

BOARD OF FINANCE
BUDGET DELIBERATION SESSION – MAYOR’S PROPOSED 2008-2009 BUDGET
MARCH 5, 2008

The Milford Board of Finance reconvened their budget deliberation sessions on Wednesday, March 5, 2008, in Conference Room B of the Parsons Complex. Vice Chairman Bergami reconvened the meeting at 7:10 p.m. noting the purpose of this meeting was for the Board to review each budget and allow for dialogue between board members and the Mayor prior to the final voting session scheduled for next week.

Vice Chairman Bergami added that since they had already been through the budgets with most department heads, that they would only deal with exceptions that have surfaced since then.

Board Members Present

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

Also Present

Mayor Richetelli
J. Doneiko, Finance Director

At 7:11 p.m. Vice Chairman Bergami turned the meeting over to Chairman Skudlarek.

Expenditures

The following departments were reviewed with no additional comments or questions:

Department 4111 – Board of Aldermen
Department 4112 – Elections
Department 4115 – Registrar of Voters
Department 4121 – Mayor
Department 4122 – General Expenses
Department 4123 – Community Development

Department 4129 – City Clerk – Mr. Agro asked if they ever got a clear answer about account 4778 0000 Indexing / Recording and why the amount being asked for (\$19,344) wasn’t close to the amount expensed in the prior fiscal year (\$8,825).

Chairman Skudlarek said that this would include real estate transactions and historical preservation. Ms. Doneiko said the historical preservation actually goes into a special revenue fund. She said she thinks the City Clerk budgets the money in the General Fund account and then it charges the other special accounts to the extent grant money has been received.

Department 4131 – Law Department – Mr. Lema noted to the Mayor about the carpeting needing to be replaced. The Mayor said that the carpeting should be a line item in the Building Maintenance department. Mr. Agro asked if this is included elsewhere in the budget. The Mayor replied that it is not.

Department 4132 – Ethics Commission – Mr. Agro noted that he had not witnessed much activity in this account last year and questioned whether or not we really need approximately \$15,000 in the account.

Chairman Skudlarek said that he supported that amount. Mr. Lema said that it is just an estimate. Mayor Richetelli said that if there were ever a case, we would have to pay fees. Mr. Agro questioned if this use of City funds is in the best interest of the City. Mr. Fitzpatrick asked about the \$2,500 training expense. Mayor Richetelli told him that sometimes the Commission holds training with other departments or Chairman of Boards or Commissions. He said this is citywide training, not training for the Ethics Commission. Mr. Agro said that the \$2,500 is a small amount to pay when training public servants to be better educated about current laws.

The following department was reviewed with no additional comments or questions:

Department 4133 – Probate Court

Department 4141 – Board of Finance – Chairman Skudlarek said that there could be a need to increase account 4168 0000 Secretarial Fees. He noted that there would not be enough money in this year's budget to cover the fees through June 2008 and that a Board of Finance transfer would need to be done.

Department 4142 – Planning & Zoning – Mr. Agro noted that the City Planner did ask for an extra zoning officer. He said he is not suggesting that they put this position in place now, but that it should be pondered for the future. Chairman Skudlarek agreed for the health and safety of the City.

The following departments were reviewed with no additional comments or questions:

Department 4143 – Board of Assessment Appeals

Department 4144 – Zoning Board of Appeals

Department 4145 – Pension Board

Department 4146 – Flood and Erosion Board

Department 4147 – Tree Commission

Department 4151 – Civil Service Commission

Department 4153 – Park, Beach and Recreation Commission

Department 4155 – Economic Development Commission

Department 4156 – Conservation Commission

Department 4158 – Inland Wetlands Agency

Department 4159 – Fowler Memorial Commission

Department 4160 – Housing Code Board of Appeals – Mr. Fitzpatrick commented that he did not remember looking at this department. The Mayor said that this is a new department and that the Board only meets as needed, whenever there is an appeal.

Department 4161 – Housatonic River Estuary Commission – Mayor Richetelli noted that this is a new department created by the State legislature. He said we have one representative from Milford. He added that the State is asking for \$1,000 from each community to get them started.

Mr. Lema said that he did not have a problem funding the commission, but asked if account 4168 0000 Secretarial Fees was an appropriate description under the Commission. He asked if the money was actually going towards secretarial fees. Mr. Agro suggested that it be called a grant. The Mayor agreed. Ms. Doneiko made a note to change Department 4161 to Grant, Account 4708 0000.

The following department was reviewed with no additional comments or questions:

Department 4193 – Public Library

Department 4210 – Finance Department – Mr. Lema asked Ms. Doneiko if she was adding a new position. Ms. Doneiko said that she would like to add an accountant. Chairman Skudlarek said that he wasn't present at her budget hearing and asked her for a justification. Ms. Doneiko said that the higher end work in the Finance Department has been expanding over the past couple of years with pronouncements coming from the GASB (Governmental Accounting Standards Board) and mandates coming down from the Federal government. She said there are two accountants to administer everything in the City and that it's becoming more and more difficult to manage. She added they are at a breaking point and the City Accountant is close to retirement. She said it's hard to work smarter if you can't take care of the basics. She said there is nobody to consistently check the grant accounts to make sure people are filing to get their grant reimbursements. Chairman Skudlarek asked if this position could possibly be filled with a part-time person. Ms. Doneiko replied that no one would want to come and work 19-20 hours a week. Chairman Skudlarek then asked Ms. Doneiko if she had looked at agencies that provide that type of expertise. Ms. Doneiko replied that most of them don't provide people who specialize in governmental accounting.

The Mayor then explained to the Board of Finance that they must think of Milford as a corporation that has \$165 million and only two accountants. He said the City really should have a third accountant. He added that the City accountant will eventually be retiring and that it's time that they look for a line of succession. He said he feels this is a justified position.

Ms. Doneiko added that there are more technical projects now, a larger number of projects now and projects with a greater length of time. She also spoke about the

many grants. Vice Chairman Bergami added that the City might be missing grant opportunities without the resources to pursue them.

Mr. Fitzpatrick asked Ms. Doneiko why she needs to hire someone at this level and at \$80,000. Ms. Doneiko replied that she's looking for an accountant with governmental accounting experience and probably someone from a CPA firm that has governmental clients. She said the \$80,000 is most likely below what the person would currently be making, but possibly in combination with the benefits package, someone decent could be hired. Chairman Skudlarek asked if the person would have to be a CPA. Ms. Doneiko replied that she would prefer a CPA because someone reading the rules would follow the rules. Mr. Fitzpatrick said that he didn't think Ms. Doneiko needed a CPA, but maybe someone who was coming up through the ranks with some governmental accounting experience. Ms. Doneiko said that the problem with that is that if the person is not used to reading the pronouncements, they would never get to that upper level since they don't have the training or the background or the capabilities to read the pronouncements, interpret them and apply them or to answer questions from various groups and commissions.

Mr. Agro said he feels they are obliged to be considerably cautious this year. He said the expense to the taxpayer is 90% more than we were paying for this job last year. He said if there is going to be one person being paid \$89,733 and another person being paid \$80,997 in next year's budget, that it's hard for him to believe that there's 90% more work for that person to do or that they are going to divide that work. Ms. Doneiko commented that she's been doing some of the work that the accountant should be doing which is why her hours are typically more than 37.5 a week.

Vice Chairman Bergami said that if the Mayor and Ms. Doneiko recommend a third accountant, then he will rely on the advice of the two professionals.

Mr. Lema then asked about the addition of a Benefits Coordinator that would be added in the Personnel Department. He said that the Personnel Director said that this was at the request of the Finance Director. Ms. Doneiko said that this would be a new position. She added that the Board of Education has had their own benefits coordinator for years. She explained that the benefits on the City side have been split among several different people. She added that the person who handles the health benefits has made it clear that she would be retiring soon. This person is an Accounting Clerk in the Accounting Department. She explained that this person took on the health benefits when there were only a few health insurance groups and that there are now approximately 35 different health insurance groups to manage. She added that this includes making sure the people are in the right group, making changes and making sure that each of the nine contracts plus the ordinance for the non reps is being applied appropriately for each of those changes. She noted that this person has also picked up Medicare Part D. She explained that it really shouldn't be coming out of Finance, but should be in a benefits group in the Personnel Department.

Mr. Lema said he doesn't question the amount of work, but questions the ability of the community to add two new positions in this environment at this point. Mr. Agro said that if they were to add the position to the Finance Department, he couldn't see adding the second position of Benefits Coordinator. Mr. Fitzpatrick asked Ms. Doneiko about the current eight clerks under the Finance Department positions. Ms. Doneiko explained that these clerks are spread out over the six departments that make up the Finance Department – Accounting, Assessor, Treasury, Tax, Purchasing and Finance. Mr. Fitzpatrick then asked if any of these clerks aspire to be accountants. Ms. Doneiko replied no and said that they do not have the education or accounting degrees.

A short discussion ensued about what the requirements would be for the new accountant position, how the City has only had two accountants (Finance Director and City Accountant) for 20 years and how the number and complexity of projects has changed. Ms. Doneiko also spoke about how it would be difficult to replace the Accounting Clerk when she retires since she had "grown up" with the benefits portion of the job since the mid-eighties and how everything now is more complicated in the benefits area.

Chairman Skudlarek ended by saying that there needed to be further discussion about these positions.

Department 4215 – Management Information Systems (MIS) – Vice Chairman Bergami noted for the record that under Historical Data column 07-08 Budget, in account 4796 0000 Software & Maintenance, the number should be \$123,916. Ms. Doneiko said that the MIS Coordinator had done a recent transfer of \$10,000 into that account from the Miscellaneous Professional Fees & Services account.

Department 4219 – Personnel – Mr. Lema said that he wanted to make it clear that he would support the new accountant position, but could not support the new position of Benefits Coordinator. He said that he couldn't see adding two new positions at this time. He asked about redistributing the current workload. Mr. Agro said that he is in agreement.

Department 4310 – Police Department – Vice Chairman Bergami stated for the record that there was a stipend correction to account 4203 9938 Educational Supplement from \$12,650 to \$40,150.

Chairman Skudlarek asked about the addition of a new police officer. The Mayor explained that last year he told the Police Department that one police officer would be added over the next four years. Last year was the first year. He added this is due to the retail development and the traffic downtown.

Chairman Skudlarek said that he would defer to the Mayor and leave the additional position. Mr. Agro said that the Police Chief gave them the number of calls for service that they receive relative to the surrounding communities and that that number set him

back. He said he wouldn't undermine the Mayor's plan to add the additional police officer. Mr. Lema commented that the Police Chief did a wonderful job of justifying the need for an additional officer, but added that he's a little reluctant to long-range plan and allocate resources over a period of time. He's concerned about committing future resources over a four-year period. He said he supports the position this year with the caveat that he doesn't feel he's committing himself for the four-year period. Chairman Skudlarek agreed with Mr. Lema's concerns. The Mayor said that the Police Chief knows and understands the budgetary process and that he may not get the additional officer each year. The Mayor said that his commitment is only as good as his recommendation.

Mr. Fitzpatrick asked if a professional study, an outside study, had ever been done of how many officers we actually need and what kind of equipment we need. The Mayor said that the Police Department had done that. He said that what stands out in his mind is that we have less police officers today than we did 15 years ago. Mr. Fitzpatrick responded that it's okay since 15 years ago they didn't have the equipment they have today. He still wondered if an independent (third party) evaluation of the police and fire departments could be made at some time. Mr. Agro said that a comprehensive study would be an enormous undertaking and very expensive.

Mayor Richetelli said that many departments ask for additional personnel and that the number of personnel we have in the City is reasonable. He said that he made the recommendation for the additional officers over a four-year period because of some factors like the tremendous amount of development in the City, which adds extra calls and adds the need for more resources in the Police Department. He also said that he feels the accountant in the Finance Department is important since the City has grown and the amount of new standards we have requires more expertise. He said that since he's been Mayor, the City doesn't take new hiring very lightly unless there are extenuating circumstances or there is a pressing need. He said for the most part the staff that the City has is comparable to most towns. He added that when he does make a recommendation for new personnel, it's because he thinks there's a real need for it.

Department 4320 – Fire Department – Vice Chairman Bergami noted a correction under *Employee Fringe Benefits*, which changes the subtotal. Chairman Skudlarek noted the account is 4203 9941 Educational Supplement and that it is changed to \$158,750 across the board, subtotal \$204,750.

Mr. Agro asked Mayor Richetelli about the request for two additional firefighters that he did not approve. The Mayor said that it is the goal of the Fire Chief to add a second rescue truck, which would require two men for four shifts, which equals eight additional men. He said he does not think this is feasible to do. He said that through the Overtime, Rescue Truck account he recommends \$120,000 for the new budget. He believes it's better to staff the second truck through this overtime account during peak periods when they would be the busiest. This way the City will not have to pay for new

positions and the benefits that go along with them. Mr. Lema said for the record that he agrees with the Mayor's approach.

Department 4331 – Civil Preparedness – Ms. Doneiko said that she did not put in a change sheet for the no-freeze shelter that the Fire Chief had talked about at his budget hearing since she wasn't sure if the Mayor wanted to go forward with that, or if it should be a separate department. Mr. Lema said that the Fire Chief was planning to put it under Department 4331 Civil Preparedness. Mr. Agro said that it was unclear to him if the firefighters would be running this or if it was to be a grant from the Fire Department to the shelter. He asked if it could be done as an additional grant to the shelter and then make an annual determination as to whether to proceed with it or not. Ms. Doneiko asked him if he meant putting a new line item under the Beth El Shelter and earmarking it "No-Freeze Shelter". Mr. Agro said yes.

The Mayor explained that the no-freezer shelter came up this year, and several departments have been meeting to decide whether or not the City should have this shelter. He said the City has always handled the people who have come to them through the Department of Human Services or through the Red Cross. He does not feel that this should be a Fire or Civil Preparedness function. He said that the shelter is also not that keen about doing it since they do not have enough manpower. He thinks that for many years the City has handled it correctly, and he believes the shelter is not necessary. A short discussion then ensued. Chairman Skudlarek, Mr. Lema and Mr. Fitzpatrick were in agreement with the Mayor. Ms. Doneiko asked if the no-freeze shelter would be reflected in anyone's budget. Chairman Skudlarek said there would be no change.

The following department was reviewed with no additional comments or questions:

Department 4340 – Animal Control

Department 4350 – Building Inspection – Mr. Agro said that this department is the department that's had the most amount of press coverage this year, and that they did not have an explanation from the department head. The Mayor said that Tom Raucci, the Building Inspector, was ill on his originally scheduled night to appear before the Board and also on his make-up date.

The Mayor said this is one of the busiest departments in the City and that is reflected in the number and dollar amounts of the permits that have been issued. He added that he couldn't say it's a well-run department. He said that one thing that can be done is to send all personnel to customer service seminars run by CCM. He also said he plans to appoint a five or seven-member oversight commission to see how they can streamline the operations. He added that they still have one position not filled. He thinks that when they get that fifth person in the department, they should be at the manpower that they should be at. Mr. Agro asked if they would hire that new position soon. The Mayor said that the position has already been advertised. The Mayor added that they would also like to add a software technology upgrade, which allows

permitting on line, and also inter-connects with other land agencies in the City. He said this should also help. A short discussion then ensued about the workings of the Building Inspection Department. The Mayor added that the building fees are not out of line with other towns and are right in the middle

Ms. Doneiko added that most of the cuts in the Building Inspection Department took place in the *Capital Outlays* area of the budget at approximately \$200,000. She also pointed out that there is no new staff being added to this department but noted that one position is being upgraded to a deputy chief building inspector and so the other position is being eliminated.

A discussion then took place about the difficulty in hiring a fifth person.

The Mayor added that even though the Board of Finance's budget process is almost over, he doesn't think it's out of line for them to ask Mr. Raucci, or any other public official, to come in and speak to them before any of their scheduled meetings. Chairman Skudlarek said that he would not be adverse to that.

Department 4360 – Lighting, Hydrants, Water – Mr. Agro asked the Mayor if every adequate energy savings were in place. The Mayor responded that there are many programs in place.

The following departments were reviewed with no additional comments or questions:

Department 4420 – Public Works Office
Department 4421 – Highway / Parks
Department 4423 – Building Maintenance
Department 4424 – Engineering
Department 4429 – General Garage
Department 4331 – Solid Waste

Department 4502 – Equipment Reserve Allocation – Mr. Agro noted that \$20,000 is not much of a reservation. Ms. Doneiko explained that it actually goes into a Fund 40 account and is accumulated and then it is used to purchase equipment. She said that she gave the balances of those two funds one or two meetings ago. Mayor Richetelli said there is a vehicle acquisition program in place, formerly called the rolling stock program, that is working very well. He said that at the end of each budget year purchases are made out of that program.

The following department was reviewed with no additional comments or questions:

Department 4503 – Public Debt Service

Department 4610 – Health Department – Mr. Lema asked why there are four sanitarian positions and if the City really needs them. He suggested that if one of the positions opens up that the Board take a hard look at rehiring someone. He feels the

resources could be better spent in other departments. The Mayor said that there are many new restaurants in the City and that the current standard is that there needs to be three visits to each new restaurant before they open. He also noted that the Health Department's visits not only apply to restaurants but also to anywhere that food is served, i.e., fairs, schools. He also suggested that the Board of Finance invite the Health Director to speak to them about this.

Mr. Agro asked for an explanation of the Community Health Coordinator. Vice Chairman Bergami said that she has set up comprehensive programs dealing with pandemic possibilities, the flu and contagious diseases. Mr. Agro asked if it was outreach coordination. Vice Chairman Bergami replied yes. The Mayor noted that the role of Public Health has greatly changed since September 11. He said the Health Department has trained civilians through the CERT (Certified Emergency Response Training) program to help the health professionals when there is a need.

The following department was reviewed with no additional comments or questions:

Department 4620 – Recreation Department

Department 4710 – Employee Benefits – Mr. Lema commented on account 4211 9909 Post Employment Benefits and how it has been significantly increased. He said he thinks that's a move in the right direction. Ms. Doneiko noted that the reason the City was able to do this was that it did not have to make a pension contribution to the Police or Fire, so where we saved in one area, we increased in another. Mr. Lema asked Ms. Doneiko to explain a little about that. Ms. Doneiko said that the actuary did a calculation and said that for FY09 we did not have to make a contribution for Police and Fire. She added that it's one fund but all different plans. A short discussion then took place about OPEB.

The following departments were reviewed with no additional comments or questions:

Department 4720 – Insurance and Bonds
Department 4740 – Claims and Refunds
Department 4790 – Benefit & Salary Reserve
Department 4799 – Unallocated Contingency
Department 4801 – Council on Aging
Department 4803 – Fine Arts Council
Department 4805 – C-MED
Department 4807 – Regional Mental Health Board
Department 4811 – Borough of Woodmont
Department 4812 – Transit Authority
Department 4813 – Bridges Community Support
Department 4815 – Veteran Graves
Department 4816 – Milford Flotilla 73

Department 4817 – Human Resources Development (HRD) – This department was renamed Milford Department of Human Services after the start of the FY08-09 budget process. Chairman Skudlarek made a motion to change the designation.

The following department was reviewed with no additional comments or questions:

Department 4818 – Historic District

Department 4819 – Milford Progress Inc. – Vice Chairman Bergami stated he would be recusing himself from any discussion or voting as he is an officer of this group.

The following departments were reviewed with no additional comments or changes:

Department 4820 – Historic District II

Department 4821 – Health Services / VNA

Department 4822 – Cemetery Association

Department 4823 – Patriotic Organization Association

Department 4825 – Homeless Shelter

Department 4992 – Private School Textbook State Mandate – Mr. Lema asked if this was a new department. The Mayor explained that the State legislature passed a law that took effect on July 1, 2007 that gives municipalities the option to loan textbooks to the private schools. He said it has to be a textbook that is on the public school's list. The textbook remains the property of the public school system. He said that the four Catholic schools in Milford are included and have made requests.

Regarding the separation of Church and State, the Mayor added that the Supreme Court has held that there are certain things that are permissible such as busing, which we provide to the private schools, and school nurses. He said the same rationale applies to the textbooks.

The following departments were reviewed with no additional comments or questions:

Department 4993 – Education Audit Fees

Department 4994 – School Debt

Department 4995 – Employee Benefits, Non-Teaching

Department 4996 – Education Operations – Chairman Skudlarek said that while his approach is to grant the Board of Education as much as we can, he doesn't think the 6.39% increase that the Board of Education is asking for is responsible to the taxpayers. He said he hasn't yet arrived at a figure that he would be comfortable with, but he's not comfortable with the 6.39%. He added that it's not because the money wouldn't be well spent. He said that it's a difficult decision to make since we do not have line item control of operational expenses. He said he would be comfortable with an increase of around 4%. He then said that anyone was welcome to make the argument either up or down on the budget.

Vice Chairman Bergami said it is a difficult decision to make and that there was not a lot of time to think about it since the Board of Education's presentation was only the evening before. He said he is not prepared to offer an opinion.

Chairman Skudlarek noted for the record that he told the Administration and Board of Education members that he would like to have their presentation done earlier in the budget hearings from now on so that the Board would be better able to absorb the information before their deliberation meeting.

Mr. Lema noted that what drives the Board of Education's budget are the positions. He said that he understood from the presentation that they are only adding four new positions even though they are ending up funding an additional 12-13 positions total that were previously funded through grant money that is no longer available. He said that these aren't really new positions, but that we are stuck actually paying for these positions. He said he's not happy about it but would be less happy if these were new positions that were being created. He added that he's not quite sure about where he is on their budget at this point in time, but would obviously like to see it lower and see the percentage increase be lower. He added that he would not arbitrarily pick a number unless he can see something that he feels is a glaring, unjustified expense.

Mr. Fitzpatrick spoke about a comparison on budgets with surrounding towns. He said since there's no line item control of their budget, that it's difficult to believe what the correct numbers really are. He said the people in Milford are restricted on incomes. He said that consequently the Board of Education has to come down on their budget. He initially felt that 3.5% was enough and is still working in that area.

Chairman Skudlarek said that while the taxpayers are happy to do their part, that there are 80-85% of the taxpayers that do not have children in the school system and yet they're asked to pay some 60% of their tax dollars to education expenses.

Mayor Richetelli commented, as a point of information, that in Milford the City side of the budget pays the cost of the Board of Education's health insurance. He noted that last November the voters voted for greater fiscal responsibility. He said that he has done his part on the City side to keep the increases to a minimum, saying that the contractual obligations account for the largest portion. He said the City's budget still managed to come in at a 2.3% increase. He said he thinks there should be similar constraints placed on the Board of Education budget.

Mr. Agro said that they he thinks the children in the City of Milford have been getting a very good education. Mr. Lema agreed. Mr. Agro said that the operation of their facilities management seems to be more businesslike and efficient in the management of funds to operate the schools. He added that the Board of Education has had all the increases that everyone else has had. He said that as a municipality they are in the forefront of things. He doesn't think there are funds that are being wasted. He said that the costs of their increases due to salaries and benefits have become a given to

us. He added that we do not have line item authority. A short discussion then ensued. Mr. Agro summed up his comments by saying that he is leaning on the conservative side of the numbers that they have heard.

Chairman Skudlarek ended by saying that they have to reach a consensus by next Tuesday and that they have more work to do before then.

The following departments were reviewed with no additional comments or questions:

Department 4997 – Education Health Insurance

Department 4998 – Education Health Services: School Nurses

FUND 12:

Sewer Commission Revenues and Expenditures

The following department was reviewed with no additional comments or questions:

Department 4154 – Sewer Commission

Department 4426 – Wastewater – Chairman Skudlarek noted that there was a change in the Nitrogen Credits account 4741 0001 from \$150,000 to \$312,500. Mr. Agro asked about the Nitrogen Credits account being increased. The Mayor said that we are buying the credits now, but that they would eventually become an asset.

The following departments were reviewed with no additional comments or questions:

4790 – Benefit and Salary Reserve

4799 – Unallocated Contingency

FUND 36:

Enterprise Funds:

Revenues and Expenditures

Department 4157 – Harbor Management Commission – Mr. Agro noted that the revenues were off. The Mayor said they had a tremendous year. Ms. Doneiko explained that this is an anomaly in order to make the budget balance. She said the computer system has to have revenues equal expenditures, but the reality is probably that the revenues will be greater than what is budgeted. Mr. Agro asked which number is incorrect. Ms. Doneiko replied the revenue numbers are not correct.

The following department was reviewed with no additional comments or questions:

FUND 18:

Department 4121 – Golf Course

GENERAL FUND REVENUES:

Ms. Doneiko said that right now we do not know what the General Assembly will be voting on when it comes to State Grants. She added that as it stands right now the numbers are very close to the numbers in the Governor's budget book. She also noted that if the Federal Reserve Bank keeps cutting the interest rate, we are going to have to be realistic and reduce the amount in Investment of Idle Funds.

A discussion took place about Account 3711 0001 Conveyance Tax and the possibility of the "sunset" law being enacted which would reduce the revenues in that account.

Mr. Lema asked the Finance Director if she had a range of mill rate increases depending upon what they do with the Board of Education budget. Ms. Doneiko said that she had only worked up one model with a 3% increase but that she did not remember what the number is right now.

The Mayor talked about the recent agreement with Off Track Betting. Vice Chairman Bergami said he might have to recuse himself on this section since it includes line item 3838 0000 OTB Wagering Share, and he owns the building that they are moving into. Since OTB should be in place by July 1, 2008, the Board of Finance members had a consensus to plug in the amount of \$60,000 in that revenue account which brings the subtotal to \$4,384,377 and the total to \$29,501,211.

Mr. Lema asked the Mayor why the amount was zero in account 3821 000 Sale of Real Estate. The Mayor said that there were no projections for next year. Mr. Lema then asked about the sale of Jai Alai. Ms. Doneiko said that we had never permanently financed it and that the first thing we had to do was pay off all the bans that were outstanding and the interest. She added that in the interim there had been an agreement reached with the potential buyer wherein he was paying money in over a period of time. She said that was recognized in the General Fund. She added that it reduced part of the sale price. She said that in the end there was not that great a profit at the actual sale, but it had been recognized over the course of two years in the General Fund. She added that the money didn't show up in the sale, it showed up through Miscellaneous Revenue.

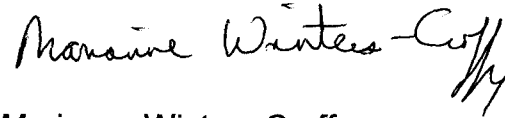
Mr. Fitzpatrick asked why there was a zero in account 3405 0000 Circuit Court Rental. Ms. Doneiko said that it's because the lease has expired. The Mayor added that the

Court had the option to buy the property for \$1 in a lease purchase some twenty years ago and that they took the deal.

Mr. Agro made a motion to recess. Mr. Lema seconded. Motion carried unanimously.

Being no further business to discuss, the Board recessed at 9:53 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Marianne Winters-Croffy". The signature is written in dark ink and is positioned above the printed name.

Marianne Winters-Croffy
Recording Secretary