

TOWN OF EAST HADDAM
Board of Finance
Public Hearing/Special Meeting
June 27, 2017
Nathan Hale-Ray High School Auditorium

The Public Hearing/special meeting of the East Haddam Board of Finance was called to order by Chairman Raymond Willis at the Nathan Hale-Ray High School at 7:00 pm. The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members

Raymond Willis, Chairman

Robert Bennett, Secretary

Bruce Dutch

Harvey Thomas

Also present:

Emmett Lyman, First Selectman

Cindy Varricchio, Finance Director

Shawn Conroy, Board of Education

Jason Peacock, Principal, Nathan Hale-Ray Middle School

Approximately 45 citizens were in the audience

2017-2018 Budget

First Selectman Lyman reviewed the budget process based on the failed referendum. He noted that following the Public Hearing the Board of Finance will meet and will vote on a new budget to send to referendum and after that the Board of Selectmen will vote to call a Town Meeting to send the budget to referendum. Mr. Lyman noted that the referendum is scheduled for Tuesday, July 25, 2017.

Mr. Lyman also noted in accordance with State Statutes the Board of Selectmen will vote to set a mill rate in absence of an approved budget. Mr. Lyman indicated that once the mill rate is set it is fixed for the year—if it is too low than fund balance will be used to offset and if it is too high the surplus will move to next year to offset the budget.

Mr. Lyman stated that, as far as the state budget, the Governor and legislature are at larger heads, there is no framework and it has been a very difficult year. He went on to express his concern with regard to the Governor's position on the fiscal capacity of towns and cities.

Mr. Lyman indicated that the *Citizens' Guide* was issued once again. The proposed budget is \$416 thousand less than last year. He went on to note that in spite of a projected \$800 thousand decrease from the state, the proposed budget is a .23 mill rate increase. The impact to a home valued at \$250,000, assessed at \$175,000 is \$40.25 per year or \$3.35 per month.

Mr. Lyman expressed his concerns that if we decrease spending much more that staffing and services will be impacted. Mr. Lyman stated that regarding scheduling of the referendum, state statute calls for 12 noon to 8 pm. At Town Meeting action can be taken to start the referendum at 6 am. Mr. Lyman stated he was in favor of an 8 am start time.

Mr. Lyman closed with the requirement of state statute that once the budget is established for referendum, the Boards of Selectmen and Finance cannot comment in support or opposition of the budget.

Mr. Willis opened the meeting for public comment.

Todd Gelston, Bogel Road, stated that he found the *Citizens' Guide* misleading. He noted that revised budget for expenses in 2016-2017 were \$50,000 more than what was approved. He questioned why the *Guide* was prepared utilizing those figures. Mrs. Varricchio stated that she compared original numbers to original numbers—the approved budgets to approved budgets, not revised budgets. Mr. Gelston noted that there was a half million dollar amendment, he stated that providing actual numbers would have been much more truthful. Mr. Gelston stated that the materials presented represent false advertising.

Mr. Gelston also reiterated prior concerns over town costs for information technology support. He suggested straight reliance on an outside provider would be more cost effective then maintaining personnel. He further noted reliance on outside vendors anyway, as was apparently the case around the Memorial Day holiday.

Mrs. Varricchio responded that in 2012 the town moved away from utilizing a vendor and began shared services with the school system. She estimates that between \$50,000 and \$100,000 has been saved so far. Mr. Gelston disagreed.

Terry Dickinson, Daniel Peck Road stated that the Board of Finance asked for, and received in writing, several suggestions to cut costs. She added that it never discussed any of it in a public forum. She noted that if all staff were cut to 1%, increase, rather than just non union employees, there would be a savings of \$323,000. Mrs. Dickinson stated that it was

disingenuous to only reduce the Board of Education's budget by \$15,000 and noted that savings could easily be found through retiring teachers. She also noted that the salary of the Superintendent rivals that of the Bridgeport Superintendent where there are ten times the students. Ms. Dickinson also stated that it is extremely frustrating that suggestions are brought forward by the citizens and are dismissed without comment. She stated that the transfer station creates an opportunity for revenue, yet no discussion occurs. She emphasized that the Board of Finance needs to look to reduce reliance upon State aid and added that it needs to do a better job.

Michelle Grant, Sipples Hill. Ms. Grant questioned why copier costs increase so much in the new building. She also agreed that revenue could be generated through permit fees for the transfer station. She noted that Mr. Lyman stated that with further cuts, there would be decreases in services. She stated that she does not see any services now. Ms. Grant stated that she is aggravated, she stated that when the tri-board meeting was held, the Board of Education already knew about retiring staff members, yet advised that anything more than a \$15,000 cut would be detrimental. She stated that the Board of Education needs to look deeper.

Charlene Riling, Main Street. Ms. Riling stated that increasing revenues through permits and fees for the use of the transfer station is a no brainer. She added that the topic has been brought up many times with no action. She also stated that she is all for education, however, not the lack of transparency. She stated that the Superintendent's contract was re-opened, but the outcome is unknown.

Joan Dill, Beebe Road. Ms. Dill referenced the *Citizens' Guide* and inquired why shared services in the Town Government portion of the budget. Mrs. Varricchio responded that Shared Services is not a third budget, but part of the town budget with support/services to both the town and school district. Responsive to inquiry from Mrs. Dill, Mrs. Varricchio responded that approximately 60% of the funding in shared services is attributable to the school system and 40% to the town. Mrs. Dill stated that Shared Services was a big boondoggle and emphasized that the Board of Education gets more than the \$19,000,000 and that she found it reprehensible that they were asked to only find \$15,000 to cut. Mrs. Dill noted that her husband has volunteered on the wetlands commission for 35 years; she found it irresponsible not to solicit volunteers to monitor gym use. Mrs. Dill concluded her remarks by stating that the town looks to the Board of Finance for leadership, and that its time to be serious about it. She urged the Board of Finance to reconsider its proposal.

Nicole Harold, Whitewood Drive, stated that education has been cut repeatedly over the last few years. She encouraged support for the children.

Kyle Paul, West Cove Road, stated that historically over the past few years, the town's budget is up about 3% and the Board of Education's is up about 10% over the same period. He commended the town for combining Board of Education and the town for the purchasing power gained. He also noted that the increases by both the town and Board of Education are lower than the rate of inflation.

Susan Link advised that the Board of Selectmen has reviewed the transfer station fee structure many times over the years. A few meetings back there was discussion about forming a committee to review it again.

Bill Cross, Alger Road. Mr. Cross expressed disappointment that the decreases brought forward are not cuts, but delays. He did not anticipate that next year's budget would be any better and he encouraged better long range planning by the Board.

Mrs. Varricchio responded that the budget presented utilizes reliance on the fund balance, not reserves. She added that it would be hoped that the reliance would not be necessary. Mrs. Varricchio further noted that the fund balance is strong. (\$4,600,000 as of June 30, 2016 or 14.8% of budget).

Charlene Riling, Main Street, recalled the meeting Mrs. Link referenced; and added that nothing else has happened. Ms. Riling stated that she prepared a lot of analytical data and she offered to help.

Mr. Cross inquired if there are any non-union positions at the school that would be subject to a 1% salary increase rather than a 2.5% increase. Mrs. Varricchio responded that there are five individuals that fit this category at the Board of Education. It was further noted that the Board of Education budget cannot be reduced beyond last year's funding level. The original proposal brought forward contained an \$85,000 increase over last year's budget. The current proposal reduced \$15,000 from the proposed budget.

Karin Blaschik stated that at the Business and Planning Subcommittee of the Board of Education all budgets are reviewed line by line. She encouraged participation at those meetings.

Mr. Gelston stated that he is well aware of the importance of a quality education system. He questioned whether we were getting the best value for our funding. He challenged the town and Board of Education to develop a five and ten year plan noting that the challenges facing the State are not likely to improve. He inquired if the Board of Finance agreed that we need to stop lurching and need a five year plan.

Mrs. Dora Lyman requested Mr. Gelston define the word "lurching". Mr. Gelston responded that taxes go up, grand list goes up. He again questioned whether the Board of Finance agreed that there should be a multi-year plan.

Mrs. Varricchio stated that a 10-year plan was put in place in 2010 for capital projects. Mr. Gelston stated that the town needed more.

Charlotte Gelston, Bogel Road. Mrs. Gelston stated that the Board of Finance has been brushing off the audience. She stated that she would like the Board to hear what the people are saying and pay attention. She inquired how the Board can arbitrarily give raises to some but not others.

Nicole Harold encouraged the Board to take a closer look at generating revenue from the transfer station. She noted that the PTO's cannot pick up any more lost funding.

Joan Dill noted that the Board of Finance could have cut the Board of Education several years ago from its minimum budget requirement and did not. She was advised that she was correct.

Mr. Gelston inquired if any Shared Services personnel are non-union. Mrs. Varricchio responded that all of the Shared Services personnel are non-union.

It was also noted that an additional \$70,000 could be cut from the Board of Education without violating minimum budgetary requirement. Mr. Conroy responded that he believed the budget was thin already and discouraged additional budgetary reductions.

Mr. Willis clarified that the "cuts" being referred to are to the requested increase.

Kate O'Boyle, Main Street. Ms. O'Boyle stated that education of our kids are our future. She encouraged the school to sell what works and generate income from it.

Mr. Willis closed the Public Hearing.

He inquired whether the Board members had any comment. In the absence of hearing any comment from the Board, he suggested that the members may be ready to take action.

Motion was made by Mr. Bennett to present to a budget Town Meeting scheduled to be called by the Board of Selectmen for Tuesday, July 11, 2017 at 8:00 pm at the Town Meeting Hall a total budget of \$30,782,211 based on the grand list as of October 1, 2016 of \$858,490,432. The budget would require a

mill rate increase of .23 mills or a 1.2% tax increase. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Thomas to adjourn at 8:07 pm. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Debra H. Denette

Board of Finance Recording Secretary and Town Clerk