TOWN OF EAST HADDAM
Board of Finance
Meeting Minutes
April 12, 2021
Municipal Office Complex Meeting Rooms 1 and 2

Mr. DiCristofaro called the Board of Finance meeting to order at 6:06 p.m.

The Pledge of Allegiance was recited and recording devices started.

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
Carleen Quinn, Selectman
Deb Denette, Town Clerk and Recording Secretary
Marc Pisciotti, Chairman, Board of Education
Karin Blaschik, Secretary, Board of Education
Patricia Stricker, Board of Education
Brian Reas, Superintendent of Schools
Donald Angersola, Director of Operations
Cindy Varricchio, Finance Director
Linda Zemienieski, Executive Assistant to First Selectman

Mr. DiCristofaro thanked everyone for attending. He acknowledged the hard work of many behind the scenes and noted that the Town has received some federal funding which will help out in many ways. He further noted ways that the viewing public could submit questions or comments.

Mr. Smith noted that the Board of Selectman spent over 30 hours in meetings bringing the budget forward. He thanked the Board of Finance for their efforts in doing its diligence as well.

Mr. DiCristofaro noted that there was a large gap between what was submitted and funding the Board of Finance would be comfortable with. Since the start of the process, we have learned that our town will be receiving federal funding that was not anticipated. This funding helped to close the gap between what was submitted and available funding.

Mrs. Varricchio summarized at the request of Mr. DiCristofaro that a $38,000,000 budget was initially submitted. With changes, deletions, delaying for bonding, etc., the budget was reduced down to $36,789,656 by the Board of Finance which would necessitate a mill rate change of 2.85. Mr. DiCristofaro noted additional increases such as wage adjustments responsive to a salary survey. He also noted his recommended reductions such as dropping the Fire Department reserves to $100,000 and lengthening the road replacement cycle from 12 miles annually to 10 miles annually. He noted that it is estimated that the HVAC systems in the schools can be replaced with COVID funds freeing up nearly substantial funds.

Mr. Thomas noted that he was not in favor of extending the length of the road maintenance cycle. He stated that can has been kicked down the road too many times. Mr. DiCristofaro stated that he is not proposing elimination of the funding cycle, but not funded it fully as requested. Comparisons of prior years funding to the proposed, which has almost doubled was noted.

Mr. Dutch inquired how married the Board of Finance was to a zero-mill rate increase. He noted that reasonable arguments have been made for all of the items requested. It was also noted that the track is more of a want than a need. It was further noted that funds for the track are not in this year's budget. $2,600,000 is being received by the Town for COVID-19 relief. The Board of Education operating budget may be reduced by $200,000 in anticipation of additional COVID-19 funds coming in to offset that reduction. The exact amount is presently unknown. The Lakes Association budget was reduced to $8,000 per lake and funding for open space appraisals was reduced $3,000. One part-time grounds keeper position was eliminated. Mr. DiCristofaro suggested foregoing the annual installment of $100,000 to the Board of Education capital reserves given the COVID-19 funding coming in that may be used for Board of Education projects. He recommended $150,000 to be reduced from roads, extending the cycle. Regarding salary adjustments recommending a phased in. Also recommended removing the increase for the First Selectman as Mr. Smith stated that he would not accept it.

Mrs. Gionta noted she was not in favor of pushing the roads out for a longer period, she expressed concern that it would cost more in the long run. Mr. Smith stated that there was no concern that the funding would be spent if allocated. Mr. Smith stated that time will tell whether 10 miles per year versus 12 miles per year was a bad idea. It is estimated that there is another $500,000 of COVID-19 funding that we do not know the parameters for.

Mr. Thomas questioned what the $200,000 cut from the Board of Education meant to the Board of Education. Mr. Pisciotti responded that it was acceptable as other COVID-19 funding is anticipated to replace it. Following a polling of the Board, it was consensus to adhere to a 10-year schedule rather than a 12-year schedule for the roads.

Mrs. Varricchio noted other reductions made by utilizing COVID-19 grant funding for WPCA, Lake Hayward dam, wireless access points, and assistant town clerk staffing. This is based on what is believed to be appropriate uses of the funding. It was noted that much of the funding is not yet targeted.

In accordance with a contract with the Ambulance Association we are required to buy an ambulance every five years. The ambulance Association will purchase its next ambulance freeing up reserve

funds. Of the $305,000 available, $60,000 needs to go back to the ambulance, freeing $250,000 to offset the budget.

Mr. DiCristofaro noted modeling done regarding unassigned fund balance. Last year we authorized $530,518 of fund balance but anticipate only expending $189,000. This funding can go back to offset this budget. At current time we are at 14.5% of the fund balance. Mr. DiCristofaro solicited board feedback on the use of fund balance reminding that Board policy states that unassigned fund balance shall be between 8 to 15% of the budget.

Mrs. Gionta summarized that of the anticipated $2,600,000 COVID-19 funding, we will get $1,300,000 this year recognizing that it comes with strings. Using this COVID-19 funding, frees our funding for other anticipated projects. She recognized that some things are deemed temporary, others are not. When using COVID-19 funding for personnel, that is a temporary opportunity and we will need to reevaluate again next year. The HVAC system was a bonding opportunity. She inquired if we have done any math on bonding and spending the COVID-19 funding to tick off a whole bunch of the small stuff. Mrs. Varricchio responded that whether we bond or use grant funds are still up in the air. Mr. DiCristofaro recognized that we can use that bonding authority for something else.

Mrs. Gionta noted that utilizing over $1,000,000 of funding from the undesignated fund balance is unprecedented. She recognized that the money was basically over taxation of the people, and she agreed it could be used to avoid further tax hikes and still leaves a healthy balance.

Mr. Dutch suggested adding another $150,000 from the fund balance to keep Public Works whole. Mr. DiCristofaro solicited feedback on the concept, Mr. Gelston and Mr. Corbett favored the 12-year plan, Mr. Dutch, Mr. Thomas and Mrs. Gionta favored the 10-year plan.

The use of an additional $150,000 from undesignated fund balance lowered the percentage from 11.8 to 11.4, still well within the range of 8 to15%.

Guests and Audience Comments

Mr. DiCristofaro invited questions.

Mr. DiCristofaro read a question from Marilyn Gleeson regarding the First Selectman's salary. She noted that it is admirable that Mr. Smith declines the increase, however, the position should be funded for what it is worth. There is another election in November. Her question continued asking the status of a Human Resources hire and delineating the need for it.

Responsive to inquiry, Mrs. Varricchio noted that a salary study identified that the First Selectman's salary should be $100,901. An increase of $13,151. It was recognized that there is ideal timing to properly fund the position given that the current holder has already declined it. Considerable discussion was also held regarding the need for a Human Resources person, Mr. DiCristofaro noted an argument could also be made for a Town Manager. He noted that funding of $79,000 was incorporated in the budget last year and not yet expended. Mr. Reas noted that efforts to hire a part

time Human Resources person were not successful. The part time status was deemed unattractive to quality candidates.

Mr. DiCristofaro requested a more comprehensive plan and not something to just throw money at. Mrs. Varricchio offered that an additional $50,000 would be needed to fund the position full time.

Mr. DiCristofaro stated that he believed more conversation should occur. He added that the funding for the Human Resources person has not been reduced. Mrs. Varricchio noted that in 2006 or 2007 a salary survey was done. A salary was established for the First Selectman, the First Selectman changed and the Board of Finance cut the salary, which is the reason for the need of catch up.

Mr. DiCristofaro stated that he is willing to reconsider the First Selectman's salary as we have had this discussion many times. It was noted that the Human Resources person is a discussion for another day. The idea of a Town Manager requires a charter. It is recommended that proposed salary increases will be stepped, one half on July 1, one-quarter on January 1 and the remainder on July 1 of the following year. It was suggested to similarly phase in the First Selectman's salary increase.

Mr. Pisciotti noted that the Human Resources person has been discussed at length in the past. If the funding is increased, we would have an opportunity to fill it with a quality candidate. Mr. DiCristofaro noted that he is surprised that $80,000 part time position has not had interest. He also noted that funding is available for outsourcing or at least a part of it and has not been utilized. It was the consensus that more discussion should occur and that perhaps funds could be reallocated.

Mrs. Varricchio noted that human resources issue often devours the staff's days. She further noted that the Selectman requested an additional $20,000 for labor negotiations, much of that could likely be done by Human Resources staff.

Mrs. Gleeson submitted another comment that Human Resources is not a part time kind of position and added that human resources is not trees.

Mrs. Stricker thanked the Board for the difficult last-minute conversation. She opined that what was spent in labor counsel plus costs on the Board of Education side could have been spent on full time staff. She inquired whether a comprehensive proposal or strategy could come forward after the budget. Mr. DiCristofaro stated that it could. He added that the facts suggest the Board needs to dig a little deeper. He stated that he was concerned with what was presented at the 99th hour and he questioned whether all of the facts were delivered. He further added concern that labor council is leaned on so heavily. He reiterated that every elected office is won by knocking on doors and the holder is not necessarily qualified for the role. Perhaps the town should have staff to avoid potential mistakes. He stated that he is not suggesting that we do not need the position, but he was not willing to act on it without all of the facts.

Mrs. Quinn noted that the Human Resources position was proposed for full time, and was cut to half time, as the town just cannot afford it. $79,000 for 29 hours is something. She recommended trying again.

Mr. Gelston stated that when you get in trouble you hire lawyer, they tell you what to do, but you still do it. Human Resources is similar, he strongly suggested that staff hire a Human Resources consultant to help through it. He added that he would not be comfortable explaining to taxpayers that they hired another position, as the case for it has not been made in his mind.

Mr. Thomas suggested that moving lawyer hours to Human Resources hours could solve the problem. Responsive to inquiry from Karin Blaschik it was noted that the firm of Randi Frank completed the survey study and was the same person that did the study in 2007.

Ms. Gleeson submitted another written comment that it is not responsible to push this off, until we have charter, and added that it could take years.

Mrs. Varricchio was given directive to increase the First Selectman's position on the step noted and look to utilize fund balance for Public Works capital and to make adjustments based on the ambulance reserves.

Mrs. Denette advised the Board that the Governor has issued an executive order that impacts referendum held by May 20th. The executive order allows for no excuse absentee balloting. The normal referendum process does not allow for an absentee ballot to be mailed for referendum. Mrs. Varricchio noted that she spoke with Mrs. Denette about the issue and that the process that will be followed is not a diversion from past practice. Mrs. Denette understood, but conveyed that the Board of Finance should be made aware of the Governor's order.

Motion by Mrs. Gionta to recess at 7:55 pm. Mr. Corbett seconded the motion and it was unanimously approved. Motion carried.

The Board resumed at 8:13 pm.

Revised Budget Calendar

- Public Hearing May 12 at 7:00 pm.
- Board of Finance meeting immediately following to amend or ratify the present budget and send it to forward to the Annual Town Meeting.
- Annual Town Meeting May 24 at 8:00 pm
- Referendum June 8, 2021 at the gymnasium of the Municipal Office Building, time to be determined at Annual Town Meeting on May 24.

The Board of Assessment appeals spring report was distributed. No comments or concerns were raised.

CHAIRMAN'S REPORT

a. Subcommittee Reports:

- Communications: The Communications Subcommittee was congratulated and thanked for their recently published article.

- It was noted that neither the Long-Range Capital Improvement Committee nor the Financial Policy Committee have met.

FIRST SELECTMAN'S REPORT

Mr. Smith noted the following:

- There will not be a Memorial Day parade again this year due to COVID-19.
- Neptune Avenue should be reopened to vehicular traffic on May 1, 201
- Negotiations have begun with several bargaining units.
- Most roads have been repaired from 2018 storm.
- Public Works had a retiree, is down a man due to back surgery and is looking to fill the crew chief position.
- $150,000 allocated for tree removal has been expended.
- Early Road is slated for reclamation efforts.
- The need to chip up accumulating logs which are piling up was noted.

Mr. Smith stated that $75,000 to $100,000 remains in the snow removal budget. It is recommended to use $50,000 of snow removal budget into tree removal budget to continue with tree work in town.

Motion was made by Mr. Gelston to authorize the use of $50,000 of snow removal budget funds for continued removal of dead and dying trees for 2020-2021. Mr. Corbett seconded the motion and it was unanimously approved. Motion carried.

Mrs. Varricchio returned to the meeting after double checking the figures associated with the new budget.

Motion was by Mrs. Gionta to utilize $1,150,000 of the General Fund to offset the 2021-2022 budget. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

Motion by Mr. Thomas to present to May 12, 2021 Public Hearing scheduled for May 12, 2021 at 7:00 pm at the Municipal Office Complex a total budget of $36,950,274, based on a Grand List as of October 1, 2020 in the amount of $903,786,404. The budget will require a mill rate increase of .62 mills or a 3.5% tax increase. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

FINANCE DIRECTOR REPORT

Mrs. Varricchio reported that she will work on the *Citizens' Guide to the Budget* to assure that she captures the intent of the board. Mrs. Varricchio's efforts were appreciated by the Board.

NEW BUSINESS

Nothing noted.

GUESTS AND AUDIENCE COMMENTS

No electronic comments were received.

Mrs. Stricker thanked the Board for their time and effort on the budget. She stated that she felt this year's process was more transparent and all had opportunity to watch at their leisure.

Motion was made by Mr. Dutch to adjourn at 8:33 pm. Mr. Gelston seconded the motion it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette