

**Town Of Haddam
BOARD OF FINANCE
Regular Meeting
Town Office Building Annex
Monday, January 11, 2016
MINUTES**

Approved as Amended at the February 22, 2016 Regular Meeting

In attendance: Chairman Joseph Centofanti, Vice Chairman Harlan Fredericksen; Members: Marjorie DeBold, and David Kapitulik; Alternates Robert McGarry, and Joanne Nesti

Not in Attendance: Cheryl Haase and Alternate James Bucko

Staff in Attendance: Town Finance Director Barbara Bertrand and Barbara Galloway, Recording Secretary

Also present was First Selectman Lizz Milardo.

Chairman Centofanti called the Meeting to order at 7:00 PM.

1. The Pledge of Allegiance was recited.

2. Seating of Alternates

Ms. DeBold made the Motion seconded by Mr. Kapitulik to approve the seating of Alternate Mr. McGarry for Ms. Haase, who was not present. The Motion was approved unanimously.

Chairman Centofanti announced that the vacancy on the Board had very recently been filled by the appointment of Chris Alexy, who was not in attendance tonight.

Ms. DeBold made the Motion seconded by Vice Chairman Fredericksen to approve the seating of Alternate Ms. Nesti for Chris Alexy. The Motion was approved unanimously.

3. Approval of the Previous Meeting Minutes

Vice Chairman Fredericksen made the Motion seconded by Ms. DeBold to approve as printed the Minutes of the December 14, 2015 Regular Scheduled Meeting. The Motion was approved unanimously.

4. Public Communications:

a. Communications to the Board of Finance

- i. Chairman Centofanti informed the Board Members that the monthly status report dated December 31, 2015 that he had received from the Tax Collector's office showed tax collection at 63% in comparison to last year's collection rate of 59% at the end of 2014. He suggested that the increase in collection percentage was primarily due to escrow coming in earlier than usual this past December.
- ii. Chairman Centofanti acknowledged this evening's distribution of the *Town of Haddam 2014-2015 Annual Report*. The Town Meeting scheduled to accept the Annual Report would be discussed at the end of the Meeting under "New Business".
- iii. Chairman Centofanti informed the Board Members that the 2014-2015 Audit documents [the Auditors' Letter, the 2014-2015 Annual Financial Report, and the State Single Audit Report, June 30, 2015] that were also distributed at tonight's Meeting will be reviewed by and discussed with representatives of Blum Shapiro, the Town's Auditing firm, who are scheduled to be present at the February

Meeting. He suggested that Board Members review the audit information and be prepared with any comments and questions for the Auditors at that time.

b. Public Input/Comments

Resident Stanley Kurasinski asked the Board what happens to budgeted funding not spent completely during a Budget year. Although this meeting segment, as a rule, is used for the public to make comments and not for questions and answers, Chairman Centofanti briefly explained to him that unspent funding from Budget lines is retained by the Town and is moved into the Fund Balance. Any requested/suggested alternative use of this funding would have to go through an appropriation process for its redirection.

5. Finance Director's Report

Updated financial reports were distributed to the Board Members via e-mail on January 8 and in hard copy tonight. These included: "Adjustments to Budgeted Expenditures, General Fund, July 2015 to June 2016", dated 01/08/2016; "Actual & Anticipated Revenues, General Fund, July 2015 to June 2016", dated 01/08/2016; "Interim Trial Balance – Summary, General Fund, July 2015 to June 2016", dated 01/08/2016; and "Actual & Budgeted Expenses & Encumbrance, Capital Non-Recurring Fund, July 2015 to June 2016", dated 01/11/2016.

Finance Director Barbara Bertrand reviewed the status of some of the budget lines shown in these updated financial statements, particularly in the Expenditures document in which the noted lines were more than half spent or had been completely exhausted at this time, midway through the fiscal year. Discussed lines included:

200 Fire Protection – Ms. Bertrand reported having spoken with the Fire officials regarding the Truck Maintenance line, which has now been overspent. When she asked them about this, Fire Company representatives informed her that specific unexpected vehicle repairs had been necessary recently. Ms. Bertrand noted that there is currently still about half the budgeted funding in the Emergency Truck Repairs line.

240 Building Department – the Contractual Services line is now overspent due to the need for temporary coverage during the past few weeks for the Building Official, who retired at the end of December 2015 and had been using up his accrued vacation and sick time prior to the end of the year. Ms Bertrand hoped that the budget would be stable for the remainder of the year with the anticipated eventual hiring of a new Building Official.

