TOWN OF EAST HADDAM
Board of Finance
Special Meeting Minutes
June 2, 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
Irene Haines, First Selectwoman
And other members of the public

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mr. Gelston called the meeting to order at 7:02 p.m. and the attendees said the pledge of allegiance.

GUESTS & AUDIENCE COMMENTS

Mr. Gelston opened the meeting to comments from guests and audience.

Hunter Dalton stated he is a student at the East Haddam Middle School. He read his prepared statement about the importance of supporting education and asked the BOF not to cut any more funds from the BOE budget. He expressed his concern about cuts to the music program and encouraged the Board to hold separate votes for the Town's budget and the BOE budget.

Evelyn Morgan stated that she is the Library Director and a taxpayer. She reviewed previous cuts to the libraries' budget. She reported that their current circulation numbers are higher than any in the past 5 years, reviewed internet & Wi-Fi usage, and noted a number of activities they host. Director Morgan advised the Library's FY2025-2026 budget request is for $515k, which is less than 1% of the Town's total budget, less than that of all of their peers, and noted that $89k of their funding comes from endowments and gifts.

James Francese congratulated the BOF on conducting an exit poll at the recent budget referendum but stated that he feels it should have been part of the ballot. He also noted the location of the polling site was too far away from the exits of the voting place. Mr. Francese also questioned the agenda for this meeting, specifically, why the public comment was placed ahead of the Board's discussion of the exit poll results. He stated that, as a result of the budget failing to pass in referendum, he expects the BOF will feel some pressure to make cuts. He stated the BOE has

already had to cut $500k from its original budget proposal and stated any future cuts should be made to the Town's side of the budget.

Kiera Thompson expressed her appreciation for the exit poll the BOF conducted; however, stated she was concerned that many voters did not participate. She pointed out that state funding for municipal BOE budgets is far from equitable and encouraged members of the Boards of Finance and Education, across the state, to take their concerns to the state Capital.

Dr. Allie Carlson expressed her concern about cuts to the world language program in the Elementary School where her child is in kindergarten. She stated that the Town's school system weighed heavily in their family's decision to move to East Haddam and stated that she feels there must be a better way for the Town to meet its budgetary requirements.

Jen Boyle advised that her family moved to East Haddam from MA in 2008 and she loves the school system here. She stated that she has successfully run for a second term as PTO President for the Elementary School. Ms. Boyle stated she would like to see both the Town's budget and the BOE's budget increased.

Amalia Shaltiel stated that she had voted for the budget; however, she had almost forgotten about the referendum. Consequently, she feels that the vote is not really representative of what the Towns' people want. She encouraged the BOF to make sure they have accurate information before making any changes to the budget. Ms. Shaltiel voiced her opposition to the Town's tree cutting program.

Denise Dalton stated that she has been a teacher in another school district for 15 years. She noted the real impact, in the classroom, from cuts to BOE budgets. She stated her family moved to East Haddam because of the school system and asked the BOF not to make any more cuts to the BOE budget.

Katie Brown advised that she had recently moved to East Haddam from Plainfield because of the Town's school system. She asked the BOF not to make any more cuts to the BOE budget.

Karen Blaschik emphasized the importance of both the Town's and BOE's budgets but stated that she feels the mil rate is the most important feature for seniors on a fixed income. She stated she does not want seniors to have to bear the burden of a higher tax rate.

Jackie Endorf thanked the BOF for scheduling this meeting so quickly after the referendum. She asked them to listen to the citizens, read their letters and emails, and to consider their comments. She said that she appreciates how thoughtful and inclusive the BOF has been with creating the budget and recommended they wait a week to make any changes to it.

Lori D'Aquila thanked the BOF for their work, for listening, and for conducting an exit poll. She stated that the Town's necessary services need to be funded; however, emphasized that the Town should not over tax its residents. Ms. D'Aquila expressed her concern in hearing comments pitting the Town against the BOE. She noted the impact of increases in property taxes on residents living on a fixed income and pointed out that the Town's demographic is increasingly an aging one that is getting hit hard with taxes.

a. Exit Poll Survey Results – Mr. Gelston reviewed the results of the exit poll and stated that the percentage of voters that participated in the survey was 34% and many indicated that both the Town and BOE budgets were "too high". Ms. Goff stated that a statistical analysis with a 34% return rate provides a 95% level of confidence that the sampling represents the entire group that was sampled; Mr. Barney agreed.

   Mr. Gelston stated that the BOF members had divided up the poll returns to review any comments, concerns, and/or suggestions that had been submitted. Board members stated that representative submissions included statements that the taxpayers are overwhelmed, they feel there is a lack of transparency, have difficulty getting information, and requested more communication about scheduled meetings. Submissions also included comments about the need for, or lack of need for, a new library and firehouse, the cost of litigation expense, the need to improve Town roads and increase revenue.

b. Other Budget Items – Mr. Gelston observed that, in general, costs are going up and the challenge is how to meet the Town's expenses with the revenue it has. Mr. Barney noted that approximately 2 mils were not reflected in the FY2025-2026 budget because of the contribution from the Town's fund balance. Ms. Goff stated that any BOF's communications about the budget should highlight the fact that, due to the state's change in the valuation of motor vehicles, there was a net decrease of $8M in the Town's Grand List. She advised that the consequence of that reduction in the Grand List is that there would have had to be an increase in taxes to cover the loss, even if the budget had remained flat over FY2024-2025.

   Mr. Barney noted that the referendum had only failed by nine votes which, he felt, does not signify the voters are looking for a large cut to the budget. He proposed reducing the Town's budget by $75k and making no further cuts to the BOE budget. Mr. Thomas stated that the Town cannot continue to rely on Fund Balance to prop up its budgets. Ms. Belles confirmed that significant, long term reliance on Fund Balance to balance the Town's budget could have a negative impact on its bond ratings which would result in increased cost of borrowing.

   Mr. Thomas advised that an additional $600k cut would reduce the increase in the existing mil rate by 1 mil. Ms. Belles reported that the Town had recently closed on its bond for a number of capital projects that have been expended, therefore, the Town can use $200k of bond premium to pay its debt service interest in FY2025-2026.

   Ms. Haines discussed the use of the Town's Shared Services budget to minimize the BOE's state minimum budget requirement. She stated that $1.5M of the Share Services budget is BOE expenses and stated she supports the use of the Shared Services budget because she agrees that the state is not providing appropriate funding for its municipalities' BOEs. Ms. Haines also acknowledged the difficult financial position many of the Town's residents are in.

   Ms. Goff stated that she had gone back over the Town's budget and stated that the largest increase was $126k to the BOF's budget for contingency and the audit; consequently, she thought it would be difficult to find areas where reductions can be made.

Mr. Thomas stated that he feels a $75k cut is not enough and recommended the goal should be closer to $500k, $200k of which can be covered by the bond premium Ms. Belles previously mentioned. He recommended the BOF task the Town and the BOE to make their best effort to find proportionate reductions in their budgets for the remaining $300k. There was a brief discussion concerning the potential for additional savings from the projected healthcare insurance premiums; however, Ms. Belles advised that the reduced premiums have already been incorporated into the budget.

Mr. Corbett acknowledged the need to respond to the voters' desire to reduce the budget; however, he emphasized that doing so could lead to bigger problems for the community down the road. He stated that he would not be able to vote for a budget that he believes will cause long-term harm to the community.

Ms. Goff noted that the combined Town and BOE budgets represent a 9% increase for FY2025-2026 and stated that she does not feel that that level of increase is sustainable. Mr. Gelston supported Mr. Thomas' recommendation and, in response to a question from the Board, confirmed that any further reductions the Town and BOE could identify would be in addition to those that were already incorporated into the budget that failed the recent referendum. Mr. Kolasinski agreed that a $500k reduction was a reasonable goal.

POTENTIAL 2025-2026 BUDGET RESOLUTION

There was a brief discussion regarding the schedule for the next budget referendum. Ms. Belles confirmed that the deadline for the BOF to pass a budget resolution is June 12th.

ADJOURNMENT

Motion made by Mr. Barney to adjourn the meeting at 9:03 p.m. Mr. Kolasinski seconded the motion and it was approved by a unanimous aye vote. Motion carried.

Respectfully submitted,
/s/
William Barney
Secretary