Call to Order

Aldermanic President John Anglace called the budget workshop of the Board of Aldermen to order at 7:30 p.m. All those present rose and pledged allegiance to the Flag of the United States of America.

Roll Call

Alderman John F. Anglace, Jr., President – present
Alderman Lynne Farrell - present
Alderman John “Jack” Finn – present
Alderman Stanley Kudej – present
Alderman Noreen McGorty – excused - vacation
Alderman John P. Papa – excused – meeting
Alderman Eric McPherson – excused - meeting
Alderman Anthony Simonetti – excused – family medical

Alderman Anglace stated, this is the 19th budget that I’m involved with. This is one of the most challenging budgets I’ve ever faced. Each of us decision makers have a tough job ahead of us; nothing will be easy about this. We are in very difficult economic times and everybody knows that. Unemployment, underemployment, wage freezes, pay cuts, layoffs – all of these things are going on – that’s the economic side and that’s a very real side. We have not seen it as difficult as this in many, many years and it’s not projected to get any better in the near future. The State of Connecticut is dealing with an economic situation – they haven’t even been able to deal with last year’s deficit let alone next year’s. Here we are about to set our budget in one month and those guys may not be ready to tell us or even estimate what we can expect from them.

Last year our Board of Education was five months into the budget year before the State gave them the information they needed to know. Educators are here, and it’s been my pleasure to work with the Board of Education. For the record, the Board of Education is not the enemy. They have a tough job ahead of them; they always have. We’ve been in agreement on many things, we’ve worked together very closely for many years on many things and we’ve always felt good about our accomplishments.

Both the Board of Aldermen and the Board of Education are both dismayed when we hear people say, “this isn’t transparent – you guys need to communicate.” Nothing irritates me more – because it is not true. We have been working together collectively, cooperatively, for years. We have done a good job with the money the people approved in the Technology Building Committee. We made good, wise use of it together. I am sure
the people on the Board of Education will agree with me. We focused on letting people know what we did with their money and how our students benefited from the money we spent. When people say things like “it’s not transparent,” it is unfair and people are not thinking – they are unfortunately reacting to the situation of the moment.

I want the Board of Aldermen to understand – we have worked and will continue to work cooperatively and collectively toward a better education for our students. When I see statements like “Fully fund the Board of Education request” you have to be careful. You don’t know all the facts. We have to be very careful because we don’t know what we can expect from the State. The State has a way of committing to you that you’re going to get the money and then they don’t pay up when the time comes. Then our Board of Education members have their un-funded mandates and not enough money to pay for them. I get to the point where I say that the State should take over the entire education system. Run it and pay for it from Hartford. Then their mandates will become more realistic when they are paying for them. They won’t put things out there that are just wrong.

Last year the Board of Education was $3 million over-expended in the special needs account. That is bad policy – bad law. Somebody’s got to say it and start talking about it. Everybody wants to look the other way and nobody wants to say we’ve got a situation here of unbalance. They’ve gone overboard and put everything into the special ed area and they haven’t looked at any of the other areas. What about the gifted? What about all these other needs in education? They focused on one area and really put us behind the 8-ball. The State is telling 169 Connecticut municipalities “well, it’s the law.” Well, it’s a bad law that has got to change. You just can’t say to people, “you have to do this,” then you run a deficit and dig your way out. “Figure it out – raise your property taxes.” That’s just not fair and it’s not right. Our property taxpayers don’t find out until after the fact what they have to pay.

There are so many State un-funded mandates in all areas. We can budget and anticipate for some. Town Aid Funds for Roads – they still haven’t given us last year’s money because they didn’t bond for it. What do we do? We tell our two State Representatives and our State Senator, and they write letters and tell people and make a lot of noise - that falls on deaf ears because they’re not in the majority party, and the majority party doesn’t care. They’re just not going to do anything. That’s just the way it is. That’s not politics, that’s just a fact of life. They’ve been running this State for 40 years and that’s what we’re going to be faced with more of. The municipalities have to keep ponying up and raising taxes and there’s no relief in sight that I can see.

We’d like to see the State budget more timely set. From the reports that we’ve got from the Connecticut Conference of Municipalities, they might not even address this year’s budget deficit by May 7 when they close the session, let alone next year’s. We don’t know what to expect. We’ll set our budget May 15th or May 13th and where do we go from there?

What I want to say to the Aldermen is that the Board of Education is a major budget expense of the City. I think since Freeman’s been here and the prior Superintendent
we’ve made it a point to be very cooperative to communicate and work with him. We have to continue to do this and to understand what you’re up against, and ultimately, our budget decision has to be made on the basis of your needs, what we truly expect the needs are, and what our people’s ability to pay is.

I know a lot of people who will say, “Shelton has the ability to pay.” I’ll give you an example – maybe four years ago when we received that cry and set up a special fund that anybody who was willing to pay and all those who had said, “I’m willing to pay $250, I’m willing to pay $500,” not a dime came in when we said “pay up on a voluntary basis.” Not one dime. So that stuff you can’t listen to; people aren’t going to pay. People are saying that if they favor a tax increase they favor it for everybody, the people that are working, well off, not so well off, and people that are against it. We have to make the best possible decision for all concerned.

We have received letters and e-mails - I like the idea of receiving e-mails – I read them at 2 a.m. and respond to some of them. There have been some good suggestions and ideas put forth. You have to read them carefully and sit down and talk with the education counterparts about it. We’ve had a lot of good discussions about some suggestions made and what can be done. Some may be good ideas, some may be off the mark. We’ve discussed building improvements, school improvements, trying to keep the Board of Education from spending Capital Improvement money and let the City pick that up through bonding. That’s been a big help.

I apologize, usually I have the time to sit down and map things out and I come prepared. Tonight given the personal difficulties we’re having, I haven’t been able to do that. I’m talking off the top of my head, and it’s coming from the heart. We want to keep an open mind and don’t want to polarize. We don’t want to think that because the Board of Education has presented us with a major problem that they’re the enemy. They’re not. This is something we have to cooperate with and talk about and we will continue to do that.

Alderman Finn stated, I also had another meeting tonight. I asked to be excused from that so I could be here. During the budget process the Board of Apportionment and Taxation chair stated that there were 159 foreclosures here in Shelton. The City Clerk’s Office advised me that there have only been 42 foreclosures. There were 159 under foreclosure but the majority of them were able to work it out. CNN indicated we’re coming out of the recession and everything’s looking up. Yes, we’re having hard times but people are starting to go back to work, they’re starting to catch up on their bills. On Channel 8 today there was a report that State Reps approved the budget. The Senate approved it unanimously. Nobody was opposed to it. The Governor is anticipated to sign it, and some of the money is coming out of the rainy day fund. They also indicated funding going to local communities would not be reduced.

Derby

Alderman Anglace stated, there may be doubt about the number of foreclosures, but there is certainly no doubt about the economy. I’m not investing my money in this economy – not yet.
Alderman Finn stated, at the meeting they also made reference that nine percent of Shelton’s taxpayers were unable to pay their taxes on time. So I went to the Tax Collector and she informed me that this year 97.5 percent of all City residents have paid their on time and in full. So there was no 9 percent there.

Alderman Anglace stated, finding out that the State is getting around to finalizing the current year’s budget at the 12th hour, not the 11th hour – is encouraging news. Now they can move on to next year and perhaps tell us something in the next month about what we can expect. When they say local communities are not going to be reduced, they reduced us from $11 million in ECS reimbursements to $4.1 million over the time that I’ve been in office here. That’s a lot of money to take away from the City of Shelton. They have taken it from us and given it to somebody else. Most people probably don’t realize what’s going on and what the Board of Education is up against and what the State is doing to every town in Connecticut. We have got to understand the problem, support it and do whatever we can locally to make the local people understand the needs of education. I don’t think we would have had a problem if it weren’t for that one issue. If that $3 million overage wasn’t there, we would be fine; we wouldn’t have a problem. It has nothing to do with the teachers.

**Outside Agency request – The Morris Foundation**

A request has been received from the Morris Foundation – a substance abuse and Mental health facility in Waterbury with a satellite office in Shelton. Last year they requested $15,000 and they didn’t receive anything from us. They’re asking again for $15,000. This has to be added to the request for money from outside agencies.

[It was later noted that The Morris Foundation line item in the budget is listed as “Liberty Center”]

Alderman Kudej stated, the State might have okayed the budget but I didn’t see any tax reductions. They increased quite a few areas. Marlin Firearms in North Haven is leaving the State, Pratt & Whitney is fighting the State and is ready move out, Winchester moved out, Bayer Pharmaceutical moved out. A lot of the workers are from here in the Valley, some from Shelton. I cannot see how people can say the economic condition is great – because it isn’t. The people that receive Social Security haven’t received a dime since January of 2009. We are in tough dire straits.

Alderman Farrell explained, education is near and dear to me, I was 30 years as a school principal in Connecticut, 37 in education and now I’ve been sitting on the State Board of Education since 2004. My priorities are with education and always will be. It’s very sad to me the way it has to operate. With the articles that John has, with the Special Ed needs – it all begins in the school. It all begins with someone recognizing the needs of a child. Then there is a PPT, and an IEP, an individual education plan is drawn up for that child to meet his or her needs. The school is obligated under the law to meet those needs and you can’t deny it to a child who needs it. Sometimes it can be done in different ways where it won’t cost that much. If the plan doesn’t proceed as it’s
supposed to, the parent can bring a due process hearing to the State and then it’s decided at the State level. That costs more money. I get calls from people who have children in special education and their needs are not being met – either the IEP isn’t being followed or something else. I take the case and I go there and work it out with the school. There are ways you can work it out so it doesn’t cost that much. The problem is when you have to send someone out of town and you have to pay that tuition somewhere else. That is a big problem. I’m not sure about how much Shelton does that. Maybe the Finance Director would know – how much money is spent on that? If we could have it here in our own school system and meet the needs of the child, usually it doesn’t cost as much as it would if you sent the child out.

I do foreclosures too. They begin, and then somebody goes to see Neil Crane in Hamden who advertises, and the foreclosure stops. So you’re in the midst of it, and then it stops. Then it keeps coming back. It’s not all reported the way you can easily recognize if there is a foreclosure or not. You don’t know it until it’s all over with It’s still out there. They’re coming into our office on a daily basis. We’ve never had it this bad. We’ve got a bad economy but for me education is the most important part. I will try to work to see to it that the needs are met. Again, there are eight of us, we have a city that’s not suffering the way other cities will – we’re fortunate it’s not, but you never know what can happen next. I know people are out of work right here in Shelton. I know the foreclosures are out there. I know you need the money for education. I’m here to help, there are seven others, and we’ll do the best we can. Please know from my heart that it’s been my life and still is.

Alderman Anglace stated, I don’t know much about special education, so I have to ask a lot of questions. I’ve been privy to some discussions that have enlightened me and I’m told that the underlying principle behind what the State wants to do for special education students is wonderful. But they are not willing to fund it and they’re not willing to deal with the repercussions and excessive expense involved. They tell the Boards of Education to do what you have to do, and when you spend 4.5 times the IEP then we’ll kick in and the State is going to be there. Wonderful. But on the other side of their mouth they say, wait a minute, we’re setting up a pool and you can apply for the money over and above the $4.5, you may or may not get any of that money. Nice. So our Board of Education says, what are we going to do? We have to pay for it. So they spend all the money that’s earmarked for the rest of their budget and end up $3 million overspent. Nobody is saying to the State, look what you’re doing to us; every town in the State. This isn’t a local battle between the Board of Education and the Board of Aldermen, this is a problem created by the State of Connecticut. They won’t do anything about it until the people stand up and tell them and make them understand that it’s not fair. The burden of proof is on the City of Shelton to prove that a person who makes a claim is wrong. We have to do what we can.

Contrary to what many people may think, I think that our Board of Education and our administration strive to communicate and work together. We’ve done a lot of good things together. We’ve worked together on many issues and have saved money in many areas that the Board of Education has been able to take advantage of and use in other ways. We’ll continue to do that. There is only so much you can do, and every so often all
the good things you do, all the money you save and all the positive things, they get wiped out by one issue that comes down from the State – one unfunded mandate. When you hear the words “unfunded mandate” you’ve got to shudder, because you never know what those guys are going to do up there. Other states usually don’t have these kinds of problems because the states run the education system – they run it through their counties. They’re paying the full cost of education, which the State Constitution says, “a free elementary education shall be provided, free of charge, by the State.” Not the municipality, by the State.

The Connecticut Conference of Municipalities (CCM) says that the continued failure to deliver $30 million in Town Aid Road Grants is causing holes to grow in municipal budgets as well as local roads and bridges. The Town Aid Road program is done through bonding, and the State missed the first two of expected installments in July and the second in January due to inaction by the State Bond Commission. We’re not getting that money. Maybe we’ll get it, someday, but don’t count on it. There’s a whole list here from CCM with respect to what the expectations are for next year. LOCIP Program is going to be the same - $271,000. Town Aid Road - $251,000, maybe, if they bond it. All these things that we get a share of are generally bonded by the State and then they reimburse us, but many of the bonding programs just haven’t – the Bonding Commission just hasn’t taken action on it.

**Why do the Departments give back money at the end of the year?**

Alderman Anglace stated, let me address an issue. There is a conscious effort to get out there to mislead, or a conscious effort not to understand it, or maybe it needs an explanation. As you see by looking at our debt service, we’ve weighed heavily on our debt service – we’ve done a lot of schools – we bond a lot of money. Our credit rating agencies require us, we want the best possible interest rate on the monies that we bond when we’re bonding for 20 years. They want us to keep a General Fund balance of five percent at all times. That five percent General Fund balance can be done in a number of ways. The Mayor chooses to do it by building City accounts, and then riding herd on them and not letting them spend the money and keeping the fund balance in there at five percent or more throughout the year. You could also take and probably put it into a “Reserve for Credit Rating” or something like that, give it that kind of a name, put five percent of the budget into that account and you’d achieve the same thing. But you’ve got to keep five percent in there or when you go out to bond, and we do every year, and our interest rates have been very good. I believe our interest rates are two to three percent. That’s a good number.

What I’m saying is, you’re going to see throughout this budget, in many areas, you’re going to see monies returned at the end of the year. Those are done by design. The firemen do it, we put money in the Police Department, we put money in other areas. When we need things for them, we get them through bonding, at darned good interest rates and we’re able to keep the operating budget within reason so that the tax rate it lower.
Alderman Finn stated, in 2004-05 there was a surplus of four percent. The average of 2.3 and 4.2 compared to five percent you’re referring to. There have been cases in the past, even though we still had good bonding, it was less than 2.3 and 4.2 and four percent, not five percent.

**MAYOR’S OFFICE**

Alderman Finn stated, last year the Mayor’s Office returned $40,079. The Board of Education returned $6,394 more than the Mayor did.

Alderman Finn proposed the following changes:

1. **100-411.60-39 Public Communications** reduce by $10,000.
2. **100-411-80-94 Mailbox Replacement** reduce by $1,000.

**EMPLOYEE RESOURCES – PERSONNEL TESTING**

Alderman Finn proposed the following changes:

1. **200-411-30.05 Employee Testing** reduce by $2,000.
2. **200-411.30.06 Inoculations** reduce by $1,000.
3. **200-411.79-17 Volunteer Appreciation** reduce by $2,000.
4. **200-411.80-52 Contract Negotiations** reduce by $10,000.
5. **200-411.80-72 Substance Abuse Testing – Reduce by $1,000.**

Alderman Finn noted that department last year returned $277,753.

**BOARD OF ALDERMEN**

Alderman Anglace stated, Meritorious Awards – that’s where we recognize people that serve the City, or pass away, $200 doesn’t go very far. The cost of flowers generally runs around $75 to $100. We can leave it as it is, but we may have to add to it during the year and take the money out of Contingency.

**BOARD OF ETHICS**

Alderman Anglace stated, we have to look at their proposals. I made them aware we would meet after the budget is set. I’ve invited former Alderman Marty Coughlin to sit in. Marty is a good level-headed guy and I’d like to have him sit in on it. We pay for those kinds of meetings with them – for the minutes – out of our account.
ELECTIONS

INLAND WETLANDS

ECONOMIC DEVELOPMENT COMMISSION

Alderman Finn proposed the following changes:

414.11-01 Mileage - reduce by $100.

414.11-05 Meeting Travel Conference – increase by $2,000 to cover the picnic they have at Veterans' Park.

414.30-07 Printing & Advertising – reduce by $5,000. There are too many copies of Shelton Life being printed.

414.30-36 Annual Report – reduce by $2,000.

This department returned $19,275 last year.

ECONOMIC DEVELOPMENT

Alderman Anglace noted that this is SEDC – Shelton Economic Development Corporation - professional services.

PLANNING AND ZONING

Alderman Finn proposed the following changes:

414.10-02 Part-time Employees - reduce by $4,000.

414.30-07 Printing and Advertising – reduce by $2,000.

414.80-05 Coastal Management – reduce by $500.

[A five-minute recess was observed at this point; the workshop reconvened at 9:15 pm.]

RECREATION

Alderman Anglace stated, John Papa isn’t here, and I’m sure he’ll have some things to say about that.

PROBATE COURT

ELECTED/APPOINTED OFFICIALS
CONSERVATION COMMISSION

CITY CLERK

Alderman Finn proposed the following changes:

415 10-03 Personnel Training - reduce by $200.

415.30-07 Printing & Advertising – reduce by $1,000.

415.30-08 Indexing Services – reduce by $20,000.

415.80-11 Vital statistics – reduce by $3,000.

Last year the City Clerk returned $100,369.

Alderman Anglace stated, they returned this money, Jack, because it’s put in there purposely to build the General Fund balance over the five percent that’s required to get the best credit rating. As I said before, we could do this a number of ways. This is one way; this is the way the Mayor chooses to do it. It met with favorable comment from the auditors who don’t have any problem with going this route. You could take that five percent or thereabouts and you could put it into a special reserve for the best credit rating account, and look to do it that way. There is any number of ways of doing it. This is just one way and he incorporates it throughout the budget. It’s fair that it be explained and people understand that. We are trying to meet the obligation to get the best credit rating so we can get the best interest rates when we bond. This is the way the Mayor has chosen to do it. It’s perfectly legal and legitimate to do it this way. The auditors seem to agree and seem to accept it. We’re not touting this as building a surplus, nor is it money that we can take out and put someplace else. It’s money that’s in there for a purpose. What we don’t use we roll back into the next year – that’s $4 million in revenue that we’ve done that with.

ADJOURNMENT

Alderman Anglace stated, we’ve had a good night’s work. Next meeting is next Thursday at 7:30.

Respectfully submitted,

Patricia M. Bruder, Clerk

Date Submitted: _____________________________

Board of Aldermen

DATE APPROVED: ______________BY: ______________________________

Mark A. Lauretti
Mayor, City of Shelton