TOWN OF EAST HADDAM
Board of Finance
Special Meeting Minutes
March 22, 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'Aquia, East Haddam Ambulance Service
Irene Haines, First Selectwoman
Michele Velez, Public Works Director
Linda Zemienieski, Executive Manager
And other members of the public

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mr. Gelston called the meeting to order at 9:00 a.m. and the attendees said the pledge of allegiance.

APPROVAL OF MINUTES

a. Special Meeting March 15, 2025

Review and approval of the Special Meeting minutes of March 15, 2025 was deferred until later in the meeting.

2025-2026 BUDGET

a. Public Works

i. General Highways – A 3.1% ($44,224.00) increase is reflected in the General Highways budget. Public Works Director Velez stated that part of that increase is due to storm water sampling and testing that is beginning again. She mentioned there were contractual changes in salaries. Mr. Kolasinski asked about the crew member count and if the budget included a full crew. Ms. Velez ensured the budget includes place holders for a full crew per the union contract. Mr. Gelston went on to ask questions about how we handle storm water sampling and testing. Ms. Velez explained the process and what is being tested.

There will be an engineer required now so we can catch up on compliance. In the future, we can do the testing ourselves with proper training. Ms. Velez continued to answer questions about the request for the large fan explaining the need is to address health and safety of our employees.

ii. Snow & Ice Removal – A 16.5% ($40,268.00) increase is reflected in the Snow & Ice Removal Operating budget. Public Works Director Velez advised that $39,600.00 of the increase in this budget is primarily due to switching from a sand/salt mixture to treat snow/ice on the roads to a salt brine for faster melting. She stated that switching to the salt brine treatments should reduce payroll and improve safety since the staff will not need to spend as many hours treating the roads.

Ms. Velez responded to several questions and confirmed that no special equipment is needed for the salt brine treatments.

iii. Tree Care and Removal – A 11.9% ($30,000.00) increase is reflected in the Tree Care and Removal Operating budget. Ms. Haines called the Board's attention to the significant reduction in calls to Public Works about tree issues over the past three years. She noted that the partnership with Eversouce on tree removal has been very successful.

In response to a question from Mr. Gelston, Director Velez stated that the request for an additional $30k in this budget is driven by Public Works' goal to get as much done as possible and the fact that this budget runs short of funds every year. She confirmed that she will continue to use Distinctive Tree Service, which is on the state approved contractors list, for removing dead and diseased trees; however, she will also continue to price-match.

b. Transfer Station – A 6.2% ($54,307.00) increase is reflected in the Transfer Station Operating budget. Ms. Haines noted that the 8% increase in Salaries & Wages was due to the fact that the union negotiations occurred after the FY2024-2025 budget had been finalized and, consequently, that fiscal year's increase rolled over to the FY2025-2026 budget. She noted that the only other increases in the budget were a 5.5% ($34,375.00) contractual increase in the Refuse Removal line and a 7.2% ($1,080.00) increase in Electricity.

Ms. Velez provided the following responses to questions from the Board:

- The increase in the Equipment line ($4,118.00) is for a skid-steer attachment for the Transfer Station's snow removal equipment.
- The contract for Refuse Removal is for three years – 2024-2027, and that a small savings had been achieved by separating the recycling of cardboard from the single-stream recycling.
- The mattress and tire containers up top have covers; however, the demolition container does not but it gets moved out frequently. She confirmed that the Transfer Station is still looking into covering all of the containers.

There was a general discussion regarding the increase, over time, of operating the Transfer Station. Ms. Velez stated that the Town's Transfer Station permitting process had helped lower

expenses by reducing non-resident use; however, the only other alternatives to manage expenses is to charge a bag or permit fee. She said that they are continuing the traffic survey and should have 12-months of usage data this summer.

There was a brief discussion about the change to the composting program.

c. Public Works Capital – Director Velez reviewed the following Public Works Capital requests:

- AP Gates Culvert Replacement ($907,750.00) – Ms. Velez stated this is a high priority for Public Works and is part of the state's 50% bridge reimbursement program.

- Beebe Road Removal of Process from Road Washout ($42,000.00) – This is a request from IWWC. Ms. Velez confirmed that the process is the same stone that the road is constructed with and that nothing is leaching out it. In response to a request from Mr. Gelston, Ms. Velez stated she would get a statement from IWWC explaining their concern.

- Replacement of Current Tire Machine ($31, 056.00) - Ms. Velez stated that the current tire machine is 20+ years old, does not balance the tires, and is a safety hazard because tires sometimes spin off of it. She noted that the mechanic also uses the machine to replace tires on the vehicles assigned to the other Town departments.

- Repair Metal Roof Applying Rubber Coating over Metal ($196,341.00) – Ms. Velez stated that this is the main location where all of Public Works' vehicles and equipment are stored and it is leaking in three places. In response to questions from the Board, Ms. Haines stated that Facilities Director Angersola advised that this is the most cost-effective option available and that it has a 10-12 year lifespan.

- Salt/Sand Pole Ban Door Repair & Install of Rear Door ($25k) – Ms. Velez stated that this capital request is based on DEEP compliance audit. Mr. Gelston recommended the use of composite materials for this repair.

- Sheepskin Hollow Road South Bridge Culvert Repair ($250k) – Ms. Velez advised that the culvert services two homes and the repair was originally estimated at $1.5M. She stated that an alternative option, to line the existing culvert, is a much more cost-effective and long-lasting repair. She noted that, although DEEP and the Army Corps of Engineers categorize it as temporary repair, it has a 100-year warranty. In response to an inquiry from Mr. Gelson, Ms. Velez confirmed that installing a permanent bridge would be much more expensive.

- Annual Road Reclamation and Repaving ($2.5M) – Ms. Velez acknowledged that, even though the $2.5M is less than what she had asked for, it would allow Public Works to make progress on bringing the Town's roads up to good condition; however, it would

take time. She listed the roads included in the Public Works' FY2025-2026 reclamation project would include Great Hillwood, Alger, Smith, Halls, Kilbourne, Daniels, and possibly Maple Avenue. She noted that reclamation work on Daniels Road would only go up to the damaged culvert and that the width of the road would be brought back to an appropriate distance across.

- Beebe Road Culvert Replacement ($1.405M) – This capital item is also included in the state's bridge work reimbursement program and is Public Works' second priority. She stated that the projected capital expense is an engineer's estimate and the project needs to go out to bid, at which time she estimated there would be a 7% to 15% increase in the expense. Ms. Velez noted the project would take 5-6 months to complete contingent on the construction company's schedule.

- Pavement/Shim Overlay ($128k) – Director Velez confirmed that this capital request is for regular road repair and maintenance work.

- Road Improvement Materials ($168k) - Director Velez confirmed that this capital request is for regular road repair and maintenance work.

Ms. Velez advised that, at this time, she has pulled the two Bashan Road Culvert Replacement projects from the Public Works' FY2025-2026 capital requests. Ms. Haines confirmed that the Payment/Shim Overlay and Road Improvement Materials requests are not part of the Public Works road reclamation bonding plan.

There was a general discussion about the proposed Road Reclamation project and Ms. Velez confirmed that she would provide the BOS and BOF with a timeline for the financing of the project and a timeline and grid for bridge and road work included in the bonding. Mr. Gelston recommended publishing the timeline in the East Haddam News and Ms. Velez advised road reclamation and repair work schedules would also be posted on Public Works' and the Town's website. She agreed to prepare a brief presentation of the Road Reclamation project for the Town Meeting.

In response to a question raised by Mr. Thomas, she confirmed that the Water Company will come back and clean up the debris left from their project at Lake Hayward. There was a brief discussion about the AP Gates Culvert, Sheepskin Hollow Culvert and Road Reclamation projects and Ms. Velez stated she would provide the BOF with descriptive materials and the cumulative cost of the projects.

d. Transfer Station Capital – Public Works Director Velez confirmed that the FY2025-2026 capital requests for the Transfer Station have been pushed out.

e. East Haddam Ambulance Association – Ms. D'Aquila distributed copies of her presentation to the Board. She reviewed the presentation of the EHAA's FY2025-2026 Operating Budget request of $100k. She reviewed the operations of the Association and noted that a deficit of ($17,532.00) was reported to the BOF on 10/21/2024 and that the EHAA had projected the FY2023-2024 deficit to be $61.1k, which included $42.6k of outstanding bills and $20k owed

to the Town. She stated that they had requested, and received, a subsidy from the Town of $59.3k. Ms. D'Aquila advised that the actual total deficit for FY2023-2024 was $82k.

Ms. D'Aquila stated that the call level for the EHAA has dropped off and they are currently running 50% over its projected FY2024-2025 deficit of $26k and, consequently, are projecting a $75k deficit for FY25. She advised that, based on the FY25 deficit, the previously projected $56k deficit for FY2025-2026 has been increased 150% to $84k. As such, she stated the EHAA is requesting a subsidy for FY2025-2026 of $84k plus $16k for a margin of risk, for a total of $100k.

Ms. D'Aquila responded to questions from the Board. Ms. Belles confirmed that the Town has $68K in the reserve fund budget for Ambulance Replacement. Ms. D'Aquila and the Board discussed the cost of equipping the ambulances and the replacement schedule.

There was a general discussion about the EHAA statistics and the FY24 deficit was reviewed again. Mr. Gelston asked if everyone was now in agreement with the Association's deficit number and Ms. Goff expressed her concern that the numbers seem to keep changing and the BOF doesn't always have a clear picture of the EHAA finances.

Ms. Belles suggested that rather than trying to budget for a deficit, the EHAA request a special appropriation at the end of the fiscal year to cover its actual deficit. There was a general discussion about the merits of Ms. Belles suggestion.

Motion made by Ms. Goff to recess for lunch at 11:50 a.m. Mr. Kolasinski seconded the motion and it was approved by a unanimous aye vote. Motion Carried

The meeting reconvened at 12:46 p.m.

APPROVAL OF MINUTES

Mr. Gelston called the Board's attention to the draft minutes of their March 15th Special Meeting in their meeting packets. Mr. Thomas noted that Mr. Barney's name was mis-spelled in agenda item aa. Police Officers/Capital on page 5 of the minutes.

Motion made by Mr. Thomas to approve the March 15, 2025 Special Meeting minutes as amended. Mr. Barney seconded the motion and it was approved by a unanimous aye vote. Motion carried.

Motion made by Mr. Barney to move the Guests and Audience Comments agenda item up for discussion at this time. Ms. Goff seconded the motion and it was approved by a unanimous aye vote. Motion carried.

GUESTS AND AUDIENCE COMMENTS

Mr. Thomas read an email received from Robert Simmons expressing his "*shocked*" concern about the 8.1% increase in the BOE budget. Mr. Simmons email also stated that he found the discussion about student/teacher ratios interesting and questioned the need for an increase in the Certified

Staff. He concluded his correspondence expressing his disappointment in hoping for some relief from Hartford.

There were no other guest/audience comments raised at the meeting.

2025-2026 BUDGET (Continued)

f. Other Budget Discussion as Time Permits – Ms. Belles confirmed that she had used a placeholder of $1.2M in the FY2025-2026 Capital Budget. She also stated that she had removed the following from the FY2025-2026 Capital Budget: the two Transfer Station capital requests, and the request for a Rear Access for the Elementary School.

Ms. Belles stated that the BOF's policy is to keep Fund Balance at 8% to 15% of General Fund and, at the close of FY2023-2024, Fund Balance equals 20.5% because the Town has not had to utilize the budgeted reliance on Fund Balance for the past several years. She advised that based on a General Fund Balance of $7,764,195.00, the Town should utilize a little over $2M to get Fund Balance back down to 15%.

Ms. Belles responded to questions about the Capital budget requests from the Board. There was a general discussion about the Capital requests. The Board discussed the limits of their input on which of the Town and BOE Capital projects are pursued. Ms. Belles updated the FY2025-2026 Capital projects list and removed several requests from the list. Several adjustments to the budget were discussed.

There was a general discussion about the BOE budget. The Board also discussed a judicious use of the $2M available from Fund Balance. Ms. Haines pointed out that that the Fund Balance exists because the Town has consistently underspent its annual budgets. She stated that she supports using the excess in Fund Balance to offset the cumulative Town and BOE budgets; however, if cuts still need to be made, she reminded the Board that the BOE retains all of the excess in its Fund Balance at the end of the fiscal year. In response to a question from Ms. Goff, Ms. Belles confirmed that she and the BOE's Business Manager are working on figuring out what the BOE's current Fund Balance is.

The Board discussed whether to request additional cuts from the Town's and BOE's budgets. Ms. Belles suggested a program where the Town revisits the projected EOY Surplus in August and allocates it as special appropriations to Capital projects that had not gotten funded at the beginning of the fiscal year.

In response to a question from Mr. Corbett, Ms. Belles reviewed the Town's short-term BAN and bonding schedule and confirmed that the FY2025-2026 debt service budget includes a projected dollar amount for the road reclamation and culverts capital projects.

Mr. Thomas summarized the Board's discussion to this point. He stated that

- $2.5M of Fund Balance would be put toward the FY2025-2026 budget, leaving 13.8% in Fund Balance in compliance with the BOF's financial policies,
- $1.3M will be set aside for Capital for Town and BOE prioritized projects, leaving a balance of unfunded projects of approximately $633,000.00, and
- the BOF will ask the BOE to cut $600k from their Operating budget.

There was a general discussion about whether or not to require any cuts to the Town budget and it was agreed to ask the Town to reduce its budget by $75k.

Motion made by Mr. Barney to utilize $2,500,000.00 of the Unassigned Fund Balance to offset the FY2025-2026 budget. Mr. Kowlasinksi seconded the motion, and it was unanimously approved. Motion carried.

Motion made by Mr. Barney to present to a Public Hearing on April 8, 2025, at the Nathan Hale High School, a total budget of $44,440,792.00 based on the October 1st, 2024, Grand List of $1,190,802,955.00. This budget represents a 1.69 mill rate increase and a 9.26% increase from the FY 2024-2025 budget. Mr. Thomas seconded the motion, and it was unanimously approved. Motion carried.

ADJOURNMENT

Motion made by Ms. Goff to adjourn the meeting at 3:30 p.m. Mr. Kolasinski seconded the motion and it was approved by a unanimous aye vote. Motion carried.

Respectfully submitted,
/s/
William Barney
Secretary