

**TOWN OF EAST HADDAM**  
**Board of Finance**  
**Special Meeting**  
March 26, 2016  
Senior Center

The Special Meeting of the East Haddam Board of Finance was called to order at 9:00 am by Chairman Raymond Willis at the Senior Center on Great Hillwood Road in Moodus.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

Raymond Willis, Chairman  
Robert Bennett  
William DiCristofaro  
Bruce Dutch  
Greg Lauria  
Harvey Thomas

Others:

Mark Walter, First Selectman  
Deb Denette, Town Clerk and Recording Secretary  
Bryan Perry, Chairman, Board of Education  
Brian Reas, Superintendent of Schools  
Cindy Varricchio, Finance Director  
Approximately 20 individuals were present in the audience

**2016-2017 BUDGET**

Mr. Willis noted that revised pages were presented. In particular he stated that the Board of Education will see a \$100,000 savings in insurance, similarly the Town will see a \$25,000 savings over present costs in insurance. The increase to the Resident State Trooper Program is \$14,604 (based on information received from the State this past week).

The aforementioned revisions bring the total budget request to \$31,150,888, representing a mill rate increase of .67%, a tax increase of 2.9% and an overall increase of \$474,584. Mr. Willis stated that the Board of Finance had thorough presentations made to it on March 14<sup>th</sup> and it has had a couple of weeks to review the material. He inquired if there were particular questions?

**Town Government**

Mr. Thomas noted the following:

He stated that he anticipated that salaries in Land Use were reduced to be shifted to the Economic Development Commission, he stated that he didn't follow the trail. He was advised that the shift is for purchased services and not salaries. Mr. Walter added that some costs are outside of it.

He questioned the change under Town Clerk regarding preservation surcharges. Mrs. Denette stated that the changes in preservation surcharge are to more accurately reflect recent legislative changes that altered the recording fees regarding documents that have a nominee as either grantor or grantee. Those documents have a different fee structure pursuant to PA-13-247.

Mr. Thomas stated that he was pleased to see that the Historic District Commission presented a budget. He was advised that one was prepared, however, not by the Historic District Commission. He also inquired if the reason for the reduction to open space was to be reflective of fewer pending deals. He was advised that he was correct.

Considerable discussion was held relative to the increases in the Resident State Trooper program, which was cited to be another example of where the State has shifted the burden to the Towns. Mr. Walter stated that the increase, while significant, is not as bad as it would have been had the Town retained two Resident State Troopers. It was also noted that the DUI grant is gone.

Mr. Thomas noted that his binder did not contain any information behind tab 7. Mrs. Varricchio apologized and presented Mr. Thomas with the contents of tab 7. Specific to Animal Control, Mrs. Varricchio noted that the increase is because that line was cut last year when it should not have been, the increase is to restore what is necessary to run the department.

Responsive to inquiry from Mr. Willis, Mr. Walter reviewed police coverage. He stated that East Haddam now has four full time officers, three part time officers and one Resident State Trooper. He stated that we used to have seven part time officers and two resident state troopers. He stated that with the shift, we are able to cover more patrol hours. Mr. Walter also advised that the police budget has not grown at the same rate of the cost of the Resident State Trooper program. Mr. Walter reviewed the fire department increases. He stated that the additional funding is to add increased coverages during storms. He also noted that the equipment line for equipment was increased to address the aging equipment.

Mr. DiCristofaro inquired when the last time the First Selectman's salary was reviewed? He noted that recent trends have brought forward candidates that are already receiving retirement benefits and he inquired if the salary was competitive enough to bring forward other qualified candidates. It was noted that the Board of Selectmen did a review, and suggested that a salary in the \$90,000 range would be appropriate. It was further noted that the current salary is \$77,000. Mr. Thomas suggested that all elected positions should be reviewed, if a salary survey is being conducted. Mrs. Varricchio reported that the Tax Collector's salary was adjusted a few years ago. It was also noted that the Town Clerk, Tax Collector and Selectmen each gave up their raises the year no budgetary increase went forward. Mrs. Varricchio stated that she would forward CCM's salary study to Board members.

Mr. Willis stated that the position should be paid according to responsibility. He noted that several employees under the First Selectmen receive higher compensation than their boss.

### **Capital Projects, Reserves and Debt Service**

It was noted that bond refinancing generated \$189,000 savings which is being applied to future capital projects. Mr. DiCristofaro stated that a subcommittee has been drafting policies and hopes to have them for the Board of Finance at its April meeting. Mr.

DiCristofaro stated that he believed that the end product will be something the entire Board will embrace.

### **Shared Services**

Shared Services attributable to the Board of Education was noted to be approximately \$743,000. It was noted that \$375,000 of that was for maintenance and technology.

### **Revenues**

Revenues were reviewed. Mr. Walter stated that there is a potential that the State may cut \$20,000,000 in State aid to towns, meaning East Haddam has the potential to lose an additional \$50,000 in State aid.

Mr. Thomas stated that it is traditional to ask whether any of the PILOTs (Goodspeed or Consumers) will have any changes. Mr. Walter stated that both Consumer's Union (via a donation for specific items) and the Goodspeed Opera House Foundation (via a payment) each contribute approximately \$25,000 to the town in lieu of taxes. He stated that Goodspeed is one of the highest paying taxpayers in town and the highest user on the sewer system. Mr. Walter concurred that the agreements could be revisited.

### **Education Budget**

Mr. Willis noted that a nice presentation was made at the prior meeting and many citizens came out and spoke on it. He stated, however, that he continues to have concerns with enrollment going down and costs going up. Mr. Willis noted that projections have the district at approximately 1,000 students, yet there are increases in staffing.

Superintendent Reas stated that Special Education costs are approximately 15% of the total budget, and the additional staff can be justified in an attempt to bring those costs down. He stated that past practice has been to outpace special education students rather than providing quality education in district. He stated that educating a student in district saves \$80,000 in tuition and \$50,000 in transportation (minus some reimbursement from the State). He stated that past practice has been to freeze budgets mid-year because of an unanticipated special education costs. He stated that his administration has been diligently working to keep special education costs down, and he stated that it can be documented that it has been successful in that regard.

Mr. Willis stated that the total cost of education in East Haddam divided by the number of students enrolled breaks out to \$21,192 compared to the national average of \$16,000. Superintendent Reas defended that it costs more to education students in Connecticut, New York, New Jersey and California than it does in the mid-west based on the costs of living in those states as the salaries are not comparable.

Mr. Willis stated that based on the enrollment decline and the state's formula, \$364,000 could be cut from the Board of Education's budget. While he recognized that such a cut was not practical, he raised concern with the continued growth of their budget.

Mr. DiCristofaro stated that he understood the Superintendents answer that the additional positions are to save money over the long term. He questioned whether a quality special education program could turn into a potential revenue stream if we could attract students from other districts to. Superintendent Reas stated that it could, however, first it has to take the program and make it something great. Once it is something great, such opportunities

could exist. It was also noted that a policy to create a pass through mechanism would need to be created. Mrs. Varricchio stated that the auditors would need to weigh in on such a policy.

Mr. Lauria inquired of Superintendent Reas if an item could be added to the budget, what would it be. Both Superintendent Reas and Chairman Bryan Perry advised that they have never been in a position to be able to add, due to efforts to be fiscally prudent. He stated, however, that if it were within the means, they would like to have a vice principal at the elementary school, and would like to expand pre-school offerings,

Mr. Thomas inquired if there was any trade off being made to offset the new growth on the Board of Education's budget. Superintendent Reas noted several areas where he felt that sacrifices have been made. He highlighted the savings achieved in health insurance that the employees have made possible to benefit of the community and also with the writing of curriculum.

Responsive to inquiry from Mr. DiCristofaro regarding potential savings relative to special education, Superintendent Reas stated that the budget request would be \$700,000 to \$800,000 higher if not for the changes made under special education already.

Mr. Willis noted that the mill rate in Old Lyme is 11 mils compared to East Haddam's 29.35 (contemplated). Mr. Willis added that he thinks we are presently doing a great job with public safety and with education and noted his position that we need to hold the line on spending. Mr. Willis stated that in the school district we have one staff member for every five students (at the high school it is a 6.1 staff to student ratio).

Mr. Bennett stated that he did not feel that police or fire was a place to cut, and further that any cuts made in those areas would be hazardous for the Town. Mr. Bennett spoke to where the Town was with reliance upon mutual aid in the past. Additionally, Mr. Walter noted that the volunteer fire department has grown by 15 new members, which is a good thing. The new volunteers, however, require training and equipment.

Mr. DiCristofaro stated that the policy subcommittee has been looking at policy to keep the general fund at a percentage of operating cost. (10%). .

### **GUESTS AND AUDIENCE OF CITIZENS**

Brad Parker stated that mill rate comparisons are not apples to apples comparisons. He stated that the Board of Finance should be concerned with review of an equalized grand list.

Sue Link stated that as a Selectman she reviewed the First Selectman's salary and suggested that the salary be raised to \$87,000 over a two year period so that it was in place prior to the next election so it did not become an election item. She stated that Mr. Walter was not willing to put it forward. Mrs. Link stated that she is in favor of the budget as presented, and would like to add additional salary for the First Selectman.

Tracy Gionta, a member of the Board of Education, stated that the budget presented was fiscally sound and prudent. She cautioned between being penny wise and pound foolish. She stated perspective homeowners shop around and ultimately choose East Haddam because of low crime rates, quality schools and great recreational programming. Mrs. Gionta concluded her remarks and stated that out of a \$30,000,000 budget a 1.5% increase is very good.

Bryan Perry, Board of Education Chairman, stated that the Board works very hard to balance its budget in the best interest of the students while being cognizant of the taxpayer. He stated that in 2012 \$38,000 was spent on magnet schools, in 2016 \$175,000 will be spent on them. He cautioned the Board of Finance against making cuts that would continue to make magnet schools an attractive option.

Karin Blaschik, a member of the Board of Education, noted the tragedy that occurred this week and stated that the community needs to do more to educate the kids and parents about the dangers of drug and alcohol additions. She stated that public safety and education are the programs that you do not cut. She stated that the Town needs to move forward and get ahead of it. She opined that an additional psychologist will be very helpful to the school community.

Trish Tarnowski, President of MPAC, stated that she would be very concerned with any cuts to the education budget presented. She stated that the Board of Education deliberated long and hard to present its most thoughtful budget. She noted earlier comments made by the Board of Finance Chairman that we are doing a fabulous job, she stated that she agreed, and that she wants that to continue.

Sally Willis, stated that she agreed that we have schools that we can be proud of. She added, however, that she is concerned with low math scores and questioned what is being done to address that. Superintendent Reas stated that a focus of professional development has been to build in that area from the elementary school up.

Melanie Kolek stated that the lower class sizes tend to be in the AP classes. She stated that those classes are what keep the best and brightest in our district. She stated that she felt that the budget presented was fiscally responsible. She stated that she would like to see a math consultant, however, it was not brought forward in lieu of other priorities.

Nicole Harold recalled the earlier comments regarding sacrifices, she added that the elementary school children attend a school with asbestos. She stated that the parents are not acting like entitled children who are asking for more, she stated that they are asking for what is needed to educate the children.

## **ADDITIONAL BUDGET DISCUSSION AND DELIBERATION**

Mr. Willis suggested that a motion be put on the floor. Mr. Bennett suggested that prior to making such a motion we are assured that Board of Finance members have had all of their questions asked and did not need additional information. Board members acknowledged that they were ready to proceed.

## **VOTE TO SEND TO TOWN MEETING**

**Motion was made by Mr. Bennett to send to Public Hearing the 2016-2017 budget in the amount of \$31,150,888, representing a mill rate increase of .67, a tax increase of 2.9% and an overall increase of \$474,548. Mr. Dutch seconded the motion.**

Mr. Willis called for discussion. Mr. DiCristofaro stated that he would be in favor of raising the First Selectman's salary as indicated by Mrs. Link. Mr. Bennett stated that all of the elected officials salaries need to be reviewed, not just the First Selectman's. It was noted that the Board of Finance can make final adjustments following the public hearing.

Mr. Willis called for a raised hand vote for the motion on the floor. The following votes were recorded:

**FAVOR:** Bennett, DiCristofaro, Dutch, Lauria

**OPPOSED:** Thomas, Willis

**MOTION CARRIED**

**Motion was made by Mr. Bennett to adjourn at 10:56 am. Mr. DiCristofaro seconded the motion and it was unanimously approved. Motion carried.**

Respectfully submitted,

Debra H. Denette