

Thomaston Board of Finance  
Minutes of the Regular Meeting January 12, 2010

Present: D. Colavecchio, G. Seabourne, K. Mosimann O'Sullivan, S. Turner, M. Galbraith,  
F. Treglia

Also present: First Selectman Ed Mone, Selectman J. Sheppard, Chief of Police Eugene Torrence,  
Police Captain Kris Nelson, Finance Director Sue Smith, Public Works Director Paul Pronovost,  
Fire Chief Jamie Wilson

Also: Members of the public, press

D. Colavecchio congratulated John Sheppard on his son's acceptance into the Merchant Marine Academy.

**1. The meeting came to order at 7:00pm**

**2. Pledge of Allegiance**

Those present recited the Pledge of Allegiance.

**8. New Business**

**i.) Road project update/bond status**

On a motion by G. Seabourne, seconded by K. Mosimann O'Sullivan, it was voted to move Paul Pronovost forward on the agenda. Vote: Unanimous

Mr. Pronovost reported that the estimated cost of the first phase of the road program was \$2.06m; the actual cost was \$2.38m. He attributed the overruns to the following:

1. Design costs for Old Northfield Road; \$171,000 of this cost will be reimbursed to the Town with AARA Funds.
2. Underground piping was in disrepair in some places.
3. Prevailing wage compliance issue.

Mr. Pronovost noted that asphalt prices will not be known until February; the Town will purchase the asphalt (instead of the contractor) and pay for the trucking. He noted that the Town is on schedule to go out to bid and the prevailing wage compliance issue is resolved. He also reported that overtime in the Highways and Streets line in the budget is due to work on the roads.

**ii.) P. D. budget status**

On a motion by K. Mosimann O'Sullivan, seconded by G. Seabourne it was voted to move the Police Dept. forward on the agenda.

Police Chief Torrence and Captain Nelson projected that there will be a \$30,000 overrun through June 30, 2010.

**iii.) Fire Chief report**

On a motion by G. Seabourne, seconded by K. Mosimann O'Sullivan it was voted to move the Fire Dept forward on the agenda.

Fire Chief Jamie Wilson reported that one of two AC units in the Firehouse was broken and the new EPA regulations will require a more expensive repair using a different cooling coil and refrigerant. The unit is used about six hours per day. A new unit would cost \$10,000. EMCOR has estimated that a repair will cost \$3970 which includes labor. S. Smith noted that EMCOR is the contracted provider for the HVAC for all the Town buildings. The Fire Chief was advised by the Board to get 2 more bids for the job. The Fire Chief also reported that Engine 3 is in the repair shop; they are looking to repair the shaft or have another one manufactured.

### **3. Minutes**

#### **i.) 12-8-10 Regular Meeting**

On a motion by G. Seabourne, seconded by K. Mosimann O'Sullivan, the minutes of the meeting of December 8, 2010 were accepted with the following correction: The minutes of the Regular Meeting of October 13, 2009 were not approved at the Regular Meeting of November 17, 2009, but were waived at that meeting because K. Mosimann O'Sullivan had not read them prior to the meeting. Vote: Unanimous

### **4. Communications**

The Suspense List of uncollectable taxes in the amount of \$37,498.74 which was submitted by the Tax Collector to the Board of Finance was circulated and approved on a motion by K. Mosimann O'Sullivan, seconded by G. Seabourne. Vote: Unanimous

### **5. Financial Director's Report**

The Finance Director reported the following:

- Police Dept Budget- There is \$80,076 in "banked" compensatory time for the Police Dept. This liability should be taken off of the books and put into the Police Dept. budget. These payments will be made over the next three years. The new contract does not allow the banking of holiday hours.
- Bond Rating:  
The bond rating will take place on January 13; the Town has chosen Standard and Poors this year instead of Moodys because they are less expensive and the Finance Director believes the Town will get a better rating. The Town will borrow \$7.520m on February 5 for the following projects: \$7,104,112 for Road Program Phase 1 – III; \$106,572 for Altair Ave Bridge; \$309,316 for Public Highway trucks. S. Smith reported that if the rates are favorable we will also refinance the 1998 Black Rock School Bonds of @ \$2.8 million. S. Smith noted that the bond raters would look more favorably on the Town's fiscal management if the Board of Finance committed to putting the money saved by a lower bond rate into the OPEB Trust. She calculated the potential savings at about \$192,000. some of which would have to be given to the State of CT. The Town's net savings could

be about \$66,000. Barry Bernabe of Webster Bank said that the rating agency will be looking at pension funding and OPEB trust funding.

- Opera House Update:

The Loan Balance was at \$168,135 on November 30, 2009; it was at \$177,641 on December 12, 2009. Not all of the revenues have been recorded because of problems with the Theater Manager system.

- Telephone System

The high bid on the cost to replace phone and voice mail and headsets is \$47,000, the low is \$36,000. The Committee will gather more information.

- Health Insurance- S. Smith is reviewing rates; Anthem looks best so far.

- Board of Education: Because the state is paying the ECS grant with AARA Funds, it will be necessary to reduce the expense by \$802,881.78 and the revenue line by the same amount. This will be acted on next month. This will not impact the BOE budget.

- Selectman's Report

E. Mone reported that the DOT has received the paperwork for the Town to receive \$232,121.51 for the Altair Ave bridge replacement project.

E.Mone reported that the Ct. Conference of Municipalities recommends that towns look at level funding from the state in preparing the 2011 budgets.

## 7. Old Business

### i.) Curbside Pickup

J. Sheppard reported that the Board of Selectmen will draft the mission statement for the Transfer Station and Solid Waste Committee.

### ii.) GASB45

On a motion by K. Mosimann O'Sullivan, seconded by S. Turner, it was voted to dedicate whatever the Town's portion of the savings (est.\$66, 000) due to refinancing of the Town's debt on the Black Rock School Bonds, to the unfunded retiree medical costs. Vote: Unanimous

### iii.) Property Revaluation

No report

iv.) Opera House Loan- S. Turner noted that the unfunded medical liability of \$20m should be of far greater concern than the Opera House loan.

## 9. Member Comment

K. Mosimann O' Sullivan pointed out that when the budget is defeated at referendum, the budget is reduced, however, we need to add money back in to pay the real costs of running the Town, such as police overtime. She noted, "The budget numbers are real."

S. Turner noted that he would like to see pension costs assigned by department instead of a lump sum segregated number.

G. Seabourne asked about the status of the opening of the Transfer Station. E. Mone did not know. G. Seabourne asked that the issue be placed on the next meeting's agenda.

## **10. Public Comment**

1. T. Durso asked how the Pension Benefits accumulated to \$20m.

Answer: K. Mosimann O'Sullivan explained the history of the problem which includes contracted obligations and delaying a funding plan when budgets are cut at referendums. She outlined the solution to reducing this burden overtime, She reported that all retiree medical benefits have been eliminated in all Town employee contracts except the police contract.

2. Mrs. Yost said it is not clear what the cost of garbage disposal is to the Town.

3. D. LaBonte cited a state statute (Sec 7-344) that requires that all surplus money be used to defray the Town's estimated expenditures.

4. P. Yost observed that the Opera House should see a reduction of \$100,000 in the budget due to the lay-off of two people.

Answer: G. Seaborne noted that the Unemployment Compensation for the two laid-off employees comes from the Opera House budget.

5. T. Durso observed that, "No one wants to close the Opera House; it's the crown jewel of the Town."

E. Mone responded that the Town must move the Opera House to a private entity and that it is "a tangled web created by Town ordinance."

On a motion by K. Mosimann O'Sullivan, seconded by S. Turner, the meeting was adjourned at 9:30pm.

Marie Galbraith, Secretary  
Thomaston Board of Finance