TOWN OF EAST HADDAM
Board of Finance
Special Meeting Minutes
March 12, 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 9:00 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
- Steven Hedler, Public Works Superintendent
- Cindy Varricchio
- Linda Zemienieski

NEW BUSINESS

a. Grant Application Approval and Acceptance—Peach Pit Foundation/Community Foundation of Middlesex County for Library System:

Ms. Gionta advised that a grant had been awarded to the Library System from the Peach Pit Foundation of Middlesex County.

Motion was made by Mr. Gelston to accept a grant from the Peach Pit Foundation/ Community Foundation of Middlesex County for the East Haddam Library System in the amount of $5,000.00 and request that the Board of Selectmen schedule a Town Meeting to accept the grant. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

BUDGET WORKSHOP

a. **Budget Overview and Review:**

Ms. Gionta called the Board's attention to materials distributed by Ms. Varricchio which indicated that the Fire Department had reduced their operating budget request for fiscal year 2022-2023 by $15,000.

Ms. Gionta provided a summary of the budget review process. Ms. Varricchio provided an overview of the layout of the operating budgets and recommended that the Board give equal consideration to revenue.

The Board of Finance reviewed the following budgets:

- **Board of Selectmen**—First Selectman Haines advised that the Board of Selectmen have included funding to establish a Redevelopment Agency in their budget this year. She also noted that revenue had gone down $227,000 to account for non-repeatable federal COVID grant funds that were budgeted for fiscal year 2022. Ms. Varricchio also noted that $136,000 in revenue from State Municipal Grants in Aid had been anticipated; however, it was recently reduced to $1,696 to reflect current expectations. No changes were made to this budget at this time.

- **Board of Finance**—Ms. Gionta noted there is a change in how the Recording Secretary expense is tracked for fiscal year 2022-2023. No changes were made to this budget at this time.

- **Finance Office**—No changes were made to this budget at this time.

- **Assessor**—Ms. Gionta noted that the Town previously had an arrangement with the town of Chester to share the services of an Assessor; however, East Haddam now has a dedicated interim Assessor one -day per week. No changes were made to this budget at this time.

In response to a question raised by Mr. Gelston, Ms. Gionta clarified the difference between the wage equity adjustments and contractual increases to salaries and wages.

- **Board of Assessment Appeals**—No changes were made to this budget at this time.

- **Collector of Revenue**—Ms. Varricchio called the Board's attention to the increase in credit card payments over the past two fiscal years. She confirmed that the merchant's service fee is paid by the user. No changes were made to this budget at this time.

- **Legal Services**—In response to a question raised by Mr. Gelston, First Selectmen Haines clarified the process by which Town attorneys are hired and Ms. Varricchio provided additional information. There was a general discussion regarding the qualifications of the Town's attorneys. No changes were made to this budget at this time.

- **Town Clerk**—It was noted that the increase in operating expenses is more than offset by an increase in revenue. No changes were made to this budget at this time.

- **Zoning Board of Appeals**—No changes were made to this budget at this time.

- **Land Use**—Ms. Gionta responded to several questions from the Board regarding the Land Use budget. No changes were made to this budget at this time.

- **Registrar of Voters**—No changes were made to this budget at this time.

- **Town Office Building**—Ms. Gionta stated that, although the old Town Office building is vacant, she believes it should continue to be heated otherwise it will rapidly deteriorate. Ms. Varricchio confirmed that the Town's heating fuel has a negotiated rate. No changes were made to this budget at this time.

- **Insurance (Risk Management**—No changes were made to this budget at this time.

- **Regional Probate Court**—No changes were made to this budget at this time.

- **Historic District Commission**—No changes were made to this budget at this time.

- **Conservation Commission**—Ms. Varricchio provided an explanation for several line items in this budget. No changes were made to this budget at this time.

- **Town Meeting Hall**—No changes were made to this budget at this time.

- **Shared Services**—Ms. Varricchio provided an explanation of the Town and BOE Technology and Maintenance budget lines.

  In response to a question raised by Ms. Whatley, Ms. Haines provided information regarding the Human Resources Director position. There was a general discussion regarding the status of the position as a shared service and Ms. Gionta provided additional information and responded to several questions. She advised that a meeting is scheduled with the Board of Education to discuss their concerns about moving forward with this role as a Shared Service.

  Mr. Gelston expressed concern that the human resources position is only addressing Town employee needs and not those of the Board of Education employees as was originally discussed. He encouraged the parties involved to have a sense of urgency in finding a resolution.

  Ms. Haines advised that the individual in the role has already proven the value of having a trained Human Resources professional on staff and provided examples that prevented the need for additional legal counsel. Ms. Gionta asked the Board members to email her with any of their thoughts, concerns, questions, etc. regarding the Human Resources position.

  No changes were made to this budget at this time.

- **General Highways**—Public Works Superintendent Hedler reviewed staffing and noted that the Crew Leader position is currently vacant. He responded to questions about several line items and noted that the increase in the Garage Supplies allows each vehicle to be serviced twice annually, which extends its useful life. He also stated that it has been recommended that $5,000 be allocated for annual fuel pump maintenance. No changes were made to this budget at this time.

- **Snow and Ice Removal**— Ms. Varricchio advised that in fiscal year 2020-2021 unexpended funds where snow removal were authorized by the Board of Finance for use in tree removal. No changes were made to this budget at this time.

- **Transfer Station**—Mr. Hedler stated that the increase in the Refuse Removal line is due to the annual contractual increase plus the fee for removing recyclables. There was a general discussion regarding recyclables and Ms. Haines agree to add narrative regarding recycling best-practices to the mailer on composting. In response to a question from Ms. Whatley, Ms. Varricchio provided an explanation for how the composting budget will work.

  In response to a question from Mr. Gelston, Mr. Hedler clarified the use of hoppers at the Transfer Station. No changes were made to this budget at this time.

- **Tree Care and Removal**—Mr. Hedler reported that he has noticed an improvement in the number of downed trees from storms. He stated that he hopes any surplus from the fiscal year 2021-2022 Snow and Ice Removal budget will again be moved over to this budget. No changes were made to the budget at this time.

- **Public Works One-Year Capital**—Ms. Varricchio provided an overview of how Capital requests are organized and noted that the funds for several requests can be repurposed. Mr. Hedler responded to questions from the Board members. There was a brief discussion regarding several of the Public Works Capital requests, including the Transfer Station canopy and generator, renovations/repairs to the pole barn, and the Public Works furnace. Mr. Hedler and the Board members discussed the Capital request for a new storage shed to replace the garage storage at the old town office site and agreed that, since the garage won't be eliminated this year, to split the expense over the next two fiscal years.

  In response to an inquiry regarding the request for new Elgin Sweeper, Mr. Hedler advised that the OSHA inspector had deemed the existing sweeper no longer usable. He stated that the only alternative to replacing it was to hire a sub-contractor to do the work and noted the cost for one annual sweeping would be approximately $60,000. Mr. Hedler further advised that Public Works uses the sweeper several times a year. He stated the expected useful life of the equipment is 20 years.

  Mr. Hedler responded to several questions raised by Ms. Gionta regarding the projected Capital expense for road repaving. He agreed to review the impact of increased pricing on his schedule for re-paving and report his findings at the Board of Finance's next budget workshop.

  There was a general discussion regarding the Capital expense for culvert replacement and Mr. Gelston recommended getting a second estimate for the Falls Basham project. Ms. Varricchio noted that the state reimburses the Town 50% of the expenditure for culvert projects; however, the Town must carry the full expense on their books.

  Mr. Hedler reviewed Capital requests for several trucks which includes a 7-year warranty on each. He confirmed that the requests are all to replace existing vehicles in the fleet.

  In response to a question raised by Mr. Corbett, Mr. Hedler confirmed that the sweeper was the only piece of equipment OSHA deemed unsuitable for use.

- **River House/Annex**—No changes were made to this budget at this time.

- **Municipal Office Complex/Central Services**—The Board members discussed several line item increases in the Municipal Office Complex/Central Services operating budget. In response to an inquiry from Mr. Gelston, Ms. Varricchio and Ms. Haines justified the value of the Town's membership in the RiverCOG. No changes were made to this budget at this time.

- **Millington School House**—No changes were made to this budget at this time.

- **Open Space Committee**—No changes were made to this budget at this time.

