TOWN OF EAST HADDAM
Board of Finance – Special Meeting
March 9, 2026
Municipal Office Building – Room 1 & 2
Via Zoom and YouTube Live

Participating: Joseph Corbett
Debra Denette
Maureen Goff
Scott W. Jezek
Eric Kolasinski
Harvey Thomas

Others: V. Belles; Superintendent T. DeBrito; C. Bourne; First Selectman T. Gelston; Assessor R. Lambert; K. Thompson, and other members of the public

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Ms. Goff called the meeting to order at 4:30 p.m. and the attendees said the pledge of allegiance.

Ms. Goff provided opening comments and stated that the purpose of this meeting is for the Town and the Board of Education to provide a high level summary of their proposed FY2026-2027 budgets prior to the BOF doing its comprehensive review.

2026-2027 BUDGET

a. Board of Selectmen Budget Presentation – First Selectmen Gelston provided a presentation on the development of the Town's proposed FY2026-2027 budget. He stated that the BOS focused on Town needs and any increases in the budget were driven by inflation or contractual obligations. He stated that the Town's first priority is to provide maximum public safety capability for its residents and taxpayers while being prudent about expenses.

Mr. Gelston discussed bonding for the road improvements project and fire apparatus. He advised that the Town has established a steering committee to plan for its America 250 Celebration and noted that the committee has been directed to cover the cost of the celebration through grants, donations, and sponsorships rather than with taxpayer dollars.

Mr. Gelston reviewed a number of cost drivers, including a large increase in electrical rates and the increase in the scope of work of several departments such as the Registrar of Voters, due to state mandated extended voting hours, and the Assessor's department due to a transition from a part-time to a full-time Assessor. He reported that the Town had also signed a new $9k contract with River Valley Transportation which will provide citizens with a reliable scheduled bus service to many of the surrounding municipalities for work, healthcare and other personal transportation needs. Mr. Gelston also discussed the Town's relationships with several regional agencies.

Mr. Gelston provided a brief overview of several Capital projects including the planned new firehouse, bridge replacements, the road improvements project, and eventually a new library. He noted the need for more commercial enterprises in Town and discussed several actions the Town is taking to achieve that goal, such as the work of the Redevelopment Agency and the Broadband Committee, a newly established committee looking into the feasibility of purchasing the Black Birch Golf Course and operating it as a municipal entity, and taking the next steps outlined in the Moodus Master Plan. Mr. Gelston noted that the Town would like to take advantage of grants for many of these projects and has included $50k in the budget for a Town grant researcher/writer.

Mr. Gelston noted the need to make adjustments to its Long Range Capital Improvements policy and stated that the BOS is looking forward to working with the Board of Finance and Board of Education to develop a disciplined review of Capital requirements and plans.

b. Board of Education Budget Presentation – Superintendent DeBrito provided opening comments. She thanked the BOE and schools' administrative staff for putting together a responsible budget that brings down costs and provides transparency and stated that school administrators had responded to the BOF's request for specific information. The Superintendent noted a number of programs and activities the schools provide at no cost to families and noted several community organizations with which they partner.

Dr. DeBrito advised that significant drivers of the increase in the BOE's proposed FY2026-2027 budget include benefits, contractual obligations, mandated expenses, and transportation but stated that she feels the BOE put forward a responsible budget. She reviewed a number of steps the Board took to manage costs and advised that the BOE had made a number of sacrifices to reduce the Salaries/Wages budget line from 57% to 54%.

Dr. DeBrito reviewed the educational endowments the Town receives and stated that those bequests helped the BOE achieve a $21M budget for the upcoming fiscal year, a 2.98% increase over last year, which is less than 50% of the total Town budget. Ms. DeBrito stated that the BOE's proposed budget for FY2026-2027 will help them accomplish the district's mission of developing lifelong learners.

BOE Chairwoman Thompson endorsed Dr. DeBrito's comments that the Purple and Ray funds provide essential financial support for the BOE and stated that it is her opinion, based on the language in the trust set up by Albert Purple, that it is not appropriate to include those funds in the Town's General Revenue account. She further noted that, outside of property taxes, the payment of $3.5M in education cost sharing funds constitutes the largest revenue that the Town receives. She reiterated that health insurance, special education tuition, and transportation are the biggest cost drivers in the BOE's budget.

Ms. Thompson advised that the average increase for BOE budgets across the state is 5.25% and commented that she feels the BOE has submitted a budget for FY2026-2027 that best meets the needs of the community.

There was a brief discussion about the budget review process moving forward.

In response to a question raised by Ms. Denette, Dr. DeBrito stated that there are currently approximately 930 students in the East Haddam school district.

Mr. Jezek stated that he had sat in on Dr. DeBrito's presentation of the school district's budget to the BOE and listened to Mr. Cahill's remarks about a change in the accounting treatment of the Ray and Purple funds. In a response to a request for clarification from Mr. Jezek, Dr. DeBrito confirmed that the BOE had included the $220k from the Ray Board in the BOE's budget resulting in the increase in its proposed FY2026-2027 budget to decrease from 4.9% to 2.98%.

