

TOWN OF EAST HADDAM

Board of Finance

Special Meeting Minutes

March 24, 2018

Municipal Office Building

Meeting Rooms 1 and 2

The special meeting of the Board of Finance was called to order by Mr. DiCristofaro at 9:08 am. The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members
William DiCristofaro, Chairman
Gregory Lauria, Secretary
Bruce Dutch
Todd Gelston
Tracey Gionta
Harvey Thomas

Others:

Emmett Lyman, First Selectman
Deb Denette, Town Clerk and Recording Secretary
Cindy Varricchio, Finance Director

Approximately 15 staff and citizens were in the audience.

Mr. DiCristofaro thanked all that have been a part of the process to date.

Motion was made by Mr. Gelston to approve the agenda as presented. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

PRIOR BUDGET WORKSHOPS FOLLOW-UP:

a. **Education:**

Mr. DiCristofaro reminded the Board of Finance that the Board of Education has requested \$150,000 for increased security measures. He suggested removing it from the budget and addressing the issue outside of the budget process. If the Board agreed, he would further direct the Board of Education to develop a comprehensive proposal, more so than the placeholder that they came forward with due to timing issues. Brief discussion was held. Financing would then require either a special appropriation or special assessment through the Town Meeting process. Mrs. Gionta reiterated that this expense should not come from education. She further encouraged protocols for emergency communication.

Motion was made by Mr. DiCristofaro to remove the \$150,000 placeholder (earmarked for armed officers) from the Board of Education requested budget and to direct them to return to the Board of Finance with a comprehensive proposal for a special appropriation or special assessment outside of the budget process. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried..

Mr. DiCristofaro advised that the Board of Education reduced its presented budget request by an additional \$100,000 responsive to cost savings with oil and health benefit premiums. Mr. DiCristofaro inquired if there were additional items on the board of Education side that could be reduced. Mr. Reas stated that he could remove an additional \$50,000 with eliminating programs.

Mr. DiCristofaro inquired if there were any additional questions from the Board of Finance to the Board of Education on the budget presented (\$300,000 less than originally presented). Responsive to inquiry from Mr. Thomas, Mr. Reas discussed the town's insurance and savings that result to keep rates down. Mrs. Gionta opined that she did not believe we could do any better. Mr. Gelston questioned economy of scale and inquired why our per student cost was so high. Mr. Reas responded that not having a highway creates much challenge for East Haddam, he noted that transportation challenges are much more significant in our town. He also noted that when per student costs, when compared with towns of our size and demographic AND with a high school, we are in the middle. He noted that many small towns do not maintain a K-12 system and those are the towns that show us on the high end.

b. **Economic Development Commission:**

Mr. DiCristofaro noted that another item for follow up on was the EDC budget. It was noted that the EDC was meeting simultaneously and would join this meeting when theirs was adjourned. Mrs. Varricchio presented a revised EDC proposed budget that reinstated a coordinator at \$17,160 and placed \$24,000 in the budget for professional services. The impact was \$39,160 to the current proposed budget.

c. **Transfer Station:**

At the request of Mr. Lyman, Mr. Bob Morsch, Chairman of the Transfer Station study committee read his report that included many suggestions for decreasing costs/raising revenues. He compared the per person cost in East Haddam, which is over \$60.00 to that of Portland \$26.56 and Essex, which is even less per person. Recommendations included a sticker system based upon verified identity, a purchased bag system to encourage recycling, covering the containers to prevent rain water which adds weight to ultimate disposal, purchase of a roll off truck to minimize hauling expenses (already budgeted for FY2018-2019). The ultimate goal of 60% recycling by 2024 was noted. Our current rate of recycling is at 21%. East Haddam was noted to be one of only two towns in the State that allows carters to dump. Mr. Morsch stated that with the roll off truck that has already been approved, he made no recommendations of the number of containers needed, but noted that would be an additional one-time expense.

Mr. Morsch spent considerable time reviewing the bulky waste figures. It was noted that the weight continues to go up, yet the offsetting revenue does not. He noted that the result is a larger

and larger loss each year. Mr. Morsch stated that a one way gate needs to be incorporated and as unpopular as it may be, access needs to be denied until a review of materials is made, and corresponding fees assessed. Mr. Morsch stated that the data collected shows that 85 tons of bulky waste was deposited and East Haddam was only paid on 21 tons of it. He further suggested an audit trail is needed.

Mr. Morsch stated that the Town Clerk's Office has a system that can likely accommodate sticker issuance. Mr. DiCristofaro noted that many of the points raised by Mr. Morsch are management issues, he inquired if there were any savings, beyond that from the roll off truck that could offset the proposed FY budget. Mrs. Varricchio advised that a \$65,000 expense may be necessary at the Transfer Station to address the hopper, but as the entire system is being reviewed nothing has been proposed. Mr. DiCristofaro thanked Mr. Morsch for the presentation, he noted that the data and ideas are sound.

