

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF SELECTMEN
FEBRUARY 27, 2015**

Present: First Selectman Edward G. McAnaney, Joanne Sullivan, Brian Fitzgerald, and Ed Basile (via telephone). Selectman Reynolds was absent. First Selectman McAnaney called the meeting to order at 10:30 a.m.

Public Comment: None

Discussion and approval of Budget

A departmental level budget was provided comparing current year to next year requests. First Selectman McAnaney and the Finance Director have met with department heads to discuss their budgets. The document showed the requested budget amounts and the revised budget amounts after the meetings. The current budget increase is \$536,592.

The First Selectman recommended eliminating the Assistant Finance Director position that was added to the Finance budget. He noted that the Charter Revision Commission is considering a financial reporting structure change which would impact this position.

The First Selectman also suggested that the Selectmen consider eliminating the additional firefighter position added to the Fire Commission budget. He noted that he has asked Chief Flynn to try to find a method to have full time employees work during the week and volunteers to cover weekend duty to reduce overtime costs.

A lengthy discussion took place regarding the budget impact of a 53 week year for employees in the Executive group. These employees are compensated for their position in an annual salary but since payroll is every two weeks they would have 26.5 payrolls. In the past their weekly salary would be paid for that extra week, making them be paid in excess of their annual salary. Alternatives were discussed including paying their current wages for the 53rd week with no additional wage increase (effectively giving them a 1.92% increase); giving the requested increase and dividing the new salary over 53 weeks; giving the requested increase by dividing it over 52 weeks and paying them for the 53rd week. First Selectman McAnaney had asked these employees to provide a justification for their increase (mostly at a 3% level) which they did and he felt that their raises were justified. The additional week of pay would add approximately \$39,000 to the budget and affects about 25 employees. It should be noted that Union employees who are paid hourly will be paid for the 53rd week and those costs are included in the budget.

First Selectman McAnaney added that the Human Resources Director is working on a performance evaluation and merit based increase system but it is not ready for this budget year.

The Selectmen agreed that giving these employees their requested increase and paying the increase over 53 weeks is the solution.

The Selectmen also discussed the Benefits and Insurance budgeted amount and acknowledged that the rates are not yet finalized but savings are expected by moving retirees to a Medicare supplement along with higher deductibles and a larger cost share percentage.

Selectman Fitzgerald made the motion to approve the Selectmen's budget with the following changes:

- Remove the 53rd week increase for salaried employees and approve their salary increase requests.
- Eliminate the additional fire fighter position from the Fire Commission budget
- Eliminate the new Assistant Finance Director in the Finance Department budget
- Increase the Public Works budget by \$10,000 for the Ratley Road Expansion space study.
- Add an item to the budget for \$5,000 for the Charter Revision Commission.

Vote 4-0 in favor.

After calculations, the Selectmen expect that these changes reduced the budget increase to approximately 2.35%.

Next Mr. McAnaney discussed the Capital Expenditure budget. He explained that the Town tries to keep the total Capital and debt service at 11% of the annual budget. This year's debt service has been reduced by \$101,000 which leaves about \$3.1 Million available for Capital projects. He explained the process and noted that the Advisory Commission for Capital Expenditures (ACCE) prioritized the list by health and safety issues that need to be addressed, projects required by law (e.g. Install wash bay at Highway Garage), and other requests. Individual projects were discussed including pavement management funding of \$900,000. First Selectman McAnaney noted that if the \$900,000 wasn't spent it could be accrued for use in the following year. Mr. Basile noted the argument of some people that if the whole amount can't be spent we are taxing residents more than we should.

Mrs. Sullivan made a motion to approve the capital plan provided by ACCE after removing the Ratley Road Expansion Study (which had been moved to the Public Works budget). Vote 4-0 in favor.

The ACCE spreadsheet also included items that could be included in a bond issue. This totaled \$10,070,000. First Selectman McAnaney noted that bonding has been considered over the past few months and rates are favorable. Selectman Fitzgerald said he's a big proponent of bonding as the rates are about 2% and suggests we bond as much as we can. He noted that the interest rate is nearly equal to the inflation rate so we could get a lot of projects completed. Mr. McAnaney has spoken to advisors and it seems that the interest rate period of 15 or 20 years is a relatively flat rate curve. He said that there is a

steep curve in the rate between 10 and 15 year timelines. It may be more advantageous to bond for an extended period of time.

Mr. McAnaney also noted that a capital fund review is taking place, If there are completed projects with unspent funds they can be swept and be used for additional capital projects. Last year about \$1 Million was swept from old completed capital projects.

Mr. Fitzgerald moved to adjourn and by unanimous vote the meeting was adjourned at 12:09 p.m.

The next Board of Selectmen Meeting will be Wednesday March 4, 2015.

Respectfully submitted,
Lisa Trase
Recording Secretary