

TOWN OF EAST HADDAM

Board of Finance

Regular Meeting Minutes

September 17, 2018

Meeting Rooms 1 & 2

Municipal Office Complex

Mr. DiCristofaro called the regular meeting of the Board of Finance to order at 7:05 pm. The Pledge of Allegiance was recited and recording devices started.

In attendance:

Board of Finance Members

William DiCristofaro, Chairman

Bruce Dutch

Todd Gelston

Tracey Gionta

Harvey Thomas

Others

Emmett Lyman, First Selectman

Deb Denette, Town Clerk and Recording Secretary

Beth Lunt, Public Works Director

Cindy Varricchio, Finance Director

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES

Minutes of August 13, 2018 Regular Meeting

Motion was made by Mr. Dutch to approve the minutes of the August 13, 2018 regular meeting as amended by Mr. Gelston to replace the word "movie" with "documentary" on page two. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

GUESTS AND AUDIENCE COMMENTS

Ms. Terry Dickinson noted that questions and answers are to be provided in the minutes. She noted frustration that the minutes on the website are quite a bit behind. Mrs. Varricchio responded that Ms. Zemienieski uploaded the minutes last week. Mrs. Denette stated that the minutes should come through her.

CORRESPONDENCE

An invitation was received from the Board of Education to attend a meeting on potential capital improvement projects. Said meeting will also review enrollment projections. Mr. Gelston stated that he would like to see strategies tied with potential capital improvement plans.

CHAIRMAN'S REPORT

a. Tax Collector's Report—July and August:

Mrs. Varricchio reported that July and August reports were presented. Mrs. Varricchio advised that the Tax Collector has hired a collection agency for suspense collection. She noted that the budgeted \$2,900 revenue line item has already collected \$6,900. Mr. Thomas questioned whether fees were assessed on the monies collected. Mrs. Varricchio stated that she believed the fees are paid by the delinquent taxpayer, however, she will verify with Mrs. Dill.

b. Board of Finance Annual Report Submission:

The Board was provided with a copy of the prior year Board of Finance Annual Report. It was suggested that the Board of Finance highlight its accomplishments, particularly with the work of the subcommittees, in the 2017-2018 report. Edits should be submitted by September 24th. Mr. Thomas received assurance that staff would update the figures.

c. Board Subcommittee Reports:

- i. **Communications:** Mr. Gelston reported that this committee drafted an article for the East Haddam News regarding the importance of fund balance. He noted that the article was to be under 400 words, which was a challenge. A final draft is now available, and the submission deadline is next Wednesday. The draft will be emailed, comments will be forwarded directly to the Chairman to assure that a meeting does not result. Mr. Gelston noted that a follow-up article explaining the various fund balances in town is planned.
- ii. **Long Range Planning:** Mrs. Gionta stated that this subcommittee has made the recommendation to the Board of Selectmen to consider reconvening the Financial Needs Roundtable to coordinate the needs with the Board of Selectmen and Board of Education. Mrs. Varricchio reported that the Financial Needs Roundtable met from 2010 to 2012. Mr. Lyman stated that his office is contacting the prior members to determine if they are willing to serve in this capacity again.
- iii. **Increasing Revenues:** It was noted that some fees have been adjusted and that dialog with the Fire Department is occurring on establishing policies and fees for false alarms. Responsive to inquiry from Mr. Gelston, it was noted that fines were being discussed as well.
- iv. **Financial Policies:** Mr. Thomas advised that the committee is two thirds of the way through creating debt management policies. He noted that budgeting policies will be tackled next. Mr. Thomas stated that he is very pleased with the progress.

FIRST SELECTMAN'S REPORT

Mr. Lyman advised of the following:

- A feller buncher is a giant machine that tackles tree removal with amazing speed. It was determined that said machine is not feasible along our roads because of all of the wires.
- Johnsonville and Shadybrook properties both pay taxes at this time and they are current.
- More in depth environmental testing is occurring at the 7 Main Street location regarding arsenic in the soil.
- The East Haddam Village Revitalization committee is working with the Land Use Administrator to prepare an RFP modeled after a Groton RFP for the 7 Main Street site.
- Negotiations with the Teamsters and Operating Engineers are wrapping up.
- Mr. Lyman stated that it was his directive to close the back area at the Transfer Station for safety reasons. He further noted that the transfer station is shoring up on enforcement of the existing sticker system and taking a different approach. He believes the new plan will enable more control.

Mr. Gelston stated that he still believed the feller buncher is a great option in certain areas and he encouraged serious consideration. Mr. Gelston also inquired if it had been determined that the 7 Main Street property would be sold or leased. Mr. Lyman stated that the town's people would make that determination at town meeting or referendum. This process is for indications of interest.

FINANCE DIRECTOR'S REPORT

Mrs. Varricchio reported that the auditors were in and out quickly and that it went well. She noted that the auditors were most pleased with staff, and she expressed gratitude for their efforts. The USDA loan closed in the amount of \$13,800,000. The remaining \$1,200,000 for the Municipal Office Complex has been rolled over into the Bond Anticipation Notes. It was noted that a Bond Anticipation Note was issued at the rate of 1.96% for the remainder of the Municipal Office Complex and other three projects. Responsive to inquiry from Mrs. Gionta, it was reported that the interest rate on the USDA loan is 3.625 for 40 years. It is anticipated, however, that it will be paid in 20 years.

a. **August YTD Budget Report:**

Interest income for July and August was reported at \$9,100, which has not been seen in a long time. Police Private Duty has already billed \$26,000 and the revenue budget line item is \$25,000. Policies are being drafted to create a Special Revenues Fund for Private Duty receipts and expenditures. Mrs. Varricchio advised that only \$185.00 has been paid year to date on legal.

Mr. DiCristofaro and Mr. Gelston commented on variances in comparisons to prior years. In particular, fringe benefits, Municipal Office Building, and contingency were discussed. It was also noted that the First Selectman is still in negotiations with Chester regarding the Assessor's agreement.

It was noted that the Building Department is reporting a 600% increase in fees from the same time period last year.

b. **Key Budget Dates:**

Key budget dates were reviewed. It was also suggested that the Municipal Office Building meeting rooms may not be large enough for the Tri-Board Budget Meeting.

LIAISON REPORTS

Mrs. Gionta reported that she attended the last Board of Education meeting, she noted enrollment is at approximately 1,000 students. She noted that the high school will be needing a new roof. She reiterated discussion regarding the Financial Needs Roundtable. Mrs. Gionta noted that there was drama regarding athletics which will hopefully be resolved with the updates that occurred to the student and coach handbooks.

Mr. DiCristofaro stated that he is working with the committee for crisis prevention and town wide safety issues.

OLD BUSINESS

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

Mr. Thomas presented and reviewed suggested language. It constituted substantial revision over the prior Plan of Conservation and Development, it incorporated the subcommittee work for creation of policies, recommendations to increase revenue and communications. Mr. DiCristofaro requested Board members email him suggested edits, which will be incorporated and brought back to the next meeting for adoption.

NEW BUSINESS

a. **Bid Award—Electricity:**

The renewal of the town's electricity contract is due in January of 2019. The town would like to engage Constellation Energy as its provider at the rate of \$0.08310/kWh for a three-year period from January 2019 to January 2022 for all town owned buildings.

Motion was made by Mr. Gelston to approve a three year contract with Constellation Energy at an approximate rate of \$0.08310/kWh for a three-year period from January 2019 through January 2022 and to request that the Board of Selectmen schedule a Town meeting for approval. Mr. Dutch seconded the motion.

Discussion: Mr. Gelston inquired if Constellation was an American corporation. Mrs. Varricchio responded that they are headquartered in Baltimore. Mr. Gelston inquired if it were owned by an off-shore corporation. Mrs. Varricchio was uncertain. Mr. Gelston also inquired how the Shagbark solar farm played into this. It was noted that the solar farm at Shagbark is outside of this agreement.

Unanimously approved. Motion carried.

b. **Gift Acceptance—Water Tanker:**

Connecticut Water Company provided a 5,000 gallon water tanker for use by the Town for its community garden, and for any other irrigation needs, and wish to have this item presented as a gift to the town. The estimated value of the tanker is \$1,290.

Motion was made by Mr. DiCristofaro to accept the gift of a 5,000 gallon water tanker from Connecticut Water Company for use by the Town valued at \$1,290 and to request the Board of Selectmen schedule a Town Meeting for approval. Mr. Gelston seconded the motion.

Discussion: Mr. Thomas noted that the tanker was made in 1959. He inquired what type of maintenance challenges we were assuming. Mr. Lyman responded that the tanker has been in use for the summer season and has been a godsend for those using the community garden. Responsive to additional inquiry, it was noted that \$775.00 in plot fees were received at \$50 per plot. The fire department fills the tanker.

Unanimously approved. Motion carried.

GUESTS AND AUDIENCE COMMENTS

Mrs. Dickinson suggested that the 7 Main Street parking lot be metered to bring in revenue for the town while disposition of the property is pending. She noted that with installation of kiosks it would not be necessary to utilize staff. She noted that as long as the town remains liable for ownership of the property, it should attempt to derive revenue from it.

Bill DiCristofaro stated that it sounded like a great idea to discuss with the Board of Selectmen.

Additionally, she inquired about police officers working to assist Eversource and whether the town received compensation for those hours. Mr. DiCristofaro stated that he would record the question and respond at the next meeting. Lastly Mrs. Dickinson inquired about commercial haulers and fees. Mr. DiCristofaro stated that is the subject of the Executive Session this evening, he added that the sticker issue is a topic for the Selectmen.

Motion was made by Mr. DiCristofaro to enter into Executive Session at 8:17 pm for the purpose of Personnel and Negotiations. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Debra H. Denette

EXECUTIVE SESSION

Invited Guests: Emmett Lyman, First Selectman
 Beth Lunt, Public Works Director
 Cindy Varricchio, Finance Director

Motion was made by Mr. DiCristofaro to exit Executive Session at 9:45 pm. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Dutch to adjourn at 9:45 pm. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

William DiCristofaro