TOWN OF EAST HADDAM
Board of Finance
Special Meeting Minutes
March 10, 2025
Municipal Office Building – Room 1 & 2
Via Zoom and YouTube Live

Participating:

Board of Finance Members:
William Barney
Joseph Corbett
Todd Gelston
Maureen Goff
Eric Kolasinski
Harvey Thomas

Others: Valerie Belles, Finance Director
Lori D'Aquila, East Haddam Ambulance Association
Irene Haines, First Selectwoman
Dr. Teresa DeBrito, Superintendent of Schools
Michael Callahan, Citizen
And other members of the public

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mr. Gelston called the meeting to order at 4:32 p.m. and the attendees said the pledge of allegiance.

2025-2026 BUDGET

a. Board of Selectmen Budget Presentation

First Selectwoman Haines presented the Town's proposed FY2025-2026 Budget. She stated that the 2.77% increase in the Operating Budget is on target with the current rate of inflation and thanked the department heads, Boards, and Commissions for their work in keeping the budget increase to a minimum. Ms. Haines advised that placeholders, based on last year's approved budget, had been used for transfers to and from other funds. She noted that the Town has come in under budget by approximately $500k in each of the past three fiscal years.

Ms. Haines stated that the Town's first responsibility is the safety of its citizens which includes maintaining roads and bridges as well as Fire and EMT services. She noted that these are also some of the most challenging expenses to accommodate.

She noted a projected 13% increase in the FY2025-2026 employee health insurance premium, challenges in managing the cost of the Town's contractual services, and discussed increases to Salaries & Wages. Ms. Haines also noted an anticipated reduction in the Grand List due to the

state's change in how the tax basis of vehicles is calculated; however, she stated that it is still unclear what the impact will be.

Ms. Haines provided an overview of the following current economic development projects: East Haddam Village revitalization, Town sponsored broadband service, developing a master plan for the Moodus business district, and the Heritage Market, an initiative being managed by the Economic Development Coordinator.

She said that the BOS understands the need to prioritize Capital projects and stated that they would like the opportunity to work with the BOF on the Town's FY2025-2026 Capital needs budget.

In response to a question from Mr. Thomas, Ms. Haines agreed to schedule a meeting of the Long Range Capital Improvements Committee to review and rank the new FY2025-2026 Capital requests. Mr. Kolasinski asked about the state's new vehicle valuation method and Ms. Belles provided clarification. Ms. Belles noted that the new method could have a negative $17M impact on the Grant List.

Ms. Haines responded to several additional questions and stated that the biggest drivers of the increase to the Town's proposed Operating budget are contractual services, personnel, and utilities. There was a brief discussion about the Town's participation in a cooperative to purchase employee health benefits and an increase to the Legal budget requested by the Land Use Administrator to address blight issues.

Ms. Haines offered the BOF copies of the BOS's budget workshops minutes. She stated that the minutes contain details about the decision-making process the BOS used to develop the FY2025-2026 Operating budget they had submitted.

b. Board of Education Budget Presentation

Superintendent DeBrito provided an overview of the Board of Education's commitment to academic achievement, activities, athletics, learning and well-being, and safety of its students. She shared highlights of the district's priorities and reviewed field experiences provided to pupils and professional development of the staff.

Dr. DeBrito advised that the Elementary School had been named a School of Distinction by CT Department of Education and the Middle School was a finalist in the CT Association of Schools's consideration for Middle School of the Year recognition. She also provided highlights of a number of student athletes' accomplishments.

Dr. DeBrito reviewed the impact of the BOE's contractual obligations for FY2025-2026 on its Operating budget and stated that employee health benefits and utilities are significant drivers in the increase. She provided a historical review of the BOE's Operating costs and noted that the 7-year average of approved increases was 2.78%.

Superintendent DeBrito provided information about what new expenses are included in the FY2025-2026 proposed Operating budget, what had been removed from the budget, and what

funding is no longer available. She stated that the overall increase in the proposed Operating budget is 8.14%. and that there is a $470,640.00 reduction in grant funding. She provided statistics about the budget, noting that 76% is attributable to Salaries & Wages, 5% to Transportation, 6% to Tuition, 7% to Purchased Services, 5% to Supplies & Equipment, and 1% to Field Trips.

Dr. DeBrito reviewed revenues, including state cost-sharing, endowments, and solar panel credits. She advised that the Town's contribution is approximately $4.1M.

Mr. Thomas encouraged Dr. DeBrito to publicize the schools' and students' numerous achievements. Mr. Barney asked the Superintendent to make information about academic achievement on state and national standard testing, enrollment, and staffing levels at the three schools readily available to the public. Ms. Goff suggested that that information could also be added as an addendum to the BOE's budgets.

In response to a question from Mr. Barney, Ms. Belles stated that the budgets are not available on ClearGov yet; however, once the budgets are built, the Town's budget and the combined Town/BOE Capital budget will be available to the public on that site. She noted that the BOE's Operating budget will be available on the East Haddam Public Schools website.

Dr. DeBrito provided the following responses to questions from the BOF:

- The district's current per pupil average cost is $25k.
- There are currently 950 students enrolled in the schools and there is some capacity to grow.
- Lower grant funding and contractual obligations, especially Salaries & Wages, are the main drivers of the budget increases over the years.
- There is no unused balance in the FY2024-2025 Health Insurance budget line.
- She agreed to compile a list of the cost of unfunded mandates for the BOF.

There was a general discussion about the busing program and the potential to recruit tuition-paying students to the Town's schools.

Motion made by Mr. Thomas to amend the agenda to discuss <u>Old Business, item a. East Haddam Ambulance Association Quarter 2 Report</u> next. Mr. Corbett seconded the motion and it was approved by a unanimous aye vote. Motion carried.

<u>NEW BUSINESS</u>

a. <u>East Haddam Ambulance Association Quarter 2 Report</u>

Ms. D'Aquila reviewed the EHAA's second quarter performance. She noted that the Association has had very strong metrics for several years and noted that there have not been any mutual aid calls for the months of November through February. She noted that the EHAA is providing staffing to support the career fire staff day shift.

Ms. D'Aquila reported that their Q2 response rate is 96% and that the average response time, from dispatch to arriving at a call, is 12 minutes. She stated that they are projecting a mid-year deficit of 50% greater than previously forecasted (from $26k to $37k) due to lower than anticipated call volume resulting in a reduction in reimbursement for transports.

Ms. D'Aquila stated that for their FY2025-2026 budget, the Ambulance Association has based their forecast on a 3% inflation rate and a 4.5% increase in Salaries & Wages. She discussed the need to keep the hourly salary rate competitive with the surrounding towns and noted that she expects the rate will be increased again in July. She stated that the EHAA has requested a contribution of $100k from the Town for FY2025-2026 and, in response to a question from Ms. Belles, clarified that that figure was calculated by using the current deficit plus the projected deficit.

Ms. D'Aquila reviewed the need to purchase another ambulance and advised that she had located a used one, in excellent condition, in Ellington. She stated that the BOS had approved a bid waiver requested by Capt. Leidemer to purchase the vehicle which resulted in a potential cost and time savings of approximately $100k and 2 years.

Ms. D'Aquila called the BOF's attention to the EHAA's FY2025 Q2 line-by-line Operating budget and its Profit & Loss statement for the same period.

In response to questions from the Board, Ms. D'Aquila confirmed that the projected deficit is a result of the low reimbursement rates for Medicare and Medicaid calls, which are 84% of the Association's call volume and that non-competitive wages result in a retention problem. She confirmed that two ambulances are currently being operating by the EHAA and discussed the need to establish annual savings for replacements. Ms. Belles confirmed that the Town does have a Capital account for ambulance replacements.

2025-2026 BUDGET

c. Budget Calendar

Ms. Belles reviewed the FY2025-2026 budget calendar with the Board as well as the proposed workshop agendas.

Mr. Thomas commented on the benefits of the LRCIC prioritizing Capital requests for the BOF. He noted that it will help the Board make rational decisions on where the Capital spending cut-off should be. In response to a question from Ms. Goff, Ms. Belles provided clarification that the BOF typically approves a dollar amount to be put toward Capital requests; however, they have, from time-to-time, approved specific projects.

APPROVAL

a. Regular Meeting, February 10, 2025

Mr. Gelston called the Board's attention to the minutes of their February 10th meeting. Ms. Goff noted that the following correction should be made:

Last sentence of the 4th paragraph on page 2 – "…*which should be ~~re-accessed~~ re-assessed every 4-5 years".*

Motion made by Mr. Barney to approve the minutes of the Regular Meeting of February 10, 2025 as amended. Mr. Corbett seconded the motion and it was approved by a unanimous aye vote. Motion carried.

b. Special Meeting, February 25, 2025

Mr. Gelston called the Board's attention to the minutes of their February 25th meeting.

Motion made by Mr. Barney to approve the minutes of the Special Meeting of February 25, 2025 as written. Mr. Kolasinski seconded the motion and Mr. Corbett abstained from the vote. The motion was approved by a majority aye vote. Motion carried.

CORRESPONDENCE

a. Email from Sharon Wheeler

Ms. Belles called the Board's attention to a copy of an email, dated March 2, 2025, from Sharon Wheeler. She stated that Ms. Wheeler asked why, if the Board of Education has a number of applicable System-wide Capital savings accounts, "…*they still put in separate capital requests for projects that I would have thought fell into one of the existing Systemwide categories".*

The Board stated they will bring the question up with Ms. Hughson and/or Mr. Angersola. They thanked Ms. Wheeler for her email.

GUESTS AND AUDIENCE COMMENTS

Mr. Callahan noted the importance of communication to the public. He stated that residents would like a deeper understanding of the data, particularly where tax dollars are being spent and noted that it is critical to share the details. He had questions about the Grand List and where the Town's revenue comes from. He also stated he would like to see a model of what the Board's future projections are for taxes.

ADJOURNMENT

Motion made by Mr. Kolasinski to adjourn the meeting at 6.26 p.m. Ms. Goff seconded the motion and it was approved by a unanimous aye vote. Motion carried.

Respectfully submitted,
/s/
William Barney
Secretary