Mr. Morsch stated that if any of these ideas are implemented and savings result, he suggested that those funds be put back into the facilities for improvements. He noted that the office area is deplorable. It was questioned whether additional employees would be needed to staff the scale house or drive the roll-off truck. Mr. Lyman stated that it is envisioned that all can be done with existing staff.

d. **Other:**

Shared Services:

Discussion regarding maintenance funds were held. It was noted that there are maintenance funds in Shared Services as well as maintenance funds within specific building/property locations. Mrs. Varricchio noted that the building maintenance funds outside of the Shared Services budget are for scheduled items, the Shared Services maintenance budget is for unanticipated items to avoid the necessity of frequent special appropriations and Town Meeting. It was noted that the Shared Services fund is a multi-year fund and unused funds are rolled over into the next year. She stated that this is done for level budgeting. It was suggested that the figure in this line could be adjusted downward with minimal impact to the budget. It was noted that the maintenance funds for the town and Board of Education cover all town buildings, parks, cemeteries etc.

Mr. Reas reviewed the technology component in Shared Services. It was noted that three staff members cover nine locations, 1,000 student computers 300 staff computers, over 200 software applications, 147 phones and 193 network devices. He stated that to contract out for these positions would be over \$600,000 annually in comparison to our less than \$200,000 expenditure for staff wages. Mrs. Gionta inquired why fringe benefits were depicted in Shared Services but not for any other department. Mrs. Varricchio stated that it is essential to reflect all of the costs of Shared Services within that budget. Responsive to inquiry from Mr. Lauria it was noted that the majority of the school/town's computers are leased and on a three-year refresh cycle.

e. **Economic Development Commission:**

Mr. Casner and other members of the Economic Development Commission joined the meeting. It was noted that the Commission concurred that it could operate with restoration of \$17,160 for the Coordinator's position and \$24,000 for purchased professional services. Mr. Casner noted that although the Commission still feels that a Director is needed and warranted, this would do for now. The Commission was asked to revisit the Board, through the proper channels, if it finds this is not adequate. Mr. Casner noted a need for more coordination, for example, if sidewalks are installed, do the business owners want them. He stated that the Commission, Planning and Zoning and the Opera House all have a good relationship at this time.

Examples of the types of purchased services that could be utilized with the \$24,000 were reviewed. It was noted to be seed money to start the process. The Board concurred that this item is an investment in the community and needed for the development of the Village area.

Motion was made by Mr. DiCristofaro to restore to the Economic Development \$39,160. Mr. Gelston seconded and it was unanimously approved. Motion carried.

Motion was made by Mr. Gelston to recess the meeting from 11:05 to 11:15 am. Mr. Thomas seconded the motion and it was unanimously approved. Motion carried.

The meeting reconvened at 11:15 am.

Other Budget Discussion-continued:

Mr. DiCristofaro displayed a slide showing the mill rate impact to the budget where it presently stands (.12 increase). He noted that the General Fund maintains a healthy balance and is at 13.92% and the Board of Finance's policies recommend a range between 8 and 15%. He noted that he would like to have discussion about utilizing fund balance to keep the budget flat. The Board concurred that they would be willing to utilize fund balance to keep the budget flat, or even reduce it from the current budget. It was also noted that there are other items to revisit and to hear from making the amount to utilize from fund balance use premature.

It was suggested to move forward with remaining departments and let them know if there were questions that they needed to attend on Tuesday for.

BUDGET AREAS REVIEWED:

a. **Public Safety:**

Paramedic Services:

Mrs. Varricchio reported that Middlesex Hospital is holding paramedic services at the current rate. The town funds the Ambulance Association each year to purchase a new vehicle every five years. The Ambulance Association returned \$40,000 to the town last year in accordance with its agreement. Emergency Management was reported to be steady, however, Valley Shore Communications (9-1-1 service) is being monitored carefully as increases are anticipated.

Fire Department:

The recommendation has been made by the Board of Selectmen to return the Fire Department to the model we had eight or nine years ago. This model would employ two full-time members and reduce the number of part time staff. Mr. Lyman stated that there are more volunteers now, whereas we had difficulty with recruitment a few years ago. It was further noted that the current model employs approximately 110 hours of staff; the proposed model employs approximately 80 hours of staffing. Additionally there would be less required gear and training. Mr. Dutch stated that he believed the town would see a financial savings and an enhanced response with the proposed model.

Mr. DiCristofaro inquired if the town came up with any false alarm fees. Mrs. Varricchio noted that a review is being conducted. Mr. Lauria inquired whether we bill for responding to motor vehicle accidents. It was noted that we do not. It was again suggested that we review for potential revenue.

Mr. Lyman reviewed the history of how we got to where we are, highlighted by the need to staff early morning hours as a priority. It was noted that the future of the part time fire fighters is not settled at the moment, however, it is anticipated that they would remain active and be called in to cover shifts during absences or illnesses.

Resident State Trooper and Police:

Budgets were reviewed without question.

b. **Youth and Family Services:**

Toni McCabe, Director of Youth and Family Services reviewed her request. She noted that the counselor position has been increased to cover more hours. This action should address much of the back log. Responsive to inquiry from Mr. Gelston, Mrs. McCabe advised that Youth and Family Services receives grant funding from the town, however, it operates as a 501c(3) and is not a town department.

Youth and Family Services provides social services to the town, additionally it manages the local prevention council, oversees project graduation and the Food Bank and Clothing Bank.

Mr. Lauria noted concern that there is a waiting list for counseling services. Ms. McCabe noted that there has chronically been a waiting list, she anticipated there will remain one even with the 12 hour increase to 32 hours. Additionally Youth and Family Services contracts with the Rushford Center. Ms. McCabe noted that our services only fund a "band-aid" approach. She further noted that state cuts continue to have impact.

Responsive to further inquiry from Mr. Gelston, Ms. McCabe noted that present caseload includes 14 counseling cases from the schools and two non-school cases. She further noted work with the Juvenile Review Board to keep first time offenders out of the court system. Oversight of the Food and Clothing Bank are other areas under the auspices of Youth and Family. The Local Prevention

Council is also overseen by Youth and Family Services. Mr. Gelston questioned the high utility bill. Ms. McCabe noted that the building is poorly insulated, and utilities also include phone and internet services. Mr. Gelston suggested contacting Eversource for a free energy audit.

Motion by Ms. Gionta to recess for lunch at 12:20 pm. Mr. Gelston seconded the motion and it was unanimously approved. Motion carried.

The meeting reconvened at 12:47 pm

c. **WPCA:**

Bill DiCristofaro requested discussion regarding the WPCA request for additional funding. It was noted that justification for the additional request was made, he suggested, however, that he would be in favor of establishing a reserve in the town budget rather than a budget line item. It was noted that WPCA's budget request is all projected to be expended, making this moot at this time. Mrs. Varricchio reported that for auditing purposes it would be better to have the funds move to Interfund Transfers rather than a transfer to the Capital budget.

d. **Revenue:**

Mr. DiCristofaro noted that he was hopeful to have more revenue offsets with this budget, he was hopeful however, that efforts initiated now will be beneficial next budget cycle. Savings in expenses at the transfer station will be offset by capital purchases to generate those savings.

Mr. Gelston noted that additional revenue could be generated via fines for repeat violations for many infractions in the town through the ordinance process. He also believed additional fees could be generated through increased subdivision and permit fees.

The meeting scheduled for Tuesday will include follow-up on Public Works questions from the prior meeting. Mr. Dutch reminded that discussion regarding the library request and calcium chloride discussion should be held.

e. **Library System:**

It was the consensus of the Board to leave the Assistant Librarian position unfunded at this time and revisit if it proves to be a significant hardship. Mrs. Gionta noted her opinion that the job description reviewed for the Assistant Librarian covered duties that the Director should be responsible for.

f. **Public Works:**

Mr. Thomas stated that he was inclined to trust the Public Works Director regarding elimination of the calcium chloride for a second year.

g. **Maintenance Budgets:**

Mrs. Gionta questioned the maintenance budget, Linda Zemienieski stated that although some of the buildings have been vacated, they still need support from the budget to safeguard the asset.

GUESTS AND AUDIENCE COMMENTS

Sue Link, Beebe Road noted that she is fundamentally opposed to using fund balance for operating; that said she was pleased with the fund balance that has been maintained. She also advised that the Board of Selectmen presented a conservative budget, and she was worried about some of the items having potential to go over. She noted that the calcium chloride was recommended by The Public Works Director but cut by the Selectmen. She also noted concern that an additional \$150,000 could come forward for Town Meeting approval for school security issues and she encouraged the Board of Finance not to tap too heavily into fund balance with those uncertainties remaining.

COMMUNICATIONS—REVIEW OF ARTICLES FOR EAST HADDAM NEWS

Motion was made by Mr. Thomas to approve the drafted articles as submitted. Mr. Dutch seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Mr. Dutch to adjourn at 1:45 pm. Mrs. Gionta seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Deb Denette