

TOWN OF EAST HADDAM

Board of Finance

Special Meeting Minutes

March 14, 2020

Municipal Office Complex Meeting Rooms 1 and 2

Mr. DiCristofaro called the Board of Finance meeting to order at 9:02 am. The Pledge of Allegiance was recited and recording devices started.

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

Theresa Govert, Selectman (via phone)

Carleen Quinn, Selectman

Debra Denette, Town Clerk and Recording Secretary

Brian Reas, Superintendent of Schools

Cindy Varricchio, Finance Director

Approximately five staff and citizens were in the audience.

Mr. DiCristofaro thanked everyone for coming. He noted the unrest in the world due to the COVID-19 and stated that if anyone felt uncomfortable with their attendance, to let him know and he could arrange for them to call in via Zoom.

DEBT SERVICE PRESENTATION

Mr. DiCristofaro introduced Mr. Bill Lindsay from Hilltop Securities, Inc., the Town's Financial Advisor.

Mr. Lindsay provided a detailed presentation reviewing the following:

- Debt impact of currently approved projects
- 2020-2021 Capital improvement projects
- Impact of 10 year-capital improvement projects
- How much reserve funding is required to offset the mill rate impact
- How to maintain debt service

CIP Projects total \$8,300,000 as proposed fiscal year 2020-2021, spreading that out would amount in the highest debt modeling of \$2,300,000 in years 2024-2028. To flatten the spike, the town would need to reserve more.

Mr. Lindsay reviewed the current debt, including what bonding is maturing. As debt is retired, savings are put into the reserves for future projects.

Mr. DiCristofaro stated that it is obvious that we cannot tackle the entire wish list without a major impact on the budget.

Mr. Lindsay also noted that in 2015 we approved \$20,000,000 worth of projects. He stated that if we refinanced the USDA loan in last week's market, it would have yielded considerable savings, and those savings could be applied to leverage for additional capital projects and stabilize the mill rate. He noted that with each step, the town could achieve its goals on financing its projects and avoid spikes in the mill rate per Board policies.

Mr. DiCristofaro expressed his appreciation for this modeling. Mr. DiCristofaro stated that a combination of reduced asks and timing delays would be necessary. It was also noted that the Town could use short-term notes for a couple of years to push out the impact. It was further anticipated that a grant for the athletic complex would reduce the town's financial impact.

Responsive to an inquiry from Mr. DiCristofaro, Mr. Reas advised that the air conditioning projects at the schools and gyms could be split.

In summary, it was noted that the Town is looking at \$8,300,000 in projects for the next fiscal year, but can afford \$4,200,000. There is an increased opportunity for additional spending through savings if we restructure current debt and through partnerships with fund sharing (i.e. grants)

Further discussion was held on the potential to restructure the USDA loan. It was noted that the current interest rate is 3.625. If the loan rate is reduced to 2.578%, the net result would be \$1,178,303 in savings over the life of the loan or approximately \$75,000 annually. It was further anticipated that the costs associated with the refinancing would be rolled into the loan. The volatility in the current market due to the Coronavirus could change this scenario. It was noted that it would take at least 45 to 60 days to accomplish this. It was also noted that by issuing Bond Anticipation Notes and delaying bonding for more projects at once, there are savings due to economy of scale.

Mr. Lindsay acknowledged that there is a huge economic impact at the moment due to the Coronavirus.

Mr. Gelston thanked Mr. Lindsay for his presentation and requested that he be provided a copy of it.

Mrs. Gionta stated that she would find a bar graph helpful that shows future project debt layered over the existing debt so that we could see the gaps.

BOARD OF FINANCE BUDGET REVIEW

Public Safety Operating and Capital:

Emergency Management/Radio Towers:

Emergency Management Director Craig Mansfield presented a radio project overview. He noted that the Committee has been working diligently on the project since 2012. He reviewed the history, challenges, and current status. He noted that it was anticipated that the project would go online at the end of March, however, some of the equipment is awaiting shipment from China, creating delays. Further, travel for the vendor has been suspended because of the pandemic. He noted that the four tower sites are Mt. Parnassus, Bulkeley Hill (Colchester), Goose Hill (Haddam) and Wighill in Chester. He noted that Goodspeed Opera House and the Middle School were anticipated sites, however, they did not come to fruition.

An MOU was signed with the State of CT for use of their system (20 years at no charge). There will be no recurring costs for the communication, resulting in incredible savings to the Town.

Mr. Mansfield stated that the project will be completed on budget. He stated, however, that once completed he anticipated that an additional site in the Lyme corner of town will need to be added at an approximate cost of \$70,000. He added that the challenge in East Haddam is its size and topography.

It was also noted that the radio system will be a hybrid of the town's VHF system and the Connecticut Department of Public Safety's safety system, enabling coverage for both mobile and portable units.

Mr. Mansfield was thanked for his clear and succinct presentation.

Mr. Mansfield informed the Board that going forward there would be \$50,000 annual maintenance costs for the town-wide radio system in the Emergency Management/9-1-1 budget. The first year will be under warranty so for fiscal year 2020-2021 the budget contains \$12,500 maintenance costs in the last quarter

GUESTS AND AUDIENCE COMMENTS

Nothing noted.

Mr. DiCristofaro requested a recess.

Motion was made by Mr. Thomas to recess the meeting at 10:45 am. Mr. Corbett seconded the motion and it was unanimously approved. Motion carried.

Mr. DiCristofaro reconvened the meeting at 10:55 am.

Education Operating and Capital:

Mr. Reas noted that it was anticipated that there would be some funding available from the State for an Athletic Complex at the High School. Mrs. Govert relayed via telephone her conversations with Senator Needleman who is working with OPM to partner with us for potential funding for an athletic complex.

Mr. Reas also stated that there are several approaches regarding air conditioning at the elementary school. It can likely be done for far less than the \$2,500,000 proposed. Mr. Reas noted the importance of addressing the irrigation around the fields, particularly addressing those needs on the soccer field during the construction of the track.

Further discussion was held relative to cooling at the elementary school. It was noted that the individual classroom units that are presently in place, were undersized and may be causing a moisture problem. Mr. Gelston encouraged good engineering before moving forward.

Several line item questions were asked of the Superintendent.

Public Works Operating and Capital:

Public Works Director Elizabeth Lunt noted the challenges from the September 2018 storm and the progress made to date. She noted that the design work for Neptune and Bonfoey has been completed. She noted that staff is allocated between storm damage and tree removal, in addition to the normal day-to-day operations. She advised that she will request an extension from FEMA to November 2021 to complete the remediation. She added that of the 11.2 miles of gravel road damaged from the storm that 4.6 miles have been repaired.

She noted that due to the gypsy moth infestation and the ash borer there are over 12,000 dead and dying trees along the Town's roads. She added that roads that were cleared of dead trees, now have additional dead trees. She noted that trees identified by the public as safety hazards are a top priority. She noted frustration with Eversource for not communicating what areas they will address.

During the last fiscal year and this fiscal year, 800 trees have been removed. She noted that an additional 954 trees have been identified as needing removal at school bus stops and 60 have been removed to date. She noted that all ash trees are being removed, not just those in distress. She also added that she is hopeful that the town's snow removal budget can be repurposed for tree removal. Mrs. Lunt also advised that they are removing trees on private properties when they threaten the town's infrastructure.

Mrs. Lunt stated that she believed that one-third of the identified 12,000 trees will be taken care of by Eversource. She noted an Option A (mechanized tree crew) and Option B (bucket truck removal). The speed of the mechanized tree crew would yield the best bang for the buck. It was noted that the proposed budget contains \$500,000 for tree removal.

Mr. DiCristofaro inquired about the plan for tree removal. He stated his concern that other area towns are expending far less in comparison. He further stated that he was not seeing the risk management target areas, he stated that he fully understood the concept of reducing liability, but without a plan, he was hard-pressed to fund the request. Mrs. Lunt noted that the town must document that they are making a good-faith effort. Mr. DiCristofaro again raised the benefit of having a plan. After a lengthy discussion, it was requested that Mrs. Lunt provide a plan for what could be removed with \$150,000, \$300,000 and \$500,000.

Mrs. Lunt advised that she is implementing protocols to ensure maximum revenue receipts and greater access and controls at the Transfer Station. The capital request for \$14,500 for roll-off covers for the Transfer Station raised concern with the Board. Mr. DiCristofaro stated that he thought that this had already been done. Mrs. Lunt responded that there was not a safe way to attach tarps. She also noted her frustration that there have been several study committees over what to do with the Transfer Station (which requires ordinance) so that she has been in a wait mode.

Mr. Gelston inquired if there was any funding in the budget to clean up the facility. He noted that it is badly in need of painting. He was pleased with the concept of a community composting area.

Mrs. Lunt further noted a capital request for a backhoe. Presently the backhoe is utilized at the Transfer Station Monday, Wednesday, Friday and Saturday and by Public Works on Tuesday and Thursday.

Mrs. Lunt also noted a capital request for \$45,000 for a furnace to heat the public works facility. It was noted that both wood-burning and waste oil are being considered. Mrs. Lunt assured that there would be no issues with employees needing to stock the stove, as handling wood is part of their union contract.

A discussion was held on the request for an additional employee. It was noted that another retirement is anticipated one year out and replacement of that employee would be reviewed at that time. The current additional employee would allow a reduction in contracted services for plowing. Last year the needs were met by temporary help. Mrs. Lunt stated that qualified help on a part-time basis was difficult to obtain.

Motion was made by Mr. Corbett to recess at 1:10 pm. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

Mr. DiCristofaro reconvened the meeting at 1:40 p.m.

Public Safety Operating and Capital:

East Haddam Ambulance Association

Laurie D'Aquila and Lynn Woodward began by acknowledging last year's challenges and the Ambulance Association's response to address the shortcomings. They stated that their changes have worked and mutual aid calls were well below acceptable limits. They noted that the Town is being paid for calls made by town Firefighters/EMTs. They also noted that a temporary agency (Vyntech) is covering the gaps.

Mr. DiCristofaro noted that the Fire Department is looking for an additional person necessitated because of a response to ambulance calls. It was determined that the Fire Department responded to 93 of 752 calls with two Firefighters/EMTs and 88 calls by one East Haddam paid Firefighter/EMT.

Mrs. D'Aquila further noted that when the Firefighter position was created, an EMT trained person was to be hired for that very purpose.

Responsive to an inquiry from Mr. Thomas, it was noted that five new trainees are coming on board, bringing the number of volunteers up to 25. It was recognized that most volunteers move on to other careers after being trained, generally within five years.

A discussion was also held regarding the vehicles.

- One ambulance is town-owned
- One ambulance is association owned
- One squad car is association owned
- The ambulance association pays all maintenance and insurance on the town's vehicle

This year there are funds for the purchase of another ambulance in the replacement cycle. It is unknown if the ambulance will be re-chassied or an entirely new ambulance will be acquired.

GUESTS AND AUDIENCE COMMENTS

Jennifer Spencer inquired of the Ambulance Association whether or not the Fire Department will be included in the review/rebuild of the next ambulance. Mrs. D'Aquila responded affirmatively.

Martin Ryczek stated that he appreciated the efforts of the Board of Finance, but believed that they already had their minds made up before they sat down at the table. He was advised that next week's meeting will be the meeting that determines what moves forward and what may or may not be cut. He noted that if the athletic complex is not in the budget, what opportunity for reinstatement would there be. Mr. DiCristofaro stated that the Board will not vote on specific projects but on what bonding the town could afford. He again reviewed the work of the Long Range Planning Capital Improvements Committee that ranked and rated projects for the town.

Mrs. D'Aquila also requested that as an infectious disease nurse, that if the Board continues to meet it should spread out more.

Motion was made by Mrs. Gionta to adjourn at 1:40 pm. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette