

MINUTES OF THE JOINT CHESHIRE TOWN COUNCIL SPECIAL MEETING AND BUDGET COMMITTEE MEETING HELD ON MONDAY, APRIL 8, 2019 AT 7:00 P.M. IN ROOM 207-209 TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410

Present

Robert J. Oris, Jr. Council Chairman; Paul A. Bowman, Vice Chairman; Timothy Slocum (Budget Committee Chairman), Jeffrey Falk, Patti Flynn-Harris, Sylvia Nichols, Thomas Ruocco, Peter Talbot, David Veleber.

Staff: Sean M. Kimball, Town Manager; Arnett Talbot, Assistant Town Manager; James Jaskot, Finance Director.

Dept. of Education – COO Vincent Masciana

1. ROLL CALL

Budget Committee Chairman Slocum called the special meeting to order at 7:00 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 2019-2020 OPERATING BUDGET

The Council and people present received copies of the Town Manager's handout for April 8, 2019, and handout from the Board of Education.

FINANCE DEPARTMENT – James Jaskot, Finance Director, Pages 21 to 33

Page 21 – Mr. Jaskot informed the Council that the positions of Deputy Treasurer and Budget Treasury Analyst were upgraded. The Budget Analyst position was upgraded with no changes except for ranges within the new classification. The Deputy Treasurer position was upgraded with a minimum budget impact. The employees in these positions are long time Town employees, who have assumed more work duties over the last 15 years. These are non-union positions, which were discussed by Town Manager Kimball at a September 2018 Personnel Committee meeting. Both positions are at the top of their salary range. The Deputy Treasurer position becomes an exempt position with no overtime, which will mitigate most of the cost of the salary increase.

#5104 Intern Part-Time \$5,824 – Mr. Jaskot informed the Council that this person came to the Finance Department through a program sponsored by a local non-profit organization at no cost to the Town. The intern has helped out in the department, and Mr. Jaskot is pleased with his work ethic, which got the department through a difficult time this year. The request is to maintain the person (temporary part-time) 3 to 4 hours a day, two days a week to assist staff.

With this person working in the Finance Department, Mr. Jaskot said the staff overtime costs will be reduced. The staff works above and beyond their 25-30 hours a week at a higher overtime rate than the intern's hourly rate. He believes this is a good way to

mitigate the overtime situation. Under IRS guidelines, the person is on the Town payroll. In the past two years overtime costs have been just over \$30,000.

Page 23 Tax Collector – Tax Assessor Page 25 – A Clerk position will be eliminated within these two departments (half time in each office). The half-time position in the Tax Assessor's office will be revaluated in the future. Mr. Jaskot reported on three (3) retirements in these two departments, one on April 30th, and two on July 30th ...all are 30+ year employees.

Mr. Kimball said the Utility Clerk will work in the Town Clerk's office and Tax Assessor's office to help coverage during busy periods, and when staff is on vacation or in training. The Council will be informed of how this is working out.

Page 28 General Insurance - \$439,431, 8% increase; the percentage increase may be slightly reduced; insurance applications are now being processed. Mr. Jaskot noted the high claims for the Town and BOE.

Page 27 Audit \$32,500 – This is the 5th year of a five-year contract; the increase was \$1,000; there will be a bid process next year at the end of this contract.

Page 29 Technology \$50,712 increase – Apex Technology is the I.T. provider and their costs have been consistent over the last 3 or 4 years. Mr. Kimball explained the increase is due to conversion from MS Office to MSOffice 365. There will be future savings in other budget line items with the conversion, as servers no longer need to be replaced with MS365. Mr. Jaskot advised some the costs are a capital budget line item, which will mitigate the I.T. increase.

Pages 30 to 32 - #5405 - \$1.00 increase.

April 8th Handout Page 1 – Mr. Slocum put forth a FY 19-20 budget increase of \$2.25M which is 2.02% over FY 18-19. With existing expenditure adjustments to date of \$45,904, the total increase would be \$2,074,004.

Town share – 33% = \$684,421

BOE share – 67% = \$1,389,583

Page 2 – Summary of Town budget reductions - Mr. Kimball prepared the summary of areas which could get budget reductions, and he reviewed them with the Council.

Non-Critical/Discretionary Services or Deferred Maintenance - \$115,100.

Reject Personnel Service Enhancements - \$331,006.

Increased Reliance on One-Time Use of Reserve Funds - \$80,000

Other Significant Decision Points – current use of General Fund Equity \$80,000; (could cancel Bulky Waste Pickup).

Budgeting Teacher's Pension Payment – currently \$284,061.
Hold back on some highway construction – currently \$275,000.
GRAND TOTAL - \$526,106

One Time User Funds – Mr. Kimball talked about utilization of \$40,000 of Heart & Hypertension Fund balance, and utilization of \$40,000 from Medical Insurance.

HHT Fund – balance of \$442,000; drawn down on the fund of \$160,000 over the next four months; balance of about \$250,000; one claim could be +\$500,000.

Medical Trust Fund – Use \$40,000 for FY19-20, leaving 5 to 6 months of funds for medical claims.

Decision Points - \$800,000 General Fund Equity; delay the Fall 2019 bulky waste pickup with funding removed and put back into the budget; funding of teacher's pension payment \$284,061. Mr. Kimball recommends keeping the pension funding in the budget, as there could be more offsetting impacts which are unknown at this time.

Mr. Slocum talked about some of the road work being put into the capital budget, taking bulky waste funding out of this year's surplus, reducing next year's General Fund reserve.

This is not recommended by Mr. Kimball, and if things are dire next year, money can be rolled into the fund balance.

Small Budget Book Page 110 Fund Balance Analysis – the balance 7/1/18 10.14%, \$10,840,000 after \$1.09M appropriation to FY18-19 budget. For FY19-20 budget, Mr. Kimball took \$800,000, leaving 10.15% or \$11,299,967 projected for 7/1/19. There is a concern about increasing the FY19-20 appropriation of \$800,000.

Tax Collection Rate is 99.78%.

Page 165 Ten Year Surplus History – the chart shows the results from operation/surplus over 10 years 2009-2018. Last year's surplus was high, but there were years when the Town had high State cutbacks.

Mr. Jaskot explained there were some reduced capital project costs and reserves from some capital projects, and Alexion payment and Performance Contracting funds that were used. The BOE gave a fair amount in the way of hold backs, and there were frozen position on Town and BOE.

The Town has a \$1M cushion, but Mr. Oris still has concerns about what the State will be doing. Mr. Oris commented on the past frozen positions within the Town and BOE,

getting through this year, determining whether positions are needed going forward, with each department finding efficiencies, without cutting services which hurt the community.

In looking at the operating budget, Mr. Kimball noted the Superintendent position at the WWTP, which was vacant for one year and the plant continued to operate very well...and the Assistant Town Clerk position vacant for six months. These are examples of getting by without some positions.

On the BOE side, Mr. Masciana commented on significant pressure under special education programs, the BOE not controlling the resources for special education, and making up the difference in expenditures, maintenance, supply accounts, replacement and new equipment. The BOE has a growing deferral of maintenance and equipment, and this is where the BOE has been hurt most in the last three years. On the medical side reductions have been made in the last few years of +\$1M, and there is a good trust fund balance. For non-teacher positions, Mr. Masciana said the BOE does best with its allocation.

Mr. Oris stated there is more pressure from the State. The Town is looking as school modernization, and it all comes back to the Town Council. The talk is about cuts, which are usually services draining to the heart of the community, and the Council is charged with managing the money with tough decisions to be made. He noted there are senior citizens on fixed income; there is a need to modernize the schools; and not everyone can afford a +\$500 tax increase.

With regard to the Police Department and request for 4 Dispatchers, Mr. Slocum asked what happens with the extra police officer time...do we need 10 Dispatchers...do we need 47 police officers.

Mr. Slocum discussed the BOE student/teacher ratio, looking at the high school course catalog and teaching positions with more teachers and less students.

