TOWN OF EAST HADDAM
Board of Finance
Special Meeting Minutes
March 29, 2023
Municipal Office Complex
Meeting Rooms 1 and 2
Via Zoom and YouTube Live

Participating:

Board of Finance Members:

Joseph Corbett
Bruce Dutch
Todd Gelston
Tracey Gionta
Harvey Thomas
Rebecca Whatley

Others:

Rob Funk – Finance Director
Cynthia Hughston – BOE Business Manager
Brian Reas – Superintendent of Schools
Officer Jeff Rhodes – Police Department
Patricia Stricker - BOE
Linda Zemienieski – Executive Manager
And other members of the public

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Ms. Gionta called the meeting to order at 6:00 p.m. and the attendees said the pledge of allegiance.

APPROVAL OF MINUTES

a. Special Meeting March 11, 2023

Motion made by Mr. Dutch to approve the minutes of the Special Meeting of March 11, 2023 as written. Mr. Corbett seconded the motion and it was unanimously approved. Motion carried.

b. Special Meeting March 13, 2023

Motion made by Mr. Thomas to approve the minutes of the Special Meeting of March 13, 2023 as written. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

c. Special Meeting March 18, 2023

Motion made by Mr. Corbett to approve the minutes of the Special Meeting of March 18, 2023 as written. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

d. Special Meeting March 21, 2023

Motion made by Mr. Dutch to approve the minutes of the Special Meeting of March 21, 2023 as written. Mr. Corbett seconded the motion and it was unanimously approved. Motion carried.

GUEST AND AUDIENCE COMMENTS

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

2023 – 2024 BUDGET WORKSHOP

a. Request to add 1.0 FTE Police Officer to address work required by the Police Accountability Law

Ms. Gionta explained that the state had passed legislation for an unfunded mandate requiring every municipality that is a full Resident State Trooper town to comply with an accreditation program called the Police Accountability Law.

Officer Rhodes provided additional information about the new law. He advised that the legislation imposes a three-tier accreditation system on Resident State Trooper towns and that compliance with the first tier must be completed by December 2023. He stated that, because he is familiar with both the Town's policing policies and the State Police policies, he would be the best person to manage compliance with the new law. Officer Rhodes noted, however, that that would require taking him off the road full time and, therefore, he is recommending that the Town hire another full-time police officer to cover his patrols.

In response to a question raised by Mr. Thomas, Ms. Gionta advised that the annual salary, payroll taxes and retirement benefits for an additional full-time officer is $91,235.00. There was a general discussion regarding the new legislation and Officer Rhodes responded to questions from the Board.

Mr. Thomas noted that the legislation is exceptionally recent which makes it difficult to anticipate its impact. Consequently, he recommended budgeting for the expense in Contingency until it is clearer what the Town's options are. Mr. Corbett suggested the Town should encourage its state representatives to lobby for a longer implementation period. After board discussion, the consensus of the Board was to include the expense of a new full-time officer in the Contingency budget for FY24.

In response to Ms. Whatley's suggestion to utilize the School Resource Officer when schools are out of session to mitigate the cost of an additional officer, Mr. Funk noted that the SRO is already being utilized to cover shifts in the summer.

b. Budget Follow-up Items and Review

i. Capital Requests

Mr. Funk recapped the Board's previous discussions regarding the FY24 Capital requests and noted that they had set a target of a contribution of $740-750k from the General Fund. He reviewed the potential to use unexpended funds from FY23 for several capital requests and noted that other funding sources, such as capital reserves, could also be considered.

Mr. Funk reviewed a list of funds that he does not expect will be spent before the end of FY23 and the Long Range Capital Improvements Committee's list of ranked FY23 capital requests. He discussed potential strategies and alternative funding options and stated that the goal for using ARPA funds to pay for some capital projects is $1.1M.

Ms. Gionta noted that the BOE has approximately $932k in reserves and suggested they use $500k of those funds for some of their FY24 capital requests. She recognized Superintendent Reas.

Mr. Reas reviewed a list of capital items that he had identified which could be funded by reserves. He noted that doing so would reduce the BOE Reserves account to below $500k and leave a balance of approximately $49k of approved capital requests to be paid for by taxation.

The Board discussed the Public Works capital requests, including the status of the annual Road Reclamation project. Mr. Thomas emphasized the need not to jeopardize the established road maintenance program. Ms. Gionta suggested that the Board should have a discussion about the pros and cons of bonding for the Town's road work.

ii. ARPA Fund

Mr. Reas advised that the BOE had reduced its use of ARPA funds for capital items to $554k and reviewed the list of included projects. In response to a question raised by Mr. Funk, Mr. Reas confirmed that all of the projects on the BOE's ARPA list could be completed by the end of 2024.

There was a brief discussion regarding the government's definition of "committed" and whether or not the FY24 budget has to pass referendum before the ARPA funds can be spent.

The Board reviewed the Long Range Capital Improvements Committee's ranked list of FY24 capital requests and agreed on several projects that could not be funded in FY24.

Mr. Corbett reiterated his recommendation to pay for the second Public Works truck with ARPA funds rather than holding back that portion of the funds for grant matching purposes. There was a general consensus in favor of Mr. Corbett's recommendation.

Mr. Gelston summarized the status of the FY24 capital budget and ARPA funds as follows:

- LOSIP and TAR funds are fully allocated,
- $1.341k of the ARPA funds will be expended on FY24 capital requests,
- Approximately $432k of ARPA funds remain for grant matching purposes,
- $723k of FY24 capital requests will be funded by taxation, and
- Approximately $837k in FY24 capital requests will not be funded.

iii. Mill Rate Discussions

It was noted that there is a 3.3% increase in the Town's budget while other towns are experiencing increases of 7% to 11%. Ms. Gionta reviewed the Town's current and historical Unassigned Fund Balance and stated that, in recent years, it has relied on $2M to manage the mill rate. She noted that the BOF's policies state Unassigned Fund Balance should be maintained at between 8% to 15% of the Town's annual general fund operating budget and, based on the projected FY24 budget, the Fund Balance is projected to be just about in the middle of those percentages.

In response to a question from the Board, she confirmed that, at this time, the current budget includes no reliance on Fund Balance. She stated that, due to the recent revaluation, she expects every household to be affected differently by whatever mill rate is set and, consequently, it will be difficult for the Board to compare taxation based on an "average" household.

Mr. Gelston expressed concern for the public's appetite for a 3.3% increase in the Town's budget. Ms. Whatley noted that the Town has a healthy Unassigned Fund Balance and encouraged the Board to consider using some of those funds to lessen the impact of the FY24 budget on the mill rate. Mr. Funk ran several calculations of mill rates based on different values for the variables of reliance on Unassigned Fund Balance and reductions to the Operating Budgets and combinations of the two.

The Board agreed to rely on $200k from the Unassigned Fund Balance and to ask the BOE and BOS to reduce their Operating Budgets by $75k and $25k respectively.

iv. Other Budget Related Discussion

Ms. Zemienieski provided information on the following Operating Budget items that have been finalized at less than what was originally projected: LAP Insurance, Workers' Comp insurance, water testing of the Municipal Office Building, and the reimbursement to the state for the Resident State Trooper's salary.

Mr. Funk reviewed the Water Pollution Control Authority's budget request and their revenues. The Board agreed to reduce their FY24 general fund contribution request to $25k.

GUEST AND AUDIENCE COMMENTS

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

POTENTIAL 2023-2024 BUDGET RESOLUTION

Motion made by Mr. Gelston to utilize $200,000.00 of the Unassigned Fund Balance to offset the FY2023-2024 budget. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

Motion made by Mr. Thomas to present to a Public Hearing on April 18, 2023, at the Nathan Hale High School, a total budget of $38,401,390.00 based on the October 1st 2022 Grand List of $1,196,393,662.00. This budget represents a 6.07 mill rate decrease and a 3.9% increase in revenues. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

ADJOURNMENT

Motion made by Mr. Dutch to adjourn at 7:08 p.m. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,
/s/
Bruce Dutch
Secretary