

**ENFIELD TOWN COUNCIL
COMMUNITY CONVERSATION
WEDNESDAY, APRIL 12, 2017**

The Enfield Town Council held a Community Conversation at Henry Barnard School, 27 Shaker Road, Enfield, Connecticut on Wednesday, April 12, 2017. Mayor Kaupin called the meeting to order at 7:00 p.m.

Present from the Enfield Town Council were Councilors Arnone, Bosco, Cekala, Deni, Falk, Kaupin, Lee, Ludwick and Szewczak. Councilors Davis and Edgar were absent. Also present were Town Manager, Bryan Chodkowski; Town Clerk, Suzanne Olechnicki; Director of Finance, John Wilcox; Recreation Supervisor, Mary Keller; Director of Social Services, Dawn Homer-Bouthiette; Chief of Police, Carl Sferrazza; Director of Development Services, Michael Ciriello; Assistant Director/Business Operations Manager for Public Works, Michael Szlosek; Assistant Library Director, Katie Werth; EMS Director, Gary Wiemokly

Present from the Enfield Board of Education were Chairman Thomas Sirard, Timothy Neville, Lori Unghire and Walter Kruzal. Tina LeBlanc, Raymond Peabody, Vincent Grady, Stacy Thurston and Richard Regnier were absent.

Chairman Kaupin explained this is a Q&A type of informal setting. He noted the Town Manager will give a presentation on the Town Manager's proposed budget, and then the meeting will be opened up to questions from the audience.

PRESENTATION OF THE PROPOSED FY2018 TOWN BUDGET

Mr. Chodkowski gave a slide presentation on the Proposed Fiscal Year Town Budget.

Mr. Chodkowski stated the Town budget grew by about 3.78% over last year, and the Board of Education budget grew by just over 3%. He noted the overall percentage of revenue disbursement did not change significantly between the amount of revenues that were directed towards the School in Fiscal Year 2017 versus Fiscal Year 2018.

He noted they saw very minimal growth and a decline in expenses in several funds. He stated the largest percentage of growth was in the insurance reserve, which is one of the commodity expense items that the Town doesn't have the ability to control. He referred to the Recreation Fund and pointed out the decline in that fund is just under 3.5%, and the Dog Fund's overall increase is about \$8,000, and this reflects historical employment expenses.

Mr. Chodkowski referred to the Water Pollution Control Fund and noted the total expense is decreased, which is a direct result of the Town doing less planned capital improvements this year, but that doesn't mean that capital improvements are not forthcoming. He stated there was a referendum measure that was approved by the community, and there will be several million dollars worth of capital improvements done to the plant and the distribution system very soon, and those improvements are currently under design.

He referred to some of the cost drivers in the budget. He noted the energy performance contract, which is a lease, shows up as an operating expense. He acknowledged this does seem like a very large number, but there will be offsetting benefits to this lease in the future, therefore, what is seen as an expense will have reciprocal decreases in other areas of the budget once this project is completed in about 13 or 14 months from now. He stated once the improvements are made, the Town will see decreases in expenses in utilities to offset the increase in lease payments.

Mr. Chodkowski stated there is a large increase in lease payments for equipment. He noted he and the Finance Director are recommending the Town move from a cash and carry format when acquiring a lot of the capital assets to a rolling loan acquisition format. He stated because of that accounting, rules require that those lease payments be recorded as an operating expense and not as a capital expense.

He stated solid waste disposal went up quite a bit and is beyond the Town's control. He explained there is more trash and fewer places to take that trash, and as a result fees are increasing.

He then referred to the increase in property and liability insurance and noted that's a result of the improvements at Enfield High School.

Mr. Chodkowski stated the debt service is beginning to go up from where it was previously because there were several referenda matters for which they need to begin paying down the debt.

As concerns CIP, he and the Finance Director recommend moving to the rolling loan program so they can begin to acquire capital assets on a regular basis at a lower cost for the foreseeable future. He stated based on what they know to be forthcoming with regards to capital assets, cash and carry is not a plan that they can continue to sustain for very much longer. He noted the total value of assets they are recommending the Council give authorization to acquire in Fiscal Year 2018 amounts to just under \$7.5 million dollars. He stated the actual cost in real dollars to the Town that they anticipate having to pay in Fiscal Year 2018 is \$3.5 million dollars.

As concerns revenues, Mr. Chodkowski stated they're seeing some modest growth in property tax, as well as the intergovernmental income. He noted they are seeing decreases in other sources and the Fund Balance. He noted the 18.81% decrease is the money being pulled out of the savings account. He stated while they plan to use less money from the savings account, it's still quite a bit of money.

Mr. Chodkowski stated this budget recommends a one mill increase, or 31.86 mills. He presented a chart which shows the historical trend of the millage rate. He noted in 2006, one mill brought in \$1.9 million dollars. He stated while the Town was in its five-year freeze, one mill brought in \$3 million dollars, and today they're projecting one mill will bring in \$2.5 million dollars. He pointed out the ability of one mill to generate a certain amount of dollars is directly attributed to the amount of mills that are being levied. He noted this isn't an expense issue of the Town, but rather it's a revenue issue of the Town.

Mr. Chodkowski displayed a graph illustrating the gap between revenue and expenses. He noted currently that gap is widening and will continue to widen as the Town continues to take on debt obligations from the various projects that have been approved.

He concluded his presentation stating additional information is available on the Town's website, and they continue to update the various presentations and information as it become available.

Chairman Kaupin invited comments from the public.

David Vesce, 10 Gem Grove

Voiced concern about children getting a good education. He noted he's concerned about too many people leaving Enfield resulting in the Town losing its taxpayer base. He stated the Town needs to cut back on wasteful spending.

Mr. Vesce stated the use of salt on the roads damages Town vehicles and hurts the environment. He suggested the Town would be better off using two parts salt and seven parts sand.

He suggested the Town review this proposed budget line item by line item and cut back because the mill rate is too high as it is. He stated his belief high taxes drove Hallmark out of Enfield. He concluded stating people trust the Council to keep taxes low.

Jack Sheridan, 7 Buchanan Road

Stated for some reason the Town doesn't advertise Council meetings in the Journal Inquirer, although Board of Education meetings are advertised. He noted he has complained about this, but nothing has been done.

Mr. Sheridan referred to school closings and student decline in the budget and stated his belief there are inaccuracies. He noted the budget states it's \$13,894 per student, but he believes it's actually over \$16,000, and this is because the Town didn't include the \$4.7 million dollars in grants, therefore, the total School budget is actually \$74,417,000. He noted this happens every year. He stated in order to find the certified staff in the budget proposal, he had to count individually page-by-page, and he counted 447. He stated in addition to that, there was about \$600,000 for substitute teachers. He noted if they add the substitute teachers into the certified staff, it comes out to approximately 7 students per teacher, and he feels this is a great place to make cuts. He stated many towns are cutting staff. He noted student enrollment keeps declining and yet the budget keeps going up.

He referred to Water Pollution Control and noted the fund is \$5,281,804, an increase of \$41,409. He noted the Town passed a referendum to cover the growth, plus the Town has a sewer use fee, which he believes is basically a tax.

Mr. Sheridan stated it was noted that cost drivers include the lease or energy performance contracting from Honeywell, which is an increase of \$256,338. He noted on the referendum it said there would be no out-of-pocket costs. He stated another major cost driver had to do with an equipment lease for \$743,696, and this increase has to do with the proposed way of paying for third-party-based financing. He pointed out Enfield is a

pay-as-we-go community, and as opposed to paying cash, the debt service will increase and the bond rating will go down. He stated other towns are going into bankruptcy, and he voiced concern Enfield will go bankrupt by financing its future.

He referred to the Town's yearly audit and noted the auditors recommended going into a further in-depth audit and that there were reasons for that. He stated his belief the Town should do this.

Chairman Kaupin stated there is no General Fund tax revenue that goes to support Water Pollution Control. He explained the increase of \$5,750,000 comes from the charges for services, and the Town has kept the rate the same since they instituted the sewer use fee. Councilor Arnone added it's just the regular budget increase for the department, and the rates that were set a couple years ago are still the same.

Chairman Kaupin referred to Mr. Sheridan's comment about the audit and noted this relates to the fraud audit, which the Town Manager included in this budget and that audit will occur in the coming fiscal year.

As concerns Mr. Vesce's comments about salt on the roads, Councilor Arnone stated scientists have stated sand on the roads is more damaging to the environment, and that's why they use straight salt. He noted this is not a local decision, but rather a decision by the State.

Mr. Vesce stated salt is also ruining Town vehicles and bridges, and is bad for the environment.

Councilor Szewczak referred to the energy performance contract and noted right now that contract is being initiated, and the savings comes when the equipment is installed.

Mr. Sheridan referred to the energy performance contract and noted it was said the Town would not have any out-of-pocket costs, and now they have out-of-pocket costs. He noted when there's talk about increasing taxes, they're talking about putting burdens on taxpayers. He stated his belief the Town has a spending problem.

Mr. Sheridan stated recently the unions passed something whereby the teachers don't have to be responsible for how well students do in school. He noted everyone gets evaluated on what they produce, and teachers are producing an educated child. He acknowledged Enfield has good teachers, but he questioned why they fought so diligently to take away this evaluation. He concluded by appealing the Council keep a hold on increases.

Mr. Vesce acknowledged the Council is trying to do its best, but he urged them to think of Enfield families who want to live and stay in Enfield.

He referred to what students are learning in school and voiced concern that children no longer have to learn proper penmanship and some students cannot even print properly. He noted penmanship is important.

Mr. Vesce pointed out Bradley International Airport does not use salt on their runways.

Christopher Rutledge, 7 Victory Street

Stated his belief the two most important budget items to be considered for the Town relate to safety and education. He noted he is concerned about the opioid epidemic and the elimination of the Drug Task Force. He questioned whether there's any money in the budget to help build up that program again so they can make a dent in the opioid crisis.

Mr. Rutledge stated he heard something recently about the John F. Kennedy Middle School wanting to go from an eleven to twelve team concept. He stated his understanding that was taken out of the budget a few years ago for budgetary reasons. He questioned if that is in this year's budget, or is it being considered in the next few years.

He referred to the salt and sand issue, and he feels salt is the best way to go.

Chairman Kaupin stated the regional drug task force was a combined effort by a couple communities, and the other communities were the ones that pulled their officers. He stated this was a reaction to the other communities not supporting the effort any longer, and unfortunately Enfield had to stop it. He added this is not stopping Enfield's efforts in this area.

Chief Sferrazza stated the Narcotics Task Force is something Enfield created last February when they realized the opioid crisis wasn't going away. He noted to just try to solve it in Enfield and having people going to neighboring towns didn't make sense. He stated Enfield reached out to East Windsor, Windsor Locks and Suffield, and they all agreed in the creation of the North Central Connecticut Regional Task Force. He noted one-by-one the towns, other than Enfield, started to pull out because of budgetary concerns and staffing issues. He stated it got to the point where they were down to two Enfield officers, and to do these types of covert, undercover operations is not safe, and officers' safety comes first, therefore, they had to suspend the program. He noted in the ten months that the program ran, the unit seized over a million dollars in drug asset forfeiture, a dozen firearms, 50 arrests and hundreds of bags of heroin. He stated although they weren't going to eliminate the opioid crisis, they were doing everything they could to make it more difficult. He noted the stark reality is that in Enfield in the past two years, between 20 and 25 people lost their lives. He pointed out this is not unique to Enfield, but rather it's a trend throughout the State of Connecticut. He stated Enfield felt the Narcotic Task Force was important in an attempt to slow down this issue. He noted despite the fact this Task Force is suspended right now, they're still actively investigating matters.

As concerns the eleven/twelve team concept at JFK Middle School, Mr. Sirard stated there's the possibility they're reorganizing the staff to do this, but the current budget has not added any staff to the middle school. Mr. Neville stated a twelfth team is not in the current budget, nor was there one in last year's budget. He noted it depends on enrollment, and they anticipate some increase in enrollment, and he envisions they will eventually have twelve teams.

Councilor Bosco read an email from an individual with the following questions:

- 1) As a supporter of the energy performance referendum, I did not anticipate permanent increases in the mill rate would be required for the implementation of the energy performance contract. Did someone fail to include these start-up costs on the proposal?
- 2) When the energy savings upgrades are up and running, can I expect to see a decrease in the mill rate?

Councilor Bosco stated he will forward this email to the Town Manager and requested an email response.

Mr. Chodkowski stated they are not increasing the mill rate to account for the incurred expense as a result of the energy performance contract. He referred to the overall composition of the budget and the items included within the budget and stated there is still significantly more expense demand than revenue brought in even with the mill increase. He stated the overall operational expenses far exceed the Town's ability to meet those based on current revenue, regardless of whether or not they factor in the initial start-up cost of the energy performance referendum.

As concerns the question of whether the mill rate will decrease once the energy savings are up and running, Mr. Chodkowski stated it would be up to the Town Council as to when and how they will tax the property owners of Enfield. He stated above and beyond the expenses that are related to the energy performance contract, the cost to do business always goes up and never goes down.

Mr. Sheridan indicated he would like a response to his earlier comments about paying through third-party financing, debt service and bond ratings.

Chairman Kaupin stated his understanding Mr. Sheridan's question is if the Town bonds or goes to a lease type of program, would that significantly increase debt payments, which in turn would lower the bond rating and then raise the cost of borrowing money.

Mr. Chodkowski stated the aspect of the performance lease is a different finance mechanism than the type of borrowing they are recommending with respect to the capital assets of the Town. As concerns the capital infrastructure of borrowing, he understands borrowing does increase the expense because interest has to be paid, and interest is an added expense. He explained their strategy is based upon money management, and what they have is an accumulation of capital assets and when looked at in a cash and carry perspective, it is not a cash obligation that this community can incur. He noted just to replace the police vehicle fleet as it exists today, based upon the vehicle replacement plan, is \$483,000 cash. He stated to replace heavy duty trucks is \$826,000. He stated these vehicles have to be replaced since they don't serve much function beyond a four or five year purpose, and trying to extend them beyond that drives up the maintenance costs. He stated while it's recognized there are additional costs associated with financing, financing provides the ability to replace these assets faster and more regularly than using cash. He noted continuing to use the cash model is going to jeopardize the Town's ability to provide certain services into the future, and do so in a timely and quality manner.

As concerns the performance contracting expense, Mr. Wilcox stated when they did the comparison, that was the amount that was in the budget from last year, and this year they had the \$200,000 amount, which was the amount from the referendum last fall. He stated because they didn't know exactly when the boilers would be replaced, when the streetlights were being implemented, or when all the building improvements would be done, the first year's lease payment is about \$255,000, and it did not adjust down the electric or natural gas budgets this coming year. He expects that project to take 15 months to complete, and he expects energy savings to cover those costs in the 2019 budget.

Mr. Sheridan stated his belief people were told there would be no out-of-pocket expenses. He stated if they can't rely on the revenue and debt service is going to be extended to the future, that would be a poor job of planning.

Mr. Vesce questioned why he had to take insurance out for his water line when that line is owned by the water company. Chairman Kaupin stated people don't have to buy insurance for water lines since it's a voluntary insurance for a homeowner. He noted the Town and utility's responsibility typically is the Town's right-of-way, but if there's a breakage on the homeowner's property, it is out of the homeowner's pocket, which can cost thousands of dollars.

ADJOURNMENT

MOTION #4089 by Councilor Bosco, seconded by Councilor Deni to adjourn.

Upon a **SHOW-OF-HANDS** vote being taken, the Chair declared **MOTION # 4089** adopted 9-0-0, and the meeting stood adjourned at 8:15 p.m.