

**MINUTES OF THE CHESHIRE TOWN COUNCIL AND BUDGET COMMITTEE
SPECIAL MEETING HELD ON THURSDAY, APRIL 19, 2018 AT 7:30 P.M. IN ROOM
207-209, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410**

Present

Timothy Slocum, Budget Committee Chairman. Council Chairman Robert J. Oris, Jr., Vice Chairman Paul A. Bowman, Patti Flynn-Harris, Jeff Falk, Thomas Ruocco, Peter Talbot, David Veleber. Absent: Sylvia Nichols.

Staff: Michael A. Milone, Town Manager; James Jaskot, Finance Director; Arnett Talbot, Assistant Town Manager; Gina DeFilio, Deputy Finance Director.

Dept. of Education: COO Vincent Masciana. BOE Members Ms. Fabiani, Mr. Grippo, Ms. Horrigan.

1. ROLL CALL

Budget Chairman Slocum called the meeting to order at 7:31 p.m.

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: PROPOSED FISCAL YEAR 2018-2019 OPERATING BUDGET

Handout 4/19/18 (Summary) Page 5 – Mr. Milone reviewed the budget adjustments as of 4/19/18; pages 16-17 illustrate the draft budget resolutions if adoption was tonight.

#12 – Library Director \$10,000;

#14-Electrical Inspector/Human Services (\$49,105);

#15-Board of Education \$665,165 on proportionate basis; handout 3/14/18 page shows combined increases Town and BOE \$3,191,042; 62.13% BOE share and 37.87% Town share; after calculations (4/18/18) of reductions on the Town side divided by 37.87%, the number is \$665,165; this calculation is wrong because it included \$50,000 in debt service; the number was overstated; look at #16-\$165,000, but \$115,000 should have been applied to the Town's cut; as a result there is BOE allocation correction (\$72,675), and their number should have been \$592,490 (not \$665,165).

Page 1 – Expenditure Decrease/(Increase) as of 4/18/19 – Total revised expenditure adjustments - \$1,009,809; revenue \$326,000.

Social Worker adjustment cost is \$2,250 more for contracted services for person overseeing interns; Senior Social Worker position was understated by \$4,000; Electrical Inspector increase was already added back in (\$8,772); 49th police officer indirect costs (\$6,500).

Mr. Jaskot stated that, based on current information, the new total is \$1,335,809. This is a .49mill rate reduction from the proposed mill rate; new mill rate is 32.70; average

taxpayer increase is \$178, or 2.38%. With an additional mill rate reduction of .06 mills, the total would be \$1,641,361; average taxpayer paying +\$151.

DEPARTMENT OF EDUCATION – Mr. Masciana COO.

Handout 4/19/18 – DOE budget history 2016-17 to proposed 2018-19.

Mr. Masciana reviewed the information. FY 2016-17-\$70.5M BOE recommended budget; TC approved budget \$69,395,510, increase of 1.57%; mid-year reduction of \$419,802; final actual BOE budget \$68,975,708, 0.96% final actual increase.

Budget reductions and impact of this budget included elimination of three elementary teacher positions, reorganization of Central Office, froze technology assistant position, eliminated executive assistant position, reduced expenditures for supplies, textbooks, replacement equipment, maintenance, utilities, overtime, medical benefits, staff training, conferences and transportation.

FY 2017-18 – BOE recommended budget \$70,831,288; TC approved budget \$70,126,288; mid-year reduction (\$484,215); final actual BOE budget \$69,642,073, 0.36% final actual increase.

Significant reductions were made including elimination of four elementary teacher positions, CHS Science Teacher, teacher technology coach and technology assistant position, froze half-year for Social Worker and Guidance Counselor, Curriculum Coordinator position is not filled, Maintenance position not filled; reduced expenditures for teacher salaries, medical benefits, supplies, textbooks, replacement equipment, maintenance, utilities, overtime, medical benefits, and increased student activity and parking fees.

FY 2018-19 BOE proposed budget \$72,108,781; TC reduction (\$665,165); approved increase would be 1.88%; final actual budget would be \$71,443,781, 1.88% increase.

Average BOE budget increase over these three years is 1.06%. Staff increases over the last few years have been in the special education line items due to increase in this student population. With \$665,165 or \$592,000 reduction, Mr. Masciana said the BOE can restore some frozen or eliminated positions...but not all of them. This is a Superintendent and BOE decision.

Technology Assistant Position – has been vacant for 1 ½ years; in the past there was a technology person in every school building; district moved to a dispatch model with electronic work order system, requests are turned around in about one day, system is more efficient. Parents of students with Chrome Books can pay \$25 protection plan for the devices should they break, need repairs, have technology issues etc. This money is held in a student activity fund, with a current balance of about \$30,000 (high school and middle school). This is an example of ways the BOE is trying to contain costs.

Page 9 – Updated Analysis of DOE Medical Trust Fund - \$400,000 was taken out of the fund by the BOE for the proposed budget. Taking any more out of this fund is a calculated risk; the balance is \$3.5M; projected claims increase for next year is \$300,000; without a catastrophic year the balance would go down to the \$3M range.

Mr. Masciana said if the budget reduction is \$600,000 he would recommend to the BOE to take money out of the trust fund.

Page 10 – There are five scenarios for the BOE. Mr. Milone averaged them out, and came up with \$3,506,000; \$400,000 already used; estimated balance \$3,106,229 as of 6/30/18; expected monthly (3months) claims of \$725,000 is \$2,175,000; the variance is \$931,229.

Page 8 – Mr. Milone cited the same type of calculations for Town Medical Trust Analysis.

Town and BOE both use three months of claims; it could be four months.

Chairman Oris reviewed the BOE budget proposals. He cited renewal of some positions, new positions, new Bridges program teacher at Dodd Middle School, reinstatement of three elementary school positions (never funded), Math Coach (new), and he questioned the additional 13.6 hours for a part-time Assistant Principal at Norton School.

With regard to the Assistant Principal position, Mr. Masciana explained this is a frozen position; it is a vacant position that was never filled; the position is part-time at Norton and Doolittle Schools and the person covers when the Principal is out of the school, assists with teacher reviews, and other administrative duties.

Mr. Talbot stated the Assistant Principal position cost is \$66,000; Math Coach \$80,000; 3 elementary teachers \$240,000, Bridges program teacher \$80,000.

The LIT/RAMS teacher is a literary/reading and math support person to assist students with reading and math, and provides teacher support in the classroom. This is not adding a person; it was an open position that was never filled.

Mr. Oris commented on declining enrollment, and questioned the need for new positions, reopening frozen positions, when there is not the means to do this. He also questioned the maintenance and electrical expenses which increased, especially in light of all the money spent on efficiencies. He asked about \$1.9M in certified and non-certified salaries.

In response, Mr. Masciana explained that \$30M is for the teachers' line item; there was a 3.17% contract increase this year; benefits are in the 20% range; teacher pension is not paid by the DOE, it is paid by the teachers.

Mr. Slocum asked about staffing levels and changes at the elementary schools, maintaining class sizes, CHS curriculum changes i.e. what is used, under-utilized, and revisiting or tweaking them by BOE management.

According to Mr. Masciana, the administration looks at the class loads; CHS has considered reductions over the years; and looking at curriculum is ongoing.

When there are older students, Ms. Fabiani said class size is not an issue, and curriculum is continually looked at by staff and BOE.

For the \$30,000 Chrome Book repair account, Ms. Flynn-Harris asked if it will stay at this number. There is \$75,000 in the budget for new Chrome Books...and she asked if they will be used or new.

The repair account is used to replace failed Chrome Books, and Mr. Masciana said the \$75,000 will be used for new Chrome Books for 9th grade students. This year they will be Dell devices.

Another position is requested to bring student class size to 19, and Ms. Flynn-Harris asked about this position.

Ms. Fabiani replied it is for a 5th grade elementary teacher.

Regarding the requested positions, Mr. Talbot asked if they were included in the FY 17-18 recommended budget and part of the \$1.2M in cuts.

Mr. Masciana said all positions, except for the Math Coach, were in the FY 17-18 budget.

Of the \$705,000 cut by the Town Council and \$484,215 give back mid-year, Mr. Talbot asked if this included the Assistant Principal position, 3 teachers and 10 IA's.

It was explained by Mr. Masciana that the 10 IA's are add-ons, in this budget year. They were not in the budget, and were hired for the special education program. He further explained that 4 elementary positions, CHS Science teacher were eliminated, teacher technology coach position never was filled, technology assistant position was eliminated, froze half-year for Social Worker and Guidance Counselor, Curriculum Coordinator position is not filled, Maintenance position was not filled. Some of these savings were offset by the hiring of 10 IA's, and remainder of savings are coming out of the non-payroll account, holding at 60%.

Referencing the BOE budget book/page 5, Mr. Oris cited data about positions, i.e. one net position, reduction of 5 elementary teachers, added 1 Social Worker, School Counselor, Technology Coach (frozen), Speech Therapist and Special Ed teacher.

Mr. Masciana said 5 elementary teachers were reduced; one was hired back; so there was a net of 4 positions. Social Worker at Dodd was added in January; CHS School Counselor was added in January; Elementary Tech Coach was not filled, and is not in the proposed budget; Speech Therapist is a consultant, not an employee. It was explained by Mr. Masciana that the DOE budget process starts in November, and at that time the Social Worker and CHS Guidance Counselor position were not being filled. The Bridges Program Special Ed Teacher is in this budget.

Total add-ons for BOE positions - \$466,000.

Mr. Talbot asked about the 10 IA's added into the FY 17-18 budget.

It was clarified by Ms. Fabiani that in the FY 17-18 these positions were not budgeted. But, there were additional special education needs that required hiring 10 Instructional Assistants. The funding was taken from other areas of the budget to fund these required positions, and the hiring was state mandated for the special ed programs.

The 10 IA's are budgeted in the FY 18-19 budget. Mr. Masciana cited the costs at \$25,000 per person, working 25 to 28.75 hours per week. He informed the Council that more and more special education students are moving into the district, and throughout the school year current students are identified with special education needs. There is a large number of staff for this group of students.

The World Language program was raised by Mr. Talbot, the cost of 2018-19 offset through other special services, and asked if there will be additional staffing needed...or will costs be offset by these special services.

This program starts at 6th grade, and Mr. Masciana said there is no plan for lower grade levels to have this program.

Ms. Fabiani said the 6th grade is locked in for this program, and in the future it could go down to 5th grade. At some point it may require another staff person, but it is hard to predict at this time.

BOE Budget Book page 8 – Mr. Oris talked about the new Maintenance Director, and if he is looking at the department staffing, operation, efficiencies to be gained, savings that can be generated, etc.

According to Mr. Masciana the Director is doing a good job, working closely with staff that is productive, working with the work order system, turning them around quickly and efficiently. Building Maintainers are tradesmen. One Maintainer position is still frozen.

The grounds maintenance line item was cited by Mr. Oris who said it is up 20% from last year; last year it was up 50%; and he asked the reasoning for this.

In response, Mr. Masciana said some has to do with the snow plowing which is now increased to \$90,000 for FY 18-19. This year the line item will be slightly over budget; \$154,000 is mostly snow plowing (\$95,000). Overall maintenance is increased by about \$75,000. With the age of school buildings and amount of funds needed for repairs and general improvements there is a request for an additional \$78,000, a 2.28% increase in the Maintenance budget. For contracted cleaning, this went out to bid, and the increase may be 7% or a little less.

Student Activity Fees Page 8 – Mr. Oris noted extra curricular fees for middle and high school were increased; \$125 per student per sport and he asked if this is just for sports or activities. \$100,000 was raised with this fee structure, and Mr. Oris asked for the total budget for middle and high school athletics. He asked if the Booster Club money goes to the BOE.

The student activity line item is \$572,775, and Mr. Masciana said it is offset by the \$100,000 (number would be \$672,775). He can provide details to the Council.

Mr. Masciana explained that individual sports program groups and Booster Club money does not go to the BOE. The Booster Club donates money to sports teams, i.e. \$5,000, and it goes to the team for equipment and other items.

The extra charges to families by individual student activities and sports groups was raised by Mr. Oris, who said they add up, and he does not want activity and sports fees to increase.

Mr. Oris stated his concern that some Councilors have not had enough time to vet the automated trash program, information about the program, and a seven-year contract. The Council must also be cautious about finding the savings (\$75,000).

As Solid Waste Committee Chairman, Mr. Veleber wants to hold off for more information, have numbers plugged in, has concern about some issues, and reconsideration of a seven-year contract.

Mr. Talbot said he has a better comfort level after Town Engineer Gancarz gave an analysis of the program, savings on the Town and vendor side. He is okay with moving forward.

Recap of Discussions and Decisions

Cheshire Public Library – Sunday hours \$23,600; find savings in the two open positions, i.e. \$10,000 Director; other position was already reduced to step #1 for savings.

Cheshire Fire Department – fee revenue was not supported.

Parks and Rec Department Facilities Use Fees and Summer Concert Modifications – approved by the Council.

Pool Amenities – capital budget item.

Automated Trash Collection - \$75,000 savings possible; up for reconsideration.

Hazardous Waste – Town moving to NVCOG program, with savings.

Leaf Collection – no change.

Snow Plowing Contractor – will not be pursued.

Tax Collection Rate – stays at 99.2%

Fund Balance – another \$200,000 allocation.

Debt Service Reserve – another \$50,000 reduction.

Revenue Modifications – further review with Council, Mr. Milone and Mr. Jaskot.

Human Services (3 positions) extra hours approved, some number changes.

Some of the cuts will include fringe benefits for savings.

CPL Clerk – fund for 6 months in FY 2019.

Assistant Town Clerk position – adjusted to 35 hours.

50% of Town Engineer salary supported by WPCD.

Overtime detail – to be discussed.

Special Elections Stipend – to be discussed.

Excavation Fee information – in the 4/19/18 handout.

Cell Tower Fees – revenue generated \$25,000 and included in budget calculations.

EDC Issues – Funding is appropriated to EDC for the Muldrow report; funding appropriated for the TIF; EDC looking for some continued assistance with CEP; \$900,000 was requested for the West Main parking lot; this has been cut because the Town did not receive the \$500,000 STEAP grant; more infrastructure amenities will be reviewed with Council and EDC. Mr. Sitko talked to Mr. Milone, emphasizing

importance of the web site, availability of consulting money from the Capital Planning Account, and with TIF analysis there could be more spinoffs for work to be done.

Draft resolutions are in the handout, pages 15-17.

CPL Sunday hours – Ms. Talbot reported that on a Sunday, the Library has 17% of material being loaned to residents living outside Cheshire.

Dog Park – there was prior discussion about having a “ car permit” for use of the park by out-of-town residents. Director Mederios researched this, and just non-residents cannot be charged for use of the dog park; it must be a two-tiered fee schedule for residents and non-residents; enforcement would be challenging; and there could be a legal challenge with charging fees. This issue will be confirmed with Attorney Smith and Council informed of his opinion.

Ms. Flynn-Harris stated the initial dog park group is slowing down, and donations to the park come through the Parks and Rec Department.

Mr. Talbot, Park and Rec Liaison, explained there is another group applying for a national grant for the dog park. This will come before the Council in May.

Excavation Reserve Account has \$149,111.55; \$25,000 will be allocated for next year’s budget; balance would be about \$124,000.

Regarding the part-time Electronic Media Consultant, Mr. Slocum questioned if the BOE might join in this effort. He does not support filling the position this year.

Handout, page 5, line 5 – Mr. Milone cited savings of \$27,858 on the salary, and on line #8 - \$12,142. There is \$25,000 allowed this year for a contracted employee.

Mr. Oris stated the outcome of executive session will affect his decision.

The Council briefly discussed the Media Coordinator position, cost of \$40,000 per year, and the consensus of the Councilors was 4 in favor, 3 opposed, and 1 uncertain.

Registrars of Voters Stipend - \$4,500 total. Mr. Milone said they are looking for clarity as to what constitutes a stipend. It is the Town’s understanding that it is for “special elections.” The ROV’s had a recount, which did not meet the conditions of a stipend.

Mr. Talbot said a recount is part of an election...and is not a referendum, primary or special election.

Mr. Veleber stated a recount is a continuation of an election.

Staff will draw up a resolution on the issue of a stipend for the Elections Department.

Mr. Veleber clarified that the Human Services position increase in hours is for the current person who works without benefits. In theory the position comes with benefits, and could be filled in the future by someone wanting benefits...about a \$12,000 cost.

MOTION by Mr. Oris; seconded by Mr. Bowman.

MOVED that the Town Council enter Executive Session to include Town Manager Milone, Finance Director Jaskot, Asst. Town Manager Talbot, Deputy Finance Director DeFilio.

VOTE The motion passed unanimously by those present.

MOTION by Mr. Bowman; seconded by Mr. Veleber

MOVED that the Town Council exit Executive Session at 9:35 p.m.

VOTE The motion passed unanimously by those present.

The Council continued deliberation on the FY 18-19 Operating Budget.

There was discussion about consideration of the \$75,000 savings from automated trash collection. Without the \$75,000, there is \$120,000 needed to get to 32.66 mill rate; \$168 increase to the average taxpayer.

Medical Trust Fund – Mr. Ruocco stated there is no need for three months of claims funding in the trust fund...it could be 2 or 2 ½ months of claims. Premium increases must also be factored in every year.

The Council was told by Mr. Milone that the three months of claims has been in place for the past few years, and it is protection should there be a change in insurance carriers.

Handout, Page 8 – Mr. Milone reviewed the Town fund calculations. Using \$200,000 of this fund balance, and setting aside 3 months of expected claims \$759,426, there is a balance of \$344,192. The likelihood of using the 3 months of claims is remote...it is for a change in carriers or spike in claims.

Mr. Masciana stated the BOE uses three months of claims; if \$600,000 is taken out, BOE would be funding \$625,000 a month for 4 months; if future claims spike to \$750,000 a month, there is under-funding, and BOE would have to play catch-up.

Mr. Milone is comfortable with taking \$300,000 out of the fund. In the past the Town had two months of claims.

For the BOE four months would be about \$2.8M, and Mr. Masciana said the past tradition was two months of claims.

The Council continued review and discussion of the expenditure and revenue adjustments for the FY 18-19 budget. After discussion and review of various scenarios, the following decisions were made.

Revenue Increase/(Decrease) - \$326,000

Total Revenue and Expenditure Adjustments - \$1,553,529

New Mill Rate – 32.62 Mills.

Average Homeowner Assessment - \$233,074; Taxes of \$7,603; Tax Increase of \$159 or 2.14% increase.

Upcoming Meetings

Tuesday, April 24th, 6:30 p.m.

Wednesday, April 25th, 6:30 p.m.

Monday, April 30th, Budget Committee Meeting, 6:30 p.m.
and Town Council Special Meeting at 7:00 p.m.

4. ADJOURNMENT

MOTION by Mr. Talbot; seconded by Mr. Oris.

MOVED to adjourn at 10:08 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk