

**BOARD OF FINANCE
BUDGET DELIBERATIONS - PROPOSED BUDGET 2011-2012
FEBRUARY 23, 2011**

The Milford Board of Finance held a budget deliberations session on Wednesday, February 23, 2011 in Conference Room B of the Parsons Complex. Chairman Lema reconvened the budget deliberations session at 6:34 p.m.

Board Members Present

Brian Lema, Chairman
Paul Beckwith, Vice Chairman
Joseph M. Agro, Jr.
Joseph J. Fitzpatrick, Jr.
Scott Marlow

Also Present

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

Mr. Beckwith and Mr. Marlow made and seconded a motion to re-order the agenda and bring forward account 4123 Community Development. Motion carried unanimously.

(4123) Community Development – Robert Gregory, Director was present for questions/comments. Mr. Gregory thanked the Board for moving him to the front of the line and also from February 28, 2011. He stated in anticipation of Mr. Agro's yearly question concerning the foreseeable future that they have had great success with three major projects; Milford Crossing, Lowes and Milford Marketplace. He stated the addition of Whole Foods at Milford Marketplace has made a difference. Mr. Gregory stated an upscale burger place will be coming to Milford. He also reported they continue to work with the cinema site. He stated there has been a lot of talk circulating; however he has been unsuccessful reaching the owner. He also spoke regarding 265 Old Gate Lane and provided an update. He also reported of a recent expansion at Schick.

(4215) Management Information Systems (MIS) – Jean Lasczak, MIS Coordinator was present.

Mr. Fitzpatrick asked about line item 4796 0000 Software & Maintenance.

Ms. Lasczak stated they added a new permitting system. She stated they will be out of warranty by July.

Chairman Lema asked about generating fees.

Mayor Richetelli stated it would make things more efficient for the users. He explained residents would be able to obtain permits at home using a credit card. He stated it would also help the building inspectors after an inspection, where they would input that information to the assessor, which he stated would get things onto the grand list quicker.

(4121) Mayor's Office – Mayor Richetelli stated the overall budget is down this year. He stated he would be happy to answer any questions.

(4122) General Expenses – Mayor Richetelli stated the governor has promised to restore ECS funding and other pilot grants will be staying the same. He stated the one major exception is the manufacturers' exemption. He went on to explain the background of the exemption. He also commented there are not a lot of cities that have manufacturers in their community. Mayor Richetelli stated he wished to make the Board aware of this.

Ms. Doneiko referenced line item 4140 0001 Professional Svcs/Audit and explained they are the company conducting the personal property audits. She pointed out p. 4 shows the revenue which is \$600,000.

Mayor Richetelli added the program has been very successful.

Chairman Lema asked if that is through a contract.

Mayor Richetelli and Ms. Doneiko both responded it is a three-year agreement.

Mayor Richetelli stated he wished to bring to the Board's attention line item 4875 0000 Regional Planning Agency Dues. He explained the number appears to have doubled, but it actually did not. He explained the group has restructured. He also stated he believes they are an important tool for the city.

Mr. Marlow asked the actual purpose of the group.

Mayor Richetelli stated transportation dollars that come back to the city have to go through a regional agency. He stated without this group the city would not get transportation dollars.

(4121) Golf Commission – no one was present from the Golf Commission. Mr. W. Healey, who is a member of the Commission, stated he would attempt to answer any questions the Board may have. He reported the Commission has purchased an additional golf cart, which he stated has been used quite often. He also reminded the Board half of the revenue generated through the golf course goes back to the city and the open space plan.

Mr. Marlow asked the number of rounds last year.

Mr. Healey stated it is around 30,000 a year, but it depends on the weather.

Mr. Marlow asked about any major renovations at the course.

Mr. Healey stated there have been a number of small projects.

Mr. Fitzpatrick asked about the contract for the management.

Mr. Healey responded it is this year. He stated there has been interest from other companies, but they still have not had any talks, but will ask everyone to sharpen their pencils.

Mr. Beckwith asked about depreciation.

Mr. Doneiko explained improvements that were made have to be depreciated over time. She reminded the Board this is an enterprise account.

(4811) Borough of Woodmont – Mr. Bonessi, Borough Warden and Christopher Schmeisser, Chairman of the Borough of Woodmont were present.

Mr. Bonessi stated the Borough is basically a municipality within a municipality. He stated he has just completed his first year as Warden. He went on to give a background as to the Borough, the number of people in the borough, pointing out they have around 6,000 miles of roadway. He stated currently they are \$17,000 over in their snow removal budget. He spoke regarding the grant they receive and stated they will not be able to cover some projects they had expected. He talked about the large cut they received several years ago, which he stated has impacted their budget. He stated if their grant request does increase they could find themselves in trouble keeping their roadways open.

Mr. Beckwith asked about reserves and if they are from the monies collected in taxes, the grant or both.

Mr. Schmeisser explained the monies that have been left over the last years because of the reduced grant amount. He stated their pitch tonight is that the Board either keep the monies the same or at best increase them.

Mr. Fitzpatrick asked the average amount a taxpayer would pay.

Mr. Schmeisser responded it is based on the city assessment, but it is about \$150 per home. He also pointed out they pay about \$80,000, which goes toward police coverage.

Chairman Lema stated it was his understanding these monies is not the total budget,

Mr. Schmeisser responded yes.

(4320) Fire Department – Chief L. LaVecchia, and Battalion Chief W. Healey were present. Chief LaVecchia stated the money the mayor was recommending was less than he requested and less than they received last year.

Chairman Lema remarked it was less than \$9.00.

Chief LaVecchia asked the Board to keep in mind the firefighter contract expires in June and there is not increase for overtime in this budget.

Mr. Agro asked about line item 4331 0000 Gas & other propellants.

Battalion Chief Healey explained the city goes out to bid.

Mr. Agro asked if they expected to expend all of those dollars.

Mr. Healey stated they do everything they can to keep costs down. He also stated the fuel for Marine 1 is not under the city bid. He stated they pay marina prices.

Mr. Beckwith asked about seasonal/temporary.

Chief LaVecchia stated those monies are for per diem dispatchers. He explained if a dispatcher is out they would hire a per diem, if possible.

Mr. Fitzpatrick asked about over time accounts.

Chief LaVecchia explained each of those accounts.

Mr. Marlow asked about line item 4942 0229 Air Packs and how often they are replaced.

Chief LaVecchia explained by standard they are replaced every 15 years. He stated they were fortunate this year to receive a grant which helped offset costs. He pointed out every firefighter is required to have their own mask.

Mr. Marlow asked about line item 4923 0350 Fire Station Improvements and line item 4450 0000 Building Repairs and asked the difference between those two line items.

Chief LaVecchia stated they were looking at a plan to divide dorms into individual rooms and also bathrooms.

Mr. Marlow asked if public works does this work.

Chief LaVecchia responded they do the majority of the work in-house.

Mr. Beckwith asked which items in the budget are required by union contract.

Chief LaVecchia stated they looked at this about 1 ½ years ago. He stated about 98% of the budget is contractual.

Battalion Chief Healey stated items such as dress uniforms, turnout gear are contractual.

Chief LaVecchia added the standards do change.

Battalion Chief Healey commented the cost to outfit a brand new firefighter is approximately \$2,000.

Chief LaVecchia referenced line item 4942 0259. He stated they asked for two and the mayor gave them one. He went on to explain how the machine works.

Mr. Beckwith asked about line item 4206 0000 Terminal Leave.

Chief LaVecchia stated when a firefighter retires he received “x” amount of dollars for each year worked. He went on to explain the calculation for payments.

(4331) Civil Preparedness – Chief LaVecchia was present. Chief LaVecchia explained historically they have been buying radios out of this account. He stated he would like to change from the capital outlay account and the new line item would be called communications. He stated the change would be from line item 4746 0000 communication costs.

Mr. Fitzpatrick if they show depreciation.

Ms. Doneiko stated it shows up across the city.

(4360) Lighting, Hydrants, Water – Chief LaVecchia was present for questions/comments. Mayor Richetelli stated the city handles the street lighting and the fire department handles fire hydrants. He stated in discussions with United Illuminating they have indicated there would not be an increase.

Mr. Agro commented regarding street lighting asking about the schedule they are on regarding lighting, i.e. when they shut off lights.

(4420) Public Works Office – Bruce Kolwicz, Public Works Director was present. Mr. Kolwicz stated his budget is the same as last year with some minor changes. He stated this budget would be very tight and feels this year services could suffer.

(4421) Highway/Parks – Bruce Kolwicz, Public Works Director was present.

No questions.

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

Mr. Agro asked about line item 4444 0000 Heating Fuel and if they have been able to switch over to gas at all times.

Mr. Kolwicz responded yes.

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

Mr. Agro asked if there is a city engineer.

Mr. Kolwicz stated the position is still vacant. He stated his understanding is they have had interviews for the position.

Mr. Agro asked about the Engineering Technician position.

Mr. Kolwicz commented this is the least amount of people he has had in this department in all his years with the city.

Mr. Agro asked if they do inspections on sewers.

Mr. Kolwicz responded yes.

Chairman Lema asked about Old Gate Lane.

Mr. Kolwicz stated they were looking to finish the work themselves.

(4426) Wastewater – Bruce Kolwicz, Public Works Director and Jim Cooper, Acting Superintendent were present.

Ms. Doneiko explained this is a separate fund, adding they use their own funds. She stated the only monies they get from the taxpayer are the sewer user fees. She went on to explain the nitrogen credits and explained those funds will go to the debit service reserve fund to pay for the plant.

Mr. Agro asked if they are on track for projections regarding the amount of nitrogen credits they will receive.

Mr. Cooper stated they are in the second year.

Mr. Beckwith asked about line item 4795 0000. He asked why only \$121,822 as of December 31.

Mr. Cooper explained the lower number is because of when the digesters came back on-line. He stated he did not know if they would use the full \$300,000, but that they should go through the \$200,000.

Mr. Marlow asked about the radios.

Mr. Cooper stated because of the federal ruling they are required to change out all radios. He stated at the pump station there is the integrated alarm system. He stated at the mayor's recommendation it would be done along with public works through the capital improvement plan.

(4429) General Garage – Bruce Kolwicz, Public Works Director was present.

Mr. Beckwith asked about line item 4751 0000 License Permits & Fees.

Ms. Doneiko explained it is fees for the new radio system.

Mr. Fitzpatrick asked about line item 4335 0000 Equipment Supply & Upkeep asking about the increase.

Mr. Kolwicz explained everything is now modules, which can increase significantly. He stated each garage is down right now.

Mr. Beckwith asked what they are doing to off-set these costs.

Mr. Kolwicz explained there are certain in-kind services. He stated they also help with signage and sidewalk repairs when necessary.

(4431) Solid Waste Operations – Bruce Kolwicz, Public Works Director was present.

Chairman Lema asked when they anticipate implementing the single stream pickup.

Mr. Kolwicz stated they were hoping for July.

(4154) Sewer Commission (Fund 12)

Explained line item 4802 0000 transferred to debt service and noted expenditures on p. 98 of the budget book.

(4502) Equipment Reserve Allocation – no questions.

(4503) Public Debit Service – Ms. Doneiko stated she wished to correct mis-statements in the newspaper, which were mis-characterizations of the city. She stated the paper has stated the city has \$200,000,000 bonded debit. She stated that is untrue. Ms. Doneiko stated at the end of June 2010 the city had \$82,000,000. She also stated with regard to long term note, 70% is paid by sewer and 30% by the general fund. She went on to explain claims and compensated absences which are contractual. She also explained the city's bond indebtedness is about 6.5% to 6.7% and that they are still well within the recommended 10%.

Mr. Agro asked for clarification as to the debt total. He stated he thought it was around \$7,958,971 and that number represents everything on the books minus what will be coming off the books. He asked if the number was adequate to cover debts.

Ms. Doneiko stated it is everything they plan to spend. She stated the wrinkle would be if they cannot sell notes and have to sell bonds. She continued with a lengthy explanation.

Mr. Agro commented they have spent a lot of money, but it was done so very prudently.

(4994) School Debt Service

Ms. Doneiko stated the Law Phase III and Foran Phase II projects have been completed. She stated there is a reimbursement of around 38-40%.

(4995) Employee benefits, Non-teaching

Ms. Doneiko stated this is basically FICA. She stated it really it is an operating cost that should be on the Board of Education side.

(4710) Employee Benefits, General

Mr. Agro asked about line item 4211 9908 and 4211 9909 and the amount the outstanding obligation grows by.

Ms. Doneiko explained there has been no trust fund set up. She stated there is one being drafted. She stated the number also reflects the benefit which is paid by contributions to the self-insurance fund. She stated in FY2011 \$3,500,000 was used from the health insurance fund.

Mr. Beckwith and Mr. Marlow made and seconded a motion to add to the agenda department 4720 Insurance and Bonds. Motion carried unanimously.

(4720) Insurance and Bonds - Ms. Doneiko explained this amount is what is paid to CIRMA

(4720) Claims & Refunds - Ms. Doneiko explained these are contractual services. She stated in FY 2012 heart and hypertension claims would be handled by the people who handle the city's workers compensation claims.

(4790) Benefit & Salary Reserve – Ms. Doneiko explained this is an estimate of what they think salary negotiations will settle. She stated 8 out of 9 unions will be negotiating. Ms. Doneiko stated the only union not negotiating is the police department, adding their contract expires next year.

(4799) Unallocated Contingency – It was noted there is a technical correction. She amount should read \$25,000 no 0.

(4993) Education Audit – Ms. Doneiko stated this amount is the result of the RFP. This figure is part of the fees projected.

(4997) Education Health Insurance Contribution – No questions/comments.

(4210) Finance Department – Judy Doneiko, Finance Director was present. Ms. Doneiko stated the biggest change is in seasonal/temporary as they attempt to meet the requirements of the new Healthcare Reform Act. She stated her department will have to be prepared to add 2,500 vendors to their accounts, which will require a great deal of paperwork

Being no further budget business, Mr. Beckwith and Mr. Fitzpatrick made and seconded a motion to recess. The Board recessed at 9:29 p.m.

Respectfully submitted,

Kathleen K. Huber
Recording Secretary