TOWN OF EAST HADDAM
Board of Finance
Regular Meeting Minutes
September 12, 2022
Municipal Office Complex
Meeting Rooms 1 and 2
Via Zoom and YouTube Life

Participating:

Board of Finance Members:

Joseph Corbett
Bruce Dutch, Secretary
Todd Gelston
Tracey Gionta
Harvey Thomas
Rebecca Whatley

Others:

Don Angersola – Facilities Director
Rob Funk – Finance Director
James Ventres – Open Space Committee
Sharon Wheeler – Recording Secretary

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, July 25, 2022

Ms. Gionta called the Board's attention to a copy of the minutes of the Special Meeting of July 25, 2022 in their meeting packets. Mr. Dutch noted that since he had not been in attendance at the meeting, the minutes should not be submitted under his name. The Board agreed to have the Recording Secretary noted as the submitter of record for the July 25, 2022 minutes.

Motion was made by Mr. Gelston to approve the minutes of the Special Meeting of July 25, 2022 as amended. Ms. Whatley seconded the motion. Mr. Dutch abstained from the vote and the motion was approved by a majority of ayes. Motion carried.

GUESTS AND AUDIENCE

Ms. Gionta stated that, in consideration of Mr. Ventres time, she would like to move the discussion topics under agenda item 10a. Old Business - Open Space, to this point in the meeting. She recognized Mr. Ventres who reviewed the particulars of the Open Space Committee's request, which he had presented at the BOF's July 25, 20220 Special Meeting, to submit a grant application to the state of CT for funds to purchase the Kronberg property.

Motion was made by Mr. Dutch to authorize the application for a DEEP OSWA grant toward the purchase of the Kronberg property. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

The Board agreed to postpone their consideration of topic ii under agenda item Old Business - Open Space, "*Discussion regarding the need for future bond authorizations*", until a future meeting.

CORRESPONDENCE

a. Letter from Gary Wilson, Chair, East Haddam Conservation Commission

Ms. Gionta called the Board's attention to a copy of a letter in their meeting packets from Gary Wilson, Chairman of the East Haddam Conservation Commission, dated August 29, 2022. She noted that the letter expressed the Conservation Commission's unanimous support of the proposed Town purchase of the Kronberg property, on North Moodus Road, for Open Space.

CHAIRMAN'S REPORT

a. Tax Collector's Report

Ms. Gionta called the Board's attention to a copy of the Tax Collector's second quarter report in their meeting packets. The Board reviewed the report and there was no discussion of this agenda item.

b. Board Subcommittee Reports

i. Communications – Mr. Gelston reported that the Communications Subcommittee had met and discussed several topics for articles. He advised that the next article they would like to pursue was one which would explain/clarify how the Board of Education's budget is created. He and Ms. Whatley reviewed several of the topics the committee would like to cover in such an article.

Ms. Gionta stated that she had watched the recording of the subcommittee's meeting and had also gotten feedback on the proposed topic. She noted that the BOF has no role in creating the BOE's budget and, in fact, only accepts a bottom line number from them and, therefore, it may be outside of the BOF's authority to release an article on how that figure is arrived at. Mr. Funk provided additional clarification regarding the state of CT's statute concerning the relationship of municipal and BOE budgets.

There was a general discussion regarding the subcommittee's proposed article it was the Board's general consensus that the topic would be informative to the public and was a worthwhile one to pursue. Mr. Thomas suggested Mr. Gelston and Ms. Whatley work with the Superintendent and the BOE Chairman to draft article(s) that could be released under the BOE's by-line. Ms. Gionta agreed to reach out to the Superintendent to propose the idea and suggest a meeting with the BOF Communications Subcommittee members.

ii. Long-Range Capital Improvements Committee – Ms. Gionta reiterated that First Selectman Haines intends to schedule a meeting of this committee in the near future.

Mr. Thomas noted that updates to the ClearGov software, as well as the BOF's policies, need to be made to address changes that were made to the capital projects' ranking system.

iii. Financial Policies – Mr. Thomas noted that the next subject the subcommittee intends to pursue is Revenue Funds and they have taken initial steps to outline the topics for the policy. Ms. Gionta also advised that Mr. Thomas had created a draft for the Board's policy on the Lakes Associations Reserves which will be reviewed later in the meeting.

FIRST SELECTMAN'S REPORT

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

Mr. Gelston expressed his concern for Ms. Haines's recent lack of attendance at the BOF meetings. Mr. Thomas agreed with Mr. Gelston's concern and stated that, in the past, some of the topics First Selectmen have reported on have informed the BOF's decisions and noted that he feels the lack of such input can handicap the BOF from doing its best work.

FINANCE DIRECTOR'S REPORT

Ms. Gionta introduced the new Finance Director, Rob Funk.

a. Preliminary June YTD Budget Report – Mr. Funk called the Board's attention to the June 2022 YTD preliminary budget report in their meeting packets. He reviewed the report and noted that, due to anticipated net favorable variances in expenses and revenues, the impact on the BOF's projected reliance on Fund Balance for FY22 would be less than expected. He presented several potential scenarios to take advantage of the situation.

There was general discussion regarding Mr. Funk's proposals and, in response to a question from Mr. Gelston, he agreed to research the possibility of paying down some of the Town's debt with the potential excess revenues. Mr. Dutch expressed concern about how citizens will view the situation and Ms. Gionta pointed out that the BOF could not have anticipated that local revenues would be up $300k and that it is, in all probability, a unique occurrence.

Mr. Funk provided a brief response to Mr. Corbett's question regarding the variances; however, stated that his knowledge is limited due his short time in the position. Mr. Thomas recommended keeping the Town's reliance on Fund Balance within the stipulated range of what bond rating agencies consider optimal. He also noted that when the FY22 budget is finalized, it would be useful to have Mr. Corbett's question about variances addressed in more detail. Mr. Funk responded to Ms. Whatley's question regarding carry-forward limitations on COVID grants.

b. Audit Schedule Update

Mr. Funk reported that, due to the recent change in the Town's Finance Director, the auditors have agreed to reschedule the audit to the first and second week of November.

LIAISON REPORTS

There were no liaison reports presented at the meeting.

OLD BUSINESS

a. Open Space

i. Kronberg property authorization to apply for grant – This agenda item was discussed earlier in the meeting and is reported on in the minutes above under Guests and Audience.

ii. Discussion regarding the need for future bond authorizations - This agenda item was discussed earlier in the meeting and is reported on in the minutes above under Guests and Audience.

b. Capital Items

i. Public Works – truck replacements update and possible approval to reallocate capital funds between Projects – Mr. Funk provided an overview of the projected costs for trucks 2, 8 and 13. He advised that the cost for truck #2 is on-budget, the cost for truck #13 is projected to be $12,200 over budget, and that funds were reserved for the purchase of truck #8 in FY2023-2024.

Mr. Funk noted that, since truck #8 is not scheduled to be purchased this fiscal year, it was the previous Finance Director's recommendation to reallocate $12,200 from reserves to purchase truck #13. He stated that the Public Works Supervisor had also researched the cost to refurbish the trucks. In response to a question from Ms. Gionta, Mr. Funk stated that the estimate for the refurbishment did not include a warranty period.

Motion made by Mr. Dutch to reallocate $12,200 from Capital Budget for the project – Replacement of PW Truck #8, to address overage costs of Capital Budget Replacement of PW Truck #13. Mr. Corbett seconded the motion.

In response to a question from Mr. Thomas, Mr. Funk confirmed that the plan is to replace PW truck #13 and decide on what action to take regarding PW truck #8 in the next budget cycle. He provided additional clarification regarding the truck purchases for Mr. Gelston and confirmed that the proposed refurbishment does not include any mechanical replacements.

The motion passed by a unanimous aye vote.

ii. Fire Company No. 2 Building Assessment Update – Ms. Gionta recognized Mr. Angersola who reported that an engineering analysis had been done of Fire Company #2 which identified numerous structural, mechanical, and site problems. He provided an overview of the problems and the proposed project to replace the building and stated that the projected cost of project is $2.5M to $3.5M.

Mr. Angersola advised that the inspecting company estimated it would cost approximately $200k for the project's design work. He reported that an RFP has been drafted which solicits proposals for *"… architectural/ engineering services through schematic design, design development, construction document, and bidding phase, including professional cost estimating services"* which will get the project shovel ready to apply for potential grant opportunities.

Ms. Gionta solicited input from the Board. Mr. Angersola responded to questions and provided additional clarification about what caused the structural damage. He confirmed that the plan is to increase the floor space by including more finished space on the second floor and that the mechanicals, IT and exhaust system would be upgraded. Mr. Gelston recommended that the design work address potential condensation resulting from humid cold winter temperatures.

Mr. Dutch stated that the new addition is in good shape and will remain in place; however, Mr. Angersola noted that its foundation will also have to be raised. In response to a question from Mr. Gelston regarding whether regular structural inspections of Town buildings are occurring, Mr. Angersola noted that the Public Works building is beginning to experience similar problems as the Fire Company #2 building and they are looking into the extent of the damage.

iii. Athletic Complex Update – Mr. Angersola reported that the committee overseeing the High School Athletic Complex project met last week and the plans are 90% complete. He stated that they are on schedule for the request for bids to go out in mid-October and to break ground next spring.

c. Lakes Associations Reserve Policies - Ms. Gionta called the Board's attention to a draft policy, in their meeting packets, regarding the Lakes Associations' request to transfer unexpended funds in any fiscal year to reserves. Mr. Thomas reviewed the Lakes Association's request and related draft policy.

NEW BUSINESS

a. **Grant Authorization Request – FY2023 Historic Documents Preservation** – Ms. Gionta called the Board's attention to materials in their meeting packets related to this agenda item.

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

b. **Grant Acceptance – FY2021 Emergency Management Performance Grant (EMPG) -** Ms. Gionta called the Board's attention to materials in their meeting packets related to this agenda item.

   Motion was made by Ms. Whatley to accept a grant in the amount of $5,224.50 from the State of Connecticut, Department of Emergency Services and Public Protection, Division of Emergency Management and Homeland Security, entitled "FY 2021 Emergency Management Performance Grant", (revenue account 10542-43000 and expense accounts 10542070-51590 & 10542070-56010) 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.

ADJOURNMENTs

Motion made by Mr. Dutch to adjourn at 8:43 p.m. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,
/s/
Bruce Dutch
Secretary