

SHERMAN BOARD OF SELECTMEN
BUDGET HEARING MINUTES
April 19, 2012

Present: Clay Cope - First Selectman Chris Jellen - Selectman Andrea O'Connor - Selectman

Call to Order: First Selectman Cope calls the meeting to order at 7:00 p.m.

Agenda: Continuation of the April 12, 2012 Public Hearing regarding the proposed budget for fiscal year 2012/2013.

First Selectman Cope starts by saying he left the new budget with the other Selectmen. Selectman O'Connor says she is a little confused. Her understanding was that they were continuing the public hearing, because there was no legal notice warning of the public hearing. She asks if there was a legal notice published warning of this public hearing. First Selectman Cope says the meeting was warned the way the Town Clerk said to warn it. Selectman O'Connor says usually it requires newspaper notice. First Selectman Cope says the notice was published on the Town website, bulletin board, and is a legal meeting. Selectman O'Connor says public warning is a different connotation, could say it is a de facto notice, but not a legal notice, and she would hate for controversy to develop later, in that the public says they did not have adequate notice about the budget -- she thinks it is kind of quirky. First Selectman Cope says he understands there was a miscommunication between Ruth (Byrnes) & Andrea's emails, and Carol (Havens) says it was warned the way it was supposed to be warned. Selectman O'Connor understands that Ruth forwarded her email response as to how she saw the process proceeding. Selectman O'Connor wonders if it required 2 notices (like Land Use matters), or just 1. But she says she is fine to go with what Carol has advised. However, she says if they are discussing the budget further with changes, they should allow the public to discuss it before they close the public hearing. First Selectman Cope says he had this idea as well. He says he followed Selectman O'Connor's lead from 2007 forward in the way that he worded and warned.

First Selectman Cope asks for public comment on the budget.

Veronica Scheer asks which one they are speaking to. First Selectman Cope says the one from before. They are not going to close the public hearing until discussed.

Phyllis Scheer (Candlewood Lake Authority) is unsure as to when is the appropriate time for her to come before them. First Selectman Cope says anytime before they close the public hearing.

First Selectman Cope points out the noted changes for the other Selectmen from the worksheet of 4/5/12:

Salaries are increased by 3%. The calculation adjustments are from previous years carry overs. Selectman O'Connor asks for an explanation. Liz Lavia (Business Associate) says they took last years line item, added 3%, carried it over. She noted at that time that there was a little bit of a +/- Eric (Holub) said if you take actual hours worked x new rate of pay, x 52 weeks, calculations are a little off. Eric suggested she make it exact, that is why it is 853. Selectman O'Connor understands.

First Selectman Cope says he ran into Al Garzi (Assessor) at Town Hall, and Al says under line 5-10 Assessor's Office Tax Maps, he will remove the \$1,250 and the \$3,445 from line 5-11, and build on that for the Reval. Selectman O'Connor asks a favor. She says it is very difficult for the public to know what they are talking about when line numbers are referred to without names. Selectman O'Connor says (regarding the tax maps) that Al was fine with bringing that down to zero. First Selectman Cope says Al is building back the Reval Sinking Fund with \$10,000 per year. He says he has 2 fiscal years left, did not need to add in the \$3,445 – they had it at \$13,445, and he suggested reducing it by \$3,445 to \$10,000, and they can build it up in the next two years. Selectman O'Connor says she is not really comfortable with that. Her experience with the last Reval is that there are very few firms, not a lot of competition, you are paying whatever the demand is. They are budgeting based on a 5 year old figure, not prudent to reduce that and catch up later. She got caught on that once. She thinks it is more prudent to leave the large figure in, back to \$13,445. Selectman Jellen thinks it's a matter of pay now or pay later. He is not sure what the indication is that it would be that much better off next year, and it would seem more prudent to pay yearly. First Selectman Cope says he would prefer what Al suggests, but since the Selectmen are 2 to 1 on this, they will put the \$3,445 back in for the Reval Sinking Fund.

Line 32-49 Social Security: Liz says that with factoring the 3% increases across the board, they had to adjust this line and the 401K plan to reflect the increases. Social Security/Medicare 7.65% of given wages, increased that with about \$300 ancillary funds. The next line 32-50 – Defined Contribution Plan: Those people that participate - the Town puts in 3% to their pension program, and there was also a recent enrollee that she had to factor in. That speaks to both of their increases.

Line 32-51 Life and Medical: First Selectman Cope says they have shopped around, and can't find a lower price insurance. Liz did get quotes back from the state 10% above what they are paying now. She says with the school program, some of the Town employees are not of the age to participate in that. Liz says they are still looking at changing benefits a little, looking at deductibles. Selectman O'Connor wonders if there is any advantage to requiring employees who are already receiving Medicare to have Medicare be the primary, so Anthem is secondary. Liz says this was checked into, and they said if looking for real savings, this is not the way.

Line 32-53 Compensated absences: First Selectman Cope says as they increase the 3% it will affect this line.

Line 36-04 Park & Rec: First Selectman Cope says the \$1,500 increase is per Eric, for a balance, so that the amount of \$1,500 balances with the Town \$1,500.

Line 46-28 Conservation commission: First Selectman Cope says they spoke about this last meeting, they originally requested \$2,400 from their Chairman. Selectman O'Connor said that was not the budget voted on. \$1,750 was what they actually approved, says First Selectman Cope, and then they came back to the B.O.S. for an approval of \$2,400. Selectman O'Connor asks what the extra \$650 buys for the taxpayer. First Selectman Cope says he can pull the request, will come back to that – he doesn't know specifically what the \$650 was for. He knows part of it was for postage, mailing, an event they were planning for. Selectman O'Connor says she is not going for that. First Selectman Cope says he prefers the \$1,750 originally voted upon. Selectman Jellen agrees too – if there is not a more valid explanation for the additional \$650. Selectman Cope notes they wanted \$1,010 fee for Helen Bray, \$200 for ads in newspapers, \$500 for native tree seedlings, \$200 for pruning, \$90 for volunteer appreciation. First Selectman Cope thinks Arbor Day provides seedlings for free. All three selectmen agree to cut this back to \$1,750.

First Selectman Cope says the millrate is at 15.8 now, will be 16.159. The Town Budget will require changes from today's meeting - \$4,446,235, the B.O.E. is the same at \$8,486,243, Combined: \$12,932,478, with a 3% increase.

Selectman O'Connor is generally uncomfortable with the 3% increases, with some exceptions, she does not think it is the right thing to do in this economic climate. Other budgets are being held flat, for example CLA – the Director's salary held flat. She does not think these are appropriate increases. However, she is very sympathetic to Social Services/Senior Center. Because she is in union, Suzette will get 3% increase, and consideration should be given to Beth's (Trott) salary, because is so far below what pay rate is for social worker/senior director. First Selectman Cope notes that they did double the Clerk's hours, they added 6 hours to the van driver's hours, and they were able to provide them with that necessary second vehicle at no cost to the tax payer (except cost for insurance).

Selectman O'Connor points out that non-union health benefits run the town \$2,500 per person – and people who don't take the benefits are saving the town money. She thinks the wage increases are sending the wrong message to public. Selectman Jellen comments on the 3% increase – he does not want to support the 3% for the non-union workers, although he thinks Selectman O'Connor makes valid points with special circumstances. First Selectman Cope has a problem with this – to say that one person works harder than another to give them a 3% increase, and others not is just not right. First Selectman Cope feels they need to compensate people who have been here, devoted to the Town, for many, many years. He notes the bottom line was not hurt drastically with the 3% in, and in tough times should put the 3% to people who work here. Selectman O'Connor points out that he did not give a 3% increase to the Registrars, who are also Town employees and work hard. Liz says that increase is in there. Selectman O'Connor says she misspoke, she sees the 3% increase in there now.

Selectman O'Connor has learned of some concerns the Fire Department has about putting the cost of the building in their General Budget line. The other place that happened is in the pavilion. Selectman O'Connor shared concerns with Liz about isolating those costs. She would like to suggest an alternative approach, perhaps the approach is to build the building line building by building. Liz says she is doing something like this in Excel right now to some degree. Liz says The Emergency Services Facility, because it is a new large complex building, she felt it should be unto itself because the nature of the expenses it is going to have won't just be the standard oil, and electric, etc. Selectman O'Connor has no problem with the isolation, but she understands the concern the fireman have that it makes their budget look like it increased by 41.5%, when it was really flat. Liz understands what Selectman O'Connor says, and maybe they can rename the Fire Dept. line EFS facility, so it does not appear to be a Fire Dept. expense. First Selectman Cope spoke with Chief Accosta & Jim Reilly today, and by naming it EFS, public won't think it is the Fire Dept. First Selectman Cope agrees it would be better to name it EFS.

Selectman O'Connor wants consideration to reducing the SPARK allocation. She notes that the school day will be increased 40 minutes, with 30 minutes at end of day, and SPARK will be likely operating less time. First Selectman Cope says the figure was \$21,120.25 for June, 2011. Liz says they are right at the 80% mark now at 10 months, right on the money with that \$25,000 figure for this year. She could calculate out the amount less per week. Selectman O'Connor says it is 2.5 hours less per week, they are likely to be generating less income. Liz says she can come up with a fairly realistic number for this. First Selectman Cope says he would be comfortable reducing this 10%.

Selectman O'Connor thinks they need to increase the allocation for the facilities manager, she imagines the salary would be negotiable. She would recommend increasing the allocation from \$15,000 to \$25,000. The position would be shared with the school. Liz says right now it is paid through accounts payable, and not in a salary line. First Selectman Cope says he thinks they need to go back to school. He sees it as two separate positions – a facilities manager for the school, and a facilities manager for the Town. Selectman O'Connor thinks there is economy to be had in having it one position, she discussed it with Don Fiftal. She thinks they do need to move ahead on this and budget adequately for this. Liz asks who picks up the benefits on that. Selectman O'Connor says she spoke with Don, and they would go 50/50, and negotiate the sharing of support staff. Selectman O'Connor wants to have enough in the budget to realistically search that position – \$25,000 from Town, \$25,000 from school – a \$50,000 position. Selectman Jellen wants to support the Facilities Manager position, he thinks Selectman O'Connor makes good points with economies/savings if the position is shared, and he supports this totally. Right now, Liz says it is not subject to statutory benefits, it is a contracted position. First Selectman Cope wonders if this might typically be union eligible. Selectman O'Connor says there would be economies by making it a union position, because the health care package is cheaper. She was looking at the amount of discretion that was necessary for the person performing the job. Liz says she

can get Trish (Viola) to speak to this. Selectman O'Connor sees it as similar to Ron Cooper's position – he had the option to go into the union or not, and he chose not to because of the discretionary elements. First Selectman Cope asks if the school included \$25,000 to their budget for this. Selectman O'Connor is not sure, but she notes the school has more wiggle room in their budget. First Selectman Cope asks if they want \$25,000 in this budget. Both Selectman Jellen and Selectman O'Connor say they would support this. Selectman O'Connor thinks the benefits are according to our personnel manual. Ours or HAS – Selectman O'Connor thinks if the school is buying into this, go with the HAS. Liz wonders if 50/50 fair, and Selectman O'Connor says the firehouse will be far more complex than the school. Selectman O'Connor says it is a 50/50 on the premiums as well. First Selectman Cope notes that in his time here, the school has taken a lot of the facilities manager time. He is still struggling with the money. Selectman O'Connor says the position was assumed to be full time. First Selectman Cope wants to see how this affects the bottom line. He is more concerned from an economic standpoint, and the balance between the school and the Town. He suggests plugging in the number, and seeing how it comes back.

Selectman O'Connor asks if Eric has given any indication on the status of the reserve fund as a % of proposed revenues and expenditures. Liz believes it is fairly well depleted right now. Liz says if you look at the current budget year we are in, some funds are going to have to be portioned for it. First Selectman Cope said it was very low last time they checked. Liz thinks should get an exact figure from Eric for that. Selectman O'Connor asks, because there is a reserve fund policy, and if it has fallen below a certain percentage, they have to put it in the budget. First Selectman Cope says if it falls into the 7-12%, that would be OK. First Selectman Cope says he will get back to the others on that.

First Selectman Cope opens the budget up to public discussion, regarding the Town side:

Phyllis Scheer, Treasurer/Chairman of CLA – First Selectman Cope tells her they tried to keep budgets flat. The only thing that stuck out with CLA was the increase for director's salary, so he kept it flat. Phyllis says maybe on their part it was not clear explaining where their expenses were coming from. They had mitigating circumstances that increased their bottom line. They had to fulfill obligations – like the certified type of marine patrol officer, which increases what they have to pay. That was a budget item they had not anticipated. Also they had to negotiate with the DEP so they could put a marine patrol on lake, and they picked up \$27,000 in legal expenses – that really hurt their budget. They could have billed the Towns for those expenses, they are trying to spread it out in their budgets. They are also taking the lead as far as zebra mussels control, and they have taken the lead in the state, providing signs in the state, a task force, and communicating with the DEP. All of this comes with costs. The delegates do this for free to facilitate this for the benefit of the Town. She thinks the \$3,000 they asked for is really a very small amount in relation to their actual expenses. She says Towns will benefit from this, because they are protecting the economic aspects for residents with aquatic invasive species control. She thinks their budget has been flat

before, and they ask that Sherman help them. They do not overspend. They would like \$3,000 to help them meet their expenses. They are already doing fundraising and grant writing. First Selectman Cope says he looked at last year's budget, and he did see the increase in salary. He felt that since other departments in Town were left flat, that is why he presented it to the town as flat. Selectman Jellen says Phyllis makes good, legitimate points for asking for the increase, and he would like to wait to see the bottom line before he makes a decision on this. Selectman O'Connor says she supports the CLA on this.

Gary Albert says he spoke about the 3% for non-union employees at the last meeting. He notes that Selectman O'Connor and Selectman Jellen have no problem with that for the union employees. He thinks it is a great injustice for the non-union employees if you don't give them the 3%. These are the employees that keep the Town moving. He certainly thinks the Town would support 3%. He also asks if there is a job description for the Facilities Manager, and First Selectman Cope and Selectman O'Connor say "yes". The previous board made a job description. First Selectman Cope says the person will do both maintenance and call in people for the work. Gary notes the person may need a license to do some things. He thinks they have to make sure, because they may be better hiring an outside contractor where you don't have to pay benefits, taxes, etc. That might save money, if the Town would still have to call in outside sources anyway.

Art Von Plachecki says his understanding is that the majority of Towns have to approve the budget for CLA for it to go in effect. If 3 towns say they are putting it in, it will be there. He notes that New Fairfield and Brookfield finalize their budgets, and perhaps a phone call should be put through to them to see if Sherman would make the third. It is possible it is already dead, because the other Towns didn't do it. He notes that Sherman accommodated CLA by being agency of enforcement, which allows the men to arrest intoxicated people on lake. The insurance was in case CLA insurance was inadequate in the arrest procedure.

First Selectman Cope is concerned with these changes, and how can they do this tonight without new numbers and a new bottom line. Liz says she will work on this, and see what the new numbers will be, and can probably have them tomorrow.

Selectman O'Connor comments on the warning of the Town Meeting, and suggests they move everything forward a week. She suggests moving the Town meeting from the 4th to the 11th, and the budget referendum to the 19th. Selectman O'Connor thinks this is a better all around schedule anyway. First Selectman Cope says they have to warn it twice. He would warn it next week in the paper on the 25th, and again on the 2nd. Selectman O'Connor says they have to have the figures voted on and finalized by Monday to make those publications deadlines. The Selectmen agree to meet again on Wednesday, the 25th. Selectman O'Connor thinks they entertained the public on the budget proposal, and Selectman Jellen says he believes they made all the points they may potentially change, and there are no other changes, so he does not see the need for another public hearing. First Selectman Cope asks if they close the public hearing,

and go to BOS meeting, they won't have a budget the three of them approved, so they can't warn of the Town Meeting yet.

Selectman Cope comments one final time that he wants the 3% salary increase. He knows Selectman O'Connor does not want it. Selectman Jellen says he does not support the 3%. First Selectman Cope respects these opinions, and notes he has been outvoted by the other Selectmen on the 3% increase.

Adjournment: Selectman O'Connor moves to adjourn the April 19, 2012 Budget Hearing Meeting at 8:04: p.m., Selectman Jellen seconds, all in favor.

Respectfully Submitted,
Laura J. Pettinato, BOS Clerk

Clay Cope

Chris Jellen

Andrea O'Connor

Minutes are not considered official until they have been approved and signed by a minimum of two Selectmen