TOWN OF EAST HADDAM
Board of Finance – Special Meeting
March 19, 2026
Municipal Office Building – Room 1 & 2
Via Zoom and YouTube Live

Participating: Joseph Corbett
Debra Denette
Maureen Goff
Scott W. Jezek
Eric Kolasinski
Harvey Thomas

Others: D. Angersola; V. Belles; Superintendent DeBrito; C. Bourne; R. Casner (remotely); D. Dill; J. Francese; J. Hatfield; First Selectman T. Gelston; C. Mansfield; K. Thompson; J. Ventres; and other members of the public

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Ms. Goff called the meeting to order at 4:30 p.m. and the attendees said the pledge of allegiance.

2026-2027 BUDGET

a. Tax Collector – Tax Collector Dill provided clarification about the July & January Printing & Billing expense in her proposed FY2026-2027 budget under Purchased Other Services. She advised that an outside contractor was approved in the department's 2013 budget; prior to that the expense was carried in the Technology Services budget. She stated that when the department's full-time assistant retired, the BOS and BOF decided that instead of replacing her, they would out-source the mailing of tax bills; printing of tax bills had not been done in-house in over 70 years.

Ms. Dill provided additional details and reported that bringing printing and mailing of tax bills in-house would increase the department's postage line by $10,920.00 and she would need two full-time temps for a two-week period to fold and stuff the Town's 20,000 tax bills. Further, that the Town's budget would have to pass referendum no later than June 1st each year to provide enough time to do the work in-house.

Tax Collector Dill stated that the savings from bringing the printing and stuffing of tax bills in-house would be minimal at best. In response to a question from Mr. Jezek, she stated that she works a 35-hour week and provided additional details about her schedule.

b. Board of Education Operating – Ms. Goff thanked the BOE representatives for meeting with the BOF again and for the supplemental information they had provided. Dr. DeBrito responded to questions from Ms. Goff regarding the BOE's accounting of revenue from the Ray Board endowment in their budget. She confirmed that the $400k reduction in the High School's

Salaries/Wages line was a result of staffing cuts and an offset of $220k from the Ray Board endowment.

BOE Chairwoman Thompson reiterated that the High School FY26-27 Salaries/Wages were offset by funding from the Ray Board endowment and confirmed that the BOE's last fiscal year budget did not reflect the Ray Board endowment funds. She advised that she had met with a representative from the Shipman & Goodwin law firm, the BOE's attorneys, who opined that the Helen Fund, Ray Board, and Purple Fund endowments should be coming directly to the BOE and carried as a revenue in their budget under grant funds.

Ms. Thompson stated that she had researched the Town's historical records concerning the Ray Board endowment and it is her opinion that the accounting for the endowment shifted from the BOE to the Town's revenue fund in FY2007-2008. There was a general discussion regarding how to move forward on this issue and Finance Director Belles noted that there are Town ordinances and BOF policies related to the accounting of the endowments that would have to be resolved before any accounting change could take place.

Mr. Thomas noted that by shifting the accounting of the Ray Board endowment to the BOE budget, effectively raises the increase in their FY26-27 budget to approximately $1M rather than $757k. Further, that it does not provide the BOF with the ability to do an equitable comparison of the BOE's year-over-year Operating budgets.

Mr. Kolasinski and Mr. Corbett did not have any questions for the BOE at this time. Ms. Denette stated that. with or without the Ray Board funds, the BOE had presented an increase in their FY26-27 Operating budget and, given the BOF's directive stating it would not consider any increase in the Town's or BOE's budget, she has concerns about anything other than a zero increase budget.

Mr. Jezek concurred with Ms. Denette's statement and raised several staffing questions to which Dr. DeBrito responded. He noted that the state is considering legislation that would increase its Educational Cost Sharing grant to municipalities. In response to a concern he raised about the BOE submitting its final accounting records so that the FY25 audit could be completed, Ms. Belles confirmed that it is a collective effort for the BOE and the Town's Finance Department to finalize the FY25 financial records for the auditors' review.

In response a question raised by Ms. Denette concerning insurance premium increases, School District Business Manager Bourne clarified that the FY26-27 budgetary figures are net of the employees' contributions.

Mr. Thomas discussed class sizes in the High School with Dr. DeBrito and stated that he felt the low enrollment (3-5 students) in a number of classes is not using the Town's resources in a reasonable way. In response to several requests from Mr. Thomas, Dr. DeBrito agreed to provide additional details on AP and SAT scores to the BOF. Dr. DeBrito also confirmed that 20% of the district's students are categorized as special needs which is below the state average.

Mr. Thomas recommended that the BOE survey past graduates on an annual basis to get feedback on their educational experience in East Haddam and to solicit suggestions on what the BOE could do better. He stated that he is not prepared to put forward a BOE budget for FY26-27 that contains a substantial increase.

Ms. Goff requested the BOE provide the BOF with details about its FY25-26 Operating budget surplus. Ms. Bourne advised that the surplus in still within the range that she has discussed with Ms. Goff; however, they have not yet had a conversation about the café debt and other adjustments. Ms. Bourne noted that previous multi-year grants had been mis-represented in the BOE's recent budgets which impacted related expenses and, consequently, the surplus.

In response to a concern raised by Ms. Goff about how to compare the BOE's proposed FY26-27 budget to its approved FY25-26 budget, Mr. Thomas stated that, however the Ray Board endowment is ultimately accounted for, he expects the BOE to reduce its FY26-27 budget to a zero increase.

There was a general discussion regarding the accounting of the Ray Board endowment and Mr. Kolasinski noted that the issue wouldn't be solved at this meeting and recommended moving forward before tempers flared. Mr. Gelston emphasized that he wanted to make it clear that the BOE endowment funds have always been used to offset BOE expenses no matter where they fell in the accounting records. Ms. Belles confirmed Mr. Gelston's statement.

c. Board of Education Capital Budget – Ms. Belles reviewed the format of a ClearGov spreadsheet of ranked Capital projects. In response to a question from Ms. Denette, Mr. Angersola noted that the school district's lock down system is 12 years old. He responded to additional questions from the Board.

d. Other Budget Discussion Items as Needed – The following other budget items were discussed at the meeting:

- Emergency Management Capital Requests – Director of Emergency Management Mansfield provided clarification about outstanding Capital requests for the following:
    - Portable Radio & Mobiles Replacement – he had previously reduced this request from $600k to $500k and can continue to push it out because the equipment is in good condition, the manufacturer continues to support it and has not provided an end-of-life date for it.
    - Tower Equipment Replacement – this request has been removed since the state system provides sufficient coverage for the Town.
- BOE Operating Budget – In response to a request from Ms. Goff, Ms. Belles agreed to provide the BOF with the BOE's approved FY25-26 Operating budget and its proposed FY26-27 budget, both including the Ray Board endowment revenue, to allow the BOF to do an apples-to-apples comparison.
- EDC's Bike Path Capital Request – Land Use Administrator Ventres provided background on EDC's multi-municipality bike path project, which includes the towns of Chester and Haddam. He advised that CT DEEP provides 80% recreation grants for such projects and the Capital request is to have Town matching funds in the budget to qualify for the grants.

Mr. Ventres stated the current request is to provide matching funds for a grant to develop an engineered plan for the first section of East Haddam's bike path. He confirmed that he plans to put in additional Capital requests for the implementation of Phase I as well as for final engineered plans and implementation of Phases II and III.

Mr. Ventres noted that a public information session to review the plans for the bike path is scheduled for April 14th. Mr. Casner, Chairman of EDC, which initiated the project, provided additional details and stated that the Commission wants to continue working on the project and that the project has the support of the businesses in the area.

Mr. Ventres responded to questions from the Board. There was a brief discussion about the economic growth potential for the area and Ms. Goff expressed concern about creating a new Town feature that will have on-going maintenance requirements.

- Debt Service – This budget decreased 8.77% ($176,420.56). Ms. Belles reviewed this budget and the current debt schedule for completed bonded projects. She answered questions about previous projects on the schedule.

- Interfund Transfers – This budget decreased 24.83% ($998,961.00); however, Ms. Belles advised that it does not include Capital for FY26-27. She provided a 3-year history of the BOF's Capital allocations and clarified that the Transfers to Capital Projects expense budget line helps save for future debt which the Transfers from Capital Projects savings revenue budget line records retired debt and the concept keeps the Town's debt budget neutral. Ms. Belles reviewed the revenue in this budget and responded to questions from the Board and confirmed that there is an increase in the state TAR and LOSIP grants for FY26-27.

- Fringe Benefits – This budget increased 5.91% ($89,530.28) primarily due to the increase in the health benefits expense. In response to a question from Mr. Jezek, Ms. Belles advised that she and Ms. Bourne are participating members of ECHMC, a consortium of municipalities that self-fund for their insurance expenses. She noted that the large increase in the premiums for health benefits this year resulted in a negotiated $.50 per dollar increase in the Administrative Union's salaries.

Ms. Belles responded to questions from the Board and agreed to provide them with a report on Town's total Salaries/Wages expense for FY26-27.

There was a continued discussion about accounting for the Ray Board endowments and it was agreed that the issue is a legal matter and will not be resolved during this budget season. Ms. Denette noted that the change in the accounting for the BOE endowments appeared to occur when the Shared Services budget was created and a number of BOE expenses were transferred to the Town budget.

The Board briefly reviewed a spreadsheet that Ms. Belles provided showing the impact of the FY2026-2027 Town and BOE budgets on the mil rate.

GUEST AND AUDIENCE COMMENTS

The following guest/audience comments were raised at the meeting:

James Francese – advised that while he is a member of the BOE, he was not currently speaking for the BOE. He discussed the implications of supplementing the FY2025-2026 budget with Unassigned Fund Balance and noted that the impact of a zero increase on the BOE's budget would, in actuality, result in a 5%-7% decrease in their budget due to the increases in a number of expenses that are beyond their control. He also stated that small class sizes are often a consequence of small school districts with low enrollments.

Mr. Francese stated that if the BOF directs the Town and/or BOE to cut their budget, the BOF does not have a say in how the Town and/or BOE implement those reductions. He encouraged the BOF to carefully determine any decisions they make on the FY26-27 budget.

Jessica Hatfield – stated that the Operating budgets for all three district schools are down for FY26-27. She noted that the BOE did not fill 4.5 FTE positions this year and listed several classes that had been cut from the curriculum. She said that the BOE is trying to reduce its budget just like the Town, but if they have to reduce their proposed budget to a zero increase she believes they will have to cut core curriculum.

POTENTIAL 2026-2027 BUDGET RESOLUTION

Discussion of this agenda item was postponed.

ADJOURNMENT

Motion made by Mr. Kolasinski to adjourn the meeting at 6:51 p.m. Ms. Denette seconded the motion and it was approved by a unanimous aye vote. Motion carried.

Respectfully submitted,
/s/
Debra Denette
Secretary