

Board of Selectmen
May 2, 2011

THESE MINUTES ARE SUBJECT TO APPROVAL BY BOARD OF SELECTMEN

The Board of Selectmen held a regular meeting Monday, May 2, 2011 in the Council Chamber of the Municipal Center, Newtown. First Selectman Llodra called the meeting to order at 7:30pm.

PRESENT: First Selectman E. Patricia Llodra, Selectman William F.L. Rodgers, Selectman William F. Furrier

ALSO PRESENT: six members of the public, three members of the press.

VOTER PARTICIPATION: none.

ACCEPTANCE OF THE MINUTES: Selectman Rodgers moved to accept the minutes of April 18, 2011. Selectman Furrier seconded. Selectman Rodgers requested an addition be noted on the executive session notes. Although Selectman Furrier was absent at the meeting of April 18, 2011, he had emailed his support of the agreement with United Water. Without his support Selectman Rodgers and First Selectman Llodra would not have acted in his absence. All in favor of the minutes as amended.

COMMUNICATIONS: none.

FINANCE DIRECTOR REPORT: none.

NEW BUSINESS:

Discussion and possible action:

- 1. 2011-2012 Town of Newtown Budget:** First Selectman Llodra presented a document (Att. A) explaining why certain areas of the budget were not reduced after the Council recommendations and a document entitled Budget Reductions and Impact Statements (Att. B). The Legislative Council charged the Board of Selectmen to come up with structural changes, personnel, programs, things that are not just one time changes. Selectman Rodgers noted he is very much in favor the capital non-recurring, fund balance, pension and contingency remaining undisturbed. He believes these are items that will pay off for the town in the long run and hopes that the Council considers this. Selectmen Rodgers welcomed the Council sending the budget back to the town and education side for recommendation. In the spirit of that cooperation he does not object to the pro-rated apportionment. However, if the budget fails again, he will object because he does believe there are differences between the Board of Selectmen budget and the Board of Education budget. He will find it very hard to recommend any further cuts to the Board of Selectmen budget. Selectman Rodgers spoke of the Board of Education's contractual obligations saying that the connection to the overall financial picture needs to be impressed upon the groups negotiating. The consequence of lack of control over contracts is leading us to cut to the bone and reduce services. The contract negotiation process should be connected to the budget process. Selectman Rodgers requested that the full time Senior Services position not be cut to a part time position. The seniors are already dealing with escalating taxes on a fixed income. Selectman Rodgers moved the Board of Selectmen recommend to the Legislative Council the reductions as set forth in the 5/2/11 memo of budget reductions and impact statements, as well as the memo on items not to be reduced, with the exception of the Senior Services line; deleting reference to that. Selectman Furrier seconded. Selectman Furrier agrees in not touching the pension fund but does not agree the capital non recurring fun needs to stay in. He feels that it is acceptable to move that money out of the budget and bond money for capital expenditures; this is an acceptable alternative to funding constraints and he doesn't feel it would affect the bond rating. He believes we should respect our fund balance but could revisited if we were in a crunch as a result of rejected budgets. He stated the Board of Selectmen actions were consistent with

campaign promises; they did not promise to cut services. It would've been premature to support a budget with reduced services. First Selectman Llodra feels strongly about preserving and funding the capital non recurring fund because it has been identified as a best practice. If we don't use the account for identified projects when it comes time to make the expenditures the impact will be so large that it will significantly impact other areas of the budget. She noted that Standard & Poors identified Newtown's level of funding in the fund balance as dissimilar in a negative way from other towns with the same bond rating. A better bond rating allows us to invest in the community at a lesser cost. It is more harmful in the long term to take money from the fund balance. Selectman Rodgers said that the revaluation cost is unavoidable. He views the capital non recurring as a good thing with a commitment to look at what this is being used for each year. Selectman Furrier clarified that he stands in favor of making the proposed reductions ahead of looking at the other accounts, such as fund balance, non recurring and pension. He is in support of making the structural reductions. First Selectman Llodra noted the proposed reductions, not including the Senior Services reduction total \$334,000, bringing the Board of Selectmen budget to a total increase of \$70,399 without debt service. All in favor of the motion.

2. **Appointments/Reappointments:** Selectman Rodgers moved the appointment of Renate Adler, 198 Hattertown Road, to fill a vacancy on the Fairfield Hills Authority for a term to end on July 31, 2011. Selectman Furrier seconded. All in favor. Selectman Furrier moved to appoint Neil Randle, 4 Erin Lane, to fill a vacancy on the Police Commission for a term to end at the next general election. Selectman Rodgers seconded. All in favor. First Selectman Llodra noted a recent vacancy on the Economic Development Commission. The vacancy is for a Republican or Unaffiliated voter. Interested parties can apply by May 31, 2011. Because of the town committee schedule this vacancy will be filled at the first meeting of July, 2011.

VOTER COMMENTS: none

ANNOUNCEMENTS: none.

ADJOURNMENT: Having no further business the Board of Selectmen adjourned their regular meeting at 8:24pm.

Respectfully submitted,


Susan Marcinek, Clerk

Att. A: Budget Reductions...some other considerations
Att. B: Budget Reductions and Impact Statements

Budget Reductions and Impact statements

Tax Department: Elimination of a position will result in increased work load for remaining staff. Assessor department and tax collector department will be restructured to accommodate the reduction in staff. (\$27,254)

Police Department: Elimination of a clerical position will result in increased work load for remaining staff and will likely delay the completion, recording, and filing of non-essential tasks. (\$35,841)

Police Department: Savings in salary account; senior officers replaced by new hires. (\$61,914)

Land Use: Elimination of a half-time position in zoning enforcement will result in reduced and/or delayed oversight and follow-up regarding compliance with zoning regulations. Further impact may be felt in other initiatives such as the POCD and the sidewalk plan. (\$19,000)

Senior Services: Reduction of a full-time clerk position to part-time status will result in greater work load for remaining staff and may incur the need to 'cover' the facility during periods of vacation and trips using staff from other departments. (\$16,000)

Employee Benefits: Reduction in cost for medical benefits and FICA due to position eliminations and reduction. (\$26,991)

Fairfield Hills Authority: Consolidation of the landscaping contract (Fairfield Hills Campus; school fields; municipal properties; some cemeteries; NYFS; ambulance garage...) under Parks and Recreation will result in increased work responsibilities for the P&R staff. (\$86,000)

Parks and Recreation: Hours of operation for Park facilities (Dickinson and Treadwell) modified for a 7:00 PM closing instead of 8:00 PM thus reducing park access by one hour per day from the end of June through to Labor Day. (\$20,000)

Library: Likely reduction in community access to this service, possibly in the form of later opening hours. (\$8,000)

Edmond Town Hall: Town Finance Office will take over ETH BoM accounting function. (ETH staff vacancy may then be filled at less cost.) (\$5,000)

Town Clerk: Reducing this account will impact the office ability to employ 'short-term' workers needed to cover during vacations and/or to execute special projects, such as indexing. (\$7,500)

Police Department: Modifying the patrol car replacement schedule to allow for 3 rather than 4 annual replacements will cause vehicles to accrue more mileage (which may result in an increase in repair costs.) (\$30,000)

Communications: Miscellaneous reductions. Department supervisor has confirmed that she will manage these reductions. (\$6,500)

Total: \$350,000 Total: \$334,000

- Any increase in unemployment benefits will be taken from contingency.

Budget Reductions...some other considerations.

Why not Police Department (sworn personnel)?

- Full staffing of the PD is 47 sworn personnel
- One position was eliminated last year for a 'new' full staffing of 46 sworn officers
- Currently we have a staffing of 45, but only 38 available for duty
 - Three (3) new hires are in the Academy
 - Academy training is 22 weeks; our three officers will complete training in August
 - Field training then takes another 6 months, after Academy completion
 - Three officers are school-based
 - One officer is on the Ct state-wide drug task force
- PD asked to take on additional role regarding Fairfield Hills Campus: manage security contract; supervise security personnel; establish engineer's house on Trades Lane as a 'security station'.

Why not Parks and Recreation?

- This department has taken on additional work: 1) full responsibility for Eichler's Cove; 2) oversight of the landscaping contract (all municipal property) with additional mowing tasks;
- Department is short staffed with medical absence of a crew chief through August.

Why not Public Works?

- Current level of staffing stressed to manage existing work load;
 - Town added 42 miles of road since 1990, with only 2 additional crew
 - Lack of funds and personnel have taken a toll on road upkeep
 - Demanding level of equipment repair and maintenance tasks
- PW staff asked to take on additional projects
 - Trenching for Sandy Hook water line
 - Trenching for utilities at duplex area (KCC)
 - Road and parking lot improvements (KCC; Farmer's Market, etc)
- Some restructuring of work and new planning requirements
 - Road maintenance plan in place
 - Culvert assessment project underway this summer
 - Organizational analysis initiative (Blum & Shapiro) includes building maintenance (school and town) – may lead to further department redesign.

Why not Town Clerk?

- Reduction of funds for indexing places that additional responsibility on existing staff
 - Documents and materials archived at ETH are relocated to the Municipal Center and must be indexed
 - Summer work eliminated last year.

Why not Capital Non-Recurring? There is \$225,000 in the Capital Non-recurring account. Funding this account signifies the Town's intention to save toward known capital and program costs, such as the planned Town revaluation scheduled for late 2012 with a projected cost of \$350,000, the replacement of the Public Works Sweeper at a cost of \$200,000, and fire equipment scheduled for replacement for approximately \$1.8 MM.

Plan-full use of the Capital Non-Recurring account will reduce the need for long-term borrowing and is an important part of the overall financial strategy to reduce debt.

Why not Fund Balance? Annual use of our savings account for operational costs constitutes a structural imbalance in how the municipality is funded and has become a focal point of interest among our ratings agencies. This budget proposal completely weans us from non-emergency use of fund balance, a necessary step to preserve our bond rating. Newtown sells bonds annually in order to fund infrastructure and facilities projects. The cost of borrowing money is a direct function of the bond rating. Town government, including the BoS, BoF and the LC, is committed to eliminating our 'routine' use of fund balance. Further, we are committed to refining and updating our fund balance policy to better reflect best practice and to set reasonable levels of reserves.

Why not the Pension account? Newtown government is committed to funding the Pension plans according to the recommendation of the Pension Board and Fund Manager. As of 2011, our pension plans are funded at the 89% level for the Police Pension Plan and the 96% level for the Municipal Pension Plan. In 2010/2011, the BoS directed a recalibration of the Plan(s) assumptions, reducing the performance level from 8% to 7.75% and the annual wage gain from 6% to 4.5%. These recalibrations will have some effect on funding requirements in fiscal 2012. It is unwise to underfund pension plans at any time, but particularly unwise at this time when the impact of the recalibrations are unknown.

Why not Contingency? The contingency account for fiscal 2012 is set at a level lower than 2011. That account will be used to fund new contracts (Police and Parks & Recreation) and serves as back-up support for unanticipated costs, such as those related to weather and litigation. For the past few years, we have ended the fiscal year with very little money in Contingency. If we do not fund that account sufficiently, then we will likely face a situation that will require a mid-year elimination or reduction of a planned and approved expense.