

**TOWN OF SOMERS  
BOARD OF FINANCE  
P.O. BOX 308  
SOMERS, CT 06071**

**BOARD OF FINANCE MINUTES  
REGULAR MEETING  
SEPTEMBER 27, 2010  
TOWN HALL CONFERENCE ROOM – 7:00 pm**

**I. CALL TO ORDER:**

Chairman, James Persano called the regular meeting of the Board of Finance to order at 7:00 pm. Members: George Warner, Thomas Mazzoli, Michael Parker, Steve Krasinski and Marilyn Pronovost were present and constituted a quorum. Also present from the Selectman's office: Lisa Pellegrini and Kathy Devlin, and Town CFO, Kim Marcotte.

Fire Chief, Ed Pagani, and Superintendent, Dr. Maynard Suffredini, Bill Boutwell, and Tim Potrikus from the Board of Education were also in attendance.

**II. BOARD OF EDUCATION UPDATE:**

Dr. Suffredini addressed the BOF regarding the recent Federal Education Funds to be distributed by the State. He explained that these 1 time funds are part of the Education Jobs Bill and are required to be spent specifically on teaching initiatives, i.e. teachers salaries, aides, & classrooms. He stated that the Town will receive approximately \$346,000. Dr. Suffredini added that funds not spent this year can carry over to the next; but must be spent by September of 2012. Otherwise the monies revert back to the federal government.

Dr. Suffredini stated that the BOE's budget for 2010-2011 is fixed, and that at this point, he anticipates rolling these funds over to the 2011-2012 BOE budget. Mr. Krasinski asked if he had plans of adding any teaching staff. Dr. Suffredini responded that currently there is a hiring freeze in place, unless a critical need is determined; maybe in Special Education needs. Mr. Krasinski pointed out that 3 years from now, the BOF may not be able to support such new hires. The Superintendent explained that Special Education needs/hires are mandated by law. In such a scenario, the BOE would come before the BOF address the issue. Mr. Parker asked more specifically of any new hires outside of Special Education needs. Dr. Suffredini responded no.

Mr. Persano summarized by asking if the BOE was saving the funds for 2011-2012. Dr. Suffredini confirmed that statement.

Mr. Potrikus finished for the BOE, by suggesting members review the BOE Minutes from their earlier meeting, this evening. He pointed out they again addressed their 2010-2011 budget – with the net effect of no projected increases or decreases.

**III. SELECTMAN UPDATE:**

First Selectman, Lisa Pellegrini distributed copies of her memo, dated 9/27/10. She focused on:

- **Korean War Recognition Ceremony** which took place today. (REMOVE)
- **Tax Sale** which occurred on 9/23/10. 2 properties were sold: Somersville Mill for \$33,000 & 58-60 Springfield Road for \$39,000.

Mr. Krasinski questioned whether \$33,000 from the Mill sale represented the tax lien. Ms. Marcotte responded yes, it was. Mr. Warner asked if the Town would have any input as to the property use. Ms. Devlin responded no, only such input through standard Zoning and Planning Commission authority.

- **Computer Update**, installation of servers to begin tomorrow. Phase I installation (servers) is \$1,360.00 higher than originally proposed. Phase II installation will initially focus on replacing the terminals for heavy users to be followed by a review of needs for non-heavy users.
- **MIRMA Assessment Update**. Ms. Pellegrini reminded members of the Town's fee assessment of \$248,000, which had been due in June of 2010, and remains outstanding. She added that she has been part of an executive committee working with 24 of the 60 MIRMA Towns also confronted with MIRMA's mis-management and current fallout. She outlined further the Town's obligation to ensure workmen's comp claims are paid. Both the Town and the BOE were each billed \$20,771.09 (total of \$41,542.18) in January 2010. The executive committee recommended all MIRMA Towns encumber the monies based on advice from their attorneys until after meetings with the Department of Insurance and the MIRMA Board were completed. In July 2010 MIRMA sent another bill of \$25,888.98 each to both the Town and the BOE (total of \$51,777.96).

Mr. Krasinski asked what would happen if the Town didn't pay the July assessment; why should the Town continue to pay a mis-managed, fraudulent company. Ms. Pellegrini responded that MIRMA was now in a self supervised run-off as per agreement with the Department of Insurance. Without the assessment payments MIRMA would not have enough money to pay workmen's comp claims in the current year. Then MIRMA would have to tap into a \$5 million line of credit that they had taken out. The additional costs would eventually be passed down to the Towns. The Town is contractually obligated to pay the assessment as per agreements previously signed with MIRMA. MIRMA has no cash flow and has also threatened legal action. She told Mr. Krasinski that the first assessment had been encumbered from last year's Government budget, however the second bill was not received until after the 2010/2011 budget was finalized.

In the discussion that followed, members addressed: BOE's same assessment, a risk manager as monitor, legislative actions, and bankruptcy. Mr. Krasinski asked, why, if MIRMA is entering bankruptcy proceedings, why should we pay. Ms. Pellegrini pointed out the Town's contractual agreement with them. She added that the Town's attorneys on this issue, (Edwards, Angell Palmer & Dodge) have recommended paying the new assessment and then review again, next year based on new IBNR numbers.

Mr. Parker asked about any specific claims. Ms. Pellegrini stated she was not aware of any open workmen's comp claims, the assessment is based on the Town being in the assessment pool. Mr. Parker offered that the BOF still doesn't have enough information to make a decision on the assessment. Mr. Persano agreed, adding the concern of setting a precedent by simply paying the July assessment. Ms. Pellegrini agreed to work with the attorneys to develop a report and return to the BOF with more information at the next meeting.

- **New Phone System** – the need has become critical, with issues at the Fire House as well. Ms. Pellegrini stated she is currently collecting quotes. She projected a \$10,000 savings on phone bills by eliminating the current copper lines.
- **Consolidation of Animal Control Services** – with the Town of Stafford. Ms. Pellegrini explained an agreement was being finalized. She added this would have an expected cost saving of \$25,000 to the Town per year.
- **FY 2011 Emergency Management Grant**. Ms. Pellegrini explained she had applied for this Grant for the purchase of equipment for Emergency Management, i.e. portable radios.
- **New Ambulance**. Ms. Pellegrini's memo outlined the Board of Selectmen (BOS) recommendation of the purchase of the Life Line Model. She also distributed copies of a memo from the Ambulance Selection

Committee, dated 9/27/10; which review 5 different quotes. The Committee also recommended the Life Line Model.

Mr. Parker questioned the power stretcher. He stated his recollection that both the BOF and the Fire Dept. had agreed power stretcher was not being considered. Chief Pagani pointed out that Life Line's bid with 1 stretcher at \$192,304 is what the Fire Department is recommending. He asked the BOF for their commitment to the \$20,000 down and first year lease payment of \$40,000. Chief Pagani added that he could then develop 3, 4, and 5 year lease projections for the BOF. Both Mr. Parker and Mr. Mazzoli stated the BOF had previously committed to the \$60,000 at the last Regular BOF meeting. Mr. Mazzoli reminded the Chief that Mr. Parker had asked him at that time to return with leasing options. Mr. Parker suggested Ms. Marcotte work with the Chief Pagani to prepare leasing options and review at the next meeting. Ms. Marcotte agreed to do so.

#### **IV. MINUTES APPROVAL:**

- February 22, 2010 Regular Meeting
- March 22, 2010 Special Meeting
- March 22, 2010 Regular Meeting
- April 6, 2010 Special Meeting
- April 12, 2010 Special Meeting
- April 26, 2010 Regular Meeting
- May 5, 2010 Special Meeting
- June 28, 2010 Regular Meeting
- July 29, 2010 Special Meeting
- August 2, 2010 Special Meeting

Mr. Persano asked the members for comments or corrections on BOF Minutes dated above.

- Mr. Parker spoke up regarding the 2/22/10 Minutes and gave his recommendation to strike from Page 2, IV Operating Budget Discussion & Meeting Dates, "Board of Education: March 15, 2010". Mr. Parker stated that date had not been presented at that meeting. He added that he had requested the Recording Secretary's original notes, which did not include this date.

*A motion was made by Steve Krasinski to strike the above mentioned line from the 02/22/10 Minutes; seconded by George Warner, and then unanimously voted as approved by the members.*

Mr. Persano asked the members for any other comments or corrections on BOF Minutes dated above.

- Mr. Warner moved to the 4/12/10 Minutes. He pointed out that on Page 2, II FY Budget Discussion... the motion needed to specify member names of those voting against the motion. Rather than reading "2 members voted against the motion", it should be recorded as "Steve Krasinski and George Warner voted against the motion."
- On the 5/05/10 Minutes, a consensus agreed that Mr. Persano had not been present. In the Call to Order, his name should be removed.

As the final 2 sets of Minutes had not yet been reviewed by members, it was decided to defer the 7/29/10 and 8/02/10 Minutes until the next regular BOF meeting.

*A motion was made by Steve Krasinski to accept all BOF Minutes as accepted or amended, or deferred as noted; seconded by Tom Mazzoli, and then unanimously voted as approved by the members.*

#### **V. BILLS, TRANSFERS and APPROPRIATIONS:**

Ms. Marcotte presented the following items as transfer requests:

|    | <b>Dept</b>   | <b>From</b>        | <b>To</b>                         | <b>Amount</b> | <b>Explanation</b>                                                    |
|----|---------------|--------------------|-----------------------------------|---------------|-----------------------------------------------------------------------|
| 1. | Public Safety | Electricity        | Purchasing                        | \$378.60      | Cost for TN & TN Special services.                                    |
| 2. | Public Safety | Electricity        | Maintenance                       | \$150.00      |                                                                       |
| 3. | Conservation  | Sediment Control   | Land Service-<br>sediment/erosion | \$12,570.00   | Transfer of original approp. from temporary salary to purchased svcs. |
| 4. | Police        | Planning Secretary | Clerical – Police                 | \$6,039.25    | Transfer of part-time clerical staff                                  |
| 5. |               | WPCA Secretary     | Clerical – Police                 | \$6,039.25    |                                                                       |
| 6. | Selectman     | Kibbe Fuller Heat  | Kibbe Fuller<br>Maintenance       | \$2,000.00    | Transfer to fund balance, final items.                                |
| 7. | Selectman     | Contingency        | Land & Building<br>Svcs           | \$2,500.00    | Transfer to use of Planimetrics.                                      |
| 8. | Selectman     | Contingency        | Auditing                          | \$2,500.00    | 2010 audit                                                            |

