

**SPECIAL BUDGET MEETING
OF THE LITCHFIELD BOARD OF SELECTMEN
WEDNESDAY, FEBRUARY 15, 2012
TOWN OFFICE BUILDING ~ 5:30 P.M.**

1. Call to Order: First Selectman Leo Paul, Jr. called the meeting to order at 5:31 p.m. with all Selectmen present: Jeffrey Zullo, Paul Parsons, Diane Knox and R. Christopher Blake.

2. Discussion with Oliver Wolcott Library: Ann Marie White of the OWL made a short presentation showing the great extent to which all ages of the community use the library's many services, and even more so when times are tough. Matt Karpas, President of the Board of Trustees at OWL, also spoke about the library's efficiency and financial prudence. The Town pays 47 percent of the library's budget and gets 100 percent return. They are asking for a budget request of \$10,900 which represents a 3.5% increase for the Town. J. Zullo asked them where the increase will go, and Ms White responded as it will be spread over many areas. The pension plan is a 403B (a 401K), not a profit-sharing, defined benefit plan. It's a defined contribution plan available only for full-time employees.

3. Discussion with Fire & EMS Commission: John Campbell, Chairman, explained his budget and said they have asked for a 3.66% increase overall.

4. Discussion with Public Works: Public Works Director Jack Healy was on hand to detail his budget. He noted tree services went up, as there is a large list of trees to take care of due to the tornado, Hurricane Irene and Storm Alfred in October. The March rains did a lot of damage to the roads, especially the dirt roads. The municipal bus is costing a lot, and they discussed obtaining a grant for a new one or possibly leasing one. L. Paul said \$4 - \$600,000 should go into Public Works over the next couple years to make up for the shortfall from balancing the budget previously.

5. Budget overview for the 2012/2013 budget year with possible final approval: L. Paul said they have cut the OWL by \$5,000 to present a smaller percentage increase. All other cuts were discussed as per attached cut sheet.

Motion: C. Blake moved to approve \$7,184,637 Board of Selectmen's budget for 2012/13, with 1.75% increase. P. Parsons seconded the motion.

Discussion: J. Zullo said he would like to see some additional reductions in this 1.75% increase in light of the Board of Education's .99% increase. P. Parsons noted that the Board of Ed's budget has been traditionally higher than the Selectmen's that has been very lean for many years. J. Zullo proposed reducing the contingency. L. Paul argued that last year's contingency was used to transfer into Public Works to buy salt and sand, and he had to stop all spending in January in order to avoid a deficit in the budget. J. Zullo said he would prefer to see contingency for rainy day events carried in Fund Balance that has already been taxed by the taxpayers. L. Paul said they need to maintain funds in Fund Balance to continue to obtain the good bond ratings. Further, the Board of Finance wants to keep between 10 – 12% in Fund Balance. D. Knox then confirmed 2% elected officials salary increases and 3% for union personnel (for contracts not yet negotiated for upcoming year). She also asked that the OWL reduction be limited to \$2,500, instead of \$5,000. L. Paul disagreed, saying the fire companies have been managing their facilities and budgets as responsibly as the library, but cuts must be made. The fire departments are now at less than 1.5% and the library should not go above 2%. P. Parsons felt the \$5,000 reduction was fair to be in line with the Selectmen's percentage of 1.75%.

Amendment: J. Zullo moved to amend the motion to revise the total approved budget from \$7,184,637 to \$7,164,637, a \$20,000 reduction to come from line item 1903 – Contingency, reducing it from \$90,000 down to \$70,000, and thus reducing the increase from slightly under 1.5% to 1.47% (\$103,553). D. Knox seconded the amendment.

Discussion: C. Blake said he appreciates the argument to reduce contingency, but he felt there could be too much to change in a \$7 million budget that cannot be predicted. He would like to be able to have the First Selectman take care of contingency items within his budget. Without this flexibility it forces The Board of Selectmen to go to the Board of Finance and into the Fund Balance. He felt the \$90,000 provides the flexibility.

Vote on Amendment: Upon voting on the amendment, J. Zullo and D. Knox voted aye and P. Parsons, C. Blake and L. Paul voted nay; amendment failed.

Amendment: J. Zullo moved to amend the original motion to revise the total approved budget from \$7,184,637 to \$7,154,637, a \$10,000 reduction to come from line item 1903 – Contingency, reducing it from \$90,000 to \$80,000, and thus reducing the increase from 1.75% to 1.61%. D. Knox seconded the amendment.

Discussion: L. Paul felt there should be no reduction to the \$90,000 Contingency and that there may be very little impact on the taxpayers this year overall. J. Zullo felt everyone has done a great job on this budget, and the low growth should be taken into account and balanced with the operating budget. L. Paul also said it bothered him that they were considering making a \$10,000 cut in a \$7 million budget as a token. P. Parsons did not want to play with the numbers, and C. Blake thought this is already a tight budget.

Vote on Amendment: Upon voting on the amendment, J. Zullo and D. Knox voted aye and P. Parsons, C. Blake and L. Paul voted nay; amendment failed.

Vote on Original Motion: Upon voting on the original motion to adopt the 2012/13 budget at \$7,184,637, with increase of 1.75%, all voted aye except J. Zullo, who voted nay. L. Paul announced the motion carried.

Motion: J. Zullo moved to increase line item 5101 Libraries by \$4,000, from \$338,969 to 342,969, and take the \$4,000 from line item 1903 Contingency, reducing it from \$90,000 to \$86,000, equal to the current year's contingency. This is not a reduction to the budget, but rather a reallocation. D. Knox seconded the motion.

Discussion: P. Parsons said he didn't think the library deserves it any more than the fire companies do, so he could not support the motion. L. Paul said he could not support the motion because there are many departments that are getting no increase, and they deserve it, too.

Vote: Upon voting on the motion, J. Zullo and D. Knox voted aye, and P. Parsons, C. Blake and L. Paul voted nay; motion failed.

6. Adjournment: **Motion:** C. Blake moved to adjourn at 7:49 p.m. and D. Knox seconded. All voted aye and the motion carried.

Leo Paul, Jr.
First Selectman

