



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

**Board of Finance Special Meeting Minutes
Special Meeting Minutes
Monday, May 11, 2015
Colchester Town Hall @ 7pm**

MEMBERS PRESENT: Chairman Rob Tarlov, Art Shilosky, Tom Kane, Rob Esteve

MEMBERS ABSENT: John Ringo

OTHERS PRESENT: First Selectman S Soby, Selectmen D Mizla & K Frantzen, CFO M Cosgrove, Board of Education R Goldstein & D Kennedy, Superintendent J Mathieu, PW Director J Paggioli, Senior Center Director P Watts, Tax Collector M Wyatt, Town Clerk G Furman, C3 C Praisner, Tricia Dean Clerk and other citizens

1. Call to Order

R Tarlov called the meeting to order at 7:01 p.m.

2. Citizens Comments – Stefani Lowe stated her strong support of special education parents but does not believe people voted no because of this issue, rather because of the increase in the budget

3. Correspondence – Deanna Bouchard (attached)

Discussion took place by the Board on how to revise the current graph available for the mill rate, and how it relates to the budget. The Board agreed to produce a separate chart with the mill rates on the left hand side in place of the dollars (draft graph attached)

4. 2015-2016 Budget – Discussion

First Selectman S Soby went over the list of cuts by department for the town, which totaled the requested amount by BOF of \$150,000. He stated he took into account what BOF wanted to support, but that both goals were mutually incompatible.

(Reductions for Discussion list attached)

R Tarlov asked questions regarding the Alternative Funding Sources for the Highway catch basins and unpaved roads. Discussion also ensued regarding the town hall parking lot paving.

J Paggioli stated that funds for catch basin tops have always been in the operating budget. Now that the vehicle replacement has gone through one cycle they can now focus on using TAR funding. The catch basin can now be funded ongoing through TAR.

Superintendent J Mathieu went over cuts for the BOE, which totaled the requested amount by BOF of \$200,000. Items cut include BCBA position elimination, with an addition of one day to the consulting services, life insurance new rate savings, school readiness, electrical savings, software licenses IT, new BA principal lower salary than budgeted, a reduction in capital reserve and various supplies.

Discussion by the board was directed to J Mathieu in regards to specifics of the BCBA and supplies.

The Board came to consensus of total cuts for Town \$100,016, restoring \$55,000 from initial reductions and total for the BOE \$150,000.

The Board weighed in on what they would like to see added back in to line items, and asked further questions on impact to those line items with cuts.

5. Citizens Comments – Nancy Groeger asked if funding can be added back into field maintenance vs GIS and stated her concern with the library hours. R Tarlov explained how funding for GIS allow the program to continue to grow and benefits the town as a whole, whereas the \$5,000 for field maintenance would only be a short-term fix. He did inform the group that a tri-board committee and a sustainability committee are forming to address the field situation.

Stefanie Lowe asked about the town hall parking lot repairs and why it needed to be done. R Tarlov stated that it has been several years that the project has been postponed and it now falls under public safety because of the conditions. He also stated that road maintenance and facilities rated number 2 on the survey for importance.

6. 2015-2016 Budget – Possible Action

R Esteve moved to reduce the town proposed budget by \$100,016 by using the list provided by S Soby dated 5/11/15 which totaled \$155,016 and add back \$55,000 to the capital line item, seconded by A Shilosky. Unanimously approved.
MOTION CARRIED.

RECEIVED
COLCHESTER, CT
2015 MAY 14 AM 9:30
TOWN CLERK

T Kane moved to add the CIRMA Member Equity Distribution to the equity side of the town budget, seconded by J McNair. Unanimously approved. MOTION CARRIED.

R Esteve moved to reduce the Board of Education proposed budget by \$150,000 by items to be identified by the Board of Education, seconded by A Shilosky. Unanimously approved. MOTION CARRIED

7. **Citizens Comments** – none

8. **Adjourn**

J McNair moved to adjourn at 8:12 p.m., seconded by A Shilosky. Unanimously approved. MOTION CARRIED.

Respectfully submitted,

Tricia Dean, Clerk

Attachments: (1) D Bouchard email correspondence
(2) Mill Rate Impact graph
(3) Town reductions for discussion list

From: Robert Tarlov
Sent: Monday, May 11, 2015 6:54 AM
To: Deanna
Subject: Reply to your 5/6 and 5/7 e-mails

Hi Deanna,

We discussed your past correspondence regarding the graphs on Wednesday night. If we assume no change in the Grand List, that graph would look identical to your graph below, just the numbers on the left would be mils instead of dollars. The top line for that initial level period would be 1.66 mils, the 2014/2015 amount for debt service, 1.63 plus .03 reserved for uncollected in the current FY.

A dollar graph and a mil rate graph would have looked the same on the previous project, too. On the last project, a mil rate graph was produced because there was additional debt service which created additional mils over the amount being paid at that time for debt service. People needed to be able to calculate the impact on their taxes.

We decided to use the dollar chart on this project because there is no additional mil rate impact above 2014/2015 FY and the amount paid in taxpayer dollars for the project's debt service is constant. It does not change over time, not impacted by revaluation and likely is a worst case scenario as the Grand List over time trends up as vacant properties are developed for business and residential. With the change in this year's Grand List, which was small, the 1.66 would be reduced to 1.65 in next year's budget.

Revaluation changes the mil rate up or down, but does not change the total taxes paid or the dollar amount paid for the debt service. Unlike last reval and one about 25 years ago, most revals decrease the mil rate. But again either way, revaluation, even if it reduces the mil rate, will not change the total amount of taxpayer dollars devoted to the project.

I put this correspondence on the agenda of Monday's special meeting and I will read your correspondence and see what the Board thinks of a second graph.

Appreciate the input on the cuts/no cuts.

We are reviewing all new services, reinstated services and increased service levels as the first place where the Town will be making reductions for the next referendum. The increase in library hours, increased book purchases and increase in programs are some of the items being evaluated for removal, as well as the increase in the Park and Rec budget and increase in field maintenance. Many people want different things protected, including on BOF, where some spoke on Wednesday in favor of not touching the library. We cannot save everything that people don't want cut.

We have had a Park and Rec Program Fund for many years, maybe created under Jenny. It has never supported the entire P & R Department. In 2008/2009, an additional position was "moved into the program fund", but other expenses remained in the budget. After I joined BOF the following year, quick math told us that paying the position from the fund was not sustainable. The position was later moved out of the fund.

To have the Program Fund function better, several years ago, Jim Ford stepped forward and implemented new planning and accounting software and despite significantly lower revenue, Cheryl

Hancin has managed the expenses and brought the negative program fund balance back into a positive position.

We have had discussions at BOF meetings over the last year on a new Program Fund Strategic Plan. It is one of the BOF Objectives and Initiatives established in July of 2014. Work continues on this and it has remained on our agenda for every meeting for updates, when available.

Most events are self sustaining and events are cancelled if it looks like they will lose money, but Cheryl will use other factors before cancelling. Events like the 57 Fest are planned and managed to at least break even. On Connecting Colchester, some criticized the selling of wrist bands for last year's 57 Fest event, but this was P&R's successful attempt to ensure that taxpayer dollars were not used to fund the event.

I am not familiar with the specific dog event you mention below, if you can send me the financials that you are looking at for that event, I will check it out.

On elected positions, we pay for the position not the person.

Not sure how we could set up a compensation policy that paid different candidates running for the same office different amounts depending on who wins, or how we measure experience and accreditation. If the incumbent has less experience than the challenger, do we pay the challenger more if they win?

Even with a vacancy, the assumption that the replaced individual has more experience or accreditation is not always true. People with prior experience and more certifications than the prior official, have been appointed. Should we provide those people with increased pay? Also, experience doesn't always equal number of years and there is the possibility someone could have a lot more experience in another town before coming to Colchester.

Don't know if we want to create a policy where we are negotiating with a newly elected official or when we are looking to quickly find a replacement to fill a vacancy. Negotiation doesn't always produce a lower number, especially if under pressure to find someone quickly. A base pay could work when the new person has less experience and accreditation, but how do we handle when more.

Of most concern, on an election, I wonder if it would influence how people vote if the incumbent candidate is going to get paid more than the challenger. Would people vote for the less experienced candidate to get a budget reduction?

I will keep your suggestions on elected official pay so they will be part of the discussion for our next review of the compensation policy.

We are using leases to catch up for many years of not keeping our fleet up to date. As the availability of parts and the cost of repairs become too high and reliability of equipment becomes poor, and there is not enough money in the budget to buy outright, we have determined in our capital plan that purchasing through a lease, especially at today's very low interest rates, is the most efficient option. The vehicles are paid off at the end of the lease period and we do not turn them in for another leased vehicle like people do with their cars. The ultimate goal is to have level funding, adjusted for inflation, every year with planned purchases in cash as we currently do with the police fleet, where we replace our

oldest vehicle each year. On other equipment, staff determines the optimal time to replace a vehicle based on the cost of repair, resale value and cost of replacement. At this point through improved maintenance programs, we are keeping vehicles longer than the plan, enabling us to reach the goal of level annual funding earlier.

Several years ago, a policy was established where elected officials all keep a time log.

Because a person isn't available to take a phone call or isn't in their office, doesn't mean they are not at work. There are many meetings that are not held in their office. They could be down in one of the meeting rooms, in one of the department offices, at the schools, the library, senior center, or out of Town at Chatham Health District, at the capital, in Norwich at the SECOG offices or CCM meetings.

As for Stan, I have left town hall many nights and the light upstairs is on. I regularly receive e-mails from him at 5:00 in the morning and 11:00 at night. I have met him at Town Hall on weekends, spending several hours with him, having to end the meeting because someone else is waiting, or he had to go off to a Town event.

I would estimate based on what I have seen, that it is likely that some past First Selectmen put in more hours per week than Stan, some maybe less, but if your measure of full time employment is more than 40 hours, then I believe Stan exceeds that. Also, one being present for more hours than another, doesn't always translate into more effective productivity.

On the Board of Ed questions, you'll need to contact Ron as they have their own finance committee made up of several members of the BOE. BOF doesn't have control or responsibility at the line item level on the school budget.

On the building project, would be glad to meet. We might want to have one or two others there with knowledge in areas on the project different than mine, so we can cover all questions. I'm thinking maybe someone from the building committee and someone from the school, maybe Chris Bennett or Ken Jackson.

Let me know if you have any questions and when you want to meet.

Rob

From: Deanna <deeedeee1963@yahoo.com>

Sent: Thursday, May 7, 2015 5:58 AM

To: Robert Tarlov

Subject: Re: Budget Cut Suggestions

Rob,

Thank you for your prompt reply.

Below are two graphs, the top one is from the current school proposal & shows existing & proposed

debt service in dollars/fiscal year.

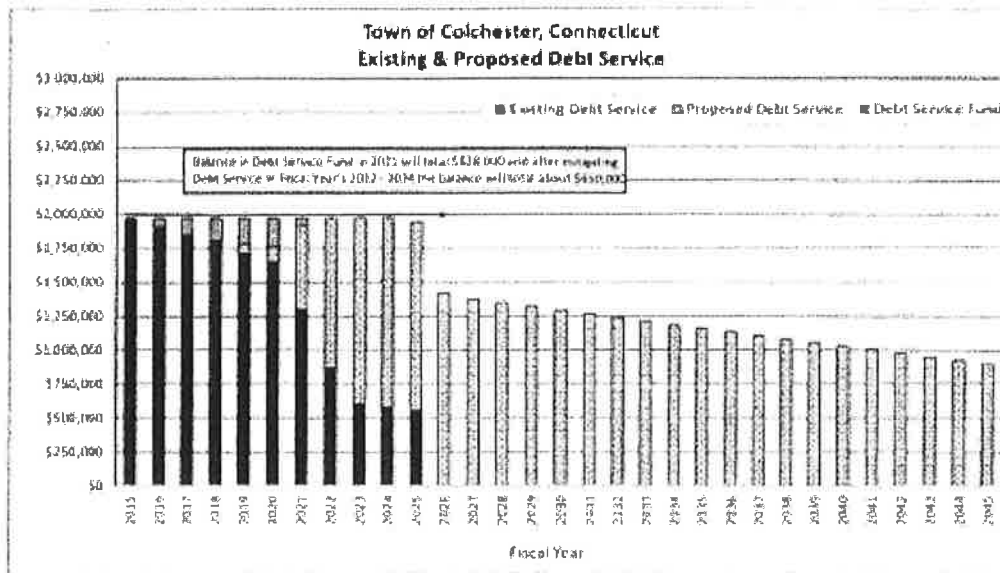
The bottom graph is from the last school proposal. It takes the existing & proposed debt & shows how the debt will impact the mill rate I each fiscal year.

This graph is superior as it provides citizens an accurate picture of what portion of the mill rate is attributed to the all debt.

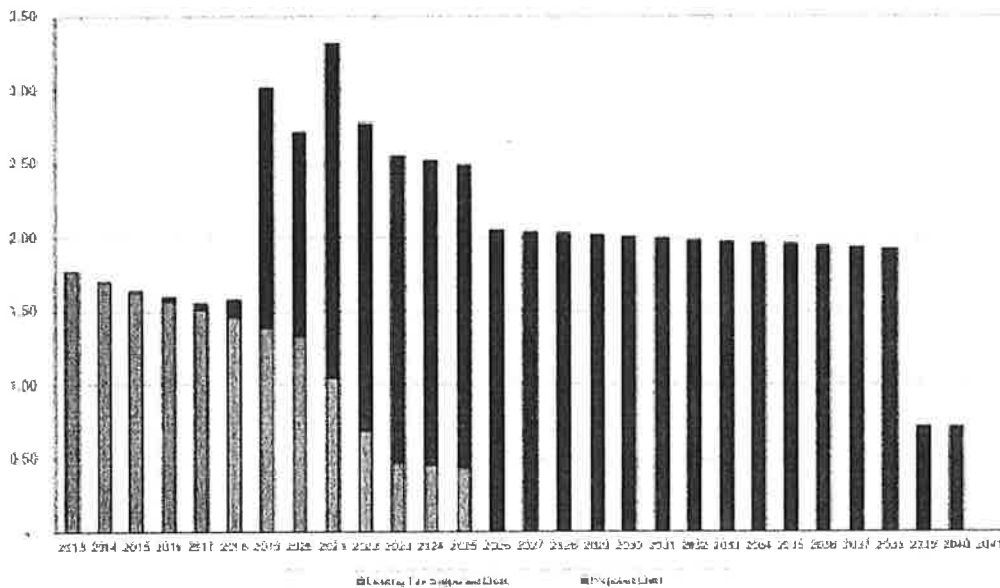
Is this something the BOF or Town can provide? If not, can you explain why it would not be provided? I would ask that the BOF please look into providing this info to Colchester citizens to assure the transparency of this project moving forward. If it is not provided citizens will attempt to interpret the data and it may not be accurate, which could lead to allegations of mis-information.

Thanks again,

Deanna Bouchard



Town of Colchester Existing Tax-Supported Debt Service and Proposed \$30,190MM New Money Bonds for Joint Project IMPACT on MILL RATE



Sent from my iPhone

On May 7, 2015, at 4:47 AM, Robert Tarlov <BOFChair@colchesterct.gov> wrote:

Deanna,

Special Meetings will be warned for Monday night and Tuesday night for BOS and BOF

We have an excellent children's program run by very dedicate staff that are paid very low salaries - these are vital programs.

I would ask that you look at the P&R budget for cuts. This dept used to be self sustaining via program fees \$ -

I think it should return to it's original self funding budget as set forth under the Contois Admin.

With so many private leagues providing the majority of sports in town, baseball, soccer, lax, football, cheerleading etc -

We CAN afford to cut that budget - I believe the survey results support these cuts.

Do we really NEED a dog event when people can't afford rising taxes, groceries & utilities bills???

If the program is not breaking even it should be cancelled - (this is what colleges have instituted when looking whether to run a class) implement fiscally conservative measures.

Also - we had two experienced ELECTED offices with recent new hires - why should new people start at the pay of an experienced person (whom provided many years of service to reach that salary)?

Establish a "base rate" for newly elected officials /

If the newly elected doesn't like the pay - they don't have to run for office.

I dispell the notion that we won't get "qualified people" to run. Our new

Town clerk was previously a para in the schools - she got the job

because she was Nancy's friend & next door neighbor.

What is the deal on vehicles - I thought we leased under Schuster Admin

-

It appears that we have many new vehicles in town -

Paving the townhall - is this necessary this year?

Also are we paying the First Selectman a full salary? Every time I call he is not in the office. The BOS & Gregg went after Tricia questioning her hours worked as Tax Collector - I think ALL town hall employees should punch a time clock. Elected officials should be required to put in XX # of hours a week to get full pay.

On the BOE side

Please look at concessions by ADMIN? Not sure if you can do that because the contract is signed - but it never hurts to ask? (Cell phones- new contact \$100 / mileage, professional development)

Also in the monthly reports as of 3/15

Percent of flowing Accounts Unused

40111 Stipends	54.3%
40113 ClassDaily Subs	57.3%
41250 Unemployment	41.4%
42535 Postage.	47.6%
42613 Maint Supplies.	47.9%
43320 Prof Dev.	58.8%

45411 Water/Sewer.	39.8%
45622 Electricity.	63.5%
45623 Propane.	00.0%
45626 Gas/Maint Veh.	23.7%
45627 Trans Supplies.	51.3%
46430 EquipCntrtFac.	38.1%
48734 OtherCapOutlay	31.5%

While I realize these accounts are via March - there appears to be monies not being used - that may allow the BOE to cut without affecting programs or holding sports hostage!

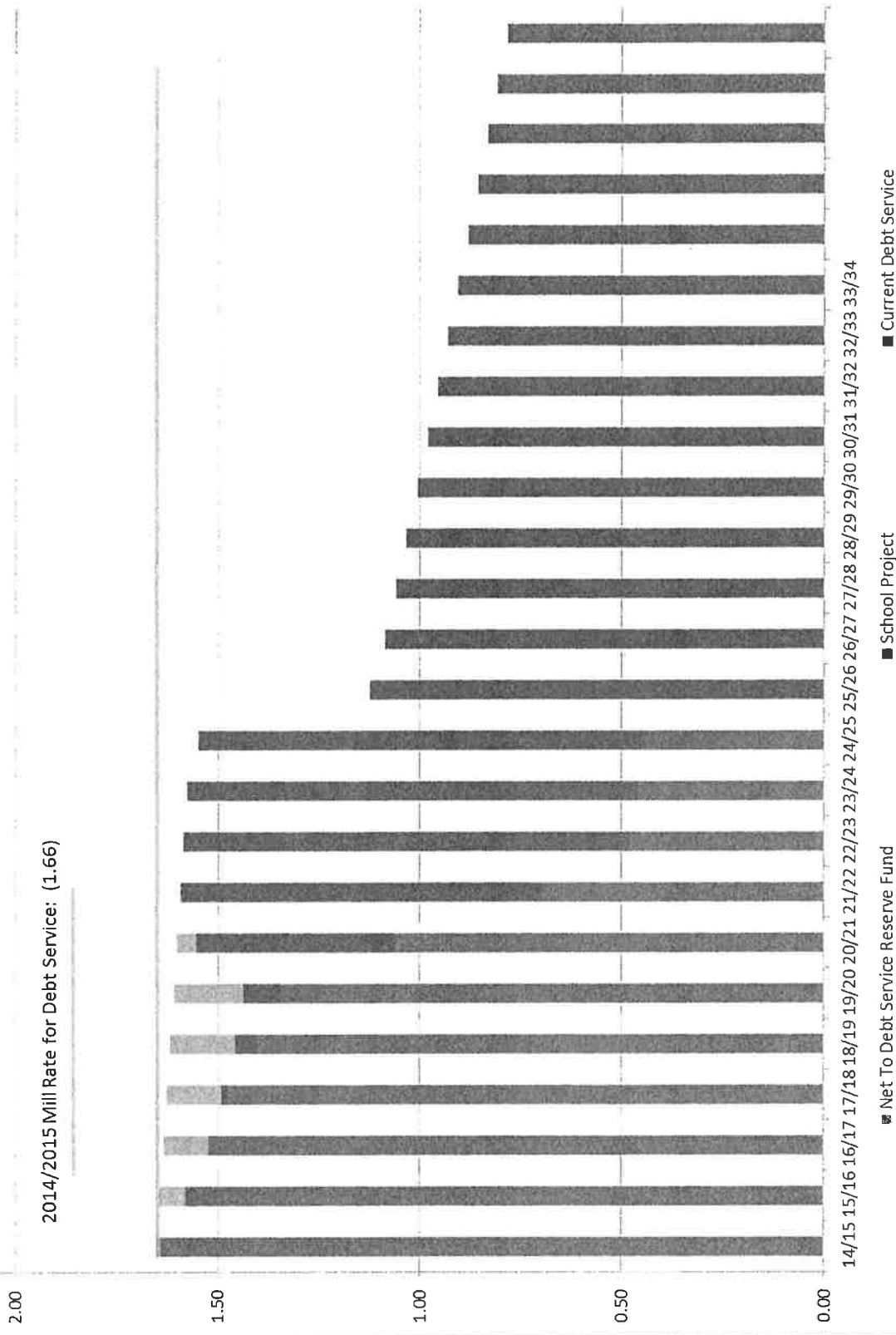
Thanks for listening,

Dee

Will contact you soon to discuss school project - I have a few people that may want to meet with you if you are agreeable to that.

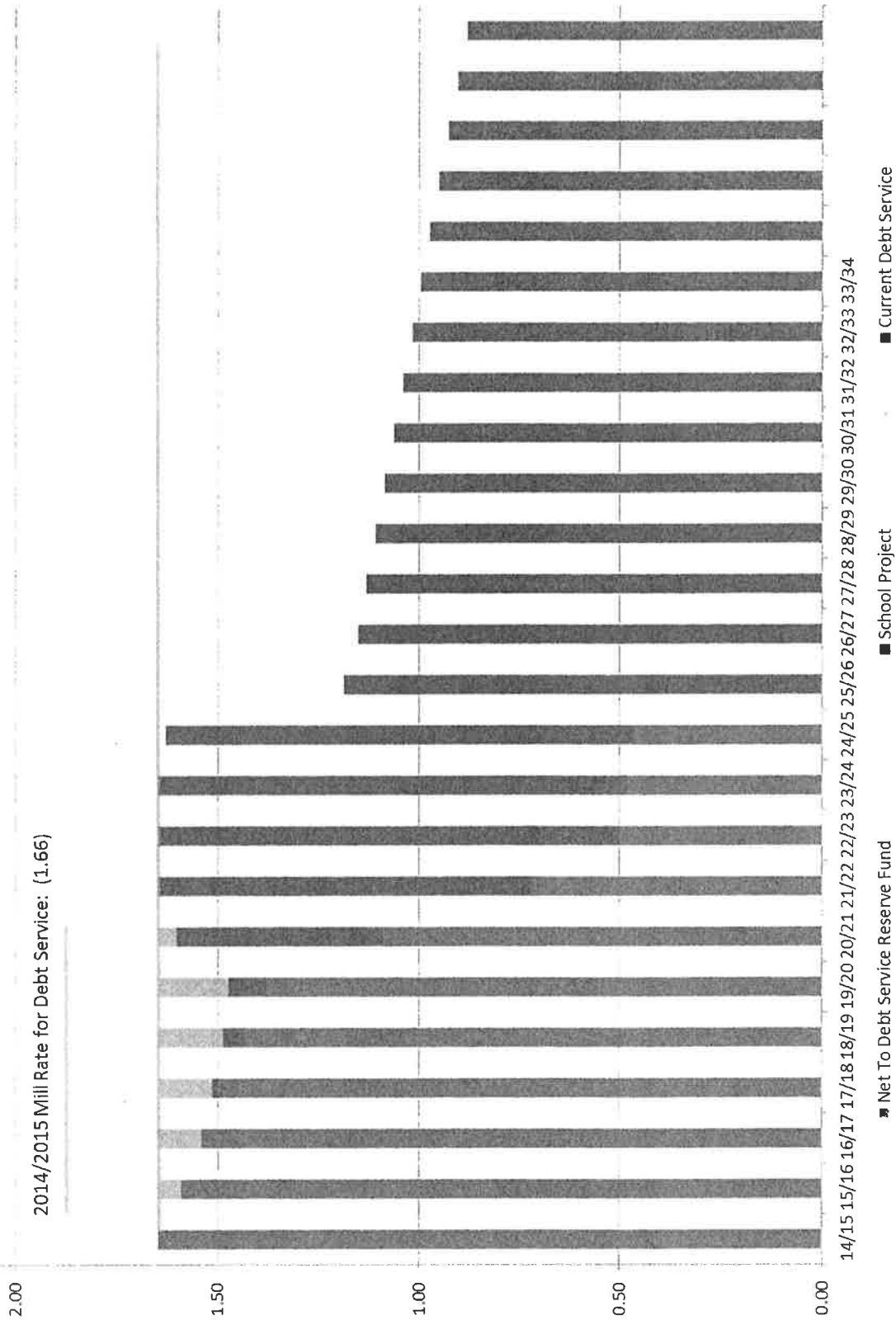
SCHOOL BUILDING PROJECT MIL RATE IMPACT

(assumes 1/2% annual growth in the grand list)



SCHOOL BUILDING PROJECT MIL RATE IMPACT

(assumes no change in the grand list)



Town of Colchester

FY 2015-2016 Proposed Budget

DRAFT

New Services & Improvements to Services

Reductions for Discussion - BOF/BOS 5-11-15

Department		Original	Proposed
		Budget	Reduction
Commission on Aging	Lunch & Learn program	480	480
First Selectman	Charter revision legal	5,000	
Human Resources	Training	1,000	
Planning & Code Administration	Professional services	4,000	4,000
Town Clerk	E-code 360	645	
Registrars of Voters	Memory cards	1,150	1,150
Information Technology	Increased hours - technician	7,581	
Police Department	Uniform replacements	1,200	
Police Department	Radio replacements	15,800	
Police Department	Electronic equipment maintenance	2,000	1,000
Fire Department	Strategic plan consultant	13,000	
Fire Department	Turnout gear replacement	4,033	
Fire Department	EMS supplies	990	
Fire Department	Training	2,000	
Emergency Management	Antenna replacement	1,000	
Highway	Catch basins (additional 7)	5,425	5,425
Highway	Street/warning signs	3,000	1,000
Highway	Professional services - trees	5,000	5,000
Highway	Road improvements	73,435	
Grounds Maintenance	Field maintenance	5,600	5,600

Town of Colchester
FY 2015-2016 Proposed Budget
New Services & Improvements to Services
Reductions for Discussion - BOF/BOS 5-11-15

<u>Department</u>	<u>Original</u>	<u>Proposed</u>	<u>Proposed</u>
	<u>Budget</u>	<u>Budget</u>	<u>Reduction</u>
Youth & Social Services	7,592	7,592	
Youth & Social Services	2,252	2,252	
Youth & Social Services	660		
Youth & Social Services	5,000	2,500	
Youth & Social Services	1,000		
Library	2,977	2,977	
Library	1,500	1,500	
Library	250	250	
Recreation	2,500	2,500	
Senior Services	2,000	2,000	
Senior Services	500	500	
Senior Services	4,500	3,300	
Total new initiatives/improved services - Operating	183,070	49,026	
Capital	25,000		
Capital	10,000		
Capital	8,500		
Capital	25,000	15,000	
Capital	142,000	65,000	
Capital	25,000		
Capital	54,200		
Debt Service	71,400		
Total new initiatives - Capital & Debt	361,100	80,000	

Town of Colchester
 FY 2015-2016 Proposed Budget

New Services & Improvements to Services
 Reductions for Discussion - BOF/BOS 5-11-15

<u>Department</u>	Original	Proposed
<u>Department</u>	<u>Budget</u>	<u>Reduction</u>
Alternative Funding Sources		
Highway	5,425	5,425
Highway	11,700	11,700
	17,125	17,125
Total Alternative Funding Sources		
Cost Savings		
Town-wide	20,294	8,865
	20,294	8,865
Total Cost Savings		
	20,294	8,865
Total Proposed Reductions - Town Budget		
	155,016	
Additional Revenue		
Other Revenues		22,300
		22,300
Total Additional Revenue		
		22,300