TOWN OF EAST HADDAM
Board of Finance
Regular Meeting Minutes
October 19, 2020
Municipal Office Complex Meeting Rooms 1 and 2

CALL TO ORDER

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

In attendance:

Board of Finance Members
- William DiCristofaro, Chairman
- Bruce Dutch, Secretary
- Joseph Corbett
- Todd Gelston
- Tracey Gionta
- Harvey Thomas

Others
- Robert Smith, First Selectman
- Edward Blaschik, Chairman, Board of Assessment Appeals
- James Ventres, Land Use Administrator
- Cindy Varricchio, Finance Director
- Laurie D'Aquila, East Haddam Ambulance Association
- Jennifer Spencer, East Haddam Fire Commissioner
- Lynn Woodword, East Haddam Ambulance Association

APPROVAL OF AGENDA

Mr. DiCristofaro requested items under Old Business be moved up to accommodate guests.

Motion was made by Mr. Thomas to move agenda items Old Business A—Board of Assessment Appeals/Land Use—Discussion regarding property values and Old Business B—East Haddam Ambulance Association Update to follow Guests and Audience Comments. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

OLD BUSINESS:

a) **Board of Assessment Appeals/Land Use—Discussion regarding property values:**

Mr. DiCristofaro asked Mr. Gelston to share his concerns regarding this topic. Mr. Gelston indicated that he is concerned with the reduction in assessments at Banner and the resulting loss of tax revenue. Mr. Gelston stated he would like to know the root cause for these adjustments.

Mr. Blaschik stated the unit owners coming to the Board of Assessment Appeals are not the same year after to year. Mr. Blaschik stated that he believes that the 2017 revaluation over-assessed these units. Mr. Blaschik went on to say that the Board of Assessment Appeals judges each appeal based on their own merit. Sales of units are used in basing their decisions—he noted that the Board does not use foreclosures or short sales as part of their consideration.

Mr. Blaschik stated that the next revaluation will be based on the historic three years of sales and could ultimately undo the work of the Board of Assessment Appeals. He noted that there was a situation in Lake Hayward where buyers paid more than the assessed value which contributed to higher values for assessment. Mr. Blaschik stated that at Banner there were a lot of promises made to buyers and that units sold for more than they are worth.

Mrs. Varricchio noted that estimations of total reductions were approximately $8,000 in a $30 million plus budget.

Mr. Gelston inquired as to when this will stop. Mr. Blaschik noted that the owners have grouped together regarding their assessments. Mr. Gelston asked if we owed tax refunds back to the owners. Mr. Blaschik responded no because they have participated in the process—noting that the residents may not have been given all the considerations they requested. Mr. Blaschik spoke about the lack of maintenance and the sewer issues.

Mr. Ventres stated that the sewer issues are overseen by the Town's WPCA and the State of Connecticut. Mr. Ventres noted that there were issues in the past where when sewer alarms sounded, they were not necessarily addressed. Mr. Ventres stated that the homeowner's association has taken over the maintenance of the structures. Mr. Blaschik indicated that the initial understanding was that Banner was a 55 and older community. Mr. Ventres responded that it was never approved that way.

Mr. Blaschik indicated that he is also a member of WPCA. Banner has borrowed from bond funds to make repairs and maintenance to their sewer system. They have 90 days to repay those funds.

There was discussion regarding lost property taxes as well as Banner having a homeowner's association.

Mr. Thomas stated that he does not feel that the Board of Finance should get involved in the business of the Board of Assessment Appeals, Planning and Zoning, Building Official or WPCA. They all have a job that they are responsible for. Mr. Thomas expressed his concern that the last revaluation overstated the property values at Banner. He also addressed the last revaluation where property owners were misinformed that the revaluation vendor had the authority to enter homes. He stated his concern about that for future revaluations noting that the vendor is responsible to the Town.

It was noted that the next revaluation cycle is in 2022.

