

**TOWN OF EAST HADDAM**

**Board of Finance**

Special Meeting

May 1, 2017

Old Town Hall

The special meeting of the East Haddam Board of Finance was called to order at 7:00 pm by Chairman Raymond Willis at the Old Town 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 Present:

Emmett Lyman, First Selectman

Cindy Varricchio, Finance Director

Debra H. Denette, Town Clerk & BOF Recording Secretary

Approximately 75 individuals were in the audience.

**2017-2018 Budget**

**a. Board of Finance Discussion and Deliberation:**

Chairman Willis thanked the audience for coming. He raised concern about background noise and requested that people be courteous to keep it at a minimum so that all can hear. He noted the use of microphones. He noted that there is a tight timeframe as the process was intentionally delayed to have a better handle on what would occur with the State's budget.

Mr. Willis introduced the Board members and highlighted the special skill set each member brings to the table.

Mr. Willis advised that the original budget request represented a 7.4% increase. Due to decreased state funding a \$1,800,000 increase was necessary to remain status quo. The State was looking for the towns and cities to fund teacher's retirements, which is presently a State commitment. He stated that the figures have been revised and that the budget request now represents a 2.1% increase or a .5 mill rate increase. He asked Mrs. Varricchio to identify the specific items that lowered the total budget request to the present \$30,915,470.

Mrs. Varricchio advised that the town was able to realize a 7% reduction in health care through the RFP process. Specifically, the savings to the town is \$31,820 and to the Board of Education is \$197,750, and \$4,206 for shared services. \$20,000 was reduced from ambulance reserves without impact to the purchase of the next vehicle. \$10,000 was reduced from shared services, and \$50,000 was reduced from the Board of Education budget. The largest cut was the elimination of funds for teacher's retirement as it is believed those funds will continue to come from the State. Mrs. Varricchio also advised that the State is cutting its funding under educational cost sharing, (\$1,800,000) and replacing it with a grant for special education grant (\$988,000). In total, there is an \$800,000 revenue gap that had to be made up. The budget proposed represents a 2.1% increase, and is a \$300,000 reduction in spending over last year's budget.

Mr. Willis solicited comments and questions from the Board. None were offered.

**b. Guests and Audience Comments:**

Mr. Willis opened the floor up for comments. He encouraged speakers to complete their comments in under two minutes. He also invited them to use the microphone and to state their name.

Bill Cross, Alger Road, noted discrepancies in financial statements. He believed the expenses to be understated. He also noted a typographical error in another column that should be recalculated.

Charlene Riling, Main Street, also noted discrepancies in the calculations. She questioned why they were manually entered and inquired how we could have confidence in the numbers presented when errors are made. Mrs. Varricchio responded that the errors occurred on a summary where manual entry was made.

Mr. Willis stated that the forum will not be effective if comments stray from the budget.

Terry Dickinson, Daniels Road, questioned when these budget changes were made and why the revised figures were not on the website for the public to review. Mr. Willis stated that further opportunity for review and discussion will occur at the public hearing and a mailer will go to each household.

Karianne Kendall Rand noted that funding has been cut from the school's technology budget and added that the importance of it for communication cannot be understated. She questioned why the assistance principal salary for the elementary school still shows when there has not been one since 2014. She also noted that the enrollment does not reflect the current incoming kindergarten class. Superintendent Reas responded that the assistant principal's salary is a contract item but not a budget item and that there are no funds for it in the budget. He also stated that a Kindergarten class of 75 is anticipated 2017-2018, the current K class is only 55.

Dick Everett, Town Street, stated that the town has been going down the tubes since 1963 or 1964. He stated that in prehistoric times we did not have liberals.

Joan Dill, Beebe Road, sought clarification that the budget being discussed tonight represents a 2% increase. Mrs. Varricchio clarified that it is a 2.1% tax increase but an overall expense decrease of \$283,995.

Mrs. Dill questioned why we have a precedent set that all employees are given comparable increases. She inquired how much of the \$88,000 in employee raises are under collective bargaining. She also suggested that if an elected official does not want to take an increase, the total budget should be lowered by that amount, it should not be redirected. Mrs. Dill questioned why we needed an employee to monitor the gymnasium at the new municipal office building and why transportation at the high school for sports increased.

Christopher Reed, Hemlock Valley Road, thanked the Board of Finance for its service. He noted the difficult times facing the federal government, state government and local government. He noted that municipal governments need to refuse state funding when it comes with strings attached.

Charlotte Gelston, Bogel Road, noted the mill rate increases being proposed by area towns and suggested that we are very high in comparison to our neighbors.

Mr. DiCristofaro responded to earlier comments and advised that the health care numbers had just come in. He also stated that the Chairman requested additional cuts and the ones noted earlier were brought forward. Prior to getting to the Board of Finance, significant cuts were made by the Board of Selectmen to offset the loss in revenue. He reiterated that the proposed budget will spend \$300,000 less than the prior budget and that the increased figure is due to the revenue loss.

Kate O'Boyle, Main Street, inquired about the procedure for an employee to give back their proposed raise. Mrs. Varricchio stated that in the past the funds remained within the budget, and the give back did not reduce the base salary.

Todd Gelston, Bogel Road, questioned the five-year plan. He stated that the can has been kicked down the road for a long time that there is no more open road. He stated that the town needs to cut expenses. He added that he is all for education, he is not for wasteful spending.

Mr. Willis stated that education is the biggest piece of the budget. He added that there is declining enrollment yet costs continue to increase. He cited burdensome state and federal mandates.

Cheryl Wash, North Moodus Road, stated that \$21,000 per student is a bargain. She noted the special education costs that can exceed \$65,000 per student to educate out of district. She noted the difficult financial situation that she is in and added that she would not advocate for cuts to the educational budget. She stated that the students are our future.

Trish, stated that the ratios are not realistic when you factor in specials, special education, certified staff, etc. She stated that very few class rooms are at the ideal 18. She encouraged support for the budget.

Chris Valkenburg noted her support for the Board of Education budget.

Melanie Kolek, Clark Gates Road she advised that it is teacher appreciation week. She noted that the education budget has only increased 1.9% over the past eight years and contractual obligations have increased 2.3% over that same period. She encouraged support for the backbone of every community, the schools.

Mr. Willis stated that he has been on the Board of Finance for five years and in that time, the Board of Education budget has never been cut. What they have requested has been reduced, but the budget has never been reduced.

Bob Morsch, Landing Hill Road, suggested small towns work together to have a stronger voice with the State of Connecticut.

Mr. Willis noted additional opportunity for comment at the Public Hearing. Mr. Gelston stated that he did not believe the public comment period had been exhausted. Mr. Willis agreed to keep it open if comments could be more on target to specific reductions or additions to the budget.

Mr. Gelston suggested that \$112,380 for operating costs was too high an estimate for the new municipal office building. He suggested that it be reduced by half.

Terry Dickinson suggested 0% pay increases and opined that contracts could be renegotiated.

Randy Dill, recommended the reduction of clerical staff and a merger between land use and the building department.

Jay Moreau suggested the size of the district would warrant a part time superintendent of schools at significant cost savings.

Charlene Riling suggested slowing the pace of salaries.

Mr. Willis closed the public comments.

c. **Additional Budget Discussion:**

Mr. Willis solicited feedback from the Board. No comments were offered.

d. **Vote to Send to Public Hearing:**

Motion was made by Mr. DiCristofaro to send to Public Hearing the 2017-2018 expense budget in the amount of \$30,915,470, representing a mill rate increase of .50, a tax increase of 2.1% and an overall expense decrease of \$283,995. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

The Board recessed from 8:17 pm to 8:20 om while the majority of the audience departed.

**Public Hearing Mailer—Review and Approval:**

Mrs. Varricchio presented the proposed mailer.

Motion was made by Mr. Bennett to accept the mailer as presented. Mr. Lauria seconded the motion and it was unanimously approved. Motion carried.

**2017-2018 Budget Calendar:**

It was suggested that the May regular meeting be cancelled. It was noted that any pressing business can be added to the special meeting agenda following the public hearing. There was consensus to cancel the May regular meeting.

Motion made by Mr. Bennett to adjourn at 8:22 pm. Mr. Lauria seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette