

**TOWN OF EAST HADDAM**  
**BOARD OF FINANCE**  
**Regular Meeting**  
March 9, 2015  
Town Grange

The March regular meeting of the East Haddam Board of Finance was called to order at 7:00 pm by Chairman Susan Link.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:  
Susan Link, Chairman  
Robert Bennett, Secretary  
William DiCristofaro  
Bruce Dutch  
Harvey Thomas  
Raymond Willis

Others:  
Mark B. Walter, First Selectman  
Cindy Varricchio, Finance Director  
Deb Denette, Town Clerk and recording secretary  
Denise Dill, Tax Collector  
Brian Reas, Superintendent of Schools  
Emmett Lyman, Selectman  
Ernest Malavasi, Selectman  
Tracey Gionta, Board of Education  
Tiffany Quinn, Parks and Recreation Director  
Approximately 15 individual in the audience

**APPROVAL OF AGENDA**

**Motion was made by Mr. Bennett to approve the agenda with the addition of New Business item a—2015 Small Cities Grant Application for the Oak Grove Housing Complex. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.**

**APPROVAL OF MINUTES**

**Motion was made by Mr. Bennett to approve the minutes of the January 12, 2015 regular meeting as presented. Mr. DiCristofaro seconded the motion and it was unanimously approved. Motion carried.**

**CORRESPONDENCE**

Nothing noted.

## CHAIRMAN'S REPORT

### a. Tax Collectors Report:

No comments or questions were raised.

### b. 2015-2016 Budget:

#### **Board of Selectmen Budget Presentation:**

Mr. Walter presented the 2015-2016 Board of Selectmen budget on behalf of the Board of Selectmen. He stated that budgeting has been challenging due to the declines in revenue. Overall the budget represents a 3.7% increase over last year's approved budget. Mr. Walter embarked on a page by page review and highlighted the following:

- A new budget was created—called Town Greens, Grounds and Fields (was previously Town Greens). Corresponding reductions were noted from other budgets and moved to this budget
- Dues established based on per capita cost are increased to balance the Lower Connecticut Valley Council of Governments (the merged two planning agencies/17 towns). It was noted that the charge from Midstate Regional Planning was approximately .58 per capita and the charges for CRERPA was \$2.00 per capita. We are now migrating to a uniform per capita for all 17 towns.
- Questions were raised regarding the VOIP town-wide phone system. It was noted that specific questions could be answered by Mr. Mansfield when he presents his detailed budget. Mrs. Link noted that Frontier has been open to renegotiation since taking over from AT&T.
- Overtime has been shifted from Central Services to support the finance line. \$10,000 is budgeted for overtime for the Finance Assistant. Responding to inquiry from Mrs. Link regarding its purpose, Mrs. Varricchio reported that it is because of the additional staff associated with the libraries and the need to get payroll out when it falls in a Holiday week. Mrs. Link suggested that processes be looked at, she found the timing excessive. Mrs. Varricchio responded that most towns have a larger finance office. She further stated that there is much reconciliation that occurs associated with credit card payments from both Parks and Recreation and the Tax Collector. Mrs. Link stated that the overtime is an additional 20% over salary. Mr. Walter noted that the Selectmen's Assistant was moved to a salaried position and the overtime was removed from the budget at a savings to the Town.
- Decreases under Land Use and Building departments were noted because of the departure of senior personnel and their replacement with new hires. Longevity payments also ceased.
- Mrs. Link questioned why there was both a supply line and an other supplies line. This was noted to have occurred in several line items. Mr. Walter was asked to provide additional information.

- Mrs. Link requested information regarding which employees have town issued cell phones and those that receive a stipend.
- Advertising was reviewed under the Tax Collector's budget. Advertising was reported to be for legal notices.
- Mr. Willis opined that the salaries for the First Selectmen and the Town Clerk appeared low. It was noted that the salaries are set through the budget process. Mrs. Varricchio stated that statistical information is available from CCM. Mr. Willis continued that the First Selectmen should be compensated more than those who report to him.
- Fringe benefits were reviewed. 15% increases were budgeted as a place holder for health insurance.
- The retirement savings plan has a \$10,000 increase attributed to more individuals taking advantage of it than previously.
- Mrs. Varricchio also advised that she again budgeted a contingency for raises for certain union salaries. The amount was lower because there are less unions to negotiate.
- There are increase associated with Workers' Compensation risk management as there are more employees. Mr. Walter stated that he is undertaking a review of expenses with a consultant. Mrs. Link advised that she wished to be part of the process.
- Legal services are being maintained at the same level.
- The Agriculture Commission has been reformed.
- Board of Assessment appeals only had 14 appeals this year.
- Board of Finance contingency put in at \$90,000. Auditors will be out to bid. GASB also to be reviewed.
- Conservation Commission had hoped to partner with public works but ended up subcontracting out. Accordingly, there are more expenses.
- The Economic Development Commission requested \$20,000 in consultant fees last year, the Board of Finance reduced it to \$5,000. This year they requested \$20,000 again, the Board of Selectmen reduced that request to \$10,000. Responsive to commentary that the funds for this year have not been expended, Mr. Walter reported that it is in process in the form of a study of the village area to address egress from the Town Office site.
- Mr. Willis inquired about the status of Johnsonville. Mrs. Denette advised that nothing has been recorded reflecting a change in ownership.
- Mrs. Link reiterated that she wanted clarification on supplies vs. other supplies

- The Zoning Board of Appeals budget was reported lower than previous years. There has not been a lot of activity.
- Mr. Walter stated that there will be additional review of Animal Control under Mr. Mansfield's presentation later in the process. It was recognized that our ACO also provides grounds maintenance for the town.
- It was noted that mileage reimbursement was allocated under other supplies in the Building Department.
- Mr. Walter advised that 9-1-1 services are going up because Hebron left KX. He stated that East Haddam is reviewing going to Valley Shore. He stated that KX has been advised that its contract will be honored through 2016. Mr. Walter stated that there may be additional costs associated with moving to Valley Shore, however, it was reported that they have a better infrastructure.
- Other supplies associated with Emergency Management were noted to be refreshments associated with training sessions.
- Fire Department was broken down career vs. volunteer. Emergency Services will be coming to Thursday's meeting.
- Mr. Walter added that the Board of Selectmen cut the Fire Marshal's request. He stated that further discussion can also occur at Thursday's meeting.
- Discussion was held relative to the rationale for retaining a Resident State Trooper. It was noted that this service provides a jail as well a 24/7 coverage and/or back up. The overtime budget associated with the Resident State Trooper was questioned.
- The Highway budget was reviewed. In depth presentation will occur later in the process. Mr. Walter noted that the town's practice is to keep vehicles as long as possible, he stated that it has been a very hard winter on the vehicles. Snow removal is based on a five year rolling average. Year to date we are \$18,000 over budget.
- Cleaning services for the Town Garage were noted to be reported in the wrong area.
- Cemetery costs are down as mowing costs were moved out to greens/grounds/ and fields.
- Chatham Health has gone up per capita. Additional hires were required to keep up with statutory requirements regarding inspections.
- Mr. Walter stated that the town greatly underfunds its contributions to Human Services such as shelters, substance abuse.
- Expenses at the Senior Center were reported to have been reduced.

- Youth and Family Services has an increase because last year they neglected to calculate payroll taxes. Mr. Walter noted the huge benefit of Y&FS in our challenging times.
- Mr. Walter recommended continuation of the Early Childhood Program. The Town and Board of Education each contribute \$6,000 and \$10,500 comes from a grant from the United Way for the program.
- The Lakes Association requested \$10,000 more than last year. The Board of Selectmen left the funding in place at the current year level. He noted that the initiative is working.
- The Library request was briefly reviewed. Included in the request is a proposal to move a clerk up to Assistant Director and increase hours from 29 to 35 and to increase the salary. Mrs. Link noted that the proposed increase would represent a 27% raise.
- Recreation Commission, they are coming in tonight.

Capital projects and reserves were also reviewed, page by page.

**Motion was made by Mrs. Link at 8:22 pm for a five minute recess of the meeting. Mr. Bennett seconded the motion and it was unanimously approved. Mrs. Link called the meeting back to order at 8:27 pm.**

#### **Board of Education Budget Presentation:**

Superintendent of Schools Brian Reas began his remarks by thanking the Public Works crew for going above and beyond in keeping the schools open. He also added his support for the early childhood program that operates out of a class room in the elementary school. Superintendent Reas introduced Mrs. Tracey Gionta to present the Board of Education budget.

Mrs. Gionta noted that this year's budget is essentially a story of two budgets. Last year due to unanticipated special education costs the Board budget began the year with a deficit. It initially implemented a spending freeze. This year there is a need to catch up with items that were delayed.

The budget put forward represents a 3.7% increase over last year's approved budget. She reviewed several graphs including those dealing with curriculum implementation, textbook replacement cycle, professional development programs, and average increases.

Only one new hire is requested and that is to return a paraprofessional to a kindergarten classroom as one was reassigned to special education.

The 2014-2015 deficit was reviewed. (-286,161 or 1.5%). The challenges created by magnet schools were reviewed. Enrollment projections were reviewed. The story remains unchanged. There was a spending freeze implemented last October—the fourth year in a row of spending freezes. Textbooks should be replaced on a seven year schedule; many are over 10 years old. Salaries and other contractual obligations

were reviewed. Fuel savings were noted. Costs associated with the NEASC (New England Association of Schools and Colleges) accreditation were noted. The Special Education budget is no longer able to absorb costs associated with summer school, accordingly that is now budgeted in the High School budget.

Lastly Mrs. Gionta reviewed grant funding received by the district. It was also noted that the district receives tuition from other districts, however, those funds go back to the municipality. Mrs. Link noted that the town received \$76,000 from New Haven and would need to make a determination on where to apply the funding shortly.

Mrs. Gionta discussed ECS funding and the complex formulas that determine how it is calculated. She also noted that the State has not been funding according to those formulas for years.

Mr. Thomas requested opportunity to digest the materials presented. The Board of Education will return on March 17<sup>th</sup> for additional questions.

Superintendent Reas addressed enrollment concerns raised by Mr. DiCristofaro. He stated that not only a birth rates the predictor but affordable housing as well. He stated that East Haddam's housing is priced lower than many of its neighboring towns, so that we have been less impacted by declining enrollment than some other municipalities.

Mr. DiCristofaro inquired if the MBR figure was available at this time. Superintendent Reas advised that the figure will not be available for municipalities this year until after the state two year budget is completed.

Regarding strategies for addressing declining enrollment long term, Superintendent Reas stated that there have been discussions about being a two school district. He noted that the Board still desires to keep class sizes near the 15-18 range, eliminating a teacher would have them at 25-26 which is unacceptable. He also stated that the special education programs are being reviewed, the more programs we can offer in East Haddam the less out of district placements we have. It was noted that the transportation costs associated with regular education is \$662,000. The transportation costs associated with special education are \$414,000. That is another area that will be reviewed for cost savings.

Mr. Thomas stated that the story was not that much different from last year's version. He inquired what strategies were in place to effectuate a soft landing rather than a crash when the lower enrollment projections move up through the system. Again, Mr. Reas noted that the Board is looking at a two school district. He recognized that said change would not be without costs associated with a building project.

Mr. Willis inquired about the position of hall monitor at the elementary school. It was noted that such position was requested last year, but not funded.

Discussion regarding \$76,000 received by the Town in tuition reimbursement from New Haven was discussed. Mrs. Link stated that the Board of Finance needed to discuss whether to return it to the general fund, consider giving it back to the Board of Education or apply it to a future capital project. Mrs. Link inquired how the Superintendent felt the funding would be spent if it were provided to the Board of

Education to address this year's deficit. Mr. Reas reported that there were many supplies that were needed and not purchased. For example, he stated that frogs were not purchased for each student to dissect because of the budget freeze. He stated that alternatively the teacher would dissect a frog and the students would watch. The curriculum remains the same, however, the experience does not.

The Board of Education capital budget was reviewed. Major projects associated with the elementary school roof, boiler and parking lot were discussed. It was noted that needed projects have been pushed off year after year. Mrs. Link stated that the \$76,000 could be transferred to the capital budget where it would benefit the school with its future projects. It was noted that there are no additional expenses associated with the 2015-2016 budget to make up the shortages from the 2014-2015 budget. Mrs. Link requested Board members to give consideration on what to do with the \$76,000 tuition refund and that discussion will occur at the next meeting.

### **Recreation Commission:**

Mrs. Quinn reviewed the proposal for disc golf. She stated that beyond the initial expense, there would be no costs to the municipality. She introduced several residents who were supportive of the idea. Mrs. Quinn stated that she was hopeful that the start-up funding could be the donation received from Consumer Reports. Mr. Walter stated that Consumer Reports ultimately determines where their donation is applied, however, the Superintendent and First Selectman make recommendations to them. Mrs. Link was advised that disc golf would be played like regular golf in that the play follows along. Instead of putting a ball into a hole, a disc is put into a basket through trailed areas.

Mrs. Quinn reviewed her request to increase the internship program she has engaged in with Southern. Southern was noted to have the only recreation degree program in the area. She stated that a six credit course is 490 hours offered at a stipend of \$2,000. This year she has a student for the spring semester who is working on a needs assessment study. Next year she would like to offer two semesters for a total of 1,080 hours and to offer the student summer hours to gain experience. She noted that most internship positions at this level are compensated at the rate of \$10-\$12 hourly. She stated that the summer position would provide more of an incentive than the \$2,000 stipend would. Mrs. Link noted that two years ago the hours for the Director were increased, and last year 520 clerical hours were added. Mrs. Quinn disputed that her hours were not increased, but in fact she was finally being compensated for actual hours worked.

The revenues were reviewed, it was noted that the seed money is no longer necessary to be provided. \$78,793 was reported to be the revenue received. Mrs. Link inquired why day camp was down so much from the prior year. Mrs. Quinn stated that she will look at it. She advised however, that two summers ago day camp and after care were not combined. This past year they were combined, which necessitated overtime being paid.

Mrs. Link sought clarification that Mrs. Quinn was looking for an additional 1,070 hours with this budget. Mrs. Quinn responded affirmatively through the use of college interns. She stated that this will allow the Department to accomplish big projects that

there otherwise is not time to do. The current intern is working on a much desired needs assessment. She stated that it will be completed by May.

Mr. Thomas inquired if the summer position for the intern would be one that would have been hired anyway. Mrs. Quinn responded that it is additional.

Noting the late hour and that the Board still has items on its agenda, Mrs. Link asked if Mrs. Quinn could come back on March 17<sup>th</sup>. Mrs. Quinn stated that she is on vacation on that day, however, if she had to miss her vacation she would miss her vacation. It was then questioned if the Recreation Commission could be accommodated first on the agenda as it was on the end of the agenda this evening. Mrs. Link advised that this meeting was for initial budget presentations by the Board of Selectmen and Board of Education and that the Recreation Commission being here was an accommodation already. No determination on the return visit by the Recreation Commission was reached at this time.

### **FIRST SELECTMAN'S REPORT**

#### **a. Shared Services Report:**

Nothing noted.

### **FINANCE DIRECTOR'S REPORT**

#### **a. January YTD Budget Report:**

Mrs. Varricchio presented the January year-to-date budget report. Workers' Compensation is being reviewed. Revenues are tracking well, presently at 83% of budget. Revenues received from the State PILOT were better than anticipated. Legislative initiatives being discussed could have significant impact on municipalities. It is being watched closely.

#### **b. Financial Advisor Update:**

Four responses were received. Interviews will be conducted shortly.

### **LIAISON REPORTS**

Nothing Noted.

### **GUESTS AND AUDIENCE COMMENTS**

Nothing noted.

### **OLD BUSINESS**

#### **a. 2015-2016 Emergency Radio Towers:**

Mr. Bennett stated that the radio tower should be up the end of August. We can put our antennas on it, financial impact and analysis are being compiled.



## **NEW BUSINESS**

### **a. 2015 Small Cities Grant Application for the Oak Grove Housing Complex:**

Mrs. Varricchio reported that the town is proposing to submit an application for a 2015 Small Cities Grant under the public housing modernization category on behalf of the East Haddam Senior Housing Corporation for phase II renovations at the Oak Grove Senior Housing Complex. This is a pass through grant, the only burden on the municipality is administration of the grant for an \$800,000 to benefit the town. Mrs. Link inquired if additional overtime would be necessary because of the grant. Mrs. Varricchio stated that she would be the grant administrator, Mrs. Link then suggested that the Finance Assistant would pick up additional duties of things that Mrs. Varricchio could not get to because of the grant.

**Motion was made by Mr. DiCristofaro to authorize the submission of the Small Cities 2015 Grant under the Public Housing Modernization category on behalf of the East Haddam Senior Housing Corporation for Phase II renovations at the Oak Grove Senior Housing Complex. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.**

**Motion was made by Mr. DiCristofaro to adjourn at 10:08 pm. Mr. Willis seconded the motion and it was unanimously approved. Motion carried.**

Respectfully submitted,

Deb Denette