

**Town of Montville Town Council
Special Meeting Minutes for May 24, 2010
4:00 PM – Town Hall – Council Chambers**

1. Call to Order – Chairperson Jacobson called the meeting to order at 4:07 PM.
2. Pledge of Allegiance
3. Roll Call – Present were Councilors Beetham, Buebendorf, Caron, Hillman, Jacobson, McFee and Murphy. Also present were Mayor Jaskiewicz and Finance Director Terry Fafard.
4. Executive Session – None.
5. Remarks from the Public – None.
6. Communications – None.
7. New Business

A. **Motion** by Councilor Caron, Second by Councilor Beetham to discuss the 2009-2010 and proposed 2010-2011 General Government Budget revenues and expenditures, the proposed 2010-2011 Capital Improvement Plan, the proposed 2010-2011 Water Rates, the proposed 2010-2011 Board of Education Budget, and the proposed 2010-2011 Mill Rate, per the request of the Town Council Finance Committee. **Discussion:** Finance Director Terry Fafard stated that the current fiscal year revenues will be approximately \$1.45 million short. She is anticipating approximately \$200,000.00 will be put back into the general fund, and that the general fund will end the fiscal year at 5%. Ms. Fafard noted that the Public Works line currently has a large amount of money; however, these monies will be used to continue to fix the roads damaged by the recent flooding, and that FEMA is expected to reimburse 75% of the total cost, but the Town will not see that reimbursement until the next fiscal year. Ms. Fafard stated that she has spoken with the Town's financial advisor at Webster Bank and showed her the letter that the Town received regarding the Moody Rating. The advisor communicated that due to the current economic situation, she feels as though Moody was being tough on the Town. She stated that the Town's current situation is not as bad as the Moody Rating has indicated, and that she feels as though the Town will be okay and it shouldn't be a worry. Ms. Fafard stated that the general fund is currently at \$4.5 million, which is 8%. She is estimating that it will end up at approximately \$2.75 million, which would be 5%. Mayor Jaskiewicz reported that he has contacted the Mohegan Tribe to request that the Town be able to use the \$500,000.00 capital improvement monies towards revenue this year instead of putting it toward capital improvements. He will update the Council once he has heard a final decision from the Tribe. The Mayor stated that he has been in contact with the Unions to discuss a possible wage freeze, and also the possibility of reduction of hours. Councilor Hillman inquired if the possibility of furlough days has been considered; Ms. Fafard stated that yes they have spoken with the Attorney about that possibility, as well as the possibility of reducing hours or closing Town Hall one day a week to make it a four-day work week. She stated that they did look into the impact of using furlough days last year; but because certain departments would not be eligible, such as police, fire, public works, it would amount to approximately \$30,000.00 per day. Councilor Murphy inquired if the Finance Director has looked into taking money from the fund balance for this fiscal year to make up for the shortfall. Ms. Fafard stated that she does not recommend moving any more monies from the fund balance; however, the monies will transfer out of fund balance into general government at the end of the fiscal year in order to balance out before closing the books. This will leave the fund balance at approximately \$2.75 million, or 5%, as previously discussed. The Chair asked the Finance Director what percentage she based the projections on; Ms. Fafard stated that she did not use a blanket percentage to calculate the projections, but that she went to each department head individually to assist her in projecting the numbers. **Motion** by Councilor Murphy, Second by Councilor Caron to take a 10 minute break to review the most recent version of the budget. **Voice Vote:** In Favor; Councilors Beetham, Buebendorf, Caron, Hillman, Jacobson, McFee and Murphy. Opposed; None. **Motion Carried 7-0.** The Council recessed at 4:30 PM; they returned at 4:57 PM and the Chair called the meeting back to order. Chairwoman Jacobson stated that the discussion will continue regarding the current year's budget shortfall. Councilors Beetham and Hillman agreed that the Council needs to look very hard at cutting the budget further and make some tough decisions to avoid an increase of 2 Mills during these tough economic times, and stated that he hopes to see the Board of Education work hard and with the Council to return funds from their budget to the general budget. The Mayor reported that he has been speaking with the Board of Education, and they are willing to do whatever they can to work with the Town on this budget matter. **Motion** by Councilor Buebendorf, Second by Councilor Murphy to request the department heads to review their 2010-2011 budgets and present a zero increase budget, with a narrative explaining what affect a zero increase will have on their respective department. **Discussion:** Councilor Buebendorf stated that she would like the departments to return said revised budgets to the Council by Wednesday for discussion at the next scheduled special meeting. Chairwoman Jacobson stated that some departments have a decrease in their budgets for the 2010-2011 fiscal year. **Motion** by Councilor Buebendorf, Second by Councilor Murphy to amend the motion on the table to request that only departments that have an increase for the 2010-2011 fiscal year return a zero increase budget for the Council's consideration. **Discussion:** Councilor Buebendorf stated that each department knows best its individual budget and how the monies should be allocated, so it will be helpful to have them return their budgets with a zero increase and a narrative explaining the impact that would have on their budget, with contractual salaries in place. Ms. Marcia Vlaun, Town Planner, addressed the Council and stated that asking the department heads to return this revised budget by Wednesday is not a reasonable amount of time, especially if discussions regarding salaries need to happen with the unions. Mayor Jaskiewicz stated that he is the only person that can address the unions to open discussion regarding salary concessions, and he would need at least a week in order to do that because there is a

process that would need to be followed and votes taken within each union. Councilor Hillman explained that all the Council is asking the departments to do is include a narrative stating the impact a zero percent increase would have; if that would mean that a department may have to lay someone off or reduce hours, the Council would just like to see that information as a basis for discussion and it does not mean it will happen or that discussions should commence with each of the unions. Ms. Vlaun noted that exempting the Board of Education from this process is not fair to the rest of the Town employees. Councilor Buebendorf stated that she is not in favor of reducing the Board of Education budget any further than the 1% increase that the Mayor approved; however, she noted that teachers' salaries are up for negotiation in the next fiscal year, and she is hoping that there will be some concessions made in that area at that time. Ms. Vlaun asked if department heads could also offer suggestions as to other options that might decrease the budget, and the Council agreed that if anyone has any suggestions to decrease the budget, please feel free to bring them to the Council for consideration. **Voice Vote:** In Favor; Councilors Beetham, Buebendorf, Caron, Hillman, Jacobson, McFee and Murphy. Opposed; None. **Motion to Amend Carried 7-0.** Chairwoman Jacobson stated that because this is a special workshop meeting, so motions can be made and carried. Councilor Buebendorf withdrew her original motion and motion to amend. Councilor Murphy withdrew his seconds. It was the consensus of all Council members that a request would be made by the Mayor to the department heads whose original proposed budgets included an increase, to submit a revised budget with a zero percent increase, with contractual salaries in place, excluding the Board of Education. Councilor Hillman stated that all of the non-profit organizations that the Town currently provides funds to were contacted and asked to return a worksheet outlining how they use the funds received and how many Montville residents benefit from these funds. She stated that only a couple of organizations responded, and she has had no luck in contacting them herself; she recommended that if the organizations have not responded, that they be dropped from the 2010-2011 budget. The Council members and Mayor agreed that the Clerk should attempt to make contact with each of the organizations to try to gather this information before they are removed from the budget. The Clerk agreed to contact said organizations and return with an update at the special meeting on Wednesday night. Chairwoman Jacobson asked Ms. Fafard to clarify the issue of allowing the fund balance to drop to 5%, and Councilor Buebendorf inquired as to when a 2/3 vote of the Council is required to drop the fund balance below 8%. Ms. Fafard explained that if the Council were to move monies from the fund balance causing it to drop below 8%, then the 2/3 vote would apply. However, if the fund balance drops to 5% in order to net out at the end of the fiscal year, the 2/3 vote would not apply, which is the case for the current fiscal year. Ms. Fafard stated that the Town has a policy in place stating this, but she will request a legal opinion from the Town Attorney for clarification. Ms. Vlaun asked for clarification on the recent spending freeze put in place; and the Mayor stated that the policy was enacted in order to evaluate the current situation with current budget balances in place, and that any purchases that are necessary will be reviewed and approved by the Mayor. Ms. Fafard stated that she will sit down with Ms. Vlaun, and any other departments that may need to make purchases by the end of this fiscal year, to discuss such and make sure that what is necessary is purchased. It was suggested that the 2010-2011 budget be reviewed line item by line item, and it was agreed that the Council would wait to receive information the requested information from the department heads in order to have a clearer basis for discussion. Councilor Beetham requested that an executive session be added to the special meeting on Wednesday the 26th in order to discuss possible layoffs, possible salary cuts, possibly making full-time positions into part-time, union concessions, a possible hiring freeze, and anticipated contract negotiations, which should include the labor attorney. Chairwoman Buebendorf stated that she would like to see this added as an open discussion and not an executive session; the consensus was that it should be held in executive session. Chairwoman Jacobson stated that she would consult the Town Attorney on the proper venue and amend the agenda accordingly. Ms. Fafard inquired if the Council has considered conducting personal property audits on the businesses in town, as discussed previously. Discussion was held on the timing of such an undertaking, and it was agreed that this option would be re-visited at a later date.

8. Remarks from the Public – None.

9. Remarks from Councilors – None.

10. Adjournment – **Motion** made by Councilor Hillman, Second by Councilor Beetham to adjourn the meeting. **Voice Vote:** In Favor; Councilors Beetham, Buebendorf, Caron, Hillman, Jacobson, McFee and Murphy. Opposed; None. **Motion Carried 7-0. The meeting adjourned at 5:47 PM.**

Respectfully Submitted by:

Sandra Anderson CPS
Minutes Clerk
Montville Town Council