

MIDDLEFIELD BOARD OF FINANCE
405 Main Street
Middlefield, Connecticut 06455

Minutes of the March 8, 2018 Public Hearing

Jim Irish called the meeting to order at 7:00 pm.

Attendance:

Members

Others

X	Irish, Jim	X	Bailey, Ed
X	Kowal, Melissa		
X	Lowry, David		
X	Malcolm, Alice		
X	Nick, Joel		
X	Wolak, Mary	X	Rusilowicz, Al

A=Absent

X=Present

The Pledge of Allegiance was recited.

Approval of the Agenda

Mary Wolak made a motion, seconded by Melissa Kowal, to approve the agenda as presented. Motion carried unanimously.

Brief Introduction to the Budget Process

Jim Irish asked for questions only from the Board of Finance during the First Selectman's proposal this evening. Once the presentation is complete, the public hearing will be open for public comment and discussion. Mr. Irish described the budget process and explained that the time line is per the Town Charter. The Board of Finance received the First Selectman's proposed budget on March 4, 2018. A workshop was held with the Boards of Selectmen and Boards of Finance from both Durham and Middlefield along with DMIAAB on March 5th. The Board of Finance will continue to have workshops with individual departments through April 12th. The workshop dates will be posted on the Town's website. A public hearing will be held on April 26th and the Town will vote on the proposed budget on May 14, 2018.

Mr. Irish also mentioned that the school budget comes up for referendum the week before the Town meeting on May 7, 2018, with a public hearing on April 11th.

First Selectman's Presentation of the 2018-2019 Budget

Ed Bailey began by reporting on the storm damage from yesterday's storm.

Mr. Bailey explained that they have been working on the budget for the last 12 months as it has been ever-changing. The mill rate being proposed on real and personal property is 34.66 and the motor vehicle mill rate at 32.

Mr. Bailey reviewed the Grand List and explained that the estimated collection rate is projected at 99.5 percent which has been reduced because a lot of back taxes have been collected and tax sales have occurred. The gross amount of revenue needed is \$12,948,699, including rebates, which results in a mill rate of 34.66 on real and personal property. The breakout of the appropriations is on the bottom of the page.

Dave Lowry asked about the exemptions on real estate and Al Rusilowicz explained that the Board of Assessment Appeals has not done their adjustments yet. There had been a large bump in personal property primarily due to one taxpayer with six horses worth \$1 million each. As of now, only three people are appealing their assessments.

Mr. Bailey stated that the percentage of the budget for the schools is close to 74 percent, 20 percent for the Town, debt service is 2 percent and capital fund at 4.7 percent.

Going through the mill rate history, the total mill rate has dropped .3 from the current mill rate. The average homeowner's tax burden will go down by approximately \$49.

Mr. Bailey moved to page 3, which lists general fund receipts and reviewed that real estate personal property taxes were \$12.89 million and motor vehicle taxes were \$1.15 million, for a total revenue of \$14,044,071 which was about \$200,000 more than is currently budget.

Going through State of Connecticut revenues, the PILOT tax credit will be about \$30, the Mohegan grant is \$5,616, the motor vehicle tax grant never materialized and the municipal revenue sharing grant doesn't exist anymore. The municipal projects grant will be approximately \$248,652, but no money has come in this year. Al Rusilowicz explained that that money typically comes in on the last day of the fiscal year.

Mr. Bailey stated that he has attended many meetings and has tried to stress to the state legislators the difficult situation that the towns are finding themselves in. He believes the legislators are listening. Al Rusilowicz reported that he spoke to CCM on March 1st about the municipal projects grant and was told that the bonding money was approved and has been received, but OPM has not yet released the funds to the towns.

The PILOT homeowners tax credit and Veterans' Tax Relief and Disabled Program is being funded by the state. Judicial fines is an estimate based on historical data. The DUI grant is based on last year's numbers and the senior and disabled bus service is based on actual expenses. The Educational Cost Sharing grant is based on a formula and includes the Governor's hold backs and totals \$1.78 million. Mr. Bailey did explain that they are unsure if the ECS will hold past 2019. They can project that 10 years from now, the ECS will be down approximately \$800,000. They are hoping that these hold backs will become part of the MBR in the upcoming fiscal years. Mr. Bailey also reported that COST has formed a working group, comprised of the First Selectmen of all towns with regional school districts. They have

requested that the legislature change the language about the Finance Committee from “may” to “shall” form a Finance Committee. It does seem that District 13 is the only school district to have formed a Finance Committee thus far.

Charges for services are based on historical averages. Land Use department revenue is projected at \$65,000 and Police Department services are an average. Mr. Bailey also reported that he had helped work on a grant that was awarded to the Wellness Coalition for \$625,000 over a 5 to 6-year period. The Health Department revenue is zero for this year as Mr. Bailey proposed outsourcing that function.

The Middlefield Housing Authority has paid \$21,735 this year and that will be projected for next year. A rent increase is being put in and that number will likely go up. WPCA includes both Route 66 and Lake Besock. Mr. Bailey is proposing to use \$150,000 of the current fund balance in this budget. He projects that the year will end with an excess of 11 percent in the undesignated fund.

Summarizing revenue, Mr. Bailey projects total revenue to be \$16.83 million.

Moving to expenditures, Mr. Bailey stated that all salary items are exactly the same as they were this year as union contracts have not been settled. His recommendation will be that non-union employees receive a similar percentage increase that union employees receive. Those adjustments will be made after the union contracts are settled. An adequate amount of money is set aside in the contingency fund to cover any increases.

Mr. Bailey reviewed several line items and explained that the accounting system software has been updated and the annual fee is \$8,052. The licensing on the current accounting system will have to continue until the records can all be printed.

Under Professional Services, the Town Engineer line is based off historical numbers. Labor Counsel expenses have calmed down quite a bit and there should be no labor contracts negotiated next year. The town auditor reflects the second year of the new contract. He has changed the line item name from Consultants to HR Consultants because the Town does have an HR consultant that Mr. Bailey calls on as needed. He reported that the Community Center building is currently being rewired with a new network and the new phone system will be activated at the end of the month.

The Town website funding has been increased because Mr. Bailey would like to see some tune-ups done and he would also like to create a Town Facebook page and Emergency Management Facebook page.

Mr. Bailey reported that Municipal Insurance reflects a slight premium decrease and the newly-negotiated brokerage fees. Mr. Bailey reported that the Town has switched oil vendors and they are working to decrease electric usage. Street lighting rates have gone up slightly and the Town is still working on switching to LED lighting. One hour per week has been added to the Custodian’s salary. GPS systems are being added to town vehicles. The health and life insurance has changed as some employees have migrated to Medicare. Mr. Bailey reported that he has been working with District 13 and the Town of Durham to have one benefits manager for all at a fixed cost. An RFP was issued and four bids were received. Total savings would be approximately \$150,000 per year and Middlefield would likely see a savings of approximately \$25,000, but that number should be available soon. The goal would also be to bid out the medical coverage.

Moving to the Town Clerk's budget, the Records System License shows an increase to include the annual fee for the E-code system. He then reviewed the Tax Collector's budget which may require a minor adjustment.

The Registrar of Voters did submit a pay increase, but Mr. Bailey kept the line item the same. He did boost the number for education and training. The hours for the Zoning Enforcement Officer/Building Official have been reallocated, with a little more going to the Building Official side. Sanitarian has been zeroed out because the Town is in the process of negotiating to join the Plainville/Southington Health District. They will provide a Health Director and we will no longer employ a sanitarian, health official or health director. The public should notice no difference in services that are provided. The Plainville/Southington Health District will charge the fees directly to the applicants and some of them will go up slightly from current fees. The Town will pay a per capita payment of approximately \$6.00 per person and the State also contributes about \$1.25 per person. Mr. Bailey included \$50,000 in the line item because there may be some buy-in costs, but the yearly fee will be more in the area of \$25,000. Joining the Health District will require a Town meeting and he does hope to have firm numbers before the budget is finalized. Mr. Bailey also explained the reasons for joining a Health District which will also help satisfy State requirements. He also explained that a lot of retired doctors were health directors, but that would no longer be able to be the case as they now need a degree in public health. Mr. Bailey mentioned that he is trying to consolidate the office supplies in the Community Center building.

Mr. Bailey reviewed the Assessor's and Senior and Social Services budget line items and explained that CRT has been providing the senior meals so there is no money in that line item. There is also a line item for an assistant as the contract with CRT requires two people to be certified. The Senior and Disabled bus service is a joint venture with Durham and the costs are split. He did report that we have been awarded a grant for a new bus.

Moving to Public Works, Al Rusilowicz explained that their budget request was exactly the same as the prior year. Payroll is in negotiations and snow removal was reduced by \$4,000 based on a five-year average. Road maintenance is also based on historical numbers and Mr. Bailey explained that they did renegotiate the vendor's price for cleaning catch basins. Sundry expenses and training has been increased so that more training could be done.

Park and Recreation director's salary will be determined after labor negotiations. There were some adjustments in Peckham Park expenses. Lake Beseck expenses include extra hours for lifeguards. Residents will soon be able to pay for Park and Rec programs online. There is also a new line item for a cell phone for the Park and Rec director.

Mr. Bailey reported that a used vehicle from the Fire Department was given to Animal Control, so that line item has been removed. The money that was set aside in capital will be used to get the truck set up for the animals.

Ed Bailey announced that the Town just recently got a new Resident Trooper, James Bria. The payroll for the Police Department has gone down slightly as we are getting some reimbursement from the State.

In the Fire Department budget, Mr. Bailey proposed that the Town fully fund the Appreciation Night. In Emergency Management, some shelter supplies need to be updated. The emergency notification system is shared with Durham.

Boards and Commissions' budgets remain relatively stable. The Board of Assessment Appeals does get a stipend, per State law. Planning and Zoning has seen a reduction in activity, however the number is still high because the new chairwoman is hoping to make revisions to the regulations. The Lake Beseck Ad Hoc committee budget has been increased to test the algae in the lake during the summer.

The Capital and Nonrecurring budget is proposed at \$655,150, with a reduction partly due to the LoCIP funding being on schedule for next year. Debt service has not changed. Total municipal operations show a savings of \$206,883. There has been a slight increase in the Levi Coe Library budget. Total municipal expenses are \$4,691,672 with an overall reduction of \$226,974 over the current fiscal year. District 13's proposed budget was submitted with no increase, however there is a shift in enrollment from Durham to Middlefield which will increase our share by \$177,398. Bottom line total town expenditures decreased by \$49,576.

Moving on to Capital and Nonrecurring, the General Fund transfer will be \$655,000 and LoCIP funding of approximately \$37,000. Mr. Bailey reviewed the individual items in the capital and nonrecurring budget. Nothing is being added to Town Hall building improvements. The Community Center building improvements includes \$20,534 for the parking lot and some additional money into the AV system. Mr. Bailey also reported that the underground tank will need to be decommissioned in about two years, with a goal of \$60,000.

Mr. Bailey moved on to Vehicle Replacements and noted that the Town probably doesn't need a car for the Sanitarian if they move to a Health District. The Building Official, Wetlands Enforcement Officer and Zoning Enforcement Officer can share a vehicle. The new telephone system will be implemented in less than 30 days and the costs were under \$3,000. Computer system upgrades will be zeroed out at the end of the year and a number of computers were replaced this year. The network is being installed in the Community Center building and the server replacement estimate is about \$12,000.

Mr. Bailey reviewed the Public Works projects and money has been allocated again this year for storm contingency. Garage Improvements are ongoing as well. Road Improvements has been increased and Mr. Bailey pointed out that STEAP funds are no longer available and that LoCIP and TAR (Town Aid Road) funds are under pressure. The funding for Lake Beseck remediation covers the cost of water quality testing.

Mr. Bailey reviewed the Public Works equipment and pointed out the LED street light assessment for \$10,500. Savings will be substantial in the long run. He explained that there are two pieces of property in town have structures that need to be removed. Moving on to Park and Recreation, there are erosion problems at the beach and they would like to extend the wall near the pavilion. They would also like to buy some mats to stamp out weeds. Money needs to be added to the roof needed on the pavilion at Peckham Park and some tree works needs to be done at the park. Playscape replacement money is also being added.

Mr. Bailey reported that they had overspent in Enforcement Equipment and are replacing \$1,000 which was primarily due to radar guns and speed signs. The Fire Department capital fund is pretty much what has been done in the past. Under Economic Development, Mr. Bailey is proposing to add money for the Plan of Conservation and Development which will be due in eight to nine years. Also under Economic Development, he also added a new item to hire a consultant for Planning and Zoning regulation revisions which would be the first step in the process. Under Conservation Projects, some signage needs updating at some of the Town-owned properties. For Other Town Funds, the cost of the emergency generator at the Old Indian Trail water system will be split with Durham and they have also applied for a grant. The Department of Public Health requires that the generator be replaced by the end of the calendar year.

Levi Coe Library would like to replace the carpet on the upper level and install a security and smoke detection system. The grant was received for the Local Wellness Council, so there will be no gap this year. Mr. Bailey also mentioned that he had added \$12,000 to the Community Center line item to replace the carpet in the hallway and refinish some of the floors as well as replacing broken tiles in the entrance. Total capital and nonrecurring contribution is \$692,123 from the General Fund as well as the LoCIP funds.

Jim Irish thanked Ed Bailey and Al Rusilowicz for their work on the proposed budget.

Public Comment

One gentleman asked about the LED lighting and thought possibly a CCM representative could help. He felt that the new lighting would improve safety, reduce costs and reduce the carbon footprint. He was advocating that the Town do this and do it quickly. Mr. Bailey also pointed out that they are planning on replacing all the lighting in the Town Hall and Community Center with LED lighting as well. This gentleman also spoke about a program in Massachusetts called Are You Okay which is for seniors and disabled people where they get a daily phone call checking on them. Mr. Bailey has had a conversation about this with the Senior Director and they are looking into it further. Melissa Kowal suggested that that could be done loosely right now with volunteers. Mr. Bailey stated that the Senior Director does have a list of phone numbers and made calls today to check on everyone.

Cheryl Pizzo asked about the road repairs and commented that she has been waiting for over five years to get repairs made on Long Hill Road. There have been several accidents in the area and cars roll off into the gully. Ed Bailey explained that there is a plan for that, but they have run into some obstacles. He hopes that work will be completed by the end of the summer. Mr. Bailey did explain that there are several road projects that need to be worked on and Bob Yamartino recommended depletion of the Town Aid Road (TAR) fund as quickly as possible. Mr. Bailey explained that typically the Town uses TAR for chip sealing and pavement repair and more road work is being done than previously. Mrs. Pizzo also mentioned that many cars cut through their road going to Powder Ridge in the winter.

Bob Yamartino thanked Ed Bailey for a clear, concise budget presentation and he appreciates all of the hard work. He also thanked the Board members for their time and service. He also distributed a memo with some points about DMIAAB. When contemplating what is fair when it comes to sticker fees, he has heard people feel that they are being double-charged. By raising the sticker fee, the lowest financial demographic is actually be taxed more yet there may also be people who cannot go to the dump and have to hire a hauler. Mr. Yamartino wondered why the Town charges a sticker fee at all. He commented that there are a lot of services in town that people pay for but do not use. If Middlefield decided not to charge

a fee for the dump sticker, the impact would be a .086 mill rate increase (\$34,960) which, when applied to the average household, equates to \$13.88. He also discussed businesses that use the transfer station and stated that businesses would be paying more with this new scenario or there could be a separate fee for businesses. Mr. Yamartino asked if the Board of Finance would look at this option to eliminate the sticker fee. He also thought that the Town should look at providing hauling for people meeting certain income levels or maybe even providing trash pick-up for the entire town.

Ed Bailey explained that DMIAAB is trying to reduce the amount of solid waste to as low as possible. Different strategies have been discussed, including a bag-to-throw program with no cost for recyclables. Mr. Yamartino also commented how many items people need to pay to dispose of now. It was noted that Middlefield and Durham are in the top 10 percent for recycling in the State, however are still at less than half of the target goal.

Mr. Yamartino asked that the Board of Finance vote on this issue and he will also ask the Board of Selectmen to vote as well. He will also send a copy of his letter to Durham's Board of Finance and Board of Selectmen as well as DMIAAB.

Cheryl Pizzo thanked everyone for volunteering their time and service to the Town.

Adjournment

Melissa Kowal made a motion, seconded by Mary Wolak, to adjourn the meeting. Motion was carried unanimously. The meeting was adjourned at 10:20 pm.

Respectfully submitted,

Debi Waz

Debi Waz
Alwaz First