TOWN OF EAST HADDAM
Board of Finance
Special Meeting Minutes
March 23, 2024
Municipal Office Building – Room 2
Via Zoom and YouTube Live

Participating:

Board of Finance Members:
Eric Kolasinski
Joseph Corbett
Todd Gelston
Maureen Goff
Harvey Thomas
Rebecca Whatley

Others: Valerie Belles, Finance Director
Irene Haines, First Selectwoman
Toni McCabe, Youth & Family Services Director
Linda Zemienieski, Executive Manager
And other members of the public

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mr. Corbett called the meeting to order at 9:04 a.m. and the attendees said the pledge of allegiance.

NEW BUSINESS

a. Community Foundation Library Grant Acceptance – Mr. Corbett called the Board's attention to materials in their meeting packet related to this agenda item.

Motion was made by Mr. Thomas to accept a grant in the amount of $5,000.00 from the Ann T. D'Addario Family Foundation, Edmund T. and Barbara S. Delaney Fund and William McCann and Best Cleaners Fund at the Community Foundation of Middlesex Country (Revenue Account 33050-43000 - Project G2501 and Expense Account 33055011-58820 - Project G2501) for the purpose of supporting their website renovation project and send acceptance of said grant to Town Meeting for approval. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

2024-2025 BUDGET

a. Youth & Family Services – Mr. Corbett thanked Director McCabe for attending the meeting. In response to a request from Mr. Corbett, Ms. McCabe provided information about the agency's relocation, reviewed staffing and grant revenue. She responded to questions from the Board.

Ms. McCabe confirmed that Youth & Family Services is an independent non-profit agency which receives significant financial support from the Town that is supplemented by grants and fund-raising. She agreed to provide Ms. Belles with additional descriptive narrative that clarifies the budget on ClearGov is produced by Youth & Family Services; she also agreed to footnote the budget she submits to the Town next year with that explanation.

b. Debt Service – Finance Director Belles reviewed the status of the Town's debt service and noted that the $186k reduction this year is a result of paying off the Webster Open Space bond. She noted that the Town anticipates bonding an additional $5.3M in July to wrap up several current capital projects and fund the anticipated BOE HVAC capital project, contingent upon the state's approval of the BOE's application for grant funding for the HVAC project.

c. Interfund Transfers – Ms. Belles reviewed Interfund Transfers and stated that the $411k transfer out to Capital Projects Savings will be offset by the $186k reduction in Debt Service and $108k transfer in from the General Fund reserves for Capital Projects.

Ms. Belles advised that the FY2025 proposed budget includes a placeholder of $675k, a five-year average, for capital projects; however, it does not include a $100k Ambulance contingency allocation.

d. ARPA Fund Requests

i. Road Consultant – Ms. Belles provided a brief overview of the capital request for $80k to hire a consultant to evaluate all of the Town's roads and develop a 10-15 year road reclamation and maintenance program. Ms. Haines noted that there is grant funding available for municipal road projects; however, the projects need to be shovel-ready and a road work plan developed by an road engineer is the first step.

In response to a concern raised by Mr. Corbett, Ms. Haines noted that Public Works' current 10-year plan was created by the road supervisor rather than a civil engineer. She responded to several questions from the Board.

Motion made by Ms. Goff to authorize $80,000.00 from ARPA account 15010500-58926 - Project C0301 for contracting with a Roads Consultant. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

Mr. Corbett stipulated that, after the consultant completes his/her review of Town roads and submits a 10-15 year road reclamation and maintenance plan to Public Works, the engineer should attend a BOF meeting and review the plan with the Board so that they have a clear understanding of what the yearly budgetary expectations will be.

ii. Structure at Town Beach – Ms. Haines reviewed the Recreation Commission's $50k capital request for a complementary climbing and sliding structure at the Town beach. No action was taken on this request.

iii. Other Projects (as time permits) – No additional ARPA funding requests were discussed at the meeting.

e. Capital Projects Requests – Ms. Belles provided introductory comments regarding Capital Projects and reviewed the FY2025 requested Capital Projects spreadsheet in the Board members' meeting packets. She noted that the capital requests were listed on the spreadsheet in the priority assigned to them by the Long Range Capital Improvement Projects Committee and she responded to several questions from the Board. There was a general discussion regarding the use of ARPA funds and how the accounting for same is handled.

The Board discussed the option of asking the BOE to use their Capital Reserves to fund their FY2025 Capital requests. Ms. Belles noted that Ms. Hughson had informed her that the BOE generally keeps a balance of $300k in reserves for emergencies.

The Board discussed Public Works request for $801,700.00 for the A.P. Gates culvert replacement capital project. Ms. Zemienieski noted that there are a number of additional culverts and bridges that the Town needs to replace and there was a general discussion about alternative sources of funding for the projects. Ms. Belles agreed to confer with Mr. Lindsey regarding bonding for the Town's bridge and road work. The consensus was to remove the A.P. Gates project from the FY2025 capital projects list with the assumption that the Town will issue a bond for the project.

f. Revaluation and Impact on Mil Rate – Ms. Belles called the Board's attention to materials in their meeting packets related to this agenda item. She provided an overview of the spreadsheet and responded to questions. There was a general discussion regarding fringe benefits and the open issue of the cost of employee healthcare benefits.

g. Other Budget Items (as time permits) – In response to a question raised by Mr. Gelston, there was a general discussion regarding Youth & Family Services relationship with the Town government and how to address its annual budget requests. The Board asked the Policies Sub-Committee to draft a policy that outlines the BOF's responsibilities and expectations for funding non-departmental agencies that provide services to the Town's citizens.

Motion made by Mr. Gelston to recess for lunch. The motion was seconded by Mr. Kolasinski and it was unanimously approved. Motion carried and the meeting recessed at 12:12 p.m.

The meeting reconvened at (12:41).

g. Other Budget Items (continued) – In response to input from Ms. Zemienieski there was a general discussion regarding reserves for a new or refurbished ambulance in FY2026. It was noted that refurbishing the body of the existing ambulance would cost approximately $200k. Ms. Belles stated that there is currently $64k in reserves for a new ambulance. The consensus of the Board was to support Ms. Haines' recommendation to allocate $68k for this purpose in FY2025 and FY2026.

The Board considered the current status of the Operating Budgets and discussed several approaches to reducing the cumulative total. In response to a question, Ms. Belles advised that

the Unassigned Fund Balance, as of the FY2022 audit, is $4,830,590.00 or 13% of the General Fund expenditures; she confirmed that Board policies require the Town to retain a balance of between 8% - 15% of its General Fund expenditures in the Unassigned Fund Balance. It was also noted that the BOE Capital reserves equal approximately $1.2M.

The Board agreed to the following steps to lower the budget's impact on the mil rate:

- Direct the BOE to use their Capital reserves to fund their FY2025 Capital requests;
- Direct the BOE to reduce their Operating Budget by $240k (1%); and
- Use $500k of Unassigned Fund Balance for FY2025 expenditures.

It was noted that taking the above steps, and keeping FY2025 Capital projects expenditures to $675k would result in a .75% increase to the mil rate. The Board did a brief review of Capital projects and agreed to the following:

- Defer funding $25k for the Redevelopment Agency's Environmental Services capital request.
- Fund $100k for the Public Works Sheepskin Hollow Road South Bridge replacement project and $500k for all other Public Works road work capital requests.
- Discuss a 10-year road plan financing program with bond council.

The Board asked Ms. Belles to extend an invitation to their March 27th meeting to Superintendent of Schools DeBrito and BOE members so that the BOF can explain their decisions. They also asked Ms. Belles to create a report for their March 27th meeting listing all Capital projects that are in-process and/or building a reserve.

Mr. Gelston recommended that they should ensure that all participants in developing the FY2025 budgets are on the same page and that they have clear and consistent answers for citizens' questions that may come up at the Town Meeting.

GUESTS AND AUDIENCE COMMENTS

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

ADJOURNMENT

Motion made by Mr. Kolasinski to adjourn the meeting at 2:40 p.m. Ms. Whatley seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted, t
/s/
Todd Gelston
Secretary