

**BOARD OF SELECTMEN
BUDGET WORKSHOP
February 16, 2011
Meeting Room A**

<u>Present:</u> Norman Needleman Joel Marzi Philip Miller Lois Ely John Heiser Robert. Dixon Frances Nolin Tom Danyliw Joseph Budrow	Rick Audet Mike Holmes Keith Nolin Richard Conroy James Francis Kelly Sterner Members of the Press Audience Members
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Philip Miller called the meeting to order at 5:00 p.m

BUDGET REVIEWS:

Registrars - Lois Ely and John Heiser spoke on behalf of the Registrar's budget. Mr. Miller stated that the biggest increase is the part-time payroll. The hours have increased to meet demands and they anticipate another challenging year this year with several primaries. Other line items are down considerably including postage, telephone, and printing services. The total is approximately a 10 % increase. Mr. Heiser stated that they are going to replace the batteries in tabulators and within a year or so they need to replace the big batteries.

There is a new bill in the legislature that would allow the Secretary of State's office to make sure we have enough ballots on hand for their satisfaction. Four thousand ballots have been ordered.

Mrs. Nolin stated she contracted James Spallone, deputy Secretary of the State of confirms that if they run out of ballots, copies can be made. Mr. Spallone and Attorney Bromley confirmed that copies can be made.

Mr. Heiser took the least part-time hourly figure and calculated the number of hours of work they do and multiplied it to figure out the increase. He has been working to cut costs by retaining poll workers.

Mr. Francis questioned why printing service is dropping from \$2500 and wondered where the ballots are in the town budget. He was told ballots are in the Town Clerk's budget. Mrs. Nolin stated she gets the bill and she pays for the absentee ballots. They are put under supplies.

Mr. Francis stated that the election supply line is down. It costs about \$3000 for 4000 ballots. Mrs. Nolin stated she went down in her supply budget and is not sure why, especially with all the elections coming up.

Mr. Needleman suggested that the budget for ballots come out of the Registrar's budget. Currently Mrs. Nolin is paying for the absentee ballots.

Mr. Francis stated that the budget for the ballots should come under one line item in the Election budget. There are two anticipated elections - one municipal election and one primary along with the Region 4 referendum coming up.

Mr. Needleman asked what the recommended increase for elected officials and non-union employees would be and was told it was 2 %.

Mrs. Nolin reported that by State Statute the office hours for the Registrar of Voters is to be posted. The hours posted are Monday's from 10:00 a.m. – 1:00 p.m.

Zoning - Mr. Joseph Budrow spoke as Zoning and Wetlands Officer. He stressed the need for a large-scale copier which can make a copy of a mass site plan. He can't make a copy of anything larger than 11 x 17. The only way to make a copy is to either tape together six smaller copies, or to sign out the plan and go to Old Saybrook to Ciel, Inc. He feels it would be a better service to the citizens and other professionals in town to have a piece of equipment to make large-size copies. The quoted price is \$10,000 and there is a very good chance that a discount or a sale will lower the price. Shaun Haines from IT got a quote from the HP website for about \$8450. He also suggested a three year service packet. This machine has no toner expenses.

Mr. Miller asked what the standard of revenue is for providing copies to the public from \$5 to \$10.

Mr. Budrow researched the town's payments to outside copiers. One year the town spent \$950. Last year it was \$250 and in another year it was \$500.

Mr. Needleman believes this purchase is a good idea. It's going to generate some revenue to offset it's costs and the town should not wait until July or August to get it. Therefore, it is not an appropriation for next year's budget. There is enough money in the Board of Finance Contingency Fund for this special request. This machine would be used by other town departments as well. Mr. Miller stated he will request this item be placed on the agenda for tonight's Board of Selectmen Meeting. It can then be recommended to the Board of Finance Meeting tomorrow.

Mr. Budrow stated that he only added to the Wetlands budget on the dues line a small increase in conferences.

Parks & Recreation - Mr. Rick Audet and Mr. Mike Holmes presented the general fund and special revenue budget spreadsheets.

In terms of the general funds Mr. Needleman stated that the operating budget is virtually flat. There is a decrease of \$20,000 in the special revenue funds support but an addition of \$20,000 under the recreation program special revenues so it's a wash. It is expected that the subscription rates will remain pretty strong. The special revenue figures were

compared to where things were in December of the current fiscal year which is a more accurate benchmark.

Of the \$20,000, \$10,000 will be put into the general fund to cover community events. The special revenue fund by definition is revenue-generating, self-sustaining programming and community events are special events that are covered by the general fund and the taxpayers. It was felt more appropriate to place that into the general fund. The other \$10,000 of that \$20,000 town support will be put into the Park and Recreation savings fund because the current \$3000 allotment each year is really not enough. The capital improvement document is on file with the Treasurer's Office and there are some big ticket items coming up. There is a current balance of about \$12,000.

Mr. Needleman is pleased that they're not asking for any extra money from the town. The overall budget is fairly flat with a very modest increase. The Lacrosse program has been added and has been very successful. The Great Outdoor Pursuit is starting this Saturday - a yearlong partnership with the Parks and Recreation and Land Trust. The new Essex "go Bragh" will be on March 19.

Mr. Needleman asked what has been the total dollar revenue that they've received for special events from sponsorships. Mr. Audet stated that they received about \$4150. They have also applied for a couple grants - one with the Rockfall Foundation for the Great Outdoors Pursuit and one with the Middlesex Community Foundation. However it is quite a bit of work to do for small grant awards. Community events were a drain on the account. If the money comes out of the general fund it's a lot easier to make those programs self-sustaining. Turf care is one line item and mowing is another. They are looking for ways to save money.

Mr. Audet explained that each line item in the special revenue budget describes the revenues and expenses for every program. He's going to break that down even further in a 2-page Excel spreadsheet with all the revenues and expenses for every program and then upon completion of the program will immediately complete a spreadsheet of the actual figures. This will help to fine tune the special revenue budget every year. All programs will be surveyed to look for the positives and negatives of the program.

Mr. Marzi said that if Parks and Recreation had savings in one fund and wanted to add that to a different fund he didn't have a problem with that and he feels the whole town should operate that way. Mr. Dixon and Ms. Sterner of the Treasurer's Office were not in favor of this practice.

Mr. Audet stated that he was able to extend the opportunities for the summer camp program. The hours will stay the same to provide full-day coverage for working families and they're adding a new section to their summer camp which will allow kids going into kindergarten a half-day camp.

Mr. Miller stated that the Parks and Recreation Department has done a great job in taking good care of the facilities they use, including the elementary school during summer camp, and there seems to be a very good working relationship with other departments as well.

Mr. Needleman stated that if there were any excess revenues in the special fund they would be specifically held for programs and that seed money is put into new programs as opposed to having the town fund a new program. He would not mind seeing that surplus grow if you can do that without excluding people. He also is uncomfortable about separating the special events from the revenue fund because every time somebody wants to have a new celebration that should not be part of the budget. That piece, if you're going to call it out as a special events piece, is going to be subject to the 2 or 3 % per year increase that the rest of the budget is subject to. He recommended using restraint with new programs because each one takes a little bit more of the time of Parks and Recreation employees and this needs to be managed carefully.

Mr. Needleman said he would like the surplus at the end of the year to grow a little bit more. Additionally, the special revenue fund support is really now a special event fund and he fully supports the idea. He recommends an analysis of the true maintenance costs of our Parks and Recreation facilities in determining future expenses.

SWA & WPCA - Mr. Al Wolfgram was not in attendance tonight. No discussion.

Building and Fire Marshal Department - Under Building Mr. Keith Nolin didn't add anything. He lowered the amount of measured state fees. He did not put any lines in for the payrolls because he didn't know exactly what the bottom line would be.

The building department and Fire Marshal are sharing a full-time employee with the zoning department, which makes this employee part-time in this department.

Mr. Nolin stated that he left the payroll line empty for the part-time employee which is 17.5 hours but he also wanted to request some supplementation for a part time employee to cover shifts when the full time employee is out, especially while on vacation. He was hoping that consideration would be made to the other land use departments as well in sharing this part time employee like from Zoning and the Health Department. This request is especially critical because they're sharing one person. When the employee is not working it's going to be short in two or three departments so he thinks it is prudent to have a person who can be cross-trained to cover in these departments.

Mr. Nolin mentioned that the Fire Marshal Training line item increased from \$250 to \$450. He must do dual certification. He wants to add a line item to the Building Department of \$2000 to cover vacations called Temporary Part-Time Payroll.

Mr. Nolin received training on Permit Software for the Land Use Department. Darcy Roper has already gone into Zoning for a couple of days and commented that she is really looking forward to streamlining the Land Use and Building Departments. The software could be used by Zoning, Building, and Health with Permits. Accounting would have a read-only copy so that they could click in and know at any given minute what the permit income is. The Assessor would also get all of her information right out of it as a read-only copy. Having one contact person for the whole Land Use Department would make it more efficient.

Mr. Dixon inquired about the cost of the software. Mr. Nolin stated that it is estimated at anywhere from \$4000 to \$7500. Training and all user licenses would be included. Mr. Nolin stated it would be a more effective use of wage hours. Mr. Needleman suggested a write-up be presented showing the rationale for this software from a business point of view to justify its purchase.

Library - Mr. Richard Conway spoke for the Essex Library.

Salary-wise the budget is lower than last year because Judi McCann left. The library continues to provide high-quality services to the community despite financial constraints.

Mr. Conway was asked about the status of the Endowment Fund. He stated the Endowment is close to where it was back in the fall of 2008. He was asked what percentage of that Endowment is being tapped for the budget. It is approximately 5 %. If \$25,000 was taken out of the Endowment it would be closer to 6 or 6.5 %, which he does not feel comfortable with. Mr. Marzi asked if he could get the Endowment figures emailed to him and was told yes. There are 36 years left on the mortgage at 4.25 %. Mr. Needleman stated they had asked for a \$25,000 increase. The endowment returns were 7 or 8 % but they were withdrawing 8 or 9 %. The library established a level of activity and services that became an expectation that is now difficult to support financially. The Board of Finance granted a one-time increase to help out with a little bit of it and there were other fundraising activities to tide them over. Mr. Needleman feels very strongly that this municipality has a very strong sense of what it is willing to pay for and what it is not willing to fund through taxpayer dollars. He'd be concerned about the adjustment that was made at the managerial level which is a 4 % increase over last year's allocation. He does not want to see the library get used to living beyond its means. He's okay with talking about going a little higher but he wants to be clearly on the record that the amount that they're going to support the library as a municipality is limited to a base number plus an increase based on inflation rates.

On April 30 there is a campaign to support the Endowment. Mr. Needleman suggested a letter to the community and to the library members be sent out regarding the need for funds. Two million dollars was raised and at a conservative rate of return that was supposed to cover the mortgage. There was an Endowment in addition to that which was generating money that should have been used for operating expenses and at no point should an Endowment ever have taken more than 5 % and anything beyond that should have allowed it to grow for the years when it fell because all Endowments fluctuate. 5 % is a reasonable number and most charitable foundations live with that number. In today's world, because rates of return have dropped considerably, 4 % is considered a more appropriate number to take out of your endowment to pay a mortgage, salaries, programs, etc...

Mr. Needleman said he was okay with increasing this by a little, maybe going to \$267,500 and whatever % we talk about for future increases. But what we do for the library we have to do for all other agencies and the voters won't support that large a tax increase. Mr. Needleman cautions them not get used to living off of the Endowment for operating expenses.

Planning - Dr. Tom Danyliw spoke regarding the Planning budget. Mr. Needleman asked what the offsetting revenue was from the grant. Dr. Danyliw said for a two year period the grants have offset CME.

Mr. Marzi said we are reaching a level where we ask at what point it is more effective to have a part-time planner who doesn't have to travel so far. Dr. Danyliw stated that Mr. Guzskowski is working about a day-and-a-half a week but his day-and-a-half is equivalent to other peoples' three days. Mr. Guzskowski came highly recommended after an extensive search. He has a two hour round trip and gets paid for the travel time. His hourly rate is \$110. Mr. Needleman questioned what a full-time planner would be. Mr. Danyliw estimated it would be about \$80,000 a year.

Mr. Guzskowski was instrumental in getting the Transportation grant. We were only the second town in all of Connecticut to receive that grant. Essex was the first town to get the \$150,000 grant. Dr. Danyliw stated we have an effective Planning Commission due to Mr. Guzskowski's guidance. The board will back this funding and the voters will make the final decision.

Town Clerk - Mrs. Frances Nolin spoke on behalf of the Town Clerk's Office. She stated that she would like to have proper help in the office. Her assistant comes in at 10:00 A.M. and leaves at 4:00 P.M. With the election coming up she is very busy with absentee ballots. She needs more help and it is a job that will require some training.

Mrs. Nolin stated that there are many services that the Town Clerk's office provides that the town does not get money for. For instance, her department has to pay \$36 per document that she records. The town, when they put a lien on a property for taxes, doesn't charge them \$53 to record a document for the first page and \$5 thereafter. The town does not get conveyance tax on foreclosed properties and the Town Clerk's Office still has to pay the \$36.

Mrs. Nolin stated that with regard to land records she is on the Town Portal and that Deep River and Chester are joining as well. She said she would like to try this for six months and see if there is a change in revenue coming into the office.

Mrs. Nolin had asked if she could raise her rate of pay to the top rate of \$55,698

Dana Novorio was working 35 hours before her maternity leave. When she came back she was at 28 hours, then cut to 20 during the budget cuts, then back to 25 and then recently reinstated to 30 hours in September.

Mrs. Nolin requests an additional 5 hours be added to her budget for Mrs. Novorio. Mr. Needleman suggested a number be put in for temporary part-time payroll. Mr. Dixon stated that \$1000 was already added back in. Mr. Needleman suggested we could change that amount to something in the range of \$1500. He suggests care be taken not to have the entire budget thrown out at the Town Meeting as a result of one change. Mr. Needleman suggests putting \$1500 in for now so that they can see the impact on the total increase.

Philip Miller adjourned the meeting at 6:45 for a quick dinner break and the Board of Selectmen's Meeting.

Second Half of Budget Workshop

Philip Miller called the meeting to order at 8:05 p.m.

SUMMARY:

Mrs. Sterner stated that this evening \$18,340 has been added back into the budget. This includes \$7000 for the Park and Recreation Sinking Fund going from \$3000 to \$10,000, the supplemental payroll for the Building Department of \$2000, giving the Library another \$7500, giving the Town Clerk another \$500 for part-time payroll and taking \$2000 out of election supplies from the Town Clerk but increasing printing costs for elections, probably about \$3300.

Zoning Enforcement Agent had no changes.

Capital and Sinking Funds the Parks and Recreation request for \$20,000 was reduced but then \$10,000 was put in for community events as a permanent line item in the budget. The Sinking Fund was not increased by \$10,000 they had asked for. It's still at the \$3000 level so we would need an additional \$7000. They are also asking for an additional step increase for Rick Audet.

Mr. Holmes stated that the Sinking Fund is money set aside and is not exactly an annual expenditure so when looking at their budget you cannot calculate that extra \$7000 as an increase in their budget. Mrs. Sterner agreed but also stated that as far as overall financing it would have to be increased from \$3,000 to \$7,000. Mr. Needleman suggested we go to \$7500 right now, increasing it by \$4500.

Ms. Sterner stated that the 2 % proposed cost of living increase is about \$15,000 increase. Half of that is for elected and half is non-elected employees. Last year the Selectmen put in for zero but the final budget included a 1 % increase due to the fact that last year medical was going up and now this year medical is going down. This is not reflected in this budget. That amounts to a \$23,324 decrease. On the medical and dental insurance line the budgeted request is \$391,945 which is a \$62,000 increase. With the actual numbers it ends up being \$368,620.

Mr. Needleman inquired why, if the medical and dental insurance premiums were decreasing, why this budget line item was increasing. Mrs. Sterner stated that two Public Works employees joined the insurance with their families and there is a new full-time Land Use employee so the reason it's up is even though premiums went down is because there are more participants now and more employees on the family plans. The \$23,000 decrease will be incorporated into the next version of the budget.

Mr. Needleman questioned the increase in the Elections budget for payroll and it was explained that both full-time employees get step increases in addition to a 2 % increase. He mentioned that the Board of Education negotiated no step increases for the year. He

suggests that to be consistent as a municipality this should be addressed. He asked who else received step increases and was given a list of approximately eight people.

Mr. Needleman stated that he wants to provide the right amount of services for the town but that the goal is to get the budget approved at the Town Meeting. It doesn't take a lot of extra dollars to affect the mill rate. Mr. Marzi stated that the Selectmen have to do their job and present the right kind of budget and let the voters handle it.

Mr. Needleman stated it is important to weigh where the community's interests lie in terms of services and rely on an independently elected Board of Education that is trying to cut it as close as they can. At some point as a community tough choices will have to be made. If a 6.5 % increase in the mill rate is presented there will be hundreds of people complaining.

Assessor - Mr. Needleman asked if there was enough money available to do the full revaluation in two years and was told there was. Ms. Sterner stated that some of the money is being put back in the budget as it is coming from the Tax Collector because they are going to be handling mailings themselves.

Central Services - Heating Fuel was determined to be adequate.

Elections - budget has already been addressed. But Mr. Needleman stated that the budget request of \$18,000 should be reduced, bringing it up to \$16,098 which would bring them to approximately \$15 an hour based on their 500 hours. Mr. Needleman stated he is okay with giving them a little bit more but also okay with not giving everything requested. In addition, they do get paid for working at the polls.

Town Clerk

Mr. Needleman stated that the Selectmen had approved longevity payments for the Town Clerk and since the Town Clerk is getting longevity along with her current rate of pay, that brings her close to the top of her pay. He suggested possibly next year looking into a raise for the Town Clerk.

Mr. Needleman also suggested that we give the Town Clerk an extra \$500 into the part-time temporary payroll line item so the \$1000 becomes \$1500.

Mr. Needleman requested a calculation of the number of full-time and part-time employees of the town and the total number of hours. It's a good number to have, especially when trying to sell the budget to the public. It's a great calculation to present as part of the package.

Treasurer - Other consultants are Pension Services to do the OPEB evaluation.

Fringe benefits are up due to more family participants but rates are down.

Mrs. Sterner is awaiting the number from the Retirement Committee regarding a recommendation on the retirement contributions because they were given two options and they have yet to decide. The higher one was put in for now. That would be consistent with

the current amortization so this is the worst case scenario in terms of dollars. If they chose to recommend the lower one it would drop the contributions for the town about \$73,000. The selectmen make a recommendation but the Board of Finance has the right to choose.

General Insurance - Worker's Compensation numbers for the upcoming year are flat and LAP insurance is up 6%.

Legal Services, it was suggested changing the preserve value since we are not an intervener anymore. It was decided to change the name from Preserve Intervener to Preserve. The single largest legal expense is for Zoning because it's the only board or commission that has a lawyer at every single meeting irrespective of what's on the Agenda. That represents 40 % of the legal budget just for the Zoning Commission. The fees include not only the representation at meetings but also billing for numerous phone calls. It was suggested that calls be justified and consolidated. There was discussion about the Rite Aid Zoning appeal going away which would reduce the need for legal services. The \$30,000 was reduced to \$25,000.

Technology, MUNIS includes a \$4000 one-time conversion fee. They're going to a new platform and the town has to take advantage of their service where they host it or get a new server with this different platform. In the long run it will be cheaper for them to host it. Then OSTBA, which is this off-site service, will no longer be needed. It will be hosted on the web. They would guarantee the price for three years. Next year it would be \$2100 and \$4000 of that is just a one-time fee. They would do all the servicing and update all the software so it is just a much smoother way. They will stop servicing our current version in April. If we have problems with it then we're out of luck so that is why MUNIS is going up substantially. As far as Layer 8, who does our IT, they have proposed a site on Networks Managed IT Service. They would take over all of the IT - all of the equipment. They would replace it every three years and maintain all of it. They would take care of all the software, all the licensing, all the switches, all the servers. Unfortunately it would cost substantially more than what is budgeted here, the \$40,000. It would be \$60,000 a year plus the \$4000 initial conversion. The \$4,000 is the only amount in the budget now because Mrs. Sterner only received this number today. Mrs. Sterner stated that she is going to work with them and try to make the budgeted \$40,000 work for next year. They would be our 24/7 IT service.

Mr. Needleman stated that this budget is showing an error on the spreadsheet. Mrs. Sterner agreed that there is a spreadsheet error and will look into it.

Board of Finance - Mr. Miller inquired on the part-time payroll adjustment for the board clerk. The Board of Finance clerk went from the flat monthly rate to an hourly rate of pay at step 6 level 6.

Mr. Needleman inquired of the \$125,000 contingency since they have only used \$16,000. Mrs. Sterner stated that the school is definitely going to have to come in for more. They were going to be over anyway because of special education costs and the cost of the roof and now with snow shoveling the school will be in for more money, affecting this year's budget.

Clean Energy is okay. Conservation is down and looks fine. Economic Development was down. Inland and Wetlands is down because of the cut in part time payroll for board clerking.

Parks and Recreation has been done but the Sinking Fund was adjusted by an increase of \$4500 instead of \$10,000.

Planning Commission has already been discussed and was given part of what they wanted but not all of it.

Tree Committee is the same. ZBA is down because of a reduction in part time payroll for board clerking. The Zoning Commission is fine.

Ambulance Association had significant reduction in their Worker's Compensation.

Animal Control - Mr. Needleman stated since the Animal Control has quite a bit of funds in their account, he thinks we should cut the special revenue fund down to \$10,000 this year.

Building Department – an increase of \$2,000 for supplemental payroll.

Emergency Management shows a big percentage but no dollars. It looks fine. Emergency 911 is down.

Fire Department asked for \$35,950 and \$75,000 more on the sinking fund. Mr. Needleman said he thinks we've got to give them \$25,000.

Fire Marshal looks okay.

Harbor Patrol change is for part-time payroll. They asked for \$8000. \$5000 was taken out. They said in order to be able to fully equip all the shifts they would need \$8000 more. Mr. Needleman said he recommended an increase of \$1500.

Police Services – the number will be left for now. It may be a little higher.

Resident State Trooper is an estimate. Final number not available yet.

Water budget is fine.

Director of Health shows no change for right now.

Estuary Transit is fine.

Sanitary Waste Commission looks fine.

Social Services are fine. Visiting Nurses is fine. Water Pollution Control is fine.

Highway Department is roughly flat and their salary increases are contractual. Mrs. Lucarelli requested on behalf of Dave Caroline that another full time employee be added if

at all possible next fiscal year. There's going to be a lot of damage after this winter. We have \$100,000 in road repair. Dave would like to bring one part-time employee to full-time

Town Garage budget there is \$5000 for heating and fuel. Mr. Needleman asked if they need that much extra. Mrs. Sterner stated that the request matches their actual for 2009-2010.

Libraries were already addressed.

Capital and Sinking Funds - The Fire Department requested \$100,000 which is what it was on the Fire Department budget to get them back to the point where they're refurbishing equipment.

ADJOURNMENT at 9:15

Respectfully submitted,

Maria Lucarelli
/sab