TOWN OF EAST HADDAM
Board of Finance
Regular Meeting Minutes
April 14, 2025
Municipal Office Building – Room 1 & 2
Via Zoom and YouTube Live

Participating:

Board of Finance Members:

William Barney (departed at 7:30 p.m.)
Joseph Corbett
Todd Gelston
Maureen Goff
Eric Kolasinski
Harvey Thomas

Others: Valerie Belles, Finance Director
Deborah Denette, Cemetery Committee
Denise Dill, Tax Collector
Alicia Garstka, Citizen
Irene Haines, First Selectwoman
Cindy Hughson, School Business Manger
James Francese, BOE
Patricia Stricker, BOE Chairwoman
And other members of the public

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mr. Gelston called the meeting to order at 7:00 p.m. and the attendees said the pledge of allegiance.

GUESTS & AUDIENCE COMMENTS

Mr. Gelston reviewed the agenda. He stated that, in this part of the meeting, Mr. Thomas will speak first, followed by Ms. Stricker, and then any other person who wants to address the Board.

Mr. Thomas expressed disappointment at how the April 8th Public Hearing ended. He stated that historically, the BOS, BOE, and BOF have worked together "*respectfully and cooperatively*" toward a common budgetary goal of doing what is in the best interest of the Town and all of its citizens. He stated that all of the Board members must respect the roles and responsibilities of the other Boards, work collaboratively and cooperatively toward their shared goals and anything less would be a "*disservice to those who have elected us to serve them*".

- Ms. Stricker distributed a copy of a statement that she will read as Chairman of the Board of Education. In response to a question raised by Mr. Thomas, about affording all of the other Town department heads equal opportunity to revisit a discussion on their budgets as is being

given to the BOE, Mr. Gelston advised that Ms. Haines is in attendance and will represent the Town budget.

Ms. Stricker read her statement and requested the BOF consider specific adjustments to the BOE's Operating and Capital budgets. She requested clarifications on several aspects of the FY2024-2025 Capital budget. Ms. Stricker stated that when representatives from the BOE met with Ms. Haines, a 50:50 split of the $1.3M the BOF had allocated to Capital for the next fiscal year was discussed; however, the BOE identified a total of $689,373.00 in capital projects that they consider "*absolutely critical*". She noted that, in addition to the $39,373.00 overage in the BOE's Capital funds allotment, an additional $75K required for security upgrades, which was not originally on ClearGov, brings the overage to $114,373.00.

Ms. Stricker reviewed a list of Capital projects and operating expenses that would have to be cut to achieve the reductions directed by the BOF. She cautioned against requiring the BOE to deplete its fund balance to offset some of the reduction since it relies on that balance for emergencies. She also suggested adding the $66k needed for sealing the Middle and High Schools' parking lots to the bonding package that the BOF is planning. Ms. Stricker asked the BOF not to lose sight of the need to add a secondary means of egress at the Elementary School, a $.5M Capital project.

Ms. Stricker expressed concern about not funding a number of prevention/maintenance Capital accounts and noted the potential negative impact down the road. She requested the BOF consider reducing its directive to lower the BOE's FY2025-2026 Operating budget from $600k to $500k. She reiterated that all of the Boards need to work together because "*we are all one Town*".

- James Francese stated that the state had recently passed legislation allowing school boards to deposit unexpended funds from their budget (up to a maximum of 2% of the prior year's budget) into a non-lapsing reserve account for capital and nonrecurring expenses. He advised that the East Haddam BOE then immediately passed a policy that holds those reserve funds safe and prevents the BOE from using them for normal operating expenses; they can only be used for Capital projects and emergencies. He acknowledged Mr. Thomas' concern that all of the Town Department's be treated equally but noted that no Department Heads came to this meeting or the Public Hearing and he doesn't feel the situations are "*even remotely equivalent*". Mr. Francese thanked Mr. Gelston for the "*grace and decency*" he exhibited at the last BOE meeting and he apologized for comments he made at that meeting.

- Alicia Garstka stated she fully supports the BOE Budget and stated that she was surprised that more parents are not in attendance at this meeting to speak up about it. She requested the BOE and BOF take a closer look at the decision to choose the Bookworms curriculum over the Wit & Wisdom curriculum for the BOE's K-3 literacy program and stated that she hoped cost did not play a major role in their decision. She respectfully requested the BOF and BOE to collaboratively revisit that decision.

- Deborah Denette stated that she is on the Cemetery Committee which had submitted a request to the BOS to start the process to expand the Mt. Parnassus cemetery. She noted that Ms.

Haines had provided assessments for abutting property; however, the Facilities' Director informed the Committee that the BOF is not receptive to financing any cemetery expansion at this time. She noted that the Town has a precedent of selling burial plots into the 1950s and finding new space for a cemetery is part of the Committee's charge. Ms. Denette requested the BOF inform the Committee whether or not, at any time, they will consider financing for additional cemetery space so that they will know how to move forward.

- Denise Dill stated that she is the Tax Collector for the Town and encouraged the BOF members to remember that there are "*hundreds*" of residents who cannot afford their current property taxes. She noted that the tax increase experienced by a majority of the Town's citizens over the past two years is $1,000.00+.

CORRESPONDENCE

Mr. Gelston called the Board's attention to emails from Jenn Boyle, dated April 9, 2025, in support of the BOE's FY2025-2026 budget and requesting the BOF rethink their direction to reduce it by $600k. Ms. Boyle provided several budget recommendations to the BOF and encouraged the Town to increase revenue by attracting new businesses and charging people for using our Town facilities and Open Space.

Mr. Gelston noted that Ms. Boyle submitted a second that same day clarifying that she would like to have the BOF totally withdraw any requirement that the BOE reduce its Operating Budget by $600k.

Mr. Gelston advised that Alicia Garstka had sent an email to the BOF on April 10th regarding the BOE's K-3 reading program. Ms. Garstka was in attendance at the meeting and informed Mr. Gelston that he did not have to read her email to the Board because she had provided the same comments during the Guests & Audience Comments portion of the meeting.

RECIND APRIL 8, 2025 MOTION TO VOTE TO SEND BUDGET TO TOWN MEETING

Mr. Gelston advised that due to an administrative error, motions made at the BOF's April 8th and March 22nd meetings would be rescinded and revisited at this meeting.

Motion made by Mr. Corbett to rescind the motion to vote to send the FY2025-2026 budget to Town Meeting that reads as follows:

"Motion was made by Mr. Barney, to present to the Annual Budget Meeting scheduled to be called by the Board of Selectmen for April 22, 2025 at 8:00 pm at the Nathan Hale-Ray High School Auditorium a total budget of $44,440,792 based on the Grand List as of October 1, 2024 of $1,190,802,955. The budget would require an increase over the 2024-2025 budget of 9.26% in expenditures, a mill rate increase of 1.69 mils, and a 6.32% increase in tax revenues. Mr. Thomas seconded the motion, and it was passed unanimously."

Mr. Kolasinski seconded the motion and it was unanimously approved. Motion carried.

RECIND MARCH 22, 2025 MOTION TO UTILIZE $2,500,000.00 OF UNASSIGNED FUND BALANCE

Motion made by Mr. Kolasinski to rescind the motion that was made at the March 22, 2025 meeting to utilize Unassigned Fund Balance that read as follows:

> **"Motion made by Mr. Barney to utilize $2,500,000 of the Unassigned Fund Balance to offset the FY 2025-2026 budget. Mr. Kolasinski seconded the motion, and it was unanimously approved."**

Ms. Goff seconded the motion and it was unanimously approved. Motion carried.

RECIND MARCH 22, 2025 MOTION TO PRESENT THE 2025-2026 BUDGET TO PUBLIC HEARING

Motion made by Ms. Goff to rescind the motion that was made at the March 22, 2025 meeting to present the 2025-2026 budget to Public Hearing that read as follows:

> **"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 based on the October 1st, 2024, Grand List of $1,190,802,955. This budget represents a 1.70 mill rate increase and a 9.26% increase from the FY 2024-2025 budget. Mr. Thomas seconded the motion, and it was unanimously approved."**

There was a brief discussion about the percentage of the mill rate increase; Ms. Belles noted there was a rounding issue but the motion must be rescinded as it was written.

Mr. Kolasinski seconded the motion and it was unanimously approved. Motion carried.

POTENTIAL 2025-2026 BUDGET RESOLUTION

Mr. Gelston noted that the BOE has asked the BOF to consider two things: (a) to reduce the cut the to the Operating budget to $500k, and (b) to increase the amount of Capital funding for the BOE.

In response to questions from the Board, Ms. Belles clarified that they had agreed to allocate a total of $1.3M to Capital expenditures in FY2025-2026; $667k of that amount would be used for mandated and recurring Capital projects and the balance would be spent on Town and BOE capital projects. She noted; however, that when she and Ms. Haines met with representatives from the BOE, a large part of the mandated and recurring Capital expenses were Town projects and, consequently, the group considered Ms. Haines alternative suggestion of splitting the $1.3M equally between the Town and the BOE.

There was a general discussion regarding Capital expenditures and the consensus was to keep the allocation of $667,000.00 for mandated and recurring projects in place. Mr. Tomas suggested that,

if the Board is in agreement to keep the total allocation to Capital projects at $1.3M, then First Selectwoman Haines, the BOE and the Long Range Capital Improvements Committee can decide which projects should get funded with the balance at a later date.

In response to a question from Mr. Kolasinski, Ms. Stricker expressed her confusion about which, if any, BOE recurring and/or mandated projects are included in the $667k. Ms. Goff itemized the BOE projects that are included in the $667k for her. Ms. Goff requested a brief break to consider the BOE Capital list submitted by Ms. Stricker; Mr. Thomas asked Ms. Belles to calculate the impact of the mill rate if the Board agrees to add $100k back into the BOE budget.

Ms. Haines encouraged the BOF to revise their recommendation to split the $1.3M between the Town and the BOE. She stated that BOE buildings are also Town buildings and need to be maintained; further that the only "mandated" projects are the Plan of Conservation & Development and the Annual Radon Testing. Ms. Stricker stated that the BOE will still be short $10,373.00 of funds to complete their prioritized list.

In response to a suggestion from the Board, Ms. Stricker agreed that the BOE could use their reserves to fund the Capital shortage. Ms. Belles stated she would work with Ms. Hughson to determine the appropriate process for transferring the funds in the BOE Capital budget. Ms. Stricker reiterated her suggestion that the BOF include the sealing of the school parking lots in their bonding package.

The Board discussed the impact to the mil rate of lowering the reduction to the BOE's Operating budget to $500k. Ms. Goff stated that she appreciated all of the comments that were made at the Public Hearing but noted, however, that she felt the BOF had taken most of what was said into consideration when they made their decision on the BOE Operating budget. She stated that the total increase in the Town's expenses for FY2025-2026 is 9%+ and observed that year-over-year increases of close to 10% is significant.

Ms. Stricker emphasized the need for the Town to address its lack of revenue and requested scheduling a Tri-Board meeting to brainstorm how to address the problem.

Mr. Thomas repeated Tax Collector Dill's concern about others in Town that cannot afford any increase in their property taxes and stated that he is not prepared to support any additional increase in the budget than what was decided at their March 22nd meeting. Ms. Goff noted that the Fund Balance this year is healthy and suggested increasing the amount transferred from Unassigned Fund Balance. She also stated that, next budget season, she would like more detail from the BOE about their expenditures. Ms. Belles stated that it will be important to communicate clearly to the public what changes were made to the budget subsequent to the Public Hearing since the mil rate will not be changing.

Motion made by Mr. Thomas to utilize $2,600,000.00 of the Unassigned Fund Balance to offset the FY2025-2026 budget. Ms. Goff seconded the motion, and it was unanimously approved. Motion carried.

Motion made by Ms. Goff to present to a Public Hearing on April 29, 2025, at the Nathan Hale Ray High School, a total budget of $44,540,792.00 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 9.51% increase from the FY2024-2025 expenditure budget. Mr. Corbett seconded the motion and it was approved unanimously. Motion carried.

CHAIRMAN'S REPORT

a. Board Sub-Committee Reports

   i. Communications – Mr. Gelston reported that the Communications Sub-Committee will update the Citizens' Guide in accordance with the outcome of this meeting.

   ii. Long-Range Capital Improvements Committee – Discussion of this agenda item was postponed.

   iii. Financial Policies – Mr. Thomas reported that the Financial Policies Sub-Committee will be working on the following two policies: (1) a process for submitting requests to apply for grants that waives the requirement for the BOF's approval for small grants that do not require any matching or on-going expenditures for the Town, and (2) a budget outlook policy.

b. Liaison Assignments – Mr. Corbett stated that he had met with Mr. Parker, Director of Senior Services, at the Senior Center. He commended Mr. Parker and his Assistant Director's work with the Senior Club and stated that they are both assets to the community.

FIRST SELECTMEN'S REPORT

Ms. Haines reported that she had participated in a meeting with the CT Department of Transportation Commissioner who advised that the work on the Swingbridge is "*almost done*". She stated that she spoke with the Commissioner about the maintenance of state roads in Town and how funds from the Town Aid Road (TAR) program are calculated.

FINANCE DIRECTOR'S REPORT

a. 2024-2025 YTD Budget Reports – Ms. Belles called the Board's attention to financials for December, January, and February in their meeting packets. She stated that revenues and collections continue to be healthy and expenses under budget. Ms. Belles suggested she would make the Interfund Transfers earlier in the next budget year so that the Board can see them prior to their annual budget workshops. She confirmed that the financials will be added to the Town's website.

b. FY 2023-2024 Audit Update – Ms. Belles reported that the FY 2023-2024 audit is in national review and she expects it to be approved and printed by end of the month. She noted that the Town is starting to get back on track with its annual audit schedule.

Ms. Belles stated that she and the auditors have discussed beginning field work for the FY2024-2025 audit in September or October. She advised that she has applied for the government's Financial Officials Association's Excellence in Reporting award and noted that the Town had received the award for fiscal years 2020 and 2021 and she hopes to receive it for FY2023-2024.

c. Appointment of Auditor – Ms. Belles advised that the BOF is required to appoint an auditor each year and notify the Office of Policy and Management at least 30 days before the end of the fiscal year. She stated that on February 19, 2025 a bid waiver was approved by the Board of Selectman to retain Clifton, Larson, Allen (CLA) for the 2025 audit and she requested the Board appoint CLA for the 2025 audit.

Motion made by Mr. Thomas to Appoint Clifton, Larsen & Allen as the Town of East Haddam's auditor for the July 1, 2024 to June 20, 2025 fiscal year audit. Mr. Kolasinski seconded the motion and it was unanimously approved. Motion carried.

OLD BUSINESS

There was no old business discussed at the meeting.

NEW BUSINESS

Ms. Haines reviewed the state statute concerning poll questions on referendum ballots and there was a general discussion regarding adding a "Too High/Too Low" question on the Town's budget referendum ballot. No decision was made at the meeting.

ADJOURNMENT

Motion made by Mr. Kolasinski to adjourn the meeting at 9:28 p.m. Ms. Goff seconded the motion and it was approved by a unanimous aye vote. Motion carried.

Respectfully submitted,
/s/
William Barney
Secretary