TOWN OF EAST HADDAM
Board of Finance
Special Meeting Minutes
August 24, 2021
Municipal Office Complex
Meeting Room 3

CALL TO ORDER

Chairman DiCristofaro called the meeting to order at 7 pm.

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
- Cindy Varricchio, Finance Director

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

GUESTS AND AUDIENCE COMMENTS

There were no guests/audience comments discussed at the meeting.

CORRESPONDENCE

a. **Letter from Superintendent of Schools – Board of Education Year-End Results:**

Mr. DiCristofaro called the Board's attention to a letter from the Superintendent of Schools reporting on the Board of Educations' year-end results. Mrs. Varricchio noted that it is the standard letter that is issued at year-end that discusses what was expended, unexpended and encumbered and it usually requests that the unexpended funds be transferred to BOE reserves. She noted that the BOF typically concurs with the request and the transfer occurs after the Town's audit. Mr. DiCristofaro stated that he supports this policy.

b. **Clifton Larson Allen LLP Audit Governance Communication Planning Letter**

Mr. DiCristofaro called the Board's attention to a letter from the Town's auditor. Mrs. Varricchio advised that this is a standard letter that the auditor's produce annually. She asked the Board to review the letter and let her know if they have any questions.

In response to questions raised by Mr. Gelston, it was noted that the auditors conduct yearly "fraud interviews" with the First Selectman, Finance Director, Finance Department staff and, this year, the Board of Finance Chairman and discuss whether there is anything they want to call attention to or areas they'd like the auditors to focus on. Mrs. Varricchio stated that the Town elected not to implement a fraud hotline because it was felt the police tip line could be used for that purpose.

CHAIRMAN'S REPORT

a. **Tax Collector's Report – May and June:**

Mr. DiCristofaro recognized Mrs. Varricchio who reported that the Tax Collector had collected approximately $405,000 more than was budgeted. She called the Board's attention to materials in their meeting packets and reviewed the reports.

b. **Board Subcommittee Reports:**

Communications—Mr. Gelson had nothing to report regarding the activities of this subcommittee. Mr. DiCristofaro relayed a suggestion from a citizen that a non-elected member of the public be added as an ex-officio advisory member of the Communication Subcommittee to act as a bridge to community. There was a general discussion regarding how to recruit someone for that role.

- **Long Range Capital Improvements Committee**—In response to questions raised by Mr. DiCristofaro, Mr. Smith advised that the Capital Improvements Roundtable members have discussed reconvening in October to put together a planning document for the new First Selectperson and Mrs. Varricchio confirmed that the Board of Education had expressed an interest in meeting with Mr. DiCristofaro, herself, and the First Selectman to discuss the referendum process related to an athletic complex capital project.

- **Financial Policies**—Mr. DiCristofaro proposed September 16th as the next meeting of this subcommittee with a goal of reviewing and firming up the financial policies so he can present them to the Board in October.

Mr. DiCristofaro distributed an email from Deb Denette, the BOF's recording secretary, submitting her resignation, effective immediately. He recognized her service and Mrs. Varricchio agreed to draft a letter of gratitude for her efforts.

Motion was made by Mr. Thomas, to accept, with regret, the resignation of Debra Denette, Recording Secretary for the Board of Finance, effective immediately. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

Mr. DiCristofaro stated he is in favor of developing the East Haddam Village property and is also in favor of the direction the current proposal is taking. He stated, however, that he feels that the proposed referendum question regarding the development proposal is not definitive enough and will face challenges getting approved.

Mr. DiCristofaro suggested that a referendum question that might be more acceptable to the public would be to empower the Board of Selectmen to establish an agency that is authorized to create a master development plan/agreement. He stated that the master development plan would be in the form of a formal agreement with the developer, that is crafted with input from all applicable Town departments, Boards and Commissions, as well as the Town attorney, and which outlines all of the details that the Town would have to accept regarding the proposal. He noted that a second referendum to approve the master development agreement would also be required.

Mr. DiCristofaro proposed the Town transition the Village Revitalization Committee (EHVRC) into the role of the redevelopment agency since they have the expertise and historical knowledge of the site currently being considered for redevelopment. He stated that the Town would also need to create a budget for the redevelopment agency to pursue the development agreement.

Mr. Smith stated that he has gotten feedback from the public regarding the benefits of creating a redevelopment agency and noted that the Town's Plan of Conservation & Development states that there should be a master development plan for the Village. He supported Mr. DiCristofaro's suggestion to reconfigure EHVRC to the redevelopment agency.

DiCristofaro noted the need for expediency in moving the proposal forward. He solicited the Board's input.

The Board members supported Mr. DiCristofaro's recommendations. There was a general discussion regarding the agency's scope of responsibility and its budget. The Board also discussed the Planning and Zoning Commission's (P&Z) role in negotiating the master plan/agreement. Mr. Thomas noted that prior to receiving a formal application, P&Z is generally limited in what it can do; however, the Commission has, in the past, offered preliminary advice on plans for large scale development projects. Mr. DiCristofaro recommended giving the full P&Z members a complete briefing on Centerbridge's proposal.

FIRST SELECTMAN'S REPORT

a. **Compensation and Classification Study Update**

Mr. Smith called the Board's attention to materials in their meeting packets regarding the Compensation and Classification Study. He stated that Randi Frank responded to several of the questions raised by the public and also provided an explanation of the process used to

develop the study. Mr. Smith noted that the Randi Frank agency is a reputable company and has done a number of municipal compensation studies. He reviewed several aspects of the additional information provided by Ms. Frank.

In response to a question raised by Mr. DiCristofaro, Ms. Varricchio stated that the additional materials will be posted subsequent to this meeting. There was a general discussion regarding the public's reaction to the study.

Mr. Smith also reported the following:

- The Town is experiencing substantial delays in securing approved capital equipment/ vehicles as well as inflated prices. Consequently, Mr. Smith advised that there is an increase in repair expenses.
- A significant increase in the cost of steel has also impacted several Public Works projects, such as replacing the guard rails at Bonemill and Hemlock Valley Roads. In response to Mr. Gelston's suggestion to use wood for the guard rails, Mr. Smith advised that wood guard rails generally have a steel backing. There was a general discussion regarding the fluctuating prices.
- New rubberized asphalt and chip seal has been applied to several roads leading to the Elementary School and there is a 10-year warranty on the product.
- There was a minimum of damage in the Town as a result of Tropical Storm Henri. Mr. Smith noted that the Town had to rent a 3-phase generator in anticipation of the storm because the High School generator, which supports the Town phone and computers systems, was down. In response to a question raised by Mrs. Gionta, Mr. Smith advised that the generator is out of its warranty period. He responded to several other questions from the Board.

FINANCE DIRECTOR'S REPORT

a. **June Year End Preliminary Budget Report**

Mrs. Varricchio called the Board's attention to the preliminary year-end budget report in their meeting packet. She reviewed the bottom-line of the Operating Expenses budget and noted several items that were over/under budget. She advised that total expenditures were almost $465,000 under budget.

In response to a question raised by Mr. Gelston, Mr. Smith stated that the Transfer Station was over budget due to an increase in hauling costs and the addition of two small hoppers to take some of the pressure off of the main hopper. Ms. Varricchio noted that Transfer Station revenues are up from last year.

Mrs. Varricchio reviewed preliminary year-end revenues. She noted that the tax collection rate was higher than anticipated resulting in tax revenues of approximately $405,000 more than budgeted and that revenues for several departments were also higher than budgeted.

Mrs. Varricchio concluded that the Town had budgeted $530,000 in reliance on Fund Balance and there has been no use of those funds and, further, revenues are almost $207,000 over budget in the unaudited preliminary assessment.

In response to a request from Mr. DiCristofaro, Mrs. Varricchio stated she will provide an estimate of the Unassigned Fund Balance percentage at the September meeting. In response to an inquiry from Mr. Gelston, Mr. Smith advised that the Town has retained the services of a retired assessor who is working on a part-time, long-term temporary basis.

