TOWN OF EAST HADDAM
Board of Finance
Special Meeting Minutes
June 8, 2021
Municipal Office Complex
Meeting Room 3
Via Zoom and YouTube Live

CALL TO ORDER

Mr. DiCristofaro called the Board of Finance meeting to order at 7:00 p.m. and welcomed the public attending in-person and remotely.

In attendance:

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

Others:
- Cindy Varricchio, Finance Director

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited and recording devices started.

Mr. DiCristofaro stated that the budget referendum results will be in shortly after 8:00 pm. He stated that, at that time, the Board will either set the mill rate or set up dates for further discussion.

APPROVAL OF MINUTES

Motion was made by Mr. Gelston to approve the minutes of the March 20, 2021 Special Meeting. Mr. Corbett seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Thomas to approve the minutes of the March 27, 2021 Special Meeting. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Gelston to approve the minutes of the April 12, 2021 Regular Meeting. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Gelston to approve the minutes of the April 26, 2021 Special Meeting. Mrs. Gionta seconded the motion. Mr. DiCristofaro noted that he was not in attendance at that meeting and abstained from the vote. Motion carried with Mr. DiCristofaro abstaining.

Motion was made by Mr. Dutch to approve the minutes of the May 12, 2021 Special Meeting. Mr. Corbett seconded the motion and it was unanimously approved. Motion carried.

Mrs. Gionta stated that the last posted minutes were for the January meeting. Mrs. Varricchio stated that she would make sure that all adopted minutes are posted on the Town's website.

GUESTS AND AUDIENCE COMMENTS

Mr. DiCristofaro solicited comments. None were offered either in person or electronically.

CORRESPONDENCE

No correspondence was discussed at the meeting.

CHAIRMAN'S REPORT

Mr. DiCristofaro advised the Commissioners of the passing of former Board of Finance member Greg Lauria and recognized his contribution to the Board.

He further stated that he will not be seeking re-election in November but that he is fully committed to facilitating the Board's new leadership.

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

The Board reviewed the Tax Collector's reports for March and April. Mrs. Varricchio noted that the tax collection rate through May is 98.77% which is .5% ahead of last year at the same time; she noted, however, that the tax reconciliation for May has not yet been reconciled.

b. **Board Subcommittee Reports:**

- Communications: Mr. Gelston advised that the Committee has not met. He informed the Commissioners that the next BOF Communications article will be on the new Quint fire truck.

- Long Range Capital Improvements Committee: Mrs. Gionta stated that she expects the Committee will next meet in September. Mrs. Varricchio advised that, in the event of a change in Capital Improvements budget, the new Cleargov software will mirror the policies in place.

- Financial Policies: Mr. Thomas reported that this Committee has not met recently. He stated that one goal he has for the Committee is to do an annual review of the Town's financial policies and bring their recommendations forward for the full Board's consideration. In response to a request from Mr. DiCristofaro, Ms. Varricchio agreed to coordinate this year's review of the policies prior to November.

FIRST SELECTMAN'S REPORT

Mr. Smith was not in attendance and therefore discussion of this agenda item was postponed.

FINANCE DIRECTOR'S REPORT

a. **April YTD Budget Report:**

Finance Director Varricchio reviewed year-to-date transfers and appropriations and reported the following:

- As of April 30, expenditures are at 71% and revenues are at 94%. She noted that many of the larger expenditures, such as the Resident State Trooper program, come later in the fiscal year.

- It is expected that legal fees will go over budget by $20,000-$40,000 primarily due to labor negotiations and arbitration/remediation. It is also expected that Public Works will exceed its budget by approximately $87,000. Mrs. Varricchio responded to several questions from the Board and they agreed to continue discussion of the overages at their next regular meeting.

- Health, Social Services, Recreation, Debt Service, and the Board of Education budgets are on-track.

- Interest income for April is not yet posted but will likely be less than budgeted.

- She reviewed the status of property tax collections and advised that revenue from fees and conveyances collected by the Town Clerk is above what was projected. Specifically, Conveyance Tax income and Other Fees collected exceed projections by $71,600 and $67,500 respectively.

In response to a question from Mr. Gelston concerning Transfer Station fees, which were reported at $6,000 less than projected, Mrs. Varricchio noted that since there are two months remaining in the fiscal year and it is possible that Transfer Station fees could exceed what was budgeted.

b. **Grants Update:**

Mrs. Varricchio provided the following overview of the Town's grant funding from the federal COVID American Rescue Plan (ARP):

- A restricted COVID grant was approved that will provide funding in the amount of $1.3M this year and $1.3M next year.

- Two Fire Department COVID grants for PPE totaled approximately $30,000.

- The Board of Education received funding from two COVID ESSER grants totaling approximately $140,000.

- A COVID grant of $100,000 has been expended for both Town and educational purposes.

- A Board of Education grant in the amount of approximately $200,000 is anticipated.

- The Town's application for a $2.6M ARP grant should be funded at 50% by June 30.

Following is additional grant information provided by Mrs. Varricchio:

- The paperwork for the Quint firetruck FEMA grant is in process.

- Kelly Sterner is currently working on closing out several FEMA grants and she was instrumental in securing a $100,000 FEMA grant for damages related to storm Isaias.

Mrs. Varricchio stated that in August she will provide information on the Town's match requirements for grants.

In response to a request from Mr. Gelston, Mrs. Varricchio stated that she plans to provide a document summarizing the Town's existing grants at next month's meeting but noted that she wants to make sure all approvals are in place first. Mr. DiCristofaro stated that, with the exception of the $3M in ARP funds, all of the grant funding is budgeted or allocated. Mr. Thomas recommended including pertinent requirements and/or restrictions in the summary document, as well how the Town is using the funds.

Mrs. Varricchio reported that there the Johnsonville and Foxtown/Bone Mill bridge projects have gone over budget and the Town is responsible for 20% and 45% of the total repair costs respectively. There was a brief discussion regarding this issue.

NEW BUSINESS

a. **Ambulance Reserve Request:**

Mr. DiCristofaro reiterated the Ambulance Association's request that the Town return funds the Association contributed to the Town's reserves for the purchase of a new ambulance. He stated that the Ambulance Association would like the funds reimbursed so they can purchase the ambulance. Mrs. Varricchio noted that no Town Meeting is required to make the refund because the funds were originally contributed by the Ambulance Association and no taxpayer money is involved.

Motion made by Mr. Corbett to return $60,000 to the East Haddam Ambulance Association that the Association had contributed to the Town for the purchase of a new ambulance. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

b. **Police Capital—Tasers:**

Mr. DiCristofaro reported that the 2020-2021 capital budget provided for $12,000 to replace the police tasers. He stated that the current tasers are 10+ years old, are a one cartridge system, and are outdated. He advised that that the Town received a quote to purchase eight two-cartridge system tasers for the amount of $26,480.

Mr. DiCristofaro advised that the vendor selected by the police, Axon, offers a five-year, interest free payment plan which includes all repairs, cartridge replacements, etc., for the term of the agreement. He noted that Finance Director Varricchio recommends taking this course of action, and that this item be moved to the operating budget as a level-funded item that is reinstated every five years.

Mr. DiCristofaro stated that no vote by the BOF is necessary; however, the Board of Selectmen will need to approve a motion to waive the bid process. There was a general discussion regarding the bid process.

c. **Grant Authorization Request—American Recovery Fund for the Library System**

Mr. DiCristofaro reported that the Connecticut State Library has been awarded $2 million for direct grants to Connecticut libraries. East Haddam is eligible for a grant in the amount of $16,508 to support the libraries' reopening efforts, including creating COVID-friendly spaces. The grant funds will be split between the two libraries and there is no Town match required.

Motion was made by Mr. Corbett to authorize the East Haddam Library System to apply to Connecticut Public Libraries for an American Rescue Plan Grant in the amount of $16,508, with no Town match requirement, contingent upon approval of same by the Library Board at their June 10, 2021 meeting. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

OTHER

Mr. DiCristofaro advised that he had received an email from Mr. Riley, of the Centerbridge Group, requesting the input of the Boards of Selectmen and Finance and the East Haddam Village Revitalization Committee regarding the Group's proposed development project for the 4-7 Main Street property. Mr. DiCristofaro emphasized that he specifically wants the Board's feedback on how they feel about the proposed referendum to authorized the Board of Selectmen to pursue a course of action to negotiate the potential sale of the property to the Centerbridge Group for development.

In response to Mr. DiCristofaro's request for the Board members' feedback, Mr. Corbett, Mrs. Gionta, and Mr. Thomas stated they are in favor of letting the Board of Selectman pursue next steps toward the Centerbridge Group's proposal to develop the property; Mr. Dutch was opposed. Mr. Gelston stated that he feels there are still too many unknowns for him to endorse the project at this time; however, following comments made by Mr. Thomas and other Board members, Mr. Gelston clarified that he is comfortable with approving a path to gather more information.

Mr. DiCristofaro thanked the Board members for their feedback and stated that he felt he could convey the direction of the Board to Mr. Riley.

2021-2022 BUDGET

Mrs. Varricchio reported that the budget referendum had failed 274 to 1,242. Mr. DiCristofaro provided the following tentative meeting dates place holders:

- June 14, 2021—Budget Workshop
- June 15, 2021—Budget Workshop (if needed)
- July 13, 2021—Public Hearing
- July 27, 2021—Town Meeting
- August 10, 2021—Referendum

Mr. DiCristofaro noted that to achieve a zero-mill rate increase, approximately $550,000 needs to be cut from the budget.

There was a general discussion regarding the message sent by the referendum vote, the public's main concerns, misinformation in the community, and the need for transparency and good communication. The Board discussed areas of potential cuts to the 2021-2022 budget.

In response to a request from Mrs. Gionta, Mrs. Varricchio agreed to provide a spreadsheet detailing the items in the budget with the largest increases for the first workshop meeting.

The Board members agreed that the goal should be a zero-mill rate increase but they also want to understand the impact of any proposed reductions. Mr. DiCristofaro recommended asking the Board of Education and the Board of Selectmen to make the specific cuts and stated he would invite them to the Workshop meeting(s). Due to perception issues, the Board members agreed that it would be useful to eliminate the cameras and conferencing systems from this budget cycle even though it won't have any impact on the budget.

In response to an inquiry from Mr. Gelston, Mrs. Varricchio stated that as of June 30, 2020 the unassigned fund balance was projected to be 16.9% and that $1.2M is allocated for the 2021-2022 budget reducing it to approximately 13% of the total budget. There was a brief discussion about whether there is an option for using the unassigned fund balance to close some of the budget gap and Mrs. Varricchio did not recommend that course of action.

In response to a question from Mrs. Gionta, Mrs. Varricchio clarified how the percentage rate of increase in property taxes is calculated.

GUESTS AND AUDIENCE COMMENTS

Mr. Paul Stuhlman thanked the Board for their efforts. He stated that he agreed that there are mis-perceptions in the public regarding the Town's budget and encouraged the Board to provide clear, plain-English communications to correct some of the misinformation out there. He noted that he had expected the referendum to fail but he was stunned by the margin.

Motion was made by Mr. Dutch to adjourn at 9:08 pm. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette