

MINUTES OF THE CHESHIRE TOWN COUNCIL AND BUDGET COMMITTEE JOINT SPECIAL MEETING HELD ON TUESDAY, MARCH 22, 2016, AT 6:30 P.M. IN ROOM 207-209, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410

Present

Town Council Chairman Robert J. Oris Jr.; Budget Committee Chairman Tim Slocum and committee members Michael Ecke and Sylvia Nichols. Council Members Patti Flynn-Harris, Liz Linehan Thomas Ruocco, and Peter Talbot.

Absent: Paul A. Bowman and Sylvia Nichols

Staff: Michael A. Milone, Town Manager; James Jaskot, Finance Director; Gina DeFilio, Deputy Finance Director; Registrars of Voters Susan Pappas and Tom Smith; Library Director Ramona Burkey; Deputy Director Deb Rutter; Arnett Talbot, Exec. Assistant to Town Manager.

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. FY 2016-17 GENERAL FUND OPERATING BUDGET.

Handout 3/22/16 - page #1a. Town Manager Milone informed the Council on the Town of Cheshire sustaining its AAA rating, the successful outcome of the bonding with a savings of \$386,942. Most of the savings are in the first year due to the way the savings were structured.

Page 1b - shows the debt service projections. Option III was taken as being most beneficial in keeping the growth in debt service to a minimum. Four things were added. \$150,000 next year from WPCD fund balance; energy rebate and utilization of \$150,000; increase in tax collection by 1/10th of 1% or \$83,980; additional savings of \$101,560 realized today from the refunding. On page 1a, it shows savings in the first year of \$302,014. The debt service has been held constant from this year to next year in anticipation of using the refunding to keep debt service flat, about \$200,000. The \$101,560 was applied to the first year of the debt spike. This results in a gross debt payment of \$10,477,048 down to \$7,380,363, and debt service reserve account is back up to \$1.5 million.

The amortization schedule was questioned by Chairman Oris, the front loading and if the Town staff had input on this issue. He commented on the changes in debt service, going from \$671,106 in 2017, to \$201,906 in 2018 and 2019, and in 2020 it is \$650,650. There are high payments and then 2 years of low payments, and it shoots back up again. He did not realize the Town could pick and choose the amortization schedule.

Mr. Jaskot stated this is just on the debt financed. He advised that the savings can be structured with front load savings or back load it. He does not know the mechanism that

was used but will find out and let the Council know. The Town wanted to get as much savings up front as possible due to the debt spike in 2018, if not all of the savings. The Council was told by Mr. Milone that some guidance is given on the refunding. With the actual bond sales, staff identifies how much we want to front load the debt. The Town used to retire the debt evenly over 20 years, advance retirement of the principle, and get to 70% of the debt retired in the first 12 years. Staff said they wanted to retire 70% of the principle in the first 12 years, and that is it.

When issuing these bonds, it is a series of bonds, and Mr. Jaskot said there are 20 different series for each year, all at different interest rates...some are high and some are low.

Mr. Ecke stated that in paying \$671,000 per year, and only pay \$201,000 for a few years, not all the interest is being paid in those 2 years. It is deferring the principle further out, paying less interest only.

These bonds being refunded are not being refunded for another year to year and a half, and Mr. Jaskot explained the money from the sale goes into an escrow account, earning money. Then in a year and a half those bonds will be retired out of the escrow. We continue to pay down the debt for the next year or more as we have been. Based on advanced refunding, the old issue at lower rates today than originally issued, were able to realize the savings.

Mr. Ecke said if we are borrowing the money at 3% or 4% and only earning half a percent on the money invested, we are losing money every day. He said there is no way the money invested is earning what we are paying.

The Council was told by Mr. Jaskot that the interest rate today was lower than the original interest rate.

Mr. Milone said usually you see a gradual decline in the debt, not a drop like that and then an increase. He stated the Town wanted to realize most of the savings in the first few years and this was explained to the agencies.

Mr. Jaskot stated the true interest cost is 1.97%.

Elections - pages 13-16 and 56.  
Susan Pappas and Tom Smith.

Mr. Milone stated this budget does not increase a lot; salaries are increasing by \$9,000; maintenance is reduced by \$2,200. Page 15, line item 5108, shows the increase for election workers. Election workers were charged to 5106, Salary Line, and it should be charged to 5108. Line item 5108 shows a request of \$40,600, and a TM recommendation of \$25,000. Mr. Milone cut this budget because he could not support the \$40,600. The historical information going back 6 to 7 years for election costs, he

could not reconcile this back to the \$40,600 request. Mr. Milone was comfortable with the \$25,000 number.

Ms. Pappas reported that the Elections Office has been in a state of flux. After the last budget the Registrars were required to take 8 trainings at a cost of \$3,200 over 2 years, and this was not part of the budget last year. Two (2) classes have been done with 6 more to go to meet the State requirements.

The \$3,200 is a Personal Services 5209 line item number. It is \$1,500 this year, \$2,000 next year, with the course finished in the following year. The classes are 4 hours each through the UConn School of Business, followed by testing in the office.

Mr. Smith explained the Secretary of State has initiated a bid process to replace all voting machines to be ready in time for the November elections. These machines will help the severely disabled at polling places. Cheshire has 7 of these IVS machines that have only been used 4 times. There will be training for ROV, poll workers, which will take time. There is a maintenance contract involved, but uncertainty on whether the Town or State will undertake this cost.

\$40,000 for management of elections - this funding is for management of general elections.

Ms. Smith said the Council agreed to payment for extra days including management of extra elections, including the 2 primary elections this year. It was a lump sum of \$450 per event and then raised to \$550. But, it is not possible to conduct a national election with 18 part time hours per week work schedule. Mr. Smith requested clarification and assurance that this part of the Elections Dept. budget is acknowledged as reasonable for the extra days worked.

This was discussed last year and Mr. Milone pointed out it was never clear or voted on by the Council for the \$100 increase. This is just for special elections, and is not represented in the budget.

Line Item 5108, \$40,000; Town Manager recommendation is \$25,000.

Ms. Pappas outlined the general election costs(over and above ROV salaries).  
Poll workers, 7 places - \$16,390 personnel  
Extra Help - \$2,000  
Primary (6 office assistants & nursing home assistants) \$15, 520  
Audit/Recount for each general election - \$2,400 to \$2,500; could be in one location and reduce personnel costs.  
Costs depend on the number of elections;  
total for one general election personnel costs = \$18,390.

There is a primary election on April 26th and another one in August at \$15,520 each for a total of \$31,000.

Mr. Slocum noted this number is north of \$25,000 and south of \$40,000.

With regard to the \$25,000 number, Mr. Milone looked at past elections and expenses. November 2012 - \$12,537; August 2014 - \$7,105; November 2014 - \$10,895; November 2015 - \$11,036. Based on historical trends, Mr. Milone's recommendation is \$25,000, and he could never come back to the volumes of people and dollars associated with the \$40,000 or even \$30,000. To date, \$11,900 was spent for the election in November, and they are projecting to spend \$26,835 for the rest of the year. \$15,800 is projected to be spent on the presidential primary, and Mr. Milone considers the \$25,000 a reasonable estimate. Mr. Milone will provide the Council with background information on the last 5 election cycles.

Election Day Registrations - Ms. Pappas stated there are 7 districts, and more people register on election day than in prior years. An 8th district polling place is needed, and it could be the Town Clerk's office to accommodate voters. The Elections Department and Town Clerk's office work together.

Ms. Pappas and Mr. Smith reviewed the salary of Registrars, stating the request must be made to the Council 120 days prior to the election day. For the last 2 years this deadline was not met by the Registrars, and there was no salary increase. The request would have to be considered by the Council at its June or July meeting. Ms. Pappas will put the request, in writing, to the Council. The request is for a 2.25% salary increase, and this is not included in the department budget.

The Registrars will also provide the Council with information on the last 5 election cycles, and payment to poll workers. Last year there was a slight increase in the poll workers payment.

Ms. Flynn-Harris requested information on the increase in the poll workers stipend.

## **Administration and Finance**

### TOWN COUNCIL - Pages 3-6, and 84

Arnett Talbot, Exec. Assistant.

Ms. Talbot read a prose statement about the Town Manager's Office into the record, and it was well received by the Council. She commented on the office changing greatly in the last 20 years. It is a labor intensive work environment, the hub of the municipal government, serves all departments, tax payers and elected officials, handles management of medical benefits costs, technology, GIS, Dept. of Corrections negotiations, community pool, treatment plant upgrade, and many more. The department provides an immense amount of information to the Town Council.

Mr. Slocum thanked Ms. Talbot for being very helpful to the Council, noting the Council is well served by Town staff.

Page 3 - The total department budget is \$443,380, and increase of 1.66%. Line item 5107, salary increase, got rolled up into line 5102; there are two 27th payroll payments totaling \$3,127; there is no salary adjustment built in for the Town Manager. Office supplies in 2016 total \$1,400 versus 1999 costs of over \$2,000. Printing costs are \$200; legal and public notices reduced by \$600; .

TOWN COUNCIL - Pages 1-2 and 88.

This budget has a decrease of 13% due to lower broadcasting costs; in 1999 the cost was \$14,250; and in 2016 the cost is \$8,000.

Ms. Talbot reported on serious issues with the server, which has been sent back to HB Communications. Video broadcasts are live, but not able to be recorded. Other communities are have the same problems with the equipment, and Cheshire's equipment is out of warranty.

TOWN ATTORNEY - Pages 7-8 and 92

This budget increases by \$23,400 or 6.33%; total budget is \$393,000. The monthly retainer is \$20,000, and hourly rate is \$250. In the past year there have been major legal items; attorney fees are logged each month; they are divided into the most common categories. Legal fees for the barite mines issue were \$29,000; cell tower \$19,000; pension/finance/rebidding, \$17,000; PZC lawsuits, \$42,000; Pool and PBC, \$28,000. Part of the legal costs are labor contracts with the labor attorney, and the Town does not use the labor attorney unless the matters reach arbitration.

The Department of Justice investigation has impacted many Town Hall departments. It is based on federal compliance, referendum voting, but DOJ is unspecific on the investigation.

Ms. Talbot clarified that the Town Attorney is not on the Town payroll. Murtha Cullina is the town attorney firm; Attorney Al Smith handles Cheshire's account; and the Town has access to any attorney in the firm for any matter.

There is lots of activity outside the Town Manager's office with many attorneys, and Mr. Milone advised it is all coordinated by Attorney Smith. The Town Attorney is very sensitive to being pragmatic. At this time, Attorney Smith is working on the legal issues around the two-tier user fee billing, and will work with the Town Manager to get this done.

PUBLIC HEALTH - Page 191.

Ms. Talbot reported on the Public Health/Chesprocott budget. This department budget increases by \$21,504, or 4.70%. There is a \$1.00 increase per capita; the funds will be used for purchase of new software and equipment for Chesprocott; nursing services are not rolled into the per capita fee. Within the health department, Cheshire is the highest payer, about 60%.

Campion Ambulance Contract - expires at the end of the fiscal year; the company will provide its emergency management plan to the State of Connecticut; when it is accepted the Town can move forward on ambulance services. The Northwest Regional Health Board provides resources, referrals, training, partners with Human Services Department. There is a \$1,000 additional request for the board in the budget.

FINANCE DEPARTMENT - Pages 19-36 and 60-61

Director Jaskot reviewed the department budget, and stated the department has six (6) divisions: Accounting & Treasury, Collector of Revenue, Tax Assessor, Audit, General Insurance and Information Technology (IT). The total budget is \$2.158 million, an increase of 4.38%.

Page 61 Performance Measures - The Finance Department has received 22 GFOA awards for Financial Reporting and 16 GFOA awards for Budget Presentations.

Mr. Jaskot commented on the department being very busy, with an excellent staff who do hard work and keep the pace moving within many changes.

Cheshire Police Department Special Duty - generated \$580,000 in revenue with \$55,000 going towards administrative fees.

One-third of the department increase is in General Insurance, +9%. Mr. Jaskot will be speaking to the insurance company representatives about another review of the numbers for potential savings. He commented on the fact that Cheshire had two major/maximum claims for the community pool.

Workers Compensation decreased by 10% due to good experience.

The Finance Department has 2200 active vendors; \$100 million of capital project appropriations; \$40 million paid on capital projects alone.

