TOWN OF EAST HADDAM
Board of Finance
Regular Meeting Minutes
January 10, 2022
Municipal Office Complex
Meeting Rooms 1 and 2
Via Zoom and YouTube Live

CALL TO ORDER

Ms. Gionta called the meeting to order at 7:00 pm and the Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:
- Tracey Gionta, Chairman
- Bruce Dutch, Secretary
- Joseph Corbett
- Todd Gelston
- Harvey Thomas
- Rebecca Whatley

Others:
- Board of Selectmen
  - Irene Haines, First Selectman
  - Theresa Govert, Selectwoman (remotely)
  - Eric Dill, Selectman (remotely)
- Board of Education
  - Marc Pisciotti, Chairman
  - Patricia Stricker, Secretary
  - Erik Anderson (remotely)
  - James Francese (remotely)
  - Terri Garrity (remotely)
  - Bryan Perry (remotely)
  - Keira Thompson (remotely)
- Brian Reas, Superintendent of Schools
- Cynthia Varricchio, Finance Director

APPROVAL OF AGENDA

Motion made by Mr. Dutch to approve the agenda. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

TRI-BOARD MEETING, 2022-2023 PROPOSED BUDGET—BOARDS OF FINANCE, EDUCATION AND SELECTMEN

a. Review and Discussion:

Board of Finance

Ms. Gionta stated the goal of the Board of Finance is to provide current services and plan for the future within the financial means of the community. She said she wants the public to understand the budget process and advised that the budget workshop calendar is on the Town's website and meetings will be open to the public and also on YouTube. She provided information on where the public could submit their comments and questions.

Board of Selectmen

Ms. Haines provided a brief opening statement. She advised that ClearGov will provide the public with line-by-line real-time detail regarding the Town's budget. She stated the Town is using a zero-based budget approach which will require justification for any department's request for increased funding. She reviewed the 2022-2023 budget development timeline and encouraged early and regular participation in the process by the public. She provided a staffing update and noted that, even though Finance Director Varricchio has accepted a position with the town of Preston, she will be assisting East Haddam with this year's budget workshops on a consulting basis. Ms. Haines reviewed several other open positions and advised that the Town had eliminated the part-time constable positions.

Ms. Haines discussed capital requests and the Long-Range Capital Planning Committee's work. She also reported the following:

- A new library building sub-committee is being formed and she encouraged qualified individuals to apply.
- GetAway Campgrounds is open and the cabins are fully booked through March.
- The old Cumberland Farms property was sold and a new gas station will go in on the site.
- In response to public input, a Redevelopment Agency is being established to oversee the development of the 1 and 5 Main Street site. The Board of Selectmen will update the Village Revitalization Committee's charge and reinstitute the group into the Town's Redevelopment Agency. She advised that most of the existing committee members have expressed a willingness to serve as members of the new agency and several other community members have also expressed interest in participating.
- She anticipates, and wants to take advantage of, federal funding for the development of municipal broadband infrastructure. She discussed the next steps in the process.
- She is pursuing a composting program for the Town to reduce expenses at the Transfer Station.
- She noted several challenges for the Town, such as the state's upcoming Swingbridge repair project, several open positions, and a significant building repair needed at Fire Company #2.

Ms. Haines added that she is looking into a wholistic approach to the Town's social service programs and also noted that the Town is working with the Middlesex Chamber of Commerce to establish a line of communication with the public and businesses regarding the Swingbridge repair project. She responded to several questions from the Board of Finance members.

Board of Education:

Superintendent Reas thanked the members Boards of Finance and Selectmen for this opportunity to meet and discuss the upcoming budget process. He introduced Ms. Stricker who is the Secretary of the Board of Education and the Chair of its Business and Planning Sub-Committee and noted that the Board of Education started their 2022-2023 budget process in the fall.

Mr. Reas stated that the Board of Education is in its third year of a five-year strategic plan and he reported the following accomplishments:

- They have expanded the pre-K program and are re-energizing the K-3 curriculum.
- They are working on a social/emotional curriculum for all grades.
- They have moved their data to the IReady platform and all students now have the necessary technology hardware to work remotely.
- The high school has doubled it passing scores in the advanced placement courses.
- The Parentsquare app was launched which streamlines communications with parents.

Mr. Reas stated that inflation will be a big driver of the 2022-2023 budget and, also, the Board would like to begin incorporating field trips back into the school programs. He noted that, due to the pandemic, there is an increased need for student support and they are collaborating with Goodwin College for math instruction. He stated that a priority for the schools is to counsel students on college prospects as well as opportunities in the trades and to prepare them to pursue either.

Mr. Reas reported that the capital projects' list for this year includes the Elementary School envelope project, replacing the oil tank at the High School, and the construction of a sports complex at the High School.

Ms. Stricker reviewed the Board's budget workshop schedule and encouraged public participation. She provided information on where the public could submit comments/questions.

Ms. Stricker and Mr. Reas responded to several questions. In response to an inquiry from Ms. Whatley, Ms. Varricchio provided additional clarification regarding selecting vendors from the state's bid list. Mr. Reas advised that the Board of Education is expecting funding from the state that is consistent with previous years. He confirmed that the Elementary and High Schools are fully utilized and the Middle School is slightly less then fully utilized.

Mr. Thomas asked both First Selectwoman Haines and Superintendent Reas to provide their presentations to the Board of Finance members so that they can submit any additional questions

they have to them in writing. Ms. Haines and Mr. Reas agreed and agreed to respond to any submitted questions at the Board of Finance's February meeting.

The Boards of Selectmen and Education adjourned their meetings.

GUESTS AND AUDIENCE COMMENTS

There were no guests or audience comments raised at the meeting.

APPROVAL OF MINUTES

a. **Regular Meeting, November 8, 2021:**

Ms. Gionta called the Board's attention to the draft minutes of their November 8th meeting in their meeting packets

Motion made by Mr. Dutch to approve the minutes of the Regular Meeting of November 8, 2021 as written. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

b. **Special Meeting, November 17, 2021:**

Ms. Gionta called the Board's attention to the draft minutes of their November 17th meeting in their meeting packets

Motion made by Mr. Thomas to approve the minutes of the Special Meeting of November 17, 2021 as written. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

c. **Regular Meeting, December 13, 2021:**

Ms. Gionta called the Board's attention to the draft minutes of their December 13th meeting in their meeting packets

Motion made by Mr. Gelston to approve the minutes of the Regular Meeting of December 13, 2021 as written. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

CORRESPONDENCE

Ms. Gionta advised that she had received the following email from Robert Simmons, a resident in Moodus:

"Hello,

"I have a comment regarding the Town budget being developed. I know the message sent to you all by last year's first budget referendum still holds firm. We cannot stand another

tax increase. Personally, I'd like to see reduced town taxes. The cost of living in Connecticut continues to rise and the affect on fixed income residents (really all residents), is especially hurtful. Washington and Hartford show no sign of changing their drunken sailor approach to spending and taxation. You've got to be willing to say No to some of the less than necessary spending requests. That would be appreciated.
Maybe then the new budget would pass on the first vote!

"PS: It was very telling last year how quickly the budget was reformed to eliminate an increase in taxes. Why didn't that happen on the first go round? Out of touch leaders."

Mr. Dutch acknowledged that, as Mr. Simmons noted in his email, the cost of everything continues to increase. He stated that the Board was able to adjust the 2021-2022 budget to achieve a zero-mill rate increase by dipping into the Town's savings which is not sustainable over the long-term. Ms. Varricchio pointed out that the mill rate has held steady for three years and there was a general discussion about achieving a responsible mill rate through planning and saving.

Mr. Thomas agreed that the cost of living continues to increase and stated that the Boards of Selectmen, Education, and Finance have to account for that in the Town's budget. He noted that people expect a good education for their children and it would be counter-productive to defer maintenance of the Town's infrastructure; consequently, it is unrealistic to keep taxes flat year after year.

Mr. Gelston encouraged Mr. Simmons to attend the Board of Selectmen's budget workshops to both witness all the work and effort that goes into developing a thoughtful budget and to share his thoughts and comments in a timely manner.

CHAIRMAN'S REPORT

Ms. Gionta noted that Finance Director Varricchio will be resigning her position with the Town of East Haddam at the end of the month. She thanked Ms. Varricchio for all her good work and help over the years and her counsel during the budget seasons. She stated she would be sorely missed.

a. **ClearGov – Video:**

Ms. Varricchio stated she would send a link of the ClearGov video to the Board members and asked them to provide her with any questions or feedback they have. Ms. Gionta noted that ClearGov only contains the Town budget and Ms. Varricchio confirmed that the Board of Education's budget is housed on Munis.

b. **Tax Collector's Report:**

Ms. Gionta called the Board's attention to the Tax Collector's Month End Balance Sheet for November 2021 in their meeting packets. The Board reviewed the report and there were no questions.

c. **Board of Finance Subcommittee Reports:**

- Communications – Mr. Gelston advised that the communications regarding the Quint grant and the budget process were recently published in the East Haddam Newspaper. He stated that the subcommittee is scheduled to meet the following week and begin work on two more budget/funding related articles.

- Long-Range Capital Improvements Committee – Ms. Gionta noted that several meeting dates for this subcommittee have been proposed and encouraged the members to respond with their availability.

- Financial Policies – Mr. Thomas reported that the subcommittee is reviewing the city of San Diego's financial policies for Revenue and Budget Planning/Projections to adapt them to East Haddam's needs.

FIRST SELECTMAN'S REPORT

First Selectman Haines provided her report earlier in the meeting and her comments are reported above in these minutes.

FINANCE DIRECTOR'S REPORT

a. **Annual Comprehensive Financial Report/Single Audit Reports:**

Ms. Varricchio advised that she will be submitting the Town for a GFOA Excellence in Government Finance award again this year. She reviewed the items noted in the auditor's Management Letter and advised that the Town was cited for the third time for the not complying with the Federal Procurement Policy. She noted the Federal Procurement Policy reference would be addressed under New Business.

Ms. Varricchio stated that a partner from the audit firm will attend the Board's February meeting to provide an overview of this year's audit and respond to questions. Ms. Varricchio responded to several questions from the Board members.

b. **November YTD Budget Report:**

Ms. Varricchio called the Board's attention to the 2021-2022 YTD Budget Report Summary in their meeting packets. She stated that the current budget is tracking plan nicely and called their attention to two changes related to insurance and grant entries. She noted that the YTD report represents 42% of the budget year while expenditures total only 25%; however, she pointed out that many of the Town's expenses occur in the last quarter. She also noted that 47% of the year's projected revenues have been collected to date.

c. **2022-2023 Budget Calendar Update:**

Ms. Varricchio advised that the 2022-2023 Budget Development Calendar will be updated as needed and the changes will be posted on the Town's website in real-time.

LIAISON REPORTS

Ms. Gionta stated that, as it is the beginning of the budget development process, it would be a good time for the Board members to reach out to their liaison departments/commissions/committees.

OLD BUSINESS

a. **Tax Relief for Elderly and Disabled Ordinance Amendment:**

Ms. Gionta called the Board's attention to a report in their meeting packets created by the interim tax assessor regarding the Town's experience with the Tax Relief for the Elderly and Disabled program. She reviewed the findings of the report and pointed out that the Town's ceiling for benefits for this program is $150,000 and current relief benefits total $54,800.

There was a general discussion regarding increasing the levels of available benefits and Mr. Thomas noted that since average incomes have increased since the inception of the ordinance, the Board might also want to consider increasing the income level ranges. Ms. Varricchio stated she would ask the tax assessor to run a model showing the impact of COLA increases, over time, to the income ranges and the program benefits.

NEW BUSINESS

a. **Grant Acceptance – Comprehensive DUI Enforcement Grant:**

Ms. Gionta noted that the grant recently submitted for Comprehensive DUI Enforcement had been approved.

Motion was made by Mr. Gelston to accept the FY2022 Comprehensive DUI Enforcement Program Grant for the Resident Trooper in the amount of $19,739.61 and to request that the Board of Selectmen schedule a Town Meeting for approval. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

b. **Neighborhood Assistance Act:**

Motion was made by Mr. Dutch to accept a gift from Connecticare, Inc. through the Neighborhood Assistance Act Program for the Open Space Trust Fund in the amount of $5,000 and to request that the Board of Selectmen schedule a Town Meeting for approval. Mr. Gelston seconded the motion.

In response to an inquiry from Mr. Thomas, Ms. Varricchio provided clarification regarding how funding from this grant will be used.

The motion was unanimously approved. Motion carried.

c. **Board of Finance Budget Request:**

Ms. Gionta called the Board's attention to a copy of the 2022-2023 Board of Finance budget request in their meeting packets and provided an overview of the budget. Ms. Varricchio stated that the only increase being recommended is for Auditors/GASB Compliance. She provided clarification regarding the Contingency line item and responded to questions from the Board.

Motion made by Mr. Thomas to approve the Board of Finance budget request in the amount of $145,438 for fiscal year 2022-2023. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

d. **Federal Procurement Policy:**

Ms. Gionta reiterated that the lack of reference to the Federal Procurement policy in the Town's procurement policy was cited in the Town's audit results. She noted that Ms. Varricchio is requesting that the Board of Finance endorse the Federal Procurement Policy.

Motion made by Mr. Gelston to endorse the Federal Procurement Policy as presented. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

GUESTS AND AUDIENCE COMMENTS

There were no additional guest/audience comments discussed at the meeting.

OTHER

In response to a question raised by Ms. Whatley, Ms. Varricchio provided detail regarding the how the journal entries are made for recording grant funding.

ADJOURNMENT

Motion made by Mr. Dutch to adjourn at 8:41 pm. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,
/s/
Bruce Dutch
Secretary