

MINUTES OF THE CHESHIRE TOWN COUNCIL AND BUDGET COMMITTEE JOINT SPECIAL MEETING HELD ON MONDAY, APRIL 11, 2016, AT 6:30 P.M. IN ROOM 207-209, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410

Present

Timothy Slocum, Budget Committee Chairman; Michael Ecke and Sylvia Nichols.
Staff: Michael A. Milone, Town Manager; James Jaskot, Finance Director; Gina DeFilio, Deputy Finance Director. Dept. of Education: Chief Operating Officer Vincent Masciana

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. DISCUSSION RE: FINAL BUDGET REVIEW OF DRAFT RESOLUTION

Town Manager Milone distributed a handout on the budgets and resolutions for Council approval.

- I. General Fund Budget Resolution with details.
- II. Water Pollution Control Department Resolution w/\$10 Sewer Use fee Increase.
- III. Water Pollution Control Department Resolution w/o \$10 Sewer Use fee Increase
- IV. Community Pool Fund Operating Budget Resolution

Resolution #041216-3 General Fund Operating Budget

A - General Fund Operating Budget: General Government \$30,351,975; Debt Service \$6,828,743; Contingency \$125,000; CNR - \$1,100,000.

B - Board of Education Budget - \$69,395,510.

C - Total Budget - \$107,801,228.

D - Mill rate of 31.19 mills; tax generated \$84,259,710; collection rate of 99.1%.

The remaining sections of the resolution are required by State statute; tax bills sent out; personal property and motor vehicle payment in single installment; payments under \$100 paid in one installment.

Page 2 - left column cites the components/appropriations of the budget from the Town Manager; Right side cites the Town Council Budget Committee appropriations; total budget increase of \$1,837,594 or 1.73%; reduction in General Government is \$414,157; BOE is \$897,066.

Page 3 - Mill Rate Increase to 31.19 mills; average taxpayer increase of \$115 or 1.63%.

Page 4 - Budget Revisions Expenditures (Decrease/Increase). Total \$1,350,750.

Page 5 - Total Expenditure Adjustments of \$1,311,217.

Summary of Budget Adjustments for Revenue and Expenditures made for each respective line item.

Page 4, item #6, New Positions/Salaries - \$78,991; this reduction is reflected on page #5 (#4 Town Clerk-PPT, #11 General Services PPT, #30 PW PFT, #39 Parks and Rec PFT); Salary Adjustments #5, #12, #31, #40.

Page 6 - Revenue Increase/Decrease; \$39,533. Mr. Milone cited some of the changes in the revenue. Parks and Rec User Fee, \$28,900; Investment Income \$20,000; Alexion payment \$30,400; RWA Pilot (\$9,353), Cert. of Occupancy (\$991), Municipal Aid (\$55,405).

Page 7 - Tax Levy - Mr. Milone reviewed this revenue. Current Tax Levy, Certificate of Occupancy and Supplemental MV Tax all adjusted based on the .5 mill rate reduction from the Town Manager's proposed budget.

Page 8 Changes - Mr. Milone cited changes -- So. Central RWA, (\$7,853) is mill rate sensitive and is based on .5 mill rate decrease; 2 increases Telecommunications Property Tax and Defense Zone Increase.

Page 9 - Departments. Parks and Recreation +\$28,900 from user fee increases; Senior Services +\$5,000.

Page 10 - Investment Income +\$20,000; CPD Special Duty +\$5,000; Alexion tax incentive payment +\$30,400.

Page 11 - Education Budget.

Page 12 - Miscellaneous Education Revenue;
Fund Balance use stays at \$700,000.

Resolution #041216-4 Water Pollution Control Department

Mr. Milone reviewed the two resolutions - with and without the \$10 sewer use fee increase. Under the column FY 2017 Council Proposed - a \$10 increase to \$393 generates revenue of \$3,376,622; without a user fee increase the revenue is \$3,290,703.

WPCD Fund Equity - with \$10 user fee increase the fund balance is \$88,680 more going into the fund balance; without the \$10 user fee increase the fund balance would increase by \$2,761.

Restricted Fund Balance (bottom of page) - Mr. Milone reviewed this information and footnote #3 Town Council proposed net of \$150,000 designated for CWF debt service. With \$10 user fee increase, at the end of FY 2017, there would be fund balance of approximately \$810,117; less the \$150,000; there is a fund balance of \$660,117. Without the user fee increase of \$10 the fund balance in 2017 would be \$574,198.

Mr. Milone stated his support of the user fee increase of \$10 because he expects the WPCD support for paying some of the debt service not ending with the 2017-18 spike. If there is enough in the fund balance he hopes to draw down some of these funds in future years.

WWTP Rate Analysis - reviews the revenue from a user fee held constant, and a user fee that goes up by \$10. Each \$5 increase in the user fee generates \$42,960 in revenue.

The Budget Committee members discussed the user fee, whether it should increase by \$10 or not, and the consensus of the committee was to increase the fee by \$10.

MOTION by Ms. Nichols; seconded by Mr. Ecke.

MOVED that the Budget Committee approves the increase of the Sewer User Fee by \$10 to \$393 annual fee, and forwards this matter to the full Town Council for approval.

VOTE The motion passed unanimously by those present.

Resolution #041216-5 - Community Pool Fund Operating Budget.

Mr. Milone reviewed this budget with the Budget Committee, noting there is a \$5,000 reduction in the Building Materials Account and savings in insurance; total savings of \$5,166. \$5,000 of this savings benefits the General Fund; the subsidy is reduced to \$210,000.

Summary Page - shows the revenue components; \$663,135 is expected from pool user fees; Subsidy is reduced to \$210,000,

Other Budget Related Items for Council Approval - the user fee increase for the Parks and Recreation Department and user fee increase for the Community Pool - both require Council action. \$40,000 CPD used for consulting services for the radio system, was originally to be charged to the capital planning account was never resolved.

For Parks and Rec Department, Mr. Milone wants to put together some residual balances in C.N.R. for purchase of an ATV (off-road vehicle) for the department crew to use for maintenance of the trail and open space. This is something Mr. Milone wants in place before the spring season.

Town Historian Budget - this is a very small budget, and could be associated with Economic Development of Historic District Commission budget.

Gift Accounts - CPD and CFD accounts can be adopted by the Council at the 2nd meeting in April.

Mr. Slocum thanked BOE staff member Mr. Masciana for his hard work and cooperation during the budget process.

MOTION by Ms. Nichols; seconded by Mr. Ecke.

MOVED that the Budget Committee accepts the FY 2017-2018 General Fund Operating Budget and forwards it to the full Town Council for approval.

VOTE The motion passed unanimously by those present.

MOTION by Ms. Nichols; seconded by Mr. Ecke.

MOVED that the Budget Committee accepts the FY 2017-2018 Water Pollution Control Fund Operating Budget and forwards it to the full Town Council for approval.

VOTE The motion passed unanimously by those present.

MOTION by Ms. Nichols; seconded by Mr. Ecke.

MOVED that the Budget Committee accepts the FY 2017-2018 Community Pool Fund Operating Budget and forwards it to the full Town Council for approval.

VOTE The motion passed unanimously by those present.

4. ADJOURNMENT

MOTION by Ms. Nichols; seconded by Mr. Ecke.

MOVED to adjourn the meeting at 7:10 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk