



Town of Thomaston

Selectman's Office

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DRAFT

THOMASTON BOARD OF FINANCE

REGULAR MEETING

TUESDAY, DECEMBER 8, 2015

Present:

George Seabourne, Steve Turner, Luke Freimuth, Rich Sileo and Tom Duffany were in attendance. Mike Madow was not in attendance. Tracy Decker-Finance Director, First Selectman Ed Mone and members of the community.

Call to Order:

Meeting was called to order at 7:01 p.m. by Chairman Seabourne.

Pledge of Allegiance:

Pledge was recited.

Approval of Minutes:

A motion was made by L. Freimuth to approve the minutes of the November 10, 2015 minutes as presented. Motion was seconded by S. Turner. Motion carries 5-0 and one abstention (Rich Sileo, new member).

Chairman Seabourne welcomed newcomer, Rich Sileo to the Board.

New Business/Election of Officers:

A motion was made by S. Turner to approve George Seabourne as Chairman of the Board. Motion was seconded by L. Freimuth. Motion carries 5-0.

A motion was made by S. Turner to approve Mike Madow as Vice Chairman of the Board. Motion was seconded by L. Freimuth. Motion carries 5-0.

New Business/Scheduling Meeting Dates for 2016:

Meetings will be as follows:

January 12, 2016	Regular Meeting
February 9, 2016	Regular Meeting
March 8, 2016	Regular Meeting
March 22, 2016	Special Budget Meeting
April 5, 2016	Special Budget Meeting
April 12, 2016	Regular Meeting
April 26, 2016	Special Budget Meeting
May 10, 2016	Regular Meeting
June 14, 2016	Regular Meeting
July 12, 2016	Regular Meeting
August 9, 2016	Regular Meeting
September 13, 2016	Regular Meeting
October 11, 2016	Regular Meeting
November 15, 2016	Regular Meeting
December 13, 2016	Regular Meeting

A motion was made by T. Duffany to approve the schedule as presented. Motion was seconded by R. Sileo. Motion carries 5-0.

New Business/Authorize Expenditure of \$19,950 for Engineering Hickory Hill Road:

It has been determined that Hickory Hill Road will need to be reconstructed. The Town, through the services of Weston & Sampson Engineers, will submit an application for funding under the CT Department of Transportation’s Local Transportation Capital Improvement Program (LOTICIP). The proposed project area is the total length of the road from Rt. 109, Branch Road to Walnut Hill Road, a distance of approximately 2.14 miles. The anticipated improvements consist of pavement restoration, full depth reconstruction, minor drainage improvements and possibly some minor widening. This road connects Rt. 109 to Rt. 254. Construction costs will be paid for through the federal/state funds, the Town is responsible for all engineering costs or a total of \$19,950.

A motion was made by S. Turner to approve the expenditure of \$19,950 for engineering costs contingent upon the approval of COG and to be paid for from the contingency. Motion was seconded by L. Freimuth. Motion carries 5-0.

Old Business - none

Communications:

Received memo from Ken Koval dated October 27 re: emergency shelter floor covering. See memo attached. The letter is just an FYI that they may be over in the budget by \$1,610. Highway staff along with school janitors installed racks for floor covering.

Selectman's Report:

First Selectman Mone explained that once all the energy performance upgrades were completed, Johnson Controls gives a reporting each year of the 18-year project. We just received the report for Year 2 savings period (July, 2014 to June, 2015). This reporting period represents the first full year following the completion of construction. ECG, as the engineer of record for the project, conducts regular onsite construction period inspections and physical verification of the installation of the FIM's.

There were 21 Facility Improvement Measures (FIM's) installed, of which 16 were subject to Option A – Partially Measured parameters to establish savings. Out of these, 3 did not produce the savings as intended. They were:

FIM 15 – Walk In Cooler/Freezer Controls @ THS, Thomaston Center School and Black Rock. Using the Option A parameters, the electrical consumption was below the guarantee.

FIM 16 – Energy Efficient Transformers @ THS. They replaced 20 existing transformers with new energy efficient ones. Using the Option A parameters, the electrical consumption was below the guarantee.

FIM 18 – Geothermal Upgrade @ Town Hall. They installed a geothermal loop at the Town Hall building that would provide electrical savings through the elimination of cooling tower use during summer months and thermal savings by providing heat during winter months. Using the Option A parameters, the electrical consumption increased and an electrical demand increased which is below the guarantee.

There were overall energy savings of \$196,992. With an annual guaranteed savings projected of \$237,608, there is a shortfall of \$40,616. Per the contract, the shortfall amount will be refunded to the town.

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We currently have a policy that states that the debt service will not exceed 10% of total budget expenditures. Many times we have exceeded the 10%. With that said, Ed feels it would be beneficial to increase the cap instead to 15% and address the needs through bonding. We would still be at a strong rating at 15%.

Barry Bernabe, Managing Director of Phoenix Advisors, will come out sometime in January to discuss more. Chairman Seabourne asked that Tracy have Barry bring with him some scenarios as examples. Town policy should also include the BOE as we allocate funds to them, too.

Finance Director's Report:

We are at 41.76% expended for the year. A lot of department's payout management service costs at this time.

Our natural gas contract ends at the end of December. By going with Direct Energy, our costs drop from \$9.74/dth to \$7.50/dth.

Member Comment:

Chairman Seabourne expressed he was happy with good news tonight – fix a major road with state/federal money and cost savings on energy side.

Public Comment:

Tony Durso – Board should really think seriously about raising the bonding limit from 10% to 15%. Chairman Seabourne said we don't borrow operating costs like the State does. These are for things we put off for years.

Cindy Doyle – when we had energy project done, we never did LED light upgrades to streetlights. Can we do that? First Selectman Mone indicated we are already looking into this with Eversource (formerly, CL&P).

A motion was made by S. Turner to adjourn the meeting at 7:54 p.m. Motion was seconded by L. Freimuth. Motion carries 5-0.

Respectfully submitted by Deborah Bournival, Administrative Assistant/Town of Thomaston.