TOWN OF EAST HADDAM
Board of Finance
Regular Meeting Minutes
November 14, 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 Manager
Rob Funk – Finance Director
Cynthia Hughston – BOE Business Manager
Brian Reas – Superintendent of Schools
Joseph Spurgeon – BOE Capital Projects Committee Chairman
Patricia Stricker – BOE and BOE Capital Projects Committee member

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Ms. Gionta called the meeting to order at 7:01 p.m. and the attendees said the pledge of allegiance.

APPROVAL OF MINUTES

a. Regular Meeting - October 17, 2022

Ms. Gionta called the Board's attention to a copy of the minutes of the Regular Meeting of October 17, 2022 in their meeting packets.

Motion was made by Mr. Gelston to approve the minutes of the Regular Meeting of October 17, 2022 as written. Ms. Whatley seconded the motion and it passed unanimously. Motion carried.

GUESTS AND AUDIENCE

There was no discussion under this agenda item.

CORRESPONDENCE

Ms. Gionta advised that she had received an email from the Redevelopment Agency Chairperson informing her that the Agency is drafting an RFP for a tax increment financing (TIF) consultant which also stated that they would like a liaison from the Board of Finance to participate in the process. Mr. Thomas volunteered to act as the BOF's liaison.

CHAIRMAN'S REPORT$

a. Tax Collector's Report

Ms. Gionta called the Board's attention to a copy of the Tax Collector's Report for September 2022 in their meeting packets. Following up on a question raised at the previous meeting, Mr. Funk advised that any uncollected taxes are addressed during the annual audit.

b. Board Subcommittee Reports

Ms. Gionta noted that, since Mr. Thomas had volunteered to be a liaison to the Redevelopment Agency, she will relieve him of his participation on the Long Range Capital Improvements Committee (LRCIC) and the Financial Policies Sub-Committee. She stated that she would replace him on the LRCIC. There was a general discussion regarding asking former BOF Chairman DiCristofaro to help draft the final BOF financial policies and Ms. Gionta stated she would look into the logistics for doing so.

i. Communications – Mr. Gelston reported that the Communications Subcommittee's next project will be an article providing an update about the budget process. He stated that the Subcommittee's next meeting is scheduled for December 1st and they expect to provide a final draft of the article to the BOF at their December 12th meeting. He stated that they plan to publish the article in the January 5, 2023 edition of the East Haddam News.

ii. Long-Range Capital Improvements Committee –Ms. Gionta reported that she and Mr. Funk have been discussing the scoring process for proposed Capital Improvements projects. Mr. Funk advised that he had reviewed the related BOF policies as well as Cleargov and noted that the policies outline a process that can result in fractional numbers; however, Cleargov only has the capacity to recognize whole numbers. He stated that he feels the policies can be reconciled to work with Cleargov's limitations. Ms. Gionta recommended she, Mr. Thomas, and Mr. Funk meet to make the necessary revisions to the BOF capital projects scoring policy.

Mr. Thomas expressed concern about setting BOF policies to adapt to a purchased software package. Ms. Hughston stated that, last budget season, the LRCIC was able to score projects effectively within the confines of Cleargov. Ms. Gionta, Mr. Thomas and Mr. Funk agreed to schedule a meeting to discuss whether any changes should be made to the BOF's policies.

iii. Financial Policies – Ms. Gionta noted that two policies are on the agenda for discussion under Old Business and, consequently, this agenda item was deferred until later in the meeting.

In response to a question raised by Mr. Gelston, there was a general discussion regarding whether or not a records retention schedule exists for BOF documents. Mr. Funk agreed to research the Town's records retention policy as it may relate to BOF documents.

In response to a question raised by Mr. Thomas regarding drafting the policy for General Fund Revenue Sources in the BOF's accepted tabular format, Ms. Gionta confirmed that it would be acceptable to solicit input from former Finance Director Varricchio.

Ms. Gionta reported that First Selectwoman Haines received a letter from the Governments Finance Officers Association (GFOA) advising that the Town's 2021 annual comprehensive financial report qualified for GFOA's Certificate of Achievement for Excellence in Financial Reporting, the highest form of recognition in governmental accounting and financial reporting. She noted that this is the second year in a row that East Haddam has received the award.

FIRST SELECTMAN'S REPORT

The First Selectwoman was not in attendance and, therefore, this agenda item was tabled.

FINANCE DIRECTOR'S REPORT

a. September 2022 YTD Budget Report – Mr. Funk called the Board's attention to the September 2022 YTD summary budget report in their meeting packets. He noted that, although the report covers the first quarter of the fiscal year, expenditures and revenues don't typically match up proportionately. He advised that expenditures are currently at 16% of what was budgeted and revenues are approximately 47% of the budgeted amount.

Mr. Funk noted that the trend for revenues received from conveyance fees and building permits continues to be up for the second year in a row. He provided some additional clarification regarding several items in the report.

In response to a question raised by Mr. Gelston, Ms. Gionta recommended keeping the HR position in the Shared Services budget until the end of the fiscal year and, at that time, determine if the Board of Education will utilize the HR director and adjust accordingly. Mr. Gelston expressed his concern that the public perception could be that the Town overbudgeted

for the position since only one of the two originally committed entities is taking advantage of the HR position. Mr. Funk provided additional clarification regarding the HR expense.

Mr. Thomas pointed out that funding for the HR position is currently held in contingency and noted his concern that, at the end of the fiscal year, the Shared Services budget will come in over budget. He suggested that the BOF ask the Board of Selectmen to provide detailed documentation of appropriate reallocation(s) of funds from the Contingency Fund to the Shared Services to cover the salary expense of the HR director.

b. October 2022 YTD Capital Update

Mr. Funk called the Board's attention to the October 2022 year-to-date Capital Budget update in their meeting packets. He noted that the report is still in draft format and provided an overview of the information it contained. He also advised that the report will be shared with the LRCIC and department heads and the department heads will be asked to provide status updates for their capital projects. He plans on providing the report to the BOF quarterly.

c. Draft 2023-2024 Budget Calendar

Mr. Funk called the Board's attention to a draft 2023-2024 budget calendar in their meeting packets. He advised that it is the same schedule that he provided at the BOF's October meeting but updated to include the Board of Education budget meeting dates.

d. Audit Schedule Update

Mr. Funk reiterated that, due to staffing issues, the audit this year wouldn't start until the Monday after Thanksgiving but he expects it to be completed by December 31st. He suggested that the Town file for an extension with GFOA due to the lateness of the audit schedule.

LIAISON REPORTS

There were no liaison reports presented at the meeting.

OLD BUSINESS

a. School HVAC Grant Application – Update

Superintendent Reas reiterated that the state has imposed a December 1st deadline to apply for their HVAC grants. He introduced Mr. Spurgeon, Chairman of the BOE Capital Projects Committee Chairman. and Ms. Stricker, member of the BOE and the BOE Capital Projects Committee, and distributed materials to the BOF members.

Mr. Reas reviewed three funding options for the school HVAC projects. He noted that the BOF has already appropriated $584k for related HVAC school upgrades and stated that tagging that amount as matching funds in the grant application would provide approximately $1.2M for

HVAC project work. He noted that that would be the quickest and easiest approach to completing the grant application on time.

Mr. Reas briefly reviewed the other two options, stating that completing a grant application for the costliest approach is potentially doable but that it would be a stretch both financially and logistically. He advised that the second approach could be achieved by tagging committed appropriations for the required match and dipping into BOE reserves for the balance needed.

Mr. Spurgeon provided additional information and there was a general discussion regarding the feasibility of completing all of the required paperwork for each of the three options within the state's timeframe.

In response to questions from Mr. Thomas, Ms. Hughston provided additional clarification regarding the grant application process and Mr. Reas stated he feels confident that the state would provide some flexibility for modifications to the individual projects in the grant application process because the process is generally somewhat iterative. Ms. Stricker cautioned the group that the more costly option could be extremely challenging for the architects to design in time to meet the state's deadline and would nearly deplete the BOE reserves.

The Board members provided their feedback and the BOE representatives responded to the Board's questions. Ms. Gionta noted that the BOF had already authorized the BOE to apply for a $4.2M grant; however, the BOE may be better served if they apply for the $1.4M grant; and, hopefully if a second round of grants come out, the BOE will be better positioned to pursue additional funding. Mr. Thomas encouraged the BOE members to apply for the most grant funding they feel then can successfully achieve.

b. Athletic Complex Project – Update

Mr. Reas stated that twenty-six contractors responded to the RFQ for the athletic complex project and the BOE expects to open the bids on November 26th. He advised that they are also working with CT DEEP on grant funding for the project which is going very well.

c. Lakes Associations Reserve Policy

Ms. Gionta called the Board's attention to a draft Lakes Associations Reserve Policy in their meeting packets. Mr. Funk provided some background regarding the draft policy and summarized how the policy would work

Motion made by Mr. Gelston to approve the revision to the Fund Policies to add the appendix addressing Lakes Associations unexpended funds and make reference to the appendix in the Table of Contents and in the Lakes category on page 6 of the Policies. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

d. Board of Education Reserve Policy

Mr. Funk provided brief introductory comments regarding clarification revisions made to the BOE Reserve Policy.

Motion made by Mr. Dutch to approve the revision to the Fund Policies to add the appendix addressing Board of Education unexpended funds and make reference to the appendix in the Table of Contents and in the Education category on page 6 of the Policies. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

NEW BUSINESS

a. Grant Acceptance – FY2023 Comprehensive DUI Enforcement Grant

Motion made by Mr. Thomas to accept the FY2023 Comprehensive DUI Enforcement Grant for Resident State Trooper Towns in the amount of $19,568.42 with no Town match and to request the Board of Selectmen schedule a Town Meeting for approval of said grant acceptance. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

b. 2023 Meeting Schedule

Ms. Gionta called the Board's attention to the proposed schedule of 2023 regular Board of Finance meetings.

Motion made Mr. Dutch to approve the following dates for the Board of Finance's regular meeting schedule for calendar year 2023: January 9, February 13, March13, April 10, May 8, June 12, July 10, August 14, September 11, October 16, November 13, and December 11; and January 8, 2024. All meetings will be held at 7:00 p.m. at the Municipal Office Complex, Meeting Rooms 1 and 2. Mr. Corbett seconded the motion and it was unanimously approved. Motion carried.

Mr. Funk reported that the Town is also applying for the annual Emergency Management grant which is carried in the budget as revenue.

Mr. Funk noted that there were no questions or comments submitted by the public.

ADJOURNMENT

Motion made by Mr. Dutch to adjourn at 9:03 p.m. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,
/s/
Bruce Dutch
Secretary