

**TOWN OF SOMERS  
BOARD OF FINANCE  
REGULAR MEETING  
MONDAY, January 23, 2006**

**I. CALL TO ORDER**

The regular meeting was called to order by Chairman James Persano at 7:02 p.m. Present were Stephen Krasinski, Thomas Mazzoli, Michael Parker, James Persano and George Warner. Also present: Treasurer Edward Sullivan. Arriving at 7:35 p.m. were First Selectman David Pinney and Selectman Ernie Allsup.

It was the consensus of the Board to take the agenda out of order.

**II. CORRESPONDENCE**

None was presented.

**VI. MINUTES APPROVAL – December 12, 2005**

A motion was made by Steve Krasinski, seconded by George Warner and unanimously voted to approve the minutes of the December 12, 2005 meeting as presented.

**VII. MINUTES CORRECTIONS**

There were none.

**VIII. BILLS, TRANSFERS AND APPROPRIATIONS**

A motion was made by George Warner, seconded by Tom Mazzoli and unanimously voted to approve the following transfers and appropriations from the 2005/2006 Budget:

From the Police Department transfers of \$500.00 from Acct. 20-17-531.5 (Vehicle Maintenance) to Acct. 20-17-520.1 (Supplies) and \$500.00 from Acct. 201-17-573.1 (Radio Maintenance) to Acct. 20-17-520.1 (Supplies); and a reimbursement appropriation of \$50.00 to Acct. 20-17-520.1 (Equipment & Supplies).

From the Fire Department the following reimbursement appropriations: \$300.00 to Acct. 20-16-531.5 (Fire Department Vehicle Maintenance), \$50.00 to Acct 20-16-520.1 (Fire Department Supplies), and \$50.00 to Acct. 41-24-520.1 (Ambulance Supplies); and a transfer of \$795.49

from Acct. 20-16-583.1 (Health & Safety) to Acct. 68-10-376.1 (Portable Radios).

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From the Board of Selectmen the following reimbursement appropriations: \$3,150.00 to Acct. 10-10-531.1 (Capital Building Maintenance) and \$1,964.67 to Acct. 10-10-531.1 (Capital Building Maintenance) and a transfer of \$245.00 from Acct. 10-10-511.1 (Health Insurance) to Acct. 10-10-513.2 (Unemployment).

From the Tax Collector the following transfers: \$1,800.00 from Acct. 10-10-511.1 (Health Insurance) to Acct. 10-13-534.1 (Dues & Seminars) and \$1,800.00 from Acct. 10-10-508.1 (Proposed Salary Increases) to Acct. 10-13-508.2 (Part Time Salary).

From Capital Equipment the following transfers: \$2,009.64 from Acct. 68-10-270.1 (Dump Truck Lease) to Acct. 68-10-990.1 (Reserve Capital) and \$2,300.00 from Acct. 68-10-990.1 (Reserve Capital) to Acct. 68-10-622.2 (Treasurer Copier).

## IV. FIRE DEPARTMENT – TANKER TRUCK

Mr. Mazzoli outlined the situation for the Board, reminding them that \$275,000.00 was requested and approved for the purchase of a tanker truck in the 2005/2006 Fire Department Budget. The amount approved was based upon the original request made as part of a 5-year Fire Department budget plan presented in 2002.

Chief Meier explained that in August, the Department put the tanker truck out to bid at 9 different places, but only received one response from K & E Vehicle. The Department re-evaluated their bid request to determine why only one bid had been received, made a few changes, and again put it out to bid. They received two responses, one from a New Orleans firm at \$354,000.00 and one from K & E at \$352,000.00, \$9,000.00 higher than their previous submission, due to higher costs.

Mr. Meier noted that the tanker truck will be showroom quality, with a Kenworth chassis and should last 10 years. It comes complete requiring no additional items. The price from K & E is good through the end of January, but is expected to rise after that.

He added that the tanker could be ordered as soon as approval is received and will take 10 months to manufacture. Once the manufacturer receives the chassis, a payment will be due.

The Department has looked into vehicles leased in surrounding towns and finds the price presented to be in line with them. Chief Meier gave examples of prices for several different equipment items acquired in such towns as East Longmeadow, Tolland and Stafford.

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The lease will be payable in 5-annual installments of approximately \$78,000.00. Mr. Mazzoli explained \$62,000.00 will be required over what was originally budgeted. This amount, divided over the 5-year lease period, will mean a need for an additional \$16,800.00 per year, commencing this year. It was noted that the Board is not dealing with the entire \$62,000.00 at this time, but will consider appropriating the funds needed specifically for this year. Next year CIP will work out the \$17,000.00 again.

Mr. Persano noted that nothing was in the 2005/2006 budget for this additional \$17,000.00 lease payment, so it would have to be appropriated. Mr. Sullivan explained that the funds needed for this year could be taken from the General Fund Surplus.

Discussion followed that the tanker is not included in the 2006/2007 budget, but it can be put into the budget if approval is received. The reason the item is being brought before the Board at this time is because the department would like to order it now and will need funds prior to the next budget approval in 3 or 4 months. The first payment is due right after the lease is signed, which will fall in the 2005/2006 budget, of which only \$62,000.00 is designated for lease payments.

Mr. Mazzoli recommended that the Board of Finance approve the acquisition and added that the tanker truck was approved by CIP. He expressed concern that when a 5-year budget is required, it is very difficult to predict the price on large ticket items. He said that the Fire Department has worked very hard to keep their price on the truck as low as possible.

Since \$189,000.00 has been previously appropriated for leases and the town limit is \$200,000.00, this will have to go to town meeting.

A motion was made by Tom Mazzoli, seconded by Michael Parker and unanimously approved to transfer \$17,000.00 to Acct. 68-10-384.1 (Fire Department Tanker Lease) from the General Fund

Surplus, conditional upon the submission of a written request from the CIP Committee; and to amend the Board of Finance lease cap to \$225,000.00. In addition, a recommendation is to be made to the Board of Selectmen to call a town meeting to approve the \$17,000.00 expenditure.

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### **III. CIP ISSUES – 2006-2007 BUDGET**

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The CIP Committee has met twice and Mr. Mazzoli explained that all the Town Commissions and Committees were represented, including the Library. They are creating a list of items needed in priority order, which has been extremely difficult. At the first meeting, the consensus was that more money is needed for CIP and the Committee is requesting that the Board of Finance work towards that end.

Tom Chilicki spoke on behalf of the Recreation Committee who has been meeting with the various sports associations. The two biggest issues are safety and the need for more fields. The current fields need upgrading, including fences and backstops, which have been repaired but now need replacing. Since recreation items often are placed lower in priority than town-wide safety items, they are often passed over. CIP granted \$7,000.00 a few years ago to replace the fences at one field with 7-foot fences, but now this work is necessary at all the fields. In addition, the softball fields should have clay in-fields rather than grass and a warning track should be installed in front of the fences. There is also a need for more fields and various options are being considered, such as Sokol Road (small fields only) and behind the cemetery on Battle Street.

He added that there are 6 leases to be covered this year, and half of the CIP budget must be used to pay these.

Tin Potrikus spoke representing the Board of Education noting that \$65,000.00 is needed for computer replacement, which is a standing item. The longer these items are put off, the higher the prices for them becomes.

Shirley Warner spoke for the Library and explained that because of the limited funds available, there is nothing left for new items that come up. All available monies need to be designated to items previously requested.

Ernie Allsup added that CIP is for investing in the future. In all other areas, the budget is increased each year and CIP should be increased yearly as well.

A motion was made by Tom Mazzoli, seconded by George Warner and unanimously approved to increase the CIP limit to \$500,000.00.

Michael Parker suggested that a 10-year plan be composed by each department so that CIP can know what the future needs are. Discussion followed and it was noted that planning beyond 5 years does not really work because needs change annually; however, a

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closer look at the policies and procedures of CIP is advisable and updates and amendments made wherever possible so as to make the process more efficient and effective.

Walter Sumners stated that he has accepted a position with the Town of South Windsor which will be starting on February 6, 2006. The Board of Finance thanked him for his service to the Town and stated that he would be missed.

## **V. SELECTMAN - UPDATE**

First Selectman David Pinney would like future discussions about more coherent long range CIP planning. He added that it is really a group initiative to be worked out with each of the departments and committees.

Work is beginning to meet the 4% target and still cover utilities and fuel cost increases. Public Works is concerned about maintenance funding and is not following its usual repairing or chip-sealing agenda for subdivision roads due to lack of funds. The Selectmen are trying to substantially develop funds for that purpose. The State has pulled back significantly in terms of road maintenance assistance.

Discussion followed that non-funded mandates and unpredictability on the State level have always been a problem, resulting in unexpected issues. It is important to have sufficient reserves.

Mr. Allsup presented a study done by the Selectmen regarding the elderly and their need for an increase in tax assistance. The State has a tax relief program for the elderly on a scaled basis according to income. In 2003 the Board of Selectmen formed an Elderly Tax Relief Committee to consider a Town sponsored tax relief program. Once a program was put into place it proved very successful, doubling the number of those who received tax relief.

At the two Senior Summits held by the Board of Selectmen this year, the top priority of attendees was more tax relief. The Selectmen would like to respond to this need and present this proposal to the Board of Finance for review. Mr. Allsup explained the program and answered questions. He noted that under the current plan, the total impact to Town revenue is \$51,722.00. Under the proposed plan the impact would be \$136,636.00. The resulting increase of \$86,564.00 must be considered by the Town. The relief would directly benefit those citizens who most need it.

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Once the Board of Finance is comfortable with the plan, the board of Selectmen would pursue an ordinance and the program would go before a Town Meeting. The current application process would begin February 1 and continue through May 2006, and be included on the July 1 tax bills as part of the next budget year. The Board of Selectmen strongly recommend this program.

A motion was made by Tom Mazzoli and seconded by George Warner to accept the Elderly Tax Relief proposal for the tax list created for 2006/2007.

Discussion followed about the impact the change would have on tax revenue. Mr. Pinney suggested that by taking care of those who most need the tax relief, the Town will be in a better position to ask more of those having the ability to pay more.

Concern was expressed that this action should be included as part of the budget process and not handled separately. Mr. Pinney stated that once the application process begins, they can see what the impact to revenue will be based upon what sort of response is received. In March, Ed Sullivan will have preliminary projections, and these can be considered as the budget process moves along.

Mr. Persano suggested that this be done in steps by modifying the percentages. For example, the first step could be to ask the Board of Selectmen to give us \$40,000.00 for the 2006/2007 budget and the remaining step could be the balance in 2007/2008.

Mr. Mazzoli amended the motion as follows: That the Elderly Tax Relief proposal for the tax listed created for 2006/2007 be accepted, with the condition that the impact to the town be a reduction in revenue to net no more than \$45,000.00 under what it is currently. The motion was seconded by George Warner and unanimously approved.

## **IX. OTHER**

George Warner presented a handout on the Connecticut Municipal Consortium for Fiscal Responsibility and proposed that the Town endorse this.

A motion was made by Jim Persano, seconded by Steve Krasinski and unanimously approved that the Board of Finance endorse the Connecticut Municipal Consortium for Fiscal Responsibility.

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## **X. ADJOURNMENT**

It was the consensus of the Commission to adjourn the meeting at 9:00 p.m.

Respectfully submitted,

Robin Timmons, Recording Secretary

MINUTES ARE NOT OFFICIAL UNTIL APPROVAL AT A SUBSEQUENT MEETING.