



Mike Lenares
Mayor

TOWN OF NEWINGTON

131 CEDAR STREET
NEWINGTON, CONNECTICUT 06111

OFFICE OF THE MAYOR

MINUTES

NEWINGTON TOWN COUNCIL SPECIAL MEETING

March 21, 2011

Audio verbatim transcript of meeting available in Town Clerk's Office

Mayor Lenares called the Special Meeting of the Town Council to order at 7:00 p.m. in the Helen Nelson Room, Town Hall.

I PLEDGE OF ALLEGIANCE

II ROLL CALL

Councilors Present

Councilor Banach
Councilor Bottalico
Councilor Cohen
Councilor McBride
Councilor Nagel
Councilor Nasinnyk
Mayor Lenares

Councilors Absent

Councilor Casasanta
Councilor Klett

Staff Present

John Salomone, Town Manager
Ann Harter, Director of Finance
Lisa Rydecki, Deputy Finance Director
Jaime Trevethan, Executive Assistant to the Town Manager
Marie Fox, Registrar

III PUBLIC PARTICIPATION – ON AGENDA

James Late, 621 Church Street - Mr. Late spoke on behalf of the Newington Historical Society and Trust regarding the Town Manager's proposed closure of the Town's two historical buildings during the winter months to save on heating and utility costs. He noted that only the Kellogg Eddy houses utilities are paid by the Town – the Historical Society pays for the heat and electrical utilities at the Kelsey House and the telephone bill for both houses. He noted that there is a year-round live-in caretaker at the Kellogg Eddy House. Mr. Late noted that the Town Manager has not defined the "heating season" nor has he indicated whether the electricity will be turned off during the season, which will affect the alarm system. He noted that the Historical Society has sent a letter to the Councilors regarding the Society's statement of purpose, schedule and donations raised to date. He also noted that the Society's Executive Secretary keeps hours in the Kellogg Eddy House, that several committees meet in the house, and that there are many artifacts stored there as well. Mr. Late stated that the heat is turned down to 60 degrees when the

building is not in use and he made note that the Town has not utilized the buildings for rentals in some time. He noted that guidelines for preservation of antique furniture and artifacts warn that temperatures below 50-60 degrees could cause damage to wood furniture and artifacts and stressed that the Society is willing to work with the Town to find a solution.

Robert Randich, 43 Brook Street – congratulated Mayor Lenares on his appointment. He noted that he is in attendance with some members from Boy Scout Troop 347 based out of Martin Kellogg Middle School to observe the meeting as part of the requirement for their Citizenship in the Community badge.

IV CONSIDERATION OF NEW BUSINESS

- A. General Government (Town Council, Town Manager, Finance, Courts, Elections, Town Attorney, Personnel, Town Clerk, General Services, Facilities Management, Information Technology)

Town Council

Town Manager Salomone indicated that there are only minor adjustments to this account in the Council Clerk salary account.

Town Manager's Office

Town Manager Salomone noted that this item has been reduced to eliminate a paid University of Connecticut MPA internship that had been utilized by the Town Manager's office for the past two years.

Probate Court

Town Manager Salomone explained that this account has been reduced slightly according to usage trend over recent years.

Elections

Town Manager Salomone stated that this item is budgeted based on the estimated cost of one election and two primary elections. He noted a \$5000 reduction in Contractual Services to eliminate the Unofficial Checkers positions employed by both parties to oversee the votes. He stated that these positions are not required by law but have been customarily used in the Town for several years. Registrar Marie Fox stated that there are typically about 16 Unofficial Checkers employed for each election. Councilor Nasinnyk inquired whether this cut will hinder the elections process in any way. Mrs. Fox replied that not having the checkers will not change the duties of the Registrar. Mayor Lenares inquired about the average cost of one primary. Finance Director Ann Harter replied that the average cost of a primary is about \$10,000.

Finance/Assessor/Revenue Collector

Town Manager Salomone stated that the budget for the Finance Accounting and Administration covers four full-time and one part-time salary in the Finance Office as well as operating expenses. He noted that this account is basically flat to last year.

Town Manager Salomone noted a reduction in full-time salaries in the Assessor's office due to the impending retirement of an employee with the replacement coming in at a lower rate.

Town Manager Salomone noted a reduction in the Revenue Collector account in postage and shipping as well as a reduction in the Elderly Tax Relief program, which has been reduced according to trend. He stated that it is not a cut in the program, just an adjustment to reflect what is actually spent. Mrs. Harter stated there are currently about 500 seniors eligible for the program and the eligibility guidelines are the same as the eligibility for the State program and stated that applicants must reapply every year.

Town Attorney

Town Manager Salomone stated that while the budget for this item has been sharpened slightly it is basically the same as previous years. Councilor Nasinnyk inquired about whether the Town Attorney is paid a flat fee, or if there are any additional costs if the Attorney goes over a certain allotment. Town

Manager Salomone stated that a flat fee is paid per month and noted that he has never experienced an overage. He indicated, though, that in the event of a conflict or very specialized case another attorney might be brought in at an additional cost to the Town. Councilor Nasinnyk inquired what would happen during a transition in which the Town Attorney is involved in a case that is still ongoing when a new Town Attorney is appointed. Town Manager Salomone replied that this has happened in the past and if it is in the best interest of the Town the former Town Attorney will remain on that specific case for the sake of continuity. He stated that in the event of a conflict the funds to hire a special attorney would come from this budget. Councilor Banach inquired whether the Town's arrangement is typical of other area towns. Town Manager Salomone replied that with larger cities it is more common to have an attorney on staff, but historically the Town's arrangement has worked very well and the fees tend to be less than comparable costs to other towns.

Town Clerk/Records Administration

Town Manager Salomone indicated a slight reduction in land record recordings according to trend.

Personnel

Town Manager Salomone stated that the major items in this budget include training for employees (other than fire and police), advertising fees for recruiting, and other costs such as records filings, sheriff fees, etc. This item has been reduced according to trend. He noted advertising an open position State-wide can cost more than \$1,000 per ad, but stated that only high level positions are advertised to that extent. He stated that all positions are advertised locally at a much lower cost and all positions are posted on the Town's website at no cost.

Facilities Management

Town Manager Salomone stated that this account covers items such as salaries and technical contracts for maintenance of the Town's non-school buildings. He also noted that heating oil and natural gas expenses come out of this account.

The Council discussed the Town Manager's proposal to close the Town's historical buildings during the winter in order to reduce heating and utilities costs. Councilor Nagel noted that the cut would only affect the one of the houses. He inquired whether any measures have been taken to make the buildings more energy efficient and whether there are any alternatives which would keep the buildings open in the winter. Town Manager Salomone replied that it is the nature of the older historical buildings that they are not very energy efficient, and noted that efficiency upgrades are very expensive and may not be historically correct. He stated that care will be taken to avoid damage to historical documents and artifacts and noted that about half of the savings will be reinvested into the buildings. Councilor Nagel inquired whether this plan is a permanent plan or something being considered for this upcoming year only. Town Manager Salomone stated that while situations are always subject to change and open for reconsideration, he does envision this as a permanent change. Councilor Nagel remarked that these are museums of history and by closing them down the Town is shutting down access to local culture.

Councilor Cohen requested to receive a breakdown of the utility costs of the Town's various buildings as well as the usage trends for each building. Town Manager Salomone distributed a spreadsheet detailing the information.

Mayor Lenares inquired about the \$270,000 line item in Facilities Maintenance. Town Manager Salomone replied that the item covers maintenance and contracts for all buildings except Board of Education buildings. Mayor Lenares inquired about the difference between that account and the CIP facilities accounts. Town Manager Salomone explained that CIP funds are used for major projects over \$25,000.

Central Services

Town Manager Salomone indicated that this budget is for postage and telephone equipment. He noted that the Town is using less postage due to increased email usage.

Information Technology

Town Manager Salomone noted that this budget is for the operations of the IT Department and four full-time professional IT staff and indicated that the staff will be reduced by one part-time employee in 2011-12. He noted that the department handles over 250 workstation licenses, servers and software throughout the Town. He noted that the department also oversees online storage, web filters and police-related computer hardware and software. Mayor Lenares inquired whether there are any IT requests in the CIP budget. Town Manager Salomone replied in the negative.

B. Insurance/Misc

Municipal Insurance

Town Manager Salomone stated that this item is for liability, property and workers' compensation insurance; it does not cover health insurance. He noted that liability insurance costs have decreased slightly and also explained that the workers' compensation item assumes no retroactive payments. He noted a slight decrease overall in insurance costs.

Greater Hartford Transit District

Town Manager Salomone indicated that there is no change in this item from last year.

Employee Benefits

Town Manager Salomone stated that there is about an 8% increase plus an additional 8% to begin funding the OPEB account. He noted that medical costs are projected to increase by about 8%, therefore the budget is increased to trend. Town Manager Salomone indicated that the life insurance account covers general policies for Town employees. He noted that this budget has not changed in a number of years.

Town Manager Salomone indicated that the retirement account is broken down into a number of categories and is an actuarially recommended amount for the Town's two major pension plans. He noted that the Town is migrating towards a 457K defined contribution plan in which the Town defines a fixed contribution.

Councilor Bottalico inquired about Medicare taxes. Town Manager Salomone replied that Social Security is broken down into two components: Social Security taxes and Medicare, and stated that the employees pay about 50% of these costs.

Councilor Nasinnyk noted that the Town is self-insured and inquired whether Blue Cross administers plans for the employees. Town Manager Salomone replied in the affirmative. He noted that in-network providers adhere to Blue Cross rates. He noted that the Town negotiates with Blue Cross yearly for the renewal of their administrative agreement and stated that their administrative fee is a reasonable fixed number unrelated to claims. He explained that Blue Cross administers claims and provides reinsurance for catastrophic claims. Councilor Nasinnyk noted a question at a previous meeting about police physicals and noted that the item is a wash whether it is paid through the budget or through claims. Town Manager Salomone agreed.

Donations and Contributions

Town Manager Salomone noted a decrease in contributions to NCTV, partially due to its move to the Town Hall as well as grant funding received for new equipment.

Contingency/Manager's Contingency/Special Contingency

Town Manager Salomone explained that these are the Town's reserve funds and noted a slight increase in this fund, a portion of which would be used to cover potential non-union salary increases. He noted that it is the Council's decision whether to grant any salary increases to non-union employees. He noted that the contingency is a very small number as a percentage of the operating budget and noted that in order to keep the budget down he has kept this number as low as possible. Town Manager Salomone noted that any catastrophic events would be addressed through the fund balance.

C. Employee Leave Liability

Town Manager Salomone stated that this account covers the Town's liability for accrued sick time to be paid out to an employee upon termination of employment. He noted that employees hired after 1995 do not get paid out for unused sick time upon termination. He noted that this budget will remain flat to last year.

D. Special Reserve Funds/Other Funds

Town Manager Salomone reviewed the various accounts in the Special Reserve Funds, including Cemetery, Road Aid Maintenance, LOCIP Fund, Recreation Program, Human Services – Needs and Donations, and Senior and Disabled Center Donations. He noted that this fund is used to account for proceeds of specific revenue sources.

Councilor Bottalico requested a breakdown of proceeds and expenditures for the various Parks and Recreation program. Town Manager Salomone replied that there are spreadsheets and Munis reports available with that information. Councilor Nagel inquired whether there will be any changes to Parks and Recreation programs such as pool operating hours. Town Manager Salomone replied in the negative and elaborated that the Parks and Recreation department is constantly evaluating the cost-effectiveness of the various programs.

Town Manager Salomone noted the Health Benefits fund and explained that the fund is for both the Town and the Board of Education. He stated that the Town pays claims on a monthly basis and noted that claims may be ongoing from month-to-month. He noted a carryover of balance from FY 2010-11, plus the estimated receipts from the general fund and employee co-pays. He explained that this income less estimated benefits paid, administrative fees and reinsurance costs is the total insurance cost.

Town Manager Salomone stated that if the trend stays the same between now and the final closeout of this fiscal year (which is done in September due to ongoing claims), the Board of Education would have to budget \$1.2 million less for next year. He indicated that the actual Board of Education claims last year were about \$6.8 million. The Town Manager reiterated that if the trend remains the same there will be a savings, but the amount may vary based on actual claims. He remarked that it is unlikely that the amount will be dramatically higher or lower than projected. Mayor Lenares inquired whether the Board can adjust their budget by the \$1.2 million at this point, because this information was not available to the Board when it submitted its budget. Town Manager Salomone replied that the Board could possibly adjust their request for up to the \$1.2 million. Mayor Lenares inquired as to who would pay for any shortfall if the claims end up to be more than the reduction. Town Manager Salomone replied that the Town would be responsible. Councilor Banach inquired whether the \$1.2 million could be considered "cash in hand". Town Manager Salomone stated that it can't be considered as such until September. He stated that while this is a good number and fairly reliable he would caution the Council to be conservative.

Councilor Cohen inquired whether the \$1.2 million credit could be used to offset the overall health insurance costs. Town Manager Salomone replied in the affirmative and stated that the Board has the option to take the credit this year. Mayor Lenares reiterated that this is not a cut, but an adjustment. Councilor Cohen stated that if the Board budgets, for example, \$5 million and elects to take the credit, and the Council adjusts their budget by the \$1.2 million, the Board will still have the \$1.2 million to spend as they choose. Councilor Bottalico inquired about the Board's funding for the fund. Mayor Lenares indicated that it is approximately \$10.7 million, but Mrs. Harter explained that the \$10.7 million figure includes all benefits, including pension. Councilor Bottalico noted that the Council cannot direct the Board as to how to adjust their budget.

Councilor Nasinnyk inquired whether this potential credit is one of the reasons for the Town Manager's proposed \$500,000 cut to the Board's budget. Town Manager Salomone replied that it was taken into consideration, although the \$1.2 million amount was not known at the time he created his proposed budget. He noted that the cut was made to balance the budget and to keep the Board's budget in line

with the Town's budget. Councilor Bottalico noted that per an agreement between the Town and Board, the Town is responsible for any shortfall.

E. Revenues

Town Manager Salomone noted that the bulk of the Town's revenue comes from the tax levy, which is budgeted to increase by 3%. He also noted an adjustment of \$300,000 in the collection rate, which has been adjusted according to trend per his request. He noted that the budget assumes a 98.5% collection rate, an increase of 0.5%. He also noted Grand List growth and tax adjustments as well as pro-rated real estate taxes and prior years' collections and interest.

Town Manager Salomone noted Payments in Lieu of Taxes (PILOT) funding from the State as well as the new manufacturers inventory revenue, which is projected to be eliminated by the State. Councilor Bottalico indicated that he has heard that the funding may be reinstated.

Town Manager Salomone reviewed other revenue sources, including permits and licenses, State-owned property and interest earnings. He also explained the increase of conveyance taxes paid to the Town as well as other State aid and sales tax. Councilor Bottalico inquired about State 55% reimbursement for school compliance projects. Mrs. Harter indicated that the reimbursement is received as funds are spent. Town Manager Salomone noted Federal aid revenue – a new item in the budget.

The Council also discussed the Town's Fund balance of \$2,000,000 and discussed how the fund balance amount impacts the Town's credit rating and they also discussed saving the funds to be used in the event of an emergency versus applying some or all of the balance to the budget to lower taxes.

V PUBLIC PARTICIPATION – ON AGENDA (none)

VI REMARKS BY COUNCILORS (none)

VII ADJOURNMENT

Councilor Banach moved to adjourn the meeting at 9:45 p.m. Motion seconded by Councilor Nasinnyk. Motion passed 7-0 (Councilors Casasanta and Klett absent).

Respectfully Submitted,

Mrs. Jaime Trevethan
Executive Assistant to the Town Manager

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