

**BOARD OF FINANCE
BUDGET DELIBERATIONS - PROPOSED BUDGET 2009-2010
FEBRUARY 18, 2009**

The Milford Board of Finance held a budget deliberations session on Wednesday, February 18, 2009 in Conference Room B of the Parsons Complex. Chairman Lema reconvened the session at 6:32 p.m.

Board Members Present

Stephen J. Skudlarek, Jr., Chairman
Brian A Lema, Vice Chairman
Joseph M. Agro, Jr.
Joseph J. Fitzpatrick, Jr.
Paula Smith

Also Present

Mayor James L. Richetelli, Jr.
Judy Doneiko, Finance Director

Chairman Skudlarek explained the format for the meeting. He asked each individual planning to speak on behalf of their budget to please state their name.

(4215) Management Information Systems (MIS) – Jean Lasczak, MIS Coordinator was present. She stated she has a detailed budget she would be happy to present to the Board if they so desired. She stated she tried to keep the budget as the Mayor requested, however, some of the items are out of her control. She spoke as to budget line item 4796 0000 Software & Maintenance and that she already has to move money to offset costs from last year. She explained these monies cover what vendors charge for software, maintenance, etc., adding these costs cover the entire City.

Chairman Skudlarek noted an \$11,00 increase overall in the budget from lat year. He asked if they are all non-union employees.

Ms. Doneiko explained all the salaries in all the accounts are the same because contacts are up for negotiations; therefore the budgets are operational budgets outside wages.

Mr. Fitzpatrick asked of budget line item 4796 0000 Software & Maintenance is contractual. Ms. Laczak responded yes. Mr. Fitzpatrick asked if they have been fully negotiated for next year. Ms. Laczak explained the software is in place and that typically they increase maintenance and they don't always get that information up front. Mr. Fitzpatrick asked if they could ask for a reduction. Ms. Laczak responded the New Horizons contract is 3-5 years in advance, but they certainly could try.

Mr. Fitzpatrick commented the City currently is in a three-year phase and the base for taxes will be down. He stated asking something like this is what has to be done in the City.

Ms. Laczak explained it is not just application software and an amount, but the number of applications they support.

Ms. Doneiko stated they would get a discounted price when they have done these types of contracts. She stated each situation would have to be evaluated.

Ms. Smith asked if the operations system workstation is XP level. Ms. Laczak responded all clients are at XP level. She explained they have downgraded all new systems to XP.

Ms. Smith asked about remote access for users and if users could access the system from home. Ms. Laczak responded no, with the exception of some public safety. She explained the security issues as well as some union issues.

Mr. Agro stated the Board has looked at all the budgets and what they have gone through the last meeting. He stated this year will be particularly difficult and that they have been asking departments about the possibility of consolidation and that in these difficult times this year they are also looking at personnel. He stated this year they are looking with a very difficult glance at the budget.

(4320) Fire Department – Chief Louis LaVecchia and Battalion Chief William D. Healey were present. Chief LaVecchia stated there were some typographical errors in the budget book. Line item 4133 0000 Other Medical Fees & Svcs. Mayor recommends should read \$50,000, not 47,000; line item 4206 0000 Terminal Leave Pay should read department request \$60,000 and Mayor recommends \$50,000 (p. 53); line item 4942 0254 should read Life *pak*, not Life raft (p. 55). Chief LaVecchia stated his budget represents a 2.2% increase. He stated with the cost of living they would be below the same level as last year. He also pointed out 98% of his budget is contractual. He stated the budget is extremely tight and that he has presented a budget with just a 2% increase for years. He spoke as to things like the life rafts that should be tested every year, but they do it every other year. He also spoke as to how the City is divided and personnel response to a fire, emergency, etc. He went on to explain the details of a response and OSHA standards. He stated a personnel is extremely tight. He also referenced the department as an ISO Class I department, which is represented by the number of personnel. He concluded by stating this budget is too lean.

Chairman Skudlarek asked about budget line item 4112 9944 Special Operations and asked for a brief explanation of what this account includes. Chief LaVecchia explained the 2 1/2% increase in firefighter raises which would actually be above \$400,000. Chairman Skudlarek spoke about some of the implementations of the Board of Education concerning electrical, gas, etc. and asked how the fire department planned to hold the line especially in light of heating costs which keep going up.

Ms. Doneiko interjected, explaining the generation portion of the electric bill.

Chairman Skudlarek asked about some of the other components such as heating, fuel. He also asked what the department has for heating sources, i.e. natural gas or oil. Battalion Chief Healey responded they are doing their best. He explained he has already replaced all of the light bulbs in all of the stations as well as thermostats, which have a lock out device. Chief LaVecchia spoke as to the six stationhouses and some of the other energy savings measures that have been put in place.

Mr. Lema asked about budget line item 4116 0000 Vacation & Relief and asked the Chief if he could explain what comes out of that account. Chief LaVecchia explained it is for emergency operations plan, maintenance position.

Ms. Doneiko added the biggest cost is the per diem dispatchers explaining any time there is a vacancy the first choice is to fill with a per diem dispatcher.

Battalion Chief Healey added it is for an occasional consultant for the Fire Marshal's Office.

Mr. Lema asked about budget line item 4120 0000 Fire Trainees. Chief LaVecchia explained that is for sending new hires to fire school. He explained how two years ago former Speaker Amann was able to reduce that number in half, but that is now currently on the chopping block at the State. He stated he would be asking for that number to increase explaining they hire 8-10 firefighters per year and with the current amount of money in that account he would not be able to hire more than 4.

Mr. Agro commented the contractual number is 23 and asked if that number is linked to equipment. Chief LaVecchia responded yes. He went on to explain fire ground coverage for citizens of Milford. He also explained the National Standard manning on a fire apparatus is 4. He stated they operated with 3 on an engine and 2 on a ladder. He gave an explanation of responses to various types of calls in Milford.

Mr. Fitzpatrick asked about budget line item 4776 0001 Cell Phones and asked how many the department had. Battalion Chief Healey responded there are approximately 16. He stated they recently were able to negotiate with Nextel and reduce their bill \$300.

Chief LaVecchia explained the types of situations the phone is used, i.e. fire officers, who carry the phones and can also use them as a primary radio. He added they are truly needed in the department.

Ms. Doneiko commented the total cost of cell phones across the City excluding the Board of Education is \$55,340. He also noted as a point of information for the Board members that the two typographical errors would be corrected for the Board's technical meeting.

(4331) Civil Preparedness – Chief LaVecchia was present for questions. He commented as to the changes in civil preparedness after 9/11. He spoke as to the Emergency Operations Plan, which is something that is viable to the department and also assists them in obtaining grants. He stated he wished to point out budget line item 4994 0216 noting this is the account sirens were originally purchased from. He explained the department recently went to the Code Red System and explained the program and how efficient and expedient it is.

Mr. Agro asked is the figure is projected for next year's contract and if it could be negotiated. Chief LaVecchia responded they have been doing that with them. He stated the original number was around \$50,000 or more. He deferred to Mr. Worroll, EOC Coordinator for comment.

Mr. Worroll explained the systems lets people know what is going on in any particular system. He also reiterated the comments made by the Chief as to its efficiency. He stated it is all Internet based. Mr. Agro asked if there was any burden to the staff with regard to operation of the system.

Chief LaVecchia responded there is no staffing that the 911 dispatchers work the system. He also pointed out the system is available to the police department, public works and the Board of Education, if necessary.

Mayor Richetelli added they looked at another system; connect CTY, which the BOE uses, but the cost was close to \$85,000.

Mr. Worroll stated they are guaranteed the \$30,000 amount for next year.

Ms. Smith asked about the ISO rating and its impact on homeowners. Chief LaVecchia explained ISO is required to evaluate each fire department nationwide. He went on to explain the process, which enabled the department to become ISO Class I certified in 2000 and addressed the reductions to commercial property owners as well as the private homeowner. He noted currently residents in Milford pay the highest ratings on the shoreline than anywhere in the country.

(4121) Mayor – Mayor Richetelli was present for questions. Mayor Richetelli stated this is the same budget he has presented for many years, with the difference this year being chairs and a computer. He explained the chairs are the original chairs dating back to 1986 and for safety reasons should be replaced. He also stated the computer is due to be replaced based on the replacement cycle.

Chairman Skudlarek asked how many chairs. Mayor Richetelli responded 8.

Mr. Fitzpatrick asked if the computer was a replacement. Mayor Richetelli responded yes, explaining they try to turn over the computers every 4-5 years.

(4122) General Expenses – Mayor Richetelli explained most of these items are contractual obligations or contracts the Board of Aldermen has entered into.

Mr. Agro asked about budget line item 4817 0000 CCM Annual Levy and 4875 0000 Regional Planning Agency Dues. Mayor Richetelli responded CCM is one penny per capital. With regard to Regional Planning, he stated it did not go up, but the population went up.

Mr. Fitzpatrick asked about the distribution of monies under the stimulus bill. Mayor Richetelli responded any monies would be recognized under a revenue account, if the City were to receive any. Mr. Fitzpatrick asked if CCM or Regional Planning help get any of this. He asked if Milford applied for any monies or how they would get monies this way.

Ms. Doneiko explained she received an analysis from Moody's. She indicated most of the money would be for education and on the municipal side of government it would be for capital improvements.

(4121) Golf Commission – Dick Austin, Chairman and Vice Chairman D. Worroll were present. Mr. Austin reported everything is in good shape. He also reported they just signed a new three-year contract with the management company. He reported there were 36,000 plus total rounds last year, 450 less than 2007, probably due to weather. He also pointed out this Commission donates \$30,000 yearly to the Open Space Recreation account.

Ms. Doneiko pointed out this is a self-supporting operation that does not use taxpayer money.

Mr. Agro asked about any reserve funds. Mr. Austin responded it was perhaps over \$700,000. He stated they have been putting money into the course over the last few years. He also reiterated the amounts they put into the open space account, which has been for about 8 years now. Mr. Agro asked about the new rates. Mr. Austin responded he did not receive them as yet.

Mr. Worroll added generally when there is an increase it is usually for non-residents. He went on to explain how rates are arrived at.

(4811) Borough of Woodmont – Dick Austin, Borough Warden and Christopher Smyser, Chairman of the Borough of Woodmont were present. Mr. Austin stated the Borough has made great strides in transparency in terms of what they use each year. He provided the Board with a breakdown of cash flow needs continuing with an explanation of the handout.

Chairman Skudlarek thanked the men for the handout, but asked in the future if they could provide these types of documents to the Board prior to the meeting so they could have the opportunity to review. Chairman Skudlarek noted historically the number for the Borough has been \$190,000-200,000 over a 5-6 year period.

Mr. Agro asked about the beach stabilization program. He commented this has been designed and is at the DEP already.

Mr. Smyser responded yes. He explained the projects and how they move from each project to the next.

Mr. Austin added they are getting closer to the sidewalk project that really needs to be fixed. He stated the design phase has been completed and they are in the process of moving funds.

(4420) Public Works Office – Bruce Kolwicz, Public Works Director and Kelly Hammill, Public Works Administrator were present.

Chairman Skudlarek noted this budget is a minimal increase over last year.

Mr. Agro stated the Board has talked with all the larger departments of consolidation. He asked without impacting services, if there was any way to reduce. Mr. Kolwicz responded this is his 17th budget and the budget he presents tonight is lower than 5 years ago. He stated he could not do anything less without loss of services. He stated in the last year they have lost 4 people in their department, adding their levels of personnel just can not afford to go down any further. He also pointed out they have taken on many new projects.

Mr. Lema asked about budget line item 4112 0000 Overtime noting there is no real increase. He stated he would like to see other departments follow that lead. Mr. Kolwicz pointed out that is not all the overtime. He explained work before the day ends and after the day ends. He also stated they are 4 months out for spring startup. He also spoke as to the number of emergencies they have received this year concerning fallen trees as well as a high amount of power outages this year.

Mr. Agro referring to the Kimball report and consolidation of some of the departments asked if there were any possibilities of a consolidation of the land use offices and some of the other departments in the City and asked Mr. Kolwicz if he could see that type of consolidation with this department. Mr. Kolwicz responded he did not believe so. He stated they all do different types of work. He also pointed out his office directs the bonds for all subdivisions in the City. He stated with regard to the secretarial staffing, they just don't do the same thing. He also stated in that study the Public Works Department was completely left out. Mr. Kolwicz also commented you would have to have discussions with the perspective bargaining groups.

Note: Chairman Skudlarek was excused from the meeting at 7:56 p.m. Vice Chairman Lema took over the meeting from that point.

(4421) Highway/Parks – Bruce Kolwicz, Public Works Director and Kelly Hammill, Public Works Administrator were present.

Mr. Fitzpatrick asked how many positions had not been filled. Ms. Hammill responded 4. Mr. Fitzpatrick asked about the recent hiring freeze and if that had any impact. Mr. Kolwicz responded they are still under that freeze so they have not hired. He stated he wanted it understood this did not mean they didn't need those jobs. He stated they also lost someone to death this past year and they recently had an unexpected retirement.

Mayor Richetelli pointed out they are 1 ¼ down from last year.

Mr. Fitzpatrick asked if the overtime has gone up under the freeze. Mr. Kolwicz responded typically it stays the same.

(4423) Building Maintenance – Bruce Kolwicz, Public Works Director and Kelly Hammill, Public Works Administrator were present.

Mr. Fitzpatrick asked about budget line item 4470 0001 Natatorium Operations and what that entails. Ms. Hammill responded it is utilities and small repairs.

Mr. Kolwicz noted in 2010 the City would own the building. He stated it needs a lot of work that will need to be addressed down the road. He also pointed out the pool was actually designed as a lap pool.

(4424) Engineering – Bruce Kolwicz, Public Works Director and Kelly Hammill, Public Works Administrator were present.

Mr. Agro asked if they are fully staffed. Mr. Kolwicz responded no. He stated they do not have an Engineer Technician and Chief of Survey Party. He spoke of the possibility of consolidating with MIS, however it would be very short sided to cut that position. He stated they are looking at re-working that position.

Mr. Lema asked for clarification. Mr. Kolwicz explained they are looking at the job description and explained the ways the job has changed over the years. He reiterated it would be a mistake to cut that position.

(4426) Wastewater – Bruce Kolwicz, Public Works Director and Kelly Hammill, Public Works Administrator were present.

Ms. Doneiko pointed out this is a separate fund that does not affect the mill rate and is a separate charge to the citizens.

Mr. Agro asked about construction on the new plants and what manpower was looking like. Mr. Kolwicz responded the start up has been pushed back about 2-3 months. He explained the details of the start up and what it entails. Mr. Agro asked if they would be looking at credits when it is full operational. Mr. Kolwicz responded yes.

Ms. Doneiko explained the delay in receiving the nitrogen credits.

(4429) General Garage – Bruce Kolwicz, Public Works Director and Kelly Hammill, Public Works Administrator were present.

Mr. Agro asked if the job was still vacant. Mr. Kolwicz responded yes. He explained the department lost a real gem last year in John Malin. He stated Kelly has been overseeing what see can, but they have not filled that spot as yet.

Mr. Lema asked about budget line item 4331 0000 Gas & Other Propellants. He stated the increase is slight and asked if they were comfortable with the amount. Ms. Hammill explained the formula they use to obtain that amount. She stated at the time this was calculated it was \$2.83.

Ms. Doneiko added it is a floating price. She stated they are operating off the State's contract price, which has working in our favor. She stated they would be bidding for this.

Mr. Lema asked when this would be going out to bid. Ms. Doneiko responded late June, adding it is for the entire City. Ms. Hammill commented it might be more in May. She stated that also includes diesel. Ms. Doneiko stated she believed the diesel was separate.

Ms. Smith asked about budget line item 4331 0000 Gas & Other Propellants and asked if that included police. Ms. Hammill explained all vendors fill up at Public Works with the exception of the Fire Department and then they are charged back.

Ms. Doneiko stated the Police Department has their own budget, but they go out to bid as one budget. She reiterated they charge the departments back.

(4431) Solid Waste – Bruce Kolwicz, Public Works Director and Kelly Hammill, Public Works Administrator were present.

Mr. Agro asked if there was any chance of consolidation here. Mr. Kolwicz explained condominium pickups adding it is by contractual agreement. A brief discussion ensued. Mr. Agro added it would be valuable information for this Board to have when they begin their deliberations.

Ms. Smith asked about recycling revenue, which has dropped. Mr. Kolwicz responded it is dropping. He stated metal is also dropping off because it just isn't there.

(4154) Sewer Commission (Fund 12)

Ms. Smith asked about the transfer to debit services. Ms. Doneiko explained about the hook up to sewer service and those charges. She explained those monies have been used to make a 5% initial repayment of clean water funds. She also explained the debit services fund. A brief discussion ensued.

(4360) Lighting, Hydrants, Water

Ms. Doneiko stated with regard to budget line items 4846 0000, 4847 0000, 4848 0000, that the fire department works with the water company and that basically these are locked in.

Mr. Agro commented the numbers were plain crazy. He asked about the Water Authority Board and their control over the communities they serve.

Mayor Richetelli explained there is a water authority Board and a representative. A brief discussion ensued.

(4502) Equipment Reserve Allocation – no questions.

(4503) Public Debit Service

Ms. Doneiko stated they are starting to see the affects of the projects that have been out there. She explained the bonding of bands that have been out there. She stated they would continue to go up over the next few years both on the City side and Board of Education.

Mr. Agro asked if the bonds are paid off annually. He also commented the community should be comfortable where we are as a city and with our rating.

Ms. Doneiko spoke as to the sale that was scheduled this past fall right in the middle of the financial meltdown. She stated they opted to do 6-month notes and explained they have a sale coming in April of day to day rates and notes. She estimated they would sell \$13,000,000 in May and \$20,000,000 in November.

(4993) Education Audit

Ms. Doneiko stated this is part of the numbers they will bond in May.

(4995) Employee benefits, Non-teaching

Ms. Doneiko explained this reflects FICA payments, health insurance and that the Board should be able to put this back to them.

Mr. Agro commented he believed the City took this account back years ago. Ms. Doneiko spoke as to a disconnect with the benefits and other items being bargained for. A brief discussion ensued.

(4710) Employee Benefits

Mr. Agro asked about budget line item 4221 9919 Self Insurance Controls and asked for an explanation.

Ms. Doneiko responded they get these numbers from the consultants for Blue Cross and went on with a lengthy explanation as to how the numbers are arrived at. She added these are the best number they have which are coming from the health insurance experts.

Mr. Fitzpatrick asked about budget line items 4207 9909 Severance Sick Pay: General and 4207 9938 Severance Sick Pay: Police and asked if they would always have these accounts. Ms. Doneiko explained these accounts are negotiated and explained how the severance sick is paid out.

(4720) Insurance and Bonds (it should be noted this account number was reflected incorrectly on the agenda as “Claims and Refunds”).

Ms. Doneiko explained line items 4823 0000 General & Liability and 4824 0000 Fire & Inland Marine explaining these accounts are up 5%. She also explained workers compensation.

Mr. Agro asked about budget line item 4830 9908 Insurance Consulting. Ms. Doneiko explained it is a combination but essential the agent of record is paid a fee, which is around \$45,000 a year. She also went on to explain going with CIRM and how that has been working since going to them last year. Mr. Agro asked about the stop loss on that. Ms. Doneiko responded \$500,000.

(4740) Claims & Refunds

Ms. Doneiko explained this is a calculation that is adjusted if necessary.

Mr. Agro asked if that his phasing down. Ms. Doneiko responded no, that it is actually going up. Mr. Agro asked about new hires, commenting it was his understanding they are not covered. Ms. Doneiko responded yes, they are not covered, but the number is going up nonetheless. Mr. Agro asked about budget line item 4841 0000 Uninsured Claims: General. Ms. Doneiko responded that the City Attorney's Office administers that number.

(4790) Benefit & Salary Reserve

Ms. Doneiko commented the number is a 2-½ % rate.

(4799) Unallocated Contingency

Ms. Doneiko commented for a budget this size it is a small number, which is a credit to the department heads in maintaining their budgets.

(4993) Education Audit

Ms. Doneiko commented this is a 2-½% increase.

Mr. Lema asked the City's portion of their audit. Ms. Doneiko responded the EDO11 Audit and State Single Audit is part of it.

(4997) Education Health Insurance Contribution

Ms. Doneiko explained these are forecasted claims that are calculated by Blue Cross. She stated they work with the health consultant as part of a wellness plan.

(4210) Finance Department – Judy Doneiko, Finance Director was present. Ms. Doneiko explained the number of departments that fall under this account, which include the Finance Department, Treasurer, Purchasing, Accounting and Tax Office. She explained in detail some of the functions of the departments. She also pointed out the thousands of dollars they save by doing the revaluation in-house and the use of computers as much as possible. She stated there is one person that does the payroll for the entire department, one person

that does the accounting for the entire City. She added they have two accountants and have just advertised for the third position.

Mr. Agro commented he has no predispositions, but things look more and more dire each day. He expressed his appreciation of all of work all of the employees give each day, but that there just may need to be consolidation.

Ms. Doneiko stated they are not like many communities around us. She stated staffing here is much lower and sent on to explain in detail the work of the various department positions. She also spoke as to the impact of bargaining with the various departments. She also commented regarding the necessary process in applying for grants.

Ms. Smith asked about wire payments instead of checks. Ms. Doneiko explained they would need a dual list set up in their system to do this. She also addressed changes in technology and that they actually still lag behind. Ms. Smith asked about on-line tax collection service. Ms. Doneiko responded the tax collector has not been in favor of an on-line system. She explained they do use a lock box system. Ms. Smith asked about procurement cards from other departments. Ms. Doneiko responded no, and explained the struggles the departments have in just getting the bills in. Ms. Smith asked if the payroll is down in-house. Ms. Doneiko responded yes.

Vice Chairman Lema recessed the Board at 9:44 p.m.

Respectfully submitted,

Kathleen K. Huber
Recording Secretary