Mr. DiCristofaro indicated that Guests and Audience Comments were not addressed and given the topic asked for Mr. Blaschik and Mr. Ventres to weigh in on the following:

GUESTS AND AUDIENCE COMMENTS

The Board received questions from Joseph Garafalo, from 1 Pinehurst Lane, Moodus as follows:

1. Given that you reduced tax assessments for residents and the developer of Banner Estates, how did you make up the difference? *Mr. Blaschik stated there were reduced assessments. The difference was not made up in the budget. Adjustments are made annually to the Grand List.*
2. Did you cut the budget and reduce services you otherwise would have provided elsewhere? If so, where and how much. *Mr. DiCristofaro stated that the Board adjusted the budget to realize savings and to cap the mill rate.*
3. If you did not cut budget/services how did you replace this shortfall in revenue? Did you marginally increase the mill rate for all taxpayers/citizens? Is so, how much. *There was no mill rate increase with the 2020-2021 budget.*
4. Did you just knowingly reduce assessments based on market value, without understanding the root cause? *Addressed earlier in the meeting.*
5. Do the Selectman and P&Z understand, their lack of enforcement/attention are a direct contributor to this problem? Where is the accountability to the citizen's, if the powers to be are not doing their job/responsibility? *Mr. DiCristofaro asked Mr. Smith to answer. Mr. Smith responded that falls back to the homeowner's association, powers are limited for Planning and Zoning and Building Official that are outside of the purview of the Board of Selectmen. Mr. Ventres stated that lawn care and painting do not fall under zoning regulations.*
6. Are you aware, as of today, the developer of Banner Estates has not paid the July property taxes on the golf course? *Mr. DiCristofaro stated that we do not have that information right now.*
7. Are you aware, the developer, is proposing an Apartment Building within the Community? In your estimation, does that raise or decrease the surrounding market values of property in the area? Why and how much*?* *Stated that this is not the job of the Board of Finance.*
8. If more mini-apartment complexes were to sprout up in town, what impact would they have on surrounding property values. Have you done a study or been asked to do so by either the Selectman or P&Z? *Stated that this is outside of the scope of Board of Finance responsibilities.*
9. Don't you think that it is reasonable before the town approves a Rule Change in their regulations to permit it*? Mr. Ventres responded that it is not the responsibility of the Planning and Zoning Commission to look at property values. The Plan of Conservation and Development looks at diversity and housing needs. It has never been and never will be the responsibility of the Planning and Zoning Commission to do appraisals on properties. Their review addresses—does housing fit need, reviews traffic studies, fire protection needs.*
10. Given the history of this developer to not deliver, which was the basis for your granting the reduction in property assessments/taxes, what confidence level do you have they will carry through and will fulfill their pending application? 25%, 50%, 100%? *Addressed earlier in the meeting.*
11. Are you aware, the town has already granted approval of several hundred more Condos at the complex? In your estimation, would not that generate more tax revenue than 16

Apartments? Yes or No? Have you done or been asked to do, any comparison between the two approaches from a tax revenue standpoint? If not, why not? *Mr. Ventres* responded *that the proposal is a request to change the zoning from four units per building. There is already a pre-existing large building. They would like to put 16 units in and cannot do without changing the zoning regulations. The first step is a language change. The second step has already been approved for a maximum number of units on the property—they will have to adjust their original approval and reduce by the 16 units. A master plan has been approved by Planning and Zoning. Mr. Ventres stated that this is not an either/or question. Mr. Smith inquired if that master plan was condos. Mr. Ventres responded yes. Mr. Smith asked if the septic system had been approved by the. Mr. Ventres responded no. Mr. Thomas stated that for the historic record, people in town have brought forth a blight ordinance to address deteriorating properties and in both cases the ordinance has been overwhelming defeated. Voters do not want a blight ordinance.*

b) **East Haddam Ambulance Association Update:**

Mr. DiCristofaro asked Mr. Gelston to share his concerns regarding this topic. Mr. Gelston stated that he was not a member of the Board of Finance when the agreement with the Town and the Ambulance Association began. He stated that it is his understanding that there was a verbal agreement with former First Selectman Mark Walter that coverage would occur for a fixed number of hours per day. Ms. D'Aquila stated that the Town provides EMT coverage from 6 am to 6 pm daily at the Town's expense. The Town is reimbursed for the costs when Town EMT's leave Town for a call. Ms. D'Aquila stated that due to Town staffing shortages with the Town's paid firefighters in June, July and August the Ambulance Association was requested to meet the staffing needs using their paid staffing organization. Mrs. Woodward indicated that the same occurred in October where there was one week with little or no Town coverage and they did what they could to help assist in providing coverage.

Mr. Smith stated that there can be gaps in the schedule. He also noted the verbal arrangement made with the Ambulance Association and former First Selectman Walter regarding providing coverage daily from 6 am to 6 pm. He further noted that that the written agreement was never modified. Mr. DiCristofaro inquired as to why this is an issue this year and Ms. D'Aquila responded because of COVID-19. The lack of volunteers to cover calls was also noted.

Mr. Smith stated that he was not sure if the Town should automatically pay the East Haddam Ambulance Association. Mr. Smith informed the Board of recent transitions in the firefighter staff to include a resignation and the challenges hiring part-time per diem staff. Mr. Smith indicated that with next year's budget process there may be discussion to add an additional full-time position.

Ms. D'Aquila stated that their staffing agency hourly rate is $27 per hour while the per diem firefighters are paid approximately $23 per hour. Mrs. Woodward indicated that there was billing in the Spring for coverage for our paid part-time firefighters/EMTs that are full-time firefighters in other communities and because of COVID-19 can be required to or ordered to only work for the full-time community. That invoicing was paid without issue.

Ms. D'Aquila stated that they do not want to leave the Town uncovered. Mr. DiCristofaro indicated that the difference between our paid firefighters and their service is $3 per hour.

Fire Commissioner Jennifer Spencer spoke to the Board noting that she was a member of the Ambulance Association for 40 years and that she is a member of the Fire Department, Fire Police and is a Fire Commissioner. She noted that the Ambulance Association has no building to house an Ambulance. That is done by the Town with no expense to the East Haddam Ambulance Association for building maintenance and upkeep. Their office is in the new Municipal Office Complex. She stated that it is time to change the contract. The contract provides for two full-time firefighter/EMTs from 7 am to 4:30 pm daily and with the 6 am to 6 pm schedule they receive five free man hours per day that the Ambulance Association should be responsible for. They receive a lot of free stuff. She discussed the shortage in manpower as well. Ms. Spencer indicated that the Town provided the new furniture for the Ambulance Association office, Mrs. Woodward responded that was not the case. Mr. DiCristofaro asked if the staffing situation was an unusual occurrence. Ms. Spencer respond yes.

There was an inquiry as to where this would be charged to. Mrs. Varricchio responded that this would be charged to Purchased Services rather than salary.

Mr. Gelston expressed his concerns about coverage and costs along with appropriate budgeting. He suggested that everyone gets together to work this out and establish a better plan in writing to ensure no surprises and to clear up the issues.

Mr. Dutch asked if these are extra hours. Mrs. Woodward responded that the verbal agreement with the town was for two EMTs from 6 am to 6 pm daily. She indicated that they were requested to provide the additional hours to fill the gaps. There was an inquiry as to the authorization process to make the request. The response was that the Fire Capitan made the requests for coverage.

Mr. Thomas stated that there are three stages of problems that need to be addressed: 1) Short-term—paying for the services; 2) Mid-term—next budget cycle and 3) Long-term—days of staffing emergency services by volunteers is not viable in the future.

Mrs. Gionta agreed with Mr. Thomas noting that some of the issues occurred with COVID.

Mr. Smith noted the lack of volunteers is a challenge and not a unique situation.

Mr. Corbett indicated that the invoice from the Ambulance Association should be paid. He also noted that we need clarification as to who is authorized to call for additional staffing.

Mr. DiCristofaro stated that we want to support the people involved and that we value their services.

CORRESPONDENCE

None noted.

APPROVAL MINUTES

a. **August 27, 2020 Special Meeting:**

Motion was made by Mr. Dutch to approve the special meeting minutes of August 27, 2020. Mr. Gelston seconded the motion with a change to the bottom of page four, Finance Director's Report, June Year-End Preliminary Budget Report, third to the last line should read "lowering" rather than "increasing" and it was unanimously approved. Motion carried.

b. **September 14, 2020 Regular Meeting:**

Motion was made by Mr. Dutch to approve the regular meeting minutes of the September 14, 2020 regular meeting. Mr. Corbett seconded the motion. Mr. Gelston asked that there be an addition to page two, Chairman's Report, Subcommittee Reports, Communications, to indicate that Mr. Gelston was speaking on behalf of the Subcommittee. The motion was unanimously approved. Motion carried.

CHAIRMAN'S REPORT

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

It was noted that the reports were not yet completed (by the Finance Office) and would be available at a future meeting.

b. **Board of Assessment Appeals Fall Report:**

It was noted that the Fall report related to vehicles only. Mr. Blaschik stated that adjustments are made based on mileage of vehicles.

c. **Subcommittee Report**

Communications: Mr. Gelston noted that the FEMA article was published in East Haddam News on September 24th. He reported that the subcommittee is looking to publish another article in December before Christmas and they have several possible topics.

Long Range Capital Improvements Committee: Mrs. Gionta advised that the Committee has not met.

Financial Policies/Increasing Revenue: Mr. Harvey reported that the subcommittee met a few weeks ago with a focus on three items: 1) fine tuning the capital process, based on experience, 2) tweaking the budget policy and 3) looking at strategic planning for the town (noting that there would be required input from several Board and Commissions to accomplish). Mr. DiCristofaro concurred noting that the capital and budget policies were in draft form and we are working out the "kinks".

d. **Board of Finance Annual Report:**

Mrs. Varricchio asked the Board to review last year's report to see if they would like any changes to the Board of Finance report. Mrs. Varricchio noted that she had received a request from Mr. Blaschik that we include the minutes of Town Meetings in the report (from the abbreviated report from 2019). Mr. Gelston expressed his support for including Town Meeting minutes in the Annual Report.

FIRST SELECTMAN'S REPORT

First Selectman Smith reported the following:

- Director of Operations, Don Angersola has been very busy.
    - As a result of the August storm, the need for a generator at the Grange Hall was identified for the 11 refrigerators which Mr. Angersola is working on.
    - The East Haddam Free Public Library now belongs to the Town (as of September 22, 2020). The furnace died and the best replacement has been identified as mini splits that heat and cool. It is anticipated that this will reduce expenses annually as well as create additional storage space in the building.
- Neptune Avenue work is underway.
- Lake Hayward area tree removal is ongoing. There are a lot of large trees that have a potential of falling on structures being removed.
- FEMA Grant for Quint fire apparatus—several meetings have occurred for the working group
- Former Grist Mill—potential for two grocery stores. Across from Moodus Barbeque potential for pharmacy/grocery store—most likely pharmacy if a grocery store goes into the former Gristmill property.
- GetAway—new business that purchased former 4-H property for individuals wanting to get away.
- Public Works Director Beth Lunt resigned.
- Transfer Station—there has been damage to the wood platform from containers. The containers are being turned 90 degrees to concrete well to reduce damage. The roll off covers will be ordered.
- East Haddam Village Revitalization—the proposal is being moved forward. Anticipate a Public Hearing meeting soon in the Municipal Office Complex gymnasium. We are working to live stream the hearing to provide greater public access to the information.
- Libraries are functioning but are somewhat limited.
- Senior Center—Tai Chi is occurring outside as well as Yoga. Once inside will reduce the number of attendees.
- Municipal Office Complex—we are limiting the outside use of the building to ensure sanitizing.
- Tree Committee has been formed first meeting is scheduled for Wednesday, October 21 at 12:30 pm.

