

**BOARD OF FINANCE
BUDGET HEARINGS - PROPOSED BUDGET FY2019-2020
FEBRUARY 13, 2019**

The Board of Finance held a budget deliberations session on Wednesday, February 13, 2019 in Conference Room B of the Parsons Complex. Chairman Lema announced the Board was out of recess and reconvened the budget deliberations meeting in public session at 5:35 p.m.

Board Members Present

Brian Lema, Chairman
Joseph J. Fitzpatrick, Jr.
Joseph Castignoli
Lauren Ranges
Scott Moulton

Also Present

Mayor Benjamin G. Blake
Peter Erodici, Finance Director

Chairman Lema explained how the process would work this evening.

(8416) Milford Flotilla 73

Shaun Liebskind, President of Milford Flotilla provided an overview of the work the Flotilla provides. He explained the Flotilla hopes to partner and provide boat drills and other training opportunities. He stated the Flotilla is asking for the continued grant to support operations.

Mr. Fitzpatrick asked if the Flotilla works on holidays. Mr. Liebskind stated on Memorial Day they provide boat patrols and vessel inspections at area marinas. Mr. Fitzpatrick asked if they provide mutual assistance to other communities. Mr. Liebskind stated they do coordinate with other communities and are dispatched by the U.S. Coast Guard. Mr. Moulton asked what other funding sources they have. Mr. Liebskind responded dues, training and fundraising.

(4110) Finance Department

Peter Erodici, Finance Director, stated many division heads were not able to make the meeting this evening. He stated that the past year has been extremely challenging with the implementation of MUNIS on July 30th. Mr. Erodici commented that the work continues and they are working on the second phase of MUNIS. This has been a team effort between Finance, MIS and Human Resources. The go live date for the payroll portion is April 1st. Mr. Erodici explained there had been turnover within the Finance Department due to retirements and the resignation of the Treasurer. He stated that he tried to keep the Finance budget flat and the main increases are due to wage increases. Mr. Erodici discussed the plans to create a payroll division and how current employees are being realigned to the payroll division.

Mayor Blake commented that overall there are no new net positions this year but there are adjustments to personnel throughout the budget.

Mr. Fitzpatrick asked if the projected \$67,000 for overtime is due to MUNIS. Mr. Erodici explained it was mostly due to MUNIS, but also because of retirements year after year. Mr. Fitzpatrick inquired if the seasonal temporary was related to MUNIS. Mr. Erodici explained the seasonal temporary is more for retirements. Mr. Fitzpatrick asked if the City Accountant was a new position. Mr. Erodici stated it was a longstanding position. Mr. Fitzpatrick then asked what is a new position. Mr. Erodici stated that while they may seem new, there are no new personnel just changes to positions. Chairman Lema commented that another city accountant had been added several years ago. Mayor Blake explained that the second city accountant position had been added by the prior Finance Director many years ago. He explained the history of the second city accountant position and when it was filled. Mr. Erodici reviewed the various staff retirement within the past few years. Mr. Fitzpatrick inquired about the salary amounts shown for vacant positions and whether those were the minimum salaries. Mr. Erodici explained they were not the minimum, most were at a middle or better step. He explained that he put them in that way to provide flexibility as it sometimes is difficult to find a qualified person at the minimum step. This would allow room, if necessary, to go to the Civil Service Commission to request hiring at a higher step.

Mr. Castignoli asked when the next revaluation will take place. Mr. Erodici stated 2021. Mr. Castignoli asked if a reserve was being built for the revaluation. Mr. Erodici stated that all was for revaluations, some funds are for grand list valuation. He explained that there is a slight build up but there are other expenses. Mayor Blake stated revaluation work is done 4-5 years working up to the actual revaluation.

Mr. Fitzpatrick inquired about postage at \$18,000. Mr. Erodici stated this covers all the accounts payable as well as other mailing. Mr. Castignoli asked if the City was looking at electronic bill paying. Mr. Erodici stated that perhaps someday, but that is a very big project. Mayor Blake stated the with the payroll phase of MUNIS employees will have direct deposit and paystubs will be electronic. This would eliminate printing and mailing.

(4143) Board of Assessment Appeals

Mr. Fitzpatrick asked who is in charge of the Board of Assessment Appeals. Mr. Lema stated the Assessor. Mr. Fitzpatrick asked about remuneration. Mr. Lema stated that it is a Board of citizens who received small stipend.

(4170) Management Information Systems (MIS)

Mr. Erodici introduced Adam Heller as the new Interim MIS Coordinator. Adam Heller provided a short introduction and stated he believes the budget is sufficient to cover the needs of the department. He further stated that down the road he would be speaking with the Mayor and Peter concerning modernizing equipment and software.

Mr. Castignoli asked if there was one open position. Mr. Heller stated the position is being reallocated and some positions have changed, but it is budget neutral. He also explained that there are 3 IT support specialists with one position becoming a lead. Mr. Fitzpatrick asked how many staff persons in total. Mr. Heller stated there are 5 total, himself, GIS and 3 IT specialists.

Mr. Fitzpatrick asked why office equipment upkeep and software maintenance were projected at zero. Mr. Erodici stated that was an oversight. Mr. Fitzpatrick asked where the salary for the support specialist came from. Mr. Erodici stated it was from the MEA contractual wage and he set it at Step 4 as a precaution. Mr. Heller explained there are currently 2 and one additional will be hired. Mr. Erodici explained that the salary was placed at the higher step to leave flexibility to bring in at a higher grade depending on the market.

(4121) Mayor's Office

Mr. Castignoli asked about the Chief of Staff position. Mayor Blake stated this was previously filled by Steve Fournier who retired after 7 years. Over the month of December he interviewed several people and Justin Rosen stated in early January.

Mr. Fitzpatrick inquired about the increase in the wage amount. Mayor Blake stated that the job title and responsibility have changed. The increase was necessary in order to get a qualified candidate additionally they looked at the structure of other communities. He further stated that Justin brings additional skills to the position.

(8122) General Expenses

Mayor Blake stated that he and Mr. Erodici would be happy to answer any questions. Mr. Fitzpatrick asked who this account cover. Mayor Blake stated it is citywide.

Mr. Fitzpatrick inquired whether telephone expenses were by department. Mayor Blake explained this is for landlines and that cell phones are charged to the departments. Mr. Castignoli asked why professional fees are different from the prior year. Mayor Blake explained that it includes a part time grant administrator. He further explained that grants may be easy to obtain there is much administration involved with each. Approximately two years ago there was a part time grant administrator who left and the position was not included in the next year's budget. Mr. Lema asked this is part of the open space coordinator. Mayor Blake stated only open space grants will be administered by the coordinator. He further explained that the departments will still administer some grants, and other will be administered by a grant administrator.

Mr. Fitzpatrick asked about hazardous waste collection. Mayor Blake stated this is the program at the Regional Water Authority at Long Wharf on Saturdays. Mayor Blake also stated for public information some paint store will take up to 3 cans of old paint for disposal. Mr. Fitzpatrick asked if the cost of the hazardous waste program was based on usage or a flat rate. Mayor Blake stated it is by usage, population and other factors.

(8113) Bridges

John Dixon, CEO introduced himself, together with Carlos Rodriguez and Jennifer Fiorello. Mr. Dixon stated that Bridges has been a long standing community member and that in addition to providing services to approximately 1400 residents, they are a substantial employer in the community. He

stated that during the past year Bridges receive accreditation and they are working to partner with the Health Department, schools, and Beth El center. Mr. Fitzpatrick asked if they were working with Yale as they are taking over Milford Hospital. Mr. Dixon stated they history has not been close with Yale but he has meeting set up in the future and hope to work closely going forward.

Mr. Moulton asked what percentage of the budget is the \$380,000. Ms. Fiorello stated it is approximately 5%. Mr. Castignoli asked what towns are serviced by Bridges. Mr. Dixon stated Milford, Orange and West Haven. Mr. Castignoli asked if funds are provided by those towns also. Mr. Rodriguez stated they received funds from state grants and Orange. Mr. Dixon commented that more services are provided for Milford residents. Ms. Fiorello stated that Orange provides \$100,000 and West Haven does not currently. She also stated that the services provided to West Haven are for approximately 80-100 people for addiction services and provides services for approximately 1380 Milford residents.

(4220) Fire Department

Chief Doug Edo explained that in the 5 years that he has been Chief it may appear that the budget has increased, but that is due to contractual wage increase and in some instances those increases have not been reflected. He stated that vacation, relief and holiday has not gone up but those costs have because wages have increased. He stated that the remainder of the budget he held the line or gave back. He stated they are able to use some EMS fund for purchasing so that has helped with budgeting.

Mr. Fitzpatrick asked if the fire department was understaffed and if they were to add 2 more positions would it reduce overtime. Mr. Lema stated there will always be overtime. Chief Edo stated currently there are 3 vacant positions. He also stated that due to injuries you are still paying wages and filling the vacancy. Mr. Fitzpatrick asked if the injury occurred at work wouldn't that be workers compensation. Mayor Blake stated it would depend on whether the injury occurred at work. Assistant Chief Gary Baker stated that the fire academy is run twice a year and that while recruits are in the academy those positions need to be filled. Mr. Fitzpatrick asked when a recruit is an official firefighter. Assistant Chief Baker stated one year following graduation from the academy.

Mr. Moulton asked how much retirement per year. Chief Edo stated there is not an easy way to answer that, but perhaps 2 a year. He commented that the fire department is getting younger.

Mr. Fitzpatrick asked if gas and propellants is under the City bid or does the Fire Department have their own bidding. Mayor Blake stated that the purchasing department puts it out to bid each year for the entire City and sometime the Board of Education will join in our bid.

Mr. Moulton asked if there were any new truck planned for this year. Chief Edo stated there were not. Mr. Lema asked how many stations in the City. Chief Edo stated there are 4 stations.

Mr. Fitzpatrick asked why vehicle and equipment was up \$16,000. Battalion Chief Dan Wassmer stated this was the difference between the prior \$10,000 and what it would cost to purchase a vehicle for a Fire Inspector.

Mr. Fitzpatrick asked about communication equipment. Battalion Chief Wassmer stated that the portable radios are very old and need to be replaced and are very expensive. They have applied for a grant and this reflects the City's portion of the grant. Mr. Fitzpatrick inquired about the equipment inside buildings to talk to staff. Assistant Chief Baker explained that it is a complex system and discussed how it operates.

(4231) Civil Preparedness

Chief Edo explained they budget remains the same as the prior. He stated they had modernized the name to Emergency Management. Battalion Chief Wassmer discussed the Seemans Lane facility and its uses. Chairman Lema asked if the City took the building over. Mayor Blake stated that although we used the building prior, the City took ownership approximately 5 years ago.

(8105) C-MED

Chief Edo stated the budget was up a little due to the move to Shelton in the Scinto Building. Mr. Fitzpatrick asked if with the new ambulance the City is also using an outside company. Battalion Chief Wassmer commented that we have Nelson and Access. Mr. Fitzpatrick asked which is used more. Battalion Chief Wassmer stated it depends on the type of service required. He reviewed the various types of calls. Mr. Fitzpatrick asked if the City was billing. Assistant Chief Baker stated they were billing and stated it was at a higher rate because of the types of calls.

(8160) Lighting, Hydrants, Water

Mr. Fitzpatrick asked why the cost for LED lights was going up. Mayor Blake stated the cost had not gone up, but actually had gone down but due to the conversion last year costs were over budget. The Mayor reviewed why they felt it was important to keep the budget at this level.

(4320) Public Works

Mr. Fitzpatrick asked about the addition of a construction manager position. Chris Saley, Public Works Director, explained that the City is doing more of its projects with its own people and the construction manager will manage large projects internally. He provided the splash pad at Eisenhower Park as an example. The construction manager will also be responsible for contracted paving projects to make sure we are getting the products we are paying for. Mayor Blake stated at one time there were 2-3 clerks of the works, we then shifted to contracting out, and this is a shift back. Mr. Saley stated that the City is currently doing the dog park project with its staff and it is a good value to the City. Mr. Moulton asked about maintenance at the dog park. Mr. Saley said it is a substantially bigger park and hope people will enjoy.

(4321) Highway-Parks Division

Chairman Lema asked for an explanation of the dump truck, sander, and plow. Mayor Blake stated that this usually not done through the budget, but through the vehicle acquisition program or TAR grant. Chairman Lema asked how old the public works fleet is. Mr. Saley commented it is very old and that we have been luck thus far. He stated the storms have been challenging and expensive.

Mr. Fitzpatrick asked if we are bonding for paving why it is in budget. Mr. Saley explained that is for small repairs throughout the City such as pothole repair.

(4323) Building Maintenance Division

Mr. Moulton asked why a jump in the building repairs. Mr. Saley explained there had been equipment failures and other such costly repairs.

(4324) Engineering

Mr. Fitzpatrick asked why seasonal temporary was down. Mr. Saley state that they have utilized interns and have streamlined efficiencies. Mr. Fitzpatrick asked about storm water. Ms. Saley stated there is an unfunded mandate from the State. Mayor Blake discussed the MS4 program and stated that are 64,000 catch basins within the City.

Mr. Castignoli asked what we test the catch basins for. Mr. Saley stated for oils and other contaminants. Mr. Castignoli how much testing capability is lost by cutting by \$150,000. Mayor Blake stated that he and Chris looked at this and felt this number would work. If necessary it will be paid from other sources. Mr. Castignoli asked if without the State mandate would cleaning still be done. Mr. Saley stated it would and reviewed options for cleaning. He also reviewed testing and its challenges.

(4329) General Garage

Mr. Fitzpatrick inquired about the GPS subscription. Mr. Saley stated we had attempted this previously and that system was not beneficial. He commented that he is now looking for a new system that will fit the needs.

(4331) Solid Waste Operations

Mr. Saley explained that recycling is now costing \$63 a ton where we had been receiving \$20 per ton. He stated that it is challenging. Mr. Fitzgerald asked if separating bottles would help. Mr. Saley stated it is probably heading in that direction. Mr. Saley provided an explanation as to some of the causes for the price fluctuation.

Mr. Castignoli asked how the one driver per truck is working. Mr. Saley stated it is working well. They have streamlined operations and the solid waste division is doing a good job. They are down to 4 routes. Mr. Castignoli asked about sorting costs. Mr. Saley stated we need to do a better job enforcing because the vendor is pushing for less contaminants. Mayor Blake stated the employees have cameras on the arms. When they finish the trucks go to Shelton to drop off recyclables. The City does not do the sorting.

Mr. Lema asked if waste removal includes solid waste and recycling. Mr. Saley stated it does. Mayor Blake stated the City used to receive money and now it pays. He explained it is a floating scale for the first year of the contract and changes over the next 3-5 years. Mayor Blake stated the City is working on contracting with a company that will follow our truck and collect textile recycling which will help by taking this out of the waste stream.

Mr. Fitzpatrick asked about electronic waste. Ms. Saley stated electronics may be disposed of at the transfer station and that this good for the City.

Mr. Fitzpatrick asked about \$55,000 for computer. Mr. Saley stated there is more than one computer that needs to be upgraded. Mayor Blake stated this also includes dashboard units for recycling trucks so issues can be immediately reported. He explained tablets will be mounted in the trucks.

(8226) Wastewater

Mr. Saley introduced Lindsay King, the new Wastewater Superintendent. Mr. Fitzpatrick asked about paying out this year. Mr. Saley stated there has been an uptick in people pumping out and putting into the wastewater system. He stated we are not alone; other communities have the same issue. Mr. Fitzpatrick asked if we cannot handle the flow. Mr. Saley stated it about the amount of nitrogen that is produced. Mr. King stated that both are getting more than they are made for.

Chairman Lema asked if there is infiltration from old pipes. Mr. Saley stated there is some. Mayor Blake stated the more fresh water there is in the system the more of an impact it has on nitrogen credits.

Mr. Saley stated he is working on adding a fuel cell at Beaverbrook which will help to reduce energy costs by 15%. Chairman Lema asked if the rates are locked in. Mr. Saley stated they are. Chairman Lema asked if there is ability for other alternative sources such as solar. Mr. Saley said there are, but they are challenging.

Mr. Fitzpatrick asked if general and auto liability is spread across all departments. Mayor Blake stated wastewater is an enterprise fund so they contribute their portion of the costs. Mr. Fitzpatrick asked if workers compensation would be the same. Mr. Erodici stated that was correct.

Mr. Castignoli inquired about waste removal. Mr. King explained it was to have the sludge trucked and disposed of after processing. Mr. Fitzpatrick asked what happens to the sludge. Mr. King stated in Connecticut it is incinerated.

(4154) Sewer Commission (Fund 12)

None.

(8104) Public Debt Service

Mayor Blake stated there are a couple of reasons this is up and one of the biggest is that it was artificially deflated due to refunds. However, this year they can no longer do refunds because of a change in the tax codes. Mr. Castignoli asked why the sewer bond pricing and interest was here. Mr. Erodici provided an explanation as to how this provides an offset. Mayor Blake stated that some debt service is paid through sewer use. Mr. Moulton asked how much principal falls off each year. Mr. Erodici stated that it is a cycle where it comes off and goes on with bonding.

(8294) School Debt Service

None.

(8395) Employee Benefits, Non-teaching

None.

(8310) Employee Benefits, General

Mr. Fitzpatrick inquired about \$1,500,000 on pension police and fire. Mayor Blake stated that in 2008 funds took a hit that did not hit Milford until 2012. Milford was 110% funded prior to 2008. He commented that it is still one of the best funded in Connecticut but is still a liability. Mayor Blake stated the increase reflects 15% more than last year. Mayor Blake explained the ARC and how it works. Mr. Fitzpatrick asked if this is from the actuary. Mayor Blake stated it was their recommendation. He further commented that it fluctuates each year. Mr. Erodici stated that as well as losses they had to lower the assumed rate of return. Discussion ensued concerning the rate of return and its impact. Mr. Erodici stated the actuary makes the recommendation on the rate of return, but the City sets it. Mr. Moulton that some years you hit it right, but others you do not. Mr. Fitzpatrick asked what percentage of the pension is funded. Mr. Erodici stated over 90%. Mr. Moulton asked what the \$28,000 pension fee cover. Mr. Erodici stated it is for the actuary.

(8320) Insurance and Bonds

None.

(8340) Claims & Refunds

Mr. Fitzpatrick commented that heart and hypertension is down. Mayor Blake provided an explanation of the heart and hypertension law and how it is phasing out. Mr. Castignoli commented that the 6 month expense was \$15,800. Mayor Blake stated this is an estimate and one claim can hit hard. Mr. Erodici stated there could be a delay in reporting due to the MUNIS conversion. Mr. Fitzpatrick asked what happens to the funds not used. Mr. Erodici stated they go to the general fund.

(8390) Benefit & Salary Reserve

Mr. Erodici stated there are number of contract expiring June 30th and he needed to put an estimate for wage increases. Mayor Blake stated there is one outstanding contract at this time. Mr. Fitzpatrick asked what he used for an assumption. Mr. Erodici stated 2.5%. Mr. Lema asked why \$430,000 as of December 10th. Mr. Erodici stated due to one outstanding contract.

(8999) Unallocated Contingency

None.

(8293) Education Audit

Mr. Fitzpatrick asked if the Board of Education has the same auditors. Mr. Erodici stated they do.

(8397) Education Health Insurance Contribution

Mr. Fitzpatrick asked how this is calculated. Mr. Erodici stated it is done by actuarial information provided by the insurance consultants.

Mr. Fitzpatrick and Mr. Castignoli made and seconded a motion to recess. Motion carried unanimously.

Chairman Lema stated the Board would stand in recess until February 19, 2019. The Board recessed at 7:45 p.m.

Respectfully submitted,



Toni Jo Weeks
Recording Secretary