TOWN OF EAST HADDAM
Board of Finance
Special Meeting Minutes
July 25, 2022
Municipal Office Complex
Meeting Rooms 1 and 2
Via Zoom and YouTube Life

Participating:

Board of Finance Members:

Joseph Corbett
Todd Gelston
Tracey Gionta
Harvey Thomas
Rebecca Whatley

Absent :

Bruce Dutch, Secretary

Others:

Mary Augustiny – Open Space Committee
Rob Funk– Finance Director
Cindy Varricchio
James Ventres – Open Space Committee
Sharon Wheeler

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Ms. Gionta called the meeting to order at 7:00 p.m. and the attendees said the pledge of allegiance.

APPROVAL OF MINUTES

a. Special Meeting, May 10, 2022

Ms. Gionta called the Board's attention to a copy of the minutes of the Special Meeting of May 10, 2022 in their meeting packets.

Motion was made by Mr. Corbett to approve the minutes of the Special Meeting of May 10, 2022 as written. Ms. Whatley seconded the motion. Mr. Gelston abstained and the motion was approved by a majority of ayes. Motion carried.

b. Special Meeting, May 24, 2022

Ms. Gionta called the Board's attention to a copy of the minutes of the Special Meeting of May 24, 2022 in their meeting packets.

Motion was made by Mr. Gelston to approve the minutes of the Special Meeting of May 24, 2022 as written. Mr. Corbett seconded the motion and it was unanimously approved. Motion carried.

c. Regular Meeting, June 13, 2022

Ms. Gionta called the Board's attention to a copy of the minutes of the Regular Meeting of June 13, 2022 in their meeting packets.

Motion was made by Ms. Whatley approve the minutes of the Regular Meeting of June 13, 2022 as written. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

CORRESPONDENCE

Ms. Gionta advised that she had received a letter from Superintendent Reas, dated July 22, 2022. She read Mr. Reas' letter which is summarized as follows:

- The Board of Education is, "*… cautiously optimistic that we will be able to compete …[the outdoor basketball court at the Middle School] project under budget."*
- The business manager position has been posted.
- "*The boiler project at the High School is moving forward…"*; however, the replacement boilers that were ordered will not be available until January 2023, therefore, the contractor presented three alternative options. The BOE selected the Velocity FW-9 Series version because (1) they are a more efficient configuration of 4 smaller boilers that operate independently, (2) they have the longest warranty of the 3 options, and (3) they are ready for delivery. The increased cost is $18,460 and the BOE encumbered funds in the FY22 operating budget to cover the increase.
- The oil tank removal and replacement project at the High School is on schedule. Soil testing has been completed and no leakage found, therefore, no remediation work will be required.

Ms. Gionta responded to several questions from the Board regarding the High School boiler project. She provided clarification on the configuration of the proposed new boiler, stated that she did not have information regarding its output or whether the new units are American made; however, she expected it meets the required specifications.

CHAIRMAN'S REPORT

Ms. Gionta distributed copies of a Resolution of Appreciation thanking Ms. Varricchio for her 12+ years of service to the Town and noting a number of her accomplishments during that time.

a. Open Space Discussion

Ms. Gionta recognized Mr. Ventres from the Open Space Committee. Mr. Ventres stated that there were two items he would present to the Board and distributed materials related to his presentations. He discussed the following:

- Kronberg property – a 95 acre parcel on North Moodus Road which has been appraised at $479k. Mr. Ventres noted that 78% of the cost is eligible for grant funding and, typically, the state approves grant funding of 35% to 65% of the cost to purchase open space.

  Mr. Ventres advised that 21 acres abut the Middle School property, and he would like to set aside that parcel for a future municipal building project such as a new elementary school. He responded to several questions from the Board.

- Town authorization of an additional $5M bond commitment – Mr. Ventres advised that the balance of the original bond commitment of $5M is $485,650, which would cover the purchase of the Kronberg parcel if no state grant funds were approved. He reviewed the goals and accomplishments of the Open Space Committee to date and requested the Board support the Committee's request to ask the citizens to approve a second $5M bonding commitment.

  There was a general discussion regarding the Open Space Committee's request and Ms. Varricchio reviewed the Town's history of open space bonding over time. Mr. Thomas noted that the original $5M bonding commitment had been leveraged into $18M of open space purchases. Ms. Gionta recommended reaching out to the Town's bond counsel to provide a perspective on the request. The Board discussed next steps in the process.

b. Board of Education Teacher Negotiations

Ms. Gionta advised that she had received emails from BOE Chairman Marc Pisciotti, dated July 1 and July 25, 2022, advising that the BOE union negotiations are underway and that all of the negotiations are conducted in executive session. She stated that Mr. Pisciotti has invited a liaison from the BOF to sit in on the meetings. Ms. Whatley volunteered to act as the BOF liaison to the BOE union negotiation meetings.

c. Tax Collector's Report

Ms. Gionta called the Board's attention to a copy of the Tax Collector's report in their meeting packets for the first quarter of 2022. Ms. Varricchio pointed out that the report was compiled and signed by Finance Assistant Dawn Snow. She noted that Ms. Snow has successfully picked up several of the Finance Director's responsibilities during the time that that position has been vacant and complimented her on keeping the Town moving forward during this period.

d. Board Subcommittee Reports

i. Communications – Mr. Gelston noted that the Communications Subcommittee will be scheduling a meeting to discuss the next topic.

ii. Long-Range Capital Improvements Committee – Ms. Gionta advised that First Selectman Haines has indicated that she wants to schedule a meeting of this committee once the structural analysis of the Fire Company No. 2 building comes in.

iii. Financial Policies – Mr. Thomas stated that updates to the Board's Financial Policies are moving forward.

Ms. Gionta stated that she would like to discuss the Lakes Associations' request to transfer their unexpended funds into a reserve account. Ms. Varricchio provided some background on the Lakes Associations' budget and noted that it is the Associations' stated desire that the BOF establish a reserve policy for them similar to the ones used for the Board of Education and the Police capital reserve funds.

Ms. Varricchio stated that the Board could mirror the BOE reserve policy for the Lakes Associations and recommended creating separate reserve accounts for each lake. She reviewed the process by which funds could be drawn out of the reserve accounts. Mr. Thomas noted that he had received information that at least one of the lakes groups would prefer a co-mingled reserve fund be established.

The Board discussed the Lakes Associations' request and Ms. Varricchio responded to several questions. Mr. Gelston stated that any funds allocated to the Lakes Association budgets should be used for immediate expenses or have a credible plan in place for use in future years.

Mr. Thomas stated he would create a summary of today's discussion which could be revisited in September for the purpose of creating a policy to establish a Lakes Associations reserve fund.

FIRST SELECTMAN'S REPORT

The First Selectman was not in attendance and discussion of this agenda item was postponed.

FINANCE DIRECTOR'S REPORT

a. Preliminary June YTD Budget Report – Ms. Varricchio advised that she had not created a June YTD budget report because she did not feel it would provide an accurate representation of the current financial status of the Town due to several outstanding issues.

Ms. Varricchio reported that she has been working on the following items:

- Submitted a request for the second installment of ARPA funds ($1.3M).
- Submitted a request to FEMA for reimbursement for the Quint purchase which has tentatively been approved.

- Completed all of the Town's FEMA reports for 6/30/22.
- Submitted a request for LOSIP reimbursement.
- Completed a BOE letter outlining the balance of funds and what is encumbered; representatives from the BOE will attend the BOF's September meeting to discuss.
- Due to the transition to a new Finance Director, the Town's audit schedule has been pushed out to Oct-Nov.
- Submitted an application for a GFOA audit certificate.

LIAISON REPORTS

OLD BUSINESS

a. Public Works Capital Items – Ms. Varricchio called the Board's attention to materials in their meeting packets concerning the Public Works' capital items budget. She provided an overview of their vehicle requests and noted that, due to inflation, the price of many of the vehicles has increased resulting in a shortfall for this budget season. She provided her recommendation on how to address the shortfall and suggested the Board discuss it at their September meeting.

NEW BUSINESS

In response to a question from Mr. Gelston, Ms. Gionta stated that she did not have an update on the HR position. Ms. Varricchio advised that no comments on the meeting discussions had been received from the public. There was no additional new business discussed at the meeting.

ADJOURNMENTs

Motion made by Mr. Gelston to adjourn at 8:22 p.m. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,
/s/
Sharon Wheeler
Recording Secretary