

**MINUTES
SPECIAL MEETING
BOARD OF FINANCE JOINTLY WITH BOARD OF SELECTMEN
WEDNESDAY, JUNE 2, 2010
7:30 PM
SHOVE BUILDING CONFERENCE ROOM**

Present:	Board of Finance	Board of Selectmen
	Deb Tietz, Chairman	Gerald Stomski, First Selectman
	Deb Fuller, Vice Chairman	Barbara Perkinson
	Richard Famiglietti	George Hale
	William Drakeley	
	Richard W. Anderson	
	Andrew Sherman	

Also Present: Muffy Gomes; Fiscal Officer, about fourteen townspeople, Jamie Cura; VOICES and Rick Harrison, WATERBURY REPUBLICAN AMERICAN

1. Call to Order

Board of Finance Chairman Deb Tietz called the special meeting of the Boards of Finance and Selectmen to order at 7:30 PM in the Shove Building Conference Room.

2. Privilege of the Floor

Richard Snyder asked what the procedure was now that the budget was defeated. He was told that the Boards would meet tonight, make changes to the budget and forward the revised budget to the Town Meeting scheduled for June 14th. The Town Meeting may make changes. The new budget would then be voted on at referendum. Mr. Snyder noted that the budget impacts everyone, even weekenders. How do you reach the public and get them out to vote? The message is not getting out. D. Tietz told him the Boards would brainstorm tonight and get the message out. The Charter was quoted as to procedure.

Leslie Jamsgajer asked if Privilege of the Floor could be scheduled at the end of the meeting as well. D. Tietz told her there was another meeting directly following this meeting and she could speak then.

3. Discussion of 2010-2011 Budget Matters

D. Tietz began the discussion noting that the budget did not pass. Another Town Meeting has been scheduled for June 14th, at the Old Town Hall at 8:00 P.M. The referendum has been scheduled for June 24th 6:00 AM to 8:00 PM. G. Stomski, M. Gomes and she had a meeting today to discuss possible changes.

The first place a savings has been found is in the Auditor line, the new auditor's cost came in at \$18,400, \$21,500 was budgeted.

MOTION: D. Fuller moved to reduce Account #115, Board of Finance, Audit, to the amount of \$18,400. R. Famiglietti seconded. **UNANIMOUSLY APPROVED.**

The second savings come from the Land Use Department. Prior to the referendum discussion had begun about the GIS system, between Operating Expenses and department heads. GIS budgeted amount could be reduced from \$5,000 down to \$2,000. Contributions to the Pomperaug River Watershed Coalition could be reduced; currently an amount of \$5,000 is budgeted. The Board desires not to reduce these, they do a lot of good, but they are not essential. The Housatonic River Coalition could also be looked at. D. Fuller was concerned with deferring these expenses to next year. G. Stomski said Ms. Adsitt, the Town Planner, was OK with this.

MOTION: W. Drakeley moved to reduce the amount budgeted for the Pomperaug River Watershed Coalition by \$10,000, reduce the GIS amount by \$3,000 and the Housatonic River Coalition by \$500, for a total reduction of \$13,500 to Account #130. The new total for this account is \$45,500. R. Famiglietti seconded.

Discussion: D. Fuller suggested looking at all the proposed reductions first, then decide.

A. Sherman asked how much does the Board want to reduce the budget; that should be the first question. We needed to do a better job getting the vote out. Where does the Board stand? G. Hale agreed with A. Sherman, if the referendum had not been held near a holiday the result may have been different. He was not opposed to making reductions, but suggested not hacking. But we do have to respond to the vote, commented W. Drakeley. M. Gomes referred to one of the slides, "Expense Increases offset by Revenue Increases." G. Stomski agreed with W. Drakeley, the voters spoke. Let's see the whole picture first, D. Fuller requested. D. Tietz said the fireworks were on the table; that would save \$5,000. Another funding source may be found. A deposit for this year has already been made; these would be for next year's fireworks. A. Sherman commented, to get a \$0 budget, we'd still have a mill rate increase because of the revenue shortfall. To get a 0 mill rate increase we'd have to find about \$480,000. We need to recognize the savings on the expense side because of the pay freeze. We're honoring the contract, which is an increase. Apples to apples are not being compared here. D. Tietz then suggested closing the Park and Rec house in the winter. G. Stomski continued to explain that money used to heat that building could be saved; the offices could be moved, perhaps to the vacant office in the Town Hall Annex. Heating oil could be saved for the months of January, February and March. A. Sherman asked if the programs were different between winter and summer that were held there. There are programs in the Rec House that cannot be held elsewhere he was told. After discussion it was decided that about \$2,400 could be saved. Why couldn't the building be sold? G. Stomski said Parks and Recreation has stated there is a need for the building. An analysis was done by the previous administration. Programs could be moved. The Public Building Commission is currently doing an analysis. We want to utilize the Old Town Hall. The Rec House, Old Town Hall and Town Hall Annex are all

interrelated and this is being looked into. There are issues with separating out the septic system, parking and the building would have to be made up to code in order to sell. The real estate market is not good now, added M. Gomes. Another question asked was what was the cost benefit analysis of the compactor? There would be fewer trips, tipping fees would be less.

VOTE: FAVOR- D. Tietz, W. Drakeley, R. Famiglietti, R. W. Anderson
OPPOSED- A. Sherman, D. Fuller both were opposed to reducing the Pomperaug River Watershed Coalition stipend.
MOTION CARRIED.

G. Stomski commented that we're trying to eliminate layoffs; it's a choice between keeping services and the Pomperaug River Watershed Coalition dues. A. Sherman said layoffs may be put off for this year, but next year we may still be looking at layoffs. We're cutting everything to the bone, and that will include personnel. Unemployment compensation will increase. G. Stomski agreed that there will be layoffs.

MOTION: D. Fuller moved to eliminate \$5,000 from Account #800, Parks and Recreation, specifically for the fireworks. R. Famiglietti seconded.

Discussion: G. Hale noted that tonight is a perfect example of his thought to let each department head eliminate 2% from their budget, we should step away from picking items to eliminate. All departments could manage to make cuts. Let Parks and Recreation make the decision to cut the fireworks, this would be better for morale, too. They will make things work for us, we'd save more. 2% of the total budget equals about \$100,000. R. W. Anderson whole-heartedly agreed with G. Hale, the administrators of the departments would make better picks. W. Drakeley said he would like to agree, but cannot, it's too late in the game. We have to target tonight and eliminate. D. Fuller agreed with W. Drakeley, management did not take a foothold, it's too late. We have to do the best with what we've got. G. Stomski disagreed. The department heads came before the Board of Finance; they made a good faith effort. A. Sherman suggested letting the Board of Finance make cuts but the department heads could work something out.

UNANIMOUSLY APPROVED.

MOTION: D. Fuller moved to delete \$2,400 from Account #800. W. Drakeley seconded.
UNANIMOUSLY APPROVED.

G. Stomski said these were the proposed cuts after looking at essential and non-essentials. Any additional cuts will effect safety.

With the cuts made so far, \$24,000 has been reduced from the budget.

W. Drakeley stated every year we've looked at the budget, squeezed and postponed. We've looked at pockets of revenues, hit the surplus, capitalized on bonds, and used grants for one time revenues. All these are exhausted. Revenues are not keeping up with expenditures, the problem is growth with personnel services, the Grand List is not keeping up. We have to reduce the work force by, say, 10%. This reduction won't help this year but it will next. We have to downsize. The First Selectman could privatize activities, i.e. privatize snow plowing. This is an unpopular decision but it has to be done. The size of government is the principle area of

criticism by townspeople. If we don't do this we are forced to increase taxes. Financing of public education will continue to be a problem. R. W. Anderson asked if he had any suggestions. W. Drakeley said if he did he would be encroaching on the First Selectman's territory. D. Fuller said she did not disagree, it was clear from the public hearing that services should not be reduced, but there is a reluctance to look at performance. If we reduced the pay plan by 10% we'd force the First Selectman's hand, continued W. Drakeley. Could this be a priority for next year, asked D. Tietz? The savings would occur in the second year, added A. Sherman. D. Fuller thought that if a plan were in place the voters might pass the budget, cutting personnel, pension. But the question raised at the public hearing was what services do you want to cut, stated W. Drakeley. A smaller, more efficient government would be best. D. Tietz agreed with the concept but wondered if we'd get the best results.

