TOWN OF EAST HADDAM
Board of Finance
Special Meeting Minutes
March 19, 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 9:04 am 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:
- Irene Haines, First Selectman
- Theresa Govert, Selectman
- Patricia Stricker, Board of Education
- Brian Reas, Superintendent of Schools
- Brian Auld, Fire Chief
- Timothy Reynolds, Fire Commissioner
- Edward Bader, Lakes Association
- Corinne Halliday, Lakes Association Co-Chairman
- Don Angersola, Director of Operations
- Steven Hedler, Public Works Superintendent
- Cindy Varricchio
- Linda Zemienieski

BUDGET WORKSHOP

a. **Budget Follow-up Items:**

- **Public Works**—Ms. Varricchio advised that there is a reduction in the expense for the capital project to install a heating system at the Public Works garage. The following budget items were discussed:

- **General Highways**—Public Works Superintendent Hedler distributed a list of planned road reclamation projects and advised that the chip seal and gravel expenses are capped. He noted that expenditures for gravel have been low in recent years because FEMA grants

have been financing much of the expense. He stated that the projected expense for asphalt is on target; however, he does not plan to repair roads that require a significant amount of asphalt due to the current inflated cost of the product.

In response to a question from Ms. Gionta, Mr. Hedler estimated that he would use up to 70% of the $1.3 million balance in the fiscal year 2021-2022 budget for road resurfacing. In response to questions from Mr. Gelston, Mr. Hedler confirmed that the road projects are prioritized and that the list he distributed includes the expense for manpower and supplies but does not include drainage supplies, most of which he has already purchased.

Mr. Hedler responded to several other questions from the Board members and confirmed that he expects to stay on track for resurfacing 10-12 miles of road this fiscal year and that the chip seal process will keep long-term expenses down.

In response to a question raised by Mr. Thomas, Ms. Gionta confirmed that if the $1.3 million balance in the fiscal year 2021-2022 budget is reduced by 30% and the fiscal year 2022-2023 budget is level funded at $856,000, there is approximately $450,000 that can be saved. Ms. Varricchio stated she would make the appropriate adjustments.

The Board discussed how to budget for anticipated bridge work in Town and the need to have shovel-ready infra-structure projects ready to take advantage of federal grants.

- **General Government**—In response to a concern raised by Mr. Gelston, Director of Operations Angersola noted that most of the Municipal Office Complex's electricity usage comes from mechanicals and the HVAC system. He agreed to contact Eversource and request an energy audit of the building.

  The following capital projects were briefly discussed: replacement of Municipal Office Complex phones, updates to Municipal Office Complex A/V system, Grange Hall window replacement, replacement of voting machines, revaluation project, and a broadband feasibility study. No changes to any of the project's budgets were made at this meeting.

  First Selectman Haines provided background regarding the Land Use Department's request for $30,000 in the capital budget to conduct a conceptual design study for a master plan for Moodus center and responded to several questions raised by Mr. Gelston.

b. **Budget Review –**

- **Board of Education**—In response to several questions submitted by Mr. Thomas, Superintendent Reas provided an explanation of the K-12 Positive Behavioral Intervention and Support (PBIS) program and I-Ready. He noted that Covid had interfered with the standard testing process for grades K-8 and, I-Ready is an online assessment and instruction tool that helps teachers provide students with a path to proficiency and growth in reading and mathematics skills.

In response to questions raised by Mr. Thomas, Mr. Reas advised that he anticipates student enrollment to remain steady or increase slightly over the next four to five years. Regarding inquiries from Ms. Whatley, he reviewed the Board of Education's proposed additional staff positions and stated that $40,000 of the increase in Purchased Services is allocated to legal services because negotiations of the teachers' contract will be conducted in fiscal year 2022-2023.

Mr. Reas reviewed the Board of Education's capital budget requests. He stated that the Board of Education is requesting $17,000 for an HVAC engineering study to determine needs and create a design for upgrades to the three schools. There was a general discussion regarding the pros and cons of a study vs. an inspection. Mr. Gelston emphasized the need to budget for regular maintenance of the schools' air conditioning system and duct work. Ms. Stricker stated that the study would determine needs for each school and the Board of Education will go out to bid to have a design developed. She further noted that the state is "highly requesting" air quality improvements in public schools which is, most likely, a precursor to "requiring" air quality improvements.

It was noted that $97,000 of the $100,000 allocated for the fiscal year 2021-2022 System-Wide Modernization of Learning Environments capital project is currently unexpended. Mr. Reas confirmed that the funds would not be spent this fiscal year and Ms. Varricchio agreed to repurpose the $97,000.

In response to an inquiry from Mr. Gelston concerning the $1 million high school exterior capital project, Mr. Reas recommended allocating $15,000 in fiscal year 2022-2023 to do a study of the school's exterior condition. Mr. Reas responded to an inquiry from Ms. Whatley and confirmed that the Board of Education is requesting one vehicle and one maintenance van.

In response to a question raised by Mr. Thomas, Mr. Reas confirmed that the underground oil tank at the high school will be replaced with an above ground tank this fiscal year at a cost of approximately $205,000 and that the middle school boilers and hot water tanks will be replaced by the end of the summer, exhausting the reserves for the project.

Ms. Gionta noted that, after excluding the Athletic Complex and the System-Wide HVAC capital projects, and re-purposing $97,000 for the System-Wide Modernization of Learning Environments, the Board of Education has outstanding capital projects totaling $463,000 for fiscal year 2022-2023. Ms. Varricchio stated that there are some additional funds that can be repurposed which will further reduce the Board of Education's capital budget.

Mr. Reas reported that the Board of Education had discussed the position of Finance Director as a shared service and, given the workload and expertise needed, the Board proposes splitting the position into two roles: a Finance Director who reports to the First Selectman and a Business Manager that reports to the Superintendent. He distributed a Venn diagram of the responsibilities of each position, and those that overlap, and provided justification for the new position.

Ms. Gionta confirmed that Ms. Varricchio had previously advised that an additional person would be needed to support the Town and the Board of Education; she noted that the options are to hire a staff accountant or a Business Manager for the Board of Education. First Selectman Haines stated that she is looking into hiring an interim Finance Director until the Town and Board of Education can figure out the best solution.

Ms. Stricker advised that, up until approximately 10 years ago, the Board of Education had a Business Manager position in their budget. Ms. Varricchio stated that, because of increased state reporting requirements on the Board of Education side, the shared role is no longer sustainable.

- **Fire Department**—Fire Chief Auld stated that he had met with First Selectman Haines, Chairwoman Gionta, and Fire Department liaison Gelston to discuss their original operating budget proposal and the following changes have been made:

  - They are implementing a barcode system to improve the tracking of inventory.
  - They are reevaluating their uniform policy and considering implementing (a) an 18 months good-standing requirement before purchasing a uniform for new staff, and (b) upon leaving service, staff will be required to return their uniforms to be repurposed.
  - They have removed $3,000 for fire prevention because it is duplicated in the Fire Marshal's budget.
  - They have reduced the Training, Repairs & Maintenance, and Uniforms budgets by $5,000 each, and the overtime budget by $16,542; all other operating budget lines will remain as proposed.

  In response to questions from Ms. Whatley and Mr. Thomas, Mr. Auld provided clarification regarding the Fire Ponds budget line and stated the reduction in overtime was feasible because of an increase in per-diem positions.

  Mr. Thomas noted that a significant proportion of their workload is emergency management services and suggested that a volunteer EMS staff may not be a sustainable model going forward. Commissioner Reynolds noted several improvements that have been made in equipment and staffing to continue to support EMS needs.

  In response to a comment from Ms. Gionta, Ms. Haines advised that she had commissioned a study of the Town's structural, apparatus, and staffing needs for the Fire Department over the next several years.

  Commissioner Reynolds reviewed the Department's capital requests and said that Ms. Varricchio had helped him prioritize needs. He stated that $217,000 of capital project upgrades to Fire Co. #1 can be eliminated and reviewed the status of several other capital projects.

  Ms. Varricchio noted that the Hydraulic Extrication Equipment and Airbags (Jaws of Life) came in underbudget and she needs to review this item with Commissioner Reynolds. She noted that the Town's application for a grant for the Heavy Duty Drier/Extruder had not been

approved so the Town will have to fund it; however, Commissioner Reynolds advised that, due to the structural concerns at Fire Company No. 2, they do not currently have a place to install the equipment. Consequently, it was agreed to push the $15,000 expense out to fiscal year 2023-2024.

There was a general discussion regarding the fire hose replacement and air pack capital expenses. No changes were made to the fire hose replacement fiscal year 2021-2022 expense but Chief Auld agreed it could be reduced to $15,000 for fiscal year 2022-2023. Fire Chief Auld agreed to follow-up with Ms. Varricchio regarding anticipated expenditures for air pack replacements. he confirmed that Ms. Varricchio could re-purpose $30,000 of the Exhaust Fumes Removal System capital expense.

Ms. Varricchio commented that the Fire Department's reserves are very low considering there is $1.4 million in fire apparatus capital expenditures coming up. She stated she would provide a reserve analysis.

In response to questions from Mr. Corbett, Chief Auld confirmed that an engineering study of Fire Company No. 2 indicates that the structure is significantly compromised, that the final report is due at the end of March, and that equipment from Engine #2 is being repurposed for the Quint. In response to an inquiry from Mr. Gelston, he confirmed that the Fire Company No. 2 building is currently still in use; however, they have talked with Mr. Hedler about storing some of the apparatus at Public Works.

- **Other Budgets:**

    - **Lakes Association** —Chairman Bader introduced himself and Co-Chairman Halliday and provided some background information regarding the three town lakes. He stated that the Association asks the town to share in the expense of mitigating aquatic weeds, algae, and run-off issues in the lakes.

      Mr. Bader noted that the town funds the Association's budget with an equal amount for each lake; however, not every lake always expends the funds allocated. He stated that the Association would like the Board of Finance to consider establishing a policy to either carry forward any unexpended funds or, alternatively, allow the other lakes to take advantage of any unexpended funds at the end of each fiscal year.

      Mr. Bader discussed the Moodus Reservoir group capital request for the town to share in the expense of purchasing a small dump truck to haul the weeds harvested from the lake. He responded to several questions from Board members and confirmed that insurance, maintenance, etc. would be the responsibility of the Moodus group, that the truck's use would be seasonal, and it would be stored off-season. There was a general discussion regarding a rental/lease arrangement vs. purchasing a used truck.

Ms. Gionta advised Mr. Bader that the Board of Finance will consider their request regarding unexpended funds and discuss establishing a policy about it during the next fiscal year, and if a policy is established, it could cover the fiscal year 2022-2023 budget funds.

Ms. Gionta called a lunch break at 12:37 pm. The meeting reconvened at 1:18 pm.

- **Public Safety**—Ms. Haines provided background regarding the Police Department's capital request to replace its Police boat. She advised that insurance would cover the cost of replacing the boat and they are currently waiting for the repair estimate to determine the value of the boat, motor, and trailer. She noted that, since the Town was not at fault for the accident, they will not be responsible for a deductible.

  There was a general discussion regarding the Police Department's request for a replacement cruiser. Mr. Gelston noted that this request has been pushed out the past two fiscal years and recommended it be approved this year. The Board agreed to allocate $68,000 for fiscal year 2022-2023 and $78,000 in fiscal year 2023-2024 for replacement cruisers.

- **Library System**—Ms. Haines advised that the Board of Selectmen expects to populate a new Library Study Committee soon. Ms. Gionta noted that a $5 million placeholder had been added to the budget for a new library building and, further, that several capital improvement projects at the Grange and Old Town Hall have been postponed because that property is one of the sites that may be considered for a new library.

  There was a brief discussion regarding the capital request to replace the Rathbun Library's windows and it was noted that, due to the historic designation of the building, an accurate estimate for the project could only be made after incurring the expense of replacing one of the windows.

  Ms. Varricchio agreed to investigate the possibility of repurposing any unexpended Library System capital projects funds.

- **Recreation Commission**—The Recreation Commission's capital improvement projects were discussed. Ms. Varricchio stated that the $1.05 million for the Municipal Office Complex Recreation Field Plan is a placeholder that has been in the budget for several years. She agreed to follow-up with Recreation Director Conroy to get additional information about the project.

  The Board also discussed the $300,000 community playground project request and the Board agreed to keep $50,000 in the fiscal year 2022-2023 capital budget for this project. There was a brief discussion regarding requests for a complementary climbing and sliding structure ($20,000) at the Town Beach and a climbing structure

($20,00) at the Nichols Field playground. Ms. Haines advised that InCord may donate a climbing structure for Nicols Field.

Ms. Haines stated she would talk with Director Conroy about repurposing the balance of the Commission's unexpended funds.

- **Grounds Maintenance**—The Board briefly discussed this budget and no changes were made at the meeting.

c. **Guests and Audience Comments**—There were no guests or audience comments voiced or submitted electronically.

d. **Board Discussion**—Ms. Gionta discussed the Town's long-range approach to funding capital expenses and debt. She strongly recommended that the town's American Recovery Plan Act (ARPA) grant funds be used for capital and one-time expenses. She advised that she and Ms. Varricchio had discussed the best use of the ARPA funds and she provided the Board with an overview of their recommendations.

Ms. Varricchio stated she would prepare a reserve analysis, as well as a June 30, 2022, forecast for the Board's next meeting.

The Board members discussed Superintendent Reas' suggestion to create a Board of Education Business Manager position. Ms. Gionta advised that she supports the Board of Education's recommendation. Mr. Thomas acknowledged the volume of work and level of expertise needed in both the Finance Director and Business Manger positions but stated he would like to see a job description for the roles and an organization chart before determining if they should be under the Shared Services budget.

Mr. Corbett stated that he supports the proposal; however, he would like to have the issue of whether the Human Resources role will be a shared service resolved before they move forward to recommend creating a Business Manager position for the Board of Education. He stated that he is concerned about the perception of a rush to judgement if two new positions (Human Resources and Business Manager) are created.

Mr. Dutch thanked Ms. Varricchio for providing finance support for both the Town and the Board of Education for the past 10+ years. In response to his inquiry about how other towns are handling support for both entities, Ms. Varricchio stated that most are moving away from utilizing a dual financial support role because of how complicated municipal and Board of Education responsibilities have become over the years. There was a brief discussion regarding combining the Business Manager and human resources roles.

Ms. Gionta reported that she and the First Selectman, the Superintendent, and the Chairman of the Board of Education had met to discuss the potential for sharing the Human Resources position. She stated that they had come to a tentative agreement to share the role if the hours for the position can be increased. She noted that Ms. Haines agreed to reach out to the Town's current

Human Resources specialist to determine if he is amenable to increasing his hours and supporting BOE staff as well as town staff.

Ms. Gionta stated that she would not support two Human Resource directors; however, if the current individual does not agree to the arrangement, they may consider adding a Human Resources administrative role for Board of Education. She confirmed that the Human Resources salary will not increase if the Board of Education responsibilities are added.

Mr. Gelston stated that he supports a single Human Resources Director role and the proposal to establish a Board of Education Business Manager position. There was a brief discussion regarding the separation of responsibilities and Ms. Varricchio provided some clarification about how the roles might overlap. Mr. Gelston noted the importance of being able to justify a New Business Manager position to the public.

In response to questions raised by Ms. Whatley, Ms. Varricchio stated she does not expect the Board of Education's state reporting requirements to diminish and advised that there are large fines for not turning in some reports on time. She stated that Haddam is posting for a business manager and the salary range is $130,000 to $150,000. There was a brief discussion regarding an appropriate salary for the Business Manager position and Ms. Varricchio stated she would discuss the matter with Mr. Reas.

Ms. Gionta advised that the Superintendent's secretary is currently acting as interim Board of Education Business Manager and Ms. Haines is looking into hiring an interim Finance Director until the end of the fiscal year. She noted that she is working on a Board of Finance strategic plan which will be needed to qualify for shovel-ready infrastructure grants. She stated that the Communications Subcommittee is working on a new Board of Finance article for public dissemination.

There was a brief discussion regarding the Board of Finance's next budget meeting. Ms. Varricchio advised that COST will be providing a one hour presentation on ClearGov on April 14th at 10:00 am that she has been asked to participate in. She agreed to provide the Board members with the access code for the presentation.

ADJOURNMENT

Motion was made by Mr. Dutch to adjourn at 2:27 pm. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,
/s/
Bruce Dutch
Secretary