



BOARD OF ALDERMEN
SHELTON, CONNECTICUT
SPECIAL MEETING
THURSDAY, MAY 15, 2008

CALL TO ORDER / PLEDGE OF ALLEGIANCE

Mayor Mark A. Lauretti called the meeting of the Board of Aldermen to order at 7:30 p.m. All those present rose and pledged allegiance to the flag.

Roll Call

Alderman John F. Anglace, Jr., President – present
Alderman Lynne Farrell - present
Alderman John "Jack" Finn – present
Alderman Stanley Kudej – present
Alderman Kenneth Olin - present
Alderman John P. Papa – present
Alderman Jason Perillo - present
Alderman Anthony Simonetti - present

Administration:

Mayor Mark A. Lauretti

There was a quorum present.

AGENDA ITEMS

1. Adoption of Budget for Fiscal Year 2008-2009

Alderman Anglace MOVED to adopt the following Resolution:

Be it resolved by the Board of Aldermen of the City of Shelton, in accordance with Section 7.6 of the Charter, that the budget documents submitted by the Mayor on February 21, 2008 and subsequently modified by the Board of Apportionment and Taxation on March 27, 2008 be adopted, subject to the following amendments/adjustments, and that they be accepted as the official budget for the City of Shelton for Fiscal Year 2008-2009.

2008-09 BOA CHANGES TO A&T BUDGET

<u>A/C #</u>	<u>A/C NAME</u>	<u>INCREASE</u>	<u>DECREASE</u>
001-301.10-00	Audit Undesignated	700,000	
001-311.10-00	Current Levy	348,460	
0000-381.14-00	Recreation Programs		-12,000
	Net Revenue Increase:	1,060,460	
0100-411.80-94	Mailbox Replacement - Admin	1,875	
0200-411.20-08	Group Ins. - EE Resources	114,946	
0200-411.20-11	Pensions - EE Resources		-11,000
0200-411.20.16	Employee Assistance Program - EE Res.		-7,499

0200-411.80-53	U/E Compensation - EE Resources	2,000	
0300-412.50-03	Clerical/Steno - Legis.	11,000	
0700-414.30-07	Printing & Adv - Econ. Dev. Comm.	7,300	
0900-414.11-05	Meeting, Travel & Conf. - P&Z	200	
0900-414.30-31	Special Area Study	2,500	
1300-414.60-01	Land Improvements - Conservation	3,000	
1300-414.80-40	Program Development - Conserva.	2,000	
1600-623.10-01	Regular Payroll Senior Center		-1,407
2400-512.10-02	Part Time Employees Fire Dept.	15,540	
2400-512.40-11	Clothing Supplies	15,000	
2500-511.10-08	Overtime Training - Police Dept.	10,000	
2500-511.10-18	Temporary Ees - Police Dept.	5,000	
2500-511.30-16	Line Painting - Police Dept.	16,000	
2600-519.10-02	Part time empl - Muni. Pkg. Auth.		-4,999
2600-519.80-19	Rent - Muni. Pkg. Auth.	5,000	
3100-713.80-03	Emergency Svcs. - Bldg. Dept.	1,000	
3200-712.10-02	Part Time Employees - H&B	20,000	
3200-712.30-25	Emissions Testing - H&B	550	
3200-712.60-10	Sidewalk Repairs - H&B	20,000	
3900-714.50-09	Disposal Fees - CRRA		-100,000
4100-011.80-34	Board of Education	189,350	
4500-911.70-23	Debt - WPCP	700,000	
4600-716.35-03	Street Lights		-11,000
4800-716.10.02	Part Time Employees		-10,960
5600-412.30-20	Municipal Insurance	57,222	
5700-412.11-05	Meeting, Travel, Confer - A/C	750	
5800-414.10-01	Regular Payroll - Comm. Dev.		-1,908
6100-951.81-20	CT Coalition Justice Ed Funding	5,000	
6300-991.60-21	Public Works Veh/Equip.		-15,000
6500-414.70-02	Liberty Center Drug Abuse		-3,000

6500-414.79-07	Rape Crisis Center		-2,000
	Total BOA increases to A&T budget:	1,205,233	
	Total BOA decreases to A&T budget:		-168,773
	Net Expenditure change increase:		1,036,460

Resulting in a total budget of \$109,289,493 for fiscal year beginning July 1, 2008. The mill rate shall be established at 18.61 mills, an increase of 1.14 mills from the current mill rate of 17.47, with a collection date for fiscal year 2008-2009 to be July 1, 2008 and January 1, 2009 for real estate, July 1, 2008 for personal property taxes less than \$5,000 and July 1, 2008 and January 1, 2009 for personal property taxes greater than \$5,000.01 and July 1, 2008 for the motor vehicle tax with the exception of those that carry their own collection date as determined by Statute under the Motor Vehicle Supplement. Any tax under \$5 will be waived. Also be it Resolved that the Board of Aldermen officially accepts in principle the Capital Improvements Program as submitted by the Mayor.

SECONDED by Alderman Papa.

Alderman Anglace stated, the Board of Aldermen thanks everyone who participated in the budget process, especially Mayor Mark A. Lauretti and his staff, Finance Director Louis Marusic and his staff, the Board of Apportionment and Taxation, all City Department Heads, the Superintendent of Schools, the Chairman of the Board of Education, and the Board of Education itself, the PTAs and the members of the general public who took the time to express their opinion on the proposed City budget.

The budget determination process is a long and complex task. It is an examination of the financial state of the City including current as well as projected revenue and spending expectations. The state of the Federal and State economy impact financial projections and are integral considerations. The budget we set tonight was determined utilizing many factors and input from many people with interests in how our City's money is raised and spent for next year. Those involved with the budget process took over five months of study and discussion to arrive at the recommendations we present tonight.

Some of the major points of this budget year were a welcome growth of \$1.9 million in new tax money and many positive new building starts which signal continuation of our positive Grand List growth for next year. For those who ask what happened to all this new money, I would point out that our voter approved infrastructure investments in schools, open space, water pollution plant, roads and equipment, resulted in an increased debt service cost of \$2.5 million this year alone; all money well spent and planned for but never the less, money that had to be paid. One might wonder what our fiscal picture would be like if we did not have such phenomenal growth.

Shelton continues its "smart growth" approach to revenue raising, although our good efforts continue to be outpaced by unfunded State mandates, the impact of antiquated labor laws which escalate education costs far in excess of the cost of living. The economics of funding such excesses was discussed in my budget message last year and repeated many times during this process. Yet, there are many in our community and throughout the state who don't want to "kill the goose that laid the golden egg" and continue to fight against changing the method by which this state funds education costs.

Therein lies the major problem facing all municipalities throughout the state. This has become abundantly clear in recent weeks as we read of other local municipalities who have experienced similar difficulties funding their educational budgets.

There are few who need to be reminded that the economy is not good. Add this to the picture and you have a problem of epic proportions. So, everyone turns to the state for help and there we see a major state surplus evaporate in a matter of weeks. Is there any doubt that everyone is suffering?

In times like this our City government needs to do the same as every household - tighten our fiscal belts - make the difficult fiscal decisions to seek a balanced approach to provide City services without putting our taxpayers in the poor house. Everyone is affected by higher food costs, utility bills, cost of heating oil, gasoline, etc. Every family is trying to adjust. Some are just getting by. Elderly persons on fixed incomes are definitely facing budget problems especially the 550 elderly families in our community who make less than \$35,000 a year. The budget process cannot abandon those people.

The Board of Aldermen recognizes this and we also recognize the need for City departments to meet these same fiscal difficulties. We have considered the impact of our budget decisions on every taxpayer and resident – those rich or those poor; those with school children or those without; those employed or those not; those who have been vocal and those of the silent majority who have not. We have sought to seek a balance within our means, as taxpayers, individuals and families that will get the job done for everyone - for we represent the entire community and our decisions will affect the daily lives of all. Needless to say it is not an easy road to travel but one we must take in order to keep Shelton moving.

The Board of Aldermen has increased the Board of Education budget by \$189,350 over that provided by the Mayor and Board of Apportionment and Taxation and affirms the Mayor's commitment to save the Board of Education another \$100,000 by providing a bus parking lot. Consequently, we are increasing the Board of Education budget for next year by \$2,189,350 and we have done it without changing the Mayor's mill rate. This commitment will afford education a budget increase of 3.6 percent. We believe we are providing sufficient funding in difficult financial times to deliver the best education to our young people. This budget provides the Board of Education with \$11,155 per student - more than twice as much as the cost of a local parochial school education - and we have every confidence that our Board of Education will provide superb leadership to accomplish another successful academic experience for Shelton's students.

We wish all our departments well as they embark on another year of outstanding service to the people of Shelton. We ask all of our residents for their understanding and support during these difficult financial times. Thank you.

Alderman Finn stated, on May 5th it was stated at the conclusion of the Board of Aldermen workshop at this year's budget that the Republican of the Board of Aldermen members will hold a caucus to finalize the City budget for 2008-2009. I was excluded from that part of the democratic process, as I am a Democrat. As it stands, the Aldermen want to pass a budget that will seriously impact the educational system as we see it today. During the budget process, I pointed out how we could fund education to a level of importance and still provide City services with the Mayor's proposed budget.

I will vote against this budget tonight that contains a proposal to raise taxes while continuing to overfund departments at the expense of our children and our taxpayers.

Alderman Anglace stated, I would like to make a quid pro quo, I just want to make an observation that Alderman Finn was not omitted from the Republican caucus. He is part of the Democratic caucus. No different than the caucuses up at the State Capitol when they meet. Republicans meet in one caucus, Democrats meet in another. You just happen to have nobody to caucus with, so you have to caucus by yourself.

Mayor Lauretti stated, I want to make two very important points that I think the Board needs to understand. I see that on the revenue side we increased on the amount of money that we've taken out of our surplus, and that's okay because it's there. Historically we've always used those surplus monies for capital improvements. The danger that we have here when you take surplus monies and incorporate them into an operating budget, there is a hole that has to be filled the following year. This is a multi-year problem that you are going to have to contend with by keeping that \$700,000 in there.

In addition to that, I see that we increased the current levy, \$348,000, and I guess my understanding is that you increased the tax collection rate to generate that additional revenue. Alderman Finn, I just want you to know that I wasn't part of the caucus either. That's why I raise these two.

In any event, I caution against those two because in the past, that has always been a no-no, and that concerns me.

Alderman Anglace stated, I will add a comment to this. The \$700,000 – I believe you know what that is for. The State is putting the pressure on us to make payment for the Water Pollution Control Plant and they want all their interest money usually on bond anticipation notes, when you buy the bonds, when the bonds are sold, that bond anticipation note interest rolls over into the bond issue. The State this year is taking a position because I guess they're feeling the crunch money-wise and they want us to pay that money up front.

State Representative Perillo is talking to the State on our behalf so we may not have to do this, if he's successful. If so, it will stay right there in the surplus.

Mayor Lauretti stated, so for the benefit of everybody who is here tonight, the \$700,000 represents the interest on the money over the past year and half - two years that we have been spending on our Waste Water Treatment Plant down on Riverdale Avenue. It's a legitimate number, it's a big number, but you can always make that payment, that one-time payment, outside of the budget, through a separate appropriation by the Board at any meeting.

I just think that it's dangerous to incorporate it into the budget, because once it goes in, it stays there, and there is no replenishing source for that.

Alderman Perillo stated, I will add very briefly and further to that point that the comfort I feel in that \$700,000 is that it is actually not an operating expense. It is not a hole in our operating budget that we're filling with a one-time expenditure. If that were the case, I would agree that taking money out of surplus is a foolish financial decision. It is, on the flip side, a one time expense, so it is not something that you'll see recur the following

year, which is the only thing that gives me comfort there. I have been on the phone with the State Treasurer's office for the last two days, and I actually haven't had a chance to talk with the Mayor or Alderman Anglace, but there do appear to be some options available to us in terms of making that work. It is not even remotely finalized, but I'm working hard to try and make that happen. It is prudent that we provide for it should those options fail.

Mayor Lauretti stated, but listen, historically, when things get incorporated into the budget, it usually stays there, especially on the revenue side. And I understand what you're saying that there's a debit and there's a credit on either side, and once they're both exhausted, then they could effectively go away, but you know, they always seem to make their way back into a line item somewhere, because everybody focuses on the bottom line. That doesn't get us there. If the State decides that these monies, these interest monies can become part of the note, like historically they have done, then that makes it easy. If in fact they require us to pay it up front, then we still have the opportunity and the ability to do that because the money is in surplus, and that can be done any time.

Alderman Anglace stated, well, the Finance Director thought it was important to put it into the budget.

Mayor Lauretti asked, did he tell you why?

Alderman Anglace replied no, he didn't. He said it's got to be paid. It was an eleventh hour decision.

A voice vote was taken and the MOTION PASSED 7 Yes, 1 No (Finn).

2. Over-Expenditure of MIS Computer Hardware/Software

Alderman Anglace MOVED to authorize the over expenditure of Line Item #001-5200-412.65-16 MIS Computer Hardware/ Software not to exceed \$10,000; SECONDED by Alderman Papa. A voice vote was taken and the MOTION PASSED 8-0.

3. Purchase of a Vehicle for the Fire Department – Waiver of Bid

Alderman Anglace MOVED to waive the bids for the purchase of a 2002 Chevy Suburban for the Fire Department as recommended by the Acting Purchasing Agent; SECONDED by Alderman Perillo.

Alderman Finn asked, who in the Fire Department is going to be getting the car?

Mayor Lauretti replied, I think it's a chief's vehicle. That's what it is now, and it has all the equipment for a chief. The opportunity came up and we thought it was a good one, so we thought we'd exercise that.

Alderman Finn asked, then his car will be passed on to one of the assistant chiefs?

Mayor Lauretti replied, more than likely, yes.

Alderman Anglace stated, I had asked if this has been run by the Board of Fire Commissioners, and I was told that it was, and that the Board of Fire Commissioners approved it.

[Commissioner Kosowsky, who was in the audience, concurred.]

Alderman Simonetti stated, on the memo from Sandy, you'll see a note on the bottom that says Chairman Araujo approved by the Board 5/6/08. This is a used vehicle if I remember correctly?

Mayor Lauretti replied, right.

A voice vote was taken and the MOTION PASSED 8-0.

4. Funding for the Remodeling of the Finance Office at City Hall, 54 Hill Street – LOCIP Eligible

Alderman Anglace MOVED to add materials purchased for the remodeling of the Finance Office at City Hall, 54 Hill Street, to the Capital Improvement Plan with funding not to exceed \$1,200 to come from LOCIP; SECONDED by Alderman Simonetti.

Mayor Lauretti stated, you're all familiar with this item. This has been an ongoing activity. This is the last step. Asbestos removal will occur over the weekend.

A voice vote was taken and the MOTION PASSED 8-0.

5. Theodore Road Culvert Easement

Alderman Anglace MOVED to authorize the taking of a permanent drainage easement, temporary construction easement and temporary easement for the installation and maintenance of a proposed culvert and to install and maintain sedimentation control system during construction regarding property located at 23 Theodore Road.

The compensation for said easements shall be \$500 with funds to come from Road Repairs Account #001-3300-712.65-04 as previously authorized on September 13, 2007; SECONDED by Alderman Papa. A voice vote was taken and the MOTION PASSED 8-0.

6. Small Cities Block Grant Application to the State Department of Economic and Community Development for the Replacement of Sidewalks and Streetscape on Howe Avenue from White Street to Brook Street

Alderman Anglace MOVED to adopt the following resolution:

WHEREAS, Federal monies are available under the Title 1 of the Housing and Community Development Act of 1974, 42 U.S.C. @5301, et. seq., as amended, also known as Public Law 93-383, and administered by the State of Connecticut, Department of Economic and Community Development as the Connecticut Small Cities Community Development Block Grant Program; and

WHEREAS, pursuant to Chapter 127c, and Part VI of Chapter 130 of Connecticut General Statutes, the Commissioner of the State of Connecticut Department of Economic and Community Development is authorized to disburse such Federal monies to local municipalities; and

WHEREAS, it is desirable and in the public interest that the City of Shelton make an application to the State for \$300,000 in order to undertake a Small

Cities Community Development Program and to execute an Assistance Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SHELTON BOARD OF ALDERMEN COMMITTEE:

1. That it is cognizant of the conditions and prerequisites for the state financial assistance imposed by Part VI of Chapter 130 of the Connecticut General Statutes.
2. That the filing of an application for state financial assistance by The City of Shelton in the amount not to exceed \$300,000 is hereby approved and that Mayor Mark A. Lauretti is directed to execute and file such application with the Connecticut Department of Economic and Community Development, to provide such additional information, to execute such other documents as may be required, to execute an Assistance Agreement with the State of Connecticut for state financial assistance if such an agreement is offered, to execute any amendments, decisions, and revisions thereto, and to act as the authorized representative of the City of Shelton.
3. That it adopts or has adopted as its policy to support the following non-discrimination agreements and warranties provided in subsection (a)(1) of Connecticut General Statutes sections 4a-60 and 4a-60a, respectively, as amended by Public Act 07-142, and for which purposes the "contractor" is and "contract" is the City of Shelton said Assistance Agreement:

The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including but not limited to blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut. The contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including but not limited to blindness, unless it is shown by such contractor that such disability prevents performance of the work involved.

The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual preference.

SECONDED by Alderman Papa. A voice vote was taken and the MOTION PASSED 8-0.

[At this point, Irving Steiner, from the audience, requests permission to address the Chairman. Mayor Lauretti asks that he wait until the final issue is finished.]

7. Funding for the Purchase of Election Supply Carriers for Registrar of Voter's Office – Reimbursement by the Secretary of State

[Alderman Finn recused himself from discussion and voting on this item.]

Alderman Anglace MOVED to approve the funding for six Election Supply Carriers in the amount of \$1,815 each (including shipping) with a total cost not to exceed \$10,890 with funding to come from Contingency General Account #001-9900-900.99-00 with the understanding that the Secretary of State reimburse the City of Shelton \$1,000 per carrier and the final cost to the City totals \$4,890; SECONDED by Alderman Perillo.

Alderman Anglace stated, I believe this is a good return on investment. It's roughly 3.6 years the investment will pay for itself, but beyond that, I've just learned late last night from Registrar Pavone that he has found \$4,890 in one of his accounts and I think that, that shouldn't impact this motion, I think we should let the motion go as it is, but I've asked him not to spend the money and let it come back into the General Fund at the end of the year.

Mayor Lauretti asked, when is the reimbursement date?

Alderman Anglace replied, maybe later than the end of the year.

Mr. Pavone, [speaking from the audience,] stated, the paperwork has to be filed by May 30th and it takes approximately six weeks. We'll be filing it this week so it should be within six to 10 weeks that you'll see the money back in the General Fund.

A voice vote was taken and the MOTION PASSED 7 Yes, 0 No.

Mayor Lauretti recognized Mr. Steiner at this point.

Mr. Steiner stated, thank you. With all due respect to the Board, being a special meeting, I can understand where the adoption of the budget for the fiscal year is required, and the call of the special meeting. But the other items here are or could be subject to public discussion – and yet there is no public portion on this meeting. I just need an explanation of why Items 2 to 7 are not available to public discussion. Maybe they had been, I don't know.

Mayor Lauretti replied, well, there is no requirement for a public participation at any of these meetings. It has always been the tradition of the Board of Aldermen to allow public participation at regular meetings. As you know, and down through the years, there has always been an opportunity for the public to voice themselves in some form or another. It wasn't done here tonight.

A number of these issues are, one of them has been before us for at least three years. The Small Cities Block Grant application, there was a public hearing that was held a month or so ago. The funding for the remodeling of the Finance Office up on the second floor has been before the Board on three separate occasions, so there has been ample opportunity for people to talk on it. That is just ongoing maintenance. The purchase of the Fire Department vehicle was discussed internally, the only thing is we required a waiver of bid because money is already budgeted, which was part of a public hearing when the budget was approved a year ago.

At some point in time, there were opportunities for the public to weigh in on some of these issues, but not specifically tonight because it is a special meeting.

Mr. Steiner stated, well, you've always been considerate in the past to allow such items to be discussed, and you've given me a partial explanation. I appreciate that. Thank you.

Alderman Anglace stated, Item 7 did not come to the attention of the Board until this week, I believe. The urgency was that they had to file the application by the end of this month. But before filing the application, it had to be approved by the Board of Aldermen. We don't expect to meet again before the end of the month, so that's why we put it on here. It was short notice to us as well.

ADJOURNMENT

Alderman Simonetti MOVED to adjourn; SECONDED by Alderman Papa. A voice vote was taken and the MOTION PASSED 8-0.

The meeting adjourned at approximately 8:15 p.m.

Respectfully submitted,

Patricia M. Bruder, Clerk
Board of Aldermen

Date Submitted: _____

DATE APPROVED: _____ BY: _____

Mark A. Lauretti
Mayor, City of Shelton