

MINUTES OF THE TOWN COUNCIL BUDGET COMMITTEE MEETING HELD ON TUESDAY, NOVEMBER 10, 2015, AT 6:45 P.M. IN ROOM 207, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410.

Present

David Schrumm, Chairman; Committee Member Thomas Ruocco and Peter Talbot.. Staff: Michael A. Milone, Town Manager; James Jaskot, Finance Director; Economic Development Coordinator Jerry Sitko.

1. ROLL CALL

The clerk called the roll and a quorum was determined to be present.

2. PLEDGE OF ALLEGIANCE

The group Pledged Allegiance to the Flag.

3. Acceptance and appropriation of a \$64,950 DUI Enforcement Program Grant.

4. Approval of indemnification for use of the Regional Fire Burn Trailer For Firefighting Training.

5. Acceptance and appropriation of \$200,000 DEEP Open Space Grant.

6. Acceptance and appropriation of a \$50.00 donation from Coldwell Banker Residential Brokerage in memory of Genevieve McGuire to the Cheshire Public Library Gift Account.

7. Acceptance and appropriation of a \$50,00 donation from Victoria and Brian Wirtz to the Cheshire Public Library Gift Account.

8. Acceptance and appropriation of a \$208.50 anonymous donation to the Cheshire Public Library Gift Account.

9. Acceptance and appropriation of a \$15.00 anonymous donation to the Cheshire Public Library Gift Account.

10. Acceptance and appropriation of a \$20.00 donation from Robert Tucker To the Human Services Gift Account.

MOTION by Mr. Ruocco; seconded by Mr. Talbot.

MOVED to accept agenda items #3 through #10 and forward to the full Town Council for approval.

Discussion

Item #5 - Mr. Milone advised the Town received this money, and the \$200,000 must now be appropriated by the Council. The balance in the Land Acquisition Account is \$1.054 million; with the \$200,000 appropriation and \$500,000 approved at referendum, the account will have a \$2.204 million balance.

VOTE The motion passed unanimously by those present.

11. Authorization for a Library Fine Amnesty Week.

MOTION by Mr. Ruocco; seconded by Mr. Talbot.

MOVED to accept agenda item #11 and forward to the full Town Council for approval.

Discussion

Mr. Milone informed the committee that in 2014 the Library collected \$40,707 in fines; in 2015 the estimated collection is \$41,500. The amnesty week is requested by Director Burkey; it has not been done since 2008; and it will enable return of Library products to the shelves.

VOTE The motion passed unanimously by those present.

12. Authorization to allocate \$10,000 for professional and consulting services For services needed to complete the initial phase for the CHS Concession Stand Construction Group.

MOTION by Mr. Ruocco; seconded by Mr. Talbot.

MOVED to accept agenda item #12 and forward to the full Town Council for approval.

Discussion

Mr. Milone informed the committee that these professional services will include figuring out the specs for handicapped access and number of bathrooms for the construction project. The recommended firm will be BLCompanies.

VOTE The motion passed unanimously by those present.

13. Streetlight purchasing financing.

MOTION by Mr. Ruocco; seconded by Mr. Talbot.

MOVED to accept agenda item #13 and forward to the full Town Council for approval.

Discussion

Mr. Milone informed the committee that Bond Council advised him that a Council resolution must be adopted for the purchase of the street lights. The Town has received a better rate of interest from Bank of America at 1.97%.

VOTE The motion passed unanimously by those present.

**14. Approval of settlement for Lorenzo v. Bodell/Town of Cheshire.
Possible executive session.**

15. Pension Plans.

Mr. Jaskot explained that the valuations are received every two years, with interim valuations over the last two years, which the Town relies on for changes in the ARC over the interim years. The Town is not contributing the full ARC. This year there will be a full valuation. For the Town and Fire pensions the Town is caught up; the Town plan had annual \$300,000 increases; this year this contribution is not required; \$150,000 will be used to pump up the Police plan contributions which is in the worst shape. Outside the normal yearly increases the Town and Fire pensions are good. There are no new people added to these plans; active life is shrinking; during the phase-in plan the rate of assumption was decreased which had a huge impact; and in the last few years the Town unions have increased employee contribution percentages.

The Firefighters Pension Plan was referred to the Personnel Committee, and Chief Casner will be providing information on the point system for committee review. Mr. Milone noted there are some changes and recommendations for variations in this pension plan.

At the present time, Mr. Jaskot said the Town is looking at an annual increase of \$150,000 to the Police Pension Plan. He stated this plan had a great turnover of people in the last few years.

A valuation is expected to be received shortly. The rate of assumption in FY 2010 was 8.5%; FY 2011 it was 8.25%; and in FY 2014 it was 7.5%.

16. Economic Incentives

The Town has many incentives available (i.e. tax abatement), and some exemptions cannot be phased out because it is a State law. Mr. Milone cited heavy trucks included in personal property, and advised the State broadened the definition of "Manufacturing, Machinery and Equipment" to include these large trucks. After 5 years these trucks depreciate and hit the grand list; the municipalities should be able to take taxes for 5 years; and then let these trucks be exempt from taxes. In the past trucks were taxed at 70%, and 3 years ago the State included them in the MM&E exemption.

Mr. Jaskot stated the "Defense Zone" is another exemption, with an 80% tax abatement for 5 years, and reimbursement to the municipality of 40%. In Cheshire this includes the Pratt building.

It was stated by Mr. Schrumm that for farmers, the first \$100,000 value in farm buildings is exempt, and this is still in effect.

Mr. Sitko cited Class #1 Renewable Buildings, and after January 2014 the exemption from taxes is forever for a PURA certified building.

The Committee was informed by Mr. Milone that the State is imposing taxes for newly constructed property for colleges and hospitals. At a recent forum he learned about a Boston MA hybrid plan in the way colleges and hospitals are treated...as the city is providing services to these institutions.

State Deficit - Mr. Milone reported on a CCM meeting at which the amount of the State deficit was a topic. The Democrats are saying the deficit is \$250 million; the Republicans are stating \$350 million to \$370 million; and the difference is \$120 million for Medicaid, which the Governor does not want to restore. There are concerns that other revenues will not materialize down the road. In speaking with Sen. Fasano, Mr. Milone was told there is confidence about revenue to municipalities. In the second phase there is no indicate of further reduction in municipal aid.

Mr. Ruocco recognized Councilor Schrumm for his service and dedication over many years on the Budget Committee, and thanked him for a job well done.

17. ADJOURNMENT

MOTION by Mr. Ruocco; seconded by Mr. Talbot.

MOVED to adjourn the Budget Committee meeting at 7:18 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk