



MINUTES OF BOARD OF A&T BUDGET PRESENTATION TO
BOARD OF ALDERMEN
7:00 PM Thursday, March 31, 2011
SHELTON CITY HALL
54 HILL STREET
Auditorium
SHELTON CT 06484

Roll Call

Board of A&T:

Mark Holden, Chair, present
Chris Besescheck, present
Judson Crawford, (excused)
Faith Hack, present
Charlotte Madar, present
John Zikaras, present

Board of Aldermen:

Alderman John Anglace
Alderman Lynn Farrell
Alderman John "Jack" Finn
Alderman Stanley Kudej
Alderman Noreen McGorty
Alderman Eric McPherson
Alderman John Papa (excused)
Alderman Anthony Simonetti

Call to Order/Pledge of Allegiance

Chairman Mark Holden called the meeting to order with the Pledge of Allegiance at 7:36 p.m. He began the meeting with the following comments to the Board of Alderman.

Good Evening, a couple of months ago considering the budget gap on the State level and considering the number of people who were still unemployed or struggling to ends meet, he was concerned that we might start thinking of last year's budget process as "the good old days." But thankfully, I was wrong. All of our A&T members worked at the common goals of providing good services at reasonable cost through strong financial management. Much of the credit goes to the department heads who met with us during the interview process. Most of their requests were realistic and reasonable. Our clerks did a great job of keeping our notes organized and once again the BOA were an active part of the interview process and helped us develop better information.

We are proud to present a balanced budget that maintains the 18.57 mill rate proposed by Mayor Lauretti. This year is proof that fiscal responsibility pays dividends. In addition to changes to specific line items, we have recommendations to the Board of Alderman.

Our first recommendation is something that gets discussed to one degree or another just about every year. It came up during the interview process this year and again during the first night of our workshops. The current budget process appears to have additional funds scattered throughout that are intended to be unspent to ensure that they end each fiscal year with a surplus. It makes the City look better to bond rating agencies and allows us to borrow at lower interest rates. We feel that having a line item specifically intended for growth of our fund balance would be more transparent and make it easier for department heads to manage their budgets. It would make it easier for everyone who reviews the budget to understand what we are doing and why. It would eliminate dozens of questions that get asked and answered the same way in our budget process every year. If you don't want to call it designated reserve, you could identify it as an emergency account. Nobody from either party spoke against this idea and we are asking you to take action to encourage this change to our process. My impression is the main reason that they are not already doing this is concern about creating a large pool of money that people will want to use to fund additional spending. I think that this could be addressed by creating a statute requiring adequate funding for this account at a level needed to ensure that they keep the bond rating people happy. You may not have adequate time to put this into place for this year's budget but there is time to do what needs to be done to make it happen before our next budget process begins.

Our second recommendation, the Board of Education responded to the challenge that they were given and greatly reduced administrative costs. At the same time indications are that quality of education in Shelton is improving. They are doing more with less. The City and BOE are establishing a stronger working relationship with each other. He sees that this evening, they have Arlene and Al Cameron here to represent the BOE and he thinks it is great to see that they are showing are interest. In our interview, Superintendent Burr identified several items he would like to be able to add next year. One of these is going to be a requirement for accreditation. We understand that the Superintendent has been talking with the Mayor about rolling forward unspent funds that City set aside this year for the BOE's unemployment expenses to cover up to \$452,000 for program enhancements. They agree that this is a worthwhile idea and encourage you to support this concept.

The third item is that we are concerned that the State budget deficit could lead to the elimination of LOCIP program. If it is discontinued, we would not want to lose out on the money that has already been approved to us. One project that probably qualifies for LOCIP funding is the upgrade of the radio equipment for our emergency service providers. A necessary expense that would be an efficient use this year is making sure that the floor to the Company #1 Firehouse is inspected, repaired or strengthened, as necessary. A collapse of that floor would be a disaster to the City.

Otherwise, we agreed in principle with the capital plan as presented. We made changes to a total of 21 line items in the City budget. These changes were not made lightly. We think that there is a good reason for every one of them. They will be happy to answer

any questions that they have about their proposal and recommendations at your convenience.

Last but not least, he thanks his wife, Wendy and all of our families for being supportive of us while we spent so much time attending all of these meetings and working to develop a budget proposal for the City. He thanks everyone for putting up with me when he was vicious with time and for working together to do the best job that they could.

Chairman Holden provided copies to every one of the changes and budget runs that are available. He asked if anyone had any questions at this time or if they wanted to be able to review things and get back to them.

Alderman Simonetti commented that it was very nicely done. He asked about the Regular Payroll modification for the 2700 line series.

Chairman Holden responded that there was a problem there because there was a contractual obligation that needed to be met. If that wasn't increased, they were going to need to furlough somebody.

Alderman Simonetti asked about the Library line items.

Chairman Holden responded that the Library is the -4400 line series. The changes that they made were checked with the Dept. Head – the \$1,000 deduction from Postage and the \$2,000 deduction from Special Events to be seen as a \$3,000 increase in Part-Time Employees. They haven't been able to give the part time employees a pay raise in an extended period of time and they are concerned about losing good people. He mentioned to Elspeth that this would be used for merit-based raises as opposed to indiscriminant raises. She requested input to the line item changes without have a change to the bottom line. This has been an area of concern of hers for several years and hasn't really been addressed. She has a good handle on her programs. She thought she could live with cuts in those line items to be able to put more funds into another line item, they were fine with that.

Chairman Holden indicated that they added \$10,000 to the Fire Department for clothing supplies. The justification on that was primarily that these things do wear out on a regular basis. He knows that they just bought 75 sets of turnout gear but it makes sense to have a steady supply coming in all of the time to take care of what is worn out or damaged. They had also mentioned that they had a new fire fighter who was quite tall and didn't have anything in stock that would fit him.

Also, for the Fire Department Alarm System Maintenance, in our presentation they had indicated that if those funds are restored, it would allow them to complete the removal of the antiquated system and that would save them \$7,000-\$8,000 a year in phone bills. They are looking at a two year payback period to get that money back. That seemed like a good investment.

Chairman Holden stated that under the Income Account – P&Z Commission receipts there is an increase of \$11,768. They found an \$1,168 mathematical error and during the interview they indicated that they are beginning to see improvements in commercial

development in Shelton. They were, therefore, comfortable with increasing the income by \$10,000.

Alderman Simonetti asked for clarification about the modifications to the line items for the Girl Scouts and the Barnum Festival.

Chairman Holden responded that the Girl Scouts of American was based upon historical spending and they have not utilized the full amount that has been allocated and all they have to do to get it is ask. This year, they did have a small donation to them, \$150; apparently, that was all they asked for. They didn't want to remove them from the budget. He supposes that they must be doing well with cookie sales; essentially, they just felt that the money could be better utilized. If the Girl Scouts decide that they want to start taking advantage of that, it is not something that they would be opposed to doing.

In regard to the Barnum Festival Parade, they didn't spend that much this year and they felt it could be better utilized.

Alderman Anglace asked if they looked at Manufacturing Pilot, did they look at that revenue from the State, \$404,000. His understanding from CCM is that they are going to lose it.

Chairman Holden indicated that could be a problem.

Alderman Anglace responded exactly – he wasn't saying that he was right or wrong - just that this is the budget process. Things change as they go along and this is a major change. He just read the communication he got from CCM today.

Chairman Holden commented that in regard to information that can change, something else that falls into that category of information can change is that they did fund Bundle Billing at \$80,000. Based upon discussions with various people, they felt Bundle Billing should be an all or nothing thing because with a partial funding of that line item it was only going to last a month or two or three. Whether or not someone would benefit from it would depend primarily on what part of the fiscal year they happened to need an ambulance ride in. There is some speculation as to whether or not Bundle Billing should be maintained out of concern that it could cause a legal problem. His understanding is that it is only used for Medicare patients. The question is, if they are doing it for Medicare patients, do they really need to be doing it for any patient regardless of who their insurance is. That is something that the BOA might want to take a look at actually. But that was developed after they were done with their part of the process.

Alderman Anglace stated that Noreen McGorty is their point person for that and they would like A&T to come to their April 14th Meeting and give them a chance to look at it a little more in depth. They can have some discussion on these things.

Alderman Anglace commented that he would also be prepared to discuss the issue of the Library, perhaps much more in depth than anyone realizes. It is not a case of not wanting to do the right thing for people but he's trying to make sense of the whole thing and he has to discuss it more with people here and other personnel in the City regarding the range of pay for different part time positions in the City.

Alderman Anglace commented that he sympathizes with the fact that they have not received an increase in a considerable amount of time. But that really isn't the issue. Some have said along the way that they only get minimum wage but the range of pay of part time people runs anywhere from \$8.25/hour to over \$25.00/hour. They must do different things and there has to be more to it. It deserves their attention and consideration. To discuss it tonight, he would be ill-prepared. He'll gather more information from Elspeth.

Faith Hack, Board of A&T responded that she did do this within her budget which is commendable. She moved things around and prioritized. She did a good job.

Alderman Anglace agreed that he commends her too for trying to work with them. A question comes up in his mind as to how this money will be distributed. He asked if she was going to give merit increases or is she going to correct the wage rates and bring them up. He doesn't have any idea what she is going to do so he is going to ask her those questions and share them with everyone.

Chairman Holden commented that he did express to Elspeth that he felt that the use of merit would be important because she would want to keep her best employees first. Obviously, you'd want to try to keep all of your employees but the high performers would hurt the most to lose.

Alderman Anglace indicated that the part time employees run quite a spectrum from high-school kids to skilled people performing very important tasks on a part time basis. To lump all part time employees into the same category might not be fair.

Chairman Holden agreed that the City uses a lot of very skilled part time employees in some areas as well.

Alderman Anglace stated that they owe it to them to talk about it to find out what she has in mind in order to understand it. Maybe then they will be in a better position to evaluate it with the information that he is developing. They will discuss that and Bundle Billing more on April 14th.

Chairman Holden stated that he has had conversations with Noreen and he has suggested a couple of things that came from the Board of A&T as ways of reducing the costs of Bundle Billing while still providing for the goal. They want to provide for seniors who might have issues with transportation to the hospital. They don't want people not calling for an ambulance because they are concerned about the bill.

Adjournment

Due to no further questions or comments, Chairman Holden adjourned the meeting at 8:02 p.m. and thanked everyone for their attendance.

City of Shelton
Board of Apportionment & Taxation
Budget Presentation
March 31, 2011

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Respectfully submitted,

Karin C. Tuke

Clerk, Board of Apportionment and Taxation
Tape (1) both sides on File with the City Town Clerk's Office.