

TOWN OF EAST HADDAM
BOARD OF FINANCE
Special Meeting
May 21, 2013
Town Hall

CALL TO ORDER

Chairman Susan Link called the meeting to order at 8:30 p.m.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

Susan Link, Chairman
Robert Bennett
Daniel Alexander
Bruce Dutch
Harvey Thomas

Others:

Mark B. Walter, First Selectman
Emmett Lyman, Selectman
Deb Denette, Town Clerk and BOF recording secretary
Denise Dill, Tax Collector
Ed Blaschik
Harry Link
Ernie Malavasi

2013-2014 Budget Discussion

The referendum failed 198 (yes) 241 (no).

Chairman Susan Link stated that dates for additional meetings will need to be established. Bruce Dutch stated that he would like to bring a budget forward that the entire Board is in agreement of. First Selectman Mark Walter stated that he has had very little feedback that people were not happy with the proposed budget.

Mrs. Link stated that she believed people found the information difficult to understand particularly because of shared services. Mr. Walter stated that there is a 4% increase in tax, but only a 1% increase in budget and that the lowered assessments made this a very difficult challenge. The drama in town over report cards was also cited as a likely contributing factor, as was the use of reserves for operating. Mrs. Link stated that the Conservation Commission bridge may have had impact.

Mrs. Link inquired what dollar figure the Board of Finance felt was an appropriate amount to remove from the budget prior to bringing it forward again? It was noted that to reduce the budget by a mill, approximately \$850,000 would need to be cut. Mrs. Link stated that any cuts that are made should come one-third from the Town budget and two-thirds from the Board of Education budget. Harvey Thomas stated that the Town's budget has not increased at the rate of the educational budget and any cuts should remain mindful to a fair ratio.

Responsive to Mrs. Link's query of what dollar figure reduction the Board would like to bring forward, Daniel Alexander suggested \$620,000, which is the reliance on fund balance. Mr. Dutch stated that removing \$620,000 from the budget and not taking funds from savings will not reduce the tax bill to the property owner.

Robert Bennett and Mr. Thomas were in favor of setting a target amount and reviewing what those cuts would look like. Mr. Dutch stated that he liked the idea of not utilizing reserves, however, to have the tax rate increase lowered we would need to cut twice the amount of the reliance. He suggested slicing \$1,200,000 from the budget.

Mr. Walter stated that \$1,200,000 was too drastic. He also noted concern over the four big projects on the horizon. He reminded the Board of Finance that there is a joint meeting of the Board of Selectmen and Middle School Conversion Committee scheduled for Wednesday.

Mr. Ed Blaschik stated that he voted no for the budget for the following three reasons:

- Removal of \$620,000 from the reserve account to meet operating expenses. (He noted that the prior chairman Mark Fortier established the reserve account to offset spikes in the mill rate when large capital projects came on board, not for operating).
- The STEAP grant of \$300,000 (\$100,000 from the town) for improvements at the Town Hall and Grange when other more pressing projects, such as a new roof at the Elementary School are needed.
- The addition of new employees when there is not a budget line for it.

Mr. Walter questioned what positions Mr. Blaschik was referring to. Mr. Blaschik stated that he was referring to the hiring of the Facilities Manager outside of the budget process. Mr. Walter responded that the position replaced responsibilities formerly held by the Business Manager at the Board of Education. Mrs. Link sought assurance that there was no change in FTE. Mr. Blaschik also stated that the changes in the police department were in effect prior to the vote at town meeting. Mr. Walter stated that the addition of a full time police officer was part of the current year's budget, but not implemented until May.

Mrs. Link sought consensus from the Board as to whether they thought a directive of \$620,000 in cuts was enough. It was the consensus that it was not. The Board ultimately decided that they would like to see cuts totaling \$1,000,000 to come one-third from the Selectmen's budget and two-thirds from the Board of Education budget.

Board members will be contacted to determine availability for further meetings.

Set Mill Rate

No action could be taken.

Motion was made by Bruce Dutch to adjourn at 8:52 pm. Robert Bennett seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted

Debra H. Denette