Board of Finance follow-up questions:

- Mr. Gelston inquired about the purpose of the Tree Committee and what the status is for this year's tree budget. Mr. Smith responded that the purpose is to establish a long-range plan. Working with the Tree Warden (Road Superintendent Steve Hedler). This is an ongoing problem. Mr. Gelston noted that we need to look at this with next year's budget. Mr. Smith

indicated that Eversource has more crews in Town following the August storm. Eversource is conducting a pilot program on Town Street.

- Mr. Gelston stated that there was a Transfer Station Committee that had put together plans and asked if there were other strategies in the works. Mr. Smith responded that they were investigating ideas and that he is working with Mr. Angersola and Mr. Hedler to look at improvement opportunities. He noted that Mr. Angersola will be in contact with the engineers/architects for the Haddam Transfer Station and will look at some short-term things to do.
- Mr. DiCristofaro asked about who the members of the Tree Committee were. Mr. Smith responded that the members were Mr. Thomas, Mr. Hedler and him. Mr. DiCristofaro asked if they considered inviting Eversource to their meetings. Mr. Smith indicated that they have. Mr. DiCristofaro noted that there may be other people who might be able to help. Mr. Smith welcomes any additional help and input.
- Mr. DiCristofaro asked about the replacement of the Public Works Director because it is a crucial role with a sizable budget. Mr. Smith responded that Mr. Hedler and Mrs. S. Dill are stepping up. Coordination of FEMA is being worked on with Mrs. Varricchio. Mr. Smith indicated he is looking at various options. Mr. DiCristofaro inquired about the capacity of the staff. Mr. Smith indicated he is confident in Mr. Hedler to handle right now.
- Mr. DiCristofaro asked about the Long-Range Capital Improvements Committee meeting again. It was noted that we are working on loading the information into Cleargov for the Committee to use.
- Mr. DiCristofaro asked about an update on the village proposal. Mr. Smith responded that he anticipates a letter of intent for either the November 4th or November 18th Board of Finance meeting. Mr. Smith indicated that we would be looking to our Municipal Financial Advisor to assist in evaluating the proposals, noting that it is a very large project.
- Mr. DiCristofaro asked about the Human Resources position. Mr. Smith responded that he expected that working with Superintendent Reas a position posting would be issued in the upcoming weeks.

FINANCE DIRECTOR'S REPORT

a. **September YTD Budget Report:**
b. **Draft 2021-2022 Budget Calendar:**

Mrs. Varricchio reported that these items are not yet prepared due to many ongoing projects that will be addressed under Financial Updates.

c. **Debt Service Update:**

Mrs. Varricchio reported that we will be looking to refinance the USDA Loan as well as issue bonds for approximately $6 million. Mr. DiCristofaro indicated that the Board of Finance does not participate in the actual issuance of debt noting that is the responsibility of the First Selectman and Treasurer. Mr. DiCristofaro informed the Board that he has been invited to observe the rating call with Standard and Poor's. Mr. DiCristofaro noted that the Town has a goal of a AAA bond rating and he is looking forward to the feedback from Standard and Poor's as we work to achieve that goal. The Board will be kept informed the process.

d. **Financial Updates:**

Mrs. Varricchio reviewed the many outstanding items that the Finance Department is involved in to include:

- Grants: Five (5) FEMA Grants to include the 2018 storm damage, the Quint fire apparatus and PPE, three (3) CARES Act Grants for the Town and Board of Education combined.
- RFQ/RFP/Invitation to Bid: the RFQ/RFPs for the elementary school envelope and high school athletics complex studies as well as the bid for the jaws of life.
- Refinancing and issuance of debt along with the preparation of the Official Statement.
- Comprehensive Annual Financial Report (CAFR) preparation.
- Annual Report preparation.
- ADP conversion.
- Cleargov conversion
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Except for the Annual Report these are all items that are new to us or are infrequently done/prepared.

