TOWN OF EAST HADDAM
Board of Finance
Regular Meeting Minutes
December 13, 2021
Municipal Office Complex
Meeting Rooms 1 and 2
Via Zoom and YouTube Live

CALL TO ORDER

Mrs. Gionta called the meeting to order at 7:01 pm and the Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:
Tracey Gionta, Chairman
Bruce Dutch, Secretary
Joseph Corbett
Todd Gelston
Harvey Thomas
Rebecca Whatley

Others:
Irene Haines, First Selectman
Brian Reas, Superintendent of Schools
Don Angersola, Director of Operations
Brian Reas, Superintendent of Schools
Cynthia Varricchio, Finance Director
Karen Blaschik
Timothy Cahill
Sharon Wheeler, Recording Secretary
And other members of the public

APPROVAL OF AGENDA

Mrs. Gionta stated that she would like to amend the agenda to move the following items up to follow agenda item 4 - Correspondence:

- 11a - Albert E. Purple Fund – Nathan Hale-Ray High School Athletics Complex – Special Appropriation, and
- 11b – Nathan Hale-Ray High School Underground Oil Tank Removal Capital Project – Special Appropriation.

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

GUESTS AND AUDIENCE COMMENTS

There were no guests or audience comments raised at the meeting.

CORRESPONDENCE

Mrs. Gionta advised that she had been copied on a letter addressed to First Selectman Haines from the Connecticut River Coastal Conservation District.

NEW BUSINESS

a. Albert E. Purple Fund – Nathan Hale-Ray High School Athletics Complex – Special Appropriation:

Mrs. Gionta called the Board's attention to a letter in their meeting packets from CHA, dated April 30, 2021, regarding a "Proposal for a Track and Field Facility design services at Nathan Hale-Ray High School – CHA Proposal No.: X68483-P2".

She advised that the Board of Education is seeking a distribution from the Albert E. Purple Fund to subsidize the design of the High School Athletic Complex. She noted that the Fund had been started in 1930 with a donation of $400,000 and has grown to $9.5 million. Mrs. Gionta introduced Timothy Cahill who manages the Purple Fund.

Mr. Cahill provided additional background information regarding the Purple Fund and advised that he had been requested to research the impact of a one-time $500,000 and a $100,000 special appropriation from the Fund. He stated that his models indicated that there would be no significant impact on the Fund because of making those appropriations.

Mrs. Gionta recognized Superintendent Reas who advised that the Board of Education had requested a $100,000 appropriation to finance the cost of developing a schematic design for the proposed Athletic Complex and to do environmental testing at the site. He noted that a schematic design would provide more specific detail about the costs of various aspects of the proposed complex which would, hopefully, allow the Town to move forward with the project this spring.

In response to an inquiry from Mr. Thomas, Mrs. Stricker advised that the Board of Education Capital Improvements Committee had revisited the proposal presented to the Board of Finance at its October 13th meeting. She stated that they made several revisions to the plans which had reduced the projected cost from $3.8M to approximately $2.7M. She noted, however, that the committee feels it could do a more thorough pro and con analysis if they have a schematic design of the project to work with.

There was a general discussion regarding the amount of the contingency line in the plan presented at the Board of Finance's October meeting and Mrs. Stricker noted that, without a schematic design, the contingency allowed for several unknown factors; however, the schematic design will reallocate the costs appropriately. She emphasized however, that while the amount of the contingency line would be reduced, the overall cost of the project would remain relatively unchanged.

In response to a question raised by Ms. Whatley, Mr. Cahill clarified that an initial special appropriation of $100,000 had been requested and that the maximum total appropriation would not exceed $500,000. Mrs. Varricchio stated that before the balance of $400k was appropriated, Mr. Cahill would re-run his models to determine that there would still be no significant impact on the Purple Fund.

Motion was made by Mr. Gelston to accept a contribution from the Albert E. Purple Fund in the amount of $100,000 for the purpose of funding for Phase 2 – additional engineering design services for the proposed Nathan Hale-Ray Athletics Complex (revenue account 33415-49725 and expense account 34050060-54500), contingent upon Board of Education endorsement at their meeting scheduled for December 14, 2021 and to request that the Board of Selectmen schedule a Town

Meeting for approval. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

b. Nathan Hale-Ray High School Underground Oil Tank Removal Capital Project – Special Appropriation:

Mrs. Gionta called the Board's attention to a quote of $258,170 in their meeting packets from Kroop Environmental Contractors, Inc., dated November 10, 2021, for the removal and replacement of the underground oil tank at the high school. It was noted that the underground oil tank at the high school is approaching its 30th anniversary and the Connecticut Department of Energy and Environmental Protection (DEEP) requires its removal and replacement. She further stated that the Town had set-aside $25,000/year in budget years 2019-2020, 2020-2021 and 2021-2022 to fund the cost of replacing the high school's oil tank.

Mr. Reas advised that the projected reserves for this project had been based on the cost of removing and replacing the oil tank at the elementary school, however, due to market volatility the cost of the high school project had increased significantly. He stated that, including a contingency of $41,840, the total maximum projected cost of the project is $300,000. He noted that there are potential options, including replacing the in-ground tank with an above-ground tank, for reducing the cost of the project; however, the Board of Education would like the Board of Finance to consider approving the maximum cost to avoid revisiting the issue.

Mr. Reas stated that, allowing for the $75,000 already set aside, the Board of Education is requesting a special appropriation of $225,000 for the project. Mrs. Varricchio noted that the Board of Education had a surplus of $267,309 in their 2020-2021 budget that, per the Board of Finance's policies, shall be transferred to the Board of Education's Reserve Fund, which would cover the requested appropriation.

Mr. Reas and Mrs. Varricchio responded to several questions from the Board. Mr. Reas confirmed that the plans for the Athletic Complex are fully ADA compliant. Mr. Thomas strongly endorsed the use of an above-ground tank due to lower cost and the fact that DEEP currently has no existing expiration requirement for above-ground tanks. Mr. Thomas called Mr. Reas' attention to a financial typo in the Kropp Environmental Contractor's contract.

Motion was made by Mr. Thomas to approve a transfer in the amount of $267,309 from the General Fund (10549010-58928) to the Board of Education Capital Reserve Fund (3320-10506-25790) and to request that the Board of Selectmen schedule a Town Meeting for approval. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Dutch to amend the capital budget for the removal and replacement of the Nathan Hale-Ray High School underground oil tank by $225,000 (expense account 33250013-58926-C0158) to a total budget amount of $300,000 funding source for the amendment to be provided from the Board of Education Capital Reserve Fund (3320-10506-25790), contingent upon Board of Education endorsement at their meeting scheduled for December 14, 2021 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.

CHAIRMAN'S REPORT

a. Board of Finance Liaison Assignments:

Mrs. Gionta called the Board's attention to a list of liaison assignments in their meeting packets. She briefly reviewed the assignments.

In response to a question raised by Mr. Dutch, there was a general discussion regarding the expectations for the assigned liaisons.

b. Board of Finance Rules:

Mrs. Gionta called the Board's attention to a copy of the updated Board of Finance Rules in their meeting packets and the members confirmed that they had reviewed the revisions. Mrs. Varricchio stated she would notate the new draft as "Reviewed by the Board of Finance on December 13, 2021".

c. Educational Workshops:

Mrs. Gionta recommended that Board members notify Mrs. Varricchio if they would like to be registered for Connecticut Conference of Municipalities' January 8th Workshop for Newly Elected Officials.

Mrs. Varricchio stated she would also circulate information on a virtual Municipal Budget seminar.

d. B**oard of Finance Subcommittee Reports:**

- Communications – Mr. Gelston called the Board's attention to two draft communications in their meeting packets. He noted that the subcommittee is targeting an East Haddam News publication date of December 30th for the communication entitled "*How the Campaign for the "Quint Grant was won*", and a publication date of January 6th for the communication entitled "*Process for Budget Creation and Approval*".

  There was a general discussion regarding the best format to use when submitting the communications to the newspaper. The Board unanimously supported publishing the draft communications.

- Financial Policies – It was noted that this subcommittee has not met and therefore discussion of this agenda item was postponed.

- Long-Range Capital Improvements Committee - It was noted that this subcommittee has not met and therefore discussion of this agenda item was postponed.

e. Tax Collector's Report:

Mrs. Gionta called the Board's attention to the Tax Collector's Month End Report for October 2021 in their meeting packets. The Board reviewed the report and there were no questions.

f. Citizens' Guide to the Budget Process:

Mrs. Gionta called the Board's attention to a copy of the *Citizens' Guide to the 2022-2023 Budget Process* in their meeting packets. She advised that her goal for the *Guide* is to encourage citizens to get involved in the budget process earlier. She noted that the Guide will be inserted into *the East Haddam News'* December 30th edition and solicited the Board's feedback on it prior to that date.

FIRST SELECTMAN'S REPORT

a. 2022-2023 Budget Process:

Mrs. Haines called the Board's attention to a 2022-2023 Budget Process PowerPoint printout in their meeting packets. She reviewed the information in the printout and discussed the use of ClearGov to provide more transparency of individual Town department's budgets. She suggested the Board of Finance liaisons

assist their assigned departments/boards/ commissions in developing input for Clear.gov that will be clear and informative to the public.

There was a general discussion regarding when info on Clear.gov will be made available to the public. Mrs. Varricchio stated she would add a notice to the website advising the public as to when the site will go live and Mr. Gelston said he would also note the on/after date in the *Process for Budget Creation and Approval* article.

Mrs. Haines provided the following additional report:

- She has been working closely with the Public Safety department to resolve a number of open issues.
- She is working with the Town's Broadband Committee to move their recommendation forward.
- She has been looking into a Town-wide composting plan to reduce Transfer Station expenses.
- She is working on putting together a Redevelopment Agency for the Town.
- There is a new owner developing the old Cumberland Farms site in Moodus.
- New zoning regulations for the Moodus business district were passed to encourage investments in "Main Street Moodus".

