

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

**BOARD OF FINANCE MINUTES
REGULAR MEETING
FEBRUARY 28, 2011
TOWN HALL CONFERENCE ROOM – 7:00 pm**

I. CALL TO ORDER:

Chairman, Jim Persano called the regular meeting of the Board of Finance to order at 7:00 pm. Members: Thomas Mazzoli, Michael Parker, and George Warner were present and constituted a quorum. This was a joint meeting with the Board of Selectmen. Present were First Selectman Lisa Pellegrini, Selectman Kathy Devlin and Selectman Joe Tolisano. Also present was Town Attorney Carl Landolina and Town CFO, Kim Marcotte. Bill Boutwell from the Board of Education and Fire Chief Gary Scheissl were also in attendance.

II. EXECUTIVE SESSION – Gingras/Lipton vs. Town of Somers litigation:

A motion was made by Ms. Pellegrini to go into Executive Session at 7:01; and to invite Kathy Devlin, Joe Tolisano, Kim Marcotte and Carl Landolina to join them. The motion was seconded by Mr. Mazzoli, and then unanimously voted as approved by members.

A motion was made by Mr. Warner to return from Executive Session to the Regular Meeting of the Board of Finance at 7:34 pm; seconded by Ms. Pellegrini, and then unanimously voted as approved by members.

III. BOARD OF EDUCATION UPDATE:

Mr. Persano asked Mr. Boutwell if he had an update for the BOF. Mr. Boutwell informed members that the BOE has approved their 2011-2012 budget; with only an \$8,200.00 increase (0.04%).

Mr. Warner asked about the previously expected, sharp insurance increase. Ms. Pellegrini responded to that. She stated whereas both the Town and the School system had been told of an expected 20-25% increase in health insurance costs; both are now able to take advantage of new ‘pricing system’, whereby claim experience is incorporated into the Town’s overall cost. She added that this allows for better negotiation. Mr. Boutwell agreed, stating that the Town and BOE are now being individually experience rated vs. being included in a pooled group.

IV. SELECTMAN UPDATE:

First Selectman, Lisa Pellegrini focused on the following topics:

- **Effects of the State Budget.** Ms. Pellegrini opened by stating that based on Gov. Malloy’s budget, the Town is looking at a loss of \$146,057; represented as follows:

| | |
|--------------------------|--------------------------|
| PILOT Funds | \$ 5,067 increase |
| Pequot Mohegan | \$ 72,753 decrease |
| PILOT MME | \$ 72,769 decrease |
| Education Transportation | <u>\$ 5,602 decrease</u> |
| Total | \$146,057 |

TAR Funding remained level for 2011/2012
ECS Funding remained level for 2011/2012
LoCIP Funding \$91,975 anticipated

- **Senior Bus Grant and Appropriation.** Ms. Pellegrini reminded members they had not approved an appropriation for the Senior Bus service at the last meeting; believing a Town Meeting was required. She said after consulting with the Town Clerk and reviewing the Charter it was determined that a Town Meeting would not be necessary. The reason being the funds are outside the approved voted upon budget and were granted by the State of Connecticut to the Town of Somers for very specific criteria relating to the operation of the Town Senior Bus Services. She supplied the BOF with a memo stating the reasons.
- **Winter Storms.** Ms. Pellegrini told members that snow removal through licensed and insured contractors has cost the Town \$31,750.00, which is substantially less than other towns. Snow was removed from the roofs of: the Senior Center, Kibbe Fuller, the Town Hall, the Fire House, the Library, the State Police Building, the DPW Storage building, and the Bus Barn.

Ms. Pellegrini asked the BOF for an appropriation of \$24,500 to cover part time highway salaries and overtime highway salaries used up during the winter storms. She stated this money would be needed to perform spring clean-up and spring road maintenance. She also asked for \$31,750.00 for snow shoveling of the roofs. Ms. Pellegrini informed them that \$77,674 was available from the PILOT revenue that had been budgeted at 5% less.

V. MIRMA Update.

Ms. Pellegrini reminded members the Town had paid the first MIRMA assessment and have not paid the second assessment. A third assessment is owed July 1, 2011. The third assessment has been reduced slightly. She then introduced Pat Hemingway, President of MIRMA to discuss the rationale of the assessment.

Mr. Hemingway reviewed the problems MIRMA has faced and how it relates to the Town of Somers. He states the MIRMA Towns were faced with a \$10 million deficit. The Town of Somers Assessment was approximately \$248,000. Recently, during the last audit there was a \$1.1 mil reduction in IBNR which resulted in a reduced assessment for the third payment. Mr. Warner asked how about claims incurred, but not reported. Mr. Mazzoli asked about the cost to the Town over the next year. Ms. Pellegrini responded that approximated \$52,000 (includes both Town and BOE assessments) was due before 6/30/11. Mr. Warner asked Ms. Pellegrini if that had been included in the budget. To which, she responded the Town's portion had been encumbered however it was not budgeted as the bill was received after the budget was voted on.

Mr. Mazzoli questioned the Town's cost next year. Mr. Hemingway's answer was \$ \$46,000.00 (Includes both Town and BOE). Mr. Tolisano questioned the Town's total expense. Mr. Hemingway stated it to be 5 payments over 4 years – the Town has paid \$56,000 (2 payments) – originally assessed at \$248,000.00 dropped to \$232,996.000. This may change, either increasing or decreasing, as worker comp claim experience progresses..

VI. AMUBLANCE FINANCING UPDATE:

Ms. Marcotte told members she had secured a 5 year, 2.25% lease from SunTrust for the new ambulance. She informed them of the anticipated delivery is 3/17/11.

VII. FY 2012 BUDGET:

Ms. Marcotte distributed copies of the proposed 2011-2012 Town budget. She told members that they had started with a "Zero-based budget", and had met with all departments requiring all costs be justified. Ms. Pellegrini told members they had a \$28,254,522 budget for fiscal year 2011-2012 to present to the BOF. The Town portion of the budget increased by a \$299,000. She explained that the increase is made up of:

- Government fixed costs – unemployment insurance, pensions, elections, street lights & fire protection (hydrants), MIRMA , and the probation court;

- Budgets included for Revaluation and vacation payout for a retiring employee;
- Increase for fuel, facilities maintenance and equipment maintenance

Mr. Parker asked about Total Reserve, specifically, what was the Fund Balance? Ms. Marcotte said it was approximately \$4 million. He asked about the Revenue Projections, which included various increased Mil rates. Mr. Persano said he was against raising taxes. Ms. Marcotte stated they could not continue using \$1.1 million from Fund Balance each year. She added that she wanted to show different scenarios on mil rates. Ms. Marcotte told members that all permit revenues have dropped and the Housing Authority is not paying any taxes or PILOT yet is using Town services.

Mr. Warner asked about salary increases; was there an across the board increase? Ms. Devlin responded saying they were merit-based, vs. across the board, but that it worked out to approximately 1.05%.

Ms. Marcotte stated that \$300,000 in CIP funding would be needed to cover leases and capital equipment needs. Mr. Mazzoli questioned the figure, adding that leases are \$98,000. Ms. Marcotte explained that DPW vehicles needed both repair and replacement. Mr. Mazzoli said he does not want to routinely replace items. He added that CIP should be for critical needs only.

Ms. Marcotte distributed copies of the Proposed Schedule for the FY 2012 Budget – public hearing, town meeting and referendum.

A motion was made by Mr. Mazzoli to accept the proposed schedule; seconded by Mr. Parker, and then unanimously voted as approved by the members.

Mr. Persano asked members if they wanted to meet with the Board of Education. Mr. Mazzoli said they should before the regular March meeting of the BOF. He suggested a Special Meeting on March 21st with both the BOE and the BOS. Members agreed and the meeting scheduled for March 21, 2011 at 6:00 pm at Town Hall.

VIII. MINUTES APPROVAL (January 24, 2011):

Mr. Persano asked members for comments or corrections on 1/24/11 BOF Minutes. None were brought forth.

A motion was made by Mr. Warner to approve the 1/24/11 Minutes as written; seconded by Mr. Mazzoli, and then unanimously voted as approved by the members.

IX. BILLS, TRANSFERS and APPROPRIATIONS:

Ms. Marcotte presented the following transfers and appropriations:

| | Transfer/ Appropriation | Dept. | Amount | From Account | To Account | Explanation |
|----|------------------------------------|---------------|---------------|---------------------|--------------------|---|
| 1. | Transfer | Police | \$32,942.00 | Misc. Expenditures | Police Cruiser | Purchase 2011 Crown Victoria to replace existing 2004 vehicle. |
| 2. | Transfer | Police | \$2,914.00 | Misc. Expenditures | Explorer Upgrade | Upgrade of 2003 Ford Explorer's emergency lights. |
| 3. | Transfer | Senior Center | \$4,000.00 | Misc. Expenditures | HVAC Senior Center | Senior Center replacement of existing furnace & associated mechanics. |
| 4. | Transfer | Fire | \$4,386.00 | Misc. Expenditures | Boiler Fire Dept. | Removal of failed boiler & installation of 4 new boiler sections & associated mechanicals at Fire Dept. |
| 5. | Transfer | Selectmen | \$60,000.00 | Misc. Expenditures | Telephone System | Purchase new phone system |

| | | | | | | |
|-----|---------------|------------------------------------|-------------|--------------------|--|--|
| | | | | | | for Town Hall. |
| 6. | Transfer | Selectmen | \$60,396.00 | Salary Increases | Town Employees | Salary increases for FY 2011 union contract obligations and non-union personnel. |
| 7. | Transfer | Highway 3018/Transfer Station 3034 | \$15,000.00 | Recycling | Garage & Equip: \$10,000.00 Vehicle Mainten: \$5,000.00 | Repairs to plow trucks & equipment. |
| 8. | Transfer | Ambulance | \$2,500.00 | Ambulance Training | Ambulance Vehicle Maintenance | Repairs to A-646. |
| 9. | Transfer | Fire | \$500.00 | Radio Maintenance | Equipment Maintenance | Equipment maintenance. |
| 10. | Appropriation | Selectmen | \$31,750.00 | PILOT | Town Hall Maint. | Snow & ice removal from roofs to Town buildings |
| 11. | Appropriation | Highway | \$24,500.00 | PILOT | Highway Overtime: \$11,500.00 Part-time Salaries: \$13,000.00 | Plowing & snow removal. |

Much discussion followed.

1. Police Cruiser:

Mr. Parker questioned why this was suddenly an emergency replacement. He also asked why the BOF hadn't heard of this need before. Ms. Devlin reminded members they were replacing an older model with a used one, and that if the Town purchases it before July of 2011, they'll get a lower price from the State. Mr. Mazzoli recommended deferring this item until the March meeting.

2. Explorer Emergency Lights:

Ms. Pellegrini said that the upgrade of the emergency lights is as mandated by the State Police. Mr. Parker asked why the need is suddenly critical. Mr. Tolisano said that it is critical to health and safety. Mr. Parker said he was concerned that procedures are not in place to allocate funds from CIP. Mr. Mazzoli agreed, saying they had dissolved the CIP Committee, with the BOF agreeing to review critical items on an as needed basis. Mr. Persano said the CIP process needs to be reconfigured, policy and procedures developed. Members agreed. Mr. Parker suggested a Special Meeting of the BOF devoted to CIP. Mr. Mazzoli agreed, and based on the budget calendar, said it should be held next Monday, March 7th at 6pm.

3. Senior Center Furnace:

Mr. Tolisano told members that the furnace needs replacing, and this expense has already been incurred and allocated.

4. Fire Department Boiler:

Fire Chief, Gary Scheissl informed members they had problems with the furnace, and a water leak in a burner. The cost represents labor charges only. Mr. Parker suggested appropriating funds from another Fire Account, versus a CIP request.

5. Town Hall Phone System:

Ms. Pellegrini said this was a request the BOF has heard, but the need is critical. Individual phones are failing at the Town Hall.

Members agreed to defer items 1-5 until after the March 7th CIP meeting.

6. Salary Increase:

A motion was made by Mr. Mazzoli to accept the above listed transfer for Salary Increases; seconded by Mr. Warner, and then unanimously voted as approved by the members.

7. Highway transfer:

A motion was made by Mr. Mazzoli to accept the above listed transfer for repairs; seconded by Mr. Warner, and then unanimously voted as approved by the members.

8. Ambulance:

A motion was made by Mr. Warner to accept the above listed transfer for ambulance repair; seconded by Mr. Mazzoli, and then unanimously voted as approved by the members.

9. Fire Department – Equipment Maintenance:

A motion was made by Mr. Mazzoli to accept the above listed transfer for equipment maintenance; seconded by Mr. Warner, and then unanimously voted as approved by the members.

10. BOS – Snow Removal Appropriation:

A motion was made by Mr. Mazzoli to accept the above listed appropriation, and recommended a Public Hearing be scheduled for this PILOT Grant appropriation; seconded by Mr. Warner, and then unanimously voted as approved by the members.

11. BOS – Snow Removal Appropriation:

A motion was made by Mr. Warner to accept the above listed appropriation, and recommended a Public Hearing be scheduled for this PILOT Grant appropriation; seconded by Mr. Mazzoli, and then unanimously voted as approved by the members.

X. CORRESPONDENCE:

None.

XI. OTHER:

None.

XII. ADJOURNMENT:

A motion was made by Mr. Mazzoli to adjourn the February 28, 2011, Board of Finance Regular meeting at 9:03 pm; seconded by Mr. Warner, and unanimously voted as approved.

Respectfully submitted,

Kimberly E. Dombek, Recording Secretary

MINUTES ARE NOT OFFICIAL UNTIL APPROVAL AT A SUBSEQUENT MEETING.