

TOWN OF EAST HADDAM
BOARD OF FINANCE
Special Meeting
March 19, 2013
Town Office Annex

CALL TO ORDER

The special meeting of the East Haddam Board of Finance was called to order by Chairman Susan Link on Tuesday, March 19, 2013 at 7:00 pm at the Town Office Annex.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

Susan Link, Chairman
Robert Bennett
Daniel Alexander
Bruce Dutch
Harvey Thomas
Raymond Willis

Others:

Mark B. Walter, First Selectman
Emmett Lyman, Selectman
Deb Denette, Town Clerk and BOF recording secretary
Denise Dill, Tax Collector
Mary Beth Iacobelli, Superintendent of Schools
Cindy Varricchio, Finance Director
James Ventres, Land Use Administrator

2013-2014 PROPOSED BUDGET

Land Use

Land Use Administrator James Ventres addressed the proposed job sharing of the Land Use Administrative Assistant with the Building Department. Mr. Ventres noted that he was not supportive of the proposed plan. He presented job descriptions of all personnel in the Land Use Department and noted that the majority of the job requirements are mandated.

Chairman Susan Link noted that the net impact to the budget was zero as the budget plan is to create two new positions (Building/Land Use clerical and Police/Park and Recreation clerical) and to eliminate two positions (Building clerical and Land Use clerical). She further noted that the Board of Finance manages the Town's finances and the First Selectman manages the personnel.

Mr. Ventres further noted a brief conversation with Mr. Walter from which this adjustment stemmed. He added that he advised that such a scenario may be feasible if the departments were on the same floor. He further noted that there has not been discussion among the managers involved.

Chairman Link stated that First Selectman Mark Walter advised the Board of Finance that this realignment of staff could not happen until union negotiations authorized it. She further stated that as long as the net impact to the budget was zero, it was not a Board of Finance issue. Chairman Link asked Finance Director Cindy Varricchio about the Board of Selectmen process. Mrs. Varricchio responded that the budget, as presented, was unanimously endorsed by the Board of Selectmen.

Mr. Ventres continued that he understands that it is a difficult budget year, he stated, however, that he has not been asked to show what a 10% reduction or even a 20% reduction would look like. He stated that he has not been asked to reduce his budget, and if he was, this is not how he would do it.

Harvey Thomas distributed a list of questions that he would want answered as to how the position would function if these changes were implemented. Chairman Link stated that First Selectman Walter would be here soon and that those questions required his response. Raymond Willis stated that he did not believe that the Board of Finance should be involved with personnel matters.

Mrs. Varricchio reported that a study is being undertaken to review the Town's clerical staff, which will include writing of job descriptions. It was noted that several years ago such a study was completed for the department managers.

Mr. Ventres addressed Mrs. Link's earlier point regarding the Selectmen approval of the budget. Mr. Ventres stated that they were under the impression that he was on Board with the recommendation. He stated that he is not. Mr. Dutch noted that as a liaison it is frustrating to review a budget and then have it brought forward differently than it was originally presented. He stated that he would like communication.

Mrs. Link recommended that he continue his discussions with the Board of Selectmen rather than with the Board of Finance. Mr. Ventres stated that he needed to leave to be at the Inland Wetlands meeting that begins at 7:30 pm. First Selectman Walter arrived at this time (7:15 pm). Mr. Ventres advised Mr. Walter that he had been letting the Board of Finance know that he is not happy with the proposed budgetary impacts to staffing, Mr. Thomas added that he did not believe proper due diligence has been done. Mr. Walter stated that staffing changes needed to be negotiated with the union in order for the Town to proceed and it would not happen immediately and could be as long as our moving into a new building. He further stated that everyone wants additional help, this is a reasonable solution. Mr. Thomas stated that this item should not be in the 2013-2014 budget if it is not yet negotiated and may not materialize until we are in a new building. Mr. Walter stated that since digitizing the records, the traffic in the building department has been cut down approximately 75%. He noted that in the building department due to automation less staffing is sufficient, he further noted that the proposal reassigns existing staff rather than eliminating it.

Tax Collector

Tax Collector Denise Dill reviewed the compensation increase request in the Tax Collector's budget. She stated that she is looking to be compensated for the job she is performing. She noted that after the retirement of the assistant tax collector \$11,000 was budgeted for additional assistance, she has used approximately \$280.00 of that. She stated that she has reduced other lines making the total difference to the budget a .03% increase over last year, (Mellon court ordered refund aside).

Chairman Link inquired what the salary survey done a few years back indicated for the Tax Collector. Mr. Walter stated that only cost of living increases have been followed, the step increases were never enacted pursuant to that study, except for a few positions that were grossly underfunded. He further noted that those increases were undertaken over a period of years and not all at once.

Chairman Link inquired as to the amount of hours the Tax Collector works. Mrs. Dill responded that Town Hall is open 34 hours and the former tax collector worked a 30 hour week. She stated that she has been keeping track of her hours, and she averages an additional 30 hours per month over what the prior Collector worked. She further noted that she does what is necessary to get the job done. Daniel Alexander noted that in 2011-2012, \$81,000 was budgeted for salaries in the Tax Collectors office. He further noted that one position was not filled and that \$7,000 has been added in contracted services for the mailing of bills. He stated that he believes the increase is just and added that without the one-time increase for the court ordered tax refund, the budget remains essentially flat, even with the wage increase. Mr. Alexander further stated that he has heard no strong objections from other department heads regarding the temporary use of their staff to occasionally cover Tax office. Chairman Link commented that she didn't believe a salaried position should be based upon a 30 hour week.

Other Budget Discussion/Review

Chairman Susan Link stated that she requested a listing of all budgetary requests that were over \$1,000 and 10% over last year's request. Mrs. Varricchio prepared a listing of requests that were over \$1,000 or over 10%. She apologized for the misunderstanding.

Chairman Link inquired about the mill rate impact to taxes. It was noted that as proposed, there is an 11% increase in the total budget over last year. Mrs. Varricchio stated that the budget essentially has four components, town, board of education, capital and shared services. Chairman Link recognized that moving items out of the Board of Education and into shared services eliminates the spikes in the budget. It was noted that because of the State minimum budget requirement, that a Board of Education budget cannot be reduced.

The current year budget has a built in reliance from fund balance of \$620,000 to minimize the impact on the mill rate. This proposed budget does not reflect any reliance on fund balance. Mrs. Varricchio reported that if the proposed budget was to include a reliance of \$600,000, it would reduce the tax increase from 11% to 8%. Responsive to inquiry, Mrs. Varricchio reported that for 2011-2012 the Board of Education returned \$235,000 and an additional \$35,000 is anticipated. It was requested that funding be repurposed, to being to fund the Board of Education Technology request. It was also suggested that \$100,000 historically funded to the Board of Education reserves could be eliminated given the present fund balance.

Chairman Link noted that it was very frustrating in years past that the Board of Education would be given \$150,000 for technology, but would spend \$400,000 because it utilized other unspent funds to purchase technology rather than return it to the Town. Creation of a technology fund will allow for an even budget and eliminate the spikes, so that an increased need one-year, does not become a forever expense. Chairman Link stated that she would like to flat line the technology account at \$300,000, and make it an annual occurrence. It was noted that \$108,000 is attributable to annual costs. The Board concurred and agreed to remove \$167,000 from the Board of Education request.

Mrs. Varricchio advised that the budget increase over last year was now at 5.4%.

Responsive to inquiry from Mr. Willis, Mr. Walter advised that he did not believe that the Governor's car tax break would go through however; he believed that the stage was being set to equalize the mill rate state wide, which would be to have the State collect car taxes, and forward funds back to the town based on a formula.

Mr. Walter stated that the Town's budget has held flat (or been reduced) for several years, however, the continued reductions in revenue are catching up. It was also noted that the grand list was down 15% following revaluation.

Discussion was held regarding the Emergency Management Director stipend of \$8,000 that was eliminated. It was noted that those services were rolled into the facilities manager duties, which further simplifies state reimbursement paperwork. Discussion on staffing was held. Mr. Bennett opined that both Mr. Mansfield and Ms. Spencer are worth way more than they are compensated for in their Emergency Management roles.

Discussion was held regarding central services. It was noted that temporary staff is covered from this budget as well as funding for special projects or overtime, when necessary.

Mrs. Varricchio reported that new under maintenance services is for a copier for emergency services. There is not a copier at the fire house.

It was noted that welcome to East Haddam signs were in the budget in the amount of \$12,600. The Board of Finance was in agreement to cut that to \$5,000. Mr. Walter was to speak to the Lions about funding.

Chairman Link questioned why the Registrar of Voters line was so high. Mr. Bennett recused himself from the discussion. Mrs. Varricchio reported that salary wages are being increased to bring the Registrars up to that of substitute clerical personnel.

Mr. Dutch questioned why the land use/building department shared position was being put in place in this budget. Mr. Walter reiterated that there is no net change on the number of people. Mr. Dutch reiterated that the concern is that there will be not enough staff in Land Use to get the job done. Mr. Walter stated that foot traffic has been reduced in the building department because of digitizing. It was noted that if implemented this budget is effective July 1, 2013 regardless of where union negotiations are. Chairman Link stated that she is not in favor of the park and recreation secretary. She stated that she is supportive of the police position. She added that eliminating the park and recreation clerical staff and realigning it back to Mr. Ventres might calm him down, however, she reiterated that if the net effect is zero it is not a Board of Finance issue.

Discussion was held relative to the Economic Development request for \$25,000 for consulting services. As requested, Mr. Simmons provided a list of projects as previously requested by Mr. Thomas. Mr. Walter stated that contingency funds could be utilized for a worthwhile project, however, sometimes timeframes are such that the Economic Commission may need to act quickly. It was determined to fund the request and review its success as to whether or not to continue the endeavor beyond 2013-2014.

Mr. Bennett noted that the fire staff had a very different accounting than that of the Ambulance Association regarding the number of calls in which fire staff assisted on. Mr. Walter stated that going forward he has requested that the Fire Chief and Ambulance Chief to attend the meetings of the Board of Fire Commissioners meetings. Mr. Bennett requested that when the agreement between the Ambulance and the town is renegotiated the

timeframe for return of surplus funds be shorter than the current five years. He stated that he would be in favor of an annual return.

Youth and family Services has not presented its budget request. The Board had several questions and requested that they come to Thursday's meeting. It was noted that their financial information was presented.

Discussion was held regarding the request of the libraries. It was noted that \$7,000 can be reduced from their request as it relates to health insurance. Mr. Dutch stated that he was in favor of the wage increase requests, however; he did not agree that this was the time to request additional personnel or increase hours. The request was to increase from 2.9 to 3.6 FTE for two circulation assistants at the cost of \$10,400. It was the consensus of the Board to reduce the library request by \$10,400.

Lengthy discussion was held regarding the Recreation Commission's request. Mr. Walter stated that last year an increase was brought forward to increase the Director's salary and the Board of Selectmen did not support the request and they asked for further information documenting the hours worked. He stated that this year satisfactory supporting documentation was brought forward so they left the request in.

Mrs. Link reiterated that she was not in favor of clerical assistance. She added that most recreational departments bring in revenue or are at least self-funded, ours does not. Mr. Alexander stated that he has a hard time justifying an increase in expenses. It was suggested that the seed money provided by the Town could be incrementally withdrawn to encourage them to become self-sufficient.

The use of on-line credit card registration should greatly reduce the burden upon the Director. Mr. Bennett stated that he was in favor of reducing the seed money. The Board questioned whether it should base the salary increase on the need for increased revenues. Mr. Walter stated that he will convey to the Commission the goal to become self-supporting. The Board agreed to leave the wage increase for the Director in place, did not agree to fund clerical assistance, and cut the seed funding from \$25,000 to \$20,000. The revenue amount of \$15,000 back to the Town remained unchanged. It was the consensus of the Board to reduce the seed funding each year until it is eliminated.

Mrs. Link inquired what a 5.3% tax increase translated to as far as a mill rate. Mrs. Varricchio reported 26.56. The Board noted that decreasing the tax increase from 11.2% to 5.3% was a good accomplishment for one evening. Mr. Thomas suggested that the Board try to find another million dollars on Thursday.

Thursday's discussion will be centered on the Board of Education's budget and capital expenditures. Meetings were tentatively scheduled for March 26, 2013 and April 2, 2013, with the March 27 and 28, 2013 meetings being cancelled due to limited availability of Board members.

Motion was made by Daniel Alexander to adjourn at 9:33 p.m. Robert Bennett seconded the motion and it was unanimously approved. Motion carried.

Debra H. Denette