

BOARD OF FINANCE
PROPOSED BUDGET 2010-2011 – FINAL VOTING SESSION
MARCH 16, 2010

The Milford Board of Finance held a budget deliberations session on Tuesday, March 16, 2010 in Conference Room B of the Parsons Complex. Chairman Lema reconvened the budget session at 6:36 p.m.

Board Members Present

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

Also Present

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

Chairman Lema explained tonight was the final vote to adopt the budget for 2010-2011. He deferred to Vice Chairman Beckwith to proceed with the voting.

Vice Chairman Beckwith and Mr. Agro made and seconded a motion to approve the following Mayor's recommended budgets as presented: 4111 Board of Aldermen, 4112 Elections. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Agro made and seconded a motion to approve the Mayor's recommended budgets as presented: 4115 Registrar of Voters, 4116 Milford Gov't Access TV. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4121 Mayor. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4122 General Expenses and 4123 Community Development. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Agro made and seconded a motion to approve the Mayor's recommended budget with the following changes: 4129 City Clerk line item 4771 0000 Advertising to read \$12,500; and line item 4774 0000 Postage to read \$5,000 for a sub-total in Operational Services of \$40,605 and a department total of \$375,517. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Agro made and seconded a motion to approve the Mayor's recommended budget as presented: 4131 Law Department, 4132 Ethics Commission, 4133 Probate Court and 4141 Board of Finance. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Marlow made and seconded a motion to approve the Mayor's recommended budget as presented: 4142 – Permitting and Land Use. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Agro made and seconded a motion to approve the Mayor's recommended budget as presented: 4143 Board of Assessment Appeals, 4144 Zoning Board of Appeals, 4145 Pension Board, 4146 Flood and Erosion Board and 4147 Tree Commission. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Marlow made and seconded a motion to approve the Mayor's recommended budget as presented: 4151 Civil Service Commission, 4153 Park, Beach and Recreation Commission, 4155 Economic Development Commission and 4156 Conservation Commission. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4159 Fowler Memorial Commission, 4160 Housing Code Board of Appeals, and 4161 Housatonic River Estuary Commission. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Marlow made and seconded a motion to approve the Mayor's recommended budget as presented: 4193 Public Library. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4210 Finance Department. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Marlow made and seconded a motion to approve the Mayor's recommended budget with the following changes: 4215 Management Information Systems (MIS) line item 4111 0000 Regular Wages to read \$416,241 and line item 4111 9942 1/5 Fiscal Week to read \$2,074 for a new sub-total in Personal Services of \$444,815 and a new department total of \$655,239. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Marlow moved to amend the motion to incorporate the Tech Asst/Clerk A (Grade 27-2), wage 45,058 for a new department total in budgeted positions of \$416,241. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Agro made and seconded a motion to approve the Mayor's recommended budget as presented: 4219 Personnel. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4310 Police.

Mr. Agro asked if this budget represented the last of the police officers.

Mayor Richetelli replied this is the third officer.

Mr. Agro commented this Board would then have to contend with this next year.

Vice Chairman Beckwith and Mr. Agro made and seconded a motion to approve the Mayor's recommended budget as presented: 4320 Fire Department. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Marlow made and seconded a motion to approve the Mayor's recommended budget as presented: 4331 Civil Preparedness and 4340 Animal Control. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget with the following changes: 4360 Lighting, Hydrants, Water line item 4846 0000 Hydrant rental to read \$150,000 for a new sub-total in General Charges of \$1,593,508 and a new department total of \$1,593,508.

Mr. Agro asked if this change reflected the discussion regarding certification of these private hydrants in town.

Mayor Richetelli explained this figure is the amount the city pays to inspect residential condominiums.

Motion carried unanimously.

Vice Chairman Beckwith and Mr. Marlow made and seconded a motion to approve the Mayor's recommended budget as presented: 4420 Public Works Office. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Agro made and seconded a motion to approve the Mayor's recommended budget as presented: 4421 Highway/Parks. Motion carried unanimously

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4423 Building Maintenance. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Marlow made and seconded a motion to approve the Mayor's recommended budget as follows: 4424 Engineering and 4429 General Garage. Motion carried unanimously.

Mr. Fitzpatrick and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4431 Solid Waste line item. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Marlow made and seconded a motion to approve the Mayor's recommended budget as presented: 4502 Equipment Reserve Allocation. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget with the following changes: 4503 Public Debt Service line item 4611 9909 bond Principal, General to read \$2,264,272, and line item 4611 9937 Bond Principal, Sewer to read \$2,073,553, line item 4612 9909 Bond Interest, General to read \$1,146,803 and line item 4612 9937 Bond Interest, Sewer to read \$941,195 for a new sub-total in Debt Services Charges of \$7,144,943 and a new department total of \$7,144,943. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Marlow made and seconded a motion to approve the Mayor's recommended budget as presented: 4610 Health Department.

Mr. Agro commented at the technical discussion last night it was mentioned there may be a change with the public health nurse administrator.

Mayor Richetelli responded yes, however, they were still negotiating with the union. He stated they hoped to complete negotiations by the time the budget goes to the Board of Aldermen.

Chairman Lema remarked this was not completely budget neutral, but it was position neutral.

Motion carried unanimously.

Vice Chairman Beckwith and Mr. Agro made and seconded a motion to approve the Mayor's recommended budget as presented: 4620 Recreation Department. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4710 Employee Benefits.

Chairman Lema asked about line item 4211 9905 Pension: Fire/Police and why it read \$0.

Ms. Doneiko explained there may be a possible change in the way the city amortizes there cap.

Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4720 Insurance and Bonds, 4740 Claims and Refunds, 4790 Benefit & Salary Reserve, 4799 Unallocated Contingency. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4801 Council of Aging, 4803 – Fine Arts Council, 4805 – C-MED, 4807 Regional Mental Health Board and 4811 Borough of Woodmont.

Mr. Agro stated he wished to make a general comment regarding any of the organizations that receive funds, which include state and federal funds that they do submit an audit. He stated he would like to contemplate some sort of suggestion next year that this Board require these groups that get funding provide some sort of accounting of the monies to this Board.

Chairman Lema acknowledged the comment. He stated he would like to the Finance Director for some guidance on this.

Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4812 Transit Authority, 4813 Bridges, 4815 Veteran Graves, 4816 Milford Flotilla 73, 4817 Human Services Department and 4818 – Historic District. Motion carried unanimously.

Chairman Lema stated he would be recusing himself from the voting on department 4819 Milford Progress, Inc., as he is a member.

Vice Chairman Beckwith and Mr. Agro made and seconded a motion to approve the Mayor's recommended budget as presented: 4819 Milford Progress, Inc. Motion carried 4 yes (Marlow Beckwith, Fitzpatrick, Agro) and 1 abstention (Lema).

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4820 Historic District II, 4821 Health Services/VNA, 4822 Cemetery Association, 4823 Patriotic Organization Association, 4825 Beth El Shelter, 4826 Boys & Girls Club and 4992 Private School Textbook.

Mayor Richetelli commented regarding Boys & Girls Club noting it was the volunteers of this group that appeared before this Board. He stated this is money well spent and expressed his appreciation to the Board.

Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4993 – Education Audit Fees. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Agro made and seconded a motion to approve the Mayor's recommended budget 4994 School Debt with the following changes: line item 4611 9928 Bond Principal: Schools should read \$2,787,175 and line item 4612 9928 Bond Interest: Schools should read \$1,289,351 for a new sub-total in Debt Services Charges of \$4,076,526 and a new department total of \$4,077,932. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4995 Employee Benefits, Non-Teaching. Motion carried unanimously.

Chairman Lema stated they would skip over 4996 Education Operations and come back to it.

Vice Chairman Beckwith and Mr. Marlow made and seconded a motion to approve the Mayor's recommended budget as presented: 4997 – Education Health Insurance. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Agro made and seconded a motion to approve the Mayor's recommended budget as presented: 4998 Education Health Services: School Nurses.

Mr. Agro noted a typographical error in the employee column.

Ms. Doneiko stated that would be corrected.

Motion carried unanimously.

Vice Chairman Beckwith and Mr. Agro made and seconded a motion to approve the Mayor's recommended budget with the following changes: 4154 Sewer Commission line item 4111 0000 Regular Wages to read \$38,805 for a new sub-total in Personal Services of \$56,990 and a new department total of \$1,858,543 and eliminate the Contractual Wage Adjustment in the amount of \$300. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Marlow made and seconded a motion to approve the Mayor's recommended budget with the following changes: 4426 Wastewater line item 4741 0001 Nitrogen Credits to read \$0 for a new sub-total in Operational Expenses of \$604,000 and a new department total of \$5,654,424.

Mr. Agro commented they are finally seeing what has been in the works for the last 8-9 years. He stated it cannot go without notice that we thought we would get more help from the State. We did not but Milford persevered and we will not receive quite a savings. He also noted the two new pump stations.

Chairman Lema commented they would now see some savings with these two new plants.

Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4790 Benefit and Salary Reserves and 4799 Unallocated Contingency. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget with the following changes: 0012 0000 Sewer Fund (Revenues) line item "Sewer Use Fees" to read \$6,344,467 with a new Revenues Total of \$7,512,967.

Chairman Lemas asked if with the reduction of nitrogen credits the sewer use fee would go down.

Ms. Doneiko responded yes. She stated it should be reduced by approximately \$200,000 for a per unit rate of around \$8.00.

Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget as presented: 4157 Harbor Management Commission (Expenditures). Motion carried unanimously.

Vice Chairman Beckwith and Mr. Marlow made and seconded a motion to approve the Mayor's recommended budget with the following changes: 4157 Marina Enterprise Revenue line item 3208 0000 Marina Fees to read \$169,694 for a new sub-total in Permits and Fees of \$96,694 and 3655 0000 State PILOT: Boats to read \$0 for a new department total of \$315,194.

Chairman Lema stated it was his understanding this change was a result of anticipated revenue from the State for State PILOT: Boats.

Mr. Agro asked if it was reasonable to believe the marina would raise their rates.

Mayor Richetelli stated they would find ways of cost cutting within. He stated the State is still collecting the money, but they just are not giving it back to the towns.

Motion carried unanimously.

Vice Chairman Beckwith and Mr. Agro made and seconded a motion to approve 4157 Harbor Management Commission, Summary of Revenues in the amount of \$315,194. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Agro made and seconded a motion to approve 4157 Harbor Management Commission, Summary of Expenditures in the amount of \$315,194. Motion carried unanimously.

Vice Chairman Beckwith and Mr. Marlow made and seconded a motion to approve the Mayor's recommended budget as presented: 4121 Golf Course (Revenues) and 4121 Golf Course (Expenditures). Motion carried unanimously.

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the Mayor's recommended budget with the following changes: 3111 0000 Current Taxes to read \$149,514,458 for a new sub-total in Taxes of \$151,932,458, line item 3516 0000 Transportation in the amount of \$214,248 for a sub-total in State Education Grants of \$10,276,188; line item 3643 0000 State Realty to read \$440,565, 3643 0001 State Realty – Pequot to read \$393,430, line item 3647 0000 Private Exemptions to read \$403,913 for a new sub-total in State PILOT Grants of \$3,633,212 and a total revenue of \$26,488,662.

Chairman Lema asked if the ECS money is just a guess.

Ms. Doneiko stated it is pretty much set. She stated what is not on this is the stimulus money, although a commitment was made to keep it steady.

Mayor Richetelli stated it is an accounting situation this year. He stated the Board of Education will get \$1,500,000 from stimulus money and their budget will be \$1,500,000 less. He state the problem will be next year when the Board of Education will have to find a way to make up that money. He stated if the State is not in order by that time it would be a disaster.

Motion carried unanimously.

Chairman Lema asked about the Devon Power Plant noting the line item there is \$0. He asked when the City could anticipate funds.

Mayor Richetelli explained this line item was set up 4 years ago as part of the settlement of a tax appeal. He went on to provide a history of the Devon Power Plant as a three-year agreement which expired last year. He stated Gencon is building a new generator and that they are in discussions with them and hope to have an agreement in place this summer.

Ms. Doneiko added the grand list number (for partial completion) has included \$10,500,000 on the city tax revenue. She stated if this is agreed to it would come out of the grand list.

Chairman Lema asked is this was an estimate in place.

Mayor Richetelli responded somewhat, but that the city would generate a considerable amount of revenue next year.

Mr. Agro asked if the pilot has lapsed and they are included in the new plant.

Mayor Richetelli responded yes.

Mr. Agro asked if the new number would be set by the summer.

Mayor Richetelli responded yes.

Mr. Fitzpatrick asked if this would be a pilot situation for the new units and the advantage of going on this list.

Mayor Richetelli stated the advantage is a stabilized rate.

Chairman Lema asked about the OTB wage share and if that was a comfortable number.

Mayor Richetelli stated the number in last year's budget reflect a half year. He pointed out last year simulcast was approved by the Board of Aldermen which is generating revenue.

Chairman Lema referred the Board to page 100 of the budget book for 0010 4996 Education Operations and stated he would open the floor for the purpose of discussion.

Mr. Fitzpatrick and Mr. Beckwith made and seconded a motion to approve account 4996 Education Operations as follows: line item 4001 0000 Lump Sum Appropriation to read \$84,587,580, which represents a 2% increase.

Ms. Doneiko noted the mill rate with a 2% increase would be 28.71 mills.

Mr. Agro asked with the calculations would be with a 2.5% increase.

Ms. Doneiko responded at 2.50% it would be \$85,002,225 and at 2.25% it would be \$84,794,903.

Chairman Lema asked if the Finance Director could provide a breakdown, including mill rate implications for percentages ranging from 2% - 3%.

Mayor Richetelli stated he had the following breakdown: 2% (28.71), 2/5% (28.78), 2.25% (28.74), 2.75% (28.82) and 3% (28.86).

Mr. Agro asked where the city was in regard in the phase-in.

Mayor Richetelli stated the phase-in has been suspended until the 2011 reval.

Ms. Doneiko added only 40% of the increase has been incorporated into the grand list.

Mr. Agro commented it was his understanding it was suspended in an attempt to favor the business owner.

Ms. Doneiko stated the suspension was brand new legislation.

Chairman Lema stated he was confused on the math and that there seemed to be a discrepancy on the numbers.

Chairman Lema stated the Board would take a 5-min. recess. The Board recessed at 8:04 p.m.

Chairman Lema reconvened the Board in public session at 8:10 p.m.

Mr. Beckwith withdrew his second and Mr. Fitzpatrick withdrew his motion.

Ms. Doneiko stated the breakdowns would be as follows: 2% - \$83,025,511, 2.25% - \$83,229,005, 2.5% - \$83,432,499, 2.75% - \$83,635,993 and 3% - \$83,839,487.

Mr. Agro asked about the mill rate implications.

Mr. Fitzpatrick and Mr. Beckwith made and seconded a motion to approve account 4996 Education Operations as follows: line item 4001 0000 Lump Sum Appropriation to read \$83,025,511, which represents a 2% increase.

Mr. Agro stated it would be important to him to know the mill rate implications before voting.

Ms. Doneiko stated at 2% the mill rate would be 28.41.

Chairman Lema asked what the mill rate would be with a 3% increase.

Ms. Doneiko replied 28.56.

Chairman Lema asked the current mill rate.

Ms. Doneiko responded 27.50. Ms. Doneiko explained if the Board voted on a 3% increase a typical home at 28.56, the increase would be \$4,824 or \$179, which equals a 3.885% increase.

Mr. Fitzpatrick asked the Finance Director if she could provide those numbers with a 2% increase.

Ms. Doneiko replied the mill rate would be 28.41; a typical house would be \$4,799 or \$154 increase, which equals a 3.309% increase.

Mr. Beckwith stated his concern is with the revenue side and what the city would receive from the State, if any, which is a big concern. He stated this is a tough decision because what happens in Hartford will trickle down here to Milford and impact the taxpayer. He expressed his great admiration for Mr. Cummings and the Board of Education and that while he had split emotions especially knowing they are dealing with so many unfunded mandates, this still falls on the backs of the taxpayer. He also stated he has every confidence the teachers here will continue to provide a solid education and they will do a fine job whether it is 2% or 3%. He stated right now he would be ready to support 2%.

Mr. Fitzpatrick stated the people paying the taxes in this town are retirees. He stated they are losing their 401Ks and retirement savings are taking a hit. He stated if this Board can keep the mill rate to just a slight increase they would be doing justice to the taxpayer. He also pointed out many people are not working. He stated they had a moral obligation to keep the taxes as low as possible. He also stated the city side of the budget is barebones and the city employees have given up raises. He stated on the Board of Education side they gave up nothing. He stated he would recommend 2%.

Mr. Agro commented last year was even more difficult, but that he was a little more optimistic this year. He stated he was grateful to the unions on the municipal side that made this Board's decision much easier last year and lead to more stability, but it has taken its toll. He spoke of the vacant storefronts, foreclosures, etc. He stated while his optimism has changed and that he feels they may have turned the corner he did not think the

municipal side of the budget would cause any distress, so he could go with 2% or perhaps 2.5%. He stated the taxpayers are accustomed as they should be to having services. He stated they needed to find the balancing point. Mr. Agro also stated they may not make people happy tonight, but he certainly did not want to distress people. He stated he would tend to be conservative and look at a 2-2.25% increase and hope the Board of Education could be creative. He also stated it was important to keep in mind it would still be an increase and not a decrease.

Mr. Marlow stated he agreed with what was being said and that he would be in support of 2.25%. He stated he did not feel a 2% increase would do justice to the Board of Education. He commented a city is judged on its school system and that we always want to move forward and not be stagnant. He also stated it was important to be conservative because he understood the city may not receive much.

Chairman Lema stated the viewpoints he has heard tonight are very difficult to disagree with. He stated for him it comes down to a perspective of what is appropriate. He noted wages are the biggest part of the Board of Education budget and that he was not optimistic they would take any cuts. He stated his concern with cutting into funds. He stated he would be leaning more towards 3%, which he stated he did not think this Board would support. He stated he could support 2.50, but that he could not go any lower. He stated he would support the 2.50% increase if the other Board members would see their way to that number.

By roll call vote the motion failed 2 yes (Beckwith, Fitzpatrick) and 3 no (Marlow, Agro, Lema).

Mr. Marlow and Mr. Fitzpatrick made and seconded a motion to approve account 4996 Education Operations as follows: line item 4001 0000 Lump Sum Appropriation to read \$83,229,005, which represents a 2.25% increase (mill rate 28.45).

Mr. Agro stated he would support this number, although reluctantly. He stated he would prefer to give our children more money, but it would be avoiding obligations to our community. He stated time would tell if they have been prudent, but that he feels this is a reasonable number.

Mr. Fitzpatrick stated it was his understanding the mill rate would be 28.45.

Mr. Agro stated he further understood the increase to a typical home would be \$4,806 or \$160, which represents a 3.455% increase. He stated he would still be supportive of the municipality, and reiterated he was a bit more positive than last year.

Mr. Beckwith stated for the record the city has also made a commitment to renovate both of the high schools.

By roll call vote, the motion carried 4 yes (Marlow, Beckwith, Fitzpatrick, Agro) and 1 no (Lema).

Vice Chairman Beckwith and Mr. Fitzpatrick made and seconded a motion to approve the General Fund Summary of Expenditures in the amount of \$176,003,120; and line item 3111 0000 Current Taxes to read \$149,514,458 as recommended by the Board of Finance; with a mill rate calculated at 28.45 mills as recommended by the Board of Finance.

Being no further business to discuss, Vice Chairman Beckwith and Mr. Marlow made and seconded a motion to adjourn at 8:47 p.m.

Respectfully submitted,

Kathleen K. Huber
Recording Secretary