

**Board of Finance
Special Meeting Minutes
Wednesday, April 6, 2016
7:00pm Brooklyn Middle School Library**

Present: Gene Michael Deary; Jeff Otto; Ken Dykstra; Sandra Brodeur; and Shelley Hopkins, Recording Secretary. Kim Conroy arrived at 7:12pm.

Also Present: First Selectman Rick Ives; Selectmen Joe Voccio and Bob Kelleher; and Finance Director Sherry Holmes.

1. Call to Order: Mr. Deary called the meeting to order at 7:00pm.

2. Public Comment: None

3. Presentation of General Government Budget: Ms. Holmes presented the general government budget for 2016-17. Total forecasted revenues are \$21,138,221.36. Mr. Otto inquired as to revenue from Prior Taxes. Mr. Ives noted that a tax sale is scheduled for May. The total appraised value of the 11 properties slated for auction is approximately \$110,000.

Mr. Deary inquired as to the source(s) used to project State of Connecticut revenues. Mr. Ives stated that those figures were taken from the Governor's budget. Mr. Dykstra asked about Special Education Excess Cost. Ms. Holmes stated that the Board of Education proposes to use the Special Education Excess Cost as a pass-through to their budget and net it out against expenditures. The Board of Finance has recommended this course of action in the past; previous auditors have also recommended this approach. Ms. Holmes noted that according to the auditors this is a very common practice among school districts. According to the Connecticut General statutes, the grant monies should be netted with expenditures rather than shown as revenues as is the Town's current practice. The advantage to this method is that if a Special Education student moves in or out of the district, the change is less dramatic. Mr. Otto stated that it is less dramatic because it shows up in the education budget from the beginning rather in the Town budget from which it is subsequently transferred. In either case it is exempt from its effect on the MBR. He noted that the Board of Education is allowed to spend up to \$63,000 per Special Education student before the Special Education Excess Cost grant kicks in. Therefore the Board of Education is made whole in terms of its Special Education expenditures only up to that \$63,000 figure. Ms. Holmes noted that the grant is only 80% funded.

Sandra Brodeur asked how the projected Current Taxes for 2016/17 was calculated. Mr. Ives stated that it is based on the new Grand List.

Ms. Holmes reviewed the detail sheets for proposed expenditures.

The proposed budget for Engineering is \$20,222. Ms. Brodeur asked why that figure has decreased. Mr. Ives stated that an additional town will be purchasing this service from NECOGG. It is a flat rate purchase.

The proposed Administration budget is \$277,899. Jeff Otto questioned the 10% increase in regular payroll. Ms. Holmes noted that no pay raises were included in last year's budget. Mr. Ives stated that this is because the Town was in union negotiations during budget season. Therefore the proposed payroll figures represent two years' worth of salary increases. He further noted that some employees have salary steps. Mr. Ives suggested that the Board of Finance be provided with a breakdown of all salaries across all departments for clarification purposes.

The proposed Revenue Collector budget is \$98,062. Ms. Conroy inquired why Advertising has decreased so dramatically. Mr. Ives stated that a review of prior expenditures revealed that the proposed figure is more in line with actual expenditures. He further noted that a switch from the Norwich Bulletin to the Villager will result in further cost savings. Mr. Otto asked whether there are any salary steps for employees in this department. Mr. Ives said the answer is yes: the Assistant Collector's salary is structured in this way.

The proposed Recording – Town Clerk budget is \$122,022. Mr. Ives stated that there are additional monies in Contractual, Temp & Occasional to address the need for additional back-up in this department. Mr. Otto noted that the increase is only about \$300 whereas the percentage increase in Regular Payroll is greater than that of any other department. Mr. Ives said there may be an error in the budget; these figures will be reviewed for accuracy. Ms. Brodeur inquired why the proposed Insurance is \$0. Mr. Ives stated that the employee is now on the Town's insurance plan and therefore no longer receives a stipend.

The proposed budget for Elections – Registrars is \$33,419. Ms. Conroy questioned why Payroll has decreased. Mr. Ives stated that it has been challenging to forecast this item in light of the new rules to which the Registrars must adapt. The feeling is that a slight reduction in Payroll will be more in line with actual need. Mr. Voccio noted that the NECCOG Election Monitor is a new line item. Mr. Ives stated that a new state law mandates that the COGS hire election monitors. These COG employees will report to the Secretary of State's office. It is still unclear exactly what roll these monitors will play.

The proposed budget for Legal Counsel is \$18,000. Ms. Conroy asked for clarification that there will be no union negotiations during 2016-2017 fiscal. This is correct. She asked whether monies will be needed to rewrite personnel policies. Mr. Ives replied that this expenditure is covered in this year's budget.

The proposed budget for Town Hall is \$59,597. Ms. Holmes stated that the Town did not budget enough for Internet and Website Maintenance last year. Mr. Ives stated that a more detailed breakdown of Internet and Website Maintenance will be provided to the Board. Ms. Brodeur asked how the Cleaning Service line item was cut. Mr. Ives stated that the Town went out to bid for this item.

The proposed budget for Central Supplies & Services is \$55,648. Mr. Ives stated that a conscious decision was made to reduce Office Equipment & Furniture. Ms. Holmes stated that the Town is in good shape with regard to Office Equipment & Furniture. Ms. Brodeur inquired whether the USPS's planned

reduction in postage costs accounts for the reduction in Postage. Ms. Holmes stated that the reduction better reflects actual usage.

The proposed budget for Canine Control is \$29,300. This includes participation in the Trap/Neuter Program at a cost of \$3,300.

The proposed budget for Patrol Services is \$360,248. Mr. Ives stated that the Town of Hampton has expressed interest in purchasing half a resident trooper. This is not reflected in the current budget proposal. The taxpayers may or may not be interested in such a proposal.

The proposed budget for Roads, Drainage & Facilities is \$583,207. Mr. Ives stated that Roads & Bridges has been increased by \$15,000 to reflect the increase in cost per linear foot for paving. The change in DEEP's MS4 stormwater management regulations becomes effective January 1, 2017. This change will require the Town to perform activities in its urban area, East Brooklyn, which it does not currently perform. This includes leaf collection, monitoring of culverts and cross drains, street sweeping, and the implementation of a community outreach program. Twenty thousand dollars has been budgeted for Temporary Contracted PT Payroll for this purpose. Mr. Otto questioned whether this sum is sufficient. Mr. Ives stated that these activities need only be performed in one twelfth of the Town. Mr. Deary inquired whether the Town expects any TAR funds. Mr. Ives stated that the Town expects the same amount of TAR and LoCIP funds as this year.

The proposed budget for Maintenance of Equipment is \$83,500. Mr. Ives stated that the lower budget reflects lower fuel prices.

The proposed budget for Snow & Ice Control is \$84,400. Mr. Ott inquired whether the \$20,000 budgeted for Sand reflects the cost of purchasing a full year's worth of sand. Mr. Ives said that the answer is yes. Mr. Deary asked whether any effort is being made to return to the agreement under which the Town did not pay for sand. Mr. Ives said that the answer is yes.

The proposed budget for 95 Rukstela Road – Garage Maintenance is \$17,802. Mr. Deary asked whether the increases in Electric for the garages are due to price increases. Ms. Holmes stated that the figures reflect average past usage. The Town is working on ways to decrease electric costs through energy conservation measures. Ms. Brodeur noted that Satellite has been eliminated. Mr. Ives stated that everything is wireless; the internet is used for weather updates and pricing.

The proposed budget for the Resource Recovery Commission is \$225,617. Ms. Brodeur asked whether the increase reflects the current contract. Mr. Ives said the answer is yes.

The proposed budget for the Building Office is \$71,943. Mr. Otto asked why Transportation for Inspections has doubled. Mr. Ives stated that it has not really doubled. For six of the past seven years the budget has been \$4,800. There was a miscommunication last year and it was budgeted for \$2,400.

The proposed budget for Library is \$135,030. Mr. Otto questioned why the library would request a lower budget for Library Materials. Mr. Ives stated that there was an unusual purchase last year.

The proposed budget for Transit District is \$13,619. Mr. Ives stated that this figure may change since the Town of Plainfield recently decided to join the program.

The proposed budget for Park Maintenance is \$106,142. Ms. Brodeur questioned why, since Electric has been increased for other buildings, it has been decreased here. Mr. Ives stated that the proposed figure better reflects actual usage. Ms. Holmes will provide a spreadsheet detailing how electrical costs have been allocated among the departments.

The proposed budget for Community Center is \$23,248. Ms. Conroy questioned why, if the Town has received a better price for Cleaning Service by bidding it out, the proposed budget is identical to the current year budget. Ms. Holmes stated that the proposed allocation of this cost among departments more accurately reflects actual usage.

The proposed budget for Planning & Zoning Commission is \$15,924. Ms. Brodeur inquired about the status of the rewrite of the zoning regulations and its impact on the proposed budget for Professional Services. Mr. Ives stated that there is money in 2015-16 Capital to cover any costs incurred in 2016-17.

The proposed budget for Land Use Admin/Planner is \$100,402. Mr. Otto asked how many days a week the ZEO works. Mr. Ives stated that the ZEO currently works two days a week; effective July 1, the ZEO will work three days a week.

The proposed budget for Fringe Benefits is \$554,473. Ms. Conroy questioned why Pension has decreased so much. Mr. Ives stated that there was confusion last year about where Pension was being charged. This year the Town actually paid \$120,000. The proposed budget is \$122,146. Ms. Conroy inquired about a shortfall that needed to be made up. Mr. Ives stated that the shortfall was taken into account when calculating the budget.

The proposed budget for Redemption of Debt – Long Term Debt is \$34,000. Mr. Otto requested an update on the status of payments for the Putnam Technology Park. Mr. Ives stated that no payments have been made; the Town of Putnam has decided that it does not wish to charge the participating towns until at least one lot has been sold. Next month Mr. Ives will request that the Board of Finance put the \$12,000 budgeted for Putnam Technology Park this year into an untouchable account. The funds for 2016-17 can be similarly designated. Mr. Otto asked about the Town's total financial obligation for the Putnam Technology Park. Mr. Ives stated that the total obligation is \$160,000 over 20 years. Mr. Dykstra inquired about the status of the truck loan. Mr. Ives stated that the loan has been paid off.

The proposed budget for Redemption of Debt – Short Term Debt is \$748,882. Mr. Deary asked for confirmation that 2016 Capital Program is part of the 2015-16 budget and not in anticipation of a new capital program. Ms. Holmes confirmed this.

Ms. Holmes stated that the Capital Equipment and Board of Education budgets will be available soon. The Board of Education is holding a budget workshop on April 11. The proposed figure of \$17,418,021 in the budget presented this evening is a place holder based on the 2015-16 budget.

Ms. Brodeur stated that at last year's Town Budget Meeting, an attendee asked whether it was possible to provide a forecasted actual budget for the current fiscal to compare to the proposed budget. Mr. Ives noted that the question of how much the Town will give back at the end of the year is always raised. Ms. Brodeur stated that if actual expenditures for the current fiscal are lower than budgeted, it means that someone has over budgeted. Ms. Conroy said that it is challenging to forecast actual numbers because things change from week to week. Mr. Otto stated that if the Board of Finance is going to analyze the details of each department, then the Board needs the kind of information to which Ms. Brodeur refers. If the Board sees its role as managing the overall budget, then a total giveback figure from the Selectman's Office should be adequate for that purpose. Mr. Ives stated that he does not expect the Town to give back very much; however, he can provide an estimate of what each department will give back. Ms. Brodeur asked if Mr. Ives feels that a total Town budget that is 7% less than last year is sufficient. Mr. Ives said that he feels the proposed budget is adequate because there are certain costs within Pension and Redemption of Debt that will not occur again.

Mr. Ives noted that the netting of the Special Education Excess Cost will have an impact on the Board of Education budget. Ms. Holmes said there will also be significant savings on insurance costs. Mr. Deary noted that while most line items have increased in the proposed Town budget, it is still down versus the current budget due to reductions in Fringe Benefits, Long Term Debt, and Short Term Debt. Mr. Dykstra stated that most increases are due to payroll and are required. Mr. Otto said that the real problem lies with a reduction in State of Connecticut revenues. Mr. Voccio noted that this is the first time that the Grand List has decreased since the Town began tracking it. Mr. Ives stated that an interactive calculator will be placed on the Town web site. Homeowners will be able to plug in suggested mill rates and their assessed value to see what their tax bill would look like. Mr. Ives stated that both the Town and Board of Education should be prepared to discuss possible cuts if necessary, particularly if the legislature decides to cut municipal aid.

4. Discussion of 15/16 Budget: None

5. Discussion of 16/17 Budget: Ms. Brodeur asked when the Board may expect to receive the breakdowns discussed earlier. It was decided that Ms. Holmes will send them to the members no later than two weeks from today.

Mr. Voccio stated that the Capital Committee should be prepared to present at the April 20 meeting. Mr. Otto would like the Capital Committee to be prepared to discuss potential cuts if necessary. Mr. Ives noted that with most Capital expenditures, it is not a question of if but when.

6. Public Comment: None

7. Adjourn: Sandra Brodeur motioned to adjourn the meeting. The meeting adjourned at 8:32pm.

Respectfully submitted,

Shelley Hopkins
Recording Secretary