Ms. Marcotte also presented the following items as appropriations:

|     | <b>Account Name</b>  | <b>Amount</b> | <b>Explanation</b>                                                           |
|-----|----------------------|---------------|------------------------------------------------------------------------------|
| 9.  | 2009 STEAP Grant     | \$200,000     | Grant awarded to the Town of Somers for recreation improvements.             |
| 10. | State Grant – STREAP | \$580,000     | State of CT STEAP Grant for the Somersville Streetscape Improvement project. |

Mr. Persano suggested reviewing item by item, regarding any questions members might have

Ms. Pronovost asked what TN & TN Special Services (1 & 2) are, and was told they are dispatch services. Mr. Persano questioned the Police transfer (4 & 5). He thought the department took care of its own administrative needs. Ms. Pellegrini explained the previous administrative assistant position had been eliminated 2 years ago. She added that the Administrative Assistant shared by Planning & WPCA has simply moved over to the Police Dept.

Mr. Krasinski questioned why Planimetrics (7) was used. Ms. Pellegrini answered that the consultant was necessary for the Town to respond to the recent Affordable Housing submission.

Mr. Warner thought the Audit bill (8) was higher than the BOF had budgeted. He recalled the engagement letter, which indicated the cost of the audit to be \$37,500. Ms. Marcotte responded that it was higher, and that each year it has gone up \$2,500. She recommended an RFP for the next Audit. Mr. Parker recommended not paying the increase. Mr. Mazzoli agreed, suggesting to Ms. Marcotte that she contact the audit firm and tell them the BOF is not happy with the increase. Mr. Persano told her to re-quote the services to them at the original \$37,500.

Mr. Krasinski questioned both STEAP Grants, stating that neither had been approved at a Town Meeting. Ms. Devlin informed members that the Grants don't go through the Town Meeting process, as both projects are State funded. She added that both projects have been audited and approved by the State. Mr. Persano stated that the Town could say they didn't want either project. He added that Somers has a Town Meeting form of government versus an Administrative (Town Hall) decision making process.

At that point, Ms. Devlin contacted Ed Sullivan, former Town Treasurer, by phone, to answer this question of a need for a Town Meeting on the Grants. Mr. Parker spoke to Mr. Sullivan and conveyed his explanation of 2 scenarios regarding Grants and Town government. Scenario #1: If the State Grant is in the form of a checkbook, it is not a BOF Appropriation, nor is a Town Meeting required. Scenario #2: If the Town receives a check, funds deposited into Town coffers, it would necessitate a BOF Appropriation and a Town Meeting. As both Grants are in the form of a checkbook, members agreed that these should be removed from Appropriations, and no further discussion is warranted.

Mr. Persano then asked for a motion on the Transfer Requests.

*A motion was then made by Mr. Mazzoli to accept Transfers 1-7 as written, defer Transfer #8, and to separate the Appropriations; seconded by Mr. Krasinski, and then unanimously voted as approved.*

**VI. CORRESPONDENCE:**

None.

**VII. OTHER:**

Mr. Krasinski asked Ms. Marcotte to develop a 5 year Plan, due by November of 2010. Mr. Persano pointed out that the previous Treasurer had a template. Mr. Parker offered to email that template to Ms. Marcotte.

Mr. Krasinski stated he had recently met with the Union Negotiating Committee, and that he is interested in developing a report of the Town's larger financial obligations. A few he mentioned were: MIRMA (\$248,000); Gingras lawsuit (\$304,000); CIP List (\$1.5 mil); School Roof (\$1.2 mil); and a Pumper (\$500,000-\$600,000). He then asked members what other liabilities they are aware of.

Ms. Pellegrini mentioned the State Police roof and garage doors (\$25,000). She also thought Retirees (lump sum payouts) should be included. Ms. Devlin agreed, stating a number of employees are eligible for retirement and may opt to do so next year.

Ms. Pronovost thought Special Education needs should be part of this list. Mr. Krasinski explained he was looking for Town commitments, not Education obligations.

Mr. Krasinski stated his concern of having taken \$930,000 from Surplus and the possibility of needing to match that number again next year. There was some question as to an exact current figure for Surplus. Mr. Krasinski asked Ms. Marcotte to inform him by Wednesday (9/29/10). He also asked her to determine what percentage of the Town Budget is State funded. She agreed to do so.

**VIII. ADJOURNMENT:**

*A motion was then made by Mr. Mazzoli to adjourn the September 27, 2010, Board of Finance Regular meeting at 8:42 pm; seconded by Mr. Krasinski, and unanimously voted as approved.*

Respectfully submitted,

Kimberly E. Dombek, Recording Secretary

MINUTES ARE NOT OFFICIAL UNTIL APPROVAL AT A SUBSEQUENT MEETING.