

Town of Seymour
Board of Finance

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Minutes

Budget Deliberations
Wednesday, February 6, 2019 at 7:00pm
Norma Drummer Room – Seymour Town Hall

Members Present: Richard Demko, Beverly Kennedy, Bill Sawicki, and John Stelma, Kristyn Hanewicz; Kwame Dunbar (alternate)

Members Absent: Jim Cretella, Heather McDaniel; Gary Popielasz (alternate)

Others Present: Kurt Miller, Doug Thomas, Jean Falbo

Item #1 – Call Meeting to order

Chairman Bill Sawicki called the meeting to order at 7:00pm.

Item #2 – Pledge of Allegiance

Everyone saluted the Flag and recited the Pledge of Allegiance.

Item #3 – Public Comment

None

Item #4 – Deliberation & Discussion of 2018/2019 Budget

Discussion of First Selectman's Budget by First Selectman Kurt Miller. Mr. Miller's comments were as follows:

Thank you Mr. Chairman..... I would like to start tonight with some prepared remarks to the board after which we will move into a breakdown of the numbers and where I project the town of Seymour to be for the fiscal year 2020 and beyond.

As many of you know, I was a former member and Chairman of the Board of Finance so I have a strong understanding of the hard work and effort that it takes to work through this process. As volunteers, I know the sacrifices that you make on behalf of the town and I want you to know how much it is appreciated by not only me, but all of the residents of Seymour. I am extremely thankful for your dedication and your desire to make Seymour a better place for all of us to live.

As I started to reflect on what I might say tonight, I started to think about the many town budgets I have been involved with in one way or another over the last 17 or so years. Fiscal Year 2018 was by far the most challenging budget we've seen in quite some time. Having to deal with substantial cuts in municipal aid well into our budget year, we were forced to make

some very challenging decisions. By having a very strong base and working a plan that was created in conjunction with our Financial Advisors, we weathered the storm and moved into Fiscal Year 2019 in a position to continue to move the town forward.

To date, Fiscal Year 2019 has been going according to plan and we have been able to accomplish many of the goals we had set out to do. We have continued to invest in our infrastructure and roads and made several large purchases (like a fire truck) in cash to help control long term costs. Our expenses are running below budget and tax collection is again trending higher than last year. We expect both of these to continue and we are projecting to finish the year with a surplus.

As we enter into planning for Fiscal Year 2020, arguably, Seymour is in the best financial position it has ever been in. Over the last 8 years, through the hard work of many people, we have taken great strides in rebuilding the foundation of this town. With prudent use of capital planning and taking full advantage of optimum financing opportunities, Seymour has addressed issues that could no longer be passed over. We have developed budgetary plans to maintain a sustainable tax structure. Our goal from day one has been to insulate taxpayers from budgetary shocks. To provide a budget that was flexible and able to ebb and flow with changes to our overall financial picture. By constantly working and evolving the long term plan we have in place, we have dramatically improved every core financial.

Our long term plan has always had two basic components..... The first component is to be constantly analyzing with data, to understand the major weaknesses and issues confronting the town. During this process we have continued to identify areas including infrastructure, specifically our town buildings and roads, the use of technology, the need for increased programing and the need for improved communications. The second component is to constantly improve our short term finances to allow us the flexibility to consistently and stably work our plans for the long term.

The budget that I will be presenting tonight is the direct result of our evolving 5 year plan. As you go through your workshops, you will notice in certain places the difference between my budget and the requested budgets of the different departments. While each department is only concerned with their small piece of the pie, my budget takes into account the entire picture and how it all fits together. While I would love to support and fund every request, it is just not possible. Based on the revenue I am projecting, I have created a budget that goes hand in hand with the long term plan we have in place, allowing Seymour to continue to move forward while still addressing our identified weaknesses, but doing so with an eye toward the cost to our residents and keeping the mill rate stable for a 4th year in a row.

With that in mind, I will be breaking down my presentation into 4 specific parts.....

1. Current state of our cash reserves
2. Debt Service and our expectations going forward
3. Revenue Projections for FY 2019
4. FY 2019 Expenses broken down by department
5. Capital plan for FY 2019 and beyond

- Current cash reserves – we are trying the “shelter” our money from the effect of the State. We have \$6 million cash-on-hand (for reallocating if necessary). This is double from 2011.
- Debt Service – two projects on the horizon – a new Community Center and renovations at Bungay School – cost will be around \$25 to 30 million. Ideally we should be between 6 to 8%. We are in very good shape.
- Revenues – Put mill rate level and build the expenses from there. There has been an increase in supplemental car tax of (\$5,000) – this is due to a \$3 million increase in the Grand List. Right now it is three weeks from tonight for the Governor’s Budget. For now we have kept the State funding the same. Pistol Permits budget for revenues will be in Town Revenues, not Police Department revenues.
 1. Other finance source – quarterly newsletter for Community Services that is mailed to each resident – the cost for this is \$17,200 – with this we can sell ads, which is this revenue number. The offset is in Capital.
 2. The \$300,000 in Capital Project Fund Reimbursement is for the closeout of Chatfield-LoPresti School. This will not happen this year, will be pushed to next year. We can absorb in this budget with no problem.
 3. Contingency is \$200,000 from Fund Balance. (Based on past year)

Property Tax Calculation – large increase in personal property and motor vehicles and real estate; big ticket items will be coming off the tax abatement. Good interest in Tri-Town Plaza work and Wendy’s will help too. Collection Rate kept at 98.4%. Currently trending better.

- Expenditures – Town expenditures up by 1.55%; Board of Education expenditures up by 1.8%; Debt Service costs are up 1.22% driven by Street Light Contract and Johnson Controls for the Energy Efficiency Upgrades. Total overall increase of 1.77%.
We consolidated utilities and took each department’s cost and put in Debt Service.
Total Budget = \$57,189,334.00

INDIVIDUAL DEPARTMENTS

- First Selectman’s Office - \$41,250 for Assistant’s Salary – new to FS budget, moved from Public Works; will go towards covering FS Assistant cost and the new HR Director just hired. Now this a lower class costing less money. Line # 740 & 745 – Equipment (Vehicles) Took all of vehicles and moved into Capital – easier to keep track of there.
- Economic Development Department – Director Salary reduced to \$35,000 – meeting with CERC about them coming in and filling this position for the Town. Cost of this is \$35,000. Other Professional Services reduced from \$20,000 to \$15,000 – this money is used for Planning. CERC thought the \$15,000 would be sufficient to get us reorganized. Person from CERC will be located in Seymour. No planner on staff for well over a year.
- Registrar of Voters – brought down to \$25,000 based on last year.

- Finance Department – kept in PT P/R position for \$24,102 – not sure how we will move forward. Currently using a temp. Discussion currently happening about combining Finance Department with the Board of Education. New Financial Software Package is in Capital Plan. The GASB45 should be the GASB75/CAFR.
- Assessor's Office – moved re-evaluation to Capital
- Town Clerk – Town Hall Staff – Director's Salary – 1st year is 90% (step program per the contract)
- Town Planner – Set at \$30,000 shared position with Oxford and the VCOG – request out for applicants
- Town Building Utilities – moved 15% off all line items to Debt Service to cover the move of departmental utilities to that area.
- Police Department – Line 110 Loss of 26 weeks of Employment over entire staff of officers – reduced by \$38,600. Line 350 - \$13,306 reduced for Overtime Training. There is a \$20,400 item to allow for training – not needed since we have full staffing. There will be funds available for training. All the money for cars has been taken out – just left money for other. The cars have been put into the Capital plan. Should have enough for two vehicles. The Police Department did go over I.T. items with Ron Dyer. Technology will be pulled together with the exception of the PD as they have specialized equipment.
- Fire Department – Remove Chief's Wages – Last year purchased Fire Truck in cash; then they put forth new portable radios for about \$500,000; suggested a lease-purchase \$117,000 for 5 years. Put \$41,114 in budget each year to buy radios each year. Kurt Miller moved the \$41,114 to the Capital Plan.
- Fire Marshal – Salaries requested are out of contract but do not take into account the Step program for new hires.
- Office of Building Compliance – pulled together several departments – some %'s may be off – increase driven by Salary – made Director PT position FT and added two enforcement officers (part time) that will handle Blight, Inland Wetlands and Planning & Zoning. Also added a part time Code Enforcement Administrator. The department has come a long way and made positive strides.
- Highway Wages & Maintenance – clerk's position moved to First Selectman's Office; seasonal employees line brought down to \$50,000; snow materials & overtime - will transfer more if needed; F550 for \$90,000 moved to Capital to keep things in the same area.
- Highway Materials – last year we bought the machine that goes in the back of the truck that makes hot asphalt so we will not need as much material; used to have for pothole repair. We have plenty of milling, just need the additive now since we have the machine. Substantial amount of savings with coldpatch. Town Engineer has a plan to re-stripe 25% of town each year and needs \$10,000 for that.
- Street Lighting – up \$15,000 due to the Service Contract – roll a truck every 30 days – covers electricity – setting aside \$10,000 per year for purchase of bulbs (they have a 10-year life). Can create a Capital line for this \$10,000. Project generated reimbursement credit - \$147,000. We can put a placeholder in revenue for this. There is a policy in place to have the police notify public works to come get any units that are knocked down. Eversource was confiscating these. We will be buying 15 cobra heads to have in stock and 10 to replace ones that have been destroyed over the past few months due to weather/car accidents. (Cost \$30,000) Cost to replace the bulbs should be covered under the service contract.
- Dog Warden - the \$81,000 is contract with Woodbridge for 3-city partnership; \$1,500 is for Utilities because the building is used by CARES.
- Community Services – regular employees 110 line reduced by \$5,000. Was requesting PT to FT position. The Newsletter has been moved to Capital. Line 505 – need to have them break down the \$50,000 between the trips for Elderly & trips for Rec Department.
- Library – the board requested part time people to be able to open on Monday's – not sure if the data justifies this. First Selectman does not recommend this.

- Health Insurance – expect 8% increase in healthcare; actual # could be more or less. Loss history is not the best. Initial Cigna renewal was in the 20's. Increase could be more than 8%. Censuses are going out. We will get the best deal we can. Even taking a look at the State 2.0 Plan. Not really a good idea. Also looking at Self-Funding. Every % is about \$60,000 affecting the budget.
- Retirement – State of CT (MERS) is bad for teachers and state employees; funded about 80%. They are changing some actuarial assumptions – rate from 8% down to 7% would cost us about another \$220,000. Currently paying 17% for police and 12% for regular employees.
- Capital – Change the name to “Capital Non-Recurring” – Mill Rate Stabilization Plan is at \$45,000 – mill rate is fairly stable now; vehicles purchase new vehicles every three years; annual ambulance payment – will put \$25,000 each year towards a new ambulance (they get one every 4 to 5 years).
- Contingency – change line 871 to “Contingency – Tax Refunds Prior Years”; SRO amount is half of the amount for another officer, the other half will come from the Board of Education. The position will start at Step one; Payroll Accrual – extra days this year – employees get an extra 2 days; tax abatement for emergency personnel; community service labor – in case we want to try a new program.
- Debt Service – MLB Lease is street light payment – for 9 years; JCI Performance Contract – 15% of utilities money goes there – not a real # just a placeholder
- Board of Education – this year, the State determined that we did not meet the MBR – were \$142k short. Used this money for the Bungay School playground. Initially agreed upon 1.5%. Then they put in more to 1.94%. Finally agreed upon 1.8%. Needs to be on the original FY 18/19 number. Kurt Miller is recommended a \$600,838.00. Their budget recommended from the First Selectman is \$33,980,730.
- Long Term Capital Plan – Needs to be approved by the Selectmen; Mill Rate Stabilization should show \$45,000 not \$100,000; every year we put in \$300,000 in the Capital Plan; Finance Department Software number should be higher – should be at least \$35,000 each year; Gas Boy Software – discussion on location so pushed out a year; Fire Marshal vehicle will be put into the Fleet Replenishment; Community Services bus – much needed will cost \$100,000; generator we have only does Town Hall and was bought used at auction five years ago; oil tank removal – need to have a fund for when needed; all the elevators need work (Town Hall, Community Center & Library). Right now we are exploring building a brand-new community center (either at Gary Park or a public-private partnership with a large land owner (design/build)) because the repairs needed would be between \$3-\$4 million. To build a new Community Center would be about \$10 million and \$15 million for Bungay School renovations; Computers – every four years each employee would be getting a new computer. Also, the wireless software at Town Hall is outdated – we will combine with the Board of Education which will drastically improve cost and efficiency. Total Long-Term capital = \$301,815 for this year; over next six years, \$1,792,345 (and we have \$1.8 million to spend)

Item #5– Adjournment

Meeting was adjourned at 8:30pm.

Submitted by:

Monica Dimon
Recording Secretary