- **Grange Hall**—No changes were made to this budget at this time.

- **Agriculture Commission**—Ms. Haines provided information on a Farmers Market project the Agriculture Commission will be undertaking. No changes were made to this budget at this time.

- **Economic Development Commission**—Ms. Haines provided an explanation for Economic Development's requested increase in Purchased Professional Services. No changes were made to this budget at this time.

- **Police Officers**—Ms. Haines stated that 4.6% of the proposed Salaries and Wages increase is contractual, as is the increase in the Cell Phone line. No changes were made to this budget at this time.

- **Resident State Trooper**—Ms. Haines advised that Trooper Hawes will be rotating out of the Resident State Trooper position in East Haddam and will be replaced by an interim Trooper until a permanent replacement is designated. She noted that the state bills for this service based on the salary of the specific individual assigned to the position. No changes were made to this budget at this time.

Ms. Gionta called for a lunch break at 11:50 am. The meeting reconvened at 12:17 pm.

- **Emergency Management/911 Services**—Ms. Gionta noted that $5,000 of this budget is offset by a grant. No changes were made to the budget at this time.

- **Paramedic Services**—Ms. Haines advised that Middlesex Hospital's fee for paramedic services is based on a per-capita rate. No changes were made to this budget at this time.

- **Building Department**—Ms. Haines explained the reason for the decrease in Salaries was because the Building Official hours were reduced and the Assistant hours were increased. She noted that operating expenses are offset by revenues. No changes were made to this budget at this time.

- **Regional Animal Control**—Ms. Varricchio provided a brief review of this department's Special Revenue Fund Information. No changes were made to this budget at this time.

- **Fire Marshal**—In response to a question raised by Ms. Whatley, Ms. Varricchio stated she would research the wide discrepancy in the FY2021 actual Salaries line and the fiscal year 2022 budgeted amount. No changes were made to this budget at this time.

- **Youth & Family Services**—Ms. Gionta advised that the town transfers funds to this budget but does not oversee it. Ms. Haines advised that the Prevention and Youth Coordinator salary had been underwritten by a 10-year grant that expired this year. She stated that Y&FS has reduced their expenses to pay for 50% of the position's salary and the Director has asked that the Town contribute the remaining 50%. Ms. Varricchio noted that Y&FS also recently assumed the salary expense for the Food Bank director. She stated she would provide the Board members with the narrative Director McCabe submitted supporting the Prevention and Youth Coordinator position. No changes were made to this budget at this time.

- **Youth & Family Services Early Childhood Council**—Ms. Varricchio advised that the Town, Board of Education, and United Way all share in the cost of this service. No changes were made to this budget at this time.

- **Health Inspection (Chatham Health District)**—Ms. Gionta noted that the Chatham Health District fee is based on a per-capita rate. In response to a question from Mr. Gelston regarding zeroing out the Everbridge expense from the Town's budget, Ms. Varricchio advised that the Health District expects to be able to cover the expense in its entirety at this time. No changes were made to the budget at this time.

- **Senior Services**—Ms. Gionta noted that the increase in Salaries and Wages includes the final installment of a salary adjustment for the Director and Assistant Director positions. Ms. Haines explained the increase in the Building Maintenance line, noting that the Director had reduced it last fiscal year; however, he found that he had been too aggressive. No changes were made to this budget at this time.

- **Human Services**—No changes were made to this budget at this time.

- **Cemeteries**—In response to a question raised by Mr. Gelston, Ms. Varricchio explained how the Cemetery Fund is used. Ms. Haines advised that a new Cemetery Committee was recently populated and part of their charge is to research potential locations for a new cemetery. No changes were made to this budget at this time.

- **East Haddam Public Library System**—Ms. Gionta advised that part of the increase in Salaries and Wages is due to implementing the final installment of a wage adjustment for several positions. She noted that the increase in Building Maintenance is a consequence of the age and condition of the buildings.

  In response to an inquiry, Ms. Varricchio stated she would research whether the reduction in the Heating expense is realistic. Ms. Haines advised that the Board of Selectmen anticipate populating a Library Building Committee soon to investigate the need for, and make a recommendation on, a new library building.

The Board reviewed the Revenues by Source. No changes were made to this budget at this time.

- **Recreation Commission**— Ms. Varricchio reviewed the new Assistant Recreation Director position and noted that the salary for the position was already in the budget. She noted that the Recreation programs are financially self-sufficient through registration fees which are tracked in a Special Revenue Funds budget. In response to a question from Ms. Whatley, Ms. Varricchio agreed to research the Miscellaneous Adjustment under Purchased Property Services Building Maintenance and report her findings at the next Board of Finance budget meeting. No changes were made to this budget at this time.

- **Town Greens, Ground, and Fields**—Ms. Varricchio and Ms. Zemienieski provided an explanation for the increase to Salaries and Wages. Ms. Varricchio agreed to add a note to the budget that the increase in the Grounds Maintainer salary was due to an increase in hours rather than an increase in salary. No changes were made to this budget at this time.

- **Lakes Association**—Ms. Varricchio provided some history on this budget. She responded to several questions from the Board and advised that the Lakes Association would like to apply any surplus in the budget at the end of the year to their reserves. Ms. Varricchio stated that agreement with this request would be at the discretion of the Board of Finance which may want to consider establishing a policy related to unspent funds in this budget. No changes were made to this budget at this time.

- **Debt Service**—Ms. Varricchio advised that, according to state statutes, the Town's calculated maximum debt limit is $189 million. She stated that total bonded debt on June 30, 2021, was $25.3 million and, therefore, the Town's indebtedness does not exceed legal limitations. She reviewed several other statistical data indicating that the Town's debt service is well in compliance with Board of Finance policies.

  Ms. Varricchio reported that Debt Service has been reduced $448,000 largely due to refinancing and paying down the 2008 debt. She stated that the town's financial adviser, Bill Lindsey, will attend one of the Board of Finance's future budget workshops to walk them through Debt Service budget.

- **Interfund Transfers**—Ms. Varricchio advised that, in keeping with Board of Finance policy, $191,000 was transferred into Capital Projects Savings from debt reduction. She reviewed several other lines in this budget.

  Ms. Varricchio briefly reviewed Revenues by Source and noted that Mr. Lindsey will also go over this budget in more detail.

- **Fringe Benefits**—Ms. Varricchio provided a brief overview of the Fringe Benefits budget.

In response to a question raised by Mr. Gelston regarding the electricity expense for the Municipal Office Building, Ms. Varricchio noted that the building is in use seven days a week for meeting space and recreation; further, that many departments work after hours and on weekends. She also noted that the electricity rate is contracted at a favorable rate.

Ms. Varricchio advised that the Lakes Association had requested time to present their budget to the Board of Finance and it was agreed to invite them to attend the discussion on their Capital requests.

In response to a request from Mr. Dutch, Ms. Gionta facilitated a roundtable discussion of the Board's strategy for addressing the fiscal year 2022-2023 budget. Mr. Thomas stated that it would be helpful to have a spreadsheet that reflects the potential change in the bottom-line. Mr. Corbett pointed out that the current reality of increasing prices coupled with keeping several previous budgets relatively flat could have a significant impact on this year's budget. Consequently, he emphasized that departments should be prepared to justify must-haves and eliminate anything that is not necessary.

Mr. Dutch noted that, for the current fiscal year, the Board of Finance agreed to use a fair amount of savings to achieve a zero mill increase and questioned if the Board is prepared to do that again. Mr. Gelston reiterated the importance of paying attention to revenues to determine what the Town can afford and stated that the Board should watch expenses closely and be prepared to cut in some areas.

Ms. Whatley stated that she agreed with the other Board member's comments but expressed concern, given the current environment of increasing costs, about the impact on future budgets of delaying projects.

b. **Guests and Audience Comments:**

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

In closing, Ms. Gionta reiterated that all the Board of Finance budget meetings are open to the public and citizen's input is welcome. She emphasized that the Board members will not debate or discuss comments made on social media in closed groups. She read a critical post that is currently out on social medial and restated that the public is encouraged to bring forward any of their comments, questions, or concerns in the proper forum. She noted that comments, questions, and concerns can be made in person or submitted electronically.

ADJOURNMENT

Motion was made by Mr. Gelston to adjourn at 1:18 pm. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,
/s/
Bruce Dutch
Secretary