Mr. Gelston asked if there would be a way to fund some assistance for Mrs. Varricchio especially with the FEMA grants. Mrs. Varricchio indicated that she was given a lead for potential FEMA assistance that she will follow-up on and get back to the Board.

Mrs. Gionta inquired what the $6 million in debt was for. Mrs. Varricchio responded that it is for the remainder of the Municipal Office Complex, firehouse improvements, elementary school roof, boiler and site work, town-wide radio project and older open space acquisitions.

There as a consensus of the Board that they would be willing to fund additional temporary assistance to the Finance Department.

OLD BUSINESS

Addressed earlier in the meeting.

NEW BUSINESS

a. **Youth and Family Services Request:**

There was a scheduling conflict with Toni McCabe. This item will be addressed at the next Board of Finance meeting.

b. **Tax and Business Incentive Program Application—Clark Gates LLC:**
c. **Tax and Business Incentive Program Application—Staehly Farms:**

Mr. Smith stated that the tax impact to each taxpayer to implement these two incentive programs was $1 to $2 each. Mr. DiCristofaro stated that this is an opportunity to prevent business from going elsewhere.

Motion was made by Mr. Gelston to recommend approval of the Tax and Business Incentive Program Application for Clark Gates LLC. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Gelston to recommend approval of the Tax and Business Incentive Program Application for Staehly Farms. Mr. Corbett seconded the motion and it was unanimously approved. Motion carried.

d. **Grant Acceptance—State of Connecticut Aid to Towns for Election Expenses:**

Motion was made by Mr. Thomas to accept three grants from the State of Connecticut to offset local election costs including absentee ballot aid in the total amount of $7,204. Due to the COVID-19 pandemic and response, Governor's Executive Order 7CC issued April 21, 2020 permits the municipality's legislative body (Board of Selectmen) and budget making authority (Board of Finance) to authorize certain actions by a majority vote of each body to include (1) the application for or acceptance of any grants, funding or gifts. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

e. **Grant Authorization—Town Clerk Preservation Trust Grant:**

Motion was made by Mrs. Gionta to authorize the grant application for the Historic Document Preservation Program in the amount of $5,500. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

f. **Conservation Commission Gift Acceptance:**

Motion was made by Mr. Gelston to accept a gift for the Conservation Commission of $549.60 from East Haddam Boy Scout Troop 22. Due to the COVID-19 p**andemic and response, Governor's Executive Order 7CC issued April 21, 2020 permits the municipality's legislative body (Board of Selectmen) and budget making authority (Board of Finance) to authorize certain actions by a majority vote of each body to include (1) the application for or acceptance of any grants, funding or gifts. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.**

Thanks, and gratitude were extended by the Board for this gift.

Mr. Smith informed the Board that the Conservation Commission submitted a grant application for a Connectivity Grant that provide for sidewalks parallel to Plains Road (Rt. 151). The grant was due last Friday and required a fast turnaround. It will be brought to the Board of Finance at the November 9th meeting. The grant would also enlarge the Moodus Green and adjacent green islands and improve safety for pedestrians visiting the Amasa Day House or participating in Town activities.

OTHER

Mr. Gelston stated that the Tax and Business Incentive Program is another opportunity for the Communications Subcommittee.

GUEST AND AUDIENCE COMMENTS

Mr. DiCristofaro called for a brief recess to allow for Guest and Audience Comments to be received via email at 9:25 pm.

Mr. DiCristofaro reconvened the meeting at 7:30 pm. No questions or comments were received.

Mr. DiCristofaro expressed gratitude for the work that everyone is doing.

ADJOURNMENT

Motion was made by Mr. Dutch to adjourn at 9:30 pm. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Cindy Varricchio