Accomplishments - The refunding sale of March 2015 had \$4.96 million worth of bonds were sold with savings of over \$254,000. March 2016 refunding sale of \$6.1 million generated savings of \$387,000.

Streetlight lease for purchase of lights and poles is \$1.2 million.

The Town must comply with increased banking regulations and pension investments.

Decentralization of Payroll - each Town department enters payroll information; Finance Department reviews the information; there will be a link-up to CPD's new schedule software to the Finance Department payroll system and special duty scheduling.

1095 forms were issued to all full time employees under the ACA. Cheshire must offer and provide minimum value and affordable insurance to everyone.

Overtime - the department has lots of overtime; \$27,000 in FY 2015; 45% was for two (2) 30 hour per week employees who work 33 to 35 hours per week, on average. These were full time positions a few years ago; the hours were cut; and people are paid at regular pay rate, not time and a half rate.

ACH payments - more vendors are set up on ACH and pay electronically.

Credit Cards - some departments are on credit card payments, i.e. Tax office, and the department goal is to get others on this payment format, i.e. Town Clerk's office.

Line 5403 - I.T. has a \$50,000 increase; \$25,000 is for more on-line permitting (Building Department software); Munis maintenance contract increased by 5% annually.

Summer Intern - Mr. Jaskot has had summer interns for many years, and this year has put \$2,016 in the budget for a 3-day a week, 10 weeks, for a paid intern.

#### GENERAL SERVICES - Pages 37-40 and 64

This budget totals \$290,340, an increase of 18.26%. There is a request for an Electronics Media Coordinator, half year cost effective January 1, 2017, \$22,750.

There is a reduction in the maintenance line item. The Town has a new phone system with maintenance included for the first year. \$40,000 for consortium and memberships (Chamber of Commerce, CCM). GIS maintenance is \$10,000 annually.

Copiers and leases and other rentals - \$68,410, an increase of \$5,640.

Postage rates are supposed to decrease as of April 10th, and this issue is being monitored.

Electronics Media Coordinator - \$22,750 effective January 1, 2017. Ms. Talbot clarified this position and duties. It is requested for half a year in the budget. The person must have technology and electronic skills, ability to manage, understand and make judgments. The position would provide management and coordination of CH 14, the web site, social media, expanded use of media, and would work closely with Ms. Talbot.

#### PUBLIC

Derf Kleist, 251 Lancaster Way, distributed copies of information on social security, NYC Police Department salary increase of 1% through arbitration, and tax exemption for low income housing. He said Elim Park has a tax exemption status, is not a 501(c)3 organization and is not providing low income housing, and is not entitled to this status.

(Mr. Ruocco left the meeting at 8:35 p.m.)

#### CHESHIRE PUBLIC LIBRARY - Pages 153-160 and 68

Director Ramona Burkey and Deputy Director Deb Rutter.

Ms. Burkey informed the Council that the Library that she has seen the Library grow to one of the busiest and highly regarded libraries in the State. This was accomplished with strong vision, strategic planning, incredible talented and hardworking staff, strong community support, and Town Manager and Council support. Library staff is starting work on the 4th renewal of the Strategic Plan; the original plan was written in 2006; and the plan keeps the Library focused. Ms. Burkey recognized the Library Board for its continued support of the Library.

Ms. Burkey cited the following accomplishments related to the Library.

The statistics for the Sunday Library hours and programs show they achieved significant patron utilization.

Cheshire Library was awarded a \$250,000 award from the Connecticut State Library for interior improvements.

Increase in early literacy programs; expanded teen programs and services.

Increased Library hours...daily, summer, summer Saturday and winter Sunday hours.

Joined the Library Connection Consortium which offers materials from 28 other Connecticut Libraries; it provides greater purchasing power.

Remodeled the main lobby; automatic self check out is used 82%; this enabled reorganization of staffing.

Library looks forward to having a main lobby information desk, without additional staffing, and will be done with staffing reorganization.

Expansion of homebound services.

Cheshire Library has won many local and state wide awards...2016 Connecticut Library Association Publicity Award for Instagram Page, and YMC Youth Development Award.

The Cheshire Library is 7th in the State in circulation; 23rd in circulation per capita; performed at 5.5 times the State average in collection turnover.

Cheshire Library ranks higher than similar towns in performance measures.

Ms. Burkey recognized Ms. Rutter for doing an excellent job in staff scheduling.

Performance Measures - the return on investment for the community is \$8 for every \$1 invested in the Library.

2015 POCD Survey - residents stated that after the school system, the community reputation was why they live in Cheshire. This was also recognized in Money Magazine. Ms. Burkey commented on how the Library and other cultural opportunities and programs promote Cheshire.

There will be continued remodeling of the upper and lower interior levels of the Library. Collection will be more accessible, increase visibility of staff, add public restrooms to the lower level, make the upper level into more useful program space for all ages. The Library building was expanded 20 years ago. In the long term the Town must look at the parking situation, footprint and efficiency of the current building, and this building will reach end of life. Ms. Burkey stated the Town should discuss land acquisition, combine a cultural services facilities - Library and Arts Place - into one facility.

The Library budget increase is 2.3%; salary increase of 1.34%; increase of 7.4% in program materials; and there is a lease payment for parking of \$3,500.

In the last few years there have been many retirements, and new staff is hired at lower salary than the retiree, which generates savings in the salary line item. Ms. Burkey proposes to increase the Technology Coordinator position to 35 hours per week, eliminate a 15 hour position in September, resulting in a reduction of 10 hours and \$9,000 savings. Technology has grown at the Library for staff and patrons and use of the 50 computers, printers, RFID equipment, credit card machines, coin boxes and more. The coordinator provides outreach to the community, including senior center. The drop in tech programs are popular along with one-on-one tech help sessions. There is a STEM program which Ms. Burkey wants to increase. The Library is purchasing a 3D printer.

5204 Program Materials - +7.14% increase, \$218,000. These materials include books (hard copy and large print), CDs, Audio books, E-books...some are \$300 per title. There is more demand with people logging into the Library catalog.

Parking Lot lease - \$3,500 was moved into the rental/lease budget line this year.

Consortium - +\$900; there are many benefits for membership.

5102/5103/5104 - staff cited by hours of work; Senior Librarian increase in hours from 30 to 35 per week for this fiscal year; with reorganization some positions went from one line item to another...i.e. temporary part time to permanent part time. The Senior Librarian position salary is \$59,318; proposing to move 30 hour Technology Coordinator into that line to 35 hours; there is no change in benefits for this move. Staff is being cut 15 hours a week with elimination of a position, and this move generates \$9,000 savings.

Mr. Milone informed the Council that he went through 6 years of Library budgets. With each retirement money was saved and quality of services were enhanced by Ms. Burkey. He stated the Library has done a lot with little, and staff is efficient and creative.

#### Cheshire Performing and Fine Arts - pages 161-164 and 72

Ms. Burkey reported that Cheshire is an award winning arts community. Director Joanne Pilarczyk was recently awarded "Woman in the Arts 2015" by the Cheshire/Wallingford League of Women Voters. The Library and CPFA work well together. Arts Place has increased enrollment; offers evening painting workshops; held the recent Kensett birthday celebration; Friends of CPFA awarded a grant to sponsor a series of art workshops in honor of Kensett's birthday. The 28th Arts Day was a huge success.

Budget Items - there is a request for increase in the Director's hours to 35 per week. Arts Place is a 7 day a week operation, and Ms. Pilarczyk is already working 35+ hours each week. The budget shows an increase in the rec track software costs which are

shared with Parks & Rec Department...for registration on line, credit card registration, and e-commerce. With this software there is tracking of classes, software, more efficiency and upgrade in training is planned for next year.

Ms. Flynn-Harris cited her support of the Director's increase in work hours to 35. She said there are many talented artists at Arts Place, and great demand for classes. Ms. Pilarczyk is running an art school, and the work done is incredible.

According to Mr. Milone, there has been enhancement of Arts Place with the Library collaboration, and the operation is effective and efficient. The goal is to have the Library and Arts Place closer together, and some day they may be in the same building.

Budget Chairman Slocum requested an Excel spreadsheet for this year and next year on anything new in the budget.

#### 4. ADJOURNMENT

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

MOVED to adjourn at 9:15 p.m.

VOTE The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk