

TOWN OF EAST HADDAM
Board of Finance
Regular Meeting Minutes
November 18, 2019
Municipal Office Complex Meeting Rooms 1 and 2

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

In attendance:

Board of Finance Members

Joseph Corbett
Bruce Dutch
William DiCristofaro
Todd Gelston
Tracey Gionta
Harvey Thomas

Others:

Robert Smith, First Selectman
Carleen Quinn, Selectman
Deb Denette, Town Clerk
Denise Dill, Tax Collector
Brian Auld, Fire Chief
John Sarnik, Fire Captain
Cindy Varricchio, Finance Director
Erik Dill
Dave Kraszewski
Marty Ryczek

Mr. DiCristofaro welcomed Joe Corbett and Rob Smith with congratulations. He also congratulated returning members Harvey Thomas and Bruce Dutch. Mr. DiCristofaro also congratulated Carleen Quinn, in the audience, who was elected to the Board of Selectmen. The Tax Collector Denise Dill and Town Clerk Deb Denette were also congratulated for their reelection.

ELECTION OF OFFICERS

Mr. DiCristofaro solicited nominations for Chairman of the Board.

Mr. Thomas nominated Mr. DiCristofaro to continue as Chairman.

Mrs. Gionta seconded the nomination.

Mr. DiCristofaro solicited additional nominations.

Mr. Dutch motioned to close nominations.

Mrs. Gionta seconded the motion.

The motion to close nominations was unanimously approved. Motion carried.

The motion to elect Mr. DiCristofaro as Chairman was unanimously approved. Motion carried.

Mr. DiCristofaro solicited nominations for Board Secretary.

Mrs. Gionta nominated Mr. Dutch to serve as Secretary.

Mr. Thomas seconded the nomination.

Mr. DiCristofaro solicited additional nominations.

Mr. Thomas motioned to close nominations.

Mr. Corbett seconded the motion.

The motion to close nominations was unanimously approved. Motion carried.

The motion to elect Mr. Dutch as Secretary was unanimously approved. Motion carried.

Guests and Audience Comments

Marty Ryczek, Athletic Director spoke of the need for athletic improvements at the high school. He stated that when the high school was approved (1989), both a track and tennis courts were part of the plan. He noted that the soccer fields need drainage; irrigation is very poor, and that neither restroom facilities nor concessions are available at the lower fields. Mr. Ryczek further noted the success and popularity of the cross country and track teams.

Dave Kraszewski, the high school cross country coach added that Hale-Ray is the only high school in the shoreline, and possibly the State of Connecticut without a track.

Mr. DiCristofaro responded that there is no formal proposal before the Board of Finance at this time. He also noted that the concept of the Financial Needs Roundtable is to review all proposals, the most meritorious ones will bubble up to the top. He suggested that they work through the Board of Education administration to have a proposal brought forward. Mr. Ryczek stated that an entire athletic upgrade proposal has been put together, he felt that it needed some inertia behind it. Again, Mr. DiCristofaro encouraged Mr. Ryczek to work through the Superintendent's office.

Mr. Thomas acknowledged that Mr. Ryczek is his brother-in-law and that Mr. Kraszewski is his nephew-in-law. He added that if there was something to vote on, the relationship would not sway his thinking. Mrs. Varricchio advised that she would relay the meeting dates of the Financial Needs Roundtable to Mr. Ryczek.

Motion was made by Mrs. Gionta to alter the agenda to accommodate the Fire Department agenda item. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

NEW BUSINESS

e. Fire Department FEMA Apparatus Grant Application Request:

Mr. Sarnik requested permission to apply to FEMA for a Fire Apparatus Grant. East Haddam presently has a ladder truck that is 42 years old. The truck was donated to us from the Town of Essex nine years ago. The ladder truck has been found as an invaluable asset, particularly for combatting chimney fires. The grant application has a 5% match, odds are increased if the match is increased. The cost of a new ladder truck is between \$880,000 and \$1,200,000. \$1,000,000 is the maximum amount of FEMA funding. It was noted that the replacement of this type of fire vehicle is not currently in

the Capital Improvement Plan, however, if this grant is awarded and the truck acquired out of cycle, the next vehicle could be refurbished rather than replaced. Mr. DiCristofaro solicited discussion from Board members. There was consensus. Mr. Gelston sought assurance that there would be a driver for the truck. It was noted that a special license would be required. It was also envisioned that this truck would be first on scene as it would be multi-functional.

Chief Auld also noted that if approved, FEMA funding requires that the replaced fire apparatus be taken out of service. Mr. Gelston questioned the odds of approval. Captain Sarnik advised that over 300 vehicles were awarded last time around. The age and necessity of the vehicle creates good odds, it was suggested that there may be a 70% chance. The Board concurred that a larger match was appropriate, and the financing was available in reserves as noted above.

Motion was made by Mrs. Gionta to authorize the grant application for the FEMA Fire Apparatus Grant Program (up to a 10% match). Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

APPROVAL OF MINUTES

Motion was made by Mr. Gelston to approve the minutes of the October 21, 2019 regular meeting with the notation to correct a spelling error on Page 1 from "Laura" to "Lauria". Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

CORRESPONDENCE

Nothing noted.

CHAIRMAN'S REPORT

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

The Tax Collector was noted to be present to answer any questions. No questions were asked, Mr. DiCristofaro noted that we continue to enjoy a high collection rate.

b. **Board of Education Quarterly Budget Report:**

A quarterly report was provided by the Board of Education. The submittal is provided pursuant to new legislation. Responsive to a question raised by Mr. Gelston, it was noted that the teachers' union contract has been signed. For further information, Mr. Gelston was directed to speak to the Superintendent. Mrs. Denette noted that labor contracts are posted at www.easthaddam.org.

c. **Liaison Assignments:**

Mr. DiCristofaro stated that he prepared a preliminary draft of assignments, changing things up a bit. He requested members review it and let them know if changes are necessary.

d. **Board Subcommittee Reports:**

Communications: Mr. Gelston advised that the updated endowment funds article will be published in Thursday's paper. It was noted because the subcommittee was not willing to risk being edited for either format or content it was placed as an ad. It was noted that the *Events Magazine* also presents opportunity to share information, however, there is a long lead time. It was noted that the first quarter budget report will be published as well using the same format as an ad. Mr. Thomas suggested incorporating space on the quarterly budget summary for narration when necessary.

Financial Needs Roundtable: Changes in membership have resulted following the election. All projects are being solicited so that the Committee can work through them to score and rank. It was noted that a permanent committee is being pursued rather than the ad hoc status that this Committee presently has.

Mr. Gelston advised that he met with the Building Inspector. The reduction in new home construction permit fees is expected to have an approximate \$6,000 to \$8,000 impact on the revenues. Mr. Gelston reviewed the number of permits issued.

FIRST SELECTMAN'S REPORT

- Mr. Smith advised that two police cruisers will be arriving soon.
- Considerable road issues remain. Bonfoey, Hemlock Valley, Ackley Road, East Shore Drive, Mitchell Road and Neptune Avenue were specifically discussed. A new Public Works employee has been hired to replace Eric Smith, interviews for mechanics are scheduled.
- Mr. Smith stated that quotes for mechanical equipment is being reviewed as a faster more efficient way to address the dead trees in appropriate areas. Priority areas for tree removal are intersections and bus stops. Covers for the dumpsters at the Transfer Station are being investigated.

Mr. Gelston noted that \$13,500 per month was authorized for tree removal and only \$9,000 per month has been spent. Mr. Smith responded that tree removal needs to be "stepped up".

Mrs. Gionta inquired if it would be more cost effective to outsource mechanical work for Public Works. It was noted that the Public Works mechanics serves multi functions and it continues to be financially advantageous to employ in house.

FINANCE DIRECTOR'S REPORT

Mr. DiCristofaro congratulated Mrs. Varricchio on being the recipient of the 2019 Richard C. Lee Innovators Award. The prestigious award will be presented at the CCM conference.

a. **October YTD Budget Report:**

Mrs. Varricchio reported on the following:

- The Board of Education budget forum is scheduled for Thursday at 7:00 pm.
- October year to date reports were presented.

- Percentages of income received and expenses made were reviewed.
- Town Aid Road has not been received as of yet, \$325,000 is anticipated.
- The high school roof came in well under budget, once all state reimbursements are received, the remainder can be returned to reserves for use elsewhere.
- The annual report will need approval at the next meeting.

b. **2020-2021 Budget:**

- A draft *Citizens' Guide to the Budget Process* was presented and reviewed.
- A draft Budget Calendar was provided. Members were asked to notify Mrs. Varricchio of any dates that they would not be available in March. All were asked to commit to the three Saturday's in March, the 7th, 14th and 21st.

c. **2018-2019 Audit:**

Board members were provided with copies of the 2018-2019 audit. There was no management letter for fiscal year 2019. The Federal Single Audit reflects a finding with regard to Federal bridge grants. The Town met the State requirements, however those requirements did not align with Federal requirements. It was anticipated that the same findings may occur with the fiscal year 2020 audit regarding the bridge projects. Leslie Zoll a Partner with BlumShapiro will attend the next Board meeting. It was suggested that any questions that members have be forwarded in advance so that Ms. Zoll can provide timely answers.

LIAISON REPORTS

Noted under Chairman's Report.

NEW BUSINESS

a. **Auditor Selection:**

Mrs. Varricchio reported that a RFP for Audit Services was issued in September. Two responses were received, BlumShapiro and RSM. Mrs. Varricchio recommended the Town select Blum Shapiro as the Town's audit firm for the next three years. BlumShapiro's audit fees were lower by \$17,000, they fulfilled the mandatory elements of the RFP and are Connecticut's largest municipal audit firm. It was noted that the RFP included the cost for the auditor's portion of preparing a CAFR (Comprehensive Annual Financial Report). Mr. Gelston had requested that a CAFR be prepared. Mrs. Varricchio noted that this was a goal with fiscal year 2020. Mr. Gelston indicated that he was pleased.

Motion was made by Mr. Dutch to recommend that the Board of Selectmen schedule a Town Meeting for a vote on a three-year Town auditor contract with BlumShapiro, with the option to negotiate for an additional two years. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

b. **Board of Education Transfer Reserves Request:**

It was noted that in accordance with the Board of Finance Fund Policy that the audited remaining funds from the Board of Education from each fiscal year be transferred to Reserves, the Board of Education is looking to transfer their remaining funds from the 2018-2019 fiscal year. Correspondence regarding that request from the Brian Reas, Superintendent of School was provided to the Board.

Motion made by Mr. Thomas to approve a transfer in the amount of \$4,025.03 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. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

c. **Police Special Revenue Fund Transfer to Reserves Request:**

Motion made by Mr. Gelston to approve a transfer in the amount of \$14,564 from the Police Special Revenue Fund (41150000-59790) to the Police Capital Reserve Fund (3320-10506-25550) 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.

Mrs. Varricchio indicated that the Lakes Association would like to establish a reserve account to carry over funds as well.

d. **Comprehensive DUI Enforcement Grant Application Request:**

There is no town match for this grant program for DUI enforcement. The application has already been made, the Board retains the option, if awarded, to determine whether or not to accept the grant.

Motion made by Mr. Gelston to authorize the grant application for the FY2020 Comprehensive DUI Enforcement Program for Resident Trooper towns. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

GUESTS AND AUDIENCE COMMENTS

Mr. Erik Dill stated that he found it alarming that the Town has a capital plan and yet a track has been kicked down the road since 1989 and its fire apparatus is 42 years old.

Mr. Dill requested a liaison from the Board of Finance to work with Consumer Union on potential projects. Consumers Union annually provides \$25,000 for a project the town may otherwise not be able to fund, he would like additional input. Volunteers were solicited. The time commitment would be one day, likely in April or May.

OTHER

Mr. DiCristofaro noted that he was pleased to have people in the audience this evening.

Motion made by Mr. Dutch to adjourn at 9:00 pm. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

**Debra H. Denette
Recording Secretary**