

Town of Somers
Board of Finance
Monday, October 27, 2014
7:00PM
Town Hall, Lower Level Conference Room

1. Call to order at 7:05PM by Chairman James Persano
2. Members Present: Chair, James Persano, Vice Chair, Steven Krasinski, Secretary, Thomas Mazzoli, Members, Mike Parker, Joe Tolisano and Tim Gieb. Also present was CFO Mike Marinaccio.
3. Board of Education Update. The Board of Education, by letter dated 10/27/14 (copy attached) advised the Board of Finance (BoF) of the status of the progress on its several projects financed by the proposed bonding. On behalf of the Board of Education, Mr. Boutwell requested that the BoF minutes for the meeting dated 9/22/14 be amended as per his letter.

By motion of Joe Tolisano, Tim Gieb, second, it was unanimously voted to amend the minutes of the BoF dated 9/22/14 by:

(a) announcing that the "target" date for completion of the fire alarm and generator project is December 31, 2014; and

(b) revising the amounts expended to date by the Board of Education on the roof project to \$10,000. The Board of Education plans to condition all RFPs on roof project completion by late August of 2015.

By motion of Tim Gieb, Joe Tolisano, second, it was unanimously voted to approve the minutes of the BoF dated 9/22/14, as amended.

4. Selectman's Update. None.
5. CFO's Update. The CFO advised on the following matters:

(a) Based on a telephone call with Moody's, the CFO advised that the Town's bond rating was AA2. Good rating for a small town like Somers. Roosevelt Cross was the winning bidder at 2.67%. The CFO advised that we can use the bond premium for interest payments or bonding costs. Within 18 months we can use the premium for additional capital equipment. The bond sold at a premium because interest rates were low. We had not budgeted for a premium.

The bond is expected to close on November 5, 2014. The CFO plans on paying the BAN on November 4, 2014. The bond proceeds will be deposited to the general fund.

(b) The CFO is preparing a Request for Proposals regarding pension fund investment management.

(c) A meeting schedule for the BoF was proposed by the CFO. The schedule provides for a regular meeting on the fourth Monday of every month except August during which no regular meeting has been scheduled.

Tim Gieb moved to accept the proposed meeting schedule of the BoF for 2015, Joe Tolisano second, the motion was unanimously approved.

6. Public Works.

(a) Somerset Lane work will not be addressed until Spring of 2015 at which time the work will be put out to bid.

(b) Public works expects to have an informational meeting in early 2015 with respect to Mountain Road. Permitting from Corps of Engineers and DEEP is expected in 2015. Work to commence in 2016.

(c) Vice Chair, Steve Krasinski requested a proposed schedule of the work, which request was acknowledged and agreed to be satisfied by Public Works.

Steve Krasinski moved to amend so much of the minutes of the November 3, 2013 meeting of the BoF in executive session, Joe Tolisano second, with the following general description of the discussion which took place:

“There was a discussion of the possibility of commencing suit against a person thought to have initiated a program of vexatious litigation against the Town of Somers. The potential costs of suit and possibilities for success were also discussed. A member, with some experience as a litigator, expressed the notion that “contra-litigation” was very rarely successful and often created more contentiousness between the parties. Those present from the School Department and the Board of Education specifically refused to discuss any aspect of the pending actions. No votes or other actions, of any kind, were taken.”

7. Other Business. There was no other business to come before the BoF.

8. Adjournment. The meeting was adjourned at 8:15PM.

Respectfully submitted this 18th day of November, 2014,


Michael D. Parker, chair



SOMERS PUBLIC SCHOOLS

1 Vision Boulevard, Somers, Connecticut 06071

(860) 749-2270 • Fax (860) 763-0748

"Our commitment to the future"

William B. Boutwell, *ext. 2035*
Director of Business Services

10/27/14

To: Board of Finance and Mike Marinaccio
Fr: Bill Boutwell

After reviewing the draft minutes (attached) from the 9/22/14 Board of Finance meeting, which I attended, please see my comments below. I respectfully request you consider amending the minutes, to correct and clarify, as appropriate. Please do not hesitate to contact me. Thank you.

FIRE ALARMS AND GENERATORS FOR SCHOOL SYSTEM

I stated the target date for completion of the fire alarms and generator projects is December 31st. I indicated that depending upon the vendor selected the fire alarm projects might run concurrently or sequentially. This could impact the completion date. The switchover from the current fire alarm systems to the new systems would be done at a time that will not impact building safety and security. We will continue to provide updates, as needed, however I indicated that the Board of Education meets the same night as Board of Finance.

SOMERS SCHOOL ROOF

I am certain I did not say the cost will be \$2.5 to \$3 million. The total cost estimate is \$2.3 million. As approved by the Board of Finance and Town referendum, approximately \$892,000 will be paid through bonding and \$1,418,000 through state reimbursement. As I indicated at the meeting, roof work is planned to begin in June 2015. I did reference that the cost estimate includes a contingency amount for potential hazards.

I stated that a project timeline will be part of the bid package that is made available to contractors and that part of the contractor selection process will be based upon their ability and commitment in meeting the timeline.

