

**TOWN OF EAST HADDAM**  
**Special Meeting**  
March 16, 2015  
Nathan Hale-Ray High School Cafeteria

The special meeting of the East Haddam Board of Finance was called to order at 7:02 pm by Chairman Susan Link.

The Pledge of Allegiance was recited and emergency exits were noted.

In attendance:

Board of Finance Members:

Susan Link, Chairman  
Robert Bennett, Secretary  
William DiCristofaro  
Bruce Dutch  
Harvey Thomas  
Raymond Willis

Others:

Deb Denette, Town Clerk and recording secretary  
Denise Dill, Tax Collector  
Nancy Haslam, Chair, Board of Education  
Bryan Perry, Secretary, Board of Education  
Brian Reas, Superintendent of Schools  
Cindy Varricchio, Finance Director  
Approximately 50 individuals in the audience

**2015-2016 BUDGET WORKSHOP:**

a. **General Budget Discussion:**

Mrs. Link stated that the budget presented achieves two goals of the Board of Finance. The first is that it has no reliance on fund balance and secondly it works toward the goal of funding reserves. Mrs. Link stated that she is uncomfortable with a 4% tax increase, which raises the mil rate 1.07 mills. She stated that on the average house assessed at \$250,000 this would equate to a tax increase of \$187 per year. She stated that at the last meeting it was expressed that the Board of Finance would like to have no more than a half a mill increase. Several scenarios were developed and emailed for review. She also noted that Board members wanted the school to further address declining enrollment.

Mrs. Link invited Superintendent Reas to the podium. Mr. Reas cited areas where the district has been successful with negotiations regarding insurance, cafeteria and wages. He further noted that looking forward services for special needs creates opportunity for improved programming and cost savings. He advised that last year was a difficult spring that the Board of Education is working through. He stated that this school year began with a deficit to special education, legal, magnet school tuition and transportation. Mr. Reas stated that the school system is working on internships to support some of its students (as required) after they turn 21, to create

connections with the community. He also identified challenges of remaining competitive with the variety of magnet school choices.

Mr. Reas stated that under the current 2014-015 budget \$172,000 in supplies are being held (frozen from spending). He stated that this is occurring because it is the right thing to do. He noted how dedicated and hard-working he has found the staff to be.

Mr. Thomas thanked Superintendent Reas for his presentation. He noted that coincidentally *The Hartford Courant* ran an article today that identified the state-wide enrollment decline and noted it to be even greater in eastern Connecticut. Mr. Thomas stated that enrollment in East Haddam ten years from now is projected to be 300 students less than it is presently K-12. He stated that as a community, we cannot afford escalating costs and a declining enrollment. He stated that as a community we need to be prepared for what we will do as enrollment goes down, he stated that he recognized hard work, however, he stated that he did not believe what was presented addresses what would be called a five or ten year plan.

Mrs. Link stated that we are on the third Superintendent in a few short years. She advised that there is a goal for revamping our special education services to better serve our students and to be more fiscally effective. Board of Education Chair Mrs. Haslam stated that the Board of Education shares the enrollment concerns. She noted, however, that if the schools do not retain quality programming more students will leave for magnet schools. She stated that the need to stay competitive goes beyond academic needs, students leave for other opportunities in the arts and athletics. She stated that in today's world, people shop for schools.

Mrs. Haslam stated that there have been informal discussions regarding regionalization and consolidation. She also stated that perhaps East Haddam could become a magnet school. She noted good things going on in our school district, including the addition of full day kindergarten. She stated that last year the Board was held to a 0% increase, and stated that it is a service oriented business. The Board's costs are in its staff, which she is very proud of, and who are people who continually go above and beyond. Mrs. Haslam stated that she is impressed by the new Superintendent and stated that she was hopeful that the Board of Finance would allow him time. Mrs. Haslam reiterated that the Board of Education did not have an increase last year and due to unforeseen circumstances had to freeze all spending for the fourth year in a row.

Mr. Thomas stated that he would feel very uncomfortable if the Board of Finance was having the same conversation again next year. Mrs. Link stated that the message was received. Mr. Thomas inquired whether distance learning was being utilized. Mr. Reas stated that both distance learning and virtual high school are utilized.

Mr. DiCristofaro stated that in addition to the increases the town has funded, there have been offsets in Shared Services which has been transferred to the town side. He stated that he is not trying to effectuate cuts, but stated that the line in the sand must be drawn.

Mr. Willis questioned whether the student to teacher ratio has been adjusted to address the smaller population. He stated that he read a CATO Institute study that presented educational costs in 1972 vs 2012. He stated that the 40 year survey (adjusted for cost of living and inflation) documented that school costs have escalated 180 times during that period without any better results. Mrs. Haslam stated

that during the period Mr. Willis refers to, the State stopped funding according to its formula and has added 125 unfunded mandates. She added that Shared Services is an example of working together with the town and added that we are working on the right path.

Mrs. Link thanked the Board of Education for their input. She invited the Park and Recreation Commission to address concerns raised previously. Mrs. Quinn stepped to the podium. She advised that she met with her Board of Finance liaison, Mr. Thomas. Mr. Thomas stated that this year the Recreation Commission added an intern for one semester through a program with Southern University, it was noted that a needs assessment is being compiled by the current intern and will be completed in May. The cost with a second internship would be \$2,000. Additionally, Mr. Thomas added that the Recreation Commission would like to employ an intern during the summer at an additional cost of approximately \$6,000. It was noted that the Selectmen cut that from the budget. Mrs. Link stated that she was not in favor of adding hours or cost regarding the internship program when there has not been any documented results because of the newness of the program.

Mrs. Quinn reviewed the day camp program. She noted that like the schools, there are mandates and special needs costs that are unpredictable. She also advised that the increase to minimum wage had impact on her budget. The costs of the programs were reviewed and were reported to be fairly even with revenue generated. It was noted that Music on the River is accounted for separately. Mrs. Quinn recognized that more registrations equate to more revenue. She also noted that last year's supply line was high because supplies stored over the winter were impacted by water damage at the garage where they were stored.

Mrs. Quinn requested flexibility with the funding for the intern. She stated that she could not guarantee that a student would be available. It was the consensus of the Board that she be able to do that.

Mrs. Link reviewed the changes already made to the budget from Thursday's meeting, which included a calculation correction to the Animal Control Special Revenue Fund transfer, which resulted in a \$10,000 reduction.

Reinstatement of \$1,500 to the Fire Marshal budget for educational materials and reinstatement of \$4,500 to the Conservation Commission for supplies.

Mrs. Link inquired how Board members felt with a 1.07 mill increase. Mr. Bennett stated that last year the town had a mill rate increase of 1.89 mills and added that he heard a lot about that. Mr. Dutch stated that the Board of Education has stated that additional cuts to funding would be problematic.

Mrs. Link stated that unions negotiate their raises, and non-union personnel receive the negotiated cost of living wages that the clerical union receives. She stated that the town could forgo providing a cost of living increase to non-union personnel. It was noted that Mr. Walter was not present to speak to the idea. Mrs. Link reviewed the Libraries. She noted that since the two have become one under the town there has been an increase of approximately \$50,000. Mrs. Link reviewed the request to increase hours and wages of the Assistant Director. She inquired when the library received an Assistant Director. She suggested the Board consider funding the hours but not the wage increase, which would still result in a \$7,000 increase. Mr. Willis stated that the Board of Finance does not need to manage, it needs to pick a funding

number and let the managers determine how to allocate it. It was further suggested that the Board of Finance could reduce the amount, the Library would determine what part of the request would be funded.

Mrs. Link also noted that the Board could offset the budget request by \$46,000 from capital projects contingencies that have not been spent in capital projects.

It was noted that funding associated with a successful open space referendum on March 24, is not included within the proposed budget.

Mrs. Link also stated that the proposed budget includes the purchase of a new truck at the cost of \$160,000 from the general fund. She stated that if the reserves were utilized, which would be appropriate for such purpose, it would lower the budget request as those funds have already been taxed. Mr. Malavasi stated that the Board of Selectmen took the funding from the general fund rather than the reserves because of the large projects on the horizon.

The reserve fund in question was noted as being also known as the "Mark Fortier fund". Policies were never created as to what that reserve fund was intended for. Mr. DiCristofaro stated that it is imperative that policies be written so that future Boards can identify the intent.

Michael Gilroy arrived and addressed inquiry from the Board. He reported that previously there were two Directors, when he became the Director of both libraries the catalog clerk assumed additional duties and should be compensated accordingly. He stated that the proposal before the Board of Finance is still well below comparable communities. Mrs. Link stated that she did not feel that the raise was palatable. Mr. Gilroy raised concern that failing to fund it would likely result in the loss of a very valuable employee. Mrs. Link inquired what other members thought, Mr. Bennett suggested that it could cost the town more in the long run. Mr. Willis responded to comments from Mr. Gilroy that two-thirds of the residents have been issued library cards and suggested that we needed to make the best dang library the world has ever seen. Mr. Thomas recommended the \$2,000 for the Recreation Commission and the raise and hours at the library. Mrs. Link stated that she was in favor of keeping it at one, seeing how the intern works and revisit next year. Mr. Thomas stated that the Board of Education should get a proportionate cut as the town side, he suggested that since the town increase is now at \$25,000, the Board of Education should be held to a \$75,000 increase. Mr. Dutch suggested that he would be comfortable with taking \$150,000 off of their request, but no more and a request that they work in partnership to assure disc golf goes forward. He further stated that he would be supportive of allocating the approximate \$75,000 tuition reimbursement received by the town to the Board of Education for this year. Mrs. Link stated that the appropriation discussed by Mr. Dutch would be on the April agenda. Mrs. Haslam emphasized that two different fiscal years are in question. Mrs. Link acknowledged that.

b. **Public Comment:**

Mary Beth Mordecai encouraged the Board of Finance to stop pecking away at the Board of Education budget.

Timothy Cahill noted concern with the arbitrary number discussed by the Board of Finance. He further stated that special education costs, transportation costs and salary costs are all fixed, leaving the only leeway that the Superintendent has is that

which impacts the regular education student. He further stated that to him it looked like the Board of Finance just traded a known assistant librarian for a summer intern with the Recreation Commission.

Tammy Spurgeon encouraged funding of the school budget as proposed. She stated that reducing the budget impacts the programs which makes the school less attractive and compound the enrollment issues as families leave.

Jay Moreau also advocated for sending the budget to the people to vote on as proposed. He stated that he did not support less of a raise for non-union people than those received by the union.

Deb Denette stated that she recognized the importance of the funding requested, however, she stated that many are struggling. She spoke of a woman who was in her office earlier on a lien issue that stated she lived in her kitchen all winter because it was the only room she could afford to heat. Mrs. Denette encouraged the Board of Finance to balance the wants and needs of the town with that in mind.

Trish (last name unknown) stated that she agrees with a long term plan, she inquired why the Board of Finance is demanding of the Board of Education but not for the town. She further stated that Mr. Willis made a comment that as two-thirds of the residents make use of the library we should make it the best, why would we not aim for that with our schools?

c. **Budget Vote to Send to Public Hearing:**

**Motion was made by Mr. Dutch to send the budget to Public Hearing as originally presented. Mr. Willis seconded the motion.**

Discussion: Mill rate impact associated with the budget as presented was discussed. Further discussion was held regarding using \$160,000 from capital reserves and \$46,000 in capital projects contingencies and the minor adjustments made.

Mrs. Link stated that she was fine with the Board of Education budget and added that she agreed that the Town needs a long range plan.

**Motion was made by Mr. Willis to send the budget to Public Hearing less \$46,000 in capital projects contingencies and \$160,000 from capital reserves. Bill DiCristofaro seconded the motion.**

**FAVOR: Dutch, DiCristofaro, Link  
OPPOSED: Bennett, Thomas, Willis  
MOTION FAILED**

Mr. Willis stated that he felt that the voters might accept a budget with a mill rate increase of .75, however, he did not think that it could go any higher, which essentially required a total reduction of \$250,000. Mr. Thomas suggested allocation based on percentages to get to the desired number. 95% coming from the Board of Education and 5% coming from the Town. The reductions already found were noted. Mr. Thomas suggested rounding up the figure for the town budget and letting the Selectmen determine from where it should come. Number crunching began and ultimately the following motion was made.

Motion was made by Mr. Willis to send to Public Hearing the 2015-2016 budget in the amount of \$30,288,121 representing a mill rate increase of .78, a tax increase of 3.3% and an overall expense increase of \$688,862. Mr. DiCristofaro seconded the motion.

**FAVOR:** Bennett, DiCristofaro, Dutch, Willis

**OPPOSED:** Link, Thomas

**Motion Carried.**

The summary of the Board of Finance changes:

	Board of Selectmen Proposed Budget	Board of Finance Proposed Budget	Variance
Town Government	8,394,513	8,398,063	3,550
Education	19,461,845	19,424,791	(37,054)
Interfund Transfers	2,685,038	2,465,267	(219,771)
Grand Total	30,541,396	30,288,121	(253,275)

Board of Finance Budget Changes	Increase/ (Decrease)
Town Government	(1,950)
Fire Marshal	1,000
Conservation Commission	4,500
Interfund Transfers	
Animal Control	(8,775)
General Fund Support of Capital*	(210,996)
Board of Education	(37,054)
Total Board of Finance Changes	(253,275)

\*Reduced General Fund Support of Capital by:

Use of Capital Projects Contingency	46,436
Use of Capital Project Reserves for Public Works Vehicle	164,560

d. **2015-2016 Budget Calendar:**

It was noted that there is a tri-board meeting on March 30<sup>th</sup>. Location and time have yet to be identified.

e. **Public Comment:**

Tammy Spurgeon again addressed the Board. She stated that in observing the proceedings this evening she was very uncomfortable that the Board of Education figure derived at was based on anything more than an arbitrary figure. She stated that the Board of Finance made comment that it wished that Mr. Walter was present regarding a reduction for the town side of the budget and how it would be

addressed. She stated that the Board of Education was here, yet the Board of Finance did not ask what impact the reduction would have.

**Motion was made by Mr. Willis to adjourn at 10:00 pm. Mr. DiCristofaro seconded the motion and it was unanimously approved. Motion carried.**

Respectfully submitted,

Deb Denette