

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

I. CALL TO ORDER

The regular meeting was called to order by Chairman James Persano at 7:09 p.m. Present were: Thomas Mazzoli, James Persano, Michael Parker, Marilyn Pronovost and George Warner. Also attending: Treasurer Edward Sullivan and First Selectman David Pinney.

II. GOODWIN FIELD PROJECT

Jim Botellio, Chairman of the WPCA, explained the need to extend the sewer system in the Somersville area. The system currently serves only the western leg of Goodwin Drive. The 15 remaining lots need to be added because their septic systems are failing and polluting the area. Some systems have been replaced once, and now are failing for the second time. Several systems currently are on limited use. There is also a 16th lot on the street and if, after assessment, the lot is determined to be a viable building lot, it will be added to the line also.

The plan is to engineer the project with the Town Sanitarian and run the line 1,200 feet to provide coverage for the lots. At the present time, the prints are done and they are awaiting approval from the State. The WPCA would like to put the project out for bid during the winter and have the work done in the early spring of 2007.

The WPCA is looking to borrow \$80,000 to \$100,000 from the Town in order to complete the extension. The homeowners will be assessed to pay for the project, with the option of making either one lump-sum payment or making payments over a 10-year period. The Town will, therefore, be reimbursed.

It was the consensus of the Board to approve the project.

III. LIBRARY EXPANSION DISCUSSION

Tim Welch, Vice Chairman of Library Expansion Committee and Vice Chairman of Special Projects Building Committee, spoke on behalf of the Library. They have met with the architectural firm, gone over the comments received from the Board of Finance and lowered the cost to the Town by approximately \$619,000. He presented a handout showing where costs were lowered in terms of hard and soft costs. They've been able to re-use some of the shelving and

furniture. They also presented alternative (additional) ideas, such as replacing the sashes and existing windows (\$39,000), replacing asphalt shingles with metal roofing (\$50,000) and geo thermal cooling and heating system (\$70,000).

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Also provided was a list of \$890,000 in grants and fundraising which have been applied for. The Committee does not yet know which grants will be received.

It was noted that at the last meeting, the Board of Finance requested that the cost be reduced to approximately \$3.2 million, and the proposed cost is \$3,801,749, plus the alternate items listed. Mr. Welch explained that if they had made the 25% cost reduction the Town asked for, then the resulting building would not meet the Town's needs.

Mr. Persano noted that the \$3.2 million figure was one which he had suggested because he believed that this would be what the Town would approve.

It was noted that the architect has suggested that the Town apply for a 40-year USDA loan even though it does not qualify for a USDA grant. This would result in 1% lower interest rates than what the Town currently would bond for. This would be a \$500,000 savings over 20 years. The loan can be pre-paid without penalty.

Discussion followed and it was determined that based on the original numbers presented, the potential loan amount needed would be approximately \$4.5 million. Mr. Sullivan reviewed his numbers and explained that based upon the projections of the school budget included in budget plan, the project will work. But, the school keeps coming in with a budget in excess of what the Town has projected. The only revenue that could increase over what is currently forecasted is the Pequot grants. It was noted that there should be some sort of recasting of the budget in terms of the school budgetary forecast so that the numbers are more realistic and the Board of Finance can more accurately predict what is happening financially.

Mr. Persano stated that the Library Committee is going to have a difficult time selling the cost of the library to the public, especially when they will not be able to explain the interest rate scenario and the bonding to everyone.

Mr. Sullivan expressed concern that the Library Committee would be asked again to tweak the proposed figures, thus taking up more time, because borrowing money may not be as financially viable in the future as it is now.

Shirley Warner explained that should the Board of Finance require the Committee to reduce their proposal to \$3.2 million, then the square footage of the building will have to be reduced. The architects have informed them that this is the only way that they could reach such a price.

However, if the size is reduced by as much as it would need to be, then the State funding will be lost.

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There will be a public hearing on the project on October 30, 2006. The brochure notifying the public is ready to be mailed, but the Committee wanted to get the input of the Board of Finance before sending out the brochure. The Board of Finance will need to get a number to the Library prior to that the public hearing so they will be able to let the public know where the Town stands financially on the project.

IV. RECREATION COMMISSION

Tom Chilicki presented information regarding proposed park improvements and the irrigation of the firehouse field. He explained that \$26,000 of the \$50,000 CIP funds is to be used for the irrigation project. He explained each of the financial components of the project. The total for park improvements will be \$49,000.00.

Funds available from Fund 16 are \$7,315.38. The remaining \$24,000 CIP funds can be added to this. However, they are in need of the \$16,245 Self Support Funds currently held in the general fund to complete the improvements.

Discussion followed about the history of the Self Support Fund and the original agreement that these funds would be saved for use for the Recreation Department needs for large park improvements.

Mr. Persano noted that the Self Support funds collected for the Recreation Department are currently in the black and are being held at a profit, so they should be available.

Mr. Chilicki will prepare an appropriation \$16,000 from the General Fund and a transfer of \$7,000 from Fund 16 both into the CIP account and present them for approval.

V. FIRE DEPARTMENT LONG RANGE PLAN

First Deputy Chief Frank Falcone and Fire Chief Bill Meier presented information to the Board regarding the current needs of the department. They explained current response times and their proposal to establish 2 substations to cut down on these response times.

They noted that by having storage garage substations, which they estimate to cost approximately \$500,000 each, there would not always be a need for emergency workers to report to the main station to pick up equipment and then to take time driving it to the emergency site. Travel time would be cut substantially.

They are recommending that the stations be about 3,500 square feet each and they are expecting that they will be \$130 per square foot.. Perhaps in the future, these stations could be made into full stations, and this may be included in the \$500,000 cost. It is

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expected that increases in the staffing will not be substantial and even if the stations are not built, the staffing increases will arise anyway due to the rise in population.

The department has also just received a new tanker and is very happy with it, but they are also in need of a ladder truck and currently there is no place to store such a truck at the present station. The ladder truck will be especially important should the mill project go forward. The new substations would allow the department to keep older equipment because they will have a place to store them.

It is hoped that these substations could be installed by 2009. At this time, they are seeking the Board of Finance input as to what the Town can afford and would like, as well as a time line for when these things can be planned for. Mr. Sullivan will put together some figures so as to give them a figure.

VI. CORRESPONDENCE – None was presented._

VII. SELECTMAN UPDATE

Mr. Pinney explained that Crown Castle has contacted the Town and would like to buy the cell tower. Currently, Crown Castle leases the land and the tower under a 25-year lease. The lease amount is \$2,000 per month with a 3% per year increase. The Town would get \$325,000 for the

tower.

Currently the Somersville Mill owners are not doing anything with the mill and would like it if the Town would take the property off of its hands. It is getting to the point where they are going to have to ask that the windows be boarded up. Razing the building is an option, but the Town needs to consider what to do.

VIII. CASH MANAGEMENT DISCUSSION

Ed Sullivan has forwarded revised procedures for each of the Board Members to review.

IX. CHARTER REVISION DISCUSSION

Mr. Sullivan asked who the Treasurer will report to should the Charter Revision go forward. Mr. Pinney explained that the revision would involve that change to making the Treasurer and Tax Collector positions into appointed positions. But, the revision makes no real reference to who the Treasurer reports to. It was discussed that the Treasurer will probably report to the Board of Finance. Mr. Pinney noted that a formal job description will be made.

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X. 2007 MEETING DATES

A motion was made by Michael Parker, seconded by George Warner and unanimously voted to approve the proposed meeting dates, after changing the Budget Referendum date to the May 15, 2007, and to submit them to the Town Clerk.

XI. MINUTES APPROVAL -- This item was deferred to the next meeting.

XII. MINUTES CORRECTIONS - None were presented.

XIII. BILLS, TRANSFERS AND APPROPRIATIONS

A motion was made by Marilyn Pronovost, seconded by Michael Parker and unanimously voted to approve the following transfers and appropriations all from the 2006/2007 budget year:

From the Police a transfer in the amount of \$1,300.00 from Acct. 10-10-511.1 (Health Insurance)

to Acct. 20-17-561.2 (Cell Phone).

From the Fire Department the following reimbursement appropriations: \$72.39 to Acct. 20-16-531.1 (Building Maintenance) and \$105.00 to Acct. 20-16-503.3 (Overtime Salaries).

From Capital Projects a reimbursement appropriation of \$2,620.00 to Acct. 69-10-130.1 (Kibbe Fuller Project).

From the Board of Finance a reimbursement appropriation of \$2,500.00 to Acct. 10-28-542.1 (Auditing).

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XIV. OTHER -- No other business was presented.

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XV. ADJOURNMENT

It was the consensus of the Board to adjourn the meeting at 9:40 p.m.

Respectfully submitted,

Robin Timmons, Recording Secretary

MINUTES ARE NOT OFFICIAL UNTIL APPROVAL AT A SUBSEQUENT MEETING.