The reason for defeat of the budget was then discussed. Was it voter apathy? Did word of the vote get out? R. Famiglietti said he agreed that draconian cuts are needed. We got a sense of what the voters want, we need a better budget which voters will accept. We want to try not to cut jobs but revenues are not coming in. Personnel issues are always difficult to deal with, but we have business decisions to make.

W. Drakeley suggested taking 10% from the pay plan and putting it in Unemployment. If the First Selectman decides differently, the money could, if necessary, go back into the pay plan. D. Tietz thought that suggestion would work. G. Stomski pointed out that 10% was equal to \$310,000. D. Fuller pointed out the money should not just come from salaries but also look at benefits. To clarify, W. Drakeley said what he was looking for was a material adjustment to the growth of the Town government. G. Stomski noted that contracts have to be considered, reorganization and restructuring will be necessary. G. Hale commented that things are constantly changing; there are many unknowns with this. D. Tietz suggesting leaving the amount of money in the budget, but putting the money in different areas. This would give the Board of Selectmen incentive. It gives the taxpayers the idea that we're trying to run government efficiently. A. Sherman thought this would show a commitment from both Boards. He was not comfortable with the Board of Finance making unilateral changes. And if we have not done any of these things, observed G. Hale, we will be in the same boat next year. We need a commitment of a reorganization plan, A. Sherman summed up. G. Stomski said the Board of Finance would have a plan; we're doing this one year at a time. We have to resolve the \$80,000 cut this year already. He said he would spend the money in the most fiscally responsible way he could. G. Hale asked for clarification from W. Drakeley, you're saying that Town government is too expensive, the number of people or the dollars. W. Drakeley said he was not focusing on people or dollars, money has to be found in the budget and the pay plan is the largest number. A study needs to be done. We have to do more with less, cover the shortfall from revenues. G. Hale tried to imagine too many people in any office, currently. D. Fuller noted that eight people have recently been added to the pension plan. Everyone is pulling their fair share, but something has to be done. What would the net savings be, asked R. Famiglietti? D. Tietz said with these changes we'd see savings next year, this year money is just being moved, to encourage the Board of Selectmen to make changes. A. Sherman asked why not do this for this year's budget, if we moved \$100,000 to Contingency, how will we judge progress? We need a commitment from the Board of Selectmen. We cannot take another \$100,000, observed D. Tietz; that would be too chaotic. Even with the \$80,000 less we'll have to have layoffs, stated G. Stomski. We can observe through the monthly statements, with the new computer system stated W. Drakeley. We

can gauge that way. The July 31st statement would be the first statement showing the savings made.

MOTION: A. Sherman moved to transfer \$120,000 from Salary Adjustment line to Contingency, which would not change the bottom line, but encourage the Board of Selectmen to look at the pay plan. R. W. Anderson seconded.
UNANIMOUSLY APPROVED.

D. Tietz said the Board of Finance would go the Town Meeting with a \$24,000 reduction to the budget. Board members also thought it would be a good idea for the department heads to review their budgets to see if they could come up with another 2% reduction in case the budget does not pass the next time. It is also noted that the due date for payment of the tax bills may have to be extended.

MOTION: Selectman Hale moved and Selectman Perkinson seconded to ask the department heads to prepare a potential 2% reduction to their operational budgets.

Discussion: G. Stomski noted that there is a departmental meeting tomorrow, they could be asked at that time.

MOTION WITHDRAWN.

The final amount, municipal side of the budget is \$8,827,532, the total budget equals \$28,608,111, including the education budget.

MOTION: A. Sherman moved to send a budget of \$28,608,111 to the Town Meeting.
R. W. Anderson seconded. **UNANIMOUSLY APPROVED.**

4. Adjournment

MOTION: W. Drakeley moved to adjourn the special joint meeting at 9:20 PM
R. W. Anderson seconded. **UNANIMOUSLY APPROVED.**

FILED SUBJECT TO BOARD APPROVAL
Respectfully submitted,

Linda Leigh
Clerk