Mrs. Haines noted that there are several open positions the Town is trying to fill. She responded to several questions from the Board.

FINANCE DIRECTOR'S REPORT

In response to an inquiry from Mrs. Gionta, Mrs. Varricchio advised that she feels the most efficient way to offer a tutorial on ClearGov would be to present it during next month's scheduled Tri-Board meeting.

a. October YTD Budget Report

Mrs. Varricchio called the Board's attention to the 2021-2022 YTD Budget Report Summary in their meeting packets. She noted that the current budget is tracking plan nicely and she has no issues or concerns to report at this time. She further noted that revenues are up over $1M as compared to the same period last year.

b. Fiscal Year Ended June 30, 2021, Audit Update:

Mrs. Varricchio noted that Blum Shapiro recently merged with CliftonLarsonAllen LLP and, consequently, this year's audit was much more detailed and in-depth than past audits. She stated that, notably, the annual comprehensive financial report (ACFR) by the new auditors resulted in several pages of additional items that they wanted included in the Finance Department's application for the GFOA Certificate of Achievement for Excellence in Financial Reporting.

Mrs. Varricchio stated that the audited financial reports were sent to press on Friday, December 10th, and noted that the Management Discussion and Analysis section will include significantly more detail. She advised that she would invite the auditors to the Board of Finance's February meeting.

Mrs. Varricchio concluded her update noting that last year the Town closed its books with the Undesignated Fund balance representing 16.9% of the total General Fund budget and this year the ratio was 16.8%. She also provided brief comments on the auditor's restrictions on including FEMA revenues that are expected more than 60 days out in the financial statements. There was a general discussion regarding how FEMA revenue is reported. Mrs. Varricchio responded to several questions from Board members.

c. Draft 2022-2023 Budget Calendar:

Mrs. Varricchio called the Board's attention to a draft copy of the 2022-2023 Budget Development Calendar. She noted that the calendar will be on the Town's website and will be updated as the schedule changes.

LIAISON REPORTS

There were no liaison reports given at the meeting.

GUESTS AND AUDIENCE COMMENTS

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

OLD BUSINESS

a. 2022 Meeting Schedule:

The Board discussed the proposed 2022 regular meeting schedule and agreed to reschedule the February meeting from the 14th to the 7th. Mrs. Varricchio stated she would send out an updated list of meeting dates.

Motion made by Ms. Whatley to adopt the Board of Finance regular meeting 2022 schedule as amended. Mr. Corbett seconded the motion and was unanimously approved. Motion carried.

NEW BUSINESS

a. Albert E. Purple Fund – Nathan Hale-Ray High School Athletics Complex – Special Appropriation:

This agenda item was discussed earlier in the meeting and is reported on in the minutes above.

b. Nathan Hale-Ray High School Underground Oil Tank Removal Capital Project – Special Appropriation:

This agenda item was discussed earlier in the meeting and is reported on in the minutes above.

c. Grant Authorization—Comprehensive DUE Enforcement Grant Application Request:

Mrs. Varricchio advised that the East Haddam Police Department applies for this grant annually. She noted that if the grant is approved, acceptance of same will require the approval of the Boards of Selectmen and Finance and must also be approved at a Town Meeting.

Motion made by Mr. Gelston to authorize the grant application for the FY2022 Comprehensive DUE Enforcement Program for Resident Trooper towns in the amount of $19,739.61 with no town match. Ms. Whatley seconded the motion and it passed unanimously. Motion carried.

d. Tax Relief for Elderly and Disabled Ordinance Amendment:

Mrs. Varricchio reiterated that the ordinance for Tax Relief for Elderly and Disabled will sunset this year. She stated that the tax assessor will provide a report regarding the financial impact of the ordinance and the Board can discuss amending the ordinance at their January meeting.

Mr. Thomas requested the Assessor break her report down by the three levels of relief amounts. He further stated that the Board consider whether the stipulated income levels, the relief amounts, and the overall annual maximum program amount are all still relevant.

e. Fire House Company #2—Capital Reallocation:

Mr. Angersola reported that there are unforeseen structural and roof issues at Fire House Company #2. He requested the Board reallocate $45k in the Fire Department's budget designated for sheathing repairs to address the building's structural issues and roof leaks and also to secure a structural engineering report. He provided an overview of the building's structural problems and responded to several questions from the Board. He confirmed that he would ask that the engineering report include an analysis of the building's foundation.

Motion made by Mr. Thomas to reallocate $45,000 in Fire House Company #2's capital budget for the replacement of the deteriorating metal sheathing to address structural and roofing issues and to secure a structural engineering report for Fire House Company #2. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

OTHER

In response to a question raised by Mr. Dutch, Mrs. Haines provided additional information concerning the open part-time Human Resources position.

Mr. Thomas wished everyone a happy holiday and seasonal greetings were exchanged by all.

ADJOURNMENT

Motion made by Mr. Dutch to adjourn at 8:50 pm. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,
/s/
Bruce Dutch
Secretary