• CALL OF THE MEETING/ PLEDGE OF ALLEGIANCE

Chairman Olin called the Board of Apportionment and Taxation Budget Presentation to order at 6:00 p.m. All those present stood and pledged allegiance to the flag.

ROLL CALL

BOARD OF A&T
Chairman Olin - Present
Judson Crawford - Present
Charlotte Madar - Present
John Belden - Present
Mark Holden - Present
Jimmy Tickey - Present
Wayne Bragg - Present
BOARD OF ALDERMEN
Alderman John Anglace, President- present
Alderman Lynne Farrell- present
Alderman John “Jack” Finn- present
Alderman Stanley Kudej- present
Alderman Noreen McGorty- excused
Alderman John P. Papa- present
Alderman Eric McPherson- present
Alderman Simonetti- present

BOARD OF APPORTIONMENT AND TAXATION BUDGET PRESENTATION 2013/2014

Chairman of the Board of A&T, Ken Olin, begins to deliver his Budget Presentation for the FY 2013/2014:

Good Evening:

Considering the State Budget gap and the number of people who are still unemployed and just struggling to make ends meet, all of the A&T members worked for the common goal of continuing Shelton’s tradition of providing good services at reasonable costs through strong financial management.

Much of the credit belongs to the department heads that met with us in the interview process. Most of their requests were realistic and reasonable. Once again, the Board of Aldermen was an active part of the interview process and had helped us develop better information.

We are proud to present a balanced budget that maintains the 22.39 mill rate proposed by Mayor Mark A. Lauretti.
This year is proof of fiscal responsibility pays dividends. Mayor Mark A. Lauretti’s administration's policy of good management is a plus to the City of Shelton. The garbage and recycling is a big money maker. Education’s cooperation with the Mayor has never been better; our education system is improving each year.

In addition to changes to specific line items, we have some recommendations to the Board of Aldermen:

1.) Aldermen need to address the $225,000 that the Board of Education has put into a special account at Wells Fargo. This money should be put back into their budget, or their Appropriations for 2013/2014, which should also be reduced by an equal amount.

2.) Another project we feel that needs to be a priority this year is making sure the floor for the Fire House is inspected and repaired or strengthened, as necessary. A collapse of that floor would be a disaster for the City.

3.) We are concerned with the State Budget deficit that could lead to the elimination of the LOCIP program. If it were discontinued, we would not want to lose out on money that has already accrued to us.

Otherwise, we agree in principle with the Capital Plan, and made changes to eleven line items in the City budget. We will be happy to answer whatever questions you have about our proposal and recommendations at your convenience.

Presentation Remarks from Jimmy Tickey, Vice Chairman of the Board of A&T:

Thank you, Mr. Chairman and thank you to everyone who is joining us here, tonight.

This year the Board of Apportionment and Taxation worked to recommend a balanced budget, which addresses the needs of Shelton, while carefully managing our finances during these challenging economic times.

Reviewing the budget, line-by-line as has always been our practice that requires a great deal of time and attention. I want to thank all of the members
of the Board of Apportionment and Taxation, as well as the Aldermen who have joined us for our many budgeting workshops.

The budget is really a framework for all of the operations of the City of Shelton, and it is the financial blueprint of what we hope to accomplish for the next fiscal year. This process offers us a healthy opportunity of exchange and ideas on the budget; and one of those ideas was centered on the very large budgeting books that we carry with us for five weeks. Currently, we have these large budgeting books, which over a period of time we have decided to discuss the use of technology, so we can actually move the budgeting books to a web-based platform for the Board of Apportionment and Taxation, as well as the Aldermen to review. This way the Boards can securely access and view the budget electronically at any time. We can take this a step further, and we can have the departments submit their budgets to the Finance Department; which, in turn, would flow through the normal process of moving to the Board of Apportionment and Taxation and the Board of Aldermen. Of course, if we needed to print a copy of the budget, that would be possible by using a web-based platform to complete, store and access the information. It will achieve the benefit of a shorter budgeting process that saves thousands of pieces of paper, and since the City has made an effort to go green, we support moving the budgeting process into a technology centered one, which will make the process more efficient, stream-lined and environmentally friendly. Systems like this exist, and we can work with a selected vendor on appropriate safeguard and security measures. I am personally willing to help wherever I can to help move us forward in this area, and appreciate Alderman Anglace’s support of comments in this area, as well.

Together, the Board of Apportionment and Taxation reviewed the budget in full and have made ourselves available to every department, board and commission so that we fully understood every department’s requested budget. Meeting with various departments, learning about the work that they have accomplished and what they hope to achieve over the upcoming fiscal year was a very valuable exercise. Meeting with our City’s departments demonstrated to us, their commitment to serving the people of Shelton and willingness to continually improve their services and operations. In our conversations with them, departments often centered their comments on their need to hire for positions that are currently budgeted for, which makes sense. If you are allocated funding for a position, then you should move forward with hiring for that position. We are supportive for departments to hire for positions that are currently being funded. When we fund those
positions; but do not hire in those positions, it creates uncertainties in the budget where it is not entirely clear on what was spent and what was not spent in salary line items. This leaves to confusion and many grey areas. Funding and not filing a position, also puts a burden on department heads that rely on a position being filled and that workload being carried out.

After reviewing our expense side of the budget, we move to the revenues and the Six-Year Capital Plan. The Six-Year Capital Plan offers the City of Shelton great opportunities, and over the next fiscal year citizens can look forward to an improved irrigation system in the Huntington Green, improvements to the East Village Park, including lighting and fencing, a boat ramp and floating dock behind Sunnyside, a roadway through Riverview Park, as well as a roof over the rear entry of the Plumb Memorial Library.

Tonight we are recommending a budget that aims to improve the quality of life for Shelton citizens. All six members of the Board of Apportionment and Taxation voted in support of an amended version of the Mayor’s budget. This amended budget is being presented to the Board of Aldermen at $115,492,006, with a mill rate of 22.3%, a decrease from the current 22.4% Shelton citizens are paying.

Thank you very much.

Additional Board of Apportionment and Taxation Recommendations, made by Wayne Bragg, Judson Crawford and Jimmy Tickey:

**ADJOURNMENT**

Charlotte Madar MOVED to adjourn; SECONDED by Jimmy Tickey. A voice vote was taken and the meeting adjourned.

The meeting adjourned at approximately 6:08 p.m.
Respectfully submitted,

Brittany Gannon, Clerk

DATE APPROVED: ___________ BY: ________________________________

Mark A. Lauretti
Mayor, City of Shelton
Additional Board of Apportionment and Taxation Recommendations, made by Wayne Bragg, Judson Crawford and Jimmy Tickey:

Board of A&T Budget Recommendations  
Wayne Bragg, Judson Crawford, Jimmy Tickey

During the budget workshops, Alderman Anglace questioned the volume of paper produced for the budget and correctly expressed a need to move away from the largely manual budgeting process to one that is more automated. We agree with that observation and would extend the scope of improving the process back to the point where the budget data is prepared and submitted by the user departments and boards. By using a web based system for collection, review and distribution much work can be accomplished on line and achieve the benefit of a shorter budget process that is also less expensive.

To that end, in addition to a technology solution for consolidating the budget data we suggest that the alderman explore with finance and purchasing departments an automated web based budgeting solution where budgets can be completed, stored and accessed electronically. This will allow all involved to focus on reporting and analysis, rather than clerical tasks.

However, unless certain fundamental mechanics are improved there will be no improvement in decision making for either the Alderman or the Board of A&T. We will just have lighter books.

Therefore we suggest the following changes in the mechanics of the current budgeting practices:

- The largest part of the city budget is people costs and the city should develop an annual and monthly headcount plan that identifies headcount requirements for all departments, boards and agencies with visibility to both full time and part time employees and estimates of salary and fringe benefits.
- Annual projections are problematic because increases, retirements and promotions occur throughout the year and can effect salary estimates significantly. Departmental salary estimates should be based on an assumption of when the salary change will take place. When a position is filled in December but budgeted for entire year, for example, the salary and benefits are overstated.
- Estimates for expenses should be reviewed with regard to actual spending and annual estimates should be revised in accordance with the Finance directors zero based budgeting requirement. There are far too many expense line items where estimates are simply rolled forward from year to year without revision.
- The city should begin to explore the use of chargeback accounting when one department is procuring or providing services on behalf of another department. Purchasing for example buys $70, 000 of office supplies that are provided to others. When this situation occurs that is no incentive for the user department to control the level of office supplies.
- In the current budget, there is an opportunity to adjust several departments that have planned city gasoline usage for vehicles. The latest city contract prices for gas should be used where applicable.

Lastly, we strongly feel that the establishment of a Reserve account is needed to separate those monies needed for protecting the city against economic changes from those monies used for day to day salaries and operating expenses. Over the last 4 years the city spending has averaged about $30 million, less interest, and the under run has averaged $4 to $5 million. This under run is accomplished by putting more in the budget than what is intended to be spent and should be appropriately accounted for as a reserve. The reserve is needed to protect the city from economic risk while the budget is used to allocate salaries and expenses needed to deliver city services.

The reserve and the operating budget have two completely different functions and should be treated accordingly. Implementing this change will have numerous positive benefits. Most important it will make the budget more accurate and increase transparency for the public.