TOWN OF EAST HADDAM
Board of Finance
Special Meeting Minutes
March 21, 2022
Municipal Office Complex
Meeting Room 1
Via Zoom and YouTube Live

CALL TO ORDER

Ms. Gionta called the meeting to order at 6:00 pm and the Pledge of Allegiance was recited.

In attendance

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

Others:
- William Lindsay, Munistat Services, Inc.
- Brian Reas, Superintendent of Schools
- Patricia Stricker, Board of Education
- Cindy Varricchio

BUDGET WORKSHOP

a. **Debt Presentation by Bill Lindsay, Munistat Services, Inc.:**

Mr. Lindsay distributed copies of his presentation and provided opening comments. He stated that the tasks assigned to him by the town are to (1) determine what amount should be added to the Capital Projects Savings account on an annual basis to fund planned projects, and (2) what to set aside for projects if the town were to use $500,000, $750,000 or $1,000,000 of the ARPA funds.

Mr. Lindsay reviewed the town's current debt service and noted several other projects being funded out of savings. He provided an analysis for funding the following proposed capital projects:

- High School Athletic Complex—an addition of $2,200,000 million in debt—assuming one-year short-term note in 2023 and then a bond issue in 2024 with a 20-year amortization schedule, the town would need to add approximately $141,000 annually to Capital Projects Savings.

- Elementary School Building Envelope—an addition of $1,900,000 million in debt—assuming two sets of short-term notes and then a bond issue in 2024 with a 20-year

amortization schedule, the town would need to add approximately $127,000 annually to Capital Projects Savings. In response to a question raised by Ms. Gionta, he confirmed that the $127,000 is in addition to the $75,000 currently being set aside annually for this project.

- Town-wide Radios (phase 2 additional appropriation)—an addition of $287,000 in debt—assuming two series of short-term notes and then a bond issue in 2024 with a 10-year amortization schedule, the town would need to add approximately $15,000 annually to Capital Projects Savings.

- Open Space—an addition of $199,000 in debt— assuming two series of short-term notes and then a bond issue in 2024 with a 10-year amortization schedule, the town would need to add approximately $6,000 annually to Capital Projects Savings.

- High School Driveway—an addition of $378,000 in debt—the town would need to add approximately $21,000 annually to Capital Projects Savings.

The Board discussed current interest rates and the impact of debt service on the town's mill rate. Mr. Lindsay responded to several questions.

Regarding how to use ARPA grant funds the town has received, Mr. Lindsay recommended using part of it to pay for the High School driveway, Town-wide radios, and the Open Space projects rather than borrowing. Ms. Gionta noted that, by following Mr. Lindsay's recommendation, the town would save $350,045 in interest. Ms. Varricchio recommended also setting aside some of the ARPA funds for grant matching purposes.

Mr. Gelston supported the approach stating he believes it would put the town in a good position if a new library is recommended and approved. He stated that they should also keep in mind that significant upgrades will have to be made to Fire Company No. 2. Mr. Gelston noted that there may be Assistance for Firefighters grants available for that project.

In response to a request from Ms. Gionta, Mr. Lindsay said he would calculate the scenarios for using $500,000, $750,000 or $1,000,000 of ARPA funds in the recommended way.

b. **Budget Follow-up Items and Review:**

Ms. Varricchio provided information on several follow-up items and noted that the proposed Board of Education Business Manager position has not yet been factored into the budget. Ms. Gionta confirmed that the town plans to replace the damaged police boat and equipment by purchasing a comparable used boat/motor/trailer. She also advised that the Human Resources director has agreed to increase his hours to 20 per week and will cover both the Town and Board of Education staff.

Ms. Varricchio advised that, using a $900k placeholder for Capital, the fiscal year 2022-2023 budget shows an increase of approximately $1.5M over last year. She suggested pushing the budget referendum out by two weeks. The Board agreed to move the Public Hearing on the

budget, Town Meeting, and referendum to April 26th, May 10th, and May 24th respectively, subject to approval by the Registrars of Voters.

c. **Guests and Audience Comments:**

Ms. Stricker complimented the Board on their thorough review and thoughtful deliberation of the operating and capital budgets. She stated that if more of the public made themselves aware of the significant efforts of the Boards of Selectmen and Finance put into creating the budget, they would be less inclined to criticize.

d. **Board Discussion:**

The Board members scored the remaining outstanding Capital request items. Ms. Gionta noted that this is the first year that all the Capital items have been scored and she recommended starting the Long-Range Capital Improvements Planning Committee's meetings earlier next year. Ms. Varricchio stated she would update the project scorecards and provide the Board members with a ranked list by category. There was a brief discussion regarding the Communications Subcommittee drafting a public education article regarding Capital projects.

The Board tentatively set their next Budget Workshop meeting for Saturday, April 2nd and Mr. Gelston stated he would release the Unassigned Fund Balance article on that date also. Ms. Varricchio recommended that the Board review reserves and reiterated that she feels the Fire Department reserves are too low to support their Capital requests.

e. **Potential Vote for the 2022-2023 Proposed Budget**:

This agenda item was postponed.

f. **Guests & Audience Comments:**

There were no additional guests/audience comments stated or submitted electronically.

ADJOURNMENT

Motion made by Mr. Gelston to adjourn at 8:29 pm. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,
/s/
Bruce Dutch
Secretary