There was a general discussion regarding appropriate accounting for the Ray and Purple funds and the Finance Director advised that a 1939 Town ordinance provides direction on how the funds should be accounted for in the Town's financial records. She stated that any change in the accounting process would require changes to the ordinance. Mr. Thomas noted that interpreting the bequests related to the Ray and Purple funds as they correlate to the Town's ordinance would be a legal decision; however, the BOF would need to do an equitable comparison of the BOE's past budgets with their proposed FY2026-2027 budget.

Ms. Belles advised that, since the Town had not been aware that the BOE had included the $220k Ray funds in their budget to offset expenses, the Town's had built its FY2026-2027 budget with those funds included in its General Revenue account as the ordinance stipulates. She noted that any potential change in the ordinance related to the Ray and Purple funds would not be resolved during the current budget season. Mr. Jezek noted that removing the $220k from the BOE budget would have an impact of raising the budget increase from 2.98% to approximately 3.4%.

BOE Business Manager Ms. Bourne distributed copies of the BOE's proposed budget to the BOF members. Ms. Goff advised that the BOF would review the budget in their upcoming budget workshop meetings and requested the BOE representatives return on March 12th to respond to any questions they may have.

c. Discussion about 2025 Grand List – Discussion of this agenda item was discussed later in the meeting and is covered in the minutes below.

d. Additional budget discussion as needed – Ms. Goff reviewed the format of the BOE budget distributed by Ms. Bourne. Ms. Denette raised several questions about staffing and the decrease in student enrollment over the past decade. There was a general discussion about the BOE's responses to the BOF's request for information and statistics regarding the school district and how surpluses in the BOE's past budgets are handled.

Mr. Jezek stated that he would like the BOE to provide following information:

- the average cost per student in the district;
- the average cost per special needs students in the district;
- the teacher data requested in the BOF's original email request;
- the high school enrollment figure;
- the NEASC accreditation summary of suggested improvements, and
- a breakdown of the number of students the FY2024-2025 Special Needs budget is servicing.

Ms. Denette stated she would also like the BOE to provide the number of employees by category (i.e. custodial, certified, non-certified, etc.) and the total salary amount for each category.

A recess in the meeting was called at 5:42. The meeting reconvened at 5:50 p.m.

Motion made by Mr. Kolasinski to move agenda item (d), Additional budget discussion as needed, up for discussion next in the meeting. Mr. Jezek seconded the motion and it was approved by a unanimous aye vote. Motion carried.

Mr. Jezek advised that he would not be able to attend the March 14th BOF budget workshop due to an out of town family funeral. He stated that he would try to review the BOS and BOE budgets and view the recording of that meeting prior to the BOF's next scheduled budget workshop.

In response to a question from Ms. Denette, Ms. Belles provided an overview of the BOF's budget review process. She responded to additional questions from the Board and there was a general discussion regarding the salaries and hours worked by elected officials. Mr. Thomas stated that, in the future, the BOS and BOE's initial presentations to the BOF should include a high level summary of their proposed budgets.

c. Discussion about 2025 Grand List - Assessor Lambert provided an overview of her credentials and qualifications. She advised that a property revaluation is scheduled for October 2027 and that she has started work on the RFP to solicit vendor bids.

Ms. Lambert reported that real property had increased 1.65% over last year mainly due to a non-profit organization, with property valued at $9.6M, not filing its tax exemption paperwork by the required deadline. She stated that the Board of Assessment Appeals could reverse the decision if that entity files an appeal.

She stated that personal property has increased 11.03%, in part as a result of clean-up work she has done since coming on-board in September. She reported that motor vehicle property is up 3.91% but expects that will decrease year-over-year due to the new state legislation regarding motor vehicle valuation.

Ms. Lambert reported the net taxable Grand List is $1,216,833,797.00, a 2.2% increase from last year. She noted that if an appeal is filed by the previously referenced non-profit, and approved by the Board of Assessment Appeals, that increase would reduce to 1.19%.

The Assessor noted the Town's tax revenue is heavily reliant on residential properties, with only 4.4% of its property tax base as commercial. She stated that the net increase in assessments from 2022 to 2025 is 1.65%; however, that includes a significant reduction in motor vehicle assessments.

Ms. Lambert responded to several questions from the Board.

In response to Ms. Denette's concern about a perceived gap in tax payments, Ms. Belles stated that this fiscal year's numbers are consistent with last year's and stated that the gap is a result of the timing of cash flow deposits that will catch up in the February financials.

GUEST AND AUDIENCE COMMENTS

Mr. Mike Callahan stated that he had looked on the CT Board of Education's website and found that East Haddam has 236 high school students, 368 middle school students, and 330 elementary students for a total of 934 district wide students.

ADJOURNMENT

Motion made by Ms. Denette to adjourn the meeting at 6:47 p.m. Mr. Kolasinski seconded the motion and it was approved by a unanimous aye vote. Motion carried.

Respectfully submitted,
/s/
Debra Denette
Secretary