Call to Order / Pledge of Allegiance

Charlotte Madar, Chairman of Board of Apportionment and Taxation, called the Budget Hearing meeting to order at approximately 6:00 p.m. All those present recited the Pledge of Allegiance.

Roll Call

Board of Apportionment and Taxation

Charlotte Madar, Chairman- Present
Joe Palmucci, Vice Chairman- Present
John Belden- Present
Joe Knapik- Present
Louis Dagostine- Present
John Zikaras- Present

Board of Aldermen

John Anglace, President- Present
Jack Finn- Present
Stan Kudej- Present

5200 Management Information Systems

Department Requested $329,372; Mayor recommends $329,372

Paul Hiller: This department consists of one part time employee, whose salary gets spread over several areas. This department also consists of replacement of equipment in all areas between the Library, Police Department, City Hall, Highways & Bridges, Recreation; etc.

Chairman Madar: This department is overdrawn by $266.

Paul Hiller: Dan Bednarsky, is our resident department, and he puts it under
Part Time Employees. There are several other lines within the department that will have to come back to the Board of Apportionment & Taxation, for transfers to allocate his wages.

Chairman Madar: That line that was overdrawn was in Professional Services.

Paul Hiller: There are basically three things that are paid out of this account: his wages; several of the various software packages in which we have to pay renewal fees for, and the replacement of equipment in the total department. There remains $77,000 in the balance in this account, which I am confident we will be well within.

Chairman Madar: The other amount was $8,982, which was out of the line for Comp Data Proc-Police.

Paul Hiller: That was for the Police, for the laptops in the cars and the computers at the headquarters.

Chairman Madar: So we will have to have line item transfers for this.

Paul Hiller: On the Personal Property Audit, we have spent $261,000, and we have returned through the end of March, an excess of $1.8 million. The Board of Aldermen approved an expenditure of up to $400,000. Our contract with the firm is for that amount.

Chairman Madar: Are you going to have expenses for line items: Computer Equipment- Registrar of Voters, Library and Building Department, between now and June 30th?

Paul Hiller: It depends really. It is often times the replacement of existing equipment.

Louis Dagostine: Back to the Part Time Employees line item? Dan Bednarsky is the only part time employee under this item?

Paul Hiller: Yes.

Louis Dagostine: I am concerned because of the amount that was spent this year because the department has requested $15,000 for the upcoming year, but Mr. Bednarsky is making an excess of $80,000 in wages. Perhaps those numbers are off?

Paul Hiller: It is a concern that the Mayor and I have had. Mr. Bednarsky was on the list of top 20 wage earners this past year. His earnings were down from
the previous year, from where they were on calendar year 2012. He is paid an hourly rate and he is limited to 29 hours per week because of the part time status except if we have an emergency, which we had. The other side of this, that is, for a municipality of this size to be running with one part time employee, with the increasing demands for technology is real remarkable.

John Zikaras: Paul, correct me if I am wrong, but are there other employees who work at a similar capacities, in other departments throughout the City?

Paul Hiller: Yes, there is a full time employee at the Police Department.

More discussion on tape.

5700 Accounting and Control

Department Requested $549,293; Mayor recommends $549,843

Paul Hiller: As the Board of Apportionment and Taxation are aware, at the March meeting requesting a transfer for the salary of the Assistant Finance Director’s position, which has not been filled. We have two part time employees: one working 20 hours per week, and the other working 14 hours per week. The first has been here a little over a year and a half, and the other part timer has been here roughly four months. The Mayor has not made a decision at this time to pursue the Assistant Finance Director's position.

The other major cost in this department is the payroll services through ADP. Shortly, we will be in the process of doing an RFP for payroll providers, whether we stay with ADP or go with different providers, is still a question that is to be determined. So, the Professional Services is the payroll cost exclusively with ADP.

Chairman Madar: The Mayor increased your Mileage line item by $50, and Meetings and Travel line item by $500.

Louis Dagostine: Are you (Paul Hiller) covered under the Regular Payroll line item?

Paul Hiller: It includes my salary, the salary for the unfilled position. The salary for the Assistant Finance Director is approximately $82,000. There are also four full time additional employees in that line item as well.
The second employee is a recent add-on, which caused an overage in the Part
Time Employee line item. I did request a transfer of funds last month.

Chairman Madar: The new budget shows that you are not overdrawn there.

**5300 Assessor**

Department Requested $478,095; Mayor recommends $488,895

Chairman Madar: The Mayor gave you the full amount that you have requested
for. The only thing that is different was the Mayor increased your Professional
Services line item by $10,000.

Bill Gaffney: That money is used for the appraisers that we use for the court
cases, due to the 2011 revaluation. Right now there are investors that are
picking up some properties cheaper than we think they are worth. Some are
under foreclosure, some under distress. As soon as they do that, they sue to get
the taxes lowered. In order to have an appraisal firm working for us, that money
needs to be increased. Currently, we have to go to a certain judge in New
Britain; he does not want to talk to the Assessor but an appraiser. So, the
increase is for that purpose.

Louis Dagostine: So there was $227,333 for the Personal Property Audit, and as
a result there was $1.8 million afterwards. Did anyone challenge that in court?

Bill Gaffney: No.

Louis Dagostine: Also, you are asking for another $5,000 next year, in the line
item for Personnel Training. You have not spent any of it this year. Do you
intend to spend it by the end of the year?

Bill Gaffney: Yes, it is coming up right now. I am sending two of my clerks to
UCONN. I have a Northeast Regional that I attend. One of the clerks will be
taking a one day course for certification for the Assessors, and one of the other
clerks are on the track of becoming certified.
Chairman Madar: The Mayor has given what you have asked for. Are you happy with your budget?

Debbie Onderko: Yes I am.

Louis Dagostine: My question is on the Personal Property Audit. As a result of the audit, I would assume that you would have to pay more taxes with the $1.8 million. Does that fall within your office, as far as collecting? Are there going to be issues with payment?

Debbie Onderko: No, a few late payments but they all have been paying.

Louis Dagostine: When is the deadline after the companies receive the audit?

Debbie Onderko: Actually, if they were added for the current grand list for this fiscal year then it would be 30 days with no interest. If they were added for prior years, which they have been, they have to pay all of that interest from the original due date until now.

John Zikaras: I noticed with the line item for Postage in the current year, you have spent approximately 40% of the budgeted amount of $36,885. Next year you made a slight adjustment downward in your request, and the Mayor granted that. Are you anticipating similar spending for next year? Is this specifically for the mailings of tax bills and such?

Debbie Onderko: Yes it is. The biggest part of that will be spent in June. In the next fiscal year we are going to try to consolidate some of that, so we will not have quite as much.

John Finn: Do you have any Revenue Accounts?

Debbie Onderko: No. All of the tax money.

Chairman Madar: Do you have any Capital items?

Debbie Onderko: I put one in because right now the Assessor’s office is looking to start a new computer system. I believe with the new fiscal year. They will be on it a whole year, converting and testing before we go on it.
5500 Purchasing

Department Requested $338,392; Mayor recommends $336,392

Chairman Madar: The only change that I see in your budget is a $2,000 cut that
the Mayor made in the line item: Equipment Purchase. Can you live with that?

Gene Sullivan: Yes I could. This item is more for copiers, printers and scanners.
HP supplies are expensive, so when an HP machine goes dead and is no longer
repairable, we are not going to be replacing that particular HP but in an office
setting. So we will be saving the cost of supplies from that.

Louis Dagostine: The only two full time employees in this department are the
Purchasing Clerk and the Purchasing Agent?

Gene Sullivan: Correct, that is it.

Chairman Madar: Do you have any capital items on your list?

Gene Sullivan: No I do not.

Chairman Madar: Do you have any revenue items?

Gene Sullivan: We do, but it is bid bonds and things of that nature. I do have
the other line item, which is 4600: Utilities.

4600 Utilities

Department Requested $2,834,400; Mayor recommends $2,662,500

Chairman Madar: The Mayor did some cutting here. He cut the Municipal Sewer
Usage and the Hydrant Charges line by $100,000. Can you live with that, or
would you need for that money to be restored?

Gene Sullivan: I do not know the reason of him doing that. I am not sure of his
rationale for that. However on the hydrants, what I do is reach out to every one
of these utility providers and I ask them if there is going to be an anticipated
increase coming up because we are in July, and a lot of things happen after July. There is an annual inch foot and an annual hydrant charge. The annual inch foot is $1,006,734.29. The annual hydrant charge $332,841.64. Those two numbers come to $1,339,575.93. Again, I do not know why he reduced it by $100,000. I can live with it now, but later on I am going to have to come back the last quarter of next year and ask for that $100,000 back.

Chairman Madar: If it is not in the budget, then we cannot do a line item change. John (John Anglace), I think you are going to have to pay it through Aldermanic Bonding.

John Anglace: I do not think we can pay it. I do not see any back up, given the details on why that number was reduced.

Chairman Madar: The Mayor reduced the Municipal Sewer Usage by $71,900 and the Hydrant Charge was reduced by $100,000. You only have a balance of $2,204 from last year's budget, for the Municipal Sewer Usage.

John Finn: Mr. Sullivan, would it be due to the fact that the Utilities returned $282,087 last year, according to the audit book?

Gene Sullivan: Again, I am not so sure why that line was cut by $100,000, but that can very well be the case.

John Anglace: I think you should make a note and ask the Mayor on the Municipal Sewer Usage. You would have to ask him.

Gene Sullivan: There is the annual inch foot charge: $1,006,734.29. Then there is the hydrant charge, which is the lease charge because the City does not own the hydrants. That lease charge is $332,841.64. Those were the charges that Aquarion has sent to me.

Chairman Madar: I will give the Mayor a call tomorrow, and ask him for his rationale on those items.

0800 Economic Development Corporation
Department Requested $105,000; Mayor recommends $95,000

Jim Ryan: The Mayor put in a recommended appropriation for $95,000. We asked for $105,000, but he recommended $95,000. We trust the Mayor's
judgment, we would hope for the $105,000. If we needed more money later in the year then we would come back to the Board of Aldermen for an appeal to supplement that. We do not lobby either the Mayor, or the Boards that are here tonight. The goal is always to find another way to get those dollars. We maintain a small reserve, as you see in our financials. If we have a problem we are not going to go out of business because of this. Obviously, we ask for what we thought was needed, but we will work with you. This is your business; our business is your business.

John Anglace: The Mayor might have based some his judgment based on this current year’s activity. It was $100,000, and so far you only expended $66,000.

Jim Ryan: We actually bill monthly. The agreement has been for 22 years, to take the appropriation and divide it into 12 equal payments, so that is where you are with the progress. We always bill in the rears for that. We hope you hold the $95,000 to your recommendations.

John Anglace: That was less than you received last year; last year you received $100,000.

Jim Ryan: We do not operate on the same year that you do. We are on a calendar year. The effect for this year is a loss of $2,500 that we already budgeted for this year. Again, we will try to raise that. There has been a couple occasions where we had to go back to the Board of Aldermen in the April timeframe, and asked for additional proceeds to help us square things up and the Board has been receptive to that.

Louis Dagostine: Just a question on revenue: What line items are currently yours?

Jim Ryan: No, not with the City. We have our own accounts. It is totally separate from the City. Our directors require us to produce month-to-month financials. All of that information is part of the packaging that goes to Mr. Hiller, and the Mayor.

John Finn: I remember you used to do it for $60,000, and now you requested $105,000 and then back down to $95,000. What is directing the cost year after year?

Jim Ryan: If you look at our budget, the real costs are labor. There is myself, and then I have a full time assistant, Mrs. Miner. We have actually reduced our part time hours at this point in time because of the budget. Most of our costs are labor-related. We maintain an office on 475 Howe Avenue, in which we have a 5-year lease. We have 2 more years on that lease. We would argue that we
are a profit center, but technically we are a cost center for ourselves and for you. To run some of these state programs, you have to have qualified personnel to that, and we provide that kind of service on your behalf. Our board raises anywhere from $30,000 to $50,000, so they are reducing your cost per year. Otherwise, we would try to charge you for that, or charge others for that.

More discussion on tape.

**5600 Public Risk Management**

Department Requested $2,066,650; Mayor recommends $2,061,828

Paul Hiller: There is one full time employee in this department.

Chairman Madar: The Mayor cut this department around $4,000. Can you live with that? You asked for $2,066,650, and he gave you $2,061,828.

Paul Hiller: We can live with it, but the primary risk in this department is with the Worker’s Compensation. It also includes Heart and Hypertension payments with the Police Department, which are significant. In the current year, we had a reasonably good year as far as our losses are concerned; that can change at any moment. A $4,000 cut is palatable, but the risk insurance account in the general ledger in the books of the City does have a deficit. This was resulting in the accrued long-term liability of borrowing major losses over the next 75 days. I would anticipate that there would be some improvement in that deficit. We had aggressively tried to work with safety programs in administering this, but accidents happen.

Louis Dagostine: What policy did we put a claim under for the Scanlon theft?

Paul Hiller: I will have to check exactly with Attorney Sous. It was in the Municipal Insurance account, a policy that was covered under Traveller’s Insurance.

Louis Dagostine: So that would be under line item: Municipal Insurance?

Paul Hiller: Yes.

Louis Dagostine: I see that it was only requested for an increase of $2,800. Did our rates go up because of that?

Paul Hiller: We haven’t seen anything because of that.
More discussion on tape.

**4500 Debt Service**

Department Requested $12,179,882; Mayor recommends $12,179,882

Chairman Madar: The Mayor matched the request. This is basically interest paid down, financing, bonding issues with bonds 8/11, 10/08, 8/13, OCT 2009, AUG 2010, 8/11 and 8/12.

The department requested $12,179,882, and that is what they were given. Last year was a little bit higher: $12,897,433.

Paul Hiller: This is a department with not a lot of flexibility.

Chairman Madar: Yes, you need to pay the bonds.

Paul Hiller: The option here, pay it or default. Obviously the City is in strong financial conditions, and not looking to default on any of their obligations.

Chairman Madar: Are they getting an excellent percent on interest?

Paul Hiller: The good news is that we can borrow money at cheap rates, but you cannot invest money at very good rates. We are in the process of refinancing one of the debts.

Chairman Madar: What is the rating now?

Paul Hiller: AA1 with Standard & Poors. AA2 with Moody's. We are working with an underwriter to refinance the 2009 issue. We may be able to refinance another issue this coming year.

John Finn: Paul, your 8/11 Refinancing shows a deficit of $400,000. In the overall debt services, you have a balance of -$112,224.

Paul Hiller: We had anticipated at this time last year that the issue that we are now moving forward with, and which the Aldermen re-approved back in January to refund. We had anticipated last April that we were going to be able to refund that debt to them. We had anticipated savings in excess of $400,000. We had runs from our financial advisor, and in May and June the market fell apart on us. The savings evaporated, so we will be coming back to the Board of Aldermen prior to the end of the fiscal year to correct that by that time. Right now we are scheduled in the second week of May, that we will be refinancing that debt. If
the market holds, we should be able to exceed $400,000 that we have anticipated last year.

Jack Finn: Will you also be addressing the overall $112,244 that you are in a deficit of?

Paul Hiller: We plan to come back in after we refinance next month to the Board of Aldermen, and to request $400,000 out of the unassigned fund balance to correct this.

More discussion held on tape.

**0000 Revenue Accounts**

Department Requested $116,897,650; Mayor recommends $117,945,680

Chairman Madar: Paul, is there going to be anything that has grossly changed?

Paul Hiller: The caveat on that, I would say this is not a great business model when 86% to 87% of your revenue that comes in on one line. The other biggest factor is the State of Connecticut. We have the estimates from the State of Connecticut, with the assumption that the General Assembly holds true to their word, and not going to change anything. I have two different runs, and they vary by $1,000. I can live with a $1,000 variance. Our advantage to a city this size is relying on the lobbyists who represent the City of Waterbury, City of Bridgeport, and the City of New Haven who that are getting hundreds of millions from the State and we are getting $6.7 million from the State of Connecticut.

Part of the Mayor's estimates of revenues are reliant upon improved activity in the real estate market. Building permits are up a little bit; not up to the levels that they were in 2006 and 2007 but those were the heydays in those areas. I think we will probably exceed the numbers for the budget this year in those areas.

More discussion on tape
Adjournment

Chairman Madar MOVED to adjourn the April 14, 2014 Budget Hearing meeting; seconded by Louis Dagostine. A voice vote was taken; motion passed unanimously.

The meeting adjourned approximately 7:30pm.

Respectfully submitted,
Brittany Gannon, Clerk