TOWN OF EAST HADDAM
Board of Finance
Special Meeting Minutes
March 7, 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 7:01 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:

Irene Haines, First Selectman
Marc Pisciotti, Board of Education Chairman
Patricia Stricker, Board of Education
Keira Thompson, Board of Education
Brian Reas, Superintendent of Schools
Joseph Spurgeon, Educational Capital Improvement Committee Chairman
John Hitchcock, CHA Architecture
Cynthia Hughson
Leslie Zoll CPA, CliftonLarson LLP
Cindy Varricchio

ANNUAL COMPREHEENSIVE FINANCIAL REPORT (ACFR) FISCAL YEAR ENDED JUNE 30, 2021

Ms. Zoll reviewed the auditors' terms of engagement with the town and provided a high-level overview of the results of the recent audit. She provided highlights from the town's basic financial statements, reviewed the state and federal single audits, and reviewed required communications. She noted that the town had received the GFOA award for fiscal year 2020 which was an impressive accomplishment.

Ms. Zoll advised that the auditors had delivered a Management Letter to the Town with comments regarding revenue recognition and journal entries, and in response to questions from Mr. Gelston she clarified who would be qualified to counter sign journal entries and explained that tests by the auditors vary each year and provided several examples of tests done this year.

Mrs. Zoll provided information about changes to GASB over the next two years. She noted that changes to GASB 87 are the most significant in recent years and will be particularly challenging for municipalities to understand and implement. In response to a question raised by Mr. Thomas, she provided a definition of what GASB 87 considers a lease and advised that the updated GASB 87 is in effect now and the town would have to show compliance with its requirements at the fiscal year 2022 audit.

In response to a question from Ms. Gionta, Ms. Zoll advised that tracking details for COVID grants could be located on the Connecticut Office of Policy Management's website.

ATHLETICS COMPLEX UPDATE

Superintendent Reas introduced members of the Board of Education and the Capital Improvements Committee (CIC) who were present as well Mr. Hitchcock, the architect for the high school Athletics Complex project.

Mr. Hitchcock provided an overview of the original plan for the Athletics Complex that was presented to the Board of Finance at their October meeting. He reviewed modifications to that plan, including eliminating the concession/restroom building and the extra storage building. He advised that two gender-neutral bathrooms will be added onto the existing equipment storage building.

Mr. Hitchcock advised that eliminating the plan for new bleachers and a less expensive scoreboard were additional cost-savings measures decided on by the CIC. He also noted that the parking plan had been re-worked to utilize a new roadway up the hill to the handicapped parking. He reviewed several other ADA compliant adjustments included in the plan.

Mr. Spurgeon called the Board's attention to a document which showed pricing information. He stressed that, even with the modifications to the original plan, the CIC had maintained the quality of the playing surfaces. He stated that the changes to the plan had reduced the budget from $3.98 million to $2.87 million and that $110,000 of the budget could be attributed to ADA requirements.

Mr. Spurgeon reviewed funding sources for the project and stated that Senator Needleman is trying to secure a grant for the project.

In response to a question from Ms. Gionta, Mr. Spurgeon advised that the cost of artificial turf is higher than natural turf; however, the expense is offset by reductions in the cost of maintenance, irrigation and the payback period is estimated to be seven years. Mr. Hitchcock advised that the typical lifespan for artificial turf is 10-14 years, depending upon use, and there is an eight-year warranty.

In response to questions raised by Board members, Mr. Hitchcock advised that replacement costs for the artificial turf and the track are $500,000 and $250,000 respectively. He also confirmed that synthetic turf is warmer than natural turf. Mr. Spurgeon advised that the Board of Education had established a timeframe of five years to address the ADA issues. Mr. Reas confirmed that no additional staff would be required to maintain the Athletics Complex.

2022-2023 BUDGET

a. **Board of Education Budget Presentation**:

Superintendent Reas introduced several Board of Education members present at the meeting. He reviewed the Board of Education budget development process and noted that several departments had cut their proposed budgets for supplies in fiscal year 2022-2023 to accommodate an increase in field trips. He reviewed fiscal year 2021-2022 achievements and projects and the Board of Education's goals for fiscal year 2022-2023.

Mr. Reas noted several uncertainties the Board of Education had to cope with in their budget process this year, including state reimbursement for free meals, its financial staff, grants, and supply chain availability issues. He advised that the budget drivers for this year include inflation issues, a desire to replace field trips that were cut during the pandemic, and health insurance. He discussed the morale value to students of returning to the pre-pandemic schedule of field trips, the Pre-K programs, and reviewed several new proposed positions.

Superintendent Reas reported that the proposed Board of Education operating budget reflects an overall increase of 3.99% or $855,488., with a 3.46% increase in the Salaries line. In response to questions from Ms. Gionta and Mr. Gelston, he clarified the status of the Pre-K program and confirmed that there are revenue offsets for that program. He responded to several additional questions from the Board members.

In response to a question from Mr. Dutch, Mr. Reas stated that he feels the increases requested in the Board of Education budget can be justified to citizens by explaining that the majority of the requests are meant to provide support to all of the town's students who are dealing with the negative impact of two years of COVID. Ms. Stricker provided additional information underpinning Mr. Reas' justification for the requests.

In response to a request from Ms. Gionta, Ms. Varricchio confirmed that she would provide data at the Board of Finance's next budget meeting segregating the cost of the requested new positions, including contractual obligations.

A brief break was taken at 8:49 pm and the meeting reconvened at 8:54 pm.

b. **Board of Selectmen Budget Presentation:**

First Selectman Haines stated that the Board of Selectmen had a goal this year of providing greater transparency for the town's budget through ClearGov and, further, that they had instructed departments to create their budget requests with a zero-based budget approach. She commented on the impact of inflation and noted supply chain challenges that affect the budget.

Ms. Haines reported that the overall increase to the town's proposed operating budget is 1.8%, most of which is contractually driven. She also advised that the Grand List had grown by a significant 3.15%. She stated that there are numerous capital requests and advised that the Board of Selectmen had elected to use a placeholder for capital when they moved their

budgets forward to the Board of Finance. She also stated that, given the number of capital requests, the Board of Selectmen feels it would be prudent to partner with the Board of Finance to review/prioritize the list of capital equipment proposals.

Ms. Haines advised that the Board of Selectmen has also included funding to establish a Redevelopment Agency and a capital request to fund the creation of a broadband network in town. She noted several potential negative impacts on the Board of Selectmen's fiscal year 2022-2023 budget, including the Swingbridge construction project and what is decided regarding a project to repair or replace Firehouse Co. #2 due to structural problems.

In response to a concern raised by Mr. Thomas, Ms. Haines stated that she has initiated a project to take a holistic look at the town's social services. In response to a question from Mr. Gelston, Ms. Haines reviewed cost-savings measures currently being taken at the Transfer Station.

Ms. Varricchio stated she would create a chart showing the impact of step-increments of the Town's budget dollars to the mill rate.

c. **Budget Calendar:**

Ms. Varricchio reviewed the draft agenda for the Board of Finance's next budget meeting. After review of the Board member's calendars, it was agreed to cancel their March 14th regular meeting. There was a brief discussion regarding the schedule of future budget meetings and Ms. Varricchio stated she would update the budget calendar on the town's website.

GUESTS AND AUDIENCE COMMENTS

There were no guests or audience comments discussed at the meeting

ADJOURNMENT

Motion was made by Mr. Dutch to adjourn at 9:28 pm. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,
/s/
Bruce Dutch
Secretary