

MINUTES OF THE JOINT CHESHIRE TOWN COUNCIL SPECIAL MEETING AND BUDGET COMMITTEE MEETING, HELD IMMEDIATELY FOLLOWING THE 7:30 P.M. PUBLIC HEARING HELD ON TUESDAY, MARCH 31, 2015 IN COUNCIL CHAMBERS, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410

Present

Timothy Slocum, Chairman; David Schrumm, Vice Chairman; Council Members Patti Flynn-Harris, Liz Linehan, Sylvia Nichols, Robert J. Oris, Thomas Ruocco, James Sima, Peter Talbot.

Staff: Town Manager Michael A. Milone; Finance Director James Jaskot; Supt. Of Schools Dr. Greg Florio; Director of Management Services Vincent Masciana.

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 2015-2016 OPERATING BUDGET.

Mr. Milone and Councilors reviewed all the issues to be reviewed by the Town Council following the recent budget workshop meetings.

- Issues of new positions or increase in hours of some positions; department heads will return for 5 minute review of requests, provide more details on the request, and answer questions.

(Councilor Ruocco left the meeting during medical benefits discussion)

Medical Benefits - the consultant feels both companies will be close with Anthem numbers, return with revised rates; major issue is making sure there is a match of all provisions as close to Anthem as possible; the numbers could be the same or better. BOE has a 7% budgeted increase; Dr. Florio will look at true savings moving HMO from fully insured to self insured, as this is where the savings will be.

(Mr. Ruocco returned to the meeting after a 7 minute absence)

- Pensions - the pensions will be revisited; numbers may not change; actuarial report should be received in the near future but it will not change anything in the near term; CPD pension plan has no changes; Town waits to hear about its plan which should have changes.
- Streetlight Acquisition - Town Engineer Gancarz will explain all the elements of the streetlight acquisition; there will be a healthy rebate to be used and revenue

enhancement on the revenue side; program variations are out there including borrowing, pushing lease out to generate more savings this year...could be \$50,000 to \$120,000. There was a brief discussion about neighborhoods that purchased streetlights, and Mr. Gancarz will research this issue further.

- Tax Collection Rate - the rate could be budgeted at 99.1%; each .01% generates \$80,000 in revenue.
- \$13,643 adjustment.
- Town Clerk Revenue - this will be looked at by Mr. Milone and Mr. Jaskot, along with all other Town revenue; the estimate for FY 15-16 could be increased for Town Clerk and Building Department.
- Fund Balance - it is projected to use \$650,000 for FY 15-16 budget; the last fiscal year \$700,000 was budgeted.
- WPCD - \$180,000 budgeted for I&I coming into the plant; WPCA wants to increase the user fee by \$5 as of December 2015; without fee increase it is a \$42,000 risk with a fund balance of \$500,000.
- Performance Contracting Revenue
- Debt Service Savings
- 27th Payroll - there was discussion and recommendation to take money from the bond savings and fund the 27th payroll account. Mr. Milone is taking this savings for debt service. This year the 27th payroll accrual was 2 days; next year it will be 2 day.
- VEBA - it was recommended by Mr. Milone that VEBA be revisited, as there will never be sufficient funds to meet the needs of retirees; the money could be moved into the General Fund; \$50,000 is being taken out of the VEBA account; Council can look into the account, employee contributions, and maybe use some of the money to offset medical benefits.
- Medical Benefits Trust Fund - Town side has \$2 million in the trust fund; \$200,000 has been spent; there should be a plan to proceed on how to use these funds going forward. Two month Town reserve is \$1.8 million; BOE is \$1.5 million.
- Upcoming Meetings - MONDAY, APRIL 6, 2015, 6:30 P.M. - 7.00 P.M - 1/2 hour, executive session with Town Attorney on critical land acquisition issue; Atty. Smith has drafted an offering sheet to be reviewed with Council.

- 7:00 P.M. to 8:00 P.M. - 1 hour with Town Department Heads to discuss and review personnel requests. 8:00 P.M. - Town Council budget review.

Before adjournment, Mr. Milone informed the Council on the critical time crunch on staff to print two budgets...and requested submission of a 2nd budget not later than Thursday, April 9th. He also reported that his assistant, Ms. Talbot, has been selected for jury duty beginning April 13th, and it could run 5 days to 5 weeks.

#### ADJOURNMENT

MOTION by Ms, Nichols; seconded by Mr. Ruocco

MOVED to adjourn the meeting at 10:10 p.m.

VOTE The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk