

MINUTES OF THE CHESHIRE TOWN COUNCIL AND BUDGET COMMITTEE
SPECIAL MEETING HELD ON MONDAY, APRIL 9, 2012, AT 6:30 P.M. IN
ROOM 207, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410.

Present

Budget Committee: Chairman David Schrumm, Michael Ecke and Thomas Ruocco.

Council Members: Tim Slocum, Andrew Falvey, Patti Flynn-Harris, Sylvia Nichols, Peter Talbot. Absent: James Sima.

Staff: Michael A. Milone, Town Manager; James Jaskot, Finance Director.
Dr. Greg Florio, Supt. Of Schools; Gerry Brittingham, BOE Chairman.

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. DISCUSSION RE: PROPOSED FISCAL YEAR 2012-2013
OPERATING BUDGET.

At the request of Councilor Ecke, Mr. Milone prepared an alternate budget proposal.

Mr. Milone submitted information and summary of budget workshops – April 3, 2012 Budget Proposal and April 9, 2012 Alternate Budget Proposal. The first five pages of the handout are a summary of the meeting of April 3rd based on the reductions proposed by Mr. Milone, and the additional recommended reductions from the Board of Education. Based on this, the BOE would increase its budget by \$1,150,000 or 1.87%; and General Government would increase by \$457,278, or 1.74%; and the rest remains the same as in the Town Manager's proposed budget. The total budget increase would be just under \$1 million, just over 1%. The effect of the 27th payroll is illustrated in the summary.

Last week the Council did reduce the proposed budget increase by \$703,015 for the BOE, and \$339,973 for the General Government, for a total budget reduction of \$1,042,988.

Page 2 of 4/9/12 handout – The mill rate would be 27.23 mills; and the effect on the average taxpayer is \$87 increase in real estate taxes and \$7 increase in motor vehicle taxes, for a total increase of \$94 annually.

Page 3 – is a summary of budget adjustments as discussed on April 3rd.

In the handout of April 3rd, page 1 - #2 Expanded Single Stream Recycling has an increase to \$96,740.

April 9th handout, page 4 is Salary Adjustments by $\frac{1}{4}$ of 1%, total of \$25,931. There is a cut in the Pension reserve of \$100,000.

Mr. Milone reviewed page 3, April 9th handout, citing the changes made per Council proposed adjustments. Everything under utilities on this page 3 relates to budget revisions #9 in the April 3rd handout. The utility totals \$45,148 add back. Everything on page 3 from items #8 to #21 are all the other reductions which Mr. Milone made. BOE adjustment is \$703,015. The adjustments total \$1,042,988.

Page 5 is a summary of the budget adjustments for the Community Pool and WPCD budgets. With the pool the natural gas is cut by \$10,000. The salary adjustment is \$703 for the Pool and \$1,490 for WPCD. The result is the subsidy to the general fund is reduced by \$10,000, make up of the \$703 in salary adjustment, and it was balanced in the pool fees.

WPCD utilities were under budgeted, and \$16,612 was added back to this line item. The salary adjustment was \$1,490. The fund balance will grow \$16,612 less than projected.

Mr. Slocum asked if the salary adjustments reflect the additional position at the pool which was discussed.

Mr. Milone said that was not reflected because there was no consensus on what the Council wanted him to do. This document does not reflect any roll back of positions.

Mr. Milone stated that with regard to the budget and new positions, he will do whatever the Council directs him to do.

Mr. Schrumm said he thought the position would stay at the pool for the hours which staff wants. He said we have the impact of a body elsewhere and a new position would not be added.

Mr. Milone referred to the March 28th information handout, page 3, Position Adjustments. He said that \$339,973 was the number he left with, and it did not include any of the position adjustments. He knows what was discussed but was not directed to do it. There was no clear guidance.

According to Mr. Slocum his understanding was that the mill rate would not change, and the overall numbers would not change. And the Town Manager was going to put back certain things from contractual services that will be necessary now that a person will not be at the pool.

Mr. Milone said that if it was all rolled back, then the cuts he made, he would like to restore so this balances back.

Ms. Flynn-Harris said there was no clear directive on the position at the pool.

If you back in the savings and end up without a person, Mr. Slocum said the mill rate stays the same.

Mr. Schrumm if the pool maintainer position is wanted to maintain warranties, etc. it was first presented as taking time from other areas. He said to find the extra hours to do that job, which may or may not be a full time job, a person from Public Works or Parks and Rec could be moved. His concern is adding another staff member. And, where adjustments are made is up to the Town Manager, but no more staff.

Mr. Slocum said this is his vote.

It was stated by Ms. Flynn-Harris that the April 3rd discussion veered off into where we would get the people, possibly from an internal transfer. It was all on a hypothetical level.

The Town Government budget cut was \$339,973 which is the sum total of everything on the paper, and Mr. Milone said if he was to go back and take out the pool maintainer position this number would be different. There was a lot of discussion about this issue, and there was a suggestion from the Council to not support the position. And, he understands this and will take it out. But, he did not get the sense that there was a directive for him to do this.

According to Mr. Schrumm the position is \$53,000 plus all the benefits for a total cost of about \$80,000.

In reviewing page 3 of the March 28th handout, Mr. Milone pointed out that creation of this position would cost \$12,558. If you reverse it that amount is saved in the pool budget. There is a slight impact on Public Property, and an adjustment will be made in the maintenance line item to reflect the change. To balance the pool budget there will be \$12,558 added back into the contractual maintenance account as a fall back. This gives the pool staff money to handle repairs and maintenance issues.

Mr. Milone stated to the Council that he is not prepared to take someone from another department and diminish that department by one less person for the sake of supporting the pool maintainer position. He would prefer to work this through with the contractual services line, find a way to manage it, and not create a position with the expectation of taking someone from another department.

With regard to taking someone from another department, Mr. Milone stated he is not prepared to do this and does not feel it is the most effective and efficient way to manage this problem. He would rather manage the pool with contractual

services than create the position and pull from the Parks maintainers of the garage.

Mr. Schrumm talked about having someone there on the scene to manage the maintenance etc. so Ms. Adams does not have to do these tasks. He asked if there is a contractual services company which will respond in short order for a problem. And, if there is such a service, then maybe this is the way to go.

In response, Mr. Milone said the first thing he will do is find a company to maintain the pool on an ongoing basis as a contractual service. For emergencies we will have to manage with the staff we have, as has been done all along. If there is a contractual service at the pool a few hours a day or a week, to insure everything is maintained as it should be, this takes pressure off the utility person.

It was suggested by Mr. Schrumm that the pool person be half time doing chores and maintenance at the pool from another department.

Mr. Milone said this is still someone devoting 20 hours from either the Parks or Public Works Dept. to do this work, and it could be a variety of people filling this void.

Mr. Ruocco stated that a contracted service is a good alternative instead of hiring one person.

For clarification on this issue, Mr. Talbot said that the current part time custodian person at the pool was moving to Public Property, and a maintainer was being hired for the pool. This was the consensus at the April 3rd meeting and the pool maintainer position was to be included in the budget.

Mr. Slocum said it was not the consensus of the Council to hire a person.

There are savings if another person is not hired, and Mr. Schrumm said it will be about \$80,000, possibly more.

It was stated by Mr. Milone that nothing relative to benefits was put into the budget for the pool maintainer position. He will roll back what is there now, and the contractual line item will be larger because of the \$12,558 savings. The building maintenance line item will increase by \$17,000, and the \$12,558 savings will go into this account as well, for an increase of about \$29,000.

Regarding the contractual services for the pool, Mr. Milone said he would be looking for a company or someone to perform the necessary maintenance functions on a regular basis. For off hours the Town will provide support from other Town crews.

On page 3 of the March 28th handout, Mr. Talbot noted that it included the addition of the pool maintainer. It is not the full \$54,000 addition.

Mr. Milone has permanently taken out the \$17,000 contractual services out of the budget.

Mr. Talbot said the only addition is the \$12,558 plus the fringe benefits, etc. so the total additional cost is about \$28,000.

Ms. Nichols commented on having the fear of an independent contractor coming in and handling the necessary maintenance at the pool. She understands the concerns about adding a new person, but trying to save money all the time has caused problems at the pool. To her, with having someone there every day to maintain the pool, the likelihood of a failure is lessened than with an independent contractual service taking care of the pool. Ms. Nichols said we need to preserve this pool, but we should not be penny wise and pound foolish.

It was pointed out by Ms. Flynn-Harris that Mr. Sima made a good point last week about some of these pool maintenance duties being done on a remote basis. But, there is no hookup; the alarms are not hooked up; but, we may have this capability after the energy audit. This is the first year of the pool agreements, and if we blow it in the first year, it is gone. One thing goes wrong, and the Town did not maintain to the standards of the warranties, there is a problem.

Mr. Slocum is certain that with contractual services and diligent staff there will be no problems.

April 9th handout, pages 6 to 10 – Alternate Budget Proposal. In this proposal the mill rate would be 27.35 mills. The impact on the average taxpayer would be a total of \$123. The cuts from the Town and BOE will be proportional with BOE at a little over 70% and the Town just under 30%.

Page 6 - BOE variance would be \$1,372,317 for a budget of \$62,725,192; General Government would be \$26,800,753, a variance of \$591,825. This reflects a reduction in the BOE budget of \$480,698; Town Budget by \$205,426; a reduction of \$686,124 from the Town Manager's proposed budget.

Pages 8 and 9 – shows the changes to the budget with total adjustments of \$686,124.

Pool and WPCD budgets remain the same.

The Council discussed carving out sections of the budget and it was determined that the BOE and Police Department sections will be voted on separately under individual resolutions.

Mr. Slocum questioned the alternative budget increase for the Board of Education and where the BOE would use this money.

Mr. Ecke informed the Council that he, Ms. Flynn-Harris and Mr. Talbot met with Supt. Florio to review the BOE budget. They were uncomfortable with most, if not all, of his reductions coming out of the medical trust fund. And this could be a problem for next year.

MOTION by Mr. Ecke; seconded by Mr. Ruocco.

MOVED that the Budget Committee move the alternate budget proposal to the Town Council for approval as the final budget.

Discussion

Mr. Ruocco said he could not agree with such a large mill rate increase. But, it is good to have discussion on both budgets.

Mr. Ecke commented on making the alternate proposal as simple as possible.

VOTE The motion failed to pass 2-1; Ecke in favor; Ruocco and Schrumm opposed.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to adopt the Town Manager's amended FY 2012-2013 budget and forward it to the full Town Council as the recommended budget.

VOTE The motion passed 2-1; Ecke opposed; Ruocco and Schrumm in favor.

4. ADJOURNMENT

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to adjourn the meeting at 7:20 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk