

**MINUTES OF THE JOINT CHESHIRE TOWN COUNCIL AND BUDGET COMMITTEE  
MEETING HELD ON THURSDAY, APRIL 12, 2018 AT 6:30 P.M. IN TOWN HALL,  
ROOM 207-209, 84 SOUTH MAIN STREET, CHESHIRE CT 06410.**

Present

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

Staff: Michael A. Milone, Town Manager; James Jaskot, Finance Director; Arnett Talbot, Assistant Town Manager; Gina DeFilio, Deputy Finance Director.

**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 2018-2019  
OPERATING BUDGET.**

Two (2) handouts were distributed to the Council. Blue cover has the grouping of new decision packages; purple color has a summary of decision packages already discussed by the Council.

Mr. Slocum stated this meeting is a review of costs and revenues sides of the budget. There is a public information session scheduled for April 17<sup>th</sup> for the public to give input on the proposed budget.

Purple Handout - page 1 – all non-personnel/non-salary items; expenditures and revenues; page 2 – personnel items discussed; what is in the budget and not in the budget; page 3 – frozen positions and miscellaneous issues; page 4 – ten year history of Town and BOE medical trust fund balance.

Mr. Milone stated that potential savings in the budget lies with the solid waste program. Staff and the vendor will meet on April 17<sup>th</sup>.

Blue Handout - Page 1 Tax Collection Rate. Over the last five years the average collection rate is 99.76%; rate has been at 99% and 99.1%; FY 19 suggested rate is 99.20%. Increase in the rate to 99.30% generates \$92,227 revenue, reduces the proposed tax increase by .0037% per mill, about \$7.85 per average taxpayer. With assumption of continuing average tax collection rate the safety net would be \$523,849 (rather than \$431,622). The Council recommendation is to keep the collection rate at 99.20%.

Page 2 – Utilization of Trust Fund Balance – The information cites seven (7) years of projected surplus funds, FY 2013 to 2019. Column #3 shows the projected fund balance at the time the budget is adopted; FY 2018 surplus is at \$1,496,091; projected

fund balance is \$10,787,838 or 10.04% of operating budget. The recommendation was to use \$800,000 from fund balance; there is consideration to use an additional \$200,000 of fund balance; reduce the mill rate increase by 0.731% per mill or about \$17.02 per average taxpayer. Using another \$200,000 reduces fund balance by .18 to 9.86%. In past years, extra fund balance money was used for other items, i.e. bulky waste, \$200,000 and tax relief \$100,000.

Summary Book, page 136 – is the summary of Connecticut Towns and percentage of fund balance.

Blue/Page 3 – Debt Service/Utilization of additional resources (Debt Service, WPCD Fund Balance, D.O.C. settlement) to reduce debt service appropriation. Use of each additional \$100,000 reduces average tax increase by \$8.52 per average taxpayer.

Pages 4 and 5 Revenues – Projections of revenue from Town Departments; evaluate trends in discretionary revenues; determine if modifications should be made.

Building Official – identification of revenue collected from FY'13 to FY'18; FY'18 Town Manager projected revenue \$600,000; decrease of \$211,495; FY'19 Town Manager recommended \$425,000; this recommendation does not include construction of two major buildings.

Town Clerk – FY'18 \$708,072; FY'19 Town Manager projected \$570,611; Town Manager recommended \$559,775.

Parks and Rec – revenue should not be adjusted any further; Town Manager recommended \$325,000.

Police Department – Town Council approved mandatory charge for use of extra duty police cars; Town Manager recommended \$95,000.

Public Library – no adjustments.

Solid Waste – Town Manager recommendation +\$1,000.

Planning – no adjustments

Public Works – revenue trending higher than expected; comfortable increase of \$12,500.

Senior Services – no adjustments.

Youth Activities – Town Manager recommended \$3,500.

Fine Arts - \$122,148 collected in FY'18; trending to as high as \$165,000; Town Manager recommendation \$115,000 plus another \$10,000 for total of \$125,000.

Investment Income – Town Manager projected revenue of \$480,000; Town Manager recommended revenue of \$850,000; FY'19 there were three (3) ¼% increases; using 2.15% for FY'19; investment income is increasing with the increase in rates; cash is better than anticipated from a few years ago; revenue could increase to \$900,000. The freeze has helped; looking at increases this year by \$30,000 if rates stay consistent.

Miscellaneous – no changes or adjustments.

Police Special Duty – extra duty administrative charges increased to \$10 per hour; estimated increase is +\$5,000 FY'19; Town Manager recommendation is \$105,000.

DOE Tuition - \$128,000 increase over prior years

DOE Misc. and Rent – Town Manager recommendation \$14,000.

Interest & Lien Fees – Town Manager projected and recommended \$200,000. Projection FY'18 was \$120,000, and this can be pushed to +\$8,000 or +\$9,000 to \$129,000.

Mr. Talbot noted there is \$50,000 in estimated revenue adjustments.

Fund Balance and Tax Collection Rate – The Council discussed using fund balance appropriation and increasing the collection rate, or doing nothing with use of fund balance. Mr. Talbot recommended keeping the \$800,000 fund balance contribution; using about \$275,000 from the D.O.C. money for bulky waste pickup; with the fund balance the bulky waste could come out of this fund, keeping D.O.C. money towards debt service.

Solid Waste – Mr. Milone advised there will be a meeting with the hauler on Tuesday; there will be a better number for Council discussion and decision. Mr. Milone noted that the town pays for the tip fee for tonnage. The hauler knows what the tonnage might be with current pickup; there are tonnage numbers.

Surplus continues to grow; money could be taken for bulky waste; still use money out of fund balance to further reduce tax burden.

Summary Handout #2 (purple) Decision Package – there are savings except for community pool amenities; everything else is money saved or generation of revenue; range of expenditure reductions are already in the Town Manager's budget.

Town Attorney – modification to appropriation of \$15,000 to \$30,000.

3/26/18 Handout, page 3 – outlines the town attorney budget history; FY 17-19 appropriation of \$360,000; estimated expenditure of \$328,039; five year average expenditure is \$361,607; FY 18-19 requested appropriation is \$393,800.

Page 4- outlines town attorney costs for various legal services, i.e. D.O.C. settlement of law suit \$75,000.

Revaluation is in the CEP under “evaluation” item; some tax assessment appeals were court cases; professional appraiser works with the town attorney’s office; revaluation will not hit until FY 19-20; bond counsel does most of the legal work for the capital projects.

Chapman property legal expenses (\$35,000) were paid out of the Land Management Account.

Following discussion the Council recommended \$363,800 for Town Attorney expenditures, FY 18-19.

Page 17 Police Pension Plan – The town now pays under Option D, \$300,000; continuing with this option the town will meet its contribution amount in FY 19-20. Changing to Option C would reduce contribution by \$50,000, and it would take 3+ years to get to the actuarial required contribution. There have been two healthy years of asset growth in the plan. The information is based on the July 1, 2017 valuation, and there is another valuation coming up on July 1, 2018. There has been a change in the CPD contract with disability benefits capped at 90% of the wage base; CPD contributions went to 8.5%; and the recommendation is to go with Option C, \$250,000 contribution.

Page 21 Town Medical Benefits – as of 2/28/18 balance of \$1,381,546; utilization of \$150,000 for FY’19 budget; minimum balance required for two (2) months of claims is \$506,284; end of fiscal year balance estimated at \$1,039,994; recommendation to use another \$50,000 for FY’19.

Purple Handout, page 4 – Town and BOE Medical Insurance Fund Balance, Ten years through June 30, 2017.

This page shows the history of the medical benefits fund balance. Town estimated fund balance of \$1,189,944; two to three months of claims must be kept in reserve; recommendation to use another \$50,000 beyond what has already been used; total utilization of \$200,000.

With regard to the services being reviewed, Mr. Milone said he is not advocating for a lot of them...but isolating a service and discussing it defines the costs and benefits.

Public Library – Sunday Hours for 21 Sundays a year - \$11,238 to \$23,600; this service can be sustained or modified.

Chairman Oris stated he supports the Sunday hours. He wants to know, with certainty, that Sunday hours can be reinstated, with savings and efficiencies within this department, and not adding an expense.

Mr. Milone explained that the non-union people work the Sunday hours. The union contract requires staff to work one Saturday in the summer.

Chairman Oris wants to gain efficiencies in town operations, and said there is a need to save money, and more cuts will have to be made. The D.O.C. funds should stay in debt service.

For clarification on the CPL Sunday hours, Mr. Talbot asked if these hours will be left in, and Mr. Milone is requested to find \$23,000 out of the CPL budget.

Chairman Oris would like to see Sunday hours return. He wants to tighten the belt but still provide services.

According to Mr. Bowman this could be a combination of savings and increase in program fees.

For CPL, Ms. Flynn-Harris talked about the changes coming in the salary line item...hiring a new Director and Children's Librarian at a lower pay grade. This will result in savings for the department.

Blue Handout, Page 3 – Debt Service. The chart shows debt increase spread out over four (4) years. Funds to be used - D.O.C. settlement funds of \$525,000 to offset debt service increase.

Green Handout, Page 2 – Fire Marshal's Office – There should be fees for plan reviews, +\$14,000 to \$31,000 revenue; Fire Marshal Andrews will return with specific amounts for fees and fee changes.

Mr. Bowman talked about the town getting insurance reimbursement for Fire Department and Police Department services.

Mr. Slocum stated these fees are counter to what the town is trying to do for economic development...getting people and businesses into Cheshire.

The Council was told by Mr. Milone that the Fire Marshal must respond to fire calls and do plan reviews and administrative work, resulting in his doing fewer inspections. There is an alternative – hiring an administrative assistant at \$45,000 per year plus benefits, or part-time 19 hours a week, without benefits. This would free up the Deputy Fire Marshal's hours for inspections. Also, with the additional revenue through fees, there can be hours added to the Fire Inspector position for more coverage on the street.

Mr. Milone explained that the Fire Inspectors are part-time, they are no benefit staff, 3 or 4 trained people who rotate on the inspection schedule.

Mr. Milone talked about the new model of managing resources; there will be no more State aid; grand list will grow, but not commensurate with the budget increases; and more and more towns are carving out specialty services which were not user charges, and no longer borne on the back of taxpayers. With a true user fee, only the user pays.

Regarding the issue of fire inspections, Mr. Slocum asked for the Council to get an analysis about five (5) more fire inspection hours or a part-time 19 hour per week administrative assistant.

Mr. Oris said certain places have user fees. Economic development is a place for more focus and effort, as revenue cannot grow from the taxpayers. He wants caution in raising fees related to economic development, and EDC should encourage quality economic development to grow the grand list.

It was noted by Mr. Bowman that many services are involved with plan reviews, and said the fire marshal service could be done outside the town. He said time is critical for permitting and construction, with lots of waiting time for responses.

The decision was to add five (5) hours for Fire Marshal inspections. The inspector is a temporary, rotating position, without any benefits.

Insurance – there was a discussion about getting insurance companies to pay for damages from an accident. Mr. Bowman said the insurance companies now pay for pole or guardrail replacement, tow truck charges, etc. CFD has to expend time and services to facilitate reopening a road, and there should be recovery through the insurance company.

Page 3-CFD Pumping Water from basements – Possible revenue of \$5,856; 30 homes are pumped out annually; some homes have had multiple basement pumping; there could be a \$200 charge imposed after the first pumping event; water in the basement is not covered by an insurance claim. The question is whether to charge a homeowner for CFD services. The town does charge for alarm systems after the 3<sup>rd</sup> alarm, with a fee of \$150. Mr. Milone will again review this pumping water issue with the Fire Chief, who was not in favor of imposing this charge.

Yellow Handout 3/19/18, Page 5 Recreation Dept. – Facility Use Fee would apply to for-profit and non-resident based groups; it would not apply to Town and BOE programs or Cheshire non-profit organizations. The fee structure could generate \$10,000 to \$20,000 in revenue annually.

Fees: One (1) field - \$25 per hour; One (1) field with lights \$40 per hour; \$850 per day for reservation of an entire park; additional charges may be assessed for police officers, park crew, health department permits, etc. There is no cost to adopting these fees, outside of general administration.

Mr. Milone stated there is no policy in place for enforcement, and groups use town fields and parks without any payment. The proposed fees would be consistent with surrounding towns.

If a group/organization wanted to use town fields for an event, i.e. soccer, lacrosse tournament...there would be no fee charged if 80% of the roster were Cheshire residents.

Mr. Oris talked about an elite league made up of mostly Cheshire people; it is a for-profit entity; the league charges \$1,000 for someone to play; and in that instance the league is making money, and should pay for use of town fields. Regarding the dog park, Mr. Oris supports charging a non-resident fee to use this park due to the maintenance requirements of town crews.

Mr. Bowman does not want to change or upset the BOE use of town fields.

Most inter-scholastic tournaments are held on BOE fields. Mr. Masciana explained that, if a group is charging fees to event participants, there is a fee for usage. There will be coordination of events with Director Mederios.

The Recreation Budget will include projected revenue of \$10,000 to \$20,000 from a new fee structure for use of town fields.

Summer Concerts – Four (4) concerts cost \$40,000. To reduce the expenditure the concerts could be reduced in size and scope. Director Mederios is working on sponsorships for the concerts. This budget item will be cut by \$5,000.

Community Pool – Amenities for the pool will be a capital expenditure request.

Hazardous Waste Drop Off – Cheshire will now use the NVCOG (rather than RWA); There will be three (3) weekend drop-offs (from RWA 21); \$19,843 savings.

Leaf Collection –no change in this line item.

Snow Plowing Sub-Contracting – to be discussed on April 17<sup>th</sup>, when Mr. Noewatne and Mr. Gancarz are in attendance.

Blue Handout/Summary- Tax collection rate to be kept at 99.2%; Fund Balance discussion about using \$200,000 for bulky waste (no decision made); there is \$800,000 fund balance money committed to FY 18-19 budget; another \$200,000 will bring this

commitment to \$1M. Following discussion, the Council agreed, at this time, to leave the \$800,000 commitment and find savings elsewhere.

Debt Service Additional Resources – no decision made.

Revenue Modifications – there is agreement on the changes.

Purple Handout, page 2 – Positions vacant, new or reclassified or requested.

The dollar amounts and related benefits for positions in column #1 - "\$ amount in budget request" which are already incorporated into the proposed budget. Mr. Milone explained that items in column #2 are not incorporated into the proposed budget. There are two requests from Youth and Family Services for more money and one from Senior Services. If any of the positions (page 2) are not filled there would also be a reduction in the medical benefits line item.

Police Officers #48 and #49 @ \$86,094 per position, and Maintainer position @ \$83,276 fringe benefits are included. Sr. Library Associate position @ \$47,240 does not include benefits; Assistant Town Clerk, 20 hours, \$20,966 the benefits are in the benefits category.

For the 49<sup>th</sup> police officer, Mr. Oris asked if the School Resource Officer would be #48 or #49.

Mr. Milone stated #49 will be the Drug Task Officer, and #48 will be the School Resource Officer.

Mr. Oris would support one new officer...#48 as the School Resource Officer, but not #49 going to the State task force.

Ms. Flynn-Harris would support the Dispatchers over officer #49.

With regard to the Dispatchers, Mr. Milone agreed they must take on more responsibility. They claim their current job classification does not require taking calls for fire...just dispatch for fire. At some point, with Council authority, staff would like to re-engage negotiations with the Dispatchers and expand their responsibilities to handle fire calls.

For the State task force position (officer #49), there is no reimbursement to the town.

Town Clerk – the Council discussed the Assistant Town Clerk position request...going to 35 hours per week, and no part-time position filled. The 20 hour position was discussed...decreasing it to 15 hours per week. The Council came to the decision that one (1) full time Assistant Town Clerk position is the logical way to go for this



department. It would result in four (4) full-time, 35 hour per week positions in the Town Clerk's Department.

Mr. Milone said this was done in the Tax Assessor's Office last year, and it has been successful. The next logical place to do this would be the Town Clerk's Office.

Mr. Talbot pointed out the positions in the handout...20 hour Assistant Town Clerk, frozen position of 15 hour Library Clerk, and 30 hour Assistant Town Clerk increased to 35 hours.

The 30 hour Assistant Town Clerk position would be unfrozen and increased to 35 hours per week.

According to Mr. Milone's calculations, the salary line item could be anywhere from \$575 less to \$14,258 more...it depends on who gets the job. Someone starting at entry level would be \$575 less in compensation; someone experienced at the top step would add \$14,258...the job would be at \$51,000.

Mr. Talbot stated his calculations. Page 3, the addition is about \$7,000; Page 2, the 20 hour job is about \$21,000...and that job will not be included; roughly it can be said the Town Clerk's expenditure savings is about \$14,000 for salary and benefits.

Mr. Milone said that staff will put together all this information for Council review. He also noted there is an expected revenue increase in the Town Clerk's department. The 30 hour position is frozen; would be unfrozen; and the question is whether to post it at 30 hours now, or wait until July and post it at 35 hours.

Electronic Media Consultant \$61,503 – this position has been in the cycle for a few years and Mr. Slocum said it could be taken off again.

Mr. Slocum, Mr. Ruocco and Mr. Veleber do not support this position in the budget.

Ms. Flynn-Harris and Mr. Talbot support this position being filled. Mr. Falk stated the position is vital to marketing the town and its economic development.

There were Council comments on the electronic media position. Mr. Oris talked about the money spent for the web site, and being unable to read the information on the web site. Mr. Bowman stated he tried but could not access the town web site...and it not being safe to go onto. Ms. Nichols commented on the importance of people finding information for economic development, and it being a part-time position. Mr. Oris said the position is not critical to the town. Mr. Bowman believes the position is a little more important than others, but not as a full-time position. The matter will be revisited next week, including splitting costs with the BOE.

Senior Library Associate – There was discussion about this position, whether it is needed, and cutting in other areas to fund the Sunday hours.

Mr. Milone noted the Council has asked him to find \$23,600 in the Library budget to fund the Sunday hours, but does not want to piggyback that on this position. There is a concern from Director Burkey about outsourcing the cataloging of books and materials at an annual cost of \$60,000. To do this task in-house, extra staff would enable it to be done. With a Senior Library Associate at \$47,240, there is a \$13,000 revenue benefit.

Mr. Slocum would agree to the Senior Library Associate position remaining in the budget, and not funding the 15 hour Clerk position.

Chairman Oris does not support making any decisions until the new CPL Director is hired to make recommendations and changes to the Library.

It was pointed out by Ms. Flynn-Harris that the cataloging by an outside vendor at \$60,000 has errors, with staff having to make corrections to the work. She would move towards the 15 hour per week Clerk position to do the cataloging work, as it is a clerical data base. The Senior Library Associate position has other responsibilities and is not devoted to the data base tasks.

There was discussion about elimination of the Senior Library Associate position, and hiring a 19 hour per week Clerk. The difference is +\$3,000 to \$4,000, with savings of \$43,000 eliminating the higher position. The 15 hour per week position is already in the proposed budget.

Mr. Oris would take both positions out of the budget, and revisit the matter in January 2019 when there is a new Library Director.

Mr. Bowman stated with a new Town Manager and Library Director, both positions should be frozen pending new ideas and thought process from new leadership.

Mr. Slocum supports eliminating the Senior Library Associate from the budget.

According to Mr. Milone, the Senior Library Associate position was frozen for 12 months, and is being refunded in the proposed budget.

The issue incurred costs for the outside vendor cataloging services was raised by Ms. Flynn-Harris. The vendor cost is \$60,000 annually.

Mr. Milone cited the cost factors. We have a \$12,000 Clerk position; \$47,240 Senior Library position; total cost of \$59,240. Freezing the Senior Library Associate for half a year has \$30,000 savings. There will be a better understanding of where the budget will be in six (6) months, and Council can review the issues at that time.

In light of the CPL savings of \$30,000, Mr. Talbot asked about the \$23,600 Sunday hours cost taken out of this savings. He commented on the Council cutting two positions and Mr. Milone still coming up with \$23,600 in savings for Sunday hours...or is the funding for Sunday hours covered.

These positions could be unfrozen in half a year, and if not, Mr. Oris said there would be additional savings not factored into the budget.

It was stated by Mr. Talbot that the Library can find \$23,000 in efficiencies and savings to pay for Sunday hours. There is now \$30,000 of savings, and he questioned if Mr. Milone is now covered for this \$23,000.

Mr. Milone clarified that the Sunday hours are not handled by the two frozen positions, so they do not affect Sunday hours.

Mr. Talbot commented on the Council members saying the Library can come up with savings of \$23,000 and still do Sunday hours...and everyone was good with this. Now, the Council has frozen a position, has guaranteed \$30,000 savings and possibly more...but still wants the \$23,000.

Even with the freeze, Mr. Oris said the Library can staff Sunday hours with current staffing levels, and the \$23,000 is in addition to the savings. The two positions are not in the Library now. The Sunday hours are outside of these two positions.

Mr. Milone reminded Councilors that Director Burkey will retire; the Children's Librarian will retire; there will be savings with these positions filled at lower salary levels. He requested the Council allow him to determine what this amounts to, and report back on the savings...which could be as much as \$15,000. Two positions will be frozen for half a year, and Mr. Milone will try to find savings as a result of vacancies at lower levels.

48<sup>th</sup> Police Officer – Mr. Slocum will support this position as School Resource Officer. The Council supports #48 position, but will not support officer position #49.

PW Maintainer - \$83,276 – The Council supports this position in the budget.

Firefighters Pay Per Call – The Council discussed the recommended pay per call increase of 50 cents per call to \$5.50 for firefighters. Mr. Bowman stated this is not enough payment per call if the town wants people to join CFD, and the amount should be increased.

The CFD executive team is working on a plan for increasing benefits/enhancements for volunteer firefighters, i.e. tax benefits. Mr. Milone explained that firefighters must have

five (5) years of service and participant points to receive benefits. The chiefs support the five (5) year plan to insure CFD has qualified people.

Mr. Oris said the entire volunteer firefighter compensation system should be examined. He commented on creating a system to allow Cheshire to continue having a volunteer fire department...as transitioning to a paid system is cost prohibitive.

Following discussion, the Council agreed to \$6.00 per fire call. This increases the line item increase to \$14,000.

Part-time Fire Inspection Appropriation – The town increased this line item to \$20,000; fire inspections have greatly increased; \$20,000 is not sufficient for the inspection work by temporary part-time fire inspectors on a rotating schedule.

With respect to the Public Works Department and the Maintainer position, Mr. Oris asked about saving money by contracting outside snow plowing, and these trucks having salt. If this was an acceptable alternative, he asked if the Maintainer staff could be reduced by one person.

Orange Handout, Page 10 – In his analysis to the Council, Mr. Noewatne explained that it costs more to contract out snow plowing...and the department would not have a Maintainer. The cost difference is about \$34,000 with a Maintainer, and the town has the person for  $\frac{3}{4}$  of a year. Without a Maintainer and with outside snow plowing, PW loses a body for  $\frac{3}{4}$  of the year.

Mr. Milone commented on the successful reorganization of the Parks Division into Public Works Department, and things working very well.

Chairman Oris talked about the need to find ways to find efficiencies, enhancing services through Human Services (counseling, mental health), and putting money where it is needed.

With the reorganization last year, Mr. Milone pointed out the savings of \$200,000; the need for a part-time Program Coordinator for the Recreation Department; the efficient operations with PW crews doing the snow plowing with few complaints; and outside snow plowing that could affect efficiencies.

#### **4. ADJOURNMENT**

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

MOVED to adjourn the meeting at 9:30 p.m.

VOTE           The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk