

**MINUTES OF THE CHESHIRE TOWN COUNCIL AND BUDGET COMMITTEE
SPECIAL MEETING HELD ON WEDNESDAY, APRIL 18, 2018 AT 6:30 P.M. IN
ROOM 207-209, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410**

Present

Timothy Slocum, Budget Committee Chairman. Council Chairman Robert J. Oris, Jr., Vice Chairman Paul A. Bowman, Sylvia Nichols, Thomas Ruocco, Peter Talbot, David Veleber. Absent: Patti Flynn-Harris and Jeff Falk.

Staff: Michael A. Milone, Town Manager; James Jaskot, Finance Director; Arnett Talbot, Assistant Town Manager; PW Director George Noewatne, Town Engineer Walter Gancarz, Fire Chief Jack Casner, Fire Marshal John Andrews.

Dept. of Education: COO Vincent Masciana

1. ROLL CALL

Budget Chairman Slocum called the meeting to order at 6:32 p.m.

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. DISCUSSION RE: PROPOSED FISCAL YEAR 2018-2019 OPERATING BUDGET

Ms. Milone informed the Council that he and PW Director Noewatne and Town Engineer Gancarz met with representatives from A.J. Waste on the automated trash pickup contract. There are revised numbers and ongoing negotiations, which will be reviewed with the Council in executive session.

Campion Ambulance Contract – Mr. Milone reported that this line item total is \$484,296, and it includes Chesprocott and Northwest Public Safety. Campion number is \$224,716.

Economic Development – Mr. Milone advised that Economic Development Coordinator Jerry Sitko has provided a two-page explanation of the needs for economic development.

MOTION by Mr. Talbot; seconded by Mr. Bowman.

MOVED that the Town Council enter Executive Session at 6:40 p.m. to include Finance Director Jaskot, Asst. Town Manager Talbot, PW Director Noewatne, Town Engineer Gancarz and new Town Manager Kimball.

VOTE The motion passed unanimously by those present.

MOTION by Mr. Talbot; seconded by Mr. Oris.

MOVED to exit Executive Session at 7:12 p.m.

VOTE The motion passed unanimously by those present.

Handout (orange) April 2, 2018 – Maintainer Position (PW-3) \$83,276.43

PW Director Noewatne stated the department work is year round... snow plowing, road work, sidewalk repairs, tree removal, drainage channel improvements, street sweeping, traffic control, brush cutting, emergency storms, parks and open space maintenance. The Maintainer would be a year round employee. Public Works and Grounds employees' vacation time is limited November 30th through April 1st; a majority of them have four to five weeks vacation time taken during the other eight months of the year, reducing crew size during busy work times.

Mr. Slocum asked about not hiring the Maintainer and the impact and change throughout the year for the department with this decision.

In response, Mr. Noewatne said some basin repairs would go out to contractors as three or four Maintainers do this work. There are always emergencies that require immediate response; over 400 storm basins were inspected and 200 repaired; contracting this work is very costly and a PW crew member must watch contractors doing work. Storms and hurricanes cause damage which must be repaired; there is four more miles of trail to be maintained with another .75 miles coming this summer and two sets of bathrooms; and continued maintenance of infrastructure. Mr. Noewatne said there were 11 Maintainers when he started in Cheshire; the department has lost two Maintainers during that time; and one position was never filled. Maintainers are also being used to maintain the parks. When a Maintainer takes a vacation, this gap must be filled to insure the work is done.

Mr. Milone noted the Parks Foreman position was eliminated with the reorganization and never filled.

With regard to less expensive part-time workers, Mr. Oris asked if the Maintainer position could be filled with this staff.

It was explained by Mr. Noewatne that non-union people can only work 80 days at a time, and this includes the summer part-time people. In 2020 the contract is up for negotiation, and in the past the union has not been willing to change this part of the contract.

Mr. Bowman said this could be a possible negotiation point in 2020.

Pages 8-10 - Comparisons of Public Work Departments was undertaken, and Mr. Noewatne reviewed some of the data from South Windsor vs. Cheshire.

South Windsor

29 square miles
139 miles road network
26,000 population
48 staff
WWTP 14 staff
Building Crew 20
Snow Plowing/5 contractors/7 mi. routes

Cheshire

32 square miles
152 miles road network
29,000 population
42 w/Parks Div.
9 staff
Building Crew 20
12 mile routes

4/19/18 page 10 – Full-time Maintainer \$83,276.43; Contractor including truck is \$49,652.00; with the extra \$33,000 the Town has an in-house person for the 12-months of the year.

Page 11 – Leaf Collection – no change

Page 12 – Hazardous Waste – moving program to NVCOG.

Page 13 – PW Overtime breakdown. – budget is \$60,000 this year, of which \$22,000 is standard weekend coverage at WWTP; this is required under the permit; WWTP per diem payment is \$20 per day and \$30 for holidays (contract issue), totals \$17,000; emergency call in total of 428 hours, with 40% at plant, 40% pump stations, 20% for the sewer system. 60% of WPCP and pump station calls related to snow or power outages. \$45,000 overtime budgeted in FY 18-19 PW budget.

Pages 14, 15 and 16 – records and details for rebuilding the PW truck. \$38,500 parts; \$44,600 labor for in-house crews; \$83,177 to rebuild the truck, with possibly another five years of reliable service.

Mr. Bowman stated that rebuilding a truck is not a good investment. Mr. Noewatne agreed, stating it would be better to purchase a truck.

4/19/18 handout, Page 63 Overtime Analysis – Mr. Milone reviewed the information. 2013 overtime was \$596,350; 2018 it was \$626,100; increase of \$29,750 over five years, + 4.99%. or 1% increase per year. During this time period 4 or 5 positions were cut; salaries increased by 2.25%; so the \$596,350 (2013) would be about \$660,000.

Page 64 – Overtime breakdown by department; over 1/3rd of overtime is in the Police Department. Mr. Milone is satisfied the Town is doing a good job keeping overtime under control.

CHESHIRE FIRE DEPARTMENT – Chief Jack Casner, Fire Marshal John Andrews
4/18/18 Handout, pages 17-62.

Pay for Call – The pay was increased to \$6 per call; \$7,000 budget increase; compared to other towns, Cheshire is at the bottom end.

Firefighter Benefits – The volunteer fire fighters receive benefits such as tax abatement, pension, additional life insurance, pay per call. Chief Casner said the younger firefighters do not care about pension or tax abatement. The abatement program comes into play after five years of participation in CFD, and helps retain members; tax abatement is good for those owning homes or motor vehicles; and CFD appreciates the increase in the pay per call to \$6.00. The Town of Cromwell pays \$25 per call, and still has difficulty getting people to respond on night calls. Cheshire has 60 full time firefighters; this is down from 150 a few years ago; half of the firefighters are in the 18-25 age group.

Page 42 – Staffing Analysis will be updated with new and more relevant/current information. Chief Casner stated there must be a way to get and keep firefighters.

Chairman Oris talked about paying \$15 per call to firefighters who are ineligible to take advantage of other benefits, and if this is possible.

Chief Casner said there would be firefighters with 6 to 10+ years of experience and time with CFD getting \$6 per call...and new/younger members would be getting \$15 per call...and this could be an issue. He will put together a matrix with this information. He noted the problem is younger people not wanting to join CFD.

In looking at the different rates for different times of the day, Mr. Milone said the problem becomes more complex because of the demographics. There could be creation of an inconsistency between the groups.

Page 50 – Shows a graph on the hours of calls, number of calls, and responders. The Town has trained firefighters on staff who respond to fires on Town time. There are PW Dept. employees/firefighters who respond to daytime calls. Hiring firefighters as Town employees, based on their being a firefighter, could cause union issues.

Mr. Bowman said Town employees should be encouraged to respond to fires during the day time hours. Chief Casner has met with a 10 year PW Dept. employee, asking him to consider CFD membership and fire training school. Mr. Bowman brought up other benefits for younger members...tuition reimbursement or education stipend.

There is a Fire Science Program at University of New Haven, and Chief Casner explained other towns take advantage of this program. It has student/interns living at the fire house for immediate response w/a truck to a fire call with \$4,000 payment to the local fire department. This program has met with resistance from CFD firefighters following CFD having an intern about 1.5 years ago that did not work out.

Chief Casner continues to find ways to get people to join CFD. He noted a paid fire department would be \$3M to \$4M.

Council members encouraged and recommended that the Chief pursue the UNH internship program. This is a public safety issue...getting a fire truck to the fire faster. Once the interns are in place, the firefighters will accept and appreciate their service.

Page 20 Insurance Company Billing – For this type of billing, there is a time element attached...getting all insurance information at the scene (accidents and fires). It is uncertain the billing would offset the cost of an extra clerk at CFD offices. Chief Casner will research this further and run a test model. Mr. Milone talked about water damage/pumping water from a resident's basement, the time and effort of CPD and value of the loss making up the insurance claim, finding a threshold i.e. \$50,000. Chief Casner does not support this program.

Fire Inspector (\$21,848) vs. Clerk/typist (18,789) – Currently, Dept. Chief Youngquist spends lots of time doing logs, reports, and clerical work. With his experience and qualifications he should be doing inspections and other CFD work...there is not good use of his time. A clerk or a dispatcher could do this type of work. This possibility can be introduced as part of their service when the Dispatcher contract is opened with discussion on dispatchers answering fire calls. There is down time for Dispatchers; they can do busy work; there will be funding tied to the extra response to fire calls. Chief Casner stated CPD officers are handling 911 calls at \$50 per hour vs. \$26 per hour for Dispatcher. Mr. Bowman noted this is another unfunded state mandate.

Fees – The expected fee for plan reviews is \$14,000 to \$31,000. Mr. Oris does not support these fees; they affect economic development being promoted by the Town. Chief Casner said these fees are hard to justify when people are paying for building permits.

Regarding fees for pumping water out of basements, Chief Casner commented on the CFD dealing with the people/homeowners, wanting to provide an emergency service for 6" of water in a home. For repeated calls to a home, this is not a large issue, and people could be told to get an outside service if there are repeated calls. There is a fee in place for repeated house alarms.

Fire Marshal Andrews stated many towns charge for services which CFD provides without a fee attached. If CFD does home inspections for a fee, someone else must take care of billing and payments.

For a business, Mr. Bowman said there are fees charged by RWA, fire alarm company, sprinkler company. CFD does a fire inspection/tests following the fire inspection company's testing...and Mr. Bowman has concerns about duplication of efforts.

Chief Casner said there is a cost to provide public safety, and these types of services are built in at CFD.

Mr. Milone noted many surrounding towns are using fees to increase the revenue stream. In Cheshire the Fire Marshal is doing plan reviews and not fire inspections.

Campion Ambulance Service – Mr. Bowman asked about this service, Campion funding another vehicle for Cheshire, and this being another legislative mandate costing Cheshire money.

From a public safety position, Chief Casner informed the Council that there has always been state funding for fire school/academy for firefighters. A few years ago it was \$250; today it is \$1,150; and the state had cut the funding to “0”...training firefighters is now a town responsibility.

Decision Package/Expenditure Reductions or Revenue Enhancement Opportunities.
Fire Department – plan review fees and pumping water fees – not recommended.

Pool Amenities – Capital Budget Item.

Automated Trash Collection – To be Determined.

Snow Plowing or Maintainer – the snow plowing is out; no change in the budget.

Tax Collection Rate – stays at 99.2%.

Fund Balance – There is Council support of additional \$200,000, bringing the total to \$1M.

Debt Service Reduction/Resources – Open item.

Revenue Modifications – This is still being reviewed by Mr. Milone and Mr. Jaskot. The PW truck will not be repaired; there is \$160,000 in the Excavation Fee Account which will be revisited for \$25,000 revenue. EDAC funding is lost from the state, as there are no more payments for enterprise or defense zones; this money must be shifted back into the tax levy; it was a \$126,000 State payment.

Electrical Inspector Reclassification – net increase of \$8,772.

Human Services Positions – The three positions will have increase in work hours.

Electronic Media Coordinator - \$61,503 (+ benefits = \$80,000).

Mr. Slocum does not support funding this position, and stated recognition of the work done by Ms. Talbot in this work area. He said there are other more important services to be considered at this time.

Mr. Talbot stated support of the Democratic Councilors for this position, at a minimum of \$35,000 for a part-time position.

Ms. Talbot talked about this new position, stating a dedicated person is needed, even part-time to maintain the process. She cited facts about accurate e-mail information, updating the web site, having a more integrated process, coordination of services and messages to the public, as technology is the way people do business.

The importance of providing, exchanging and maintaining information was cited by Mr. Milone, and at this time the town is not equipped to do this. There is a deficiency in the town's social media process due to lack of staff. The current quality of information that goes out is inadequate, sometimes inappropriate, and someone is needed to police this to insure the messages well represent the town.

In that regard, Ms. Nichols asked about a part-time person, and the first thing to be implemented. She visits the web sites of other towns which are better than Cheshire's. This could be a detriment to bring businesses to the town and economic development.

The Council was told by Ms. Talbot that the web site would be the first responsibility for the new coordinator. She said the economic development element of the web site is good, thanks to Mr. Sitko.

Mr. Masciana stated there is consideration for the BOE to split the position with the Town side. The DOE has similar technology issues; the school buildings each have a web site; and there could be a partnership with the Town to enhance and improve communications.

Mr. Oris finds the web site to be good, as well as the Town's GIS maps which are great. What we currently have would not discourage him, as a business man, from coming to Cheshire. He looks at the total budget, has some concerns with a 4% increase, and with current operating cuts of \$297,000, which is a 1% reduction from the 4%. He is not comfortable with a 3% increase, and said more cuts must be found. For revenues there is the additional \$200,000 from fund balance bringing the total to \$1M, and the \$127,000 in revenue enhancements. The community can be served well with less than a 3% increase on the town government side. To date there is agreement to cut \$297,000 out of the operating budget, and this supports a 3% increase from last year's operating budget.

Last year's operating budget has a \$1.4M surplus, and Mr. Bowman said 4% of \$1.4M is about \$56,000.

Mr. Oris stated that Mr. Milone is asking for a 4% increase from what was approved in last year's budget...but not actually funded because some positions were frozen.

According to Mr. Milone the Council is saying the base is actually lower. The converse argument is that he and Mr. Masciana are making is their budgets only grew by 0.3%

this year which is why the increase is larger next year...due to what was deferred or eliminated.

Last year the budget was \$30.685M. Mr. Oris said this year the request is \$31.894M...a 3.94% increase.

It was explained by Mr. Milone that in this year's budget the increase was \$333,000; \$230,000 was frozen; the effect is the budget went up by one-third.

Money not spent goes to surplus, and fund balance is at 10%.

Mr. Oris supports a 2% or 2.5% budget increase; ½% reduction is another \$150,000. He is not comfortable with a 3% budget increase. We are at \$623,000 in reductions, with only \$297,000 actually cut. Revenue should be put aside for the moment.

About \$500,000 of the \$1.2M is in medical benefits and pension, and Mr. Milone said about 40% to 50% of the cut is fixed and cannot be touched. We must go into departments and positions.

If the Media Coordinator position is not funded, Mr. Slocum said that is \$61,000, plus other savings (executive session discussion), bringing the number to +\$140,000 savings. Mr. Slocum stated fund balance is at +10%, and more could be used from this balance. Last year \$1M was used.

The Councilors discussed a 2% increase which requires another \$300,000 of reductions. Looking at the BOE side the argument is 2.5% is in fixed costs alone. A real problem is in the union contracts which cannot be touched.

There has not been a look at the resources we have to further reduce debt service, and Mr. Milone said there are options there which have not been discussed. The \$126,000 in revenue is added to the \$297,000 expenditure reduction. He asked the Council to look at the solid waste automated trash program; it could work; the opportunity is there now, and next year it may not be as attractive with options available.

Blue Handout April 12th page 3 – Debt Service – The Council can consider the potential to use reserves available and money from the DOC settlement (\$928,000 left), using \$50,000 to \$100,000. Debt Service reserve is at \$3.44M, and the Council can rearrange these numbers. Mr. Oris was okay with using \$25,000 to \$50,000 this year. The numbers will be reviewed by Mr. Milone and Mr. Jaskot. The original decision was to take debt reserve and spread it out over five years. The DOC settlement column can be spread over three years, saving \$50,000 this year and next year. DOC settlement spread out three years would be \$575,000 in year #1, \$625,000 in year #2, and \$253,000 in year #3.

Handout March 14th page 1 – Mill Rate Comparison. To keep the mill rate increase at .75 mills, the Council must come up with \$1,367,000 in savings and revenue. At .46 mill rate increase the mill rate would be 32.69 mills, \$185 tax increase for average taxpayer or 2.5% increase. Council talked about keeping the mill rate at 32.50 mills or less. Many scenarios of expenditure reductions and revenue enhancements were reviewed and discussed by the Council.

Mill rate of 32.66 mills is a .53% reduction from the proposed budget; total adjustments of \$1,453,567, with proportionate percentages of Town at 37.87% and BOE at 62.13%.

Mr. Oris stated his support of the 48th police officer as School Resource Officer, additional hours (for counseling) for Human Services Department at \$40,000.

Mr. Bowman stated his support of hiring the 48th police officer, additional staff counseling hours for Human Services Department, reclassification of the Electrical Inspector to Building Inspector for more inspections and department efficiencies.

The Council discussed hiring the Maintainer for the PW Department, noting one position was eliminated with the reorganization last year, and this is a well run department. The majority of the Councilors favored the Maintainer position and other proposed positions and additional staff hours. This results in expenditure reductions of \$49,105.

Total adjustments of \$1,404,462; mill rate of 32.68 mills; .51% mill rate reduction from proposed budget.

Mr. Milone will review revenue enhancements with information to the Council for the next meeting.

Excavation Account – there is about \$160,000 in this special revenue fund; last year \$25,000 was put into the operating budget; the Council can take \$25,000 into the operating budget for FY 18-19. Mr. Milone said this money could also be used to rebuild the PW truck.

Medical Trust Fund Balance – update on balances for discussion on April 19th.

Built-in Changes Made: \$75,000 savings with automated trash collection program; debt service reduction of \$50,000 (distribute \$150,000 over three years); part-time Electronic Media Coordinator \$35,000; Additional hours for three Human Services Position \$40,000; reclassification of Electrical Inspector to Building Inspector \$8,772; Maintainer position remains in the budget; use of Excavation Fee Account \$25,000; Tax collection rate remains at 99.2%.

4. ADJOURNMENT

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

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MOVED to adjourn the meeting at 9:25 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk