

TOWN OF EAST HADDAM
Board of Finance
Regular Meeting
March 13, 2017
Grange Hall

The regular meeting of the East Haddam Board of Finance was called to order at 7:00 pm by Chairman Raymond Willis at the Grange Hall. The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members

Raymond Willis, Chairman

Robert Bennett, Secretary

William DiCristofaro

Bruce Dutch

Greg Lauria

Harvey Thomas

Others in attendance:

Emmett Lyman, First Selectman

Debra Denette, Town Clerk and Recording Secretary

Ronald Turner, Director of Operations

Cindy Varricchio, Finance Director

Brian Auld, Fire Chief

Bryan Perry, Chairman Board of Education

Brian Reas, Superintendent of Schools

Approximately 20 members of the public

APPROVAL OF AGENDA

Motion was made by Mr. Bennett to approve the minutes of the February 13, 2017 regular meeting as written. Mr. DiCristofaro seconded the motion and it was unanimously approved. Motion carried.

CORRESPONDENCE

Chairman Willis advised that no correspondence had been received.

CHAIRMAN'S REPORT

a. Tax Collectors Report:

The Tax Collector's report was reviewed with no comment or questions.

b. 2017-2018 Budget Presentations and General Budget Discussion:

Budget Presentation

Education:

Superintendent Reas presented the Board of Education's 2017-2018 budget. His nearly 20-minute presentation identified goals, accomplishments, challenges, enrollment projections, impact resulting from magnet schools, special education, contractual obligations, insurance costs, and anticipated funding reductions from the State of Connecticut.

Superintendent Reas highlighted regionalization efforts with the town of East Hampton regarding cafeteria services which saved an estimated \$30,000 to \$50,000. He also noted that partnerships are forming with East Hampton around transportation. He noted that one full time teacher will be eliminated through attrition.

Superintendent Reas noted that the salary line increased by approximately 2.5%, he noted, however, that staff has not had a net gain in their salary as they are contributing more to the costs of health care.

The 2017-2018 budget request for education is \$20,042,652. This represents an increase over last year's budget of \$333,689 or a 1.69% increase.

Chairman Willis inquired about salaries for teachers. Mr. Reas responded that a teacher on masters step 1 earns approximately \$50,000, while one at the end of the scale earns \$80,000. He stated that it takes approximately 15 years to reach the max step.

Mr. Thomas stated that Mr. Reas did not share his Learning Center success, which is another partnership with East Hampton that has greatly reduced the costs under Special Education.

Town Government:

First Selectman Lyman presented the Town's 2017-2018 budget. His 20-minute presentation identified the following goals:

- Maintain AA+ Standard & Poor's bond rating
- Invest in capital savings plan
- Focus on economic opportunities
- Keep East Haddam infrastructure well maintained and attractive

Mr. Lyman noted that the biggest challenge has been based on the Governors proposed budget which if passed will result in \$1.8 million in lost revenue to the Town of East Haddam. The Governor's budget also increases the town's financial

burden regarding the Resident State Trooper program, Teachers Retirement costs and paramedic costs. Mr. Lyman also discussed the health district restructure that could have a huge finance impact on the Town.

Mr. Lyman reviewed accomplishments.

- He noted that the Municipal Office Building project is moving forward and groundbreaking is set to occur on March 23, 2017. He also noted that the firehouse and emergency radio system are both well underway.

Mr. Lyman advised that the budget includes \$112,000 to operate the new middle school for half of a year. It also includes a program to run an afterschool program through the Park and Rec program. Additional capital improvement projects include replacement of the Foxtown Road Bridge.

The total budget request is for the town (Town Government, Shared Services, Capital and Debt Service) is \$11,186,594.

Mr. Willis raised a question regarding the impact on revaluation. Mrs. Varricchio responded that the impact from revaluation will be for the 2018-2019 budget. Mr. Lyman added that taxes would be expected to remain level.

Mr. DiCristofaro noted that last year \$500,000 was contributed for General Fund support for Capital and this year only \$34,000. He inquired if this would impact the capital plan. Mrs. Varricchio responded that road projects have been pushed out.

Mr. Lyman expanded on the concerns with regional health care centers. He stated that the current cost for the Chatham Health District is \$99,000. He stated that the proposal is for municipalities to fund 1.5% of its budget or \$468,000 for these services.

Mr. Lyman stated that because of the uncertainty with the State's budget, he recommends delaying the budget process to allow for the state to work out what it is going to do. He stated that there are many items that were taken out of the budget that should not have been to minimize impact. He noted that the budgetary impact as it stands is over 2 mills.

Mr. Lyman noted that the schedule at present is as follows:

- April 18, conduct the Public Hearing on the budget
- May 2, hold the Town Meeting to send the budget to Referendum
- May 16, 2017 Referendum

He proposed the following:

- May 10, conduct the Public Hearing on the budget
- May 23, hold the Town Meeting to send the budget to Referendum
- June 6, Referendum

Concern was raised that if the budget does not pass with the later dates, that there is insufficient time to react. Mr. Lyman stated that the State Government has been kicking the can down the road for the past 40 years and that there is no room left to kick it. He further opined that the state needs to cut costs and stop putting the costs on the backs of small towns.

Mr. Lauria inquired that if the State budget in Hartford stays as it is now, what other options are there, because a budget with a 7.5% increase will not pass.

It was also noted that Franklin Academy came off the tax rolls this past December. A pilot program is being suggested.

There was consensus among the Board to establish the later dates for the budget adoption process to give opportunity to be responsive to the State's process. Discussion was also held relative to holding a review of the budgets in a workshop setting as was scheduled to occur on Saturday morning at 9:00 am at the Senior Center. The group was in favor of still holding the meeting.

FIRST SELECTMAN'S REPORT

a. Shared Services Report:

It was noted that Board members were provided a copy of the latest report.

FINANCE DIRECTORS REPORT

Nothing noted. Budgets have been the priority.

LIAISON REPORTS

Nothing noted.

GUESTS AND AUDIENCE COMMENTS

Terry Dickinson, Daniel Peck Road questioned a 2.5% increase in teacher's salary in comparison to the current economic situation. She also noted that missing from the budget is a math specialist, an identified need for several years, but salary increases. She raised concern with putting this additional burden on the backs of senior citizens with a budget anticipated to increase by 7.5%.

Todd Gelston, Bogel Lane, inquired whether there were any other liabilities such as Rolling Hills on the horizon. Mr. Lyman responded that there were not. Mr. Gelston also inquired what action was being taken so that Hartford understood the impact that they were having on small towns.

Chris Reed, Hemlock Valley Road Extension, inquired if all teachers in the State were part of the pension fund that is being proposed to be funded by the towns. Mr.

Lyman responded affirmatively. He inquired if there was an option to opt out, and was advised that there was not. He inquired what could be done to assure we had a seat at the negotiation table. Mr. Lyman advised that groups such as CCM, COST, and COG are asking. Mr. Lyman advised that the legislators are all well aware of the impact to municipalities. He also noted that the budget presented is a very reactive budget.

Charlie Dickinson, Daniel Peck Road, noted that because of the dire fiscal circumstances he believed it misguided to proceed with the additional bay to be proposed by the fire department under New Business. He further added that the Lake Hayward fire house is not being utilized.

Jay Moreau opined that the increased charges under the Resident State Trooper program are insane. He also stated that the 2.5% increase in salaries of staff in the school system is not covering their increases to health insurance; he added that we should be looking at the top salary earners and seeing what can be done to reduce costs there.

Mrs. Dickinson added that we are losing an entire generation because they cannot afford to live here.

Mr. Willis closed the Guests and Audience Comments and encouraged attendance at Saturday's budget workshop.

OLD BUSINESS

None noted.

NEW BUSINESS

a. Library Grant Application:

Motion made by Mr. Bennett to authorize the East Haddam Library System to apply for the Jack Keats Foundation grant for up to \$500. Mr. DiCristofaro seconded the motion. Mr. Bennett noted that no matching funds are required. Unanimously approved. Motion carried.

b. Fire Department Capital Reserves Request:

Chief Brian Auld requested the transfer of \$104,000 from the Fire Department's Capital Reserves for an additional bay to be constructed at Firehouse Company #2 as part of the firehouse renovations that are underway. The bay will be to house five different pieces of apparatus that are presently stored outside. This will protect the equipment from vandalism, weather and maintain their effective life. It was noted that the fire department reserves are presently \$237,000 and it is anticipated that there will be enough financing available when the need arises

for a new fire truck in the capital plan. It was noted that the Board of Selectmen has endorsed the request.

Motion was made by Mr. Bennett to transfer an amount not to exceed \$104,000 from the Fire Department Reserve Fund (3320-10506-2500) to the firehouse renovations building project for the purpose of adding an additional bay with corresponding vehicle exhaust system and to request that the Board of Selectmen schedule a Town Meeting for approval. Mr. Lauria seconded the motion and it was unanimously approved. Motion carried.

OTHER

Nothing noted.

Motion was made by Mr. Dutch to adjourn at 8:27 pm. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette