MINUTES OF THE JOINT TOWN COUNCIL SPECIAL MEETING AND BUDGET COMMITTEE MEETING HELD ON WEDNESDAY, APRIL 7, 2010, AT 6:30 P.M. IN ROOM 207-209, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410

Present
Council Chairman Tim Slocum; Budget Committee Chairman David Schrumm; Budget Committee members Michael Ecke and Thomas Ruocco. Town Council members Justin Adinolfi, Anne Giddings, James Sima, Timothy White. Staff: Michael A. Milone, Town Manager; Patti Lynn Ryan, Finance Director; James Jaskot, Deputy Finance Director; Dr. Greg Florio, Superintendent of Schools; Vincent Masciani, Business Manager, DOE

1. ROLL CALL
Roll was called and a quorum was determined to be present.

2. PLEDGE OF ALLEGIANCE
The group Pledged Allegiance to the Flag.

3. DISCUSSION RE: PROPOSED FY 2010-2011 OPERATING BUDGET
Mr. Schrumm announced that there would be a Budget Committee – Joint Town Council meeting on Monday, April 12\textsuperscript{th}, at 7:30 p.m. for final review of the proposed FY 2010-2011 budget. Mr. Schrumm distributed an information sheet “FY 2011 Budget” for discussion and review by the Council.

The CRRA money was discussed with Mr. Schrumm noting the pressure points in the budget (Heart and Hypertension Fund, Pension Trust, OPEB, FY 12 Payroll Reserve, Debt Service $3.6 million reserve).

The Council reviewed page 6 of the March 29, 2010 supplemental information on CRRA Reserve Funds. Mr. Milone explained that a new line was added to the five budget components – Fund Equity Transfer to Reserve Accounts. The new reserve account will be called the Community Stabilization Transfer Fund. Cheshire has received $3,467,000 from CRRA, and will get the balance of the money owed sometime in the Fall, estimated to be $2,158,000. Mr. Milone advised there is still about $18.6 million which CRRA owes to the five towns in the consortium. The administrators of the five towns met recently to discuss putting aside a reserve of $2 million to handle any future problems. This would leave a balance of $16.6 million. Cheshire’s allocation is 13\% of the balance or $2,158,000 to be received sometime in the Fall. This number is uncertain, and Mr. Milone advised that the Mayor of Wallingford wants to put $5 million in a reserve account. Cheshire already received a $3,467,000 payment from CRRA which has been invested. The combination of what we have and what is expected is $5,265,000 total refund from CRRA.
Mr. Milone stated that the resolution for funding the debt reserve account will have to be qualified to indicate “x” amount of dollars left after all accounts have been satisfied. The estimate will be the $2,158,000, with the qualifier that if the revenue is less than this amount, then the balancing will take place in the debt service reserve. All the other funds would be funded accordingly, and whatever is left would go into the debt reserve fund. $100,000 funding will be put into the CNR for fire fighting equipment.

FY 2011 Budget Sheet – Mr. Schrumm noted that the use of the surplus from FY 2010 Budget is recommended for funding of $600,000 for the FY 2011 budget and $500,000 funding of the Medical Benefits Trust Fund, with any surplus over $1.1 million to the CNR.

Draft Summary FY 2010-11 Proposed Budget (4/5/10) – The proposed budget adjustments were discussed by the Council. The subtotal of budget adjustments for revenue increases was $114,586. The tax collection rate is 99%. Mr. Milone reviewed each of the items in the revenue column, citing the adjustments for each revenue item. Town Clerk revenue for real estate conveyance tax could increase by $10,000. Telecommunications Tax revenue is $231,000 versus $1.328 in 2001. Parks and Rec revenue increase of $15,000 would come from increase in program user fees. Fine Arts revenue increase would be from an increase in fees for art classes.

Expenditure reductions subtotal was $70,569, with additional reductions of $5,200 for Assistant Zoning Enforcement Officer/Inland Wetlands Enforcement Officer; $1,900 Town Council Supplies and Services; CPFA Clerk $3,700. The savings in utility rates should be better than what was put in the budget, and it is estimated there will be a savings of another $20,000 in these accounts. The natural gas line item for the pool has been cut from $235,000 to $192,500, a change of $42,500. Application of the same rationale for natural gas in the general fund could pick up another $8,000. But, Mr. Milone does not recommend this because accounts

Mr. Milone reported that he cut the Assistant Zoning Enforcement Officer’s hours from 15 per week to 10 per week. Regarding the Assistant Town Planner’s position which is vacant, Mr. Milone stated that Town Planner Voelker put together a summary on the rationale for why this position is so important and should be filled. The memo was submitted to the Council Members. Keeping the position vacant through June 30th will generate another $14,000 towards the surplus. By starting the new employee in July, on a part time basis, 3 days a week through September 30th or even beyond that date will generate another $5,000 in next year’s budget. If this works out, Mr. Milone said he would eventually expect the position of Assistant ZEO would not be necessary since the Assistant Town Planner is the Zoning Enforcement Officer. He would, therefore, recommend elimination of the Assistant ZEO position.
Mr. Slocum checked with the Chairman of the IWW Commission on the Assistant ZEO position, and Mr. Slocum concurs with Mr. Milone’s recommendation.

Although the level of activity in planning and development has dropped dramatically in Cheshire, Mr. Milone said the Planning Department has other continued needs which are going on. This is the point made in Mr. Voelker’s memo. With the position of Assistant Town Planner/Zoning Enforcement Officer filled, Mr. Milone said he would eliminate the Assistant ZEO position. He noted it is critical to have someone in the Planning Department to do zoning enforcement.

For the Assistant Town Planner’s position there were 50 applicants (many generalists); this was narrowed down to 8, then to 2 finalists with one dropping out, and one person interviewed. Mr. Milone said there were not many applicants with on point experience in zoning enforcement. He said it was made clear this is not a “sit in the office” type job, but a job where someone is out of the office a lot handling zoning issues.

Discussion ensued on eliminating the Assistant Zoning and Wetlands Enforcement Officer after 6 months, with another $5,200 reduction in salary expense (Account 5103, page 74 large budget book). Mr. Milone reduced the hours per week from 15 to 10 in the FY 2010-11 budget, and explained the rationale for reduction in work hours resulting in the savings. Next year he will recommend that the position be eliminated.

Mr. Milone further explained that in the absence of the Town Planner there is no one to supervise the Planning Department office, and he would want an Assistant Town Planner for the department. He also noted that the Town Planner is eligible for 4 weeks vacation, will probably take 3 weeks this summer, and takes a day from time to time. A management person must be present to supervise the department in the absence of the Town Planner.

Ms. Giddings stated it seems like an excess of personnel in a year when there are so many demands on the Town funds. She does not want to see a position filled when there are other ways to meet the department needs.

Stating there are no other ways, Mr. Milone said if the Council wants the Assistant ZEO position eliminated, he will do that. Mr. Milone stated he likes to think he comes to the Council with the most responsible budgets found anywhere in the State. He feels the Assistant Town Planner is a position which is needed, as clearly expressed the Town Planner. The position is frozen for the remainder of this fiscal year, will be filled part time and then gradually phased into full time. Mr. Milone stated the Council can take the matter further, but it will affect the department head’s ability to meet the demands of the office and will have a service impact. He stated that the Assistant ZEO is not qualified to do the job of
the Assistant Town Planner, and even given more work hours, the comparability does not exist between the two skill sets.

Mr. Schrumm commented on the Assistant ZEO position hours being reduced, the position eliminated by December, or earlier, if the new Assistant Town Planner can fill the duties of the job. These changes would result in combining two jobs into one, saving $5,000 with the Assistant Town Planner on a 3 day work week for 3 months.

Mr. Milone said he has already assumed the Assistant Town Planner as a part time position with savings of $5,000, and will fill in with the $5,200 and elimination of the Assistant ZEO position.

