

TOWN OF EAST HADDAM

Board of Finance

Regular Meeting Minutes

June 10, 2019

Municipal Office Complex

Meeting Rooms 1 and 2

Mr. DiCristofaro called the Board of Finance meeting to order at 7:02 pm. The Pledge of Allegiance was recited and recording devices started.

In attendance:

Board of Finance Members

William DiCristofaro, Chairman

Gregory Lauria, Secretary

Bruce Dutch

Todd Gelston

Tracey Gionta

Harvey Thomas

Others

Emmett J. Lyman, First Selectman

Debra Denette, Town Clerk

Ronald Turner, Director of Operations

Cindy Varricchio, Finance Director

APPROVAL OF AGENDA

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

GUESTS AND AUDIENCE COMMENTS

Nothing noted.

APPROVAL OF MINUTES

Motion was made by Mr. Dutch to approve the minutes of the May 7, 2019 regular meeting as presented. Mr. Lauria seconded the motion and it was unanimously approved. Motion carried.

CORRESPONDENCE

a. **Board of Education—Teachers' Contract Negotiations:**

A letter was received from Bryan Perry, Chairman of the Board of Education, advising that negotiations with the Education Association will begin the beginning of August. In accordance with State Statute, the Board of Education should meet and confer with the Board of Finance within 30 days prior to the commencement date of the negotiation. Additionally, a member of the Board of Finance is permitted to attend and observe the negotiations with the teachers.

Mr. Thomas noted the importance of a sharing of concerns. He suggested that in preparation for the meeting some historic background information would be helpful. Mr. DiCristofaro opined that the meeting would occur in Executive Session as it was part of negotiations, and accordingly would have a very defined agenda.

It was determined that Mr. Lauria, as the liaison to the Board of Education, should attend and observe the negotiations on behalf of the Board of Finance.

Mr. Gelston encouraged a clear agenda for the meeting and suggested that a list of questions be developed in advance.

Mr. DiCristofaro stated that he was hopeful that he would cancel the regular July meeting. He noted that a special meeting would be scheduled to "meet and confer" with the Board of Education, if necessary. Mrs. Varricchio stated that she would clarify timing with Superintendent Reas.

Mr. Gelston stated that he would like to know what other union negotiations were upcoming. He was referred to the Town's website, and was advised that all labor contracts are posted.

CHAIRMAN'S REPORT

a. **Tax Collector's Report:**

No questions were asked.

b. **Board Subcommittee Reports:**

- **Communications:** Mr. Gelston advised that he was disappointed in the placement of the endowment funds article in the *East Haddam News* as a letter to the editor. He noted that last time the submission ran as an article. Mr. DiCristofaro stated that he received positive feedback.
- **Financial Planning:** Mr. Thomas spoke regarding the objective to create guidelines for planning for capital improvement projects. He noted that a very complex matrix is being developed that will weigh priorities, costs, health safety and welfare, quality of service, and how it fits into the framework of East Haddam. Mr. DiCristofaro added that it is really coming together and should be finalized very shortly. It was noted that the goal is to have a draft assessment tool completed by the August meeting.

FIRST SELECTMAN'S REPORT

Mr. Lyman noted the following:

- East Haddam Village Revitalization Committee received one RFQ. He stated that initially it planned to put the project back out to bid, but it has reconsidered and will meet on June 12th in Executive Session to thoroughly review the proposal.
- Petticoat Landing has been paved. Traffic calming solutions are being reviewed.
- Three temporary employees have been hired for Public Works.
- Additional staff has been hired for the Fire Department. Mutual aid calls are on the decline.

- Irene Haines has been hired as the EDC Coordinator; Suzan Smith moved to Oregon. Mr. Lyman added that as State Representative, she only spends one-third to one-half of the year in Hartford.
- A grant for a walking path on the swing bridge is being revisited. He added that construction on the swing bridge has been delayed a year as the Arrigoni Bridge in Portland is also scheduled for repair.
- Responsive to inquiry from Mr. Gelston, Mrs. Varricchio advised that the town received a check for nearly \$1,000 for transport that the Fire Department staff attended to for ambulance calls..

FINANCE DIRECTOR'S REPORT

Mrs. Varricchio advised that Bond Anticipation Notes were signed on June 6th in the amount of \$5,400,000. She noted that the short-term (9 months) notes will receive an interest rate of 1.678%.

a. **May 2019 YTD Budget Report:**

Legal fees are down considerably from last year. The Board of Finance Contingency Fund remains at \$90,000. Tax Collection had a great year and the Building Department collected over and above budget.

As for as the 2019-2020 budget, the State budget does not require us to pay the \$61,962 we have budgeted for Teacher's Retirement.

Mr. Gelston questioned the Police Special Revenue Fund. Mrs. Varricchio advised that the Resident State Trooper fees are paid in June. Mrs. Gionta questioned why Hunting and Fishing License revenue was down. Mrs. Denette advised that the on-line option has reduced licensing fees collected by the Clerk's Office. It was also noted that sports licensing is a service for residents, as the fees collected pass through to the State. The Town's revenue is only \$1.00 per fee paid license sold.

LIAISON REPORTS

Nothing noted.

OLD BUSINESS

Nothing noted.

NEW BUSINESS

a. **Transfer of Funds for School Resource Officer:**

During the budget process, the Board of Finance allocated \$75,000 in their Contingency Fund for the purpose of a School Resource Officer, the details had yet to be worked out. An agreement with the Police Union has been reached, and the Town would like to hire an additional police officer bringing us to five full-time officers. Of the five full-time officers, one

will be dedicated to the schools. Mr. DiCristofaro solicited questions from the Board. Mr. Gelston inquired who the new officer would report to. It was noted that the Resident State Trooper will oversee the officer with oversight also from the Superintendent of Schools. Mr. Gelston was also assured that there will be back up for the officer.

Noting the wording of the MOA, it was questioned if a Police Officer does not volunteer to be SRO what would happen. Mr. Lyman responded that the newest one hired would be laid off.

Mr. DiCristofaro requested a motion to transfer the funds for the hiring.

Motion was made by Mrs. Gionta to transfer the amount of \$75,000 from the Contingency Fund (10541020-58910) to Police Officer Salaries (10542010-51510). This transfer is in accordance with the executed Memorandum of Agreement dated June 5, 2019, to the Police Collective Bargaining Agreement dated July 1, 2017 to June 30, 2020, to hire an additional police officer, for a total of five full-time officers, with the intent of assigning one of the five officers to the School Resource Officer position. The Board of Finance requests that the Board of Selectmen schedule a Town Meeting for approval. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

It was noted that this item will go to Town Meeting on June 25.

b. **High School Driveway/Parking Lot Bond Resolution:**

Mr. DiCristofaro reminded the Board that during the budget process the Board removed expenses associated with paving at the high school with the intent to either fund it from remaining funds in the 2018-2019 budget or rolling it into a bond package. He stated that while the determination of the funding source has not yet been made, adoption of the resolution would be necessary to have bonding remain an option.

Responsive to inquiry from Mr. Thomas, it was noted that the vendor was chosen from the State bid list, prevailing wage will be required, and that the paving will be done in connection with the roofing project.

The following motion was made by Mr. Dutch and seconded by Mr. Gelston:

RESOLVED, that the Board of Finance (the "Board") of the Town of East Haddam (the "Town") hereby accepts the recommendation of the Board of Selectmen adopted at its meeting held on June 5, 2019, and recommends to the electors and citizens eligible to vote at town meetings of the Town, with respect to the following:

(1) That the Town appropriate the sum of \$378,000 for the cost of pavement resurfacing, sealing, regrading and repair at the Nathan Hale-Ray High School, including, without limitation, the costs of the pavement resurfacing, sealing, regrading and repair of the student and visitor parking lots, the front circle, the right-side driveway and the sugar house parking lot, the removal and replacement of curbing, and the application of topsoil and seeding to disturbed work areas (the "Project"). The appropriation may be spent for design and construction costs, the preparation and printing of bid documents, cost estimate reports and studies, equipment, materials, preliminary studies and reports, site improvements, architects'

fees, engineering fees, legal fees, administrative costs, net interest on borrowings and other financing costs, and other expenses related to the Project or its financing. The Board of Selectmen is authorized to determine the scope and particulars of the Project. The Board of Selectmen may reduce or modify the scope of the Project, and the entire appropriation authorized hereby may be spent on the Project as so reduced or modified.

(2) That to finance said appropriation for the Project, general obligation bonds and notes of the Town may be issued pursuant to Chapter 109 of the Connecticut General Statutes, Revision of 1958, as amended (the "Connecticut General Statutes"), or any other applicable provision of law thereto enabling, in an amount not to exceed \$378,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds received by the Town for the Project).

(3) That the Town issue and renew temporary notes from time to time in anticipation of the receipt of the proceeds from the sale of the bonds or notes for the Project or the receipt of grants for the Project. The amount of the notes outstanding at any time shall not exceed \$378,000. The notes shall be issued pursuant to Section 7-378 of the Connecticut General Statutes. The Town shall comply with the provisions of Section 7-378a of the Connecticut General Statutes with respect to any notes that do not mature within the time permitted by said Section 7-378.

(4) That the First Selectman, or a majority of the Board of Selectmen, and the Treasurer of the Town (the "Officials") be authorized to issue and sell bonds and notes secured by the full faith and credit of the Town pursuant to the Connecticut General Statutes or any other applicable provision of law thereto enabling, to finance the appropriation for the Project; that the Officials are hereby authorized to designate a bank or trust company to be the certifying agent, registrar, transfer agent and paying agent for such bonds and notes; that Updike, Kelly & Spellacy, P.C., Hartford, Connecticut is designated as the attorneys at law to render an opinion approving the legality of any issue of such bonds and notes; that the Officials are hereby authorized to designate a municipal advisor to the Town in connection with the sale of the bonds and notes; that the Officials be authorized to sign said bonds and notes by their manual or facsimile signatures; and that the Officials be authorized to determine the amounts, rates of interest, dates, maturities, dates of principal and interest payments on such bonds and notes, the form of such bonds and notes, the provisions for protecting and enforcing the rights and remedies of the holders of such bonds and notes and all other terms, conditions and particular matters regarding the issuance and securing of such bonds and notes and to execute, sell and deliver the same, and provide all supporting documentation as may be necessary or desirable to accomplish such purposes and to comply with the requirements of the Internal Revenue Code of 1986, as amended, Securities and Exchange Commission Rule 15c2-12, and in accordance with the Connecticut General Statutes and any other applicable provision of law thereto enabling.

(5) That the Officials are authorized to sell the bonds or notes at public or private sale; to deliver the bonds or notes; and to perform all other acts which are necessary or appropriate to issue the bonds or notes. If the bonds or notes authorized by this resolution are issued on a tax-exempt basis, the Officials are authorized to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes, including covenants to pay rebates of investment earnings to the United States in future years.

(6) That the Town hereby declares its official intent under Federal Income Tax Regulation Section 1.150-2 that project costs may be paid from temporary advances of available funds and that (except to the extent reimbursed from grant moneys) the Town reasonably expects to reimburse any such advances from the proceeds of borrowings in an aggregate principal amount not in excess of the amount of borrowing authorized above for the Project. The Officials are authorized to amend such declaration or official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

(7) That the Officials are authorized to make representations and enter into written agreements for the benefit of holders of the bonds or notes to provide secondary market disclosure information, including, but not limited to, entering into a continuing disclosure agreement pursuant to Securities and Exchange Commission Rule 15c2-12, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws of rules pertaining to the sale or purchase of such bonds or notes.

(8) That the First Selectman is hereby authorized, on behalf of the Town, to execute any contracts with engineers, contractors, architects and other persons for the Project, to apply for and accept state, federal or other grants to finance the appropriation for the Project, and to execute and file any application or enter into any grant agreement or other obligations prescribed by the State of Connecticut or the federal government, as applicable.

(9) That the Officials are authorized to take all other actions which are necessary or desirable to complete the Project consistent with the foregoing and to issue bonds or notes to finance the aforesaid appropriation.

(10) That this resolution shall become effective after approval at a vote of the special town meeting.

In Favor: William DiCristofaro
Bruce Dutch
Todd Gelson
Tracey Gionta
Gregory Lauria
Harvey Thomas
Opposed: No opposed

Motion carried.

GUESTS AND AUDIENCE COMMENTS

Nothing noted.

OTHER

Nothing noted.

Motion made by Mr. Dutch to adjourn at 8:42 pm. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Debra H. Denette
Recording Secretary