

**THESE MINUTES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE**

The Board of Finance held a regular meeting on Monday, February 26, 2018 in the Council Chambers at the Municipal Center, 3 Primrose Street, Newtown, CT. Chairman Gaston called the meeting to order at 7:30pm.

**Present:** James Gaston, Roger Cyr, Keith Alexander, Steve Hinden, Mark Boland, Sandy Roussas

**Also Present:** Director of Public Works Fred Hurley, Director of IT Al Miles, Library Board of Trustee Chair Bob Geckle and Library Director Douglas Lord of C.H. Booth Library, Captian Vanghele, Maureen Crick Owen, 3 members of the public and 2 members of the press.

**VOTER COMMENTS - None**

**COMMUNICATIONS – None**

**FIRST SELECTMAN REPORT –** First Selectman Rosenthal praised the Police Department for their quick response and apprehension of a bank robber. Our police do a good job protecting our community thanks

**FINANCE DIRECTOR REPORT – None**

**UNFINISHED BUSINESS**

*Discussion of the Board of Board of Selectman 2018-2019 Budget –* Mr. Tait provided answers to questions from the Board (Attachment A).

Bob Geckle and Doug Lord answered questions regarding the Library. Mr. Geckle explained that a couple of years ago they engaged in a strategic plan. They looked at where they believe they are and where they believe we need to be in the future. Some of the goals are to satisfy curiosity and creating and inspiring young readers. The value of the library services over return on investment comes putting a realistic value of services provided to the public. There is no cost other than supplies for any event.

Capitan Vanghele answered questions regarding the Police Department budget. How overtime is determined was questioned. Capitan Vanghele explained that two years ago they became responsible for their own prisoner watch which increases OT. Before that Dispatch did the watch but it makes more sense to have a police officer do it. That increased OT over \$10,000. Today with the bank robbery, there were numerous people that stayed on for OT for reports, press releases. There will always be OT.

Mr. Gaston questioned the town moving to all wheel drive SUVs when the state is moving to smaller vehicles. He asked what the price of the smaller state police vehicle cost.

The increase in Dues, Travel and Education is because of regionalizing Danbury SWAT of which Newtown has 4 members. It is a tri-town group.

Director of IT, Al Miles, answered questions regarding the IT budget. Mr. Miles explained that his department's priorities are shifting from clearing back logged work, and delivering updated applications, to increasing reliability of the network by eliminating single points of failure and preparing the infrastructure to take advantage of cloud technologies. The plan is to transition the IT infrastructure

environment to one that can share computer and storage resources among the various locations without degrading system responsiveness. Sharing resources will help to reduce costs over time.

Mr. Miles also discussed creating an alternate path for internet traffic to mitigate an outage due to any single event damaging transmission equipment.

Then we have an aging infrastructure that needs to be replaced as Mr. Miles pointed out that 3 switches had to be replaced due to wear and tear

When asked about the prioritization of the work, Mr. Miles said he would start with storage and switch replacements.

Director of Public Works Fred Hurley answered questions for Public Works budget. Mr. Hurley explained that we currently have a supply of sand and salt and should be able to get out of the winter without stress. When he did the original projections for this year, he uses a 5 year rolling average. We dropped a mild year and picked up a robust year and this is more in line with what we expect.

There was a reduction of \$115,000 in Contractual Services by the Board of Selectman. Mr. Hurley explained that they typically try to do everything listed but cut items back. First Selectman Rosenthal said that it is possible that one road would drop out and a new one comes on. We constantly look at the roads. After the freeze thaw cycle, the roads need to be reevaluated.

Mr. Gaston questioned the rise in the Transfer Station Contractual Services. Should fees be adjusted to address the growing fees? Mr. Hurley explained that when we went to a permit system at the Transfer Station, we essentially went to competition with the private haulers. The sticker rate was the cost of 1 ton of garbage which put the Transfer Station on the same par with the private hauler. Last year more was taken out of the budget than should have. We got behind in wood grinding which is the added cost. As far as fees go, longer term we are looking for pay as you through. It isn't going to happen next year but that is the way it is going. There are changes coming and we are looking at a redesign of the TS.

What is the status of the truck washing and regionalization? The project in the CIP has been pushed out. With the assistance of the Land Use department we are doing heaving washing of the trucks. All of the water and silt is going into a discharge pond. We are doing it manually and making due but at some time we are going to need to revisit that.

The Heating Fuel and Diesel Bid just came in. Diesel is \$2.10 and heating oil is \$2.05.

Next meeting is February 28, 2018 at which Park & Rec and ETH Board of Managers will be there. Mr. Hinden requested EDC and Mr. Gaston requested the Ambulance core.

**VOTER COMMENTS - None**

**ANNOUNCEMENTS - None**

Having no further business, the meeting was adjourned at 9:14pm

Respectfully Submitted,  
Arlene Miles, Clerk

1. The Elderly Tax Benefit is \$1.4M

- how do we measure and assess whether this is effective in targeting those without means to pay?
- How do we address those who don't qualify on account of age but are means-challenged?
- how does this total compare with prior years?

The questions above regarding the elderly tax benefit are discussed and debated by the Board of Finance and Legislative Council at least every other year and at times every year. In 2014 there were 8 ordinance committee meetings on the subject in addition to multiple meetings of the BOF and LC. Both questions have come up and discussed for many hours. The Board of Finance recommends the parameters for the program (income, assets, home value, etc.) and the Legislative Council adopts any program changes based on the recommendations and extensive discussion and debate.

The subject of those who do not qualify on account of age but are means challenged has also come up at multiple meetings in multiple years. This is something that is discussed as the program is reviewed and updated if approved.

The amount has been relatively consistent over the years. Data for the program is presented each year the program is reviewed by the BOF and LC.

2. The Economic and Community Development line item is unchanged YTY

2018-19 request is \$17,949 greater than the 2017-18 adopted (amended amount was for a specific item). The department requested \$82,949 more than the prior year adopted. Because of the goal of keeping the tax increase as low as possible the department amount will be increased incrementally over time.

- what changes in the deployment of those resources is planned, if any?

On the mission description page (223) there is a link to the economic commission website. It describes the mission in more detail. It would be a good idea to invite them in to discuss any changes in mission.

- is there an opportunity to deploy that function more strategically?

The commission is deploying its limited resources as best as it can to accomplish short and long term strategies. Again the commission can talk to that point.

- do you currently have the skills needed to use that function more strategically, or does that need to be acquired or upgraded? If not present, is there a plan to obtain those skills?

**The economic and community development administrator is capable and skilled.**

3. If you had an additional \$100,000 (.25%) to spend on strategic investments, e.g., initiatives that would have a mid- or long-term impact that would differentiate Newtown as a place to live or open a business, how would you deploy those resources? How would you assess and measure success of the initiative? How have you measured and assessed strategic investments in the past few years? Have they delivered as expected?

- Full time grant specialist
- Comprehensive town wide strategic study done by an outside consultant
- Shared technology specialist with BOE (taken out of BOS budget)
- Increase general fund (budget) contribution to capital non-recurring fund. \$100,000 will accumulate up to amount needed to purchase major asset (avoiding the need to bond/borrow)

## BOS Questions:

1) Can Bob Tait provide a schedule of tax abatements and the resulting increase to the Grand List as the abatements roll off?

- Tractor Supply - 116 South Main Street - 3 years, 2017 thru 2019, \$700,958 assessment (\$24,000)
- Consumers Petroleum - 67 Church Hill Road - 3 years, 2015 thru 2017, \$120,488 assessment (\$4,000)
- Dental Associates - 32 Church Hill Road - 7 years, 2017 thru 2023, \$1,169,215 assessment (\$40,000)
- Dr. Beck - 12 Queen Street - 3 years, 2015 thru 2017, 163,970 assessment (\$5,500)
- Newtown Medical Office Two - 4 years, 2016 thru 2019 - \$1,650,911 assessment (\$56,000)

2) On Page 33, there is a line titled **Committed for Subsequent Years Budget Assigned for Encumbrances** – What does this mean?

That is the part of fund balance that is reserved for fiscal year end open purchase orders (which are obligations). These open purchase orders (or encumbrances) will be expended in the next fiscal year.

3) For BOF discussion only, what is the Conveyance Tax rate of Newtown compared to neighboring towns?

The state conveyance tax is .0075 (.75%) of the sales price up to \$800,000.00. Any amount above \$800,000 is taxed at .0125 (1.25%). The municipal conveyance tax is 0.0025 (.25%) for most towns. There are 18 eligible municipalities that are permitted to impose a tax of up to 0.005 (.5%). Newtown is not one of them.

4) On page 56, there are some departments where the amount spent at 12/31/2017 appears excessive compared to the budgeted amounts. In particular, Tax Collector, Town Clerk Technology and Insurance. For example, the Tax Collector actuals were \$233k or an annualized \$466k, compared to a budgeted \$370k for 2017 and \$374k for 2018. Is this just seasonality and do we still feel good about the upcoming year. Tech was bumped up to the higher figure.

The major reason for this is that group insurance (medical self- insurance fund contribution) and retirement contributions are paid out in July. This distorts the six month comparison. It is less evident in larger departments with larger budgets (though it happens in every department with those accounts). In insurance the six month amount has three quarterly premiums in it (they are paid up front).

5) There was a drop off in Capital and Non-Recurring, which I think was explained by Dan. What was the explanation?

The budgeting for the cost of the revaluation dropped off the list of projects. Capital non-recurring didn't necessarily have to drop off. There are plenty of projects to add however it is another tight budget year.

6) The state has stopped its reimbursement for the Circuit Breaker. Will we apply the accrued but unclaimed Elderly Tax Relief funds from the town's program against this unfunded amount?

It's either here or there. The circuit breaker program will be paid for by local taxes.

7) Is the ECS figure accurate? Bob Tait shows \$3.95MM and the BOE is at \$4.75MM. When do we find out the final sum?

The \$4.75MM figure is the original state budget number. There have been three changes by the state since. The current amount for ECS is now \$4,077,880. We have \$3,956,332 currently budgeted which leaves a \$121,000 cushion for any future state decreases (which we hope will not happen).

8) Is it possible to increase the amount of the "special benefit assessment" in the Water Fund to an amount greater than \$2,000,000 since the state pays the bulk of this assessment? The higher amount could be used to pay down debt associated with the Water Fund. The higher amount should equal the decrease in Pilot on page 59.

The special benefit assessment goes thru an authorization process. The request is based on actual costs expended for the water system. Those actual costs produce a special benefit assessment amount of around \$2MM. Would be against the law to charge more.

9) Does the HR department for the town provide HR services to the schools? If so, are costs shared?

There are two separate HR departments. The town has one employee in charge of town employee benefits, hiring, discipline, union contracts, etc. There is some collaboration between the two departments.

10) Page 79 – I recall that when an employee goes out on Work Comp, the town pays wages and the reimbursement from the insurance carrier flows to the contingency account. Is this correct? Should we accrue an estimated insurance benefit?

No, for the first month to three months (depending on the union) the employee is paid by the town off set by the check received by the insurance company. After that time period the employee is paid solely by the insurance company.

11) How are network Technology Equipment costs (page 103 under BOS and page 197 under BOE) allocated? How do you determine which side of the budget picks up the cost? ) other than classroom tablets) Why is the new Network Specialist under the BOE budget instead of BOS? I thought we wanted to consolidate the departments.

Regarding networking, the Town and BoE each have our own equipment. We share the phone system on the network, but the BoE has their equipment to make the phones work on their side and we have equipment on the town side. Each side backs up the other in the event of a phone failure.

Originally, the Network Specialist was going to be a shared position which would help implement the Town's network strategy and the BoE implement their network requirements. When the town decided not to fund the shared position, the BoE still had to replace a technician that left their organization. This position is a BoE and when hired will perform duties exclusively associated with their needs in the schools, district and staff areas.

12) Please explain the comment on page 273 about "no additional employee" for Technology while the BOE is adding a person. Is this the Network Specialist?

Yes that is the IT specialist. The BOE originally had an open position (IT specialist) in their budget for \$75,000 (salary). That was reduced by a % when it was discussed sharing the position. The First Selectman cut the 50%

from the BOS budget to keep taxes down. The purchasing position was a bigger priority. The BOE then had to increase their budget to incorporate the position.

## SELECTMEN

Page 70

Is the 12.77% (\$7,283 / \$57,013) increase in the salaries and wages of the Executive Assistant consistent with Town labor practices and the rates other towns pay?

The town over the years has increased salaries above and beyond the annual (inflation) increase to the amount that reflects the responsibility of the position and to keep the salary comparable to other communities. We learned our lesson with the prior IT director who went to another town that paid the appropriate salary for that position. The executive assistant to the First Selectman salary increase is an increase 2 of 2. There were discussions in the prior year budget regarding this position and its need to keep up with other towns.

## FINANCE DIRECTOR

Retirement Contribution Increases:

Tax Collector - 29.7%

Police - 19.6%

Fire - 31.26%

Building - 29.7%

Highway - 29.7%

Social Services - 18.5%

Senior Services - 38.2%

Health district - 26.8%

Land use - 29.1%

Park & Rec - 23.5%

Have we looked at switching to a 401K plan? Several Connecticut towns including Norwalk and Danbury have made the change.

Yes we have switched some union new employees to a defined contribution plan (410a). This includes non-union; police; parks & recreation and communication union. It will be a major topic in the next set of union negotiations regarding the town hall employees union and public works union.

## REGISTRAR

Page 89

What is the reason for a 71.4% increase in Professional Services - Election in a non-election year?

Governor primary republican; Governor primary democrat; November election; Referendum

## EMERGENCY COMMUNICATIONS

Page 118

Salaries and Wages at \$570,672 represents an 82% increase over the \$313,339 12/31 actual. What happens to the over budgeted money if not used?

**That's actual six months of expenditures. Any expenditure account (or revenue account) favorable budget balance gets posted to fund balance.**

The same question for overtime: \$90,000 increase from \$55,909 (61%)

**\$55,909 represents the amount spent in the first six months of the fiscal year. The request for overtime equals the prior year budget amount.**

Overall: \$1,116,098 proposed from actual of \$644,742 (73%)

**Same as above.**

## POLICE DEPARTMENT

Page 125

What is the reason for a 19.6% increase in retirement contribution?

**We contribute the amount recommended by the pension actuary. The increase is mainly due to changing the discount rate (used in the actuarial calculation) from 7.5% to 7.0%. This is a more realistic figure given today's climate. We also changed to a best practice actuarial calculation. Most companies are switching to this method. It was recommended by the actuary and approved by the pension committee.**

Total Salaries and Wages of \$4,077,327 for 45 officers averages \$90,607. That would be #18 in a list of the 100 highest paid police departments in the Country.

White Plains, NY - \$82,560

Denver, CO - \$75,650

Ocean City, NJ - 71,240

Danbury, CT - \$69,510

New Haven, CT - \$69,100

What is the justification for what appears to be higher than average costs?

**Page 127 shows the police position schedule. The \$4,077,327 also includes 4 civilian employees. The police total amount is \$3,693,450. Divided by 45 equals \$82,076. This includes the chief, captain, lieutenants, and sergeants. Police officers total 30. Payroll amount is \$2,294,991. Average = \$76,500.**

**Salaries are negotiated according to state statute.**

Page 130

Cost of initial use for new officers uniforms \$8,000 per year. How many new officers make up the \$8,000?

**The figure is anticipatory. As it stands there are 2 officers that are eligible for retirement, with in excess of 30 years of service. I am following the past templates as to the fact that vacancies are not always planned in**



advance. It's a number that is difficult to forecast. Generally it cost approximately 3,500 to 4,000 to equip a new officer, ballistic vest, leather gear, uniforms, rain gear, and other various equipment needed during the academy process. In some instances we are able to repurpose some equipment

## **FIRE DEPARTMENT**

Page 139

From Other Employee Benefits of \$284,400? - Length of Service Awards (\$161,000)??? From page 141 and what is a Response Improvement Program \$50,400?

Length of service awards program is an insurance contract that awards volunteers for staying in the fire service. After a volunteer leaves service the volunteer would get a monthly amount based on length of service at 65. Maximum monthly amount is \$200. The response improvement program is paid out quarterly. A volunteer firefighter gets \$5 for each call. There are regulations tied to the program. You have to be a volunteer firefighter in good standing (attendance) etc.

What makes up Contributions to Fire \$145,000? Why is it 100% more than 12/31 actuals? The explanation on page 148 is not clear.

\$29,000 grant to five volunteer fire departments to cover some expenses not included in budget. This could include additional training, mortgage payments for fire house, utilities, etc. Fund raising covers the rest. Budget = \$145,000; first six months actual = 72,500 (makes sense, 12 months would be  $72,500 \times 2 = 145,000$ )

## **EMERGENCY MEDICAL SERVICES**

Pages 156, 157 - On page 156 it talks about seventy trained and certified EMTs. On page 157 it says that the NVAA contracts for a paramedic 24/7. Is that contract for individuals in addition to the seventy EMTs?

EMT's are trained to provide basic-level life support to persons who are hurt or injured. EMT's can perform CPR, artificial ventilations, oxygen administration, basic airway management, spinal immobilization, vital signs and bandaging/splinting.

EMT training consists of 80 to 106 hours of classroom education plus 10 hours of internship and field training. EMT training is considered the entry level for Emergency Medical Services. EMT's may also receive an additional 250 hours of training to become an EMT-Intermediate. EMT-I's perform additional skills such as intravenous therapy and automated defibrillation.

The highest skilled pre-hospital provider is the Paramedic. Paramedics are licensed healthcare professionals who provide the most extensive pre-hospital advanced life support. Paramedics provide care that is on par with that of the emergency room. During a medical emergency Paramedics can provide advanced life support care including: advanced airway management, endotracheal intubation (breathing tube), manual defibrillation, external transcutaneous pacing, EKG monitoring, 12-lead EKG acquisition, IV fluid therapy, intraosseus infusions, hemodynamic monitoring, needle chest decompressions, surgical airways, administration of a wide array of critical care medications and mechanical ventilation.



## HIGHWAY

Page 165 - Assuming much road work is performed in the summer, what is the seasonal workload of the 40 employees in the winter when it does not snow? What do they do?

I'm going to provide below a laundry list of activities that go on year round regardless of the seasons. But first, the only activity that is limited to the summer because of temperature considerations would be hot mix asphalt paving. Traditionally, this activity is shut down when the asphalt plants close in November or December and doesn't start up again until the plants reopen in April. What is added during this time is all the cleanup we have to do after storms. Year round we do the following:

- Pothole patching with either cold patch or hot patch when available. One to four crews comprising 2 to 8 men as needed by conditions.
- Catch basin repair and replacement. (In winter we use hot water and calcium to work the mortar)
- Dig out clogged or silted in drainage ditch lines.
- Repair and replace guiderail.
- Grading dirt roads.
- Clean up and prepare broken curb locations for replacement.
- Unclog drainage structures and break beaver dams flooding roads.
- Unclog storm drain and sanitary sewer pipes with vector truck.
- Tree and limb removal both planned and emergency work.
- Road side cleanup and brush removal.
- Hauling materials for BOE, Park and PW projects.
- Provide traffic control for projects, first responders and vendors as needed, both planned and emergency situations.
- Utility conduit and/or installations for gas, electric, sewer, water, fiber and storm water, both planned and emergency situations.
- Maintenance, care and repair of equipment and rolling stock for all Town departments and BOE.
- Repair and or replace mailboxes, warning signs, street signs etc. and remove graffiti in roadways and other public places.
- Small and large scale drainage projects.
- Review, plan and design ongoing and future road projects.
- Major storm clean ups as required (hurricanes, northeasters snow storms etc.).
- Public building maintenance including moving furniture or departments.
- Anything and everything that someone comes up with that isn't on this list.

Best regards,  
Fred Hurley

## NEWTOWN YOUTH AND FAMILY SERVICES

Page 203 - What does the Salaries & Related Expenses of \$1,673,571 include?

What is Misc. Expense of \$85,252?

Related expenses would be salary related expenses which are social security contributions, worker's compensation insurance, contributions to 401k plans etc.

7522 · Bank Charges	150
7523 · Credit Card Fee	2,000
8521 · Package Liability Policy	32,800
8524 · Director's & Officers	2,400
8530 · Membership Dues & Fees	14,162
8531 · Accreditation Expense	400
8540 · Staff development	2,840
8542 · Gifts & Donations	700
8544 – Conferences	12,200
8545 – Training	6,300
8570 · Marketing & Promotion	2,350
8573 · Development & Fundraising	6,450
8590 – Other	1,000
8610 · Bad Debts	<u>1,500</u>
<b>Total Miscellaneous</b>	<b>85,252</b>

## CONTRIBUTIONS TO OUTSIDE AGENCIES

Contribution to Newtown Parent Connection \$30,000.

From IRS Form 990:

Total Revenue - \$99,292

Executive Director Salary - \$38,923 = 39.2% of total revenue - Is this appropriate? Previously not paid.

Many not-for-profits have salaried personnel. Revenues typically pay for services. Newtown Parent Connection provides valuable services to Newtown residents.

## PARK & RECREATION

Page 240 - Cleaning service for Treadwell pool and Teen Center \$14,000 - does the teen center have a pool?

This line item for 14,000 provides cleaning services for the Treadwell pool facility and the teen center building.