February as a tri-board meeting for the budget kick-off is scheduled in January. It was noted that the Planning and Zoning Commission has requested an extension with the State, however it is not known if it will be granted.

Mr. Salicrup stated that the Chairman of Planning and Zoning wishes a full-blow town wide survey be conducted as part of the Plan. It is not believed that the current \$25,000 budgeted is adequate to accomplish that. Mr. Thomas noted that the Planning and Zoning Commission did the work without a consultant for the 2007 Plan.

Mr. DiCristofaro inquired where the \$25,000 to \$30,000 figure was derived from. Mr. Salicrup responded that it was based on an RFP. It was further noted that funding would be requested during the 2018-2019 budget process.

Mr. Gelston inquired about the process to adopt the revisions once drafted. Mr. Salicrup responded that many opportunities for public input would occur and that legislative body action would be required and public hearings would be held.

Mr. Salicrup was thanked for his time.

CORRESPONDENCE

Nothing noted.

CHAIRMAN'S REPORT

a. Preliminary Revaluation Update—Assessor:

Assessor Loreta Zdanys advised that the old to new property valuation went up slightly. Those with larger increases typically had improvements done. The Grand List had a (preliminary) real estate increase of 2%. She stated that there is a heavy schedule in comparison to the last revaluation. Mr. Thomas inquired how the increases compared commercial to residential. Ms. Zdanys responded that

she has not gotten that breakdown yet. She stated that she was pleased with a 2% growth especially in light of having lost Franklin Academy from the tax rolls. Mr. Dutch inquired if Ms. Zdanys was pleased with the company's work. She responded affirmatively and added that the people out in the field knew what they were doing.

b. Board of Finance Liaison Assignments:

Mr. DiCristofaro advised that he has a new email address and requested that all Board of Finance business be channeled through it (the email address is included on the liaison list).

The liaison assignments were presented. Mrs. Varricchio will distribute to town staff, Boards and Commissions.

c. Board of Finance Rules:

See Chairman's Report, item (e) Board Sub-Committee Reports—Communications.

d. Tax Collector's Report—November:

Responsive to an inquiry from Mrs. Gionta regarding abbreviations on the Tax Collector's Report, Mrs. Dill advised that RE is real estate, PP is personal property, MV is motor vehicle and MVS is motor vehicle supplemental.

Mr. DiCristofaro stated that the collections rates remain very impressive. Mrs. Dill stated that collections are tracking normal. Mr. Gelston noted trend disparity for July over prior years; Mrs. Dill noted that it was because of late billing due to a failed budget.

e. Board Sub-Committee Reports:

i Communications—Bruce Dutch/Todd Gelston:

Mr. Gelston noted that a meeting of the Sub-Committee was held on December 7th. He noted that ten communication kernels were identified. Of particular note were:

- Goals to increase public participation
- Keep communication simple and timely
- Use all conduits available
- Have one official source
- Inform and education
- Discuss day-to-day operations as well as the big issues
- Communicate periodically through East Haddam News and the East Haddam Events Magazine
- Two public comment opportunities were suggested and it was noted that communication should occur with words and actions.
- Roadside signs and posters were recommended to inform of meetings and events
- Improvements to the website

Mr. DiCristofaro noted that funding for website upgrades is in the budget. He also stated that he would like to hear success stories as well. Mr. Thomas commented positively regarding the first meeting. Mr. DiCristofaro stated that responsive to feedback from last month's meeting, the Boards of Selectmen and Education have agreed to meet with the goal of gaining as much public input upfront as possible. He stated that the date of January 8, 2018 (the regularly scheduled Board of Finance meeting date) has been selected for this tri-board meeting. A location has yet to be determined.

Mr. DiCristofaro sought suggestions as to where to place a second public comment on the agenda.

Mr. DiCristofaro concurred that there needed to be a question and answer strategy, however, he would like to address one issue at a time. The first was where on the agenda should the additional public comment opportunity occur. After brief discussion, it was determined to place it after acceptance of the agenda.

Motion was made by Mr. Gelston to add two Guests and Audience Comments agenda items, one following Approval of Agenda and the other following new business. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

Strategies for answering questions without getting into open debate were discussed. Mr. Lyman stated that the table at the Board of Selectmen is situated to facilitate a working meeting between the Board not as a panel for the public. Mrs. Gionta emphasized that it is a meeting in public and not a public meeting. Mr. Thomas noted that there are two types of questions, some of which require research, and those should not be answered until they can be answered thoughtfully. It was also noted that meetings had lost control and that members were afraid to talk. It was ultimately determined that answers to questions raised at prior meetings would be addressed under the Chairman's Report the following meeting, the question asker should receive a response and the website could have a location for question and answer. Mr. Dutch stated that failure to pass the budget last time was not as much about the money as the citizens felt that they were not listed to. Mr. DiCristofaro suggested that he massage language in the Board of Finance Rules to include this question and answer protocol and bring back for a vote at the next meeting.

ii Increasing Revenues—William DiCristofaro/Harvey Thomas:

Mr. DiCristofaro stated that this Sub-Committee has not met yet, but will be focusing on three key areas—Libraries, Transfer Station and PILOT (Payment In Lieu of Taxes).

