



MINUTES OF BOARD OF A&T BUDGET PRESENTATION TO
BOARD OF ALDERMEN
7:00 PM Thursday, March 31, 2009
SHELTON CITY HALL
54 HILL STREET
Auditorium
SHELTON CT 06484

Roll Call

Board of A&T:

Mark Holden, Chair, present
Judson Crawford, present
Nancy Dickal, present
Greg Kodz, present
Charlotte Madar, present

Other Persons Present:

Board of Aldermen:

Alderman John Anglace
Alderman Lynn Farrell
Alderman John "Jack" Finn
Alderman Stanley Kudej
Alderman Eric McPherson
Alderman Ken Olin
Alderman John Papa
Alderman Anthony Simonetti

Call to Order

Chairman Mark Holden called the meeting to order with the Pledge of Allegiance at 7:30 p.m.

Chairman Holden began the meeting with the following comments to the Board of Alderman:

Good evening

I thank the board of Aldermen for participating in our interview process; for this opportunity to present our results, and for the consideration I'm sure you'll give our ideas as you start your part of the budget process.

I also thank all the department heads - they were helpful when they met with us for interviews and answered questions during the workshop process. Lou Marusic, Gene Sullivan, the staff at the Mayor's office, the City Clerk's office, Chief Hurleman and Captain Madden all get special thanks. I had extra requests for them, and they were terrific to work with.

Last but not least, I thank our clerk Karin Tuke. She's been a tremendous help in documenting our work and running the spreadsheet. She's also got a good sense of humor.

Last year the Board of Apportionment and Taxation was able to present a budget I was proud of. Every aspect had been approved unanimously by members of our board.

This year is different.

Shelton has the lowest tax rate in the area, and the Mayor proposed a budget with no tax increase. You'd think our budget process would have been easy.

But the members of the Board of A&T looked at the fact retired citizens, and people who hope to retire soon have seen dramatic losses to their investment portfolios. Home values are down, foreclosures are up, and so is unemployment.

We were united in wanting to find spending reductions so we could give taxpayers a break.

One of the things that was frustrating is while the news has plenty of stories of area municipal employees voluntarily holding the line on their wages; we found our salary line items continue to increase.

We don't dispute the raises are deserved - it was just a matter of timing.

A recommendation of the Board of Apportionment and Taxation is for the Board of Aldermen and the Board of Education to ask for a voluntary pause in salary hikes for the next fiscal year. If we can hold salaries at last year's levels, the savings would amount to about 2/10 of a mil.

Another recommendation is to consider reissuing existing bonds to take advantage of recent reductions in interest rates. The savings might be substantial.

A big concern is our part of the budget process happens before some important information is available. Medical insurance represents over 10% of our budget expense. The city and board of education went out to bid on this because we were told to expect a substantial rate hike. The bids were opened on Thursday, but they're just starting to be reviewed. These bids could change the budget by 2/10 of a mil in either direction.

The Educational Cost Sharing Grant gave us just under 5 million dollars last year. While we expect to get about the same this year, we won't know for sure until the state passes their budget.

The charter revision proposal that didn't pass last year would have helped with these issues. Under that charter, our part of the budget process would have started several weeks later. We'd have more information about the state budget, and the actual medical insurance costs would have been known when it was time to complete our work.

I imagine people are sick of Charter Revision, but this is one reason why it was and still is a good idea. Perhaps the Board of Aldermen could identify proposed changes that weren't controversial and try again.

It is ironic to be asking you to accept the best you can get on charter revision when our board failed to do the same when it was time for us to agree on a budget.

When we were done, one member lamented - "we found less cuts than last year". He was right, but I think the reason is the budget we started with reflected many cuts we made last year, and knowing the economy was unfavorable, department heads and Mayor Lauretti had already gone over the budget looking for ways to hold the line on spending.

We traditionally do have funds left over in many accounts at the end of the year. One reason for this is we have to budget for expenditures that can't be projected with certainty – How many times will we need to plow the roads? Another is Shelton is frugal. We might budget to replace an old copier or printer, but we won't spend the money unless the old one dies or a new one will be more cost effective.

We conducted six joint meetings with the Board of Aldermen to interview department heads, and held seven workshops to develop a budget. When you factor in time we spent gathering and reviewing information, A&T members typically spent 100 or more hours working to prepare a budget that was fiscally responsible and affordable for the taxpayers.

We have almost four pages of revisions to line items we agreed to. They add up to over \$552,000 of changes to the budget we started with.

Every motion for a reduction in spending that was popular enough to get seconded passed.

Before giving up, I asked if there were any additional changes that could be made to agree on a budget and the answer was no.

My personal view is our inability to find more spending reductions implies the Mayor's proposed budget had less fat than we thought when we started. The best we could do would have been to keep the mil rate at 18.61, and there weren't four people in the room who thought that was good enough.

I have printed copies of the excel spreadsheet we worked on that show the revisions we passed. The Board of Apportionment and Taxation will be happy to meet with you to discuss our proposals. Thank you.

Chairman Holden indicated that Judson Crawford has a few comments that he would like to make.

Judd Crawford made the following comments:

The 2009 – 2010 Budget Response

Thank you, Mr. Chairman, on behalf of the bipartisan members of the Board for giving us the opportunity to comment on the City budget and the procedures that led to a 3:3 tie vote. Our Board is a bipartisan group of officials which deal with the budgetary and financial affairs of the City. We believe that the voters of Shelton must be informed of both revenue and expenditures of the City through the efforts of our work. During the budget process, certain members of our Board felt strongly that we could not fulfill our obligations to the taxpayers. The bidding process must be addressed prior to our budget workshops. Areas of concern include medical, life insurance, disability insurance, road repairs. We were astonished when it brought to our attention during the budget interviews that a couple of departments informed us that they were not allowed to expend the allotted amount of money in their budgets. How could this take place?

There also appears to be historical patterns of departments who consistently return budgeted money back to the General Fund. We firmly believe that there could have been deeper cuts made to the budget. We are all aware that we are in a difficult economic environment. Our main goal was to honor the taxpayer with a mil rate reduction and a tax decrease. Thank you. Signed,
Judson W. Crawford, Nancy Dickal, Greg Kodz.

He provided copies of his response for everyone at the table.

Chairman Holden indicated that he would entertain any questions.

Alderman Papa asked how much were the amount of reductions that were mentioned to reduce the mil rate.

Judson Crawford responded that no, they said that they could have lowered the mil rate.

Alderman Papa asked how they could have lowered the mil rate.

Judson Crawford responded because of historical background documentation of all the funds that are constantly returned to the City.

Alderman Papa asked what the dollar amount was for the funds that are returned – even a ball park number.

Judson Crawford responded that 3 million was returned.

Alderman Papa asked how much a mil was – \$5 million.

Chairman Holden responded that yes, a mil represents \$5 million – it would be roughly .6 mil.

Alderman Simonetti asked about the vote that came in 3:3 – what was the amount, he understood that it was about \$18K.

Chairman Holden responded that it was \$18,428.00 of funds that they had cut the budget by and had not reallocated. When they got to that point, frankly they needed \$50K of cuts to make a difference of 1/100th of a mil. So, when they got the point of \$18,428 left, it made sense to look for a worthy home for it.

Chairman Holden indicated that they gave serious consideration to restoring some additional funds to the Library. They will see that they did add some funds there and that was enough to bring the Library up to the amount that Elspeth requested. Elspeth practically begged for the money in her interview. Everyone agreed that she made a very compelling case. The other alternative was to put some of that money into the Contingency Fund for the BOA.

Alderman Simonetti asked about the \$3M that Judd spoke of – is there a list of those items?

Chairman Holden responded that in the latest audit report it shows the amounts that various departments returned. The problem is there is always a reason for the returned funds. In some cases, it's a situation where they didn't go through all the money set aside for boarding up buildings – but there has to be money for that kind of stuff in the budget.

Chairman Holden indicated that there were a lot of small ones. There are larger ones such as the Police Department because they were understaffed as a result of shorted seats at the Academy. Now they are up to one below their goal. For the current fiscal year, he doesn't expect much of a return in terms of payroll. One of the things that he has mulled over, but hasn't discussed with anyone, but that might be considered at some point, is the possibility of trying to identify accounts where they historically do have returns. Then take those funds away but make an internal-to-the department contingency account where some of those funds could go and some other of those funds could go into the BOA account, and put about half into to the taxpayer's pocket. He added that this is a very rough idea he had.

Alderman Papa asked, over the years, what has the number been running – Judd says \$3M.

Chairman Holden responded that it probably runs in the vicinity of \$2.7M - \$3M.

Alderman Papa indicated that the BOE always returns money – that can't expend it right down to the ...(inaudible).

Chairman Holden responded that the BOE actually doesn't – they encumber funds at the end of the year so that they can, in effect, carry it forward. They could get a one time savings if they reduced the funding to the BOE by a percentage of the amount that they encumbered. He added that some of what they encumber, they need right away – actually most of it; but in the follow up questions that he had with Allan Cameron, it appeared that out of the just under \$2M that they encumbered at the end of last year, they had approx. \$710K that he didn't account for as being significant.

Chairman Holden commented that – how much of that \$710K wasn't spent real short term, maybe items weren't enough individually to be considered significant. But he thought that was perhaps a way that something could be done; however, the Board did not pursue it.

Alderman Papa asked, over the years, their budget is \$109,019 - was their final – so what percentage is \$3M.

Chairman Holden responded that it was approx. 3.6% - it's not a huge amount.

Alderman Papa indicated that he'd rather have departments spend less than spend more than they are budgeted for – what is the problem if money is returned?

Chairman Holden responded that with the money that is returned, technically, you've overtaxed the taxpayers for last year, but if that money is rolled into next year's budget, a one-time savings could be achieved by paring the budget to the bone.

Alderman Papa indicated that if they are talking about a .6 mil – how much of a decrease is that to a taxpayer.

Chairman Holden responded that he's guessing it would be around \$180 bucks – which would come in handy...but on the other hand, it is really a one time savings when the fact is considered that whatever comes back is rolled into the next year.

Alderman Anglace asked how it was a one time savings – if it happens every year.

Chairman Holden responded yes, but that shows up on the budget sheet as \$3M of income to next year. So, if it is cut so that there are no returns at the end of this year – there won't be money left over from this year that goes to the next year.

Alderman Anglace asked what they were going to do then – raise taxes.

Chairman Holden responded, essentially yes.

Alderman Papa asked – what is the balance then? – if the \$3M does go over to next year – it will have to be made up in taxes next year – so what's the difference?

Alderman Anglace commented that he listened to the Board of A&T asking questions about what was spent and what wasn't spent – a classic one was John Milo who said that they have to have money in emergency services. If it isn't used, it isn't used – but if there's an emergency and there's no money – then there is a real problem.

Chairman Holden responded that he agrees.

Charlotte Madar added that with the Police Department when they couldn't get their slots in the Academy – then they didn't have the funds for the training. They wait to try to get it free up at the State, but if they can get them into another one, they may have to pay for it.

Chairman Holden indicated that after getting shorted seats that they were promised at the State Academy last year, they got to the point where they decided that they would pay for training if they had to because they were feeling desperate for a more sworn staff. When there is a shortage of police officers that is going to affect other line items in the budget that are related to the number of officers that they have, such as Overtime.

Alderman Finn asked about the Police Department having a history of returning \$500K and \$600K when they are only short one slot.

Chairman Holden responded that they are only short one slot now – they were short more last year.

Alderman Anglace asked about the March 17th minutes and he asked for someone to explain the motion to adopt the budget, who voted which way and why they voted that way.

Chairman Holden responded that after a protracted discussion, the motion that he accepted was to accept the Mayor's proposed budget for discussion. He had sought to have the motion be for adoption.

Alderman Anglace asked if there was a motion made to adopt the budget.

Chairman Holden responded that they do not have a budget; they have recommendations and proposed revisions.

Alderman Anglace asked again – Was there a motion put on the floor to adopt the budget?

Chairman Holden responded that there was a motion to adopt a budget and it failed 3:3.

Alderman Anglace asked what that motion was.

Chairman Holden responded that the last attempt, at their last workshop – he doesn't have the minutes - essentially it was to accept the Mayor's budget as amended, with the changes that they'd made throughout the workshop process – and that failed 3:3.

Alderman Anglace asked what the mil rate they agreed to.

Chairman Holden responded that it was 18.61 mil.

Alderman Anglace asked who voted for it and voted against it.

Chairman Holden responded that the people who voted for it were Vinny Capece, Charlotte Madar and himself; those voting against it Judd Crawford, Nancy Dickal and Greg Kodz.

Alderman Anglace asked if the opposed came up with a budget.

Judd Crawford responded that he was going to present one, but he doesn't have the final document in front him because of what just transpired Thursday evening. All the bidding that took place on insurance – and how that is going to change the budget figures. Judd mentioned the emergency meeting held to award the Recycling Contract – that figure was the same as the Mayor requested; however, due to a technicality, it is now up by \$48,920.

Alderman Papa commented that by May 15th the Aldermen have to come up with a budget whether they agree or not – they have to have a budget per the Charter. He added that the A&T by Charter has to come up with a certain budget on a certain date.

Chairman Holden responded that their deadline for presenting a budget is technically tomorrow evening (4/1/09). They had reached a stalemate.

Alderman Anglace indicated that he wanted to talk about that stalemate. He asked who made the motion to adopt the Mayor's Budget and mil rate as modified.

Charlotte Madar responded that she did.

Alderman Anglace asked who seconded it. Charlotte responded that it was Vinny Capece. Alderman Anglace commented that it failed 3:3 – he asked Judd, Nancy and Greg if they put a motion of their own on the floor.

Nancy Dickal responded that they had an issue with the way it was being addressed because they were working on the Mayor's Budget – it wasn't their budget, OK – so they were going to try to make amendments to the budget. They couldn't say that they agreed with the Mayor's budget because they hadn't dissected it yet – because they were hoping to make a better budget.

Alderman Anglace responded that he doesn't understand what they doing here – talking in all these meetings.

Nancy Dickal interjected that they worked very hard. This is bipartisan all the way. They are working for the taxpayers in Shelton – not party to party. All you have to do is simply look at the budget and all the answers are there. The historical data goes back to back that shows departments that request the money, the Mayor makes the recommendation, you guys pass it and year after year that money gets put back into the General Fund. You have a budget at home...you don't work your own budget like that, do you?

Alderman Anglace responded that was not what they were asking. They are asking about the motion – they made a motion, they put a budget on the floor and it failed 3:3. If they had problems with that motion – he asked what their motion was.

Greg Kodz responded that their motion was not to agree with the budget as it stood because they didn't have figures for health insurance – it's out for bid, and the contractual obligations go into effect right after the BOA approves the budget. So they would be producing a mythical budget based on hypothesis.

Alderman Anglace responded – Time Out – he stated that there are things that they aren't going to know when they set their budget. For years they did not know the Educational Cost Sharing amount that the State was going to give them. They weren't sure what was going to be done with the Conveyance Tax. A budget is a spending plan – that is all it is, and they have to come up with a spending plan. He asked Greg Kodz what his spending plan was if they didn't accept the motion.

Greg Kodz responded that last year... Alderman Anglace interrupted and said, not last year, this year...

Greg Kodz responded that last year when they came up with a spending plan, the first comment was "is that all you found" and then the BOA proceeded to restore half of the money that they pulled out of the budget. So this year they took the attitude of dealing with what they are given. If they are given true and accurate figures -it would be like him on a personal basis budgeting his household for \$10,000 gallons of fuel oil knowing darn well that he only uses 400 gallons – and then say that he can roll that money constantly over. He doesn't work his household budget that way – he works it on reality – not fictitious numbers. The departments have historically been over-funded, and over-funded and the money has been returned. They know it gets rolled over but their concern is that unwise spending might take place in purchases, etc.

Alderman Anglace responded that he disagrees with his choice of words. They don't think that they are over-funded; they think that they are funded to the degree that they need to be funded, and they think that they are based on good, solid management. He commented that "Somebody said that the Mayor wouldn't let me spend the money" – the Mayor is tough. He isn't going to let anybody spend money if he can stop it.

Greg Kodz commented that there is all this money in the budget surplus yet the road repairs are cut from \$960K to \$125K.

Alderman Anglace responded that is because they have a bond issue.

Greg Kodz stated that taxes go up because of bond commitments.

Alderman Papa responded that they have a bond issue; they have a very good rate and they are going to do more roads than they've done in a while.

Greg Kodz commented that historically it's the same issue – over and over – there's a triple A bonding rate and they have to keep the reserve in there for the triple A bonding rate...but they have this excess built into the budget.

Alderman Papa responded that they have to keep a certain amount of money in the budget in order to get a good bonding rate – it's 4%, 5%. What is wrong with that?

Greg Kodz commented that the audit said there was a 10 something million dollar budget surplus. The commitments were \$2M to keep the ratings \$5M – so that's \$7M...

Chairman Holden indicated that he didn't have his budget sheet in front of him, but the Mayor's budget reflects the withdrawal from that.

Alderman Papa responded that they really want to have 5% of their budget.

Chairman Holden added that they really want to have 8 – in any event, there was a draw down from surplus that was included on the income side from the Mayor's budget.

Alderman Papa made a comment about the problems that other towns are having, such as Bridgeport. In Shelton they have a great system, and they're complaining about not spending everything they were budgeted. Spending less than is allocated – that isn't a bad budget – its money left over for something else. What is the problem with that? Bridgeport, New Haven and Hartford are getting rid of people and contracts and we are complaining about surplus?

Nancy Dickal interjects that they could have better.

Greg Kodz commented that their grand list is comprised of a lot more than Bridgeport. Bridgeport has no industry anymore.

Alderman Papa responded that he is talking about the budget – not what they have.

Greg Kodz indicated that 71% of their budget comes from taxpayer revenue, and they tried to look at it from a taxpayer's standpoint.

Nancy Dickal commented that they are in extremely difficult times now – anything that they could outreach to help everybody – even \$20 means a lot to people today that are collecting unemployment.

Alderman Papa responded that the money that they rollover for next year's budget helps the budget for next year.

Nancy Dickal stated that if they keep rolling over an enormous amount of money, it's ridiculous. Alderman Papa commented that he has a difference of opinion.

Alderman Anglace responded that it isn't ridiculous; it's smart. Nancy Dickal commented again that it was ridiculous – it isn't smart.

Alderman Farrell added that is how a good budget works.

Alderman Anglace stated that if they keep the tax rate stable, the bond rating is good.

Nancy Dickal responded that it's ridiculous to rollover huge sums of money.

Alderman Anglace asked if it is so ridiculous, than why haven't the auditors commented on it. The auditors haven't said it is wrong to do it. Read the audit – it says just the opposite. Alderman Papa agreed that the audit is in their favor.

Alderman Simonetti asked if the A&T Board – the 6 of them – Did they think of voting on something with an amendment about taking into account about the insurance may go out? It's a budget plan, as John Anglace said, no one can come up with a perfect number to June 30th. Did they think about setting a budget with the note that it might go up .2 or .3 more mils, if the insurance comes in higher than expected?

Greg Kodz responded that when the BOE was in front of them, Robin Willink indicated that she went out to seek competitive bids which was a good thing. He asked Sandy Nesteriak the same thing last year about why the City doesn't go out and do that. She responded that they have Blue Cross Blue Shield and they went to Health Net and the projected increases are 19.8%. He thought that was excessive. Greg Kodz asked why they can't bring the budget in any closer – that's part of the issue that they had.

Chairman Holden responded that as he mentioned, that whole issue would go away if the Charter Revision had passed – then they would be starting their budget process now instead of finishing it.

Alderman Simonetti commented that it's just a budget plan. He asked Chairman Holden if what they have is no budget, just recommendations – OK, that's fine.

Chairman Holden responded yes, and all of them have been agreed to and on the side it indicates who made the motion, who seconded it, what the final vote was, and who voted in opposition.

Alderman Anglace indicated that the Board of A&T not arriving at a budget is not the end of the world. During the meeting that took place, some things came out that he would like to comment on. He wants to provide some background on some of the things that were raised – he's not speaking for the BOA, he's not speaking for the Mayor, just as an individual member of the Board with many years of experience with the City budget.

Alderman Anglace commented that he thought that in general this year's departmental budget hearings were well planned, well executed and went well. Everyone had sufficient time to present their views and there was ample time to ask questions. Everyone conducted themselves with respect and dignity; the quality of the issues and questions raised were excellent. It was a good learning process for all involved.

He specifically wanted to discuss give-backs. A number of times give-backs are mentioned. It was asked if wage concessions had been considered. It was expected that this was prompted because of economic conditions, mostly from the Bridgeport situation, where they successfully asked their unions – and their unions had some givebacks. Bridgeport is a very different situation than Shelton.

Alderman Anglace wanted them to know that they haven't waited for the economy to go bad before looking for concessions, and those who have been involved with the negotiations process – both in the City and the BOE, know that there has been a meeting of the minds to employ a negotiation strategy of cost sharing in their collective bargaining experience over several years. They made this part of their long term negotiation strategy for all bargaining – not for one, not for a few, not for unions, not for non-unions – but for everybody. The BOE has cooperated with this concept in their bargaining unit contract discussions – Ken Olin and he represented the BOA – in the BOE Teacher and Administrator negotiations and this bargaining strategy was employed.

They need to understand that nothing is going to happen all at once or all today because the City and the BOE have many bargaining units with different contract expiration dates and results are going to vary and be staggered – when contracts go into effect and when they terminate.

Alderman Anglace continued that they've adopted structured changes in their benefit plan designed to share the cost and sought to have them adopted through negotiations. As someone pointed out earlier, the biggest cost is in the Medical Insurance and that has been the target. They have also designed opt-outing incentives so that if somebody has insurance someplace else (with a spouse) then they can opt out and get incentive and they save money. They provide employees with competitive and continuing medical insurance necessary for any family to have in this day and age, and the plans have been well-designed. The results thus far have been positive and cooperative. They have achieved – both the BOE and the City – with the BOE being the biggest bargaining units; they have been very successful in negotiating and achieving the strategy that was adopted.

Alderman Anglace indicated that the City has also managed its pension cost exceptionally well by providing defined contribution plans versus defined benefits; thereby avoiding underfunding that so many municipalities in the State are up against. He added that he doesn't know if everyone understands the difference between defined benefit and a defined contribution.

He indicated that the only defined benefit plans that they have in the City of Shelton are the Police Department and the Teachers & Administrators. They are in State pension plans and all they do is make a contribution to it. They have no liability for it and they've avoided that liability for about 20 years now. Nobody else in the City, not even the Mayor has the defined benefit – it's the defined contributions.

Alderman Anglace concluded that if they think they can change some of these things, be prepared to change them by going to binding arbitration. Repeatedly, most people who have been involved, including the BOE have said that they are not in a position to do well as a result of the current binding arbitration law. Therefore, they haven't gone to binding arbitration and they've tried to settle contracts because at the 11th hour a decision must be made. They've sought collectively and they've sought to look for fair, not excessive wage settlements and cost sharing in the benefits area.

In the City, they have about 300 employees – 200 full time and 100 part time. The part time work force saves them money by not providing benefits and gives them the flexibility to augment the 4 day work week. Anyone looking for wage concessions among the part time work force is out of touch with reality – it can't be done, there's nothing there to concede. If they think that City employees can make wage concessions when they are paying a big share of their benefit costs, and they are making money that is not high by anyone's standards – it is very difficult. The City's full time work force is represented by bargaining agents and such a demand for wage concessions has to be negotiated. When one considers a negotiating strategy, they have to ask what is more apt to be achieved – a wage reduction or a benefit sharing concession – and what is the value of each. Overall, both the BOE and the City have done a pretty good job of achieving its negotiation goals.

It's been their collective expectation to share the cost of the increased health care benefits as a major goal through the redesign of the healthcare plan and employee cost sharing and employee incentives. Discussing City bargaining strategy puts them at a disadvantage with those with whom they negotiate. The City puts its negotiating strategy on the table they are telling the people they are negotiating what they are doing. The strategy that he is sharing tonight is one that has been in existence for a long time – it's not new, it's not new to the bargaining units.

End of tape 1A 8:20 p.m.

Alderman Anglace stated that it appears that the question of give-backs arose because of the perceived success in Bridgeport. Comparison of the facts is risky and leads to false expectations. How do their salaries compare to Shelton's; what is the extent of their debt; how has their government been managed; what is the history of their giveaways and their previous administration. All of these and more have put other towns in a much different financial situation than they are. Shelton has not given the store away, but they have treated their employees fairly. They are still growing their grand list and are able to sustain reasonable wage increases; thereby effectively competing with other municipalities and the private sector.

In regard to the private sector, everyone knows the beautiful contract that Sikorsky got. Has anyone heard of anyone giving wages back at Sikorsky? Sure it's tough economic times, but did they give back? The private sector is still getting their increases.

Greg Kodz commented that when they negotiated for their contracts, they negotiated for a lower increase over the next three years.

Alderman Papa added that they all got a \$5000 bonus.

Alderman Finn commented that the \$5000 bonus is over the life of the contract.

Nancy Dickal interjected that she works for a huge employer – bigger than the City and the BOE and she just took a two year wage freeze. Don't you think she deserves her wage increase? Same with health insurance.

Alderman Anglace responded that a lot of companies during this economic turmoil are asking their people to make sacrifices. He doesn't think that they are in that kind of position as a City, and he doesn't think that their people have to be asked to make cash give-backs.

Alderman Anglace commented that every company is different – one company treats its company one way, another company treats its employees another way because the economic times dictate it and they have to stay afloat – it's either that or layoff. They have done their give backs in a different way and it has been well-received and with good cooperation.

Alderman Anglace wanted to bring up another issue brought up during negotiations. He thought that they hit on a good point when asking about the Building Committee for the BOE spending to renovate the administrative offices. They spent over \$500K to renovate the BOE administrative offices. As pointed out by the A&T, the Charter requires the formation of a building committee for amounts over \$100K. No one examined it closely enough. Additionally, there was discussion about encumbering of funds. Most of the money they used were encumbered funds and funds from other unused accounts. It's well within their prerogative to do but the issue remains about a building committee because that work isn't finished yet. They should raise that issue with Counsel and see if they need a building committee there.

Alderman Anglace commented that another good point brought up with the BOE was the spending in regard to the new Human Resources Director – it was put on the table, but all the information was not extracted. The person who left the Human Resources Director job had been making \$90K after 25 years and the new one came in making \$118K. The question was raised about why there was such a gap. They never really answered that question.

Charlotte Madar responded that the answer they provided to her was that she was certified. Alderman Papa agreed that he recalled that was their response. Charlotte recalled that she had asked why they had to hire a certified person. They could have hired an individual comparable to the one that left.

Alderman Anglace commented that they came back saying that she was a teacher as well as a certified...He added that he spent over 35 years in Human Resources and no one is going to tell him that you need to be certified to do that job. The new person was making \$28K more than the previous person in the job. It illustrates that some of the thinking that goes on when they hire these people – now they are going to be replacing the Superintendent of Schools and if they apply the same logic – this one is making \$121K so the what will the next one be making?

Alderman Anglace concluded that he thought it was good to put that discussion on the table to let them know that everyone is watching them, what they are doing, and they are going to be questioned about it. They can spend their money anyway they want, but if they spend for people like that, it seems frivolous, and it seems like they could better manage their money to make it go farther.

Chairman Holden commented that he had an additional discussion with Win Oppel related to that particular issue but he wasn't sure if he should go into it all...

Judd Crawford asked if he could speak. Judd commented that when the City writes a check for the amount of money for the operation of the BOE -it's like handing them a check and telling them to operate the BOE for the ensuing year and don't come back for any more funds. They can expend that check any way they see fit because they aren't responsible to the taxpayer.

Alderman McPherson responded that he'd like to expand on that comment because it's a bad law - the Autonomy Law is a bad law. New York State, as liberal a state as it is, in 1994 amended that very law for this very reason. When they amended the law, they gave mayors, city councils, BOA's or whatever the City legislatures are called in NY State, some control over how that money is spent. For whatever reason, in this State, they fail to amend this law and it ties their hands.

Chairman Holden agreed that the law sets up the kind of "us and them" that develops, because the BOE knows they have special freedom when it comes to spending the money, but they also have special responsibilities because if they run out of money, they have to dig into their own pockets. That is something that those of us at this table don't have do.

Alderman Olin stated that he wanted to add to something that John Anglace said. When they had the BOE meeting and Arlene sat in the Audience and attacked all of us - Arlene stated that John Anglace and Ken Olin sat in as BOA representatives during the BOE contract meeting - but she failed to tell everyone what their recommendations were for increases. She was supposed to get back to them -and never did - they just went in and decided who would get X amount of dollars. She made it sound as though they all agreed on what took place and that isn't so.

Alderman Anglace commented that by bringing out the difference in spending and illustrating it - it sends a message that they are only going to recommend so much money for them. It lets them know that when they see these kinds of things, they are going to be more careful as to how much money they are allowed to spend on their own.

Alderman Anglace indicated that he had another issue about the Connecticut Coalition for Justice and Education Funding. He commented that the A&T voted unanimously to not provide that \$5K to that organization. He asked if they really knew what that organization was all about.

Chairman Holden responded that he believes they made a reduction to that line item but didn't eliminate it.

Greg Kodz added that it is correct that they probably don't know what it is about, and that is why things were reduced. They had no information.

Alderman Anglace responded that information about the CT Coalition for Justice has been tackled in Shelton for about two to four years. The Mayor is the President for the Connecticut Coalition for Justice and Education. They are currently before the Supreme Court arguing the case for adequate education in Connecticut as opposed to equal education in Connecticut. They have a good website to obtain information and it is well worth \$5K because it may lead to a lot of other changes in the area of education.

Alderman Anglace wanted to discuss Shelton Life. Greg Kodz brought in a letter from a private citizen who felt that Shelton Life should be free from marketing and advertising for special interests. To fund or not fund Shelton Life is the question. Shelton Life has been going on for many years but the special interests referred to are as much a part of the community as the individual homeowners - both constitute Shelton's taxpayer base. The special interests not only pay taxes but support the non-profits who serve the less fortunate and youth in this community. They are a big part of the community. Shelton Life is a community publication; it's about all members of the community providing information about its programs and people who make up the community as well as factual data about our municipal government. This publication started under former Mayor Eugene Hope. It was originally a 100% business and economic development publication. Coverage was later expanded to cover quality of life community issues which balanced coverage to include info of value to all Shelton citizens. State and Federal funds further require in depth publication of grant-supported activity and Shelton Life was viewed as the most economical way to do it. They have a responsibility when they accept a grant to make sure that the community is fully informed. He hopes that provides a little more depth about Shelton Life and what they have done. He added that he thinks it is money well spent.

Greg Kodz responded that the issue was not so much about reading that letter into the record but the Economic Development coming before the A&T. There was an issue about the Flag Day picnic costing \$11K and it was more about the issue of funding that event by reducing the publication of Shelton Life by 50% since 71% are taxpayers and it comes across that it is used as a marketing tool. He suggested that $\frac{3}{4}$ of the tax revenue comes from residents. They already know via the website what they have in the City. He suggested finding money for the Flag Day celebration by cutting the Shelton Life issues by 50% (14,200 copies per quarter). He calls that budgeting. He doesn't know how it will be received by the BOA but that was his suggestion.

Greg Kodz commented that from what he understands and what he has heard tonight, the City is solely beholden to union contracts, municipal employees and civil workers. Our plan for growth is going to be solely strip malls, housing and the farmer's market. He hoped that when he moved into the City – it would have grown – theater, arts, more waterfront development – a little bit more for the taxpayer.

Alderman Anglace asked him if he didn't think that the Downtown Canal Street is growth on the waterfront.

Nancy Dickal and Greg Kodz responded no.

Alderman Papa and Alderman Anglace asked – then what is it?

Greg Kodz asked why they don't correct even the plywood floor in this room – there has to be money in the budget to correct things like that. He pictures economic growth, not only revenue coming in and taking care of employees and planning for the future that way, but giving the taxpayer something more – not Dunkin Donuts, not Longhorn Steakhouse...

Alderman Papa asked Greg what he would suggest.

Greg Kodz responded theater, arts, more Mom & Pop stores...

Alderman Papa asked if he wanted the City to do that or does he want companies to come in and do that?

Alderman Anglace asked if he wanted the BOA to do that.

Greg Kodz responded that nothing has happened.

Alderman Anglace responded that the Board of Alderman doesn't do that – ask Planning & Zoning.

Alderman Papa asked if he didn't think Center Stage wasn't something new.

Greg Kodz responded that it isn't the Schubert.

Alderman Anglace commented that the Schubert Theater is having trouble just surviving – and you want a Schubert in Shelton?

Greg Kodz responded that they have to start somewhere – if they never budget and plan for it then they'll never have it.

Alderman Papa commented about Canal Street – companies are coming in and not spending City money – they are private developers spending their own money. They want people to come in and spend their own money and not have the City come up with everything. Alderman Papa made some other comments about the development of the Riverwalk and the slab but it was inaudible.

Alderman Simonetti commented that when he came back from Arizona in 1988, there were probably 40-45 different rentals in Downtown Shelton that were empty. Now they have 1 or 2 and they always seem to vacillate. Most of them are small "Mom & Pop" stores – the jewelry store on the corner, the Portuguese Diner, the newly remodeled Danny O's, Stockbridge Cheesecake. He added that when they, unfortunately, had a terrible disaster with the Boys & Girls Club, now they have a beautiful elderly housing complex, they brought in a gym and a baseball practice area. There are a lot of little shops – coffee shops, pawn shops, because the economy has improved in Downtown Shelton. The Slab was supposed to be more industrial but they were lucky enough because Dick Belden they found something better to do with it. They cleaned up blighted areas down there, moved railroad tracks. He concluded that the City, has done an excellent job over 20 years in bringing itself out of a big hole downtown that most cities' downtowns haven't been able to do – like Bridgeport, Derby, Stratford, Ansonia...

Judd Crawford asked about the Connecticut Coalition Justice for Education – he indicated that they needed to know why they BOA put \$5K into that line item yet at the last budget run – nothing has been expended.

Alderman Olin responded that the dues are paid once a year.

Alderman Anglace added that if nobody sent the dues in – he has no control over that. That is an administrative issue. They are members of it, the Mayor is the President of the organization and they have pro bono for handling the Supreme Court lawsuit. The issue is adequate education versus equal education and they expect to have a decision come down midsummer.

Judd Crawford asked the BOA about generating more income; the deciding factor to allow the BOE to go out for the artificial turf at the high school which was going to be repaid to the City. Alderman Anglace responded that Winn sends them a check right out of the Bleacher Account.

Chairman Holden commented that they apparently keep a minimum of two years worth of payment in that account and they consider that to be their zero balance. He proposed to them to make an additional year's payment or two years additional payment if there was an agreement that in a future year, they could get credit for what they already paid in the event that times get tough. Details would need to be worked out but Allan seemed to be agreeable in principle to something like that where the BOE prepays as long as they had the situation of a bad year and were unable to make the payment that was due.

Alderman Anglace asked if they had any recommendation with regard to the six year capital improvement plan.

Chairman Holden responded that they listed some on the back of the handout but did not go deeply into it. Mostly they identified things that they felt could be funded through LOCIP in light of the economic conditions.

Alderman Anglace thanked the Board of A&T for their diligence and efforts throughout the process.

Adjournment

Due to no further questions or comments, Chairman Holden adjourned the meeting at 8:50 p.m.

Respectfully submitted,

Karin C. Tuke

Clerk, Board of Apportionment and Taxation

Tape (1) both sides on File with the City Town Clerk's Office.