

TOWN OF SOMERS

BOARD OF FINANCE

REGULAR MEETING

MONDAY, JULY 16, 2007

I. CALL TO ORDER

The meeting came to order at 7:03 p.m. Present were Steve Krasinski, Tom Mazzoli, George Warner, Marilyn Provonost and Michael Parker. Also attending: First Selectman David Pinney, Treasurer Ed Sullivan, BOE Chairman Terri Henderson, Superintendent of Somers Schools Dr. Maynard Suffredini and WPCA Chairman Jim Botellio. Chairman James Persano joined the meeting in progress shortly thereafter.

II. BOARD OF EDUCATION UPDATE

Terri Henderson introduced Somers new Superintendent of Schools, Dr. Maynard Suffredini, who will be on a summer hiatus until August 27th. When school begins, his office will be in the newly finished Central Office at Mabel B. Avery Middle School.

Steve Krasinski asked if there are any plans to resurface the tennis courts at the High School. Ms. Henderson said that there are no current plans for this and the space is being used for overflow parking when needed. She added that the Library has asked if the courts could be used as a staging area for the building materials needed for the Library expansion.

Ms. Henderson announced that resurfacing of the track will begin next week. There will be a press release to notify the many residents that use the track.

III. SEWER EXPANSION

David Pinney sent out a memo notifying the BOF members that the Somersville sewer expansion will cost more than twice as much as was anticipated three years ago. At that time the Town had agreed to split the cost of the expansion with Somers Village. Mr. Pinney asked Jim Botellio to discuss this issue with the BOF.

Jim Botellio stated that the total cost of the project is now \$900,000. Somers Village will be responsible for \$450,000 of this expense. However, the Town will need to provide the full amount and will be repaid by Somers Village.

George Warner questioned why the price has increased so much when the original total estimate was about \$400,000. Mr. Botellio explained that all costs have increased, but the cost of materials has skyrocketed. The price of the sand alone is two and one half times higher than it was at the time of the original estimate.

Jim Botellio explained that the Town will be repaid through sewer hook-up fees from Somers Village residents and from the Mill in the future. He added further that Somers Village will provide the Town with 1/15 of the total tax dollars. Since this will be age-restricted housing there are no education costs attached.

The bid, which was presented in June is good for 60 days.

Steve Krasinski asked if the requirements of the project could be scaled back to reduce the cost.

Jim Botellio explained that the project must first be approved by the State. It took the State nine months to approve the last plans for the project. If the plan is changed it will need to be resubmitted to the State and would again be held up until approved. At the rate that prices are increasing there would probably be very little savings and when the sewer again needed to be expanded the cost would be much higher. Scaling down the project would ultimately cost the Town more and would mean a long delay.

James Persano asked if the increased sewer capacity is needed ASAP at Somers Village. Jim Botellio told him that increased capacity will be needed by September or October.

Jim Botellio added that the money that will be recouped through hook up fees from the sewer expansion will help to solve the water fund problem because water fees will be collected. The auditors have deducted \$327,000 from the available fund balance and show it as designated to cover the long term loan the water fund owes the general fund.

George Warner asked how the water fund would be reimbursed by Somers Village and the Mill. Jim Botellio explained that \$210,000 in fees will go to repay the water fund.

Ed Sullivan stated that the money for the sewer fund will come from Town surplus and will not be bonded. The Town already has \$300,000 and only needs \$150,000 more appropriated to pay its share. However, the Town must pay the \$900,000 invoice. Therefore, the additional \$600,000 must be budgeted or appropriated.

Mike Parker asked how the sewer expansion can build the tax base. Ed Sullivan explained that the projected taxes in the long range plan are, in part, based on the almost ½ million in additional taxes a year that Somers Village will produce. The Somers Village will cease to be built without the sewer expansion.

David Pinney explained that if revenue expectations are reduced the mil rate will need to be increased. He added that the cost of the sewer expansion will be split between the Town and Somers Village. However, the hook-up fees charged will be repaid directly to the Town. Therefore, the Town will benefit through the fees and the increased taxes.

Mike Parker asked if there was a contract stating when and how Somers Village would be required to pay Hinkley Construction, the sewer contractor. Jim Persano asked if there would be a letter of credit protecting the Town. David Pinney said that the current

contract only says that the cost will be split 50/50 by the Town and Gengras Construction. At this time there is no provision for a letter of credit or a performance bond.

James Persano said the Selectmen must discuss this with the Town lawyers and draw up a contract that protects the Town. David Pinney said that he would follow up with this issue tomorrow July 17th and obtain the necessary input from the lawyers.

Tom Mazzoli asked about the status of the Mill. David Pinney said there are several interested developers. The Selectmen will devise a selection process to choose the most promising party based on marketable assets and feasibility of the proposal.

Mike Parker made a motion for an additional appropriation of \$600,000 for the sewer fund contingent upon the Selectmen securing a signed contract with the developer that states:

1. That the developer will pay 50% of the sewer expansion contractors bills as they come due
2. That the developer will provide a security instrument to protect the Town

Tom Mazzoli seconded the motion and it carried with a unanimous vote.

MINUTES APPROVAL – JUNE 18, 2007

Steve Krasinski motioned to accept the minutes without changes. George Warner seconded the motion and it was unanimously voted to approve.

IV. MINUTES CORRECTIONS

There were no minutes corrections.

V. CORRESPONDENCE

There was no correspondence.

VI. OTHER

Steve Krasinski asked about a letter from Bill Boutwell regarding “Other Post Employment Benefits” (OPEB). The letter followed up on a question posed by James Persano at the June 18th BOF meeting regarding the BOE Health Care Actuarial Calculation. At that time Mr. Persano asked Mr. Potrikus if the BOE had plans to change future contracts regarding retirees receiving health care coverage at the group rate.

This clause in the BOE contracts has the potential to be a substantial liability to the Town. Mr. Krasinski suggested that the contracts need to be changed to limit this liability. The BOE would like to meet with the BOF to discuss the issue.

David Pinney said he would be talking with Ovarious Benefits, the actuarial firm. He has concerns regarding contract repercussions if a right is taken away from the BOE retirees.

Ed Sullivan introduced Lisa Coope, who will be the new Assistant Treasurer. Lisa studied accounting at Western New England College.

James Persano asked about the status of the appointment of the new Treasurer. David Pinney said that a four person appointing committee would be named to choose between the candidates for the position.

James Persano and Michael Parker volunteered to be on the appointing committee.

VII. BILLS, TRANSFERS AND APPROPRIATIONS

A motion was made by Tom Mazzoli, seconded by Steve Krasinski and unanimously voted to approve the following bills, transfers and appropriations:

By Park Maintenance a transfer of \$1,000.00 from Fertilizer (30-19-552.1) to Playground expense (30-19-521.5).

By the Selectmen a transfer of \$428.16 from Streetlights (10-10-586.1) to Emergency Preparedness (20-29-571.1).

By the Senior Center a reimbursement appropriation of \$50.00 to Senior Center Expenses (51-30-640.1).

By the Tax Collector a transfer of \$670.00 from Telephone (10-10-561.1) to Part Time Salary (10-13-508.2).

By the Selectmen a transfer of \$48,000.00 from Reserve Capital (68-10-990.1) to Parks Mower (68-10-271.6).

By the Selectmen a reimbursement appropriation of \$1,575.40 to Electricity (10-10-560.1).

By the Library for transfers of \$285.00 from Part-time (50-21-508.2) to Reference (50-21-508.5), \$0.38 from Part-time (50-21-508.2) to Assistant Librarian (50-21-502.1), \$75.00 from Supplies (50-21-520.1) to Building Maintenance (50-21-531.1), \$160.00 from Services (50-21-611.1) to Audio Visual (50-21-612.1).

By the Selectmen for transfers of \$1879.17 from Social Security (10-10-510.1) to Registrars (10-10-504.5), \$335.40 from Overtime (10-10-506.1) to Bonds and Insurance (10-10-515.2), \$842.61 from Social Security (10-10-510.1) to Elections (10-10-517.1), \$1448.36 from Unemployment (10-10-513.2) to Advertising (10-10-516.1), \$54.00 from Board Secretary (10-10-504.4) to Dues and Seminars (10-10-534.1).

By the Selectmen for transfers of \$1752.89 from Police Heat (10-10-559.3) to Police electric (10-10-560.3), \$332.55 from Police Heat (10-10-559.3) to Kibbe Fuller heat (10-10-559.2), \$740.05 from Police Heat (10-10-559.3) to Fire Protection (10-10-536.1).

By the Transfer Station for transfers of \$299.67 from Maintenance (30-34-589.6) to Overtime (30-34-506.1), \$863.66 from Tipping Fees (30-34-589.3) to Part-time Salaries (30-34-508.2), \$445.15 from Heat (30-34-559.1) to MSW Hauler (30-34-508.3), \$49.25 from Heat (30-34-559.1) to Electric (30-34-589.3), \$5035.00 from Tipping Fees (30-34-589.3) to Recycling (30-34-588.1), \$906.26 from Tipping Fees (30-34-589.3) to Landfill Operations (30-34-589.1).

By the Town Clerk a transfer of \$728.92 from Postage (10-12-533.1) to Computer Data (10-12-543.1).

By the Police for transfers of \$215.12 from Equipment (20-17-520.1) to Part-time (20-17-508.2), \$455.00 from Vehicle Maintenance (20-17-531.5) to Dog Warden (20-17-501.2), \$270.58 from Clerical (20-17-503.1) to Dog Warden (20-17-501.2), \$3951.00 from Proposed Salary (10-10-508.1) to Dog Warden (20-17-501.2).

The following additional appropriation was not approved:

By the Library an additional appropriation of \$2329.20 to Heat (50-21-559.1) and Electric (50-21-560.1).

VIII. ADJOURNMENT

A motion was made by Steve Krasinski and seconded by George Warner to adjourn the meeting at 8:40 p.m., the motion carried by unanimous vote.

Respectfully submitted,

Jeanne Reed, Recording Secretary

MINUTES ARE NOT OFFICIAL UNTIL APPROVAL AT A SUBSEQUENT MEETING