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DRAFT

**THOMASTON BOARD OF FINANCE
REGULAR MEETING
TUESDAY, FEBRUARY 9, 2016**

Present:

George Seabourne, Mike Madow, Luke Freimuth, T. Duffany, Tracy Decker, and First Selectman Ed Mone. S. Turner, Jr. arrived at 7:20 p.m. and R. Sileo was not in attendance. Members of the community.

Call to Order:

Meeting was called to order at 7:04 p.m. by Chairman Seabourne.

Pledge of Allegiance:

Those in attendance stood and recited the Pledge.

A motion was made by T. Duffany to amend the agenda to add updates to the 2016 meeting schedule under Old Business. Motion was seconded by L. Freimuth. Motion carries 4-0.

Approval of Minutes:

A motion was made by L. Freimuth to approve the minutes of December 8, 2015 regular meeting as presented. Motion was seconded by T. Duffany. Motion carries 4-0.

New Business/Discussion re: Bonding/Barry Bernabe:

Barry Bernabe, Managing Director of Phoenix Advisors, LLC presented as to changing the debt service benchmark from 10% to 15% and the reasons behind it.

He indicated that interest rates are currently low and going lower. A lot of economic uncertainty. We are currently at a "AA" rating (highest rating is "AAA") according to Standard & Poor's and Moody's. A "AA" rating has a 2.5% interest rate and "AAA" has a 2.25% interest rate for a 20-

year bond. We are currently paying a half a percent on BANS = Bond Anticipation Notes. Discussion ensued.

Key points – With interest rates still at historically low levels, credit ratings are important as many investors are risk averse. Rating agencies want to see budgets that are structurally balanced. The Town’s existing debt service is amortizing fairly aggressively. So, with this said, the Town can add or issue about \$5 million in additional debt and the annual debt service would only increase to about 12% of the budget.

Chairman Seabourne wanted to know if we had a fund balance policy in place now. T. Decker indicated we do, but we go over the policy maximum of 10% too often.

New Business/Approve Suspense List:

Chairman Seabourne read into the minutes a letter dated January 9, 2016 from Peg Duffy, Tax Collector:

Per State Statue 12-165, at least once in each year, the Tax Collector shall deliver to the Board of Finance a list of accounts to be suspended. These are accounts that the Tax Collector deems uncollectible. Placing an item on suspense removes that item from the town’s receivable balance. It is not an abatement of any tax and may still be collected by the Tax Collector in the future along with any interest or fees. The amount to be suspended for FY 15-16 is \$99,594.41. I certify that, to the best of my knowledge and belief, each tax contained in the suspense list has not been paid and is not collectible for the reasons listed. Please review these items and sign the enclosed report on the last page and return it to the Tax Office.

A motion was made by S. Turner to approve the suspense list for FY 2015-2016 in the amount of \$99,594.41. Motion was seconded by T. Duffany. Motion carries 5-0.

New Business/Repair of Ambulance Building:

We received a request concerning the wooden addition attached to the back of the building. This addition, which houses the generator, is pulling away from the main building, causing a gas leak. We received a quote from Henry Osowiecki & Sons in the amount of \$7,860 for the following work to be performed:

- at supporting wall, remove existing failing concrete base support;
- install new concrete base support;
- pin new base support to existing concrete equipment slab using epoxy.

A motion was made by S. Turner to accept the proposal from Henry Osowiecki & Sons for this repair and approve the expenditure of \$7,860 for this repair, to be financed through the Contingency account. Motion was seconded by M. Madow. Motion carries 5-0.

New Business/Replace Faucets at Black Rock School:

When Johnson Controls did the energy audit project approximately three years ago, they created a list of smaller energy savings items that we could do when and if funds were available. One of the items was to install metered faucets in Black Rock School which would reduce water consumption through automatic shutoff. They indicated there were 12 faucets in all at a cost of \$6,162.50. In 2015, Ken Koval applied for the Neighborhood Assistance Act (NAA) grant through the State of Connecticut and the State has since approved the project in the amount of \$4,610.29 funded by the CT-based company Connecticare.

After receiving the approval, Ken contacted Pelletier Mechanical and requested that they give a quote based on the 12 faucets. However, after visiting the school, Pelletier found there were 20 faucets at a total cost now of \$8,159.60, creating a shortage of \$3,549.51.

There are a few options; one is to do only as many faucets as the grant will fund; or do all the faucets and take the additional funds from Contingency; or take some capital funds left over from the Black Rock underground tank removal project that was done last year.

M. Madow said we need have to have more information on these faucets before we can make a decision.

This will be item for agenda for next month's meeting.

Old Business/Amend the 2016 Meeting Schedule:

A motion was made by S. Turner to address non-education budgets March 8th, Police & Library March 22 and Board of Ed on April 5. Motion was seconded by M. Madow. Motion carries 5-0.

Old Business/Council of Governments and LOCIP grant-Hickory Hill:

First Selectman Mone indicated that we ran into a snag. We will need more borings once engineering study is done that will accompany application to DOT.

Communications/Tax Collection Balance as of 12/31/15:

Tax Collector balanced out as of end of year 2015. As of the first of 2016, she was at 97% compared to 93% the prior year. Chairman Seabourne said she has been very aggressive in her collections.

Communications/CCM – Projected State Funding Decrease:

The total reduction of State funding is \$35,223, all of which comes from the Pilot program.

Communications/Board of Assessment Appeals Stipend:

While in the process of reviewing the Board of Assessment Appeals budget, the Assessor noticed that a stipend was being paid to the BAA members. Each receive \$1,000/year or a total budget line expense of \$3,000. There is nothing referenced in our ordinances about a stipend. Apparently, before there had ever been a paid Assessor in office, these members did the field work. It has been this way for years. These guys were elected based on the knowledge they would receive a stipend. However, going forward from the next election cycle, there will no longer be payment for these positions.

Communications/Superintendent and 1% Rule:

Superintendent Francine Coss brought up the 1% rule – any money that is unused has to be banked in a non-recurring fund and used for education purposes.

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Chairman Seabourne met with Assessor today. There is an increase in grand list of 1.09% or \$5,906,679.

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The legislature passed a new law on motor vehicles. Towns cannot tax for anything over 32 mils, next year it will be 29 mils.

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We will have a statistical reval performed this year beginning in March. George asked if there is enough money in the budget line for this and she indicated there is.

Selectman's Report:

We are currently in contract negotiations with the White Collar and Highway unions. Budgets do not include any salary increases as negotiations are not completed yet.

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The Board of Selectmen are looking into purchasing LED street lights. There will be some upfront money, but the savings will be approximately \$60,000 overall. M. Madow asked instead of leasing through Eversource, we would purchase and would we have to provide someone to maintain the lights? First Selectman Mone said yes, that is correct. M. Madow wanted to also know if this would include replacing those that were turned off a few years ago? First Selectman Mone indicated that if it was determined by the company chosen to do so, after their analysis, we would need to consider, even though that would not be our initial intent, and may well make the project not feasible financially.

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Chairman Seabourne indicated that what the Board of Education reported a few months ago about the Special Education program that was brought in-house never came to fruition completely. The Nurse's Aid program is doing rather well, but the EMT program is not doing as well.

S. Turner said we need to be judicious about these things.

Finance Director:

As of 1/31/16, we had \$2.2 million in tax collections. On the expenditure side, there was one error in Contingency line for \$8,000. Tracy has, included in her budget line, money for audit services. There have been some recommendations made by the auditors for BOE.

Chairman Seabourne asked all BOF members to bring budget spreadsheets with them to all meetings going forward.

Member Comment:

T. Duffany said the lines in the middle of the street on Walnut Hill are great – very visible at night.

Public Comment:

Tony Durso – two things:

1. BOE voted to keep surplus money, but then rescinded.
2. Has concerns on raising bond limits. First Selectman Mone said then if not bonding items we will then need to set aside the appropriate amounts of money for these things and approach on a pay-as-you-go basis.

Diane Labonte – what is in the five-year bonding plan? We need to look at what will be needed over the next five years.

Cindy Doyle – commented about size of class this year at 52 as opposed to the 100 when she was in school years ago.

A motion was made by M. Madow to adjourn the meeting at 9:15 p.m. Motion was seconded by L. Freimuth. Motion carries 5-0.