335 Waste Disposal – Ms. Bertrand pointed out that the finance office planned to reclassify some items in the Waste Disposal budget that would address the increased spending in the Household Hazardous Waste line and the appearance of untimely overspending in the Maintenance of Site line within this budget. When Ms. DeBold asked for the reason that there is less than half of the budget remaining in the Household Hazardous Waste Collection line, Ms. Bertrand noted that most of these collections for this fiscal year had been done in the summer and fall months. The question was also asked if the Town had yet been given a 2016 Schedule of dates and sites for the Household Hazardous Waste Collections; First Selectman Milardo responded that the Town had yet to receive the 2016 Schedule, but she will look into obtaining that schedule for the February Meeting.

340 Tree Warden, Tree Removal line – It was noted that the Tree Removal line was overspent by about \$6,800. Ms. Bertrand stated that in the past few months there had been some unexpected emergency- and preventative- tree and limb removal that had to be addressed before they became dangers to road access and power lines. Ms. Bertrand and First Selectman Milardo agreed that it is always hard to determine what additional tree-related work might be needed once the weather becomes snowy/icy and cold, and that additional funding requests could become necessary in the next few months.

Board Members also asked questions about 1) the 125 Land Use budget WEO/ZEO line, which appears to be slightly under-spent at this time – Ms. Bertrand believes that most of the this official's outdoor work is done in warmer weather months; she said that she will ask the Town Planner for more information about the status of this line; 2) the status of the Tax Collector Assistant position, which has yet to be filled since the previous Assistant's retirement in June 2015 – it was reported that Tax Collector Kristin Battistoni will begin the process of filling the vacant position once the busiest part of her tax collection season is over; and 3) the status of the 230 Dispatch Services budget with the end of service by the now defunct Colchester Emergency Services and the Town's completion of a previously agreed to contract for emergency dispatch services. Incurred costs related to the December 23, 2015 Referendum (RSD #17) were also discussed. Ms. Bertrand will be contacting her counterpart in Killingworth to discuss how they will both be addressing payment for expenses related to the referendum.

6. Selectmen's Requests

Ms. Bertrand distributed a memo from the First Selectmen dated January 11, 2016, which read [secretary paraphrased]:

"There has been an emergency issue that has come up at the Fire Department Building [Firehouse #1]. Damage was done to the building during a storm and our insurance company was made aware of this damage. There is a \$5,000 deductible. The contractor is on site doing the repairs covered by our insurance. Three invoices that are not covered by the insurance were taken out of the [Central Services line 01-10-090-66-09015] Maintenance of Town Property. This account is running out of money and there are additional cost[s] associate[d] with this repai[r] that are going to be incurred. The cost is now \$12,000. We would request that we transfer the invoices that have been paid from the Maintenance of Town Buildings [Property] in the amount of \$5,841 towards this line. The additional repairs would be paid from this line. We are requesting that this be forwarded to the Selectmen for their approval of establishing this project and to bring this item to a town meeting and the funding would come from the CNR Unapproved project [Unallocated CNR Funds] line #17-90-999-00-1000[0]".

First Selectman Milardo explained the history of the current situation. The Firehouse #1 roof had incurred damage due to icing and removal of heavy snow over the past few winters; the building experienced a roof leak where two roof lines meet in the recent past, and the water damage was covered by insurance; however, the structural issue that caused the water damage was not addressed when the leak damage was repaired. The building has once again experienced a serious leak in the roof. It had been discovered by the contracting company that these repeat problems have been happening because of structural damage and not just weather condition issues. The insurance company is again agreeing to pay for repair of the leak damage, but will not pay for repair of the structural damage that they deem was due to faulty workmanship in its original construction. The insurance company will, however, cover the cost of replacement of the roof (over the truck bays), as long as the roof involved is a

continuous line. The Board of Selectmen would now like to spend the money to repair the remainder of the roof structural damage, which is not covered by insurance as part of the work the contractor is completing on the building. There is an insurance deductible of \$5,000 before insurance will make payment; the total expense for the repairs will be about \$12,000. First Selectman Milardo noted that there is not much funding remaining in the 090 Central Services Maintenance of Town Property line [about \$8,800 as of the Expenditures report distributed at this Meeting].

First Selectman Milardo also informed the Board that another problem to be addressed at the Firehouse #1 is a non-code window that is severely leaking around the edges and causing damage to the adjacent walls which must be addressed. She said that the contractors had given the Town two estimates, one for replacing this window with a code adhering safety window and repairing the surrounding damage; the second option would be to simply remove the window, repairing the wall and properly sealing up the space. It was determined that the latter work at about \$6,000 is a more cost-effective plan. There was a brief discussion about a possible esthetic or safety value/purpose of the window if it was to be properly replaced. First Selectman Milardo said she and the fire representatives had agreed they could see no real value or purpose for keeping the window and that it would not be missed.

First Selectman Milardo noted that earlier in the year there had been a firehouse driveway paving/sealing job completed with a balance of unused funding of \$11,383 that remains in the Capital Non Recurring 200 Fire Protection line. The Board of Selectmen is requesting the use of that funding to pay for the Firehouse #1 repairs. The Board, agreeing that all of the work described is necessary, then discussed the best way and most efficient manner to reallocate the funding.

Vice Chairman Fredericksen made the Motion seconded by Ms. DeBold to recommend the appropriation of \$12,000 to complete the described necessary [roof, window and wall repair/replacement] work at Firehouse #1 with the source of the funding the Capital Non-Recurring Unallocated CNR funds that would be transferred to a new line created and titled for this work and with the completion of the work and a final cost, to recommend to the Board of Selectmen that it take the recommended funding reallocation to a town meeting for approval. The Motion was approved unanimously.

7. Selectmen's Report

First Selectman Milardo also talked about an outdoor lighting issue on both levels of the Firehouse #1 parking lot. The lamps that illuminate the two parking lots have continued to burn out on a regular basis ever since they were originally installed. Currently eight lights are burned out. [The Board amended the Minutes to include:] First Selectman Milardo informed the Board that she had contacted a local contractor, requesting an estimate and had been given the price of \$1,600 (8 lights at \$200 each) for repairs and installation of upgraded equipment and long lasting LED bulbs to the 8 pole lights that are currently not working. First Selectman Milardo noted that she had also requested and was given a quote of an additional \$2,000 for replacing the mechanisms and installing LED bulbs in the remaining 10 light poles (with the total for the two separate jobs/quotes being \$3,600). At its last meeting, the Board of Selectmen agreed that it would be wise and more cost effective to have all eighteen of the light poles' mechanisms upgraded and to install long-lasting LED light bulbs in all of the pole lamps at the same time. This change would make the color and brightness of all of the pole lights uniform and would make the parking lot visually safer since the lighting would be

brighter as well as more efficient, more ecologically-sound, and more cost-effective on a long-term basis.

First Selectman Milardo reported that as a result of a Town energy survey, the Town had recently received a \$5,000 grant from Eversource for use toward improving energy efficiency that can be used for improvements to Town buildings. She would like to use a portion of this grant funding to make the described upgrades and repairs to the parking lot lighting. First Selectman Milardo wanted the Board to be aware of the problem, how she plans to address it, and she stressed that the work will be paid for with the grant funding rather than at any additional funding cost to the Town. The Board Members thanked First Selectman Milardo for the information and for keeping them updated.

8. Old Business

Chatham Health District status and future plans – First Selectman Milardo noted that there is about six months left on the Town's contract with Chatham Health District (CHD). She is currently in the process of forming a search committee to find qualified candidates for the positions of Sanitarian and Public Health Director, which, ideally, she would like to have filled on a part time basis by two individual professionals. She said she is encouraged by the informal interest in the positions that has already been expressed. She is hoping to have decisions made for filling the positions by sometime in April, well before the end of the CHD contract, in order to have a smooth transition.

9. New Business

a. *Town Meeting – Annual Report, etc.*

Chairman Centofanti reported that the Town Meeting to accept the 2014-2015 Annual Report and other items has been called for Tuesday, January 19, 2016 at 7:00 PM at the Old Town Hall.

b. *Introduction/Discussion of any Town activities/matters*

No additional new activities or matters were introduced or discussed.

10. Public Comment

Resident Stanley Kurasinski, who spoke during Public Input/Comments earlier in the Meeting, thanked the Board Members and town officials for their good work over the past two years. He also suggested that the Town might make use of residents, who would be willing to volunteer to complete various Town-related repair work, such as addressing some of the more minor Firehouse #1 issues, noted above. This would allow townspeople a way to give service to the town and could save the Town money, as well. The Board noted that the work at the firehouse involved large equipment and was more major in scope than could easily be handled by volunteers, but thanked Mr. Kurasinski for his suggestion.

11. Adjournment

Vice Chairman Fredericksen made the Motion seconded by Ms. Nesti to adjourn the Meeting. The Motion was approved unanimously. The Meeting was adjourned at 7:45 PM.

Respectfully submitted,

Barbara D. Galloway
Recording Secretary