

RECEIVED 4/30/15
AT 9:10 AM
TOWN CLERK

AGENDA

Special 10-Year Strategic Planning Committee Meeting
Wednesday, April 29, 2015 @ 8:00pm
Norma Drummer Room/Seymour Town Hall

Members Present: Kathie Vrlík, Jeff Dussetschleger, Don Smith, Trish Danko, Jen Magri, Kristen Harmeling and Rory Burke

Members Absent: Bruce Baker

Others Present: First Selectman Kurt Miller, Finance Director Doug Thomas, Director of Operations Tony Caserta

1) Call meeting to order

The meeting was called to order at 8:00 PM.

2) Pledge of Allegiance

All present stood and recited the Pledge of Allegiance

3) Public comment

There was no public comment.

4) Approval of minutes

There was a motion to approve the minutes from the April 8th regular meeting.

Motion: Jen Magri

Second: Jeff Dussetschleger

Vote: 6-0

5) Quarterly update from the First Selectman/Operations Director/Finance Director

Kurt: I'm going to start with the executive summary that you have in front of you.

The first quarter of 2015 was a difficult one for the Town of Seymour. After a slow start, winter pummeled the Northeast, leaving us covered with more than three feet of snow. In spite of the challenges this presented by the foul weather, the Town continued making progress on several long-term financial initiatives and will be implementing several policies based on what we learned including stricter enforcement of snow removal ordinances.

In addition to winter weather, the first quarter always signifies the beginning of budget season. I began reaching out to department heads back in December urging them to put forward 0% increases for their budgets. The final Town budget endorsed by the Board of Finance represents a 0% increase with an additional \$549,000 in initiatives including \$110,000 for equipment for the Department of Public Works, \$250,000 for road work and \$80,000 for road repair to address the rapidly deteriorating roads in Town.

Additionally, this budget will see our fund balance raised to 8.7% with a new minimum of 8.5% being put in place. Fund Balance is a kind of financial reserve that money-lending institutions use as a gauge of financial security. Our current balance is substantially higher than 5.91%, where it was in 2011 when I took office. This represents serious progress towards our goal of 10%, the level

preferred by ratings institutions like Standard & Poor's for municipalities with AAA ratings, the highest possible.

In other financial news, our capital plan will reach full funding this year with \$300,000 being put aside annually for large purchases and our road program will make more progress to full funding as we play catch-up after years of neglect. This year we were also able to create approximately \$350,000 annual savings on health insurance for Town employees through successful negotiation with union representatives.

Seymour's debt service ratio, or the amount of our budget that goes to paying off our existing debt, currently stands at 8.94%. However, with an eye to the future, we stand to shed \$370,000 in payments annually as of fiscal year 2018 and an additional \$1.2 million annually in fiscal year 2021. These significant drops will help us make necessary investments in infrastructure upgrades as well as stabilizing and perhaps even reducing taxation.

Although preparing the budget has been occupying most of our time, there have been several other advances. The sale of the former LoPresti School was finalized and the \$335,000 received from the sale will be reinvested in upgrades to aging Town buildings. In late 2014, Seymour joined the Naugatuck Valley Council of Governments (NVCOG). They are conducting a feasibility study for a senior citizen tax loan program and working to improve the Town's mapping capabilities. The Board of Selectmen also made progress towards approving changes to 4 ordinances, including increasing the property tax exemption for 100% disabled veterans.

Last year, Representative Theresa Conroy worked to secure the Town of Seymour a \$1.895 million grant to upgrade the athletic facilities including John DeBarber Field, at Seymour High School. A committee was formed to execute the grant and this quarter, they signed a contract with an architecture/engineering firm, Nafis & Young. Work is slated to begin next quarter in order to realize some savings and ensure the project is complete before the fall athletic season. As a result, the Board of Education voted to move the graduation ceremony to elsewhere on the campus of Seymour High School.

Finally, the Town began preparing for the \$5.6 million in road work approved by voters at a referendum in November. This first phase of road work is scheduled to begin in May and go through September and will address portions of more than 40 roads. As the project progresses, the Town will create a webpage and utilize localized Code Red calls to give residents in the affected areas updates.

Kurt: We've been having staff do quarterly reports since 2012. This board asked us to put them on the website so we've done that. This document is designed to be a summary for the public. This is still a work in progress so if you have any suggestions we'd love them. This is how I will begin at the quarterly meetings if that's alright to you.

Jen: I have a question on the health insurance. Is this truly annual?

Kurt: That is money that we will not spend every year going forward. Further, that doesn't include employees transitioning to the new high-deductible plan and I know there are several who plan to. We will have a healthcare census after open enrollment July 1.

Jen: It says the Board of Education voted to move graduation and that is not true.

Kurt: I'm sorry, that wasn't my understanding, we can correct that.

Jen: Also it says there's a 0% increase on the budget.

Kurt: Correct, line item by line item it stays at almost 0%, but the bottom line is higher due to the initiatives. We'll probably look to make cuts there if they don't pass.

Don: We had \$100,000 for roads beginning 2014-15.

Kurt: Our goal is to have \$500,000 annually to coincide with a drop in debt service in 2017. That number is what I'm proposing in addition to what we've set aside already for the proactive road account.

Kurt: I have gone through and color-coded the plan to denote different levels of progress or completion and some notes as well.

Trish: Can we take a recess to print out some copies of the plan with comments?

Motion: Jeff Dussetschleger

Second: Kathie Vrlik

Vote: 6-0

The Committee went into recess at 8:17 PM

The Committee came out of recess at 8:34.

Kurt: Yellow represents items that were done or on which substantial progress has been made. Fund balance and debt service are what they are, for example, so I've made them yellow. I can make changes to these notes if you'd like this to be formally submitted. We've been working on the financial portion for the past three years anyway so most of that is accomplished. For the HR director doing an annual healthcare census, some draft language has been written but we're going to wait until after the new plan comes into play. We should have it by December.

Don: Why is the fund balance set to 10% in 5 years?

Kurt: I think given what's ahead of us, that's more realistic. We've just pushed it out. Even then it's going to be extremely difficult to reach even that unless we specifically budget for it. Most of the money going into it has been surpluses. Right now we're at about \$63,000 and there are some things we may need to do that will consume that all.

Don: I wonder if this should go in as an exhibit in order to let people know that 12% is the long-term goal.

Kurt: I don't believe there's any timeframe beyond the 10 years of the scope of the plan for that item. Last Thursday we locked in the healthcare rate and it was lower than we even hoped. We estimate savings to be \$40,000 on the Town side, Board of Education should be around double.

Trish: How are you doing the annual letter detailing healthcare costs?

Kurt: I'm working with Town Counsel and it will be a spreadsheet that will include all benefits. Again, we need to see who moves to the new high-deductible plan. It's pretty shocking when you see the total cost per employee.

Trish: What about performance measures? Is Human Resources driving this? Are the department heads understanding what she's doing?

Kurt: Somewhat. A lot of this is very new for our department heads. They have about as good an understanding as can be hoped for.

Trish: Doug, you submitted the CAFR?

Doug: We submitted it back in February or so and haven't heard back.

Don: Submitted to whom?

Doug: The GFOA will review it and make recommendations.

Kathie: Because communication is a recurrent theme in our interviews, can you elaborate on how these initiatives are being communicated to employees?

Kurt: Staff meetings and individual meetings for those who need it.

Trish: Doug, what are you reviewing each year to determine what practices are meeting industry standards?

Doug: There are a number of places. CPA crossing has a series of webinars. The AICPA has webinars and self-study classes. I did one on government standards and the CAFR. I also get the journal of accountancy.

Trish: Do you have the ability to change the department as needed to ensure we're conforming to best practices?

Doug: Yes, I start with Kurt and then I talk to the Board. For instance, right now I'm working on getting our fixed assets onto one sheet to automate the process. We'll be reviewing purchase orders ahead of time before approval.

Don: Under no less than 16 hours of continuing education annually?

Doug: As far as my license goes, I have to do 40 hours annually.

Trish: Were 16 of those hours specifically in the field of governmental accounting?

Doug: Yes.

Don: I think that should be listed specifically in the notes cumulatively. Similarly, the tax collection rate was a stated number of 98%.

Kurt: In the Executive Summary it shows it at 97.3%. Would you also like to know prior year collection?

Trish: We can do that, but I just want to ensure that we don't encroach on any other board's charges. Would you agree our short-term challenges remain the same?

Kurt: They should all be the same, but the State funding item is still up in the air. Our projections match the Governor's budget, but who knows what it will end up being.

Don: When is the last time the Town went out to bid on the insurance.

Kurt: We went out on the Municipal side last year. There were so many plans that no one wanted to give us much. Now what we have two defined plans, I expect we'll have better luck. We would like to do so in the next year or two.

Tony: Liability is shopped annually. There are generally 3 carriers that bid.

Doug: For bands for the roads we got \$3.5 million for the next 3 months. We got a rate of .21% with a \$6,700 premium. We'll do the rest after July 1. We didn't go back to get rerated from S&P but we did as well as if we had.

Trish: We'll move on to Efficient/Effective Local Government.

Kurt: I've been working with our State delegation closely. I also meet annually with Rep. DeLauro. Regarding communications, we have senior staff meetings twice a month. Smaller department heads meet on a quarterly basis.

Trish: Are we doing any of the items we've included?

Kurt: It depends what's going on in Hartford. Now is the busy time so there's more communication. They're very good at alerting me if there's anything directly impacting Seymour. Also NVCOG's executive director and CCM and COST provide updates as well. We have a bigger presence than we have in the past. There's been a change in the local COG. Now there are 19 of us and there's substantially more money available, particularly with Waterbury as our hub. Mayor O'Leary gets the concept of the 19 towns and he advocates for the smaller towns. He's a good ally to have in Hartford and he has a good relationship with the governor. We're working to share more services. The COG is interviewing for a municipal service coordinator. We're looking to merge services with the Board of Education wherever possible. We can only ensure certification as employees turn over. We can't do it with employees in place.

Trish: If it's not a union position can we do it now?

Kurt: It would be difficult if they've been in the position a long time.

Trish: Do we need to change our wording at all to ensure that this is followed under future administrations?

Kurt: I think you should include some language about as employees turn over. We've been redoing job descriptions and increasing qualifications as that has happened and the union hasn't pushed back. That could change if there's new union representation. I think you can move up the date for the board training program. I think we could do that by January 1, 2017.

Kristen: I think that should also include general information about our form of government. People don't understand that we're not representative form of government. Citizens represent themselves and in their absence the elected officials take over.

Kurt: We can do that. Along those lines, Rory has begun trying to simplify the budget process for the general public. I think the major boards should all meet in this room so that we can record the meetings, hopefully with the help of the kids. We've been trying to improve communications and I think we've made strides but we've still got a way to go. I think we'll have more to report in the second quarter. I think we should expand the Board of Education's communication subcommittee to be Town-wide. I think we're seeing lots of benefits to merging certain aspects of the municipal and Board of Education side. We'll be merging the worker's compensation funds soon.

Kristen: I think we need to remember that there are certain things that need to remain separate.

Kurt: Absolutely, I think they should retain their individuality while joining functionality.

Trish: I think the current setup isn't working to no fault of the Board of Education. I think we need to move towards changing the vision of the community.

Kathie: I think the Communications Committee is a pretty central portion of the plan, has that began?

Kurt: I don't know how long it will take but I think it should be pretty quick. In terms of infrastructure, we just started Seymour Sweeps this week. Dennis, Tony and I will be driving every road in Town every quarter to catalog all the issues. Dawn will be putting it into a spreadsheet with pivot tables to isolate certain issues. It is a big work in progress. Then we can create specific work orders from there so it can be tracked. Rory will also be putting up a new page on the website for residents.

Jen: I think it might be worth it to bring a camera with you so you can show the residents before and after. A lot of people are very visual.

Kurt: Right now, Public Works is very reactive. We're trying to make this more proactive. We've been successful with the road program. When the first tranche of road work is complete, Town Engineer will be doing a new plan to address the other roads. Also, Don is addressing the potholes from the Pothole Killer. The structure is in place to have plans but the process will be ongoing. In a week or two we will finalize consolidation of IT with the school system. Then we will finalize policies. We haven't created the Building Committee so a lot of that has not been addressed.

Don: What's been budgeted for the study?

Kurt: Nothing because the committee hasn't been established. We want to see how they want to proceed and we can find money if they need it. We're about \$100,000 to the positive in municipal garbage and recycling service.

Kristen: I think it would be great if we could get a report card as a community for how we're doing with that. What is the item regarding strong leadership?

Kurt: Between 2009 and 2011, we changed leadership 3 times. Part of the reason I pushed this committee is that I want to make sure that there is some kind of document for future First Selectmen to work off of.

Trish: This is along the lines of making sure that we have qualified board members. We need to try to work towards having qualified leadership.

Kathie: Maybe we can change that to include 'ongoing.'

Jen: That's more of a town committee issue.

Trish: Is there anything in the plan that we haven't discussed that should be removed because they are completed.

Kurt: I wouldn't remove anything.

Kathie: Can I propose that items are dated upon completion?

Jen: We can review it at year's end and move items to a sort of completed appendix.

Trish: For communication, we recommended public comment at the beginning and end of all meetings.

Kurt: We can just dictate that out to board chairmen.

Trish: We should also maybe include some language on agendas about what to expect for public comment so that it's more accessible to the public that might not know.

Kristen: Can we also include in the plan moving Board meetings to here?

Kurt: There are some obstacles but I would hope to accomplish it by the end of the year.

Trish: I would appreciate it if you could clean this up so that we could put it out to the public, that would be great.

Kurt: I will get it to you by your second meeting in May.

6) Discussion of Town of Seymour Strategic Plan quarterly updates – format into permanent plan

There was a motion to table.

Motion: Jen Magri

Second: Jeff Dussetschleger

Vote: 6-0

7) Open discussion

There was no open discussion.

8) Public Comment

There was no public comment.

9) Adjournment

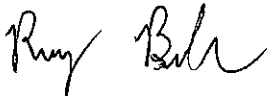
Motion: Kathie Vrluk

Second: Jen Magri

Vote: 6-0

The meeting was adjourned at 9:58 PM.

Submitted by,



Rory Burke
Recording Secretary