COMMON COUNCIL
Special Work Session
October 13 2004

Mayor Robert Raphael presided at a special budget development work session of the Common Council held at 7 PM on October 13, 2004, at One Court Plaza.

Present:	Also:
Mayor Robert Raphael	Director of Finance/Clerk William Roberts
Ald. A. Anthony Abraham	Police Chief Joseph Angelino
Ald. James Cushman	Human Resource Director Deborah DeForest
Ald. Suzanne Williams	Public Works Superintendent Carl Ivarson
Ald. Jeffrey Thornton	Youth Bureau Director Robert Mason
Ald. Joseph Maiurano	Fire Chief John Tighe
Ald. Joseph Biviano	Deputy Clerk Donna Philippone

Mayor Raphael called the meeting to order at 7 PM. He announced that the purpose of the special meeting was to review the initial working draft of the Tentative 2005 Budget. Director of Finance William Roberts summarized the background details of the working draft, which includes an 8.21% increase in the real property tax rate, and an appropriated fund balance of $256,673. Also included in the draft document was a comparison table of City taxes with all New York State Cities in the population range of 5,000 to 10,000. W. Roberts reviewed the table, which ranked the City of Norwich third from the bottom from highest to lowest tax rates. Some Council members felt it wasn't a fair comparison, however, as there was not information about what services are provided by each of the municipalities listed and the page should be removed from the draft document. Director Roberts summarized the combined effects of taxes and rates on City of Norwich taxpayers and Water System customers, noting the combined increase is 6.53%.

Director Roberts distributed a document comparing the draft budget, dated October 4, 2004, with the projections previously made in November 2003. The comparison shows salaries are lower by $102,594 and health insurance is lower by $179,275. He explained that state retirement expense is $256,422 lower due to the changes by the State in the payment schedule and interest rate. Ald. Biviano noted that when a 43% tax levy increase was pending, the Council asked department heads to propose cuts.

Director Roberts next distributed an outline highlighting expenditures and revenues in the 2005 draft budget for comparison with the 2004 budget. Ald. Cushman questioned some of the 14 revised items on the comparison, stating that they're still an expense to the City whether they're coming from one fund or another. Director Roberts stated that it's a matter of correcting past cost allocations and re-allocating based on the activity devoted to individual fund operations. DPW Supt. Ivarson noted that it also reflects actual work realignment with the appropriate fund being charged for the activity. Ald. Thornton asked if item 9, a $4,000 reduction in HR for legal costs was realistic. Director Roberts said that based on last year's budget and expected negotiation activity, it is realistic. When asked by Ald. Thornton how the Finance Department would be able to reduce its expenses $1,700, the Director explained that it would not be making any significant equipment purchases, nor incurring travel and training costs. Ald. Thornton asked if that would be in the best interest of the City. The Director said that it would be and added that it would not affect services. Ald. Biviano asked, relative to item 4, use of per diem firefighters to reduce overtime costs, if there was much training involved. Chief Tighe said training can be done in-house and would be reimbursed. Ald. Biviano asked if the savings with item 6, relative to the Police Station being closed at night from 11 PM to 7 PM was realistic. Chief Angelino said it was realistic, however, he doesn't know how it is going to work and it is a cut in service. Ald. Maiurano asked how the amount of savings was figured. Chief Angelino said the amount was based on overtime during the night and noted there would be details to work out, including judiciary arrangements. Ald. Biviano said he didn't like to see the Youth programs reduced. Regarding item 5, Police Department corrected payroll, Director Roberts explained that the Court System pays for the position and it would not affect the budget. Ald. Williams questioned item 7, Police Department reduced overhead expenses in the amount of $5,700. Director Roberts said it was from miscellaneous reductions in the budget. Ald. Biviano questioned the Homeland Security Revenue in the amount of $15,000. Director Robert said it comes from the Water and Wastewater Funds and goes into the General Fund. Discussion ensued regarding the Water Fund accounts. Ald. Biviano said that the Intermunicipal Agreement required the Town to connect to the water service. DPW Supt. Ivarson stated they have still not gotten everyone connected. When asked why industrial sales is lower for 2005 than 2004, Supt. Ivarson said it due to amount of leachate and rainfall being unusually high in 2004 and past years.

Ald. Biviano said he asked the last administration not to cut into the reserves, but it did and now we are short in the reserves. The question was raised to Department Heads of whether they felt their reserves were adequate. DPW – Supt. Ivarson said his department is projected to have $154,479 in highway equipment reserves by the end of 2005. He estimates that it will take a little over $1 Million to replace outdated equipment over the next 10 years or so. Fire – Chief Tighe said the Fire Department has close to $ 500,000 in reserve and plans to spend some of that for the pumper/tanker. He indicated that although he would like to see more money put into the reserve, it isn't absolutely needed. Police – Chief Angelino said $23,000 in equipment is coming from the reserves and noted that the reserve, which is projected for year-end 2005 at just under $30,000, has not been added to in several years. He is working on other ways to replace fleet vehicles. The Chief noted that the Sheriff's Department move is going to have an effect on the Norwich Police Department.

Ald. Williams referred to the column entitled "2004 Estimated Actual" and asked when the actual would be known. Director Roberts said it would be known near the end of January.

Ald. Maiurano said he feels the budget as presented is a good working budget to start with. He feels the City needs to be positive and move ahead while looking into the future.

Ald. Thornton agreed with moving ahead, however, he feels the City must go in another direction. He said the Council needs to take some responsibility and have discussion on the real issues at hand. The Alderman referred to the depleted reserves and asked how the City, because the Council did not look at personnel, was going to lower the impact of this budget and maintain services. He stated that expenses are exceeding revenues and until that is balanced, the City will never be above ground. Ald. Thornton said that it is in the City's best interest and the Council's responsibility to talk about reducing costs. He suggested the pros and cons be discussed relative to ideas including: combine the Fire Chief and Police Chief positions into one Public Safety Director; paid Fire Chief versus volunteer Chief; Human Resources Director full time or part time position. Ald. Thornton indicated that once there is discussion about the items, the Council can move on.

Discussion ensued relative to consolidation of services. Ald. Cushman noted he did not feel the Council could make any significant progress before the budget needs to be passed. He said he agrees that the reserves need to be replenished and suggested the City start selling surplus property to produce long-range savings with properties going back on the tax rolls.

Ald. Biviano suggested that each Council member bring back to the next meeting a suggestion for reducing expenses.

When asked the status of the Mayor's budgetary task force, Mayor Raphael indicated that he met with the group earlier that day; however, he didn't want to provide any proposed budget information to them before the Council had received it. Ald. Thornton said the group is supposed to be a resource for the Council with the budget and he would like to meet with them as soon as possible. Director of Finance Roberts noted that the main focus of the group wouldn't be the 2005 budget, but the 2006 budget as well as other issues.

Director Roberts said that as a timeline goal, a formal tentative budget should be ready for the Council to receive at the work session on November 16, 2004, and set a date for public hearing for the regular November meeting.

Ald. Williams moved to go into executive session at 8:35 PM to discuss the employment of a particular corporation, and that only the Mayor and Common Council shall attend. Seconded by Ald. Cushman and duly adopted, 5-1 (Ald. Maiurano). Prior to the vote, Ald. Maiurano stated the Human Resource Director should be included in the session to provide clarification. There was no concurrence.

Ald. Abraham moved to go out of executive session at 9:25 PM. Seconded by Ald. Cushman and duly adopted, ayes all.

Ald. Biviano moved to enter into an agreement with Goldberger and Kremer of Albany, NY for labor attorney services. Seconded by Ald. Thornton and duly adopted, ayes all on a roll call vote, 6-0.

Ald. Thornton moved to adjourn at 9:32 PM. Seconded by Ald. Williams and duly adopted, ayes all.