Mrs. Varricchio provided an overview of the Capital Projects preliminary report and noted that the elementary school envelope project was deferred until next year due to the challenges in acquiring and the cost of building materials. She reviewed the Town's three bridge projects and stated that the preliminary information is that two of the three projects are over-budget.

Mrs. Varricchio and Mr. Smith briefly discussed FEMA grant projects. In response to an observation by Mr. DiCristofaro, Mrs. Varricchio confirmed that all of the Capital Projects, with the exception of the two bridge projects, are on or at budget. There was a brief discussion regarding federal grant funding for capital projects.

b. **Review of COVID Grants**

Mrs. Varricchio called the Board's attention to a document in the meeting packets which provided details about the Town's and Board of Education's COVID grants. She reviewed the report with the Board and noted that the Town's match requirement for approximately $3.4M in grant funding is less than $1,200.

She responded to several questions from the Board. There was a general discussion regarding the need to track how the Town and BOE deploy ARP grant funds to off-set regular expenses in their budgets.

c. **Meeting Schedule**

Mrs. Varricchio proposed, and the Board agreed to, the following schedule:

- September 1—Joint meeting with the Board of Selectmen to pass a resolution to put the Mullazi open space purchase to a referendum.
- October 13—rescheduling the October 18th Board of Finance regular meeting.

OLD BUSINESS

There was no old business discussed at the meeting.

NEW BUSINESS

a. Grant Authorization Request—FY 2022 Historic Documents Preservation Program

Mr. DiCristofaro advised that this is an annual request from the Town Clerk and requires no Town match.

Motion was made by Mr. Thomas to authorize the application of a Historic Document Preservation Program grant in the amount of $5,500 for the preservation of historic records/documents. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

b. Grant Acceptance—M. Jones Fund at the Community Foundation of Middlesex County

Mr. DiCristofaro advised that this grant is to support summer youth camps in any capacity needed.

Motion was made by Mr. Thomas to accept a grant in the amount of $1,000 from the M. Jones Fund at the Community Foundation of Middlesex County for the purpose of supporting summer youth camps and to request that the Board of Selectmen schedule a Town Meeting for approval. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

c. Grant Acceptance—Chapman Falls Archeological Survey

Mr. DiCristofaro stated that the Board approved the application for this grant on May 12, 2021.

Motion was made by Mr. Dutch to accept a grant in the amount of $20,000 from the State of Connecticut, Department of Economic and Community Development for the "Chapman Falls Archeological Survey", contingent upon Board of Selectmen approval, and to request that the Board of Selectmen schedule a Town Meeting for approval. Mr. Corbett seconded the motion and it was unanimously approved. Motion carried.

d. Grant Acceptance—FY 2020 Emergency Management Performance Grant & EMPG Supplemental for COVID

Mr. DiCristofaro advised that this is the annual grant that the Town budgets for each year along with an additional grant for COVID.

Motion was made by Mr. Dutch to accept a grant in the amount of $5,000 from the State of Connecticut, Department of Emergency Services and Public Protection, Division of Emergency Management and Homeland Security, entitled "FY 2020 Emergency Management Performance Grant", and to request that the Board of Selectmen schedule a Town Meeting for approval. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Gelston to accept a grant in the amount of $13,303.60 (of which $6,651.80 is federal funding, with no Town match, and in-kind State of Connecticut match of $6,651.80) from the State of Connecticut, Department of Emergency Services and Public Protection, Division of Emergency Management and Homeland Security, entitled "FY 2020 Emergency Management Performance Grant Supplemental for COVID", and to request that the Board of Selectmen schedule a Town Meeting for approval. Mr. Corbett seconded the motion and it was unanimously approved. Motion carried.

GUESTS AND AUDIENCE

There were no guest/audience comments discussed at the meeting.

OTHER

There was no other business discussed at the meeting.

ADJOURNMENT

Motion was made by Mr. Dutch to adjourn at 8:49 pm. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Sharon Wheeler
Acting Recording Secretary