



Town of Thomaston

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DRAFT

THOMASTON BOARD OF FINANCE REGULAR MEETING TUESDAY, MAY 12, 2015

Present:

George Seabourne, Mike Madow, Steve Turner and Tom Duffany, Tracy Decker, and First Selectman Ed Mone. Also members of the community.

Not in attendance was Luke Freimuth and Frank Treglia.

Call to Order:

Meeting was called to order at 7:15 p.m. by Chairman Seabourne.

Pledge of Allegiance:

Those in attendance stood and recited the Pledge.

Approval of Minutes:

A motion was made by T. Duffany to approve the minutes of April 28, 2015 special meeting as presented. Motion was seconded by M. Madow. Motion carries 4-0.

New Business/WPCA Discussion of WEB Project and Costs:

Rich Tingle, Superintendent/WPCA, Tom Mueller, Chairman of WPCA, and Lori Carriero, Project Manager for Tighe & Bond, engineers presented.

Sewer Rehabilitation:

Presented tonight is an engineering proposal prepared by Tighe & Bond for the design, bid and construction phase services for the sanitary sewer rehabilitation/sanitary sewer replacement. The recommendations for main line sewer rehab was based on the report prepared by Tighe & Bond entitled "Infiltration and Inflow Study and Removal Plan" dated October, 2013. This study evaluated the condition of the existing sanitary sewers in the areas of High Street, Walnut Street, Woodruff Avenue, Judson Street, Hillside Avenue and Gilbert Street. This area was selected as recommended in previous studies because the existing sewers have been known to experience high flows and surcharging. This project, originally quoted \$1,076,100 back in 2013, was to include the following work:

- 2,180 LF of sewer replacement;
- 2,860 LF of cured in place sewer lining;
- 15 short liner sewer repairs;
- 1,330 LF of sewer joint testing and sealing;
- Disconnection of 3 catch basins which are connected to the sewer system;
- Installation of 7 manholes.

In April, 2015, there were some potential changes to the scope of work, with a net result of the modifications of a total proposed pipeline replacement length of 2,610 LF and the installation of five manholes.

Lateral Rehabilitation:

Tighe & Bond estimated the cost to rehabilitate existing laterals which connect to the sewer mains proposed for rehabilitation from the connection point at the main to the edge of existing pavement. Lateral rehabilitation was proposed to consist of either replacement, lining or joint sealing of the lateral pipe connection depending on the type of mainline sewer work being done. The cost estimate for this would be \$200,000.

The Town wishes to design and bid the whole project in late 2015 or 2016. Therefore, the suggested appropriation by the Town should be in the amount of \$1,390,000 to cover both projects. This includes additional costs to cover inflation of 3% per year to mid-2016 from the time of previous estimates. This amount also includes construction, engineering, resident inspection, traffic control and contingency costs.

Barry Bernabe, Managing Director of Phoenix Advisors, gave a handout to all re: existing and proposed debt analysis in connection with the proposed \$1,390,000 new debt. He explained that long term interest rates back in September, 1981 were at the highest at 16%, but as of July, 2012 were 1.40% and are still at historically low levels although starting to increase. He also indicated that Thomaston's Standard & Poor's bond rating was strong at AA. Rating agencies want to see budgets that are "structurally balanced", with the Town's existing debt service

amortizing aggressively. The proposed new debt of \$1,390,000 will not increase the existing debt levels due to existing amortization.

Chairman Seabourne asked if any administrative costs were to be added in. Barry said normally it would be between \$50,000 - \$70,000, however, we may be eligible for a premium.

Chairman Seabourne said we can't address road issues until the sewer issues are resolved first. It was indicated that part of the work can be done this year before interest rates go up.

Tighe & Bond will contact the utility companies to find out if they have to do work beneath the street before this project is started. This can save the utility companies time and money, too.

S. Turner – as a resident of Hillside Avenue, I am on board. We need to be proactive.

M. Madow – if we are at a point with everything in place, we need to move forward.

E. Mone – we can't do any road work until this is complete.

G. Seabourne – I agree, we need to do this.

A motion was made by M. Madow to approve the borrowing of \$1,390,000 to rehab the sewer lines located on a map dated May, 2015 and as outlined by the engineering proposal dated April 21, 2015, approving the plan and expenditures proposed. Motion was seconded by S. Turner. Motion carries 4-0.

Chairman Seabourne asked to amend the agenda to add under "New Business" the Fire Department request to sell the rescue vehicle.

New Business/Fire Department - Request to Sell Rescue Vehicle:

Fire Chief O'Neill and Tim Quinn presented.

Chairman Seabourne read the memo he received from the Board of Fire Commissioners (memo attached and made part of record).

Chairman Seabourne asked if the Fire Commission canvassed other dealers or anyone else who might be interested in buying. He would like them to advertise in the meantime.

The consensus from the Board of Finance is to try and find a buyer and come back to the table with a number.

New Business/Highway Department – Dump Truck Repair/Replace:

Glenn Clark, Highway Superintendent, presented.

Glenn indicated that he put \$55,000 in as a capital request. He explained that the truck, a 2004 International, is underpowered for its size. He has a lot of trouble with it, especially when plowing the big hills. This truck is not usable.

He received a quote from Park City International. Prices to repair the body are:

\$40,000 to cut the frame
\$55,000 to replace everything

The value of the truck if we were to trade it in now would be \$15,000. There is only an \$85,000 difference between the repair cost and the cost to buy new. The new 2016 vehicle has 350 horsepower.

M. Madow – would you be willing to look at other options, say a vehicle that is about 3-4 years old as opposed to new? Glenn indicated that the older ones are junk as they get beat on during the winter months, especially this past winter.

The Board asked Glenn to go out for additional bids.

New Business/Executive Session – Financial Audit Bids:

A motion was made by S. Turner to go into executive session at 8:01 p.m inviting in Tracy Decker, First Selectman Mone and Deborah Bournival. Motion was seconded by T. Duffany. Motion carries 4-0.

A motion was made by S. Turner to come out of executive session at 8:12 p.m.

The bids were reduced to three; one from Michaud, Accavallo, Woodbridge & Cusano, LLC from Ansonia, King & King from Winsted and Cohn Resnick (current auditors).

A motion was made by M. Madow to employ the audit firm of Cohn Resnick for the next fiscal year 2015-2016. Motion was seconded by S. Turner. Motion carries 4-0.

Old Business/Review Education Budget:

Francine Coss, Superintendent of Schools, and Todd Bendson, presented.

At the last Board of Finance meeting, Chairman Seabourne requested that Francine and Todd come back with additional details of their budget numbers. Discussion ensued.

Chairman Seabourne indicated that we will finalize the budget at next week's meeting.

Communications:

Chairman Seabourne read a memo from Ken Hopkins, Maintenance Coordinator for the Town Hall Complex, in its entirety:

"The line item for natural gas for the Town Hall Complex is going to be approximately \$10,000 over budget for the fiscal year ending June 30, 2015.

I believe there is a combination of three factors. Extreme cold in February, continued steam leaks and the building not yet having reached Johnson Control's estimate of 40% savings (partly due to the Opera House now in full operation). We are at approximately 20% savings.

We are investigating ways to stop the steam leaks which have been repaired once already.

I request that my budget be increased \$10,000 for the fiscal year July 1, 2015 to June 30, 2016 so we will not be over-budget for three years in a row.

Thank you for your attention to this matter."

Tracy indicated that this could be because the Opera House was not in operation when Johnson Controls did analysis for energy efficiencies. Now Opera House is in greater use.

Finance Director's Report:

We are good shape on the revenue side – we are at 99.92%.

Aside from Ken's overage (\$10,000), it is mostly the "Legal" and "Snow & Ice" budgets that will be over. The Police Department at the end of April was at 69% for overtime hours.

Selectman's Report:

We revised the following budgets:

| | | |
|---------|---|---|
| Police | - | -\$20,000 (Salaries) |
| Highway | - | -\$18,700 (for the seasonal employee) |
| Highway | - | +\$55,000(vehicle was added). First Selectman Mone feels this should be part of capital |
| K9 | - | -\$2,000 |

Ed just attended CCM meetings in Hartford. We have not heard anything yet. Appropriations Committee and Governors budget are close. We should be fairly safe in the appropriations coming to Thomaston. Chairman Seabourne said we should go with the Governor's projection.

Member Comment:

M. Madow re: BOE. Very productive, lots of details.

T. Duffany re: Highway truck, not worth spending money on.

S. Turner – sorry for being late to meeting.

Public Comment:

Dianne Labonte – questioned electricity costs. Tracy Decker said we use Constellation, not CL&P. We have a set fee with them.

Diane Labonte – BOE has put five items from one account to capital.

A motion was made by S. Turner to adjourn the meeting at 9:30 p.m. Motion was seconded by M. Madow. Motion carries 4-0.