

Beacon Falls Board of Finance
10 Maple Ave.
Beacon Falls, CT 06403



BEACON FALLS BOARD OF FINANCE
Joint Budget Workshop with the
BOARD OF SELECTMEN
March 27, 2013 MINUTES
(Draft Copy-Subject to Revision)

1. Call to Order/Pledge of Allegiance

Chairman Jim Huk called the meeting to order at 7:02

Members present: Joe Dowdell, Marc Bronn, Jack Levine, Robert Doiron, Brian Ploss

Board of Selectmen present: First Selectman Gerard Smith, Dave D'Amico, Chris Bielik

Others present: Mike Krenesky, Jeremy Rodrigo, Sue Dowdell, Luke Marshall, Paul Brennan, Eddie Rodriguez, Manny Gomes, Marsha Durley, Joe Rodrigo and approximately 12 members of the public

2. Review of Budget Process Framework and Calendar

Chairman J. Huk explained the budget proposed process that this meeting was to gather input, hear from department heads about their budget position, and have the Board of Finance and Selectmen meet a week later for discussions of budget options. He also indicated the importance of fully understanding the revenue component of the budget as much as expenses as they are of equal importance when determining the mil rate.

Motion to amend the agenda by moving items B. Review of New Expenses and D. Business Manager Report to the beginning of the agenda and making them items A & B: Bielik/Doiron; all aye

3. Budget Workshop

- a) Review of new expenses – Manny Gomes
Unplanned expenses that need to be planned for in fiscal 2013-2014 and the impact
- i) Cost overruns – anything that impacts the budget
Depot Street Bridge ran over budget by \$375,000. The cost to pay for that was from new money. \$145K is a state grant impact in July; money to be borrowed after authorized, impact on next year's budget is the interest payment.

Bills for the bridge were still being paid in August 2012. M. Gomes commented that it is better for the town when financing to do it all at once so the fees only paid one time.

2 phases: roll over bonds sold in December including this new money, goes back to 2006, the life of this bond is ending, in July 2013 it either needs to be pay off or refinanced.

Refinancing the USDA loans, currently at 4-6% interest on 30 years loans, would be refinanced in a 15 year package at 2.5% or below 3% interest rate. The \$246,000 of principal & interest could be refinanced in July 2013. This loan package may also include the \$1.2 million bond for sewer plant upgrades (part of phosphorous upgrade project, updating pump house, electronic updates, and panel at waste water treatment plant) authorized by referendum, but not yet spent.

M. Gomes indicated that he would bring a breakdown of planned revenue at the next budget workshop.

G. Smith noted that the Plan of Conservation Development is another cost overrun. The town never got an invoice for it, the document is still in question, and there was no contract for the \$50,000 work. \$20,000 was paid and \$10,000 is still owed, and not budgeted.

Blackberry Hill & Streetscape projects also have overruns but were part of last year's budget discussions.

G. Smith noted that the mill rate for 2013-2014, based on the same tax revenues as last year and these estimates would go down .1 mill from the current rate based on savings from refinance and revenue of sale of cell tower.

G. Smith noted that the \$7.6 million needed for the following year, can be borrowed through a DEEP loan at 2%, the road projects may be banded with sewer project.

J. Huk asked how the budget address expected expenses from the Wastewater treatment plant estimated at 1.6m in FY13-14 and 6.8m in FY14-15 as well as Region 16 building projects will impact budgets in the next 3 years. He also asked if we should consider setting capital aside in preparation for the significant costs in the next 5 years.

M. Gomes will calculate the fund balance for the next meeting.

C. Bielik commented that per the town audit, the fund balance looks good on paper by using some of the cell tower sale towards the fund balance.

ii) Other

b) Business Manager report on projected expended FY12-13 (Dept and capital)

- i) Projections for department spending FY12-13
 - ii) Status update on loan/capital expenditures authorized by referendum in 2012
- c) Review of department lines and capital requests
Wage lines were adjusted to take into account for furloughs.

- i) Board of Selectmen – First Selectman salary increase, the suggestion to change this to a full-time position. G. Smith read from the March 8, 2011 Board of Selectman special meeting when options of increasing the First Selectman’s salary was discussed, to phase in the pay increase as part of a 4 year plan. He cited these meeting minutes where he got his numbers; this was not a new topic.

G. Smith noted that there is no job description and no set hours for the First Selectman position.

New line item under Employee Benefits #10-13 1235 to pay out for unused leave.

Building inspector – Doug Colter

D. Colter explained the requested budget increase of \$11,000 was due to fees going up and unfunded state mandates.

The State adopted new residential and electrical codes, more training is required to learn new codes and it takes more time to do inspections to enforce codes.

He requested that paid hours be increased for the building inspector.

J. Huk confirmed that the wage increase was the result of longer hours required per inspection as a result of increased regulations, not an increase in the rate of compensation.

- ii) Public Works – Ed Bea wage line items increased
Requested a \$62,000 increase for chip sealing and crack sealing to keep the better roads in good shape, this includes stone, oil and sweep, asphalt and crack sealing. This would make these roads last another 5-7 years.

Refurbishing public works trucks – one truck was done, another truck was refurbished last year. 2005 truck #5 needs refurbishing, the cost of \$35K for a new body, would get 10 more years out of this truck.

A high end discharge snow plow is needed to open roads. In the last storm, the town was able to borrow one from another town. This plow would also

decrease the amount of time a PW employee would need to spend working on snow removal.

D. D'Amico commented that refurbishing the trucks make them last longer and is a cheaper alternative than replacements.

Requested \$15,000 for a grapple attachment for the loader, this is used to move brush, grabbing it instead of picking up dirt.

iii) Wastewater treatment – capital project – roof replacement

M. Bronn asked what type of roof would replace it; steel, the same as it is.

\$10,000 was cut from the electricity line item 10-67 1121, now at \$85,000 and may run short if it is decreased by \$10,000; the lighting upgrade must be included in the monthly bill. For the UV system to run at 100%, it will use more power. Due to the state's new plan for treatment plant, mandated number now, the town would be in violation if it does not meeting numbers. There is no redundancy in the system. Fines will kick in if not in compliance.

R. Doiron asked how long the system needs to be run at 100% before it must recycle, and he was concerned that if there is no redundancy, there is a possibility of failure. It was then clarified that light bulbs, not pumps were being discussed.

C. Bielik asked if this will have an adverse affect on equipment if it's run at 100% all the time.

iv) Police - wage line items increased

Training requirement increased to 3 times per year and no longer free, must pay the state now.

Radio system – same used as state police, need to be replaced each radio costs \$5,000, will need to replace 8 radios for a total of \$40,000.

This item should fall under special projects.

The State Police is changing their system in 2 years to a multi-banding radio system for all emergency groups to be able to communicate when there is an incident such as a storm. The town police radios must be compatible. Some radios are 10 years old and can no longer be fixed. The new radios will last 10 years. Radios must be replaced within the next 2 years.

The police representative met with Motorola and was assured that these new radios would be compatible with the state police radio system.

J. Levine suggested splitting the radio replacement cost over 2 years, half this year and half the next. M. Bronn agreed. This would also provide the

additional benefit of getting the most current technology at the time of purchase.

v) Fire Department – Chief Mike Pratt

Increase of \$30,000 for building maintenance for 2 buildings, garage door service, generators serviced, replacing doors, plus is needed \$5,000 for a new floor.

Not included in budget is a fire house roof replacement for \$300,000. The existing roof is leaking. This would be a complete replacement with insulation. Building inspector, Doug Colter made this estimate.

New fire truck – Paul Brennan

The current truck is from 1989, the piping in pump is starting to deteriorate and will eventually fail.

A new ladder/pumper combination truck was proposed with 500 gallons water capacity and a 75' ladder, to use as a first response truck. The total cost would be \$690,000, a \$105,000 increase over what was originally requested. It is expected that this truck would last 25 years.

Presently the town fire department cannot reach the 3rd floor of a house fire. The fire department is searching for a demo truck at a cheaper price. Local communities have 100' ladder trucks.

J. Levine suggested that rather than bonding the fire truck, use a 5-year loan at a low interest rate.

G. Smith asked if the fire dept is totally on board with this purchase. He requested the fire chief take a vote at their next meeting to make sure the department is behind this idea and then share the voting results with the Boards of Finance and Selectmen.

G. Smith suggested that the Board of Finance entertain this new change, a combination truck for approximately \$100,000 above their original request.

R. Doiron commented that this was a good compromise to an age old problem.

P. Brennan stated that the fire department's gas detectors for CO2 leaks can no longer be repaired as the parts are unavailable. Each truck should have one and there are only 2 detectors now working.

G. Smith asked if the town having a ladder truck would affect insurance rates. P. Brennan stated the town would get a half rating for having a pumper/ladder truck.

\$12,990 was requested for thermal imaging cameras. The fire department has two (one is 10 years old the other is 15 years old). They have experienced problems and are reaching their end of life. The camera is a tool to detect fires in walls. Cost \$6,500 each, current technology much improved

J. Levine commented that the turnout gear, line item 10-44 1485, according the report this money was not spent. M. Pratt said it was spent; the report was out of date.

vi) Economic Development Commission – Jeremy Rodorigo

Noted that the commission is comprised of all volunteers and they have a very small budget, enough to cover their clerk fees.

Requested \$10,000 for marketing of the town to attract businesses to Beacon Falls.

J. Levine commented that he supports this effort; Beacon Falls needs to spend money to market itself to bring more businesses to town and to keep businesses in town.

J. Huk asked where they are looking to fill business space, at the industrial park or on Main Street.

J. Rodorigo explained the EDC is marketing to both retail and industrial businesses. The EDC published a newsletter to highlight Beacon Falls.

vii) Library – Marsha Durley

Requested a \$14,000 increase in the personnel budget line for fulltime staff, to increase each library staff member from 30 hours per week to 32.5 hours per week and gradually increase it to 35 hours per week to be the same as other fulltime town hall employees in other departments. Since this was a year for contract negotiations, she felt it was the right time to make this request. Library staff is considered fulltime at 30 hours per week.

J. Levine stated that this request must go through the Board of Selectmen and if they don't support it, he doesn't feel the Board of Finance can support it. He deferred this request to the Board of Selectmen.

G. Smith noted that the Board of Selectmen did not support this increase because of the new part-time position added to the library staff.

R. Doiron asked if the library staff received benefits: yes; and if the benefits would change with increased hours: no.

M. Bronn asked about the \$30,000 library study listed under capital projects and mentioned the long range plan that was done 5 years ago.

G. Smith commented that the \$30,000 request for a library study would start a fundraising campaign, hire a grant writer and architect for building plans to house a library on the 35 Wolfe Avenue property and include storage and meeting space for the town in the house with an addition.

M. Durley noted the telephone line item can be cut back by \$200 as the rate with AT&T is better now for fax line.

d) Report on Non-Tax Revenue

i) Plans for financing (bonds, loans)

Noted under section 3. Budget Workshop a.) Review of new expenses i) Cost overruns

ii) Projections for grants

iii) Other

G. Smith listed 3 items removed from capital projects:

- air conditioning repair in the town clerk's office
- public works generator
- fire alarm at firehouse

e) Update budget projection worksheet to identify the impact of this "blue sky" budget.

f) Communicate the projected impact to the tax rate.

4. Public Comment

Joe Rodorigo, 42 Bonna Street, questioned the \$25,000 for land acquisition under Conservation Commission; how it is funded, if not spent in that budget year and if it is rolled over. G. Smith clarified that it would be transferred out of the operating budget and into a separate account, to have cash available to purchase open space when it becomes available.

M. Pratt asked about getting Board of Finance meeting notices. It was noted that the agendas are posted to the town web site.

The budget approval process was discussed.

J. Levine said the decision of going to a referendum is up to the Board of Selectmen. He suggested at the next joint meeting the Boards of Finance and Selectmen discuss the major items and the Board of Finance will vote on those items, and then bring the budget to the public.

R. Doiron asked the deadline for passing a budget: June 1st.

Noted dates:

May 6 Region 16 Annual District Meeting

May 7 would be the Region 16 budget referendum

M. Krenesky pointed out that the vote taken previously for the motion to amend the workshop agenda was incorrect. He explained that since there are two Boards meeting jointly they need to vote separately.

5. Schedule next budget workshop

The Board of Finance and Selectmen will have a joint budget workshop on **Wednesday April 3 at 7:00 PM** in the Town Hall Assembly Room to discuss big ticket items and the Board of Finance will vote on them.

6. Adjournment

The next Board of Finance regular monthly meeting will be held on Tuesday, April 9, 2013 at 7:30 p.m.

Motion to adjourn the joint Board of Finance/Board of Selectmen budget workshop at 9:28 PM: Levine/Doiron; all aye.

Motion to adjourn the joint Board of Finance/Board of Selectmen budget workshop at 9:28 PM: Bielik/D'Amico; all aye.

Respectfully submitted,

Martha Melville

Clerk for the Board of Finance