Mr. Oris commented on the CPD police officer working 40 hours a week as a Dispatcher, being replaced with a Dispatcher, and the need for this police officer.

It was noted by Ms. Flynn-Harris that Chief Dryfe said the officer would be back on patrol, which would help with overtime savings. She expressed concern with the number of Dispatchers with one in a supervisory capacity, a Dispatcher at CFD and how that will work.

Mr. Bowman is not the Council needs to do some fine cutting, as the Town Manager and department heads can make those decisions. Going to zero based budgeting, there are areas to be managed, and he does not want to cut as the Town has good staff. The Council should find a number it can live with and it is incumbent on staff to

make their recommendations. The departments and BOE want more and can do better with more...but the community cannot afford it, and there are too many unfunded State mandates. Mr. Bowman talked about the proposed State family leave plan, how will it be funded, minimum wage increase, the disconnect between Hartford and communities. He said it is difficult to come up with resolutions to these problems due to the unknown from Hartford. He cannot support the budget presented to the Council.

Mr. Oris stated the bulky waste collection is important to the community this year, and savings can be found elsewhere...not just new wants and each department taking a look from the ground up.

Handout Page 6 – Average Residential Taxpayer Payment.

FY 19 – Real estate assessment - \$214,286; two motor vehicles – \$9,394.

FY 20 – Real estate assessment - \$211,590; two motor vehicles - \$9,250.

Real estate variance (\$2,696) -1.26%; Motor Vehicle – (\$144) -1.53%

Total Taxes at 32.62 Mills (current) - \$7,608; 2.43%.

Increase of 3.76% to 33.85 Mills (proposed) - total taxes at \$7,788, +\$282.

Page 16 – Average Assessment/Tax by type of home; 2017 and 2018 Grand List.

Mr. Kimball stated some assessments increased and some decreased based on the recent revaluation. The split level home increased in value by 16.51%.

Page 17 – 2018 Grand List Average Assessment; 2017 and 2018 Grand List.

There was a 3.77% overall tax increase for all homes without change in value.

Page 18 – Projected Increases for October 1, 2019 and Subsequent Grand Lists.

Ten (10) projects are listed, with projection of increase of \$19,186,000.

The surplus is based on the tax collection rate over the last five years – 99.78%.

Page 10 – CPD FY 2018 Revenue – total \$108,600.50 for accounts listed.

Mr. Bowman asked for information on tax deferrals and tax abatements on properties, and Mr. Jaskot will prepare a schedule for the next few years.

BOARD OF EDUCATION HANDOUT – COO Vincent Masciana

Cheshire's FTE Staffing (EdSight) Report was reviewed by Mr. Masciana.

Certified Counselors, Social Workers, School Psychologists
2008-2009 - 22.5; 2017-2018 – 23.8

Certified Teachers and Instructors
2008-2009 – 299; 2017-2018 – 270.6

Certified Library/Media Specialists
2008-2009 – 7.2; 2017-2018 – 6.5

Certified Special Education Teachers and Instructors
2008-2009 – 45.5; 2017-2018 – 49.0

DRG B Comparison Teacher Staffing Ratios
2017-2018 – # students 4,296 - Cheshire rank is 20; student/teacher ratio – 14.80
2008-2009 # students 5,032 – Cheshire rank was 16; student/teacher ratio – 15.72
Special Education Cost Summary – FY 18-19 542 students; 24.3% of student population; tuition for out-placed students - \$2.3M; cost per student exceeds \$72,000; State reimbursement is 70% of excess costs; average reimbursement is \$500,000 per year, as significant cost increases continue for special education. Mr. Masciana advised that on a percentage basis Cheshire is in line with others in the State. Out placement numbers are lower in smaller districts, and Cheshire keeps as many students as possible in district. The “Bridges” program at Doolittle School is less expensive than out placement, with staff costs in the wage line item of the BOE budget.

IEP students – FY 19-20 542 students; 12.9% as percentage of total students; per student expenditure \$33,352. Mr. Masciana pointed out that some students are short term and return to the regular education plan.

BOE Medical Benefits Trust Fund (Assumptions) – July 1, 2019 fund balance of \$3,563,417; Contributions - \$,9,068,376; Less Claims - \$9,277,289; ending balance - \$,3354,504.
Average monthly claims - \$773,117; 4.34 months of claims reserves.
The budget increase over current budget is \$400,000, plus \$300,000 additional funding included to offset claims.

Medical Benefits Update – actual through 2/28/19 and projected to year end –
5% increase in claims; FY 19-20 monthly claims projected at \$811,762.
Expected insurance increase is 3% based on the 12 months information from Anthem. Mr. Masciana said the only projected offset is an adjustment with the carrier RFPs; there is no effect on claims or the \$300,000; administration fees for Town and BOE will not change.

Teacher’s Pension Fund Contribution - \$285,000 projected cost – Mr. Masciana does not expect this to pass in the legislature; many organizations are opposed to this

legislation; if it is not passed it is possible the State will adjust the ECS funding to the same place.

Minimum Wage Bill to \$15 per hour - +\$500,000 cost to the BOE; the wage bill will be phased-in over a period of time.

Paid Family Medical Leave – BOE employees have leave based on sick time.

With regard to the teacher's pension fund contribution, Mr. Talbot asked if the BOE will include the \$285,000 in its budget, and make cuts in other areas of the budget.

Mr. Masciana replied that the number would be in the BOE budget, and he would want to keep the cost in the budget. He noted the Town and BOE will not have enough information on this issue between now and adoption of the Town budget.

Mr. Kimball noted the \$285,000 is a contingency number in the budget.

Mr. Oris said Council has control of the \$285,000 at this time, and there is more flexibility to leave it where it is now. If the money is not expended, the BOE has +\$285,000.

In his proposed budget recommendation of \$2.25M, Mr. Slocum said the BOE would have a \$1.390 reduction.

Handout page 8 (Pink) Personnel Changes in the TM Recommended Budget

Town Manager Kimball reviewed the summary of changes.

Four (4) Dispatchers requested for CPD - \$79,207

Reorganization of Youth Services and Human Services - \$13,920.

Library Reorganization - \$1,677.

Labor Management Committee Recommendations - \$22,331.

Non-Union Reclassifications - \$2,936.

TOTAL - \$120,972

Handout Page 9 – Personnel Changes NOT in the TM Recommended Budget

Total – (\$137,911.65). These department requests would be additions to the Town Manager's budget.

Handout Page 10 – Fee Structure for Non-Residents

The Council briefly discussed this fee structure and whether it required additional staffing to accommodate non-resident participation.

Artsplace – non-residents +\$10 per class and camps, and +\$5 per workshop.

Recreation Department – non-residents are charged +\$10 per program (waived for one day programs); programs range from cost of \$8 to \$200.

Pool Passes – they vary by type of pass, age and residency, and are based on a four-tier fee schedule.

The Council agreed that participation in Town programs should be limited to Cheshire residents first, and if room is available then non-residents can apply. For a program requiring an additional instructor (to accommodate non-residents) there are higher costs.

Ms. Flynn-Harris pointed out that for the Senior Center programs, non-residents participate, apply early, resulting in Cheshire residents unable to join the programs.

Ms. Nichols stated Cheshire residents should have first opportunity for program participation, and then the program is opened up to non-residents.

Page 14 Chesprocott Health District – Mr. Kimball reviewed the letter from Chesprocott in which it states the per capita cost would increase from \$8.65 to \$9.65. This is due to legal actions required that were found favorable to the District. Mr. Kimball has requested a breakdown of the Chesprocott budget, and will follow-up on this request with Ms. Esposito. A copy of the information will be given to the Council.

Budget Chairman Slocum commented on the Public Information Session scheduled for Thursday, April 11th, at 7:00 p.m. followed by a budget workshop.

4. ADJOURNMENT

MOTION by Mr. Veleber; seconded by Mr. Bowman.

MOVED to adjourn the meeting at 9:05 p.m.

VOTE The motion passed unanimously by those present.

Attest:


Marilyn W. Milton, Clerk