

19-April-2010

15 B

The City Council Committee met in the 3rd Floor Caucus Room of City Hall on Monday, 19-April-2010. Chairwoman, Mary Teicholz called the meeting to order at 5:37pm.

PRESENT:

Committee Members: Chairwoman, Mary Teicholz, Phil Curran, Shay Nagarsheth, and Peter Nero.

Ex Officio Council Members: Colleen Stanley, Joe Cavo, Paul Rotello, Ben Chianese, Jack Knapp, and Robert Riley.

Also in attendance David St. Hilaire, Director of Finance; Dan Jowdy, City Treasurer; Scott Ferguson, Tax Collector, Charles "Chick" J. Volpe, Purchasing Agent, Virginia Alosco-Werner, Director of Human Resources; and Wayne Sheppard, Chief of Staff.

ABSENT: Committee Member, Charles Trombetta

Chairwoman Teicholz requested Finance Director, Mr. St. Hilaire, to review the accounts for consideration at this meeting, and Mr. St. Hilaire discussed the following budget items.

DIRECTOR OF FINANCE: Mr. St. Hilaire stated that this account is \$22,000 less than the last year's adopted budget. This is primarily due to the defunding of one part-time position. Mr. Chianese asked for clarification on the elimination of positions versus defunding positions. Mr. St. Hilaire clarified that defunded positions were those open positions that they did not intend to fill in the next year but may fill in the future due to the situations and demands of the department. There were some funds available to fill some of these positions due to circumstances like excess overtime. Whereas, an eliminated position was one that has been removed completely from the department and is denoted by -1 in head count.

Mr. Nero asked for clarification on the use of decrease due to defunding. Mr. St. Hilaire stated that the decrease in salary use would be for the city and not the department. Mr. Nero asked for clarification on the timeline of the budget. Mr. St. Hilaire stated that costs are not even throughout the year.

Mr. Nagarsheth asked for additional information on the service fees in the Retirement Administration account. Mr. St. Hilaire explained that these charges are related to items like retirement incentives, estimating the number of retirements, and required actuarial services to certify these numbers. These are services that cannot be charged to the Pension Account.

INDEPENDENT AUDIT: Mr. St. Hilaire stated that these numbers were flat and no change was foreseen.

CITY TREASURER: Mr. St. Hilaire stated that this account had not changed significantly (slight increase due to last year's salary increase).

DATA PROCESSING: Mr. St. Hilaire noted the small change in this account and discussed the small staff and the balancing they due between using staff hours for certain tasks and hiring contracted labor. Mr. Chianese asked if there was a typo in account 5040. Mr. St. Hilaire confirmed that there was a typo and stated that it would be corrected. Mr. Chianese asked why there items in which the department asked for less funding than the Mayor's office. Mr. St. Hilaire explained that there is a scheduled upgrade that will have additional expenses. Mr. Rotello asked where software license fees are in the budget. Mr. St. Hilaire stated that they fall within each department generally under professional services and are not listed within the data processing budget.

BUREAU OF ASSESSMENTS: Mr. St. Hilaire stated that the bulk of the \$23,000 reduction is due the funding of a part-time clerk/typist being moved from this department to the Library. Mr. Chianese asked if the property re-evaluation would be in this line of the budget. Mr. St. Hilaire explained that it is not. It will appear in the capital section of the budget and has 2 years of associated expenses.

ASSESSMENT APPEALS: Mr. St. Hilaire noted a slight increase to this account due to the additional number of appeals the department is now handling. He further stated that this slight increase should eliminate the need for future transfers.

TAX COLLECTOR: Mr. St. Hilaire stated the reduction of \$32,000 from last year's adopted budget was due to defunding a position, decreasing contracted hours, and the decrease in postage costs. Mr. Ferguson commented that his department is now using a mail service which offers a discount in postage costs. This service accounts for the majority of the cost savings in his department. Mr. Ferguson further stated that it also saves employee time. Mr. St. Hilaire commented that the mail service has been rolled to most departments in the city for additional savings. Mr. Chianese asked if the City is still leasing the Pitney Bowes postage machines. Mr. St. Hilaire answered that they are no longer paying for the machines and are working with Pitney Bowes to have them picked up.

PURCHASING: Mr. St. Hilaire commented that there was no significant change to this account. Mr. Volpe stated that this budget was the same as the budget 10 years ago, and technology has allowed them to make dramatic savings.

HUMAN RESOURCES/CIVIL SERVICE: Mr. St. Hilaire remarked that the increase was due to the cost of testing for Police and Fire. He further commented that those costs were approximately \$40,000 and the account was only increased by \$28,000. Mr. Curran asked why the Police Testing costs so much when the city charges the individuals for the test. Mrs. Alosco-Werner stated that the costs were above the amount charged. Mr. St. Hilaire clarified that the cost did not involve just the test, but the testing process.

LABOR NEGOTIATIONS: Mr. St. Hilaire stated that they have increased this account as all groups are due for re-negotiation this year. Mr. Curran asked if the staff Labor Attorney took part of these negotiations. Mr. St. Hilaire stated that the City uses outside council for most of this negotiation. This is a very specialized process that requires institutional knowledge that is of great value to the negotiation process. This knowledge should pay off in the salaries and benefits negotiated. Mrs. Alosco-Werner added the staff Labor Attorney handles more day-to-day issues and this has decreased the costs of these legal expenses. Mr. Knapp asked if all Union contracts were being re-negotiated. Mr. St. Hilaire clarified that the teamsters, DMEA, Fire and Police were up for re-negotiation. Mr. Riley asked if the increase was due to litigation issues. Mr. St. Hilaire stated it was not; that those costs would fall under Corporate Council and were not associated with the increase to this account.

FICA: Mr. St. Hilaire commented that this account was stable as there are no anticipated changes in salary expense.

PENSION EXPENSE: Mr. St. Hilaire commented that based on the information from their consultant the contribution was set in this account. The contribution generally drops when the market is up and increases when the market is down. Mr. St. Hilaire is working toward a funding system where contributions will be more consistent from year to year. He stated that generally when the market is down higher contributions are required, and that is when they can least afford them. Mr. St. Hilaire also commented that non-teachers are covered under this pension.

Mrs. Alosco-Werner left the meeting at 6:20pm.

EMPLOYEE SERVICE BENEFIT: Mr. St. Hilaire stated that the decrease to this account was due to the retirement of employees covered.

WORKER'S COMPENSATION: Mr. St. Hilaire stated that funding of this account is calculated by the baseline and the number of claims. Claims have been increasing. Mrs. Stanley asked what departments have the increases come from. Mr. St. Hilaire stated that it is mainly Police and Highway Departments. Mrs. Stanley asked if these claims are investigated. Mr. St. Hilaire remarked that they are thoroughly investigated.

STATE UNEMPLOYMENT COMP: Mr. St. Hilaire commented that this account has been reduced and should be okay unless there are layoffs.

EMPLOYEE HEALTH & LIFE INSURANCE: Mr. St. Hilaire remarked that the 3.5% increase was quite low for this account. He stated that they continually work to decrease these costs, and reminded the committee that retiree prescription medication was paid out of this account.

UNION WELFARE: Mr. St. Hilaire stated that the increase was due to Teamster requirements.

INSURANCE AND OFFICIAL BOND PREMIUMS: Mr. St. Hilaire stated that there were minor adjustments to deductibles and premiums and a minor saving in the liability lines.

INTEREST ON DEBT: Mr. St. Hilaire remarked that the cost of debt is down due to refunding for a \$1.8 million savings over the life of the Bonds. Most of this savings will be seen next year. A discussion ensued regarding the process of refunding, City's capitol rating, and its effect on the Bond Rates. Mr. St. Hilaire stated that the city has a very good rating and got the same interest rate at an AAA rated town.

CONTINGENCY: Mr. St. Hilaire has increased this account due to the spill situation.

CAPITOL: Mr. St. Hilaire asked the committee to review the Capitol Plan noting that the Mayor was requesting Capital Funding for the following projects, police vehicles, underground storage tank removal, lease-purchase of boilers, air packs for the Fire Dept, 2 pumper trucks, roof replacement at Stadley Rough School, funding for property re-evaluations, replacement of 2 dump trucks and funding for paving, drainage, and road improvements. Chairwoman Teicholz reminded the committee that the re-evaluation was a state requirement. Mrs. Stanley asked for clarification on the costs related to paving and the replacement of dump trucks. A discussion ensued regarding the specification of the trucks. Mr. Volpe directed Mrs. Stanley to Antonio Iadarola, Director of Public Works, for question regarding the specifications. Mrs. Stanley stated that she expects the trucks to not have any extras that they don't need. Mr. Nero asked if there was a way that council members could review the specifications. Chairwoman Teicholz stated yes there was. Mr. St. Hilaire noted for the committee Federal and State Grants, LOCIP plan, and existing projects which were all part of this budget.

Mr. Nero asked what happens to funds that were allocated but not used during a budget year. A discussion of revenue and expenses and account transfers took place.

A motion was made by Councilman Nagarsheth and seconded by Councilman Curran that the committee recommends to the City Council that the Mayors budget for Government 2 be adopted. Vote, all in favor, motion unanimously approved.

A motion to adjourn was made by Councilman Curran and seconded by Councilman Nagarsheth. The motion carried unanimously at 6:52pm.

Respectfully Submitted,

Mary Teicholz, Chairwoman

Shay Nagarsheth

Phil Curran

Peter Nero