

BOARD OF FINANCE BUDGET DELIBERATIONS
MAYOR'S RECOMMENDED BUDGET 2008-2009
FEBRUARY 19, 2008

The Milford Board of Finance reconvened their budget deliberation sessions on Tuesday, February 19, 2008 in Conference Room B of the Parsons Complex. Vice Chairman Bergami reconvened the session at 7:00 p.m.

Board Members Present

J. Agro
S. Bergami
J. Fitzpatrick
B. Lema

Also Present

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

Not Present

S. Skudlarek (due to illness)

Department 4813 – BRIDGES – Barry Kasden, President & CEO, and Claire Phelan, Chair, BRIDGES Board, were present. Ms. Phelan handed out brochures to the Board of Finance members, the Mayor, the Finance Director and the recording secretary. She said the brochure helps to explain what the City's grant money is used for and what it does for the City.

Ms. Phelan said that she had been in Hartford recently to protest the Governor's budget decision to not increase grants or award any COLA money to non-profit agencies. They are trying to get the State to rethink this.

Mr. Kasden then thanked the City for their past 50 year's support. He said that getting an increase every year from the Grant helps supplement their other grants (such as the Connecticut Health Foundation Grant) and provides more outpatient services. He spoke about the mentoring program that they have had for 20 years. They just received a three-year grant from the Department of Education in Washington to sustain the program. He noted that BRIDGES was the only agency in Connecticut to get this grant.

Mr. Kasden went on to say that BRIDGES' core services could be in jeopardy since the State's average increase for the past three years has only been 2% and now the Governor is proposing a 0% increase in grants. They have a wait list of 20-30 people a week. He said their walk-in clinic is overwhelmed with people needing services. He added that they now have 10 open positions, and by not hiring these 10 people, they are able to balance the budget.

Vice Chairman Bergami asked how the reception was from the legislators. Mr. Kasden replied that it was positive, but added that it is always positive. He then went on to say that this year legislation was introduced that is called the Community Provider Rescue Fund. A couple of components of this are 1) establish a commission to take a look at establishing some sort of standardized ongoing process to fund non-profits and 2)

provide more bonding money for the construction of the non-profits. A discussion then ensued about the legislature.

Mr. Fitzpatrick asked what communities BRIDGES serves. Mr. Kasden replied Milford, Orange and West Haven.

Mr. Agro asked what the total budget is for BRIDGES. Mr. Kasden replied that it is a little over \$11 million and said that the City's portion is 3.2%. He added that they have a staff of 160 people. He said the bulk of the budget is State funded programs and added that if the fully-funded State programs were taken away, the budget would be about \$3 million.

There were no further questions/comments.

Department 4215 – Management Information Systems (MIS) – Jean Lasczak, MIS Coordinator, was present. She let the Board of Finance members know that there was a correction that needed to be reflected in her budget. In the Historical Data column "07-08 Budget" on Page 41 of the Mayor's Proposed Budget book the amount listed in the Software & Maintenance account is \$113,916. There was a recent transfer in the amount of \$10,000 from the Miscellaneous Professional Fees & Services account to the Software Maintenance account. So, the actual amount should be \$123,916.

Ms. Lasczak is requesting \$132,255 in the Software & Maintenance account for the next fiscal year. She said that next year's budget is in line with the current budget. She added there were some increases in software and maintenance costs. She noted that she had requested a similar amount last year - \$132,560 - and that this amount was cut to \$115,000 by the Board of Aldermen. She said that these are contractual charges and she needs the money to be able to function.

Vice Chairman Bergami asked how many servers the City has. Ms. Lasczak replied that there are eight. Vice Chairman Bergami then asked what the oldest server is. Ms. Lasczak replied that the oldest is from 2002. She said that her department has been shifting and consolidating servers and services.

Mr. Fitzpatrick asked what the legal requirements are regarding the retention of e-mails. Ms. Lasczak replied that there are FOI requirements, but that it is the owner's discretion of what to retain.

Mr. Fitzpatrick asked about the City's offsite storage. Ms. Lasczak replied that the City was using Archives Ones which has since become Iron Mountain. She said that the City and Police Department's tapes are stored there.

There were no further questions/comments.

Department 4112 – Elections – Alan Jepson, City Clerk, was present. He said that it is always difficult to provide an accurate amount for this budget due to evolving election laws. He gave an example as the optical scanning machines and that technology versus the former lever machines.

Mr. Jepson spoke about provisional ballots being used for Federal elections. He explained that this means that an unregistered voter can come in and vote by just showing a form of identification such as a driver's license or a utility bill. Due to this, his office has to provide a separate room and a separate minimum staff to man that room for those voting by provisional ballots. A discussion then ensued regarding provisional ballots for Federal elections.

There were no further questions/comments.

Department 4129 – City Clerk – Alan Jepson, City Clerk was present. He said that he agrees with the Mayor's adjustments to his budget. Mr. Fitzpatrick asked why account 4778 000 Indexing / Recording had gone up. He noted that \$8,825 was spent last year, yet \$19,344 was being asked for in the budget this year.

Mr. Jepson spoke about how he was able to save money by the passing of the Historic Document Preservation Act. He explained that in addition to the recording fees to a town or city, there was a \$3 fee imposed on top of that. Out of that \$3, every Town Clerk in Connecticut gets to keep a dollar. He said that this was supplemented by another \$30 fee out of which \$4 was allocated to the City, \$1 to the City Clerk and \$3 to the Mayor to be used for LOCIP programs.

He also added that he purchased indexing and recording equipment a couple of years ago that had a huge reduction on his expenses. A discussion then took place about the Historic Document Preservation Act.

Vice Chairman Bergami said that the original question asked by Mr. Fitzpatrick had still not been answered regarding why there was a jump in the Indexing/Recording account. He asked Mr. Jepson to do some research and to send a note to the Board of Finance explaining the increase.

Mr. Jepson then spoke about his budgeted positions for the next fiscal year. He explained the reclassification of the secretarial position that was in his budget to an upgraded position of an Assistant City Clerk, thus eliminating the secretarial position. The increase to do this was \$3,600.

Mr. Jepson then handed out a copy of a letter he wrote to the State Senators about the Conveyance Tax. A short discussion took place.

There were no further questions/comments.

Department 4426 – Wastewater Treatment – No representatives were present. *Vice Chairman Bergami asked for this department to be rescheduled.*

Department 4360 – Lighting, Hydrants, Water – No representatives were present. There were no questions/comments.

Department 4502 – Equipment Reserve Allocation Account – No representatives were present. Ms. Doneiko commented that this is a reserve account for Public Works and the Fire Department. She said that when there is a piece of equipment that they need to buy, they are able to use this money. She also commented that for the past nine years, it's been the same flat amount. She added that this is a concern since these items are becoming more and more expensive. Mr. Fitzpatrick asked what the reserve is now. Ms. Doneiko replied that she did not know, but that she would get that information.

There were no further questions/comments.

Ms. Doneiko, Finance Director, spoke on the following ten budgets.

Department 4503 – Public Debt Service – Ms. Doneiko said that this represents the amount that we will have to pay back on the debt during the Fiscal Year '09. She then explained each of the line items. Ms. Doneiko noted the Bond Principal is set for both the General and the Sewer and for the Clean Water Fund for both the principal and the interest. She said that the Bond Interest has a little bit of an estimate in it since she doesn't know what we will be selling in bonds next October, so she has to make a guesstimate. Anything that is not used either goes into the Debt Service Reserve Fund or it goes back into the General Fund.

A short discussion took place on bond indebtedness.

Department 4994 – School Debt Service – Ms. Doneiko said that the numbers represent the bonds that are for the school projects that we have to pay back in principal and interest during Fiscal Year '09.

Department 4995 – Employee Benefits, Non-Teaching – Ms. Doneiko said this is for the FICA payments for the Board of Education employees. The Board of Education pays for their Medicare payments. This represents 6.2% of payroll for employees that are subject to FICA. She added that certified people and the teaching positions do not pay FICA and therefore do not get social security benefits.

Department 4710 – Employee Benefits, General – Mr. Fitzpatrick asked why account 4211 9905 Pension: Fire/Police was zeroed out. Ms. Doneiko replied that the City's actuary informed the City it would not have to make a contribution in Fiscal Year '09. She explained that we had been making a contribution almost every year since the supplemental plan and the regular pension plan had been combined, but the contribution was far less than what we were putting into the budget for paying out the supplemental plan on a "pay as you go" basis. The City and the taxpayers were benefiting in a number of ways. The latest evaluation said that the City would not need to make any type of contribution in Fiscal Year '09.

She noted that Fiscal Year '08 is the year we have to start disclosing our OPEB (Other Post Employment Benefits) liabilities. A discussion took place regarding OPEB.

Department 4720 – Insurance & Bonds – Ms. Doneiko explained each of the line items. She said that accounts 4823 000 General and Auto Liability and 4824 0000 Fire & Inland Marine is the contribution for the self-insurance fund. The Workers' Comp account (4825 0000) is our contribution to the workers' comp fund. She added that only the City participates in that. The Fidelity Bonds (4827 0000) are a full insurance premium we pay for Fidelity Bond coverage some of which is required by Charter and some by State statute. The Other Insurance (4829 0000) is insurance required for contracts the City has with certain employees. The Insurance Consulting (4830 9908) is our fixed fee to our agent of record and the remainder is in case we have to engage other additional consulting.

Department 4740 – Claims & Refunds – Ms. Doneiko said the Heart & Hypertension Claims are a calculation and added that they can change if there are additional claims. The Uninsured Claims: General is the number we receive from the City Attorney which is just an estimate of things that would not be covered by any type of insurance.

Mr. Fitzpatrick asked if the Heart & Hypertension figure is projected. Ms. Doneiko replied that it is based on the claims that we had this year and added that the number can change if we get more claims. Mr. Fitzpatrick then asked what happens to the money if it is not all used. Ms. Doneiko replied that the unused portion would go back into the General Fund.

A discussion then took place on the Heart & Hypertension Law that was changed in the mid '90s.

Department 4790 – Benefit & Salary Reserve – Ms. Doneiko said this money will be used to pay the salaries of one dispatcher group when their new agreement increase goes into effect. Their contract expired in June 2005, and they have been without a raise for several years.

Department 4799 – Unallocated Contingency – Mayor Richetelli noted that in FY07 the Board of Aldermen cut this account to \$50,000. Previous to that time, the Mayor knew it to be \$100,000. He said somehow we managed with the \$50,000. A short discussion then took place about how money is transferred into and out of this account by various departments, but Ms. Doneiko added that sometimes there is only a transfer out of contingency with no corresponding transfer in. This then uses the money in this account.

Department 4993 – Education Audit Fees – Ms. Doneiko said this is just a continuation of the last two years of our contract with our auditors. This is the estimate they had provided us for the Board of Education.

Department 4997 – Education Health Insurance Contribution – Ms. Doneiko said this is the contribution for the health insurance for the Board of Education employees. She said the estimate comes from Anthem Blue Cross' actuaries and underwriters.

A discussion took place about how the City contracts are individually negotiated subject to bargaining.

There were no further questions/comments.

Department 4210 – Finance Department – Ms. Doneiko explained that there are several divisions within the Finance Department. These include Accounting, Treasury, Tax Assessor, Tax Collector, Finance and Purchasing. Mr. Agro asked Ms. Doneiko if she oversees the other offices. She replied that the division heads report into her. They oversee the day-to-day operations of their departments, but she has management responsibility.

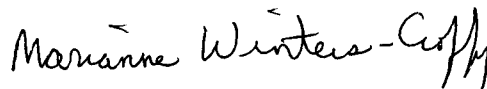
Ms. Doneiko said she has asked for the addition of an accountant in her budget. This new position would manage the financial aspects of the capital projects (Fund 40 Capital Project Fund) and grants (Fund 76 Special Revenue Grants – where most of the grants are recorded). This includes doing income statements and following up with project managers to determine if projects can be closed. In addition, several new funds have been established which need to be managed. This position would also learn the New World System, back up the City Accountant and do some internal audit work. She added that the number of technical accounting staff (2 people) has not changed in over 20 years.

Mr. Fitzpatrick asked about the addition of an employee in the Personnel Department, a Benefits Coordinator, that was originally discussed at the February 13 Board of Finance Budget Hearing. Ms. Doneiko explained the set up now of how the benefits are being handled by many different people, in different offices, on a part-time basis. She believes this job should be consolidated in the Personnel Office.

There were no further questions/comments.

The session recessed at 8:55 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Marianne Winters-Croffy".

Marianne Winters-Croffy
Recording Secretary