

TOWN OF EAST HADDAM
Board of Finance
Regular Meeting Minutes
May 14, 2018
Meeting Rooms 1
Municipal Office Complex

The regular meeting of the Board of Finance was called to order by Mr. DiCristofaro at 7:09 pm. The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members

William DiCristofaro, Chairman
Bruce Dutch
Todd Gelston
Tracey Gionta
Harvey Thomas

Others

Deb Denette, Town Clerk and Recording Secretary
Denise Dill, Tax Collector
Robert Smith, Selectman
Cindy Varricchio, Finance Director

Two citizens were in the audience.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES

a. **Regular Meeting, March 12, 2018:**

Motion was made by Mr. Gelston to approve the minutes of the March 12, 2018 regular meeting. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

b. **Special Meeting, March 17, 2018 Special Meeting.**

Motion was made by Mrs. Gionta motioned to approve the minutes of the March 17, 2018 special meeting. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

c. **Special Meeting, March 20, 2018:**

Motion was made by Mr. Gelston to approve the minutes of the March 20, 2018 special meeting, with one amendment—to reflect that Mr. Dutch and not Mr. Gelston made the comment relative to equipment lasting longer under cover in the first paragraph on page 4. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

d. **Special Meeting, March 24, 2018:**

Motion was made by Mr. Gelston to approve the minutes of the March 24, 2018 special meeting as presented. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

e. **Special Meeting, March 27, 2018:**

Motion was made by Mr. Thomas to approve the minutes of the March 27, 2018 special meeting as presented. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

f. **Public Hearing and Special Meeting, April 10, 2018:**

Motion was made by Mr. Thomas motioned to approve the minutes of the April 10, 2018 Public Hearing and special meeting as presented. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

GUESTS AND AUDIENCE COMMENTS:

Terry Dickinson, Daniel Peck Road, inquired whether sweeps were still occurring and if not, why not. She advised that she asked this question previously, and it was only partially answered. Mrs. Varricchio advised that the practice has been discontinued as it is cumbersome to reconcile the accounts and the minimal interest received did not justify the time.

Mrs. Dickinson also inquired about the Municipal Office Building not being ADA compliant and whether or not the costs associated with that would be absorbed by the town or passed on to the contractors. Mr. DiCristofaro advised that he has only just learned of this situation, he further noted that the building committee is still meeting and he stated that such issues belong there. If funding is required, the Committee will advise the Board of Finance.

Mrs. Dickinson also noted that there have been lots of expenditures going out to Columbia Ford for diesel repair. She noted that those repairs are supposed to occur in house. Mr. DiCristofaro stated that such inquiry will require a prepared response, and be given at the next meeting.

CORRESPONDENCE

None noted.

CHAIRMAN'S REPORT

a. **Tax Collector's Report—March and April:**

Mr. DiCristofaro noted that the March and April Tax Collector's reports were provided to Board members. He requested Mrs. Dill to speak to any items of interest. Mrs. Dill stated that collections are just over 98% and tracking slightly above last year. Mr. Gelston inquired about what comprised the 2015 real estate as it remains a big number. Mrs. Dill noted that the figure is actually below trends. It was also noted that unpaid taxes generate significant interest income. Further discussion was held relative to the Suspense List, which is on the agenda under new business. It was suggested that publication of the names might encourage payment. Mr. Thomas suggested a May report breaking down what remains uncollected on the 2015 real estate report. Mrs. Dill stated that she will provide past year's as well, documenting that the remaining collectables are nothing out of the ordinary.

b. **June Regular Meeting:**

Mr. DiCristofaro stated that he has already heard from several members with conflicts for the June 11, 2018 meeting. Mr. DiCristofaro suggested cancelling the June meeting; the Board concurred. If something urgent comes up, a special meeting could be called.

c. **Board Subcommittee Reports:**

i. **Communications:** Mr. Gelston noted the plan to publish articles later in the summer on the following suggested topics:

- Importance of fund balance
- Funding for major capital projects
- Management of endowment funds
- Unfunded mandates

He noted that each article will be held to under 400 words.

ii. **Increase Revenues:** Mr. Thomas and Mr. DiCristofaro have developed a laundry list of items to look at in hopes of raising revenues. Mr. DiCristofaro advised that for 2018-2019 the only item that will likely see impact is the Transfer Station. He added, however, that progress will continue in advance of the next budget season.

iii. **Long-Range Planning:** Mrs. Gionta noted that this Committee needs to conduct a meeting with Mr. Turner and Mr. Lyman. She stated that it needs to essentially start the major project process over again and identify what is next now that three of the four major projects have been completed. It was noted that the libraries definitely need review.

iv. **Financial Policies:** Mr. DiCristofaro stated that there are many policies that have been completed. He noted that they are up for discussion and action under new business.

FIRST SELECTMAN'S REPORT

a. Shared Services Report:

Mr. Lyman was not available. Mrs. Varricchio highlighted the financial portion of the Shared Services Report. Mr. Gelston requested that the expenses associated with the work identified on the shared services report be included. He was advised by Mr. DiCristofaro that these items are all budgeted items and can be found in the budget detail.

FINANCE DIRECTOR'S REPORT

Mr. DiCristofaro and Mrs. Varricchio reviewed a slide that identified history over the past two years with the State of Connecticut and grant funds received. She noted that for FY 2017-2018 the Town anticipated significant funding cuts, and budgeted accordingly. It actually ended the year with \$209,000 more revenue than budgeted from the State of Connecticut. In 2018-2019 it appears as though the Town will receive \$103,000 less aid than budgeted, making for a net gain of approximately \$100,000. Mrs. Varricchio noted that the Town managed through the State crisis very well. Various suggestions as to why the additional funding was received were explored.

a. March and April YTD Budget Report:

Mrs. Varricchio reported that to date, the Town has received 96% of the revenue it anticipated and has expensed 76% of the approved budget. She added that many items are not expensed until the final quarter. Mrs. Varricchio reviewed many of the line items, including snow removal which remained under budget.

Responsive to inquiry from Mrs. Gionta regarding the capital budget, Mrs. Varricchio reviewed project line items. Highlights included the Plan of Conservation and Development, Codification and Revaluation which were identified as multi-year expenditures.

Responsive to inquiry from Mr. Gelston regarding how a vendor is chosen, Mrs. Varricchio advised that the town has a purchasing ordinance that allows for up to \$15,000 to be utilized without a bid process, and that if a vendor is on the State bid list, an item does not have to be sent out to bid. Mr. Gelston inquired whether a backhoe or excavator was being purchased. Mrs. Lunt will be consulted.

Discussion continued with a review of legal expenses. It was noted that the town has five different labor unions.

LIAISON REPORTS

Nothing noted.

OLD BUSINESS

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

Mr. DiCristofaro noted that the Board of Finance Chapter of the Plan of Conservation and Development was distributed again. He requested that any suggested edits be sent to him or Mrs. Varricchio. He noted that the item will be on the agenda for adoption at the July meeting. It was also noted that a survey will be undertaken as part of the process. Mrs. Varricchio advised that she would distribute it when it becomes available.

b. **Financial Policies:**

Mr. DiCristofaro reviewed the fund structure: General Fund, Capital Reserve, Capital Projects, Special Revenue, Permanent, Fiduciary and Other.

A matrix depicting fund structure identified above, that included purpose, source of revenue, general fund support, eligible expenditures, fund administration, fund balance thresholds, or deficit protocol, financial reporting requirements, date of approval/revision

Questions were asked and answers regarding payroll, disc golf and forestry management. Mr. Gelston requested that the Conservation Commission be included in the description of the forestry management fund. There was no objection. Mr. Gelston commended the Policy subcommittee for its excellent work.

Motion was made by Mr. Thomas to approve the Board of Finance Fund Policies as recommended by the Finance Subcommittee dated May 14, 2018. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

NEW BUSINESS

a. **Appointment of Auditor:**

The Board of Finance is required to appoint an auditor each year and notify OPM of the selection. The contract provides for option to renew two additional times at the end of the third year (this appointment is the third year of the initial contract). Mr. Gelston stated that he would like the audit to be put out to bid for next year.

Motion was made by Mrs. Gionta to appoint Blum Shapiro & Company PC as the Town of East Haddam Auditor for the period July 1, 2017 to June 30, 2018. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

b. **Tax Suspense List:**

Each year the Board of Finance is required to vote on the Tax Suspense List. The suspense list is accounts deemed uncollectable by the Tax Collector. It does not mean that they cannot be collected, it removes them from the financial statements as an asset.

Motion was made by Mr. Thomas to approve the Suspense List in the amount of \$55,994.94. Mr. Dutch seconded the motion.

Discussion: Responsive to inquiry, Mrs. Dill noted that main reasons a tax goes on the Suspense List for motor vehicle are generally death and a move out of state. This year there are two court ordered actions for real estate.

Unanimously approved. Motion carried.

c. **Crisis and Strategic Communications Plans Services:**

Mr. DiCristofaro presented a summary of a proposal from Sullivan & LeShane regarding creation of a crisis communications plan as well as a year-long strategic communications plan for the Town of East Haddam. Lengthy discussion ensued. It was emphasized that plans are in place for addressing crisis situations, but not for communicating such situations to the stakeholders. Mr. DiCristofaro stated that this would be a first step in the Board of Finances commitment regarding security issues raised by the Board of Education for the Town. Mr. Thomas summarized that this will address two levels of communication; internal and external. It was also noted that a tabletop crisis simulation exercise will be part of the process. Mr. DiCristofaro suggested funding the initiative from the Board of Finance contingency fund.

Motion by Mr. Gelston to transfer \$14,000 from the Board of Finance Contingency to Board of Finance Purchased Professional Services budget lines for the purpose of contracting professional services for a crisis communications plan and year-long strategic communications plan. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

d. **Conservation Commission Grant Application:**

The Eightmile Wild and Scenic Committee would like to apply for a grant on behalf of the Conservation Commission for an ADA accessible path on the Goodwin trail on the Pattrell Preserve. There are no matching grant funds, but are in-kind services that would be provided by Public Works.

Mr. Gelston inquired if it was necessary to recuse himself as he is a member of the conservation commission. Mrs. Denette advised that if he is not enriched more than any other citizen of the town by virtue of said action, he can participate.

Rob Smith advised that the Conservation Commission applied to the State of Connecticut, DEEP for a similar grant in the past, but the grant was not awarded. This is a second try at a different (federal) funding source. Engineering services have already occurred.

Motion by Mr. Thomas to authorize the Conservation Commission to participate in a grant application with the Eightmile Wild and Scenic Committee from the National Park Service. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

GUESTS AND AUDIENCE COMMENT

Mr. Smith advised that a survey in association with the Plan of Conservation and Development is already on line. Mrs. Varricchio advised that she would provide the link to board members.

Mrs. Denette advised that several Town Clerk statutorily set fees were increased by the legislature at the end of its session. She further advised that these were not built into the budget. She noted that it will not amount to a huge increase in revenue, but it will definitely help. She also noted that the Governor signature is required to enact the new fees into law.

OTHER

Mr. Dutch inquired when the Board would respond to Mrs. Dickinson regarding mechanics repairs. He advised that she has addressed that topic at three separate meetings. It was recognized that the Board needs to do a better job discerning what is a question and what is a comment. Mr. Dutch added that he thought the question was answered by the Public Works Director the first time it was asked, however, it continues to be raised and needs to be put to bed. It was reiterated that the concerns regarding ADA compliances are not appropriate for the Board of Finance.

Mr. Gelston noted upcoming labor negotiations and inquired how the Board of Finance could participate. He was advised that the liaison is generally informed of meetings. It was further noted that labor negotiations are not the responsibility of the Board of Finance. Mr. DiCristofaro clarified that the Board of Finance does not become involved in day to day operations. Mr. Gelston believed the Board of Finance should have influence over the percentage of increases being negotiated. He was noted that the Board of Finance sets a dollar amount, so the end user may have difficult decisions to make if raises cut into programming. Costs associated with binding arbitration were reviewed and it was noted that avoiding said costs gives an upper hand to the bargaining unit.

Motion was made by Mr. Dutch to adjourn at 9:10 pm. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Debra H. Denette