

Town of Seymour
Board of Finance

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TOWN CLERK'S OFFICE

Minutes

Budget Deliberations
Wednesday, March 1, 2017 at 7:00pm
Norma Drummer Room, Seymour Town Hall

Members Present: Richard Demko, Heather McDaniel, Jim Cretella, Zani Imetovski, Beverly Kennedy, Bill Sawicki

Members Absent: John Stelma

Others Present: Stephan Behuniak, Tony Caserta, Annmarie Drugonis, Nicole Klarides-Ditria, Ethan Fry, Michael Mayko, Susan McLean, Jean Sosnovich and Doug Thomas

Item #1 – Call Meeting to order

Chairman Bill Sawicki called the meeting to order at 7:07pm.

Item #2 – Pledge of Allegiance

Everyone saluted the Flag and recited the Pledge of Allegiance.

Item #3 – Seating of Alternates

None

Item #4 – Deliberation and Discussion of 2017/2018 Budget

The Board of Finance discussed the following department's budget:

❖ First Selectman's Office – Including Capital – Contingency – Town Operations – Debt Service –
presented by First Selectman Kurt Miller

- The First Selectman first said that all the hard work and dedication and efforts that the Board of Finance, all volunteers, put in on behalf of the Town is greatly appreciated by all.
- The State of CT has a \$1.5 billion deficit this year; they need to turn things around.
- Over the last six years the Town of Seymour has been implementing a long term plan that would insulate our taxpayers from increases. In 2013, a specific Five Year Plan was put into practice to identify major weaknesses and improve our short term finances. We have improved quite a lot since then. We now have our employees in one of two health plans, have implemented new departments, and shared many services between departments to save money. Our town received the Achievement of Financial Excellence Award; achieved a AA+ rating from Standard & Poors; our fund balance is just under 10%. We have formed a 10 Year Strategic Planning Committee to continue our focus on the future.
- The three key things that we need to keep in mind when making future decisions: 1. We need to be proactive; 2. We need to be held accountable; 3. We need to be responsible to our residents AND our auditors.
- PART I – FUND BALANCE
 - Our S & P Rating is Good since we are just under 10%
In 2010 we were at 5.1%

- As of 6/30/17 our fund balance is \$5,596,694 = 9.97%; this is not including the \$310,000 in the Bristol Resource Recovery Fund. If you include that amount in our fund balance, we are at 10.52%
- PART II – DEBT SERVICE
 - Short and Long Term Debt is good. Our current debt payments for 2018 are \$4,504,307 or 8.04%. Anything between 6-8% is deemed GOOD
- PART III – 2018 BUDGET - the First Selectman went through each department in the budget and highlighted the notable increases/decreases.
 - Under Planning & Zoning and Inland/Wetlands departments an addition of \$3,600 for legal fees – so that Town Counsel can attend meetings if required, as many times is necessary.
 - Under First Selectman’s Office – decrease of \$16,000 due to elimination and not hiring any Human Resource department positions. The work has been absorbed into individual departments.
 - Under Town Computers – increase of 48.3% due to all fiber optic network – cost to be re-allocated
 - Under Town Counsel – increase of \$10,000 for legal settlements
 - Under Library – increase of \$14,000 to hire a part-time employee so that the library can stay open additional hours/maybe add a day.
 - Under Dog Warden – added costs for the Shelter building (old building that housed the shelter before we merged with Woodbridge) of \$2,000 for electricity and \$1,750 for heating fuel. Our cost is only the \$70,000/yr for the merging with Woodbridge.
 - Community Services saw a great increase in the number of programs offered this year; would like to make the part time employee a full time employee (addition of \$45,000)
 - Under Fire Marshal – increase of \$7,000 for deputy fire marshal to eventually take over for Fire Marshal when he retires.
 - Under Fire Department – need to fund the replacement of air canisters and spares needed to comply with OSHA and protect our firefighters
 - Under Town Contributions – savings of \$1,000 to withdraw from the Council of Small Towns
 - Under Police Department – savings of \$5,000 in salary for supernumeraries
 - Under Seymour Ambulance – recommended increase \$10,000 to assist with fuel charges
 - Under Parks Department – increase of \$11,000 for equipment
 - Under Highway Wages & Maintenance - \$30,000 savings for not filling a supervisor position when he retires; add staff in transfer station soon – currently in discussions with the union. Line item 110 for workers comp – decrease 1.6% (projected raise from the unions less one worker for one year (due to workers comp))
 - Under Highway Materials – LOCIP funds removed due to current uncertainty; 42% decrease in cost due to the street light conversion to LED.
 - Benefits (healthcare) – will finalize by end of month – between Anthem and Cigna – numbers in budget reflect a 5% increase
 - Mill Rate Stabilization Fund – This year = \$200,000; \$300,000 from last year; \$400,000 previously. Gives us \$900,000 to absorb any cuts from the State.

- Under Town Buildings Repair Fund – lower this year’s contribution by \$50,000 – we do have the 1.5 million for Police Department, Town Hall, and Library renovations
 - Total for Town Operations, Contingency & Capital, Municipal Side reduction of 0.65%
- PART IV – INCOME PROJECTION & MILL RATE IMPACT
- The Board of Education has a projected increase of 1.15% or a budget of \$32,974,000. This is \$120,000 less than they asked for. The First Selectman believes this can be made up for in health insurance line item.
 - Overall budget is \$56,021,687 which reflects a decrease of \$130,000 less than current budget or a decrease of 0.23%.
 - Collection Rate should increase from 98.4% to 98.5%
 - REVENUES – three possible scenarios – based on the possible outcomes of actual state funding granted
 - OPTION #1 – Same state funding as last year – would reduce the mill rate from 36 to 35.73 – budget would be \$131,000 less than last year – Budget @ \$56,021,687
 - OPTION #2 – Same state funding but maximum 32 mills for vehicle taxes – same budget but the mil rate would go from 36 to 36.13
 - OPTION #3 – If the governor’s proposed budget is approved – Seymour would have to pay \$1.7million for the teachers’ pension plan and lose about \$700,000 in state funding – this would cause the budget to go up to over \$58 million and cause the mill rate to go up to 37.09.

If we keep the mill rate @ 36 it would give us a revenue cushion. Next year our state funding could be cut \$2million and if we are not prepared, could cause a large increase in taxes.

We need to look at the years ahead; prepare for state budget deficits and continued cuts in future years.

Item #5– Adjournment

Meeting was adjourned at 8:26pm.

Submitted by:

Monica Dimon

Recording Secretary