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Special Board of Finance Budget Meeting
Joint Meeting with Middlefield Board of Finance
7:00 p.m., Tuesday, March 29, 2016
Middlefield Community Center

Minutes

1. Call to order

The meeting was called to order at 7:16 p.m. The Pledge of Allegiance was recited. Members of both boards introduced themselves.

In attendance: Loraine Coe, Rosemarie Naples, Laurie Tuttle, Molly Nolan

Absent: Martin Anderson, Chuck Stengel

Others in attendance: All members of the Middlefield Board of Finance, Ed Bailey, Maryjane Malavasi, Dom DelVecchio, Bob Matuszkiewicz, Carlton Stoup, and approximately 5 other community members.

2. DMIAAB

Dom DelVecchio began by asking the Boards if they typically met together regarding District 13's budget and was told that they do not. After discussion, Loraine Coe will ask the Durham Board of Finance if they would like to join Middlefield for a meeting about the school district's budget and will respond to Bob Yamartino.

Ed Bailey and Mary Jane Malavasi joined the meeting at this time.

Dom DelVecchio stated that he felt it was important for both towns to get together to discuss the DMIAAB budget. He felt that the discussion should be about how to maintain current services, yet keep the line items and financial contributions consistent. Back in 2007, the towns were contributing essentially the same amounts they are contributing now. DMIAAB has tried to keep those contributions consistent through periodic increases in sticker fees, which started at \$5 and are currently at \$30. Another big revenue generator has been recycling income. In the new economic reality, the recycling market is collapsing and the question becomes how does DMIAAB replace that income (which has averaged between \$40,000 to \$90,000 annually).

Mr. DelVecchio stated that the proposed budget is asking the towns to provide additional tax dollars to offset that loss. DMIAAB did not want to raise the sticker fee again this year as it was just increased last year and they feel residents would be upset. Mr. DelVecchio reviewed the revenue numbers with the Boards. He does not feel that the recycling income will go back up any time soon even though the smaller towns do a very good job in recycling. He did summarize the Pay-to-Throw program and didn't feel it would really help with revenue. Other towns charge per visit while some towns are completely taxpayer-subsidized.

Loraine Coe asked how it would affect the budget if all of the commercial haulers went directly to Hartford and Dom DelVecchio explained that it would not affect it at all. The commercial hauler is basically already paying to throw. Jim Irish asked if the commercial hauler were to go to Hartford, if that would change hours of operation and cost structure. Mr. DelVecchio stated that it would not as the commercial trucks are not there when residents are. Bob Yamartino asked if the fee being charged to the commercial hauler was enough and Mr. DelVecchio felt that it was a good figure.

Dom DelVecchio also stated that Durham's town attorney issued an advisory notice just yesterday as to how DMIAAB can proceed with having the one hauler do their own dumping. A public hearing would be required. He

explained that the goal would be have all the private haulers go directly to Hartford, which would be a wash in the budget as it involves both revenue and expense. The competitive advantage to the private hauler is that the Town gets a municipal rate on the tipping fee of \$64, where the private hauler would get a higher tipping fee. Mr. DelVecchio explained that all of the other haulers are commercial haulers and don't do much residential. Right now, that private hauler is responsible for about one quarter of the Durham/Middlefield residents.

Ed Bailey commented that BOS charges about \$9.50/month and All-Waste is about \$20/month. Tom, from BOS, remarked that they charge \$27.00/month and All-Waste is \$28.50. Mr. Bailey stated that those are not the amounts that he writes checks for.

Dom DelVecchio did feel that if DMIAAB announced they would welcome commercial haulers, they would all want to come and volume may become a concern. Bob Matuszkiewicz stated that a little over 3,000 households use the site at a cost between \$12.50 and \$16.00 per month. This proposed budget comes to about \$11.50 per month for the taxpayers. Mr. DelVecchio estimates that there are about 4,000 households between the two towns.

Mary Jane Malavasi stated that Laura Francis had asked her to ask why the Town's tonnage is increasing per the CRRRA data. Dom DelVecchio thought that the MSW should actually be decreasing and wasn't sure where that data came from.

Going back to the last audited report, it cost just under \$800,000 to run the site, of which the town contributed about \$519,000. The recycling income started to drop, with metal going from a projected number of \$42,000 to an actual of \$24,000. Mr. DelVecchio feels that they will be lucky to hit \$10,000 on metal recycling this year. The agreement allows a fund balance of 5 percent and is currently at about \$32,000. The Town of Guilford has contracted once again this year for use of the horizontal grinder. They are also in negotiations with other towns.

Bob Yamartino asked if DMIAAB would prefer the towns to make monthly payments instead of quarterly, but Mr. DelVecchio felt it was okay as is, as long as the fund balance is maintained. He also stated that the last payment has been made on the scale, but that money was shifted to other line items for new containers. Mary Jane Malavasi suggested spreading the capital purchases over years and she is working on doing that in Durham's budget. Ms. Malavasi will share that information with Middlefield.

Bob Yamartino asked about the metal recycling and Mr. DelVecchio explained that the metal recycling price has completely collapsed and he doesn't see that coming back up any time soon. The drop in recycling accounts for about half the increase in cost to the towns. Mary Jane Malavasi asked if there was anything that precludes the DMIAAB budget from having its own contingency and Mr. DelVecchio explained that the fund balance is the contingency. Ms. Malavasi would rather see an \$8,000 container budgeted for \$8,000 with the other \$5,000 put into a contingency fund. Bob Yamartino agreed that DMIAAB needs operating capital, but wonders what the best way is to do it. It is probably not the best practice to inflate line items.

Mr. Yamartino suggested a contingency fund, but Mr. DelVecchio stated that the agreement is clear that the fund balance can be no more than 5 percent. Mr. Yamartino went on to suggest a supplemental appropriation made mid-year with a one-time appropriation and another way would be to change the payment schedule to monthly to maintain cash flow. Mr. DelVecchio just wanted to make sure there was a mechanism available to refill the fund balance.

Dom DelVecchio also stated that they would only purchase the containers if the money was still available at the end of the year. Jim Irish asked if there were other line items in the budget where money was added to maintain the fund balance and Mr. DelVecchio stated that the only other area may be in fuel costs where some savings may be available.

A question was asked about how quickly DMIAAB would require money to be allocated if the fund balance is depleted and Mr. DelVecchio stated that it would have to be by the end of the next quarter. Discussion continued on the timing of DMIAAB's expenses. Both Boards assured Dom DelVecchio that they would make money available to DMIAAB, if the fund balance is depleted.

Dom DelVecchio agreed to adjust the container and fuel line items of the budget. He will get a price for one container and submit that cost for the budget. Mr. DelVecchio also went over the demo lines of the budget which are designed to produce revenue. He does feel there could be additional income there, if the volume goes up. It was generally felt that the revenue line item for demo should be proportionally higher than the demo expense line item and Mr. DelVecchio agreed to adjust the income line item to \$60,000.

Bob Yamartino reiterated Jim Irish's question about any other line items that had a cushion in them and Mr. DelVecchio felt that there were not.

Jim Irish summarized that there is a \$16,000 surplus in the container line item (purchasing one container in this fiscal year and one in the next fiscal year). The fuel line item is hard to predict, but could show about a \$6,000 savings. Then, there would be the \$5,000 added to the demo line in revenue. The total budget increase of \$60,000 includes a revenue loss of \$30,000 and this would recover \$27,000 on the operational side. From an operational standpoint, Dom DelVecchio did not feel there was much more that could be done. The only outstanding item would be to get an estimate on the price of a new container. Bob Yamartino suggested that \$10,500 be budgeted for the new container and everyone agreed.

Once again, Dom DelVecchio wanted to be sure that the towns will appropriate funds if the fund balance were to be depleted and both boards agreed.

3. Durham-Middlefield Youth and Family Services

Bob Yamartino explained that Betsy Dean, the director of DMYFS, had come before the Middlefield Board of Finance and reviewed the programs they offer. Their total budget is \$125,000 per year, with Durham funding between \$22,000 and \$24,000 and Middlefield funding \$11,000 with an in-kind payment for use of the Community Center building.

Bob Yamartino reviewed some of the programs that are offered, including the Weekend Food Program which provides food for children in the school system who would otherwise not have a meal over the weekend. They also offer leadership programs for the high school. Betsy Dean agreed to work with the high school to solicit interns to serve on the Boards and Commissions in the towns.

The budget for DMYFS has been flat for the last three years, however they will now be losing at least \$4,800 in funding from the State. The State may also make additional cuts. Ms. Dean told Middlefield's Board of Finance that some of the leadership programs at the high school may have to be cut with the funding loss.

Alice Malcolm felt that DMYFS has been doing a fantastic job and that it is a good investment for the towns. Bob Yamartino asked if the two towns would be willing to increase their allocations to make up for the cut in funding. Mary Jane Malavasi stated that Laura Francis had asked Durham's Board of Finance to fund half of a line item for a prevention coordinator which would enable DMYFS to ascertain a grant. One of the requirements of this new grant application is to show that the towns would continue to fund the program administrator, even if the grant was not received. Durham agreed to fund that, hoping that the money would not be spent since the grant would be received. Mary Jane Malavasi had assumed that the other half of the money would be coming from Middlefield. Ed Bailey knew nothing about this issue.

Members of the Middlefield BOF wanted to reiterate that Betsy Dean had not asked them for more money at all and that they had actually asked her about covering the loss in state funding. Loraine Coe thought that Durham's Board would probably consider sharing that funding increase and that she would bring the question to their board. Jim Irish also reviewed the handout that Betsy Dean had given them. Bob Yamartino offered to share the burden of the \$4,800 on a 50/50 basis and the members of Durham's Board agreed since they had a quorum present.

A motion was made by Laurie Tuttle, and seconded by Rosemarie Naples to equally fund the Durham-Middlefield Youth and Family Services 2016-2017 state budget cut of \$4,800 between Middlefield and Durham. Motion passed unanimously.

A motion was made, and seconded, by members of the Middlefield Board of Finance to equally fund the Durham-Middlefield Youth and Family Services 2016-2017 state budget cut of \$4,800 between Middlefield and Durham. Motion passed unanimously.

Bob Yamartino thanked both boards for their support.

3. Public Comment and Questions

There were no comments from members of the public. Ed Bailey thanked the members of Durham's Board of Finance for attending. He also reminded everyone that there are sesquicentennial events coming up, with a tea on May 14th at the Lyman Homestead.

4. Adjournment

A motion was made and seconded to adjourn the meeting. Motion carried unanimously. The meeting was adjourned at 9:31 pm.

Respectfully submitted,

Maryjane Malavasi

Extracted from minutes produced by Debi Waz for Middlefield Board of Finance