

**BOARD OF SELECTMEN
BUDGET WORKSHOP
January 18, 2012
Meeting Room A**

<u>Present:</u>	Norman Needleman	Kelly Sterner
	Joel Marzi	Members of the Press
	Stacia Libby	Audience Members
	Lois Ely	Susan Malan
	John Heiser	Dave Caroline
	Robert. Dixon	
	Frances Nolin	
	Keith Nolin	

Norman Needleman called the meeting to order at 5:00 p.m.

Mr. Needleman reported on the Selectman's first review of the 2012-2013 budget with help from Kelly Sterner, Director of Finance and Maria Lucarelli, Assistant to the Selectmen as administrative support. This year the budget process responsibility has been shifted from the Selectman's office to the Finance Department.

Mr. Needleman reported that each budget request was required to include the backup information pertaining to the request. This information was given to the three Selectmen, the Finance Department, and the Chairman of the Board of Finance. The binders include all of the submitted information from non-profits which also included their tax returns and I-90s.

Mr. Marzi stated that he liked the transparency and clarity on this year's budget and the change in the budget request form with the addition of columns from original requests to each change being made along the way.

Mr. Needleman stated that in the Selectman's request there is a built in 2% increase for non-union salaries, plus the committed salaries for union employees. There is also an 8% estimated increase for health care costs since we have not been given those numbers yet. The pension numbers are actual numbers.

Mr. Needleman reported that hours in different departments are being adjusted. In the Selectmen's some staff hours have been reduced since the Finance Director has taken on doing all the pension work and more of the budget process work, and some extra help is being proposed for the Treasurer's/Finance Department. Mr. Needleman waived his 2% cost of living increase, Mr. Marzi waived his and Ms. Libby also waived hers.

BUDGET REVIEWS:

Elections– Ms. Lois Ely and Mr. John Heiser spoke on behalf of the Registrar's budget. Their request is basically flat with an increase of \$27. They cut the voter machines

maintenance. The current minimum hourly rate at town hall is approximately \$19 an hour and this increase to the registrar's hourly salary will bring the registrars to \$18 an hour.

Mr. Needleman stated there is a table of salaries and the registrars have been functioning below the charts and he supports their request. There are several primaries this year, at least four that they know of.

Tax Collector– Ms. Megan Haskins the Tax Collector made her presentation. Her budget included purchasing envelopes for the mailings, the required advertising for tax notices, and her required registration with the State of Connecticut. Ms. Haskins is also working on obtaining her certification.

Mr. Needleman stated that since Megan has become Tax Collector, she has been instrumental in collecting the back taxes and delinquent taxes.

Mr. Needleman reported that there are several IT systems that do not communicate with each other and one of the initiatives is to create a small task force of internal employees and external volunteers that will investigate IT systems to possibly implement in order to eliminate all the extra input.

Mr. Marzi asked if the advertising was for the legal notices. Ms. Haskins responded yes.

Town Clerk – Ms. Fran Nolin reported that the Town Clerk's office will have another public workstation. Mr. Needleman reported that there will be some shifting of personnel in the Town Clerk's office as well. Ms. Nolin's assistant Dana Novorio will be assisting part time in the Treasurer's office since she has some financial background and a part time assistant will be added to the Town Clerk's office.

The Cott System, which is approximately \$16,000 a year and includes offsite film storage, is in the technology budget which is used for all the town records to make them public.

Treasurer/Finance – Mr. Dixon reported that the big change is in the full time payroll which includes the Director of Finance and the Accounts Payable Assistant and the additional hours of the added Accounting Assistant at 15 hours a week. This Accounting Assistant could take over several of the accounting functions, particularly payroll. This would enable a backup plan in case the Director of Finance is unavailable. The Accounting Assistant position would also aid in bank reconciliations and other accounting functions, the budget process, assistant with grants, and human resources. There is approximately a \$25,000 increase in full time payroll for the year.

Mr. Marzi inquired about the reduction in the Town Clerk's office. Mr. Needleman stated there would be a part time assistant hired in Town Clerk's office to offset the hours of the current Town Clerk Assistant moving some of her hours to the Treasurer's office.

Building Department and Fire Marshal- Mr. Keith Nolin reported that the only addition to his budget was \$1,500 for code books and he also asked for a step increase for the administrative assistant of the department. Mr. Nolin stated that his assistant currently covers the Building Department, the Zoning Office, and the Health Department. The

proposed increase would come to 88 cents more an hour to bring her more in line with the work she is doing.

Mr. Nolin stated that the Building Department had about \$91,000 that offset the revenue. Mr. Nolin stated that revenue from permits has been down, but permit numbers are going up, but smaller projects.

Mr. Nolin reported on a Municipal Management Software for the Zoning, Planning, and the Building Department which would put all permitting departments onto one software program. The software would cost around \$6,000 - \$14,000. Mr. Needleman stated that he was already asked Mr. John Ackerman to help with this project and stated that the program must also integrate with MUNIS. This would be proposed for the 2013-2014 budget year.

Mr. Nolin reported that the Town currently has a certified fire inspector on a volunteer basis.

Transfer Station & Recycling - Ms. Susan Malan reported that the transfer station employees have previously reported to the Sanitarian. The overall budget has an increase of \$532 a year.

There was discussion regarding the CRRA lease agreement. It was negotiated in 1987 and there are questions of whether the lease is on the land or on the building. Ms. Malan reported that a new host agreement and a new lease are currently being negotiated retroactive to 2007. Mr. Needleman and Ms. Malan agree that CRRA does owe the Town something, but they didn't know how much yet and that is being negotiated.

We have been collecting \$30,000 a year for the hazardous waste. Other towns are collecting 50 cents per ton. Our station is pushing 55 – 75,000 tons through the station. About 10 – 15% of Essex residents use the dump. Most have their trash picked up at their door. Mr. Needleman is reviewing the fee structure.

Sanitary Waste Commission– Susan Malan reported that the Sanitary Waste budget went down by \$560.

Water Pollution Control Authority– Susan Malan reported that the Water Pollution Control Authority budget went up due to the mandatory well testing and the well testing fee increase.

Highway– Mr. Dave Caroline reported that the Highway Department takes care of 44 miles of road with two lanes. The town trucks run about 10 years which includes plowing and they try to maintain them with a low budget.

Mr. Needleman reported that last year they tried to put into the budget a fifth person to replace the employee who retired a few years ago. Mr. Needleman stated that this retired person's position has been filled with two part-time employees. Mr. Needleman stated that he strongly recommends that we add this fifth full time highway department employee this year.

Mr. Caroline reported that the 1994 truck needs to be replaced. This truck has been running for 18 years and is now costing more money to maintain.

Mr. Caroline also reported that one of the suppliers that we purchase and rent equipment from is going out of business. Every year the Town rents a vacuum truck machine for the catch basins at approximately \$6,000 a year. A new truck would be \$130,000 and a used truck that is being offered is approximately \$39,000. Mr. Dixon stated that the payback on this purchase would be in about four or four and a half years.

Town Garage– Mr. Dave Caroline reported the increase was due to telephone and electricity.

Interest B51 and Notes Payable- Mr. Dixon reported that the only thing we have interest on is the bond. We frontloaded it to coincide with the other debt issues we had. We are in good shape. The one bond is for the regional school system. The 1992 addition to the school is paid off as well

Probate– Mr. Needleman reported that Probate regionalized and is now housed in Old Saybrook. There was a place holder of \$2,000 and we have had a request for \$3,640.

Zoning Enforcement Agent– Mr. Needleman reported that this budget includes the Zoning Enforcement Officer's step increase and the cost of living.

Fringe Benefits– Mr. Needleman reported that this budget is showing a \$37,000 increase due to pension and an 8% increase programmed in for health insurance as a placeholder for now until we get the final numbers.

General Insurance- Mr. Needleman reported that this budget is showing an increase and a 2% increase for the LAP policy. We also did not get the final number for worker's compensation but there is a placeholder of 7.5% due to several Workers Compensation claims over the last year.

Legal Services– Mr. Needleman reported a slight decrease in the legal services budget due primarily from the labor negotiations being finalized. There is a reserve of \$25,000 in the Zoning Commission but they requested \$30,000. There was discussion regarding the Zoning Commission having an attorney present at every meeting and ways to reduce that need. Zoning legal fees are also incurred from phone calls made by the Zoning Enforcement Officer to the lawyers.

Public Restrooms- No increase.

Technology– Mr. Needleman reported that last year there was a 3 year contract negotiated to provide computer equipment and services. The technology budget is showing a \$6,000 increase due to software licenses. Mr. Needleman reported there are a group of employees and volunteers working on researching a new Town of Essex web site. Their first meeting is later this month. They will be creating a new web site that would allow boards and commissions to upload their own information. The committee will be

working on the design, maintenance, and implementation. They are looking into Virtual Town Hall and other sites for comparisons. The \$5,000 is a currently a placeholder in the budget for the web site design. The committee will include Stacia Libby, Ed Cook, Rick Audet, Dean Jacques, Lon Seidman, Mark Uihlein, and Loretta McCluskey.

Board of Assessment Appeals– No increase.

Board of Finance– Mr. Needleman suggested keeping the Board of Finance Contingency at \$75,000. Mr. Needleman stated that the contingency fund is an amount in the budget as a placeholder in case a department goes over in their budget; they must go and request an appropriation for unexpected expenses. For instance a snow storm makes Public Works budget go over, so they must go to Board of Finance and ask for the funds, and then it has to go to Public Hearing then a Town Meeting.

Clean Energy Task Force– Mr. Needleman reported there is a decrease due to the discontinuance of the ICLEI membership at \$600 a year.

Conservation Commission - Mr. Needleman reported that there is a reduction in their budget due to a reduction in board clerking costs.

Economic Development Commission (EDC)– Mr. Needleman stated EDC is not requesting an increase, but Mr. Needleman added a \$1,400 line item for advertising so that EDC could do some publications and promoting and possibly do some web based advertising. EDC has been responsible for several grants the town has been awarded. Mr. Marzi stated that advertising can run four times that proposed amount, but it is a good start.

Inland Wetlands– Mr. Needleman reported that there is a reduction in their budget due to a reduction in board clerking costs.

Tree Committee– Mr. Needleman reported that this year has been the busiest for the Tree Warden due to the storms.

Zoning Board of Appeals (ZBA)– Mr. Needleman reported that there is a reduction in their budget due to a reduction in board clerking costs.

Animal Control– No increase.

Emergency 9 –1–1. Mr. Needleman reported Emergency 9-1-1 is located in the lower level of Troop F Barracks.

Water– Mr. Needleman reported that there is a projection of a 2% increase at this time.

Public Comments

There was a suggestion of having a projected actual column. Ms. Sterner stated that by the public hearing time they would be able to make projections since we only have 6 months at this time and it is difficult to project so early. Mr. Jim Francis stated that where

you see the actuals and year-to-date is due to the fact that a lot of these things do not bill evenly, like the Resident State Trooper only sends one bill a year.

Mr. Marzi stated that there is a need to research the ordinances on sinking funds. Mr. Needleman stated that Ms. Sterner is working on aggregating a capital plan and identifying all of the capital assets and looking at what the town actually needs.

Mr. Needleman stated that to replace a roof we could have done a sinking fund of \$200k a year, but that would cause a significant increase in the budget.

Mr. MacMillan thanked everyone for the budget detail and requested to possibly use a PowerPoint to project the breakout of the budget at future budget workshops. Mr. Macmillan also inquired if the Selectmen started at a zero percent. Mr. Needleman stated that we use a hybrid because you cannot really start at a zero or start from scratch.

The Dog Warden is a unique situation and has his own revenue account. The dog tags and rent from the other towns goes into the special revenue fund which pays for dog food, heat, and the Dog Warden's salary are all paid for out of that account.

Mr. MacMillan encouraged the selectmen to consider hiring a part time person to reach out and sell the town, to get someone to help grow our tax base. He felt that position eventually would pay for itself and would be someone dedicated to sell the town.

Linda Herman inquired about the bottom line of the budget and that it had gone up by 3.65%. She was concerned about the budget going up every year. Mr. Needleman stated that a budget that doesn't go up will most likely have less services and he is doing his best at finding ways to economize. His obligation is to present the budget that the majority of the people of Essex want. We currently run a bare bones budget. Mr. Needleman reminded everyone that 75% of the tax dollars is for education.

Mr. Needleman reported that tonight is the first pass of the budget. The original submittal came out to be an 11% increase and the Selectman's budget proposed tonight came in below 4%. Mr. Dixon reported on the revenues. He reported that Interest income is down, conveyance tax is down, and building permits are also down. The town revenue is hurt by all three being down.

There was discussion on whether the population of Essex is increasing or decreasing? A study was done in 2007 that predicted a decrease.

ADJOURNMENT at 6:58

Respectfully submitted,

Maria Lucarelli