

**TOWN OF SOMERS
BOARD OF FINANCE
Town Hall Selectmen's Conference Room
SPECIAL MEETING MINUTES
Tuesday, June 7, 2011**

I. Call To Order:

Chairman, Jim Persano called the special meeting of the Board of Finance to order at 7:04 pm.

Members Present: Michael Parker, George Warner, and Steve Kransinski were present and constituted a quorum. Also present First Selectman, Lisa Pellegrini and Bud Knorr, of the Board of Selectmen; Town CFO, Kim Marcotte; Bill Boutwell, Board of Education Business Manager; Tim Mulcahy, Garland Co.; Gary Lane and Erik Bartone, DBS Energy; Erik Ness, Ness Law LLC; Carl Landolina, Town Attorney.

II. Solar Grant/Elementary School Roof discussion and action

First Selectman Pellegrini reviewed the breakdown of the numbers including the cost of the project and the anticipated annual energy savings of \$10,942 resulting from the energy being bought at a 20% discount from the current contract with Trans Canada. The Board of Selectmen and Board of Education are on board with the project.

Mike Parker asked the experts to address his concerns about the project which included the conditions of roofing and longevity of solar panels. Erik Bartone of DBS Energy gave the background of his company including the services provided. He explained the decision to locate the system on the roof of the elementary school and what would be required to support that installation.

Steve Krasinski asked about a ground installation verses putting it on the roof. Erik Bartone explained that with the large footprint of the building and the location of the main switch a ground installation would not be realistic.

Steve inquired if holes would be made in the roof to install the panels and who would be responsible to remove the panels if the roof needed repair. Erik explained that the system will be ballasted and DBS is responsible for all the maintenance of the panels. They monitor the panels on-line.

Attorney Landolina informed the Board that there is a provision in the agreement that at year 5 the Town can purchase the system and at year 20 the Town owns the system. The panels have a 25 year warranty. The warranty will be transferred to the Town.

George Warner asked what protection the Town would have if something happened to DBS. Erik Bartone stated that once the system is installed and connected with the utility grid there is very little that has to be done on the part of the Town. Other companies could provide necessary service should something happen to DBS.

Budd Knorr asked about problems with the solar panels over their 20 year life span. Erik Bartone answered that outside of vandalism there is very little that can happen. Attorney Ness also indicated that there is a limited risk. Worst case would be if the system was operating incorrectly which would not be to DBS's benefit. He hasn't heard of that ever happening with this or any other company.

Mike Parker said that a surety bond would solve all these problems. Erik Bartone said that they have never had to get a bond. If this system does not work DBS does not get paid. If his company goes away the system keeps working. Attorney Erik Ness agreed that there is an incentive for DBS to perform. Erik Ness said that due diligence has already been done by the Connecticut Clean Air Fund. They would not award money if they felt the project was inadequate. Connecticut Clean Energy has done a competitive evaluation of the vendors.

Installation of a membrane on the elementary school roof to extend the life of the roof to match the life of the solar panels was discussed. Without the membrane, within the next three years the Town would be looking at replacing the roof. Tim Mulcahy of Garland Company evaluated the existing roof. The roof is in good condition right now which makes the installation of the membrane possible. If not done in conjunction with the installation of the solar panels the roof will need a full replacement in the next few years. Erik Bartone said they would not install the panels on a roof that is 16 or 17 years old. Tim Mulcahy indicated that the State has changed the requirements of roof installations which greatly increased the cost per square foot. The proposed membrane would be adhered to the existing roof system and is warranted for 10 years. His experience indicates the membrane should last close to 20 years. Compared to a total roof replacement the installation of the membrane is about a quarter of the cost. Bud Knorr asked about repair/maintenance costs. Tim Mulcahy said it costs very little to repair and the Town's maintenance person will be trained on how to maintain the roof.

A decision needs to be made as the Clean Energy Fund needs to be notified if the project will not be proceeding.

Following the departure of the contractors, due diligence items were discussed. Terms to cover the installation of the roof membrane were discussed including paying the \$310,000 or financing roof over 20 years at \$385,983 with an annual cost of \$19,299. Amortizing a roof with a 10 year warrantee over 20 years was debated.

Chairman Persano asked if anyone would like to make a motion.

*Steve Krasinski **motioned** to authorize an expenditure of \$310,590 with the financing for 240 months at the rate of 2.25% for a total cost of \$385,383 for installing a membrane on the elementary school on certain sections. Chairman Persano **seconded**. Vote was taken, Warner, Krasinski and Persano voted yes, Parker voted no. **Motion carried.***

III. Adjournment

Chairman Persano adjourned the meeting at 9:37 pm.

Respectfully submitted,

Debra Hlobik
Recording Secretary

MINUTES ARE NOT OFFICIAL UNTIL APPROVAL AT A SUBSEQUENT MEETING.