

**BOARD OF FINANCE
BUDGET DELIBERATIONS - PROPOSED BUDGET FY 2015-2016
FEBRUARY 17, 2015**

The Milford Board of Finance held a budget deliberations session on Tuesday, February 17, 2015 in Conference Room B of the Parsons Complex. Chairman Lema reconvened the meeting in public session at 6:32 p.m.

Board Members Present

Brian Lema, Chairman
Joseph Castignoli, Vice Chairman
Joseph J. Fitzpatrick, Jr.
Mikel Montano (6:38 p.m.)
Scott Marlow

Also Present

Mayor Benjamin G. Blake
Peter Erodici, Finance Director

(4210) Finance Department – Peter Erodici, Finance Director, Ariane Swift, Accountant, Daniel Thomas, Assessor and Sue Taft, Tax Office were present. Mr. Erodici introduced his staff to the Board and stated they would be happy to answer any questions. He stated overall, in spite of the slight increase to his budget they were able to make some targeted cuts. He explained waived a previous fee in the tax office so they were able to reduce professional fees/services from \$20,000 to \$7,950.

Mrs. Taft explained the new program, where if someone has not paid their motor vehicle taxes they cannot register their vehicle. She went on to explain how the program is tied into their system.

Mr. Erodici also spoke about the need for an accountant. He explained the history dating back to 2005. He stated as he has explained in past budget testimony the need for an additional accountant position has grown. He stated what it boils down to is the numerous projects that keep getting pushed to the back burner. He stated they are grateful that Human Resources will help with the benefits, however as the City continues to be successful with grants there are reporting responsibilities that come with those grants and fall to the Finance Department, as well as auditing, etc. Mr. Erodici also stated there needs to be cross-training. He stated Ms. Swift came on board in 2011, and she still has not had that training. He also reported they have had some turnovers in the department related to retirements. Mr. Erodici expressed his gratitude to the Mayor and Board of Finance for considering this position again this year.

Mr. Castignoli asked if it was possible to promote from within for the accountant position.

Mr. Erodici stated no. He explained when his predecessor pushed for the position the cuts that were made resulted in various changes in the department and that the skill set of those individuals would not address the needs for the accountant position.

Mr. Castignoli asked if the accountant position would be posted.

Mr. Erodici replied yes and explained the process.

Mayor Blake added they would like to have a CPA in that position. He also spoke of the administrative components as well as documentation, healthcare initiatives, etc. There are also two positions which we have supplanted from other positions in the budget from the health and sewer departments.

Mr. Fitzpatrick asked why the position required a CPA.

Mayor Blake stated it was not required, but preferable.

Mr. Fitzpatrick asked how the salary was determined.

Mr. Erodict explained the salary was determined at the time the position was initially created. He stated it is one step below the city accountant.

Mr. Castignoli asked about revaluation, why the difference asked for this year.

Mr. Erodict explained each year they have to make an allocation to that account. He explained how it is smoothed out over the years. He also stated to maintain that funding they have to bump it up.

Mr. Thomas added there are additional expenditures, such as mailings, etc.

Mr. Castignoli asked the amount of the expenditures.

Mr. Thomas stated the total would be about \$180,000. He stated the current amount is approximately \$35,000.

Mayor Blake added it is anticipated the next reval will be in 2016, so that is the amount they are shooting for.

Mr. Fitzpatrick asked what happened to the previous reval money.

Mayor Blake stated some of that money has been spent on appraisals, experts witnesses, etc..

Mr. Thomas also commented Milford does their reval in-house. He explained how they do that.

(4143) Board of Assessment Appeals – Mr. Dan Thomas was present for questions/comments.

Chairman Lema commented this budget generally goes up during a reval year.

(4215) Management Information Systems (MIS) – Jean Lasczak, MIS Coordinator was present. Ms. Lasczak stated they have tried to keep their numbers low, at the Mayor's request. She stated there are a few line items where they have gone up for maintenance purposes. She expressed concern over one particular budget line for a folder sealer for payroll purposes which has been eliminated from the budget. Ms. Lasczak stated the amount needed is \$6,343. She stated it is a critical piece of equipment they use for payroll.

Chairman Lema asked for clarity purposes if she was referring to line item 4977 0123 and that was where she was requesting the additional \$6,343.

Ms. Lasczak replied yes. She reiterated the folder sealer is critical to the payroll program.

Mr. Castignoli asked if it also provides the W2 forms.

Ms. Lasczak explained it seals them. She stated the ultimate goal is to go paperless, but they just don't know when that will happen, so they need to maintain this piece of equipment.

Mayor Blake stated this is just another reason they need another accountant who can champion projects such as this. He stated someone is needed who can dedicate the time.

Chairman Lema asked Mr. Erodici to bring the technical corrections to the meeting on February 25th.

Mr. Fitzpatrick commented software maintenance costs continue to rise and asked if that is due to maintenance.

Ms. Lasczak replied yes. She explained the more experienced programs support the core financial systems, which are the most complex. She stated they are also contractual and go up about 10% each year. She stated the contracts are generally 4-5 years, and the increase is built into the contract which allows them to plan go forward.

(4819) Milford Progress - Scott Moulton was present for questions/comments.

Chairman Lema stated he would excuse himself from this account and turned the meeting over to Mr. Castignoli.

Mr. Moulton stated he is the President and that they are asking for \$25,000, which is a \$15,000 increase. He stated last year they received \$1. He also spoke of the work they have done over the past year concerning various projects. He also stated they have taken over the "Adopt A Spot Program." He stated they are looking to overhaul the entire project. He stated there are 23 spots throughout the City. He stated they are also working with the Public Works Department with the wayfinding signs. He stated they have committed with Public Work for 14-16 signs. Mr. Moulton stated MPI continues to make positive strides. He explained how the Adopt A Spot program would help create revenue for them. He also explained how it works with the non-profits as to their spots. He stated he is working with Julie Nash, Economic Development on some additional projects. Mr. Moulton stated they currently have a deficit of \$15,000.

Mr. Marlow asked if they had any other ways of raising funds.

Mr. Moulton replied no.

Mr. Fitzpatrick asked if they needed all 23 spots.

Mr. Moulton stated they were actually looking to expand.

Mr. Castignoli asked if he was asking for an additional \$15,000.

Mr. Moulton replied, yes, but that they are working based on the current grant from the City.

(4121) Mayor's Office – The Mayor stated he was happy to answer any questions. He stated his budget is pretty much self explanatory, but it is basically flat.

(4122) General Expenses – Mayor Blake stated he was happy to answer any questions the Board had.

Mr. Fitzpatrick asked who develops this budget.

Mayor Blake stated the Finance Department and his office.

Mr. Fitzpatrick asked about line item 4140 0001 Personal Property Audit.

Mr. Erodici explained it is a company they hire that actually goes out to the business and conducts an audit..

Mayor Blake stated there is a corresponding budget on the revenue side of the budget.

Mr. Fitzpatrick asked about CCM.

Mayor Blake stated this is Connecticut Council of Municipalities.

Mr. Castignoli asked about Regional Planning.

Mayor Blake stated Milford is part of the South Central Community. He explained the grants they are able to receive through this program. He stated they receive other grants as well.

(4121) Golf Course (Fund 18) – Mayor Blake stated no one was present from the Commission.

Chairman Lema stated basically they are self-funded.

Mr. Fitzpatrick asked where the funds came from for the new shed.

Mr. Erodici explained it is the golf course open space account and it can be used for capital improvements such as this.

Mr. Fitzpatrick asked who approved it.

Mr. Erodici explained the process went through the Board of Aldermen.

(0010 4162) Open Space - Steve Johnson, Open Space and Natural Resource Agent was present for questions/comments.

Mayor Blake stated at last week's budget meeting he discussed this with account with the Board. He stated Steve Johnson was present to answer any questions the Board may have. He also stated this is the other new position that was supplanted in this budget. Mayor Blake spoke of the number of grants that have come into the City specifically due to the work of Mr. Johnson. He explained what the grants would allow them to do.

Mr. Johnson stated the overall goal is to develop healthy coastal resiliency. He stated there were also some properties in Silver Sands as well as Calf Pen Meadow creek.

Mr. Marlow asked about some of the job responsibilities.

Mr. Johnson spoke of the steep grant to rebuild the Beaverbrook area. He explained the details of that project and their partnership with Public Works. He stated it is working with the open space areas and improve them for public use making them safe. He stated the collaboration with the Mr. Saley and the Public Works Department has been successful. He also spoke of undeveloped properties owned by the city which need maintenance. He stated they will have to prioritize the work. He also stated it would benefit the community rating system which would reduce the flood insurance rate for homeowners.

Mr. Marlow asked about any other administrative support for this position.

Mr. Johnson stated not in the foreseeable future. He stated he has received a great deal of support from the city departments.

Mr. Fitzpatrick asked the balance in the open space account.

Mayor Blake and Mr. Erodicti stated there are 6 open spaces accounts that have different requirements for its use. The monies are used either for property acquisition or maintenance.

Mr. Fitzpatrick asked Mr. Johnson if he is currently paid through a grant.

Mr. Johnson stated he is paid through the open space account.

Mr. Erodicti stated the monies in the open space account are not enough to sustain the position.

Mr. Johnson stated last year this board approved the position; however, the Board of Aldermen removed it. He went on to speak of the value of the position for the city.

Mayor Blake also spoke of the citizen engagement and making sure our citizens are engaged. He stated the community rallies around so many projects when given the opportunity.

(4811) Borough of Woodmont –Mr. Bonessi, Borough Warden and Mr. Schmeisser were present for questions/comments. Mr. Bonessi stated for the record that they actually requested \$243,000. He stated when the City of Milford gets hit with storms they are not immune in Woodmont. He explained how they defer projects until after the winter to see what they have left over from plowing, salt, etc.

Mr. Schmeisser stated Woodmont is hit with the same expenses as the city's Public Works Department. He stated they have tapped into all of their reserves at this point. He stated the problem is you just can't plan Mother Nature. He continued with a lengthy explanation of the work they do, i.e. paving, etc. He stated that paving work is generally deferred until after the winter is over.

Mr. Fitzpatrick asked how many streets there are in Woodmont.

Mr. Bonessi stated there is 6 miles of road.

Mr. Schmeisser stated they asked for the increase to help with their roadwork. He stated they want to at least be able to do some paving this year.

Mr. Bonessi also stated their public works contract expired in 2013. It has not increase in 6 years, but there was an increase, approximately 18%.

Mr. Schmeisser stated they are asking the Board to consider bumping up the grant amount at least \$5,000.

Mr. Bonessi explained the contract and how they acquired that contract. He also stated their expenses have gone up as well, i.e. lighting.

Mr. Castignoli asked if the contract included trash pickup.

Mr. Bonessi stated they cut that out a number of years ago due to costs.

(4320) Fire Department – Chief Douglas Edo and Administrative Battalion Chief Dan Wassmer were present for questions comments. Chief Edo stated this is his second year coming before this Board. He stated be believed they held the line with an increase of 2.99%. He stated most of the increases in the budget are contractual. He stated the total increase from last year is \$345,000, of which \$275,000 which is contractual.

Mr. Fitzpatrick commented electricity and heating fuel went up, but in building maintenance in the city it went down.

Chief Edo stated a part of that is due to the new fire house which has electric heat. He stated they are working on it, but because of ongoing litigation he could not provide much information without going into Executive Session.

Mayor Blake spoke of acquiring the property on Seaman's Lane. He added there could be some increases with that acquisition.

Chief Edo stated it would essentially be used for civil preparedness.

Mr. Fitzpatrick asked about the increase in first aid supplies (4734 0000).

Chief Edo stated they have had an increase in calls.

Battalion Chief Wassmer also stated they don't get as much in supplies from Milford Hospital as they have in the past due to changes.

Mayor Blake stated the EMS billing system for paramedic services has begun. He stated they have not recognized the amounts they had hoped for but they are still working on it.

Mayor Blake also spoke of the current transport contract which they are continuing to work on which would generate additional funds. He acknowledged the work of Battalion Chiefs Wassmer and Waiksnoris.

Mr. Fitzpatrick asked about the fire/rescue vehicle.

Mr. Wassmer stated it is a certified rescue vehicle.

Mayor Blake added they are looking to generate revenue, but more importantly citizen safety.

Mr. Marlow asked about life packs (4942 0254)

Chief Edo stated that amount is for one life pack, although they do need three. He stated with the additional revenue the hope is to purchase the two additional life packs.

Battalion Chief Wassmer spoke of the service contract in maintaining each of the life packs.

Mayor Blake also commented that Milford is a heart safe community.

Mr. Marlow asked about support for the EMS billing.

Battalion Chief Wassmer stated they contract with a billing company.

Mayor Blake stated they have 3 ambulances in Milford and once they receive the necessary paperwork they want to be ready to go. He also spoke about the grant they received for a new ambulance.

Battalion Chief Wassmer also spoke of the lift for the ambulance which in the end saves money, because there are less back injuries.

(4331) Civil Preparedness – Chief Douglas Edo and Administrative Battalion Chief Dan Wassmer were present for questions comments. Chief Edo stated this account stayed basically the same, however once they obtain Seemans Lane, they expect some increases, i.e. electricity.

Chairman Lema asked if they still work with the cold weather shelter.

Chief Edo replied yes. He stated in the event the shelter has to turn someone away, the civil preparedness budget pays to put them up in a hotel.

(4805) CMED - Chief Douglas Edo and Administrative Battalion Chief Dan Wassmer were present for questions comments. Chief Edo stated he has a meeting with them this week. He stated CMED was started in the 1970's and they never kept up with the technology so this is becoming a problem. He explained basically it is a patch line to the hospital. He stated as they stay and other communities leave, the cost rises.

Battalion Chief Wassmer explained as a paramedic responder they are required to have a way to get through to the hospitals. He stated that is by statute.

(4360) Lighting, Hydrants, Water – Chief Douglas Edo and Administrative Battalion Chief Dan Wassmer were present for questions comments. Chief Edo stated this account basically pays for the rental of the hydrants.

(4420) Public Works Office - Chris Saley, Public Works Director was present for questions/comments. Mr. Saley thanked the Board for the opportunity to speak before them. He stated the Public Works Department is presently involved with a number of projects in the City. He spoke of 4 projects (through bonding). Also, with Steve Johnson and Mary Rose Palumbo we were able to move on these types of projects. He stated they are trying to do more projects in-house. He spoke of a rain garden they are working on with the help of the Mayor and Steve Johnson behind the Margaret Egan Center, where it is always flooding. He stated they are also working again with the Mayor and Steve Johnson at Silver Sands. He continued with an over view of the numerous things going on in Public Works. He stated they are working with some performance projects. Mr. Saley stated they just completed work at Fanny Beach. He stated this would give them some savings with UI. He stated they are also working in the Parsons Building to control the heating throughout the building. He stated they were not able to get it down before the winter. Mr. Saley also reported they renovated Conference Room C in the Parsons Complex.

Mayor Blake stated they received a grant to rehab all of the conference rooms. He also stated they are receiving from the BOE a Smartboard.

Mr. Castignoli asked how many unfilled positions there are in the Public Works Department.

Mr. Saley stated they just filled 3 positions.

Mr. Cooper stated they will have 3 positions opening in Wastewater very shortly.

Mr. Saley stated there was a promotion in sanitation. He went on to explain how the process works. He also spoke of an anticipated retirement in building maintenance.

(4421) Highway/Parks Division – Chris Saley, Public Works Director was present for questions/comments.

Mr. Fitzpatrick asked line item 4515 0000 Road and Drain Maintenance which he noted is much less.

Mayor Blake stated they received some grant money which will get some of the capital projects completed. He stated that line item is more upkeep.

Mr. Fitzpatrick asked about line item 4533 0000 Ice Control Expense.

Mr. Saley explained most towns are getting away from the salt/sand mix. He stated by going to the system they have it reduces the amount of salt/sand in their catch basins; there will be less street sweeping and environmentally better overall.

Mr. Castignoli asked if Milford pre-treats its roads.

Mr. Saley replied yes.

(4423) Building Maintenance – Chris Saley, Public Works Director was present for questions/comments.

Mr. Fitzpatrick commented he was happy to see some of the line items for electricity costs went down.

Mr. Castignoli asked about the increase in water.

Mayor Blake stated Regional Water Authority increased their rates.

Mr. Saley stated they used an increased amount of water on the green and the fields at Eisenhower.

(4424) Engineering – Chris Saley, Public Works Director was present for questions/comments.

Mr. Saley explained the Engineering Department is on two sides of the building at the Parsons Complex. He stated staff has been going through old files scanning files. He stated the goal is to do more in-house inspections. He explained normally they bid out to a consulting company.

Mr. Marlow commented about doing more in-house work and if that would require an increase in staffing.

Mr. Saley stated they are doing a lot of consolidating and being more streamlined and efficient.

(4429) General Garage – Chris Saley, Public Works Director was present for questions/comments.

Mayor Blake stated one of the accounts that went up was line item 4335 0000 Equipment Upkeep. He stated this account is generally tapped out by mid-year. He stated it has been increased by \$5,000.

Mr. Saley stated it is a challenge because they have an older fleet of vehicles. He explained they are trying to blend their fleet to get full use out of all of their vehicles.

Mr. Fitzpatrick asked about line item 4331 0000 Gas and Propellants and questioned if the City is getting better rates.

Mayor Blake stated this line item generally goes out to bid in August.

(4431) Solid Waste Operations – Chris Saley, Public Works Director was present for questions/comments.

Mayor Blake stated this is a budget where they were able to reduce costs in line item 4790 9550 City Waste Removal Costs. He explained how they were able to cut their tipping fees.

Mr. Saley also stated they went to the Board of Aldermen and were able to make some changes to the regulations which have helped.

(4426) Wastewater – Jim Cooper, Wastewater Superintendent were present for questions/comments.

Mr. Cooper announced his upcoming retirement, stating this would be his last budget. Mr. Cooper spoke about the Honeywell project. He explained with the installation of the digesters the hope of using the gas for some higher purpose. They have stated if they bring in product to be more productive with their fuel cells. He stated they are finally to the point where they have to use that gas for something positive. Mr. Cooper stated there are also a few projects they are working on at the pump stations, which will result in less electricity.

Chairman Lema stated it looks like they are not paying out nitrogen credits.

Mr. Cooper stated they will likely pay \$35,000. He spoke of the role of the State with regard to nitrogen credits and those towns that were receiving a profit. He stated whatever money is generated will be equally distributed. Mr. Cooper spoke about a vehicle he requested. He stated although it was rejected by the Mayor, he wondered if this Board would consider a smaller vehicle in its place, especially in light of the number of older vehicles they have. He also talked about changing a position from a sewer line mechanic to a working leader position.

Mayor Blake explained when there is a call at night; normally a supervisor would have to be onsite as well. He stated by making the position change Mr Cooper is requesting in the long run it would cost efficient. He stated the difference is about \$2,000 plus a year. As to the vehicle Mayor Blake stated they were looking for possibly a pickup truck. He stated originally they requested an SUV.

Mr. Erodici explained line item 4998 0650 Maintenance/Replacement Fund.

Mayor Blake asked Mr. Erodici to look into line item 4901 0000 Equipment prior to the Board's technical vote.

Mr. Erodici explained it was moved into the Capital Improvement Plan, which could be rolled over.

Chairman Lema and the Board thanked Mr. Cooper for his years of service to the city.

(4154) Sewer Commission (Fund 12) – Mayor Blake stated this is one of the departments where there has been a reduction in staff. He explained the job description was re-created.

Mr. Fitzpatrick asked about the sewer fund balance.

Mr. Erodici explained the Sewer Fund generates a surplus each year.

(4503) Public Debit Service – Mr. Erodici commented this account is the bulk of the debt service.

Mr. Fitzpatrick asked if the new bonds recently approved were included.

Mr. Erodici stated the small increase is due to the past refinance/refunding they did.

(4994) School Debt Service – Mr. Erodici stated this account represents all of the school projects.

Mr. Fitzpatrick asked if this is the same situation,

Mr. Erodici responded yes, but for the school projects.

Mr. Castignoli asked if the principal went up.

Mr. Erodici replied yes, slightly.

(4995) Employee benefits, Non-teaching –no questions.

(4710) Employee Benefits, General

Mr. Fitzpatrick asked if this account is for the retirees.

Mr. Erodici explained it is for those that are enrolled in Medicare and it covers that gap. He stated this line item is fully insured and the City pays the premium.

Mayor Blake noted there is a small number of Board of Education administrators that are included.

Mr. Castignoli asked about police and fire.

Mr. Erodici explained the Actuarial Determined Contractor.

Mayor Blake stated this year they are paying more, but it looks like it should hold steady. He noted Milford has one of the most funded pensions in the state.

Mr. Castignoli asked about line item 4211 9909.

Mayor Blake explained Milford traditionally was a pay as you go.

Mr. Erodici stated the City has been putting in \$500,000 over time. He continued with an explanation of the actuary reports.

(4720) Insurance and Bonds

Mr. Fitzpatrick asked about line item 4824 0000

Mr. Erodici stated the bulk of that is for flood insurance.

(4740) Claims & Refunds – no questions.

(4790) Benefit & Salary Reserve

Mr. Fitzpatrick asked if this account represents negotiations.

Mayor Blake stated the City is currently negotiating with two bargaining units and have several more coming up after July 1.

(4799) Unallocated Contingency – no questions.

(4993) Education Audit – no questions.

(4997) Education Health Insurance Contribution

Mayor Blake stated this is an account they are constantly keeping aware of. He explained with new hires there will be various questionnaire forms.

Lema stated tomorrow night is set aside for Education Operations.

Mayor Blake commented the governor's budget will be announced tomorrow. It appears the grants the City has received in the past will continue, at least in the governor's budget.

Being no further budget business, the Board recessed at 9:03 p.m. Chairman Lema stated this Board would reconvene budget deliberations on Wednesday, February 18, 2014, at which time the Board of Education would present their recommended budget

Respectfully submitted,

Kathleen A. Kennedy
Recording Secretary