It was stated by Mr. Adinolfi that we could end up with a situation of the Town not having a ZEO or Assistant Town Planner, with Mr. Voelker doing it all. He said this must be recognized.

Mr. Sima asked about the Environmental Planner assuming other duties.

In response, Mr. Milone said the Environmental Planner, Ms. Simone, does the environmental enforcement, but she does not have the skill set to fill the role of Assistant Town Planner. He said Ms. Simone does help out when asked, and she does have a lot of things to handle in her own job.

Mr. Sima asked about the required skills for the Assistant Town Planner’s job, i.e. a degree, certificate in planning.

The Council was informed by Mr. Milone that the Town wants a Planning Certificate, requested but not required.

Mr. Sima asked if the Assistant Planner could have a certificate to be the Environmental Officer at the same time.

Mr. Milone stated that the candidate for the Assistant Planner has already been interviewed, and the person does not have this ability.

When Mr. Voelker is out of the office, Mr. Sima noted there needs to be cross training somewhere to insure all jobs can be handled. He questioned why someone in the environmental officer position could not take on an extra role.

In response, Mr. Milone said the job description would have to be changed because it does not demand that this as a responsibility. If that were to happen, Ms. Simone would have to be reclassified due to taking on additional responsibilities and there would be additional compensation. Although Ms. Simone has a good skill set she is not what the Town is looking for in an Assistant Planner/ZEO. It was pointed out by Mr. Milone that there is much staff
support to boards and commissions from the Planning Department office...Planning and Zoning, Zoning Board of Appeals, Beautification Committee, Inland Wetlands, Environment Commission, Historic District Commission, Economic Development Commission. Therefore, there are demands other than regular office work.

Mr. Slocum stated that the Town could have ten times the number of applications coming in, and we must be vigilant with these types of things, insuring the people are in place to provide services and protect the community.

There was a brief discussion on the Planning Department management, and Mr. Milone said if there is no supervisory person in the office, he does not want people coming to him many times a day to make a management decision.

Board of Education - Mr. Schrumm discussed the total BOE budget revenue increase of $927,312, and recommendation of changes of $365,197.

Dr. Florio asked where the numbers are coming from for this cut in the BOE budget so he could share the information with the BOE at its Thursday meeting.

It was stated by Mr. Schrumm that last year the BOE got a $1.1 million increase, and this year it will be a little less.

Regarding the BOE budget changes, Mr. Schrumm said he started looking at it in December, working from the bottom up...what is the available revenue stream, and the number would have been different if the State funding had been different. He noted that the grand list revenue was more than he expected it to be, and this boosted the numbers for the Town and BOE sides of the budget. Mr. Schrumm would like to see no tax increase, and others want a tax increase, and his recommendation is somewhere in the middle. As far as individual line items, Mr. Schrumm stated that suggestions for reductions have been made in the past and were not acceptable by the former superintendents. And, he will not go there anymore.

Dr. Florio again questioned the rationale for the proposed BOE budget changes.

Stating he knows how the BOE budget is put together, Mr. Falvey noted there are five line items over which the Council has no control...tuition outplacements, pupil transportation, public utilities, heat and energy, and health and medical benefits expenses. This comes to +$925,000. Therefore, the Council must at least fund these items. This number is very close to Mr. Schrumm’s number. Everything else can be controlled by the community.

In that case, Dr. Florio said the assumption is the cost of labor for all employees, in general, being zero. With that rationale there would be no allocation allowed for any increase in the cost of wages.
Mr. Falvey said “yes” because that is something over which there is some control.

Mr. Ruocco commented on there not being more out of surplus this year to cover the BOE operating costs, and seeing more difficulty next year with the budget.

Mr. Slocum said that next year will be worse and we may have to dig deeper into services. Next year there will be a big hole and this is of concern to him.

Dr. Florio said he tried to be as helpful as possible with the teachers’ contract in coming to some kind of adjustment. His initial thought was to do something over two years to help us get through those two years, not getting to zero in either year. It will be more difficult to continue discussions this year and next year as the sides get farther apart. If the union wants to give some kind of concession, such as promissory days or other concession, Dr. Florio thinks there will have to be some staffing requirements on their side.

Mr. Adinolfi asked about the teachers’ union moving to the HSA plan.

This is voluntary, and Dr. Florio said part of the union’s offer was promissory days and a survey encouraging teachers to go to the HSA plan. The BOE is in the process of holding those meetings. In looking at the renewals and increases in the HSA we may not find the kind of savings that this plan was thought to provide. With 100% of the teachers in the Health Savings Plan the savings would be $180,000 over two years, based on the 2009-10 rates.

Mr. Slocum said he would be in a different place had the teachers’ union offered furlough days, which is a statement he has made publicly and reiterated again. He thinks the union is forcing his hand so they can help themselves.

In response, Dr. Florio said he thinks both sides have decided to become entrenched and he understands why. Unfortunately, the result will not be the positive we had hoped for a few months ago going forward.

Stating he was not a party to the discussions with the union, Mr. Schrumm said that Mr. Slocum was party to them, and everyone knew 18 months ago that this was coming. He questioned where the entrenched part is, and said if another $1 million was given to the BOE, any further talk of HSA goes out the window, until next year.

Dr. Florio said the BOE would have had to sit down to discuss “if” this would happen – this is where the budget would be.
There is another tough year coming up in the teachers’ contract and in revenue, and Mr. Schrumm said there are 367 days left to keep trying and not find ourselves in this same position again.

Dr. Florio said he wants to look at this as a long term issue, and any short term gain is, potentially, a long term cost that may not benefit this community. A concession this year or next year will have a significant impact on the next contract. He stated that no concessions this year or next year will also have an impact on the next contract.

Regarding the issue being discussed, Mr. Ruocco said this could be debated for a long time, and we are getting into more negotiation strategy. This should be talked about in a separate discussion. The issue is more about negotiating more effectively and directly with the union leadership as opposed to just abiding by the regulations. What we are looking at is the result of a regulation, and is not anything being done voluntarily by anyone. Mr. Ruocco stated he gets disturbed with the Council being backed into a corner every year as if it is the last resort or the cause, and it is not. The Council did not cause this type of problem, which is really the result of the way things are negotiated and arbitrated. This is what happens and he thinks the public tolerance is over. Mr. Ruocco represents the voting public, not unions. Teachers have representation through their bargaining units and they decide what to do. He cannot allow both sides of the table to be controlled by union issues, and thinks the contract award played a big role in why we are where we are.

Mr. White commented on Dr. Florio’s statement about both sides being entrenched, and he has discussed some sort of compromise with Dr. Florio, such as guaranteed OPEB funding. He asked if this came up in conversation and if there was any movement on anything.

In response, Dr. Florio informed the Council that to the average member of the teachers’ union, OPEB means absolutely nothing. It is a benefit which they do not feel should open up the contract because the benefit must be provided and is mostly paid for by the individual.

Mr. White stated he did not believe there was much support from other Councilors on his OPEB idea, but he wanted feedback from the Superintendent. He commented on the statement of everyone being entirely entrenched, noting that HSAs are very much a learning curve, yet with education efforts people will buy into it.

Dr. Florio stated he was not talking about individuals being entrenched -- the process causes the entrenchment. He cited the example of the raise being $1.2 million; we go to the table saying it must be cut in half; and the BOE reduces the budget by almost $1 million. This does not assure us that the teachers will be in positions next year or that the schools will be funded properly. Adding another
$365,000 to that $1 million cut does not indicate a willingness to say "if you come here…we will come here" which is part of the process.

Mr. Schrumm commented on the BOE making its cuts to the budget without figuring any specificity on where cuts would be made. He finds it difficult to say the Council did the same when the BOE made cuts knowing more than the Council does. The BOE did not give the Superintendent much specifics either. Mr. Schrumm noted there are 367 days left and the BOE has much to do on their side.

Dr. Florio and Mr. Masciana left the meeting at 7:45 p.m.

April 5, 2010 Summary of Proposed Adjustments – Mr. Milone reported that he and Ms. Ryan met with the CIRMA representatives to calculate the Town’s Heart and Hypertension exposure. There was a settlement with an officer over two years, and this is still being carried at $56,000. There is a permanent/partial to be paid in July of 2010 and 2011 which will free up another $26,000. Mr. Milone understands there are concerns about building up the heart and hypertension reserve, but there was $75,000 for built in expenses that are not being realized, so the contribution to this reserve account can be cut a little bit. This would result in more money going into the fund next year than what is being paid out by about $40,000 to $50,000. New legislation was passed in 2004 and Mr. Milone said that anyone hired before that year is protected under the old law, and this covers about 46% of the police officers in the department.

Mr. Sima commented on an appropriations meeting he observed on television which stated that ECS funding will decrease if a school system’s budget decreases.

According to Mr. Schrumm this forces towns to spend money on education and, even with lower enrollment, school systems cannot decrease their budgets because they could lose ECS funding.

Senior & Transportation Services – Mr. Milone reviewed this account further and he cut another $1,000 from senior program services from the original increase of $2,000.

Gas & Diesel – this adjustment ($7,977) will be distributed over 8 departments for a total of $261,000, and it will be proportionately allocated.

Page 193 (large book) - $6,183 add back of Senior Services Social Worker (#10313-5103) due to concerns over the original cut from 25 hours to 15 hours; this adjustment restores 5 hours for 20 work hours per week.

The Town Council line item for refreshments was reviewed by the Council and Mr. Milone. Line item #10010-5212 was rolled back from $1,900 to zero funding.
Ms. Giddings asked about the issue on maintenance of the voting machines at an annual cost of $4,000, and if this would be added into the budget.

This has been discussed by Mr. Milone and Mr. Schrumm, and Mr. Milone explained there is still some question on whether this maintenance would be needed. If it is, the maintenance is for only ½ a year with a cost between $1,000 and $2,000. At this point, Mr. Milone said this money could be found in the Registrar of Voters operating budget.

With regard to the amounts for secretarial positions, Mr. Milone clarified that he rechecked the calculations. In a few instances a position was budgeted for 11 months. When the Council saw the comparison from this year to next year, he could not figure out why the increase was so great. Mr. Milone said he realized this was because some of the positions were filled earlier (August or September), so it was a 10 month position funding going to a 12 month position.

Library – For the record, Mr. Milone stated that the original Library personnel cuts will have to be worked through the union. It is possible this may come to fruition, and he may have to come back to the Council for reallocation only, with no dollar effect, but distribution effect on the budget.

There was a discussion on national and out-of-state conferences by Town staff. Council asked Mr. Milone to review this area to see if there are some potential cuts which can be made. Ms. Giddings said there should be no attendance at conferences, and that the Council should be made aware of any exceptions for conferences.

With the exception of public safety, i.e. moving prisoners, Mr. White said there should be no out of state travel.

Mr. Milone informed the Council that he is a credentialed manager, and he must have a certain number of hours each year to maintain his credentialed status, and this is very important for him. ICMA took about 60% of the workshops and video streamed them at a cost of $450. Mr. Milone invited his staff to attend the video workshops with him in Town Hall for each 3 hour seminar. ICMA realized what was happening in the industry, saw the decrease in the number of participants at the national conference, and provided the alternative with the video stream workshops. For the conference line items, Mr. Milone is not sure how much he can cut. There is a melding of national conferences, regional conferences, state conferences, so it will take some time to translate this into a dollar amount.

Stating she is not concerned about the dollar amount, Ms. Giddings said she wants the word to be out regarding conference attendance.
In that regard, Mr. Milone said he will review the dollar amount, and noted that more people could go to in-state conferences.

Ms. Giddings said she wants all national conferences and associated costs eliminated from the budget. Parks and Rec was the only department with a national conference in its budget.

Mr. Schrumm stated that if the Town Manager has someone going to Boston, MA, driving 120 miles to a conference, bringing back good ideas on saving money, etc. he has no problem with this trip. There are some conferences/workshops required for staff to keep certifications and Mr. Schrumm has no objection to these. He asked Mr. Milone to take another look at this area of the budget and report back to the Council.

Mr. Sima clarified the issue on the conference trip by stating that if the trip can be justified for maintaining professional credentials, it is worthwhile. But, if this is not the case, then there should be more stringency on allowing these trips.

CPFA – six (6) extra hours for Arts Place were requested by the Director (page 217, large book) but this was not approved, resulting in a $3,700 cut. Mr. Schrumm stated that with more training and reduction of the workload, the extra hours may not be needed. Mr. Sima stated that with cutting hours and staff elsewhere there should not be an increase in staff in this department.

DEMOCRATIC COUNCILORS PROPOSED BUDGET
Mr. Ecke and Mr. Adinolfi proposed the following FY 2010-2011 budget.

<table>
<thead>
<tr>
<th>Department</th>
<th>Total Budget</th>
<th>Change</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$24,685,557</td>
<td>+$695,346</td>
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<tr>
<td>Education</td>
<td>$61,243,072</td>
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<td>C.N.R.</td>
<td>$760,000</td>
<td>($340,000)</td>
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<tr>
<td>Debt</td>
<td>$9,328,465</td>
<td>($501,535)</td>
<td>-5.10%</td>
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<tr>
<td>Contingency</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$96,142,094</strong></td>
<td><strong>$1,646,320</strong></td>
<td><strong>1.74%</strong></td>
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Reductions in C.N.R. based on not completing the following projects:
- G.I.S. System       $135,000
- Council Chamber Window Project $110,000
- Open Space Land Mgmt. $95,000
**TOTAL** $340,000

The proposed Democratic budget reflects a Mill Rate of 26.60 mills; 02.11% increase; proposed decrease of $277,019; $134 average tax increase per
household. Projected additional use of Fund Balance is $160,000 plus $277,019 for a total of $437,019, with a projected fund balance of 8.8%.

Mr. Schrumm expressed concern about reducing the C.N.R. line item and the difficulty in boosting appropriations in subsequent years. He does not see getting back to $1.1 million as a line item for the foreseeable future. Some of the deferred projects must be done sooner or later, and he questioned how they would be done if the fund keeps getting cut.

According to Mr. Milone the most money ever appropriated to C.N.R. was in FY 2008-09 of $1,370,000. Page 8 of the 3/29/10 supplement shows the tracking of what was appropriated, what was actually spent in 2009 and 2010. In 2010 Mr. Milone wants to add the full $115,000 for the fire fighting equipment. $1.1 million is budgeted this year; $100,000 more will be allocated to the fire fighting equipment making the 2010 current allocation $455,000.

Mr. Milone said he would be asking the Council that anything over $600,000 be transferred to the medical benefits trust fund at the end of the year.

It was explained by Mr. Milone that in 2010, $200,000 was never allocated. The truck was cut out of the capital budget, but the $200,000 was never allocated anywhere, so there was an automatic surplus of $200,000. The $190,000 was allocated; $150,000 for Weeks Pond was allocated; $115,000 for fire fighting equipment will be allocated; the $20,000 for land management has not been allocated; $165,000 for police department roofs will be delayed; $150,000 for revaluation will be at $100,000; $110,000 for the Capital Planning Account will not be used.

Mr. Schrumm said these projects will have to get done. If we can pay for them as we go, we reduce long term borrowing. He does not want to fool around with the C.N.R. line item, and said it has taken a long time to build it up, since 1998, adding to it every year.

According to Mr. Ecke, he would not do some of the projects on the list or do what the Council is proposing to do in this budget.

Mr. Adinolfi stated that people are saying if the budget is cut by $500,000, where will the cuts be made. These projects were selected because they would not impact Town services.

For the Town energy conservation plan, Mr. White noted there were 4 to 6 buildings listed as possibilities with Town Hall being one of them because of the window replacement.
Mr. Milone stated that Town Hall and Library are two of the buildings, and the others are the high school, middle school, and Humiston. With the Town Hall windows, it is more that they don’t work than an energy issue.

Mr. Falvey was not opposed to using some more of the surplus money, and one more year with the Town Hall windows will not be an issue at all. He can see putting off some of the projects until the capital plan or later this year, and pulling back next year on some of the projects which are appropriated.

It was stated by Mr. Ecke that others have suggested taking the C.N.R. down further than he has recommended. The Democratic recommendation is taking the fund balance down $437,019.90, not $500,000.

Next year there would be a shortfall of $437,000 in revenue and Mr. Schrumm asked where this would come from at that time.

Mr. Ecke would not have allocated as much money to debt service. He said the Council is not using the CRRA money in the same way, but reducing operating expenses in the current year and the next five years. Next year, if the situation is bad or worse, there would be money in the fund balance after using the $437,019.90, about 8.8%.

Mr. Ruocco commented on putting money away for debt service reserve as saving money because of paying off debt early, taking advantage of lower interest rates, consolidating bonds, and paying off a lot of interest expense.

Mr. Falvey does not have a problem with reducing the debt service line item a little. The $500,000 debt service line item is an operating expense. Leaving this alone is like having found an extra $500,000 in revenue, and it balances out at the end. Whether the money is put aside for long term debt service or some of it is used now, Mr. Falvey does not have a problem with using some if it now.

Given the vagaries of the budget and not knowing what will happen down the road, Mr. Schrumm would rather be able to smooth out large swings in the operating budget because of the impact. If we did not have the pool problem issues or water treatment plant $30 million project and debt service would keep going down, Mr. Schrumm said he might agree with the proposed budget from the Democrats.

Recap – Mr. Schrumm stated there are things to be rearranged in the budget to get to the revenue, mill rate, etc., and there are always last minute grinding of numbers.

Mr. Milone referred to page 1 of the 3/29 supplement with the mill rate variations, and noted that the budget is close to the 26.50 mill rate. The combination of revenue and reductions total $534,169, and $554,040 is needed to get to the
26.50 mill rate. With more cuts made at this meeting, they will be balanced into the mill rate calculation. He said the staff will come back with the final numbers and the draft resolutions to be adopted at the April 13th Council meeting.

With the 26.50 mill rate, the increase in the mill rate is 1.69%, or 0.45 mills, with the average per household tax increase of $109.

Mr. Schrumm asked Mr. Milone to have the Environmental Planner look into the water issue for the Rite Aid project being developed across from St. Bridget Church. He believes the water from this project will flow into Maplecroft Plaza and eventually into Weeks Pond. This will have an effect on the dredging of this pond. Mr. Schrumm would like the planner to research this issue.

Mr. Milone informed the Council that Town Clerk Soltis advised him that two people have come into Town Hall to get a petition for referendum.

PUBLIC
Kathy Ardesia asked where the $168,000 adjustment will be applied, and if this money can be used to keep taxes as they are now, or if it can be allocated to the BOE.

Mr. Schrumm stated that taxes will be going up by 2/10ths of a mill. The original budget called for 4/10ths of a mill.

Mr. Milone clarified that the mill rate increases by 0.45 of a mill to 26.50, or a 1.69% increase. The increase in the mill rate has been lowered from 0.65 of a mill to 0.45 increase.

In the 2004 revaluation year, Mr. Schrumm said taxes went up even with a 0% budget increase with the shift on residential properties. This year the shift went the other way with commercial properties seeing an increase in valuation.

For clarification, Mr. Milone stated that the savings was initially $160,000 and then it came up to $168,000. This was the result of coming up with revenue enhancements.

4. ADJOURNMENT

MOTION by Mr. Ruocco; seconded by Mr. Slocum.

MOVED to adjourn at 8:55 p.m.

VOTE The motion passed unanimously by those present.

Attest:
Marilyn W. Milton, Clerk
Transcribed from tapes.