TOWN OF EAST HADDAM
Board of Finance
Special Meeting Minutes
March 13, 2021
Via Zoom and YouTube Live

CALL TO ORDER

Mr. DiCristofaro called the Board of Finance meeting to order at 9:07 am. The Pledge of Allegiance was recited.

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
- Carleen Quinn, Selectman
- Brian Reas, Superintendent of Schools
- Cindy Varricchio, Finance Director

Mr. DiCristofaro thanked everyone for tuning in and stated that at this meeting the Board of Finance has just received the budget. Mr. DiCristofaro thanked the Board of Selectman, the Board of Education and Mrs. Varricchio for their work to bring the budget forward to the Board of Finance.

Mr. DiCristofaro took a moment to recognize the passing of both Paul Maxwell and Ray Willis, past chairs of the Board of Finance.

Mr. DiCristofaro noted that last year we followed the Governor's executive order and the Board of Finance and Board of Selectman adopted the budget. He assured those watching that it was the intent to hold a referendum this year.

2021-2022 BUDGET

Board of Selectmen Budget

Mr. DiCristofaro invited First Selectman Smith to provide budget highlights. Mr. Smith advised that COVID-19 has impacted everything about how we do business.

- 12 budget workshops have been conducted; all meetings were held remotely with public access available.

- We began using Cleargov, a new interactive budgeting program.

Goals:

- Continue to strive for AAA rating;
- Utilizing the new policies for capital projects;
- Focusing on Economic Development opportunities;
- Continue public safety initiatives and measures;
- Maintain and improve the Town's infrastructure;
- Improve parks and greens;
- Continue to build on programs.

Mr. Smith stated that despite the challenges of the pandemic, there have been many achievements, particularly:

- The Senior Center has been vaccine hub with over 1,500 vaccines administered;
- Two vaccine clinics are being held at the municipal office complex;
- The we sustained our AA+ bond rating;
- Refunded USDA note and other projects generating cash flow savings of over two million dollars over the life of the loans;
- The grand list experienced growth.
- A proposal for the redevelopment of the 7 Main Street property is being reviewed;
- Hundreds of dead trees have been removed
- New fire apparatus (Quint) was approved via a grant (value of $904,000).
- Neptune Avenue is scheduled for completion on May 1, 2021.
- Planning for the athletic complex and track at the high school is moving forward
- Tennis courts at the Municipal Complex are being renovated;
- The HVAC system at the East Haddam Free Public Library was replaced.

Mr. Smith noted that the 2021-2022 budget includes funding to address:

- Aged public works equipment;
- Tree remediation;
- Adjustments responsive to the salary survey;
- Additional staff for groundskeeping.

Mr. Smith stated that the Board of Selectmen looks forward to working with the Board of Finance as they review budget.

Board of Education Budget

Superintendent Reas was invited to present the Board of Education budget. Mr. Reas thanked the Board of Finance for its consideration. Mr. Reas noted the unique year with many challenges created by COVID-19. Particular highlights included:

- The Board of Education took initiative on feeding the community;

- Having a good technology/leasing plan in place allowed for a smoother transition to remote learning than many other districts experienced;
- The extra physical space of our schools has been a gift during this pandemic;
- Having psychologists and other behavioral staff has been very helpful;

- Special revenue account enabled transition to a 18-21 program has been very important;
- Grateful to staff that have been so accommodating to what has been asked of them'
- Strategic plan in place (Achieve, relate, construct, develop);
- Transferable skills (Embedding lifelong good citizen skills into the students).

For 2021-2022. Student enrollment of 980 students is predicted. (-10).

Mr. Reas stated that he would like not to have a 15.6% increase for transportation $66,578. Health insurance requires a 13% increase of $346,514 (includes one new position). Special education enrollment has been stable, however there are increased costs of $201,227.

Mr. Reas stated that the Board of Education loves the concept of Preschool. He stated that it comes with a $400,000 price tag. Although there is space for it, and it has been in the strategic plan since 2015; the Board felt that this was not the year to move the Preschool initiative forward.

Special Education. Mr. Reas stated that East Haddam places in the middle in comparison to what we offer and what we spend on special education in comparison to other districts.

Mr. Reas noted several areas where cuts to the budget are due to the pandemic world we are living in, particularly surrounding extracurricular activities. He further noted the need for an additional teacher at the middle school.

Mr. Reas reviewed the East Haddam Public Schools Proposed Capital Improvement Plan. He noted that there are very little surprises. He noted that it is unlikely that everything in the 2021-2022 budget will be funded, but it is the year it was designated when the 10-year capital plan was implemented. Several items have had prior year funding in anticipation of the large dollar item of the project and others are being spread out over several years to minimize budgetary impact.

Particularly, athletic fields and gymnasium floors now have maintenance allocated each year so it is not such a hit to the budget. The gymnasium floors were not utilized very much in 2020 so that can be pushed off another year.

Tim Cahill, the Financial Advisor, has suggested that the Purple Fund could be utilized for up to $500,000 to support the athletic complex project. There is also the possibility of State funds being available for that project. Mr. Reas noted that as in year's past, the Board of Finance will establish a number, and the Board of Education will prioritize the items it has brought forward based on the funding it has available to it.

Mr. DiCristofaro noted that he watched the Board of Education go through its process and was pleased to see the additional effort made to bring its budget to within the goal. He stated that he was very grateful for the work.

Mrs. Varricchio reviewed the contents of the Budget Book that was presented to Board Members. Mr. DiCristofaro noted that he asked for a summary of the capital budget because it is so voluminous. He stated that he hoped to maintain the mill rate of 30.44.

He noted that there was Grand List growth of $8,991,279, equating to $273,695 in additional tax revenue. He also noted that there are additional funding sources that will be available.

He also noted that to keep the mill rate flat, we have other funding opportunities such as the reissuance of debt and staying within the debt policy. We also must retire debt at 50% or greater in ten years, we are presently retiring debt at the rate of 69% in ten years. It was also noted that we are under other benchmarks, meaning that we have the capacity to carry additional debt if we need it.

It was also noted that there are FEMA other state and federal sources. A number of expenses for BOE and Municipal represent some one-off things because of COVID scenario, we may have other funding sources to provide services we need without raising taxes

Can increase mill rate, that is the last option. Can also use unassigned fund balance, which was at 16.9% as of June 30, 2020. Board of Finance policy is 8-15%. So, there is some capacity to maintain that mill rate.

Mr. DiCristofaro noted that to maintain the mill rate we need to offset approximately $4,000,000, given the capital projects we are facing. He noted that the Board has the option to delay or bond for capital, we could approve, eliminate, or change those expenses. Mr. DiCristofaro stated that he plans to review each item line by line and determine what potential action the Board may wish to take on each line item. Responsive to inquiry from Mrs. Gionta, Mrs. Varricchio stated that she would review the mill rate calculation formula with her at a later date.

Motion was made by Mr. DiCristofaro to recess at 10:26 am with a reconvene time of 10:32 am. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

At 10:32 am Mr. DiCristofaro reconvened the meeting.

Mr. Gelston stated that he appreciated the presentations. He requested that the Board of Education prioritize the items in the capital budget. It was noted that the Long-Range Capital Improvements Committee had established buildings and improvement projects last year and that COVID impacted that from occurring this year.

Mr. Gelston inquired about additional manpower for the public works crew. Mr. DiCristofaro stated is an operating budget question, he was looking for discussion on capital.

Discussion was held on air conditioning for all schools including gymnasiums. Mr. Reas stated that he is optimistic that some of this may be funded by federal funds due to COVID as long as it improves air quality. The board determined to defer any action on this item pending a determination if it will qualify for federal funding. It was noted that this deferral does not reduce the budget, as it was put in as a potential bonding item.

It was noted that there is the potential that the athletics complex could receive up to $500,000 through the Purple Fund. Senator Needleman has put in a request at the State level for additional funding and there is not a timeline at this point. Ms. Govert stated that the Governor is on a debt diet and has pulled back on bonding, meaning grants may not be readily available. Mr. Gelston stated that he believed a phased approach would work well. Mr. DiCristofaro noted the need for legislative body approval prior to spending any funds. It was the consensus of the Board of Finance to delay for funding purposes as there are too many unknowns to move forward at this time.

Mr. Thomas suggested that both the air conditioning project and athletic complex be placed in a holding period until we can ascertain if there is outside funding

Mr. DiCristofaro stated that he thought high school irrigation was part of the athletic complex project. Mr. Reas stated cannot that you cannot do irrigation until complex is in progress. Mr. Reas stated that the infrastructure required to be under the field is proposed as part of the complex. He further noted that this can be delayed as it needs to follow the athletic complex and cannot come before.

The HVAC building management systems (high and middle schools) as well as the high school chiller tower could be delayed for funding. The HVAC building management system funding has been suggested from reserves, the chiller tower was earmarked for bonding along with the air conditioning systems.

System wide modernization of learning environments. Mr. Reas noted that this has been a budget line for projects that need doing. As we have been doing this for a few years, it was determined that this could be reduced. The elementary school playground improvements could be spread over a few years, a phased approach was determined appropriate.

Delay of elementary school generator was deemed appropriate, as a grant opportunity could present itself. Mr. Corbett stated that he was inclined to go the delay route regarding softball fields with the understanding that the Superintendent would make final determination of priorities. The $15,000 for field maintenance was noted. Mr. Thomas stated that condition of the fields likely warrants it. Mr. Gelston was in favor of it. Mrs. Gionta stated that she was in favor, as was Mr. Dutch.

The middle school playground is scheduled for the final installment of three-year project. This and the basketball court is scheduled for the final installment of a two-year savings plan. This allocation will close those projects out. Mr. Reas favored completeness. Mr. DiCristofaro inquired why underground tank is in two fiscal years. Mr. Reas advised that once it becomes 30 years old, the State requires it removal. 2023-2024 school year is anticipated and we are saving $25,000 each year toward said replacement.

Other capital for Board of Education included, cafeteria equipment, network switches, wireless access points, zero turn mower, ventrac tractor. Mrs. Varricchio noted the cycle utilized for network switches. It was suggested that delay for funding for this year is appropriate as there may be COVID funding.

Mr. Gelston asked if the price for wireless access is a quote or guestimate. Mr. Reas stated that it is both quote and experience, he added that technology changes, and increases in band width is needed to meet the demand. Mr. Gelston suggested either fiber optic or cable rather than wireless. Additional comments were solicited. Mr. Thomas noted that he had operating questions, but nothing on capital. Mrs. Gionta noted that she concurred with the reserve process to avoid surprises, and not to just replace because it is in the cycle. Mr. Reas was thanked for his participation. Mr. DiCristofaro encouraged grant funding for items, where available as it makes a huge impact for our taxpayers.

Mrs. Varricchio advised that the Fire Department, Emergency Management, and Public Works are scheduled to be available next week. Mrs. Varricchio noted that reserve items are already documented within the budget. Mr. DiCristofaro asked that those items be identified on the spreadsheet.

Grant Acceptance—FEMA-Assistance to Firefighters Grant Program-COVID-19 Supplemental

Motion was made by Mr. Dutch to accept a grant from FEMA and the Department of Homeland Security for COVID-19 supplemental AFT-S for PPE equipment in the amount of $10,425.21. This grant has a required town match of $496.44. Due to the COVID-19 pandemic and response, the Governor's Executive Order 7CC issued April 21, 2020, permits the municipality's legislative budget (Board of Selectmen) and budget making authority (Board of Finance) to authorize certain actions by a majority vote of each such body to include (1) the application for or acceptance of any grants, funding or gifts. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

Guests and Audience Comments

Mr. DiCristofaro inquired if any comments or questions had been received. None were noted. He reminded those watching to forward their comments or questions to budget.questions@easthaddam.org.

Mrs. Varricchio clarified that there is no new mechanic in the budget, nor is there a grant writer in the budget. She stated that there is a half position increase for grounds maintenance.

Motion was made by Mr. Dutch to adjourn at 11:55 am. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette