

TOWN OF EAST HADDAM
Board of Finance
Regular Meeting Minutes
February 11, 2019
Municipal Office Complex Meeting Rooms 1 & 2

Mr. DiCristofaro called the Board of Finance meeting to order at 7:00 pm. The Pledge of Allegiance was recited and recording devices started.

In attendance:

Board of Finance Members

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

Others

Emmett Lyman, First Selectman
Debra Denette, Town Clerk
Cindy Varricchio, Finance Director
Leslie Zoll, Blum Shapiro & Co., PC
Jay Moreau
Robert Morsch

APPROVAL OF AGENDA

Motion was made by Mr. Dutch to approve the agenda as presented. Mrs. Gionta seconded the motion.

Discussion: Mr. Gelston noted that the Shared Services report is not on the agenda. It was noted that this report is no longer being prepared due to its time consuming nature and in lieu of the detailed reporting of storm damage, tree evaluation, transfer station and the East Haddam Village Revitalization. Mr. Gelston stated that it was a worthy report. Mrs. Varricchio stated that this level of reporting is not required of other departments such as Public Works or Public Safety, which have similar budgets. Mr. DiCristofaro stated that he believed the report to be redundant. He stated that he would review a prior report and determine if any information that was captured within it is not being captured in another way.

Unanimously approved. Motion carried.

APPROVAL OF MINUTES

Motion was made by Mr. Dutch to approve the minutes of the January 14, 2019 regular meeting. Mrs. Gionta seconded the motion.

Discussion: Mr. Gelston noted that he asked about the Shared Services report at the last meeting and was told that it is included in the First Selectman's Report and that the First Selectman will provide highlights. He stated that he understood that to mean the same format would continue, however, the First Selectman would not review it in depth as he has in the past. Mr. DiCristofaro reiterated that he will review the report and determine if there is any information on it that is not redundant and needs to be captured in another manner.

It was noted that there is a typographical error on page 4, and "Selectmen" should be "Selectman" on the header at the bottom of page 4.

Unanimously approved. Motion carried.

GUESTS AND AUDIENCE COMMENTS

Nothing noted.

AUDIT FISCAL YEAR ENDED JUNE 30, 2018—BLUM SHAPRIO & CO, PC.

Leslie Zoll of Blum Shapiro presented a comprehensive review of the Financial Statements, State Single Audit and Management Letter provided to the Town in connection with its audit of July 1, 2017 to June 30, 2018. The presentation included much discussion on upcoming GASB pronouncements, reviewed year ending balances and changes from prior years. No difficulties were encountered in performing the audit, no uncorrected misstatements were found.

Responsive to inquiry from Mr. Gelston, Ms. Zoll advised that audit methodology uses sampling, it does not look at every account. It particularly focuses on the large accounts. Mr. Gelston inquired whether endowment funds were audited, it was noted that it depended upon who was custodian of the endowment. It was noted that under many accounts the Town simply receives a distribution. The Board thanked Ms. Zoll for her participation.

CORRESPONDENCE

Nothing noted.

CHAIRMAN'S REPORT

a. Tax Collector's Report:

Mr. DiCristofaro stated that collections continue to look good.

b. Board Subcommittee Reports:

Communications: Mr. Gelston reported that the next article is ready to be submitted to the *East Haddam News*. The article focuses on endowments and noted that East Haddam has been very fortunate to have been the beneficiary of what has equated to millions of dollars over the years.

Financial Needs Roundtable: Mrs. Gionta advised that a meeting was held last week. She noted that the next step is to determine the amount of debt load the town can reasonably carry. She stated that the Committee will not meet again until May pending completion of Debt Management Policies by the Board of Finance.

Financial Policies: Investment and Debt Management policies were presented for review and comment. Members were advised to provide revisions and comments to the Finance Director. Comments were received at this time from Mrs. Gionta and Mr. Gelston. Mr. DiCristofaro stated that he would like to have a final draft ready for adoption at the next meeting. Mr. DiCristofaro stated that the policy committee will meet on Friday at 8:30 am. Investment Policies are the responsibility of the Treasurer, however, it was noted that collaboration is occurring.

FIRST SELECTMAN'S REPORT

Mr. Lyman reported that:

- A review of a property reform bill proposed by State Senate President Pro Tempore Martin Looney that will eliminate municipal car tax. He noted that motor vehicle taxes comprise 8% of East Haddam's tax base. This particular proposal favors large cities to the detriment of small ones. He encouraged the Board of Finance to keep this on the radar.
- For the Transfer Station marketing efforts for a pay as you throw type program are underway. He noted that one of the Town's residents has been managing the Stonington Transfer Station since 1992 and he has been a great resource.
- FEMA recently met with the town and has provided a check list of what the town needs to do for FEMA funding for federal help from the September storm damage, he noted that we are moving forward and it is looking encouraging.
- RFQ's have been prepared for Neptune, Bonfoey and Hemlock Valley Roads.
- An RFQ is being prepared for the East Haddam Village Revitalization project. It is anticipated that it will go out the beginning of March.
- A tree cutter has been downing diseased trees along roadsides. The town road crew is doing the clean-up. It is estimated that approximately \$2,000,000 is necessary to take care of all of the damaged trees. Several scenarios were reviewed for addressing the trees.
- The matter of ownership of the EHFPL will go before the Superior Court tomorrow. Issue number one is whether they can convey it to the town, issue number two is whether the town will accept it.

- The bridge at Bone Mill Road was dedicated last weekend.
- Foxtown Bridge will undergo repairs starting in March. This will be a project of short duration.
- A full time Building Official is being sought. Applications are due by February 21, 2019.

Mr. Gelston sought clarification on the bag system. It was noted that different size bags will have different prices for purchase. Mr. Lyman stated that the main goal of the bag system is to encourage recycling. Recycled materials costs much less for the town to process than regular refuse, and that would generate significant savings to the town. The haulers have also stated that they will cease dumping at our transfer station if the bag system is implemented, which represents additional savings to the town.

Responsive to inquiry from Mr. Gelston, Mr. Lyman advised that the Board of Selectmen is having discussions on the best way to address the trees through its budget process. Several scenarios are being considered.

The remediation pursuant to FEMA is at 100% and includes the cost of improvements so that such disaster does not happen again.

Budgetary issues are anticipated regarding MERF (the retirement plan for the Teamsters) beginning in 2019-2020. Costs will soar from 11.74% to 20% by 2022.

FINANCE DIRECTOR'S REPORT

a. January 2019 YTD Budget Report:

Mrs. Varricchio reported that the Building Department has already exceeded its budget for revenue. Legal expenses are tracking well. Responsive to inquiry from Mr. Gelston regarding cleaning services (formerly budgeted under Town Garage), it was noted that expenses were consolidated and can be found in a different location (Municipal Office Complex/Central Services). The Agreement with the Town of Chester regarding the Assessor is still being worked on. It was noted that in the capital budget report that there was a typographical error regarding the purchase of basketball hoops for the Municipal Office Complex. Mrs. Varricchio will correct it.

Mr. Lauria departed at this time.

LIAISON REPORTS

Mr. Gelston advised that he has met with the Board of Fire Commissioners and the Ambulance Chief. He added that he would like to meet with the First Selectman to further discussions.

OLD BUSINESS

Nothing noted.

NEW BUSINESS

Nothing noted.

GUESTS AND AUDIENCE COMMENTS

Mr. Bob Morsch inquired what authority was granted to the Board of Finance. Mr. DiCristofaro stated that he would record the inquiry and respond at the next meeting.

Mr. Morsch continued that he anticipated that response. He noted that over a year ago he served as Chairman of the Transfer Station Study Committee, the Committee recommended in its final report that an audit of the bulky waste area occur. He noted that only 20% of the bulky waste processed is paid for. He inquired why the Board of Finance has not directed such audit to occur. Mr. Morsch inquired whether the Board of Finance had the authority to direct the Finance Director to conduct an audit? Mr. DiCristofaro responded that the Board of Finance reviews, it does not direct.

OTHER

It was suggested that the newly elected State Representative and State Senator be invited to the March meeting.

Mr. Gelston noted that it is disappointing how few people come to the town's meetings. He noted that the *Citizens' Guide* published the meeting schedule, but it has not increased attendance. It was noted that the *Guide* was circulated in the weekly newspaper. He suggested that additional links be forwarded to electronic media.

Mrs. Denette noted that the town meets the statutory requirements via its postings, and goes above and beyond by posting them electronically to the town's website. She noted the importance of consistency and stated that the town should not determine which meetings are more important than others to warrant sharing through Facebook or other electronic medium.

Motion was made by Mr. Dutch to adjourn at 8:40 pm. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette