

MINUTES OF THE CHESHIRE TOWN COUNCIL PUBLIC HEARING HELD ON  
TUESDAY, MARCH 31, 2015 AT 7:30 P.M. IN COUNCIL CHAMBERS, TOWN HALL,  
84 SOUTH MAIN STREET, CHESHIRE CT 06410

Present

Timothy Slocum, Chairman; David Schrumm, Vice Chairman; Council Members Patti Flynn-Harris, Liz Linehan, Sylvia Nichols, Robert J. Oris, Thomas Ruocco, James Sima, Peter Talbot.

Staff: Town Manager Michael A. Milone; Finance Director James Jaskot; Asst. to Town Manager Arnett Talbot. Dept. of Education - Dr. Greg Florio, Supt. Of Schools; Scott Dietrick, Asst. Supt. Of Schools; Vincent Masciana, Director of Management Services; BOE Chairman Gerry Brittingham; BOE members Dixon and Perugini.

1. ROLL CALL

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

2. EXPLANATION OF HEARING PROCEDURE AND AGENDA

Chairman Slocum explained that the Council has held 7 budget meetings/workshops on the proposed budget with department heads, Supt. Of Schools, and BOE members. At this public hearing Mr. Milone and Dr. Florio will present their budgets. Following the presentations the public may raise questions, make proponent and opponent statements. It was noted by Mr. Slocum that the budgets presented have not yet been scrutinized by the Town Council, and there are upcoming budget meetings to further review the budgets.

3. READING OF LEGAL NOTICE

The clerk read the legal notice into the record.

4. PRESENTATION ON HEARING SUBJECT

GENERAL GOVERNMENT BUDGET - TOWN MANAGER MICHAEL MILONE

Town Manager Milone thanked everyone for attending the public hearing and showing an interest in the financial condition of the Town. Mr. Milone explained he is responsible for the General Government, Debt, CNR and Contingency parts of the budget, and Dr. Florio is responsible for the Board of Education budget.

Mr. Milone presented the FY 2015-2016 General Operating Budget.

General Government - \$107,292,725 total budget; increase of \$3,899,311, or 3.77%.

Dept. of Education - \$69,431,393; increase of \$3.4 million, 5.19%

Debt - \$7.039 million; -\$693,048, -8.96%. Debt Service - is 6.56% of the total budget; 10 years ago it was 12.6% of the budget.

C.N.R. - \$1.1 million.

Contingency - \$125,000.

Proposed Mill rate and Tax Calculation - 31.45 mills; on an assessed real estate property of \$212,160 and two cars, the taxes would be \$7,221, +\$276, or 3.97%. Over a two year period, for about 50% of the town population the tax increase is \$276 or less.

Mr. Milone explained that he asked department heads to submit a budget encompassing all that is needed in their department. Following the budget submission, Mr. Milone reported that he cut the budgets submitted by department heads by \$1.5 million.

Debt service decrease allows for a lower mill rate; this money can be used in a more discretionary way, providing enhanced programs and services. The Town had a bond sale, received AAA rating from Standard & Poors, and has a AAA rating from Fitch. These ratings benefit the Town with borrowing at a lower rate.

Expenditures General Government - Total expenditures \$29,596,833; +\$1,169,146 or 4.11%; expenditures are broken out in 8 components of General Government -- Administration & Finance; Planning & Development; Public Safety; Public Works; Social Services; Cultural Services; Leisure Services; Public Health.

Administrative & Finance - 12 departments; +\$758,250 increase in FY 2015-16 budget; the largest share is in pension and medical benefits; employee benefits increasing by \$400,000; \$108,000 budgeted for leases (Finance Dept.), and maintenance contracts for I.T. agreements.

\$10 million of work for energy improvements in Town and BOE buildings; this year the lease payment for projects is initiated; proceeds of the savings is used for the lease payments.

Personnel Services - salaries for all employees; overtime/salary adjustments; \$150,000 is the result of 5 new positions or part time positions with increase in hours; 27th payroll accrual \$54,000; \$30,000 for increase in hours at Library, extension of Sunday hours; Lifeguards at Mixville Pond for the summer; adjustment in the Human Services Department. Pensions - \$320,077, +14.6%.

Revenue - Main sources of revenue are property taxes, PILOT payments, town departments, grants; General Fund Grant Total Revenue - \$107,292,725, +\$3,899,311, 3.77%. PILOTS should be funded by the State at 100% of the tax loss to the Town, but are funded at a much lower rate. The gaming revenue is redistributed to the municipalities by the State. Property taxes - \$85,330,290, +\$4.11 million, +5.07%.

Revenue Changes/Increase - Current Tax Levy of \$4,036,707, PILOT gaming funds of \$259,532, PILOT State of Connecticut \$118,349.

Multi-Year Budget and Mill Rate Comparison - FY 2009-10 to 2015-16. Mr. Milone reviewed the data, noting that in the last 6 years the Council and Town administration did a good job controlling the mill rate increase. The average budget increase is

1.34%; average mill rate increase is 1.45%; this year the mill rate is higher than in prior budgets.

Community Pool Budget - \$62,000, +8.35%. The pool will reopen in September; will operate for 10 months of the fiscal year budget; Parks and Rec Dept. subsidy is \$219,000, and will stay constant in the next fiscal year.

WPCA - the budget is decreasing due to many efficiencies and enhancements to the treatment plant facility \$32 million upgrade project. The user fee will increase by \$5 per household.

Dept. of Corrections - Prison. Over the last year the DOC revenue has declined by \$180,000; I&I, rain water and leaks find their way to the treatment plant; the reduction in flow is expected to continue.

Budget Schedule - The Town Council has meetings scheduled for April 6, April 7, April 13, April 14; Budget Adoption Deadline is April 17th; Budget Petition Deadline is May 11th; Budget Referendum Deadline is June 20th; Final Budget Adoption Deadline is June 27th.

Major Projects - Mr. Milone reviewed the listing of major projects, some funded out of the capital budget, C.N.R. debt service, grants and loans; \$61.1 million of projects. WWTP - opens in September; Community Pool - September completion; Linear Trail project starting; \$10 million in performance contracting initiatives; road replacement \$1.7 million project; Mixville Park enhancements and improvements to the park area; Senior Center basement project to meet senior demands; park improvements; new playground equipment at Quinnipiac, MacNamara and Cheshire Parks; repair of cracks, fencing, etc. on Linear Trail and replacement of sign.

Operational Projects - funded out of the operating budget, and include Technology Initiative, Streetlight Acquisition, Solar Panel installation at landfill site, Open Space expanded maintenance and safety initiative.

Lawsuit - Mr. Milone commented on the lawsuit pending against the State of Connecticut (DOC) by the Town of Cheshire. The DOC is unwilling to participate in the costs for WWTP upgrade which was an obligation to the Town in a 25 year contract, and has been down with other prison towns. The prison has had a malfunctioning meter for over 9 years, under paying \$1.4 million in billings. Total of \$7.1 million owed by the State to the Town. The lawsuit is before the Claims Commission, and will be heard in September.

Bond Refunding - generated \$210,000 in savings which is not factored into the budget.

Streetlights - acquisition will result in \$75,000 to \$100,000 savings; not factored into the budget.

Medical Benefits Program Bid - there should be a significant reduction in rates.

Potential use of fund balance - \$650,000 in FY 2015-16; last year it was \$700,000.  
Tax Collection Rate - 99.78% collection rate this year, highest in the State; Town Council will look at budgeting for a rate higher than budgeted last year, i.e. 99.1%.

The Town Council will look at the proposed budget, revenue enhancements, and reductions/cuts in expenditures.

#### DEPARTMENT OF EDUCATION, DR. GREG FLORIO

Dr. Florio reviewed the BOE budget with the Council, staff and public present at the hearing.

FY 2015-2016 budget recommendation - \$69,431,393; increase of \$3,423,213, or 5.19%.

Internal Factors - medical benefits, contract increases, special education, energy services contract. External Factors - State/Federal Education Revenue, No reduction but increase in mandates, Energy Costs.

Budget Increase - total increase of \$3,423,213. Teacher Salaries - \$651,776 or 19.04%; Other salaries - \$402,968 or 11.77%, and includes 4 teaching positions because of the uncertainty of full day kindergarten enrollment; Employee Benefits \$2.016 million or 58.90%, with some possible savings with self funding; Special Education \$167,001 or 4.88%; Maintenance decreases by \$322,855; Capital Costs are \$500,000; All other accounts \$8,187.

Cheshire is ranked #39 by Money Magazine for top towns in USA with population of 25,000 to 50,000. Cheshire High School is ranked in the top 500 in the USA; 401st in USA, 13th in Connecticut. Cheshire School District ranked 18th in Connecticut. NICHE.com rating for CHS is A for academics, teachers and student activities, and B for facilities. NerdWallet.com ranked Cheshire the 23rd most effective district, with a bang for the taxpayers buck.

#### 5. QUESTIONS AT THE DISCRETION OF THE CHAIR.

Guy Darter, Cedar Lane, commented on the Town Manager cutting department head budgets by \$1 million which is 8% over last year. He asked if all department heads lived in town to absorb the higher tax payments, and if not, they should be required to live in town.

In response, Mr. Milone stated that he cut the Town and BOE budgets by \$1.5 million. Over the last 6 years increases have been meager; 7 positions have been lost; programs and services have been cut. During all this department heads have done a good job of holding expenses down. With many operations and services the elastic is stretched as far as it can go and it will soon break. In the past Mr. Milone has asked department heads to return a status quo/maintenance budgets...and at the same time

enhance services to the community. He told them they could come to him with what they think is needed...in a real world without constraints...to provide the best level and most responsible level of services. Mr. Milone said this excellent group of professional people simply responded to his request. They are not irresponsible, insensitive because they do not live in town, they are professionals, do a good job day in and day out, and they are concerned about cost controls. The staff is also concerned about people who demand services every day. The reason the budgets were submitted was not because Town staff is irresponsible...but because of Mr. Milone lifting the tight controls exerted over the last 6 years. He wanted to see it, have it in front of him, have dialogue with the Town Council to know the needs. When something happens, and the Town Manager cannot support it any longer, he wanted people to be aware of why it happened.

Mr. Darter said CPI over the last 6 years is 2.5% which is where budget increases have been each year, there have been debt decreases, more money is being spent this year than last year, and 8% increase is irresponsible in this economy...and department heads should live in town and share the tax burdens.

It was stated by Mr. Milone that debt decrease cannot be discarded, and it has taken 10 years to make that happen, with hard work, dedication of people. Debt service is being used to lower the tax rate and redirected for discretionary services that would, otherwise, be cut.

With regard to the department head budgets submitted to Mr. Milone, he said he resents Mr. Darter's suggestion they are insensitive. He reiterated that these are top notch professionals with concerns about impact on taxes. He gave them the freedom to ask for what they wanted. When he got it he realized it was beyond anything that the Town could afford; staff was very understanding; and did not give the Town Manager a hard time about cutting their budgets.

Joseph Bango, 171 Cornwall Avenue, expressed concerns about paving of school sidewalks and parking lots last summer when they were in good condition. He requested FOI information on this work and money spent. Mr. Bango said the BOE is requesting \$3 million budget increase, and possibly spent \$2 or \$3 million on sidewalks and parking lots that did not need to be done.

Dr. Florio stated that Mr. Bango was provided everything he requested, and if not he could have called the Superintendent's office. At this meeting, Dr. Florio did not have information before him about paving and sidewalk replacement...but said with certainty that there was no replacement of asphalt or concrete surfaces that did not need to be done. This work was done through a capital appropriation with the Town, and there is money appropriated for next year to continue this work. Costs out of the operating budget for this type of work are nominal.

Council Chairman Slocum explained the capital budget is different than the operating budget. In the summer various town needs, capital needs of the BOE and Town, are

done, including the repavement projects in parking lots. This is where the funds for the BOE sidewalk and parking lot projects were expended from, and the Council is aware of the operating dollars which are discussed in detail with department heads. Mr. Slocum reported the capital budget is available on line for public review.

6. PROPONENTS AND OPPONENTS STATEMENTS ALTERNATELY EXPRESSED.

David Veleber, 402 Hayledge Court, thanked the Councilors for their time and service to the community, making Cheshire a better place to live. He asked that taxes be kept down, and the mill rate be lowered than what is proposed. There was an increase in the revaluation of his property. Mr. Veleber noted the State considers Cheshire to be "rich" and does not share all the tax dollars. If there are positions to be filled, he asked that they be part time jobs. Mr. Veleber trusts the Council will deliberate and make strategic cuts necessary to make a proper balance for Cheshire to be the nice place to live, reasonably affordable, with a good array of services and opportunities along with a good strong education system.

Kristin Selleck, Radmere Road, Co-Chair of the Human Services Committee, spoke in support of the increase in hours for the Social Worker at the Senior Center. She commented on the seniors as a growing population in Cheshire, their need for resources, improved services, support and access to services. The Town does provide good services, and the Social Worker handles 40 visits a week, supervises interns, and works with Senior Center staff.

Adam Grippo, 1068 Avon Boulevard, commended the Councilors for doing a great job. He asked that the budget increase be kept under 2%, and the mill rate under 2%. Regarding the BOE budget, it is a 4% to 5% increase each year. To get to the level of Glastonbury, which is #10 school district and Cheshire is #13, we would have to match Glastonbury's 35.65 mill rate. Mr. Grippo said the Town Manager, Council and Dr. Florio do a good job, making good decisions for the community.

Marion Nero, 55 Jesse Court, wants the Council to reduce the budget more because \$276 tax increase is too high. She said the senior population is growing, a tax increase is hard on them and young families.

Lou Nero, 55 Jesse Court, commended the Council and BOE for doing a good job. He said the revenue is \$800,000 and expenditures are more than \$1 million, and more thought should be given to contractual obligations when there is negotiations because it affects the budget...this is where the increases are in the budget.

Chairman Slocum stated that negotiations were reasonable with legitimate changes to the contracts 4 years ago. The benefit side is the most difficult side to change; pay rates have been reasonable over the last few years, but exceed the private sector. The negotiations are one year out with many things to be considered.

Gerry Brittingham, BOE Chairman, referred to the statements made by Mr. Bango about replacement of good parking lots, driveways and sidewalks. It was stated by Mr. Brittingham that the BOE Planning Committee makes recommendations for projects, and repaving good parking lots or sidewalks would never get past the full BOE or Council for approval. When statements like this are made, he said people do not understand the process.

According to Mr. Bango he drove around town, has concerns about the BOE budget with teachers being hired, the effect on students, and the right to FOI information which he did not receive. With his concerns about the schools and BOE budget he said he has the right to cite concerns. He believes the BOE increase may not be necessary.

It was made clear by Dr. Florio that none of the BOE budget increase is to have sidewalks or parking lots paved.

Information on the capital budget was stated by Mr. Masciana. \$150,000 was appropriated by the Council for sidewalk and masonry repairs at the schools. Last year the chimneys at Doolittle, Darcey and Norton Schools were done. The remaining balance of \$90,000 was used for sidewalk repairs...on the worst first basis. The project is assigned to the Public Building Commission (PBC) subcommittee for oversight on the project; the contractor has held prices firm for the last 3 years for the BOE; and sidewalks would not be replaced that do not need to be replaced. The work goes out to bid before the project is awarded.

7. REBUTTAL AT THE DISCRETION OF THE CHAIR.

8. ADJOURNMENT

MOTION by Mr. Schrumm; seconded by Mr. Ruocco.

MOVED to adjourn the public hearing at 9:05 p.m.

VOTE The motion passed unanimously by those present.

Chairman Slocum adjourned the public hearing at 9:05 p.m.

Attest:

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Marilyn W. Milton, Clerk