

**MINUTES OF THE CHESHIRE TOWN COUNCL BUDGET COMMITTEE MEETING
HELD ON WEDNESDAY, JANUARY 4, 2017, AT 6:30 P.M. IN ROOM 301, TOWN
HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410**

Present

Timothy Slocum, Chairman, Michael Ecke and Sylvia Nichols
Town Council Members - Thomas Ruocco and Peter Talbot.
Staff: Michael A. Milone, Town Manager; Finance Director James Jaskot
Dept. of Education Staff: Supt. Jeff Sobol; Asst. Supt. Sean Parkhurst; COO Vincent
Masciana; Director, Special Education Chris Brown.
BOE Members - Mr. Perugini, Ms. Fabiani, Ms. Harrigan, Ms. Hellreich, Ms. Sobol.

1. ROLL CALL

The clerk called the roll and a quorum was determined to be present.

2. PLEDGE OF ALLEGIANCE

The group Pledged Allegiance to the Flag.

3. OPTIONS FOR MITIGATION OF STATE MUNICIPAL AID REDUCTIONS

Mr. Slocum stated there have been cuts of \$423,787 in State Aid to Cheshire since the adoption of the FY 2016-2017 Town Operating Budget. On December 28, 2016 the State assigned additional cuts to all of the municipalities in Connecticut which receive ECS funding. This cut was 1.9% or \$179,637 for Cheshire. The total 2107 decrease in State Aid to Cheshire is \$603,424.

Town Manager Milone cited the FY 2017 Reductions for Cheshire.

State PILOT	\$(14,619)
Colleges PILOT	\$(951)
Pequot/Mohegan Grant	\$(5,358)
Public School Transportation	\$(154,687)
Non Public School Transportation	\$(35,409)
Education Cost Sharing	+\$48,323
MRSA	<u>\$(261,086)</u>
Total	<u>\$(423,787)</u>
 Additional Adjustment, ECS	 \$(179,637)
 Total Decrease in 2017 State Aid	 \$(603,424)

Mr. Milone identified the Town side (non-education) revenue loss of \$282,014, and outlined the proposed options of covering this amount:

1. Medical Benefits Rate Savings	\$ 31,950
2. Stop/Loss Insurance Savings	\$ 55,207

3.	Debt Service Savings	\$101,560
4.	Freeze a portion of CNR Fund Transfer	\$ 93,297
	Cumulative Total	\$282,014

With the freeze of CNR funds Mr. Milone said there can still be the appropriation of \$1.1 million in projects with the balance in the CNR. Mr. Milone is not suggesting the budget be reduced, but that the accounts be frozen. This is a lot cleaner way to do this...and there may be more cuts later on...as long as accounts are frozen we know the money is saved and have the same effect.

BOE - the last cut was \$141,773 in the first round of reductions; the latest reduction is \$179,637. Going ahead with Mr. Milone's recommendations, Mr. Slocum said the total BOE decrease in State Aid is \$321,410.

Mr. Ecke asked if the numbers have been run for the two variations...Town and BOE. He suggested agreement on a methodology and applying it to the numbers, as discussed at the last Budget Committee Meeting. He suggested using the methodology/split of BOE taking 55% and Town taking 45%.

Total State Aid reductions to the Town of Cheshire are \$603,424.

The committee discussed allocations based on the loss on each side -- BOE 63% and Town 37%.

BOE - $\$603,424 \times .63\% = \$380,157$; Town - $\$603,424 \times .37\% = \$223,267$

MOTION by Ms. Nichols; seconded by Mr. Ecke.

MOVED that the Budget Committee forwards its recommendation to the full Town Council, for their consideration, on the following allocations for the Board of Education and Town Government operating budgets:

Board of Education - \$380,157; Town Government - \$223,267; Total \$603,424 of operating budget reductions.

Discussion

Mr. Ecke stated the Council can request the BOE to take this reduction, but they do not, necessarily, have to do so.

The committee was informed by Town Manager Milone that there is a provision in the Town Charter (sent to Councilors in November) which speaks to the Council's authority to act on a reduction to the budget. Mr. Milone checked on this with the Town Attorney, who confirmed that he did not feel this would be inconsistent with State Statute...based on the Town Charter.

Mr. Milone read Town Charter, Chapter 7 - Operating Budget - Finance and Taxation, Section G into the record.

(G) The Council is authorized to reduce the operating budget after its adoption and at any time during the fiscal year, if the Council determines that it has over-estimated revenues for that budget year or if the Council determines that expenditures will exceed budget estimates. The Council may apportion the reduction among the various departments, offices, boards, or commissions (including the Board of Education), or it may apportion the reduction to or among one or more specific departments, offices, boards, or commissions (including the Board of Education). Each affected department, office, board or commission shall be notified of any such reduction in its appropriation.

VOTE The motion passed unanimously by those present.

In the same transmittal from the State, Mr. Slocum pointed out that it mentions they cannot keep on bonding and bonding. The State cited cutoffs in the LOTCIP funding. At this time it is uncertain whether Cheshire has an issue, but there is the South Brooksvale project already approved for funding.

It was explained and clarified by Mr. Milone that LOCIP money comes through the Council of Governments (COG), and LOTCIP money comes from the State. It was thought that the money coming to Cheshire was LOTCIP, but it is not. It is LOCIP money, \$185,000 coming to Cheshire annually towards Town infrastructure projects (sidewalks, roads). \$185,000 has been used this year to offset the gross costs of the capital budget, and it is expected this LOTCIP money will not materialize this year. We will have to bond another \$185,000 for the road projects.

Mr. Milone commented on the State wanting the COG more involved with local participation. The LOTCIP was created for transportation. LOCIP comes through the COG. The \$185,000 LOTCIP funding will probably not be funded.

4. ADJOURNMENT

MOTION by Mr. Ecke; seconded by Ms. Nichols.

MOVED to adjourn the meeting at 6:55 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk