

6B

*~City Council Committee~  
General Government II - Budget  
Monday, April 18, 2016*

Chairman Andrew Wetmore called the meeting to order at 7:16 p.m. on Monday, April 18, 2016, in the Caucus Room, 3rd Floor, Danbury City Hall, 155 Deer Hill Avenue. Present were Chairman Andrew Wetmore and Committee Members Christopher Arconti, Joseph Cavo, John Esposito. It was noted Elmer Palma was away on business. Also present were Ex-Officio Members Ben Chianese, Paul Rotello, and Warren Levy. Other members were present in the audience representing some of the following areas: Information Technology, Tax Collector, Purchasing, and Risk Management.

Mr. St. Hilaire discussed the items below as noted.

Treasurer: Pre-approved wage increases were noted. It was noted that the Treasurer has indicated satisfaction with the allocation.

Finance: General wage increases not inclusive of non-union personnel were noted. This includes contractual increases.

Independent Audit: This is the annual audit cost which fluctuates depending on GASB funds. Mr. St. Hilaire responded to Mr. Rotello's questions regarding an RFP going out in for competitive bidding. He also responded to Mr. Chianese regarding office staff organization.

Retirement Administration: This fluctuates from year to year.

Information Technology: This is basically flat, mostly outsourced to CIS. There are still maintenance and support agreements. Savings will be realized as we move forward. Oversight on these as well as to CIS is being provided and no issues are anticipated. Mr. Gentile noted CIS has been great to work with and responded to Mr. Rotello regarding where information is physically stored. He also responded to questions regarding how any potential future problems would be handled.

Bureau of Assessments: It was noted that the Assessor has indicated satisfaction with the allocation. This reflects anticipated activity and grand list requirements with an RFP just going out. In response to questions, it was noted there may be a shift in asset classes, also the number of positions were commented on with notes on contractual positions and funded positions.

Board of Assessment Appeals: This is relatively flat with a slight reduction. It could go up in a few years.

Tax Collector: Not a lot of change, but a small change in salaries. Mr. Ferguson commented that where funds were needed they were taken from other areas. There were questions regarding costs for payments via credit card and new positions including whether they have been posted.

Purchasing: This item is relatively flat but includes general wage increases. The Mayor's S.A.V.E. program and the extensive work of volunteers, Pauline Basso and DeeDee Barrett, were recognized.

Labor Negotiations: A labor contract is not in the immediate future, resulting in some savings. There will be some costs incurred going into next year.

6B-1

Human Resources: It was noted the HR has indicated satisfaction with the allocation; it is basically flat with some small wage increases and minor increases in training courses.

FICA: These are driven by the salaries. The budget was adjusted down by \$100,000.

Pension: This was called ARC and is basically flat this year. Mr. St. Hilaire responded to Mr. Cavo's and Mr. Chianese's questions regarding pension changes' impacts on ARC, fully funding the annual required contribution, and the fact that the market also comes into play.

Employee Service Benefits: If there are other service benefits that may be paid out, but whose timing is not set, they would be paid from this fund; it acts as a cushion in those instances.

Worker's Compensation: This fluctuates from year to year, but is level or flat at \$700,000.

State Unemployment: There is a slight uptick to \$60,000.

Employee Health and Life Insurance: This is one of the larger increases of 8-9% or \$1.6M and is based on claims experience. Mr. St. Hilaire responded to Mr. Rotello's questions noting that it is self-funded; these are not premiums but payouts. It is working very well and we are at 20% reserve and hope to be closer to 25% at the end of the year. We have just started with a new consultant and are putting out a new RFP for services and will outsource the risk management area. He responded to Mr. Chianese's questions regarding coverage, claims, and caps.

Union Welfare: This is health insurance for the Teamsters and is based upon imposed rates.

Risk Management: This includes liability and insurance separate from what was already discussed. Mr. Garrick noted a 3% increase in auto/property liability.

Interest on Debt: Debt is flat for the current year mostly due to a \$15M refunding completed a few weeks ago resulting \$860,000 in savings: \$560,00 of which was used to keep this flat with the remainder to be used next year and the following years. Overall savings to date since 2010 is \$5M.

Continued Appropriations: Contingency line reduced; it was used heavily by Public Works in the past, but Public Works has grant from the State and other areas to utilize; now it will be used for typical items such as Corporation Counsel litigation, etc. Other financial uses are General Fund Capital. It is going down by 1.6% per the amended budget. It is funded by the sale of property last year.

General Government Employee Benefits: Other salary related issues are covered here such as a new title with a bump in pay.

General Government Discount: This line was put in as a balancing item

In-Service Funds, Employee Benefits, Risk Management: These represent costs throughout the entire City. Employee Benefits of \$18M represents primarily the health insurance benefits for active duty employees. Mr. Garrick noted it includes risk management - liability insurance, etc. for the entire City. Worker's Compensation is a cost throughout the City.

6B-2

Pension/Post Employment Benefits are for retirees. Mr. St. Hilaire answered questions regarding any possibility of costs going down. Over the long-run, a minimum 20 to 30 years, returns can be 8%; however, over the next 10 years, 6.25% is more likely.

*A motion was made by Councilman Cavo and seconded by Councilman Arconti, that the Committee recommend to the Council as a Whole the adoption of the the General Government II budget as presented. The motion passed 3-1, Councilman Mike Esposito dissenting.*

*A motion was made by Councilman Cavo and seconded by Councilman Arconti, to adjourn the meeting. The motion passed unanimously and the meeting was adjourned at 8:13 p.m.*

Respectfully Submitted,

Andrew Wetmore, Chairman

Joseph Cavo

Christopher Arconti

John Esposito

Elmer Palma