

**TOWN OF SOMERS
BOARD OF FINANCE
SPECIAL MEETING AGENDA**

Tuesday, March 12, 2013

7pm

Town Hall Lower Level Conference Room

1. Call to Order:

Meeting is called to order at 7:09. We have a quorum with the following members in attendance: Joe Tolisano, Michael Parker, Marilyn Pronovost and Tom Mazzoli
Guests: First Selectwoman Lisa Pellegrini, School Superintendent Dr. Maynard Suffredini, Board of Education Chairman David Palmer, Interim CFO Tony Timpano and Recording Secretary Catherine Morrow

2. BOE Budget Presentation:

BOE Chairman David Palmer began the presentation by introducing Dr. Suffredini and stating that they have done what the BOF has asked by mitigating costs as much as possible.

Dr. Suffredini begins with a slide presentation of the Somers BOE Budget and hands out a BOE budget summary. The proposed 2013/2014 BOE Budget is \$20,407,880, an increase of \$580,706 or (2.93%) from the previous year. Dr. Suffredini compares the 2012/2013 budget to the proposed 2013/2014 budget noting the majority of the budget is comprised of salaries.

For 2013/2014 he notes no change in the majority of the accounts, however salaries are up over \$300,000, insurance has a \$200,000 increase and transportation is up \$21,000. Special education tuition increase is relatively minor. You save by investing in special education because you aren't paying to send students out of district. Insurance and Social Security are up 5.9%, which is the biggest impact other than salaries – all other items zero increase.

One slide shows the budget comparison over 6 years (2008/2009 to 2013/2014). During 2009/2010 the budget was held level from 2008/2009. At that time 10 positions were cut to level the budget. Level service budgets resulted in a 3% increase in 2010//2011. Some consolidations and cutbacks were made in 2011/2012 resulting in an increase of only 0.04% and a level service budget was held in 2012/2013 with a 2.55% increase.

The 2.93% increase in the proposed 2013/2014 budget was the result of an increase in transportation, contractual salary increases and insurance increases, with insurance and salaries most affecting the budget. The BOE did recently negotiate with five unions. It is possible that the final insurance rates may be lower but we won't know for three weeks.

Mr. Tolisano asked if the BOF was involved in the union negotiations. Dr. Suffredini explained that yes; Mr. Mazzoli during the most recent negotiations and Mr. Krasinski

before that. We've negotiated with five bargaining units. Every employee has had at least one year with a zero raise. In 2012-13, the general wage increase was 1.04%. You get paid in a matrix and move up with experience and additional education. This has been in place for generations.

Dr. Suffredini discussed the increase in health insurance rates as well as the challenges in accurately budgeting for special education.

Electricity and fuel costs were briefly discussed. Dr. Suffredini then discussed Technology such as iPads, interactive whiteboard technology, professional development, computer/laptop replacement and classroom projectors. The goal being that in three years all students and teachers will have iPads. He explained that children use them very effectively and they are particularly useful in special education. Working with teachers and iPads showed a marked improvement in student performance. There could be an impact on CMT scores.

Dr. Suffredini then went over a slide categorizing the \$580,706 increase. \$353,994 was due to salary increases due to contract obligations they have to abide by, \$202,084 in insurance increases, \$15,900 in regular transportation increases, \$7,280 in special education transportation increases and \$1,448 in tuition for special education.

We have not increased textbooks or technology money (using the same amount of money) and kept utilities frozen so we essentially have a level service budget. When we developed the budget we made it clear that if they came to me with any increase they had to provide substantial reason. We are trying to be conservative regarding the growth of the budget.

We are at a point where we will really start looking at cutting some programs and services. We are trying very hard to keep programs up and running – we work at it very cautiously.

Questions:

Michael Parker was concerned that despite the installation of solar panels on a school roof and the drop in electricity demand there is no change in electricity costs. Dr. Suffredini said that he does not have the numbers, but we can get them to you if you would like.

A question was asked regarding the school population. Dr. Suffredini replied it was 1583 with 200+ staff, including 150 teachers.

3. Selectmen Budget Presentation:

Mrs. Pellegrini began by introducing Interim CFO Tony Timpano who was filling in for Interim CFO Chris Hutton during the month of March. She presented to the Board some

items they had specifically requested which included a list of grants she has been working on since November 2009. (See attached.)

Also included was info on roads including maintenance details in the \$460,000 road maintenance budget, the costs of resurfacing (costs have greatly increased), a list of roads chipsealed in both FY2011 and FY2012.

The proposed Town Government Budget is level funded (0% increase) from last year at \$6,742,645. The CIP Budget remains the same as last year at \$665,000. Debt service was reduced by \$240,689 to \$1,765,693. The entire budget including the town side, the BOE side, CIP and debt service is \$29,581,218, an increase of \$340,017 from last year. A summary of revenues and expenditures was presented by category. It gives us a visual of where we've been, where we're at and where we're going.

The impact of the Governor's budget was discussed. PILOT and Pequot Mohegan funds go away and in their place an increase in LoCIP and ECS funding is seen. She is concerned with the use of LoCIP as it is essentially bonding. LoCIP has strict criteria on what it can be used for and it has approval processes for projects and reimbursement that must be followed.

The Governor is also proposing an exemption in motor vehicle tax. This coming year municipalities may collect the tax, however in the next year the tax will be exempted. This leaves us with a loss of revenue at over \$1.8 million.

Mr. Tolisano asked when will know for sure about this tax. Mrs. Pellegrini explained that there is much pushback from local leaders with rumors that there will be a statewide motor vehicle tax as an alternative. It's really too soon to know.

Mr. Parker stated that due to refinancing in existing bonding structure \$240,000 was saved on debt financing then that saving should not be given to you as a gift card for the general budget. Mrs. Pellegrini stated that the savings was not used to keep the town budget level; it was kept as a separate line item.

4. Budget and CIP Discussions/Decisions:

A report overviewing the recommendations of the CIP Commission was submitted by Michael Parker for inclusion into the minutes. The CIP Committee is still working on the school roof replacement projects and the Committee will still need to approve a final figure. A discussion regarding bonding took place. We must first need to obtain accurate costs for the bond packet.

A bonding referendum will not be available until November.

It was recommended that Fire trucks be paid for with bond funds to be rolled over into bonds when we are ready to pay. This is a short term loan until we can pay for the whole package.

Motion was made by Joe Tolisano to approve recommendations by Michael Parker to allocate \$50,000 in current year CIP funds for preliminary road design for the road construction bonding project, as well as allocate \$22,000 from current year CIP funds to replace the senior center roof, seconded by Tom Mazzoli. A unanimous vote followed.

5. Transfers and Appropriations

Transfers:

Department: Somersville Assessment

Transfer To:

Account	Account Number	Amount
General Fund Advance to Somersville Assessment	100-0000-000-1135-1-02	\$8,700

Transfer From:

Account	Account Number	Amount
Somersville Assessment Advance from GF	227-0000-000-1233-2-00	\$8,700

Department: WPCA

Transfer To:

Account	Account Number	Amount
General Fund Misc Revenue	100-0010-007-0844-4-01	\$3,600

Transfer From:

Account	Account Number	Amount
Somersville Sewer	225-0000-000-0334-5-00	\$2,990
Maple Ridge	226-0000-000-0334-5-01	\$ 610
		<u>\$3,600</u>

Department: Water Assess

Transfer To:

Account	Account Number	Amount
General Fund due from water	100-0000-000-0201-0-00	\$7898.22

Transfer From:

Account	Account Number	Amount
Water Fund due to GF	225-0000-000-0334-5-00	\$7872.00 (hookups)
		<u>\$ 26.22 (liens)</u>
		\$7898.22

Department: Tax Department

Transfer To:

Account	Account Number	Amount
Printing & Supplies	100-0013-010-0551-5-00	\$250

Transfer From:

Account	Account Number	Amount
Postage	100-0013-010-0535-5-00	\$250

Motion made by Joe Tolisano to approve the above appropriations and transfers, seconded by Michael Parker. A unanimous vote followed.

6. Adjournment

Motion by Joe Tolisano to adjourn the meeting at 8:26pm seconded by Michael Parker. A unanimous vote followed.

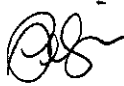
Respectfully Submitted,

Catherine Morrow-Recording Secretary

Minutes are not official until accepted at a subsequent meeting.

TOWN OF SOMERS
OFFICE OF THE FIRST SELECTMAN

TO: BOARD OF FINANCE MEMBERS
FROM: LISA PELLEGRINI, FIRST SELECTMAN
SUBJECT: GRANT UPDATE
DATE: MARCH 12, 2013
CC: BOARD OF SELECTMEN



During the last Board of Finance Meeting a request was made for a list of grants the Town has received. The list was to also include their status at this point in time. Please find below the list of grants totaling **\$6,129,052.57** that required immediate action at the time I took office in November 2009 or were received after that time period. I have not included relatively small grants such as Emergency Management, Historical Document and Elderly Bus Transportation Grants. If there are any questions please do not hesitate to contact me directly.

2006 & 2008 STEAP Grant: \$580,000
Somersville Streetscape Project

Both grants were in danger of becoming lost due to inactivity and immediate expiration. I was able to salvage the grants by providing new design drawings and an updated narrative during my first month and a half in office. The project is completed and payment has been received.

2006 STEAP Grant: \$500,000
Maple Street Bridge Project

I was unaware of this grant until after the Mill Fire in June 2012, at which time a long term employee had mentioned that it was a shame the grant was never used for sewer and sluiceway improvements to the bridge. A Town sewer running through the Mill was damaged and the sluiceway required repair as a direct result of the fire. I was able to track the grant back to DEEP and found that only \$95,144 was spent leaving \$404,856 on the table. I was able to work with OPM to resurrect the grant and change the scope of the project to pay for the repairs made to the Maple Street Bridge, the "make safe" construction and the sewer installation. Unfortunately, the grant administrator (DEEP) would not allow me to use the fund for that, despite approval from OPM. DEEP would allow me to use the money for the design studies for the reconstruction/replacement of the Maple Street Bridge. However, I was able to find funds for that (see Ear Mark and STP Urban Grants below). I petitioned OPM to again change the scope of the project to allow me to use the \$404,856 for Road Resurfacing and Drainage Repairs this spring and to fast track the contract through OPM rather than through DEEP. I was recently denied by OPM within one week after publicly expressing concern over the Governor's municipal aid and car tax exemption proposal. I am still working on trying to overturn this verdict.

2006 Ear Mark:
Ear Mark from Senator Lieberman
Improvements to the Mill Bridge

Previously \$2,000,000/Now \$500,000

Shortly after the Mill Fire I became aware of a \$2,000,000 Ear Mark Senator Lieberman provided to the Town in 2006 for Improvements to the Mill Bridge. (This was discovered just after I found out about the 2006 STEAP Grant for the Maple Street Bridge.) Unfortunately no action was initiated by the Town to draw upon the funds and the Town never received the money. After contacting Senator Lieberman's office in June 2012 I was told that this money was rescinded due to inactivity by the Town. I asked for confirmation of that in writing and in the beginning of July 2012 I was told that only a 10% was rescinded and I actually had \$1,980,000 still available. In August 2012 I was able to coordinate and obtain agreement from CT DOT and CROG on a project plan for the reconstruction/replacement of the Maple Street Bridge using the Ear Mark funds and existing STP Urban funds. Unfortunately, within 24 hours of this decision President Obama mandated that all Ear Mark funds would be rescinded if they were not used by December 31, 2012. As it was impossible to complete the design and construction of the bridge within 3 months I was able to obtain agreement from CT DOT to petition the Feds to retain \$500,000 of the original Ear Mark for the preliminary design of the bridge. In December 2012 I received notification that it was approved by the Feds and is currently on the State TIP list. Since it became endorsed by the Feds it also became official on the CROG TIP list which will enable us to use STP Urban funds (See below). Work is scheduled to begin sometime in 2013 to start the advance of the preliminary design, however it will be years (+6 years) before a shovel is ever put in the ground.

STP Urban Funds:	\$2,000,000
Maple Street Bridge	
Funding consists of FFY2014 FD STP Urban Funds of \$250,000 and FFY2015 CON STP Urban Funds of \$1,750,000, totaling \$2,000,000. STP Urban funds are 80% Federal, 10% State and 10% Local funds. Coupled with the \$500,000 Earmark there is \$2,500,000 available for the design and reconstruction of the Maple Street Bridge. The Town will begin to work with CROG in 2013 to start the project, however it will most likely be 10+ years before the project is completed.	

2008 Hartford Foundation Grant:	\$105,000
Three Year Grant to Fund a Full Time Senior Services Director	
This grant was a three year grant (\$50,000 to be available in year one 11/2008-10/2009, \$35,000 to be available in year two 11/2009-10/2010 and \$25,000 in year three 11/2010-10/2011). When I came into office in November of 2009 only \$25,000 of the grant had been received. The project is closed and the rest of the funding has been received.	

2009 STEAP Grant:	\$200,000
Field Road Recreation Grant	
This grant was for the construction of the new tennis courts and practice area, as well as for the resurfacing of the basketball courts at Field Road Park. Funding was also used for Field Road Park fencing and for repainting of the exterior bathroom buildings at the Park. The project is complete, funding has been received and the grant is closed.	

2010 STEAP Grant:	\$220,000
Battle Street Sidewalk and Senior Center Parking Lot	
This grant was for the construction of new sidewalks along Battle Street from Main Street to the Battle Street Cemetery, as well as for a new parking lot at the Senior Center. The project is complete, Funding has been received and the grant is closed.	

2010 OPM Municipal EECBG Grant	\$56,417
Fire Department 5 kilowatt Solar Photovoltaic Panel System	

This grant was for the first solar photovoltaic panel system on Town Buildings and the original deal was brokered before I was in office. The project also included retrofitting the garage bay lights with energy efficient ones. Total amount of the project was \$65,500. Funds received from the grant totaled \$56,417. CEEF Funds received from CL&P for the lighting retrofit totaled \$1,984. The remaining balance of \$7,099 for the lighting retrofit was financed by the Town as a 0% interest loan for 60 months. The project is complete and the \$56,417 was received.

2010 DECD EPA Brownfield Assessment Grant: \$5000
19 Field Road Phase I Environmental Assessment

This was for completion of a Phase I Environmental Site Assessment at 19 Field Road. It is the Town's hope that the reports will help to assist in getting this property back on the tax role. The project is complete and was paid for directly by the State Department of Economic and Community Development EPA Brownfield Assessment Program.

FYI2011 DUI Enforcement Program Grant: \$13,689.55
Federally funded grant program for DUI Enforcement for Resident Trooper Towns. Grant period was from October 1, 2010 through September 30, 2011. The Town received \$13,689.55 for 75% of expenses and the grant is closed.

2011 DECD EPA Brownfield Assessment Grant: \$31,000
19 Field Road Phase II Environmental Assessment
This was for completion of a Phase II Environmental Site Assessment at 19 Field Road. It is the Town's hope that the reports will help to assist in getting the property back on the tax role. The project is complete and was paid for directly by the State Department of Economic and Community Development EPA Brownfield Assessment Program.

2011 Solar Grant: \$331,000
CCEF-ARRA Grant:
Somers Elementary School Solar Grant
This is a CT Clean Energy Fund Approved American Recovery and Reinvestment Act funded grant that was awarded to DBS Energy for installation of a for a 168 kilowatt Solar Photovoltaic Panel System on the Elementary School roof. The project is complete.

2011 Solar Grant: \$56,200
CCEF Grant:
Department of Public Works Solar Grant
This is a CT Clean Energy Fund grant that was awarded to DBS Energy for installation a 54 kilowatt Solar Photovoltaic Panel System on the Public Works Garage roof. The project is complete.

FYI2012 DUI Enforcement Program Grant: \$13,036.02
Federally funded grant program for DUI Enforcement for Resident Trooper Towns. Grant period was from December 23, 2011 through September 12, 2012. Towns are to be reimbursed for up to 75% of expenses up to \$18,225.00. The Town received \$13,036.02 and the grant is closed.

2011/2012 LoCIP Grant: \$30,070
Bus Barn Demolition and Remediation
LoCIP funds were used for the bus barn demolition and asbestos abatement costs associated with the building removal. The project is complete and the \$30,070.00 was received.

2011/2012 LoCIP Grant: \$91,975
 Chip Sealing & Catch Basin Replacement
 LoCIP funds were used for crumb rubber/chip sealing of various Town roads and catch basin replacements on Town roads including Parker Road, Mountain View Road, Mountain Road, Gulf Road and Fox Hollow Road. The projects are complete and the \$91,975 was received.

2011/2012 LoCIP Grant: \$200,000
 Road Maintenance and Reconstruction
 LoCIP funds were used for crack sealing various Town roads, the reconstruction of .15 miles of Durkee Road, the reconstruction of .19 miles of Fox Hollow Road and drainage work on the Gulf Road cross culvert. The project is complete and the request for reimbursement was submitted on November 4th, 2012. We are currently awaiting payment.

2012/2013 LoCIP Grant: \$91,097
 Road Repair and Drainage Projects
 A request for approval to use the funds this spring/early summer for various Town roads has been submitted and we are awaiting approval from the State.

2012 STEAP Grant: \$85,000
 Town Hall Parking Lot
 This grant is for the repaving and drainage work associated with the Town Hall Parking Lot. Final contracts have been signed. The bid will go out in the very near future. Work is to be completed this summer, most likely after the May referendum.

2012 AARA EECBG Quickspend EECF Grant \$27,793
 Town Hall Lighting Retrofit & Fire House Solar Grant
 This is an American Recovery and Reinvestment Act funded Energy Efficiency and Conservation Block Grant, DEEP Quickspend Energy Efficiency and Conservation Program award for the Town Hall Lighting Retrofit and Firehouse 3 kilowatt Solar Photovoltaic Extension project awarded to the Town of Somers. The project is complete and the funding has been received.

2012 Open Space Grant: \$450,000
 Open Space Grant for the Purchase of Camp Ayapo
 This grant is for the purchase of Camp Ayapo, a 180+ acre parcel owned by the YWCA. Final negotiations for the sale of the parcel are near completion.

2013 STEAP Grant: \$500,000
 Undersize Culvert Replacement on Mountain Road
 I have been notified by the grant administrator and am awaiting a contract from the DOT to sign. Only after the final signed contract is received can work begin. No work has begun, no funds have been spent.

FY2013 DUI Enforcement Program Grant: \$41,775.00
 Federally funded grant program for DUI Enforcement for Resident Trooper Towns. Grant period is from October 4, 2012 to September 14, 2013. Towns are to be reimbursed for up to 75% of expenses up to \$41,775.00. The Grant is in progress now.