Libraries:

Mr. Lyman stated that the Town owns the Rathbun Library, however, the East Haddam Free Public Library (EHFPL) is owned by the Reading Room Association. The Town owns the contents. It has been the intent to remedy the ownership of the building, the Town has done as much as it can, and is awaiting action by the Reading Room Association. Of further issue is utilization of

endowment funds, the Rathbun (working through its trustee, Bank of America) utilizes a formula that 3.5% annually goes to the Town allowing the endowment to continue in perpetuity. EHFPL is resistant to act similarly and wants to commit to a flat fee allowing the fund to continue to grow.

Mr. Lyman stated that both buildings are very old and the mechanicals of each are awful. Over the summer air conditioning failed at the EHFPL, they wanted \$20,000 to replace it. The town fixed it for \$1,200. Mr. Lyman stated he cannot justify spending funds on a building we do not own. He stated that the Reading Room Association needs to petition the Probate Court to enable the building to be turned over to the town, at this point it cannot agree to engage an attorney.

Mr. Lyman stated that this year's Library System budget contains \$364,000 in operating, \$264,000 in capital items (requested) for a total of \$628,000 minus \$60,000 received from the endowments. These figures do not include making the buildings ADA compliant. Mr. Lyman stated his opinion that there should be one library, on one floor. Responsive to inquiry from Mrs. Gionta, it was noted that the Reading Room Association and the Elected Library Trustees are different entities. The elected Trustees manage the Library System, not the endowment funds of the EHFPL.

Mr. Lyman stated in order to petition the Attorney General to move to one library, we need to own both buildings. Mr. Thomas inquired why we would want to take the building. Mr. Lyman stated that storage and space of the contents would be an issue. He stated his belief that neither building are suitable.

Mr. Gelston noted that it does not sound like people are working together. Mr. Dutch stated that he would rather not own the building until there is a new long-range plan. He stated that it is a very expensive warehouse.

Transfer Station:

Mr. Lyman stated that the operating cost for the transfer station for 2017-2018 is \$600,332. He stated there is also \$10,000 for capital improvements. He stated that the town collects 4,000 ton of trash each year. He stated that there is the potential for \$70,000 savings if the townspeople would recycle more. He suggested better education was needed. Mr. Lyman stated that he is putting together a Committee; he reviewed the charge and the composition. He also noted an ordinance is being drafted by Randy Dill to include fines for littering. The appeal process would be able to be utilized for other infractions as well.

Mr. Lyman stated that there must be three people on staff for safety reasons. He also noted the concept of a bag system that you would charge to fill, thus encouraging recycling.

Mr. DiCristofaro encouraged a process that generated a revenue stream. Mr. Lyman continued on the need to educate more for recyclables. It was also noted that any sticker system would need to be monitored. Mr. DiCristofaro emphasized the need to generate revenues to offset expenses.

Mr. Lauria inquired if the Transfer Station could operate with two employees and bring in someone from Public Works to cover when needed. Mr. Lyman noted that it is complicated and very expensive to do because of different unions. Mr. Lyman added that three employees remain busy. Mrs. Gionta stated that the Committee will have its work cut out.

PILOT:

Mr. Thomas drafted a list of questions that will be the foundation for the agenda for this subcommittee. A date has not been determined.

iii Long-Range Planning—Tracey Gionta/Gregory Lauria:

Mr. Lauria noted that the Board of Education conducted an enrollment analysis. There was a high of 1,400 students in 2007-2008. Today's enrollment is 1,043. The enrollment is projected to be 962 in 2027. A significant drop is expected in the next few years.

Mr. Thomas noted that the public was asking for facilities to be looked at during last year's budget process.

iv Financial Policies:

Mr. DiCristofaro and Mr. Thomas will work on this and the PILOT program together for efficiency.

f. 2018-2019 Budget Calendar:

Mr. DiCristofaro stated that he wanted the calendar to allow opportunity for public input at the front end of the budget process. Accordingly, a Tri-Board Meeting was scheduled for January 8th and a Public Forum for Saturday, March 10th. Mrs. Varricchio will post key dates on the town's website. A venue for January 8 has not yet been selected.

It was noted that in September, October and November that the third Monday, rather than the second Monday, are the regular meeting dates because of holidays.

Motion was made by Mr. Thomas to accept the annual schedule of meetings as presented. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

FIRST SELECTMAN'S REPORT

a. Shared Services Report:

First Selectman Lyman reported that the Firehouse Company #2 is expected to be completed by Christmas and the Municipal Office Complex is expected to be ready for occupancy President's Day Week. Both projects were reported to be on budget.

Mrs. Gionta inquired about the leaking roof at the elementary school. She was advised it was in the "old section" and not the new roof.

FINANCE DIRECTOR'S REPORT

Mrs. Varricchio presented the audited financial statements. She noted that in the management letter the auditors have made two recommendations. One is that the general fund reconciliation process needs to be completed more timely. Mrs. Varricchio stated that the town has discontinued the sweep accounts process inasmuch as that was more time consuming than it was worth in an effort to generate more income and that impacted the timeliness of reconciliation. The second item was year-end journal entries. She stated that they have been done the same way for nine years, but the auditors have recommended a different protocol in the future. Mrs. Varricchio stated that she strives for the audit to be perfect and these were two minor notations that will not occur again.

It was noted that the auditors will be attending the February Board meeting.

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

Mrs. Varricchio reported that the State has implemented grant holdbacks. She noted that here is impact to the town of \$92,000 less than budgeted. The financial obligations of Circuit Breaker (100%) and Renters Rebate (10%) have been transferred to the towns. Education Cost Sharing has been reduced. It was noted that we could anticipate further cuts next year.

b. November YTD Budget Report:

Mrs. Varricchio reported that investment income is the best it has been in ten years because of borrowed funds sitting in the bank for capital projects. She stated that this is the first time since 2007 we have exceeded budget in that area.

She advised that we are tracking Education Cost Sharing very carefully.

Mrs. Varricchio reported that the general fund has increased \$40,000 at the close of the 2017 fiscal year.

Mr. Lauria inquired when the elementary school renovations could be closed in the books. Mrs. Varricchio stated that she is working on it and that the State is not fully staffed and they are behind.

Mr. Thomas expressed condolences to Mrs. Gionta on the loss of her father on behalf of the Board.

LIAISON REPORTS

Nothing noted.

GUESTS AND AUDIENCE COMMENTS

Randall Dill expressed appreciation for the report on communication. He stated that the reason the budget did not pass the first time around last spring was likely due to communication. He encouraged the Board to respond to public input ideas, whether they agree or not, there should be discussion.

Rob Smith agreed that signboards are a great idea for getting a message out. He noted that the Conservation Commission recently purchased four that could be used.

Erik Dill suggested the open position in the Building Department not be filled. He noted that it might be a challenge until we are in the new building, but it may prove unnecessary once we are there.

Mr. Dill also questioned if it was on the radar to wean from State funding all together. Responsive to inquiry from the Board, Mr. Dill suggested including ECS.

Vincent Garofalo stated that he is the part time building official; he is averaging between 20 and 24 hours per week. He emphasized the need for consistency in the department and the need for full coverage as the building official is only part time. He noted that the department continues to be very busy and noted the following income received from building permits:

2014-2015	\$97,000
2015-2016	\$84,200
2016-2017	\$131,267
2017-2018	\$46,136 year to date

Mr. Garofalo stated that he missed the Board of Selectmen meeting where audience members advised that they do not want the position filled. He noted that the position is proposed as a 30-hour position rather than 35 resulting in a \$5,803 annual savings. Additionally, he is part time and does not take the town's insurance, resulting in over \$32,000 savings over previous years. He also suggested that permit fees should be raised. He stated that fees are set at \$90.00 a square foot and should be based on \$128.00 a square foot. Mr. Garofalo noted other duties of the position included counter assistance, balancing receipts, scanning, approval letters, and property records. He concurred that the new location will help with efficiencies; however, he stated that it would not eliminate the need.

Erik Dill stated that he would also encourage the elimination of the Chatham Health District
Vincent Garofalo stated that the Municipal Office Complex will have an entire basement empty that could be used for storing books. He added that is his opinion as a taxpayer and not as building official.

OLD BUSINESS

b. 2018 Meeting Schedule:

See Chairman's Report item (f) 2018-2019 Budget Calendar.

NEW BUSINESS

Nothing noted.

OTHER

Mr. Gelston encouraged a bigger, skirted table. Mr. Lyman noted that the new offices would address the issues noted.

Motion was made by Mr. Dutch to adjourn at 9:20 pm. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette, Recording Secretary