It is incorrect that \$80,000 has been spent. To date the expended funds on the roof projects total \$10,000, for cost estimates (recommended by CIP and approved by Board of Finance). The \$80,000 was in reference to a contingency amount in the cost estimates for potential hazards.

I explained the construction window contractors would have to complete the roof projects beginning with the close of school on June 10th and completing (or substantially completing) in late August prior to staff/students returning to school.

Cc: M. Suffredini, Superintendent
B. Devlin, Chair Board of Education
D. Palmer, Vice Chair Board of Education

Somers High School
5 Vision Boulevard
(860) 749-2270
fax (860) 749-9264

Mabelle B. Avery Middle School
1 Vision Boulevard
(860) 749-2270
fax (860) 763-2073

Somers Elementary School
4 Vision Boulevard
(860) 749-2270
fax (860) 763-0620

Pupil Services
1 Vision Boulevard
(860) 749-2270
fax (860) 763-0748

Town of Somers

Board of Finance

Regular Meeting Minutes
September 22, 2014

Call to Order:

Meeting called to order by Chairman Jim Persano at approximately 7:00 pm.

Members Present:

Mr. Jim Persano, Mr. Steve Krasinski, Mr. Tim Geib, Mr. Tom Mazzoli, Mr. Michael Parker and Mr. Joseph Tolisano. Also present were Ms. Lisa Pellegrini, First Selectman; Mr. Bud Knorr, Selectman; Mr. Bill Boutwell, School Business Manager and Mr. Michael Marinaccio, CFO.

BOE UPDATE:

Mr. Boutwell referenced the bonding exhibits distributed to the Board by CFO Marinaccio

FIRE ALARMS AND GENERATORS FOR SCHOOL SYSTEM

Mr. Boutwell - stated Fire Alarms and Generators will be installed before December 31st, 2014. Mr. Krasinski asked if schedules are in place, a plan of action and how these projects are to be paid.

Mr. Boutwell said currently there is neither schedule, nor plan in place because the completion dates are part of the contract. The contractors stated all the Fire alarms and Generators will be completed by Dec. 31st, 2014 in their contract.

Mr. Boutwell said he will provide the Board with a monthly status update as to what is going on and how far along these two projects are running and added; if, he sees any delays, or, if any new problems occur due to unforeseen events he will keep the board updated of these new occurrences.

SOMERS SCHOOL ROOF

The Board asked about roof costs, and if the work will be done by the end of school vacation in 2015. Mr. Boutwell said the cost of the new roof will run in the \$2.5 million to potentially over \$3 million dollars range. He highlighted concerns over the potential costs for the flashing and if any asbestos is found near that area, there is potential for extra costs if any is found.

Mr. Krasinski - expressed concerns about the lack of a definitive plan of action in place.

Mr. Boutwell - said a plan of action will be up to the independent contractors in part because they may have sub-contractors they need to work with to secure a timeline they can reach before they can confirm a date of completion for us.

Mr. Krasinski expressed concerns over the 80K (eighty thousand dollars) already spent for assessments and questioned whether or not any provisions have been put in place to cover the extra costs of the flashing as Mr. Boutwell noted earlier the potential for asbestos in the areas where the flashing was located on the roof.

Mr. Marinaccio - CFO Board of Finance said there are enough funds to cover the costs of all these projects. Mr. Krasinski questioned the extra funding and the potential costs associated with unplanned events. He would like to see written confirmation from the contractors stating a definitive date the roof will be completed. He asked if it were possible to include language for fines to be levitated at the contractors for not conforming to their agreed upon completion date.

Mr. Krasinski questioned the scheduling and timing of such projects and concerns were echoed throughout the meeting; when would construction start, would school be in progress while the roof is being worked on and how will access for the busses and ball games, i.e.; baseball, lacrosse, field hockey, etc. be affected. Mr. Krasinski was concerned with other logistical and potential safety issues arising if the roof isn't totally repaired BEFORE beginning of school year September of 2015.

Mr. Marinaccio agreed a project plan should be developed for the roof, alarms, and generators as there is potential for all three to run into problems with regard to school calendars. Mr. Tolisano expressed interest about a timeline where fines could be levied against the primary contractors whom should be held accountable for their work and getting it all done without having to interrupt the school system.

SELECTMEN'S UPDATE:

First Selectman Lisa Pellegrini stated Governor Malloy announced the Town will be receiving an \$85,000 Brownfield Assessment Grant for Phase 1 and Phase 2 Environmental Studies at the Somersville Mill. This is the first step in cleaning up the mill property and was very happy that the project is supported by both state and federal agencies. She took a moment to highlight the fact that Senator Richard Blumenthal and Congressman Joe Courtney, along with senior officials from DEEP, DECD and EPA visited the Town on August 14th to meet with her and her staff to review the mill property and discuss ways to address the site. She stated that much support was received. Ms. Pellegrini expressed her gratitude to them and said she is very thankful for their assistance with this project and especially acknowledged Congressman Courtney for his support.

CFO UPDATE:

Mr. Marinaccio covered four items in his report:

- 1.) Bonding Timetable – He walked the Board through the Financing Calendar pointing out the key dates and the bond closing date of November 5, 2014. He also discussed the amounts to be bonded and presented a bonding cash flow schedule. He told members to review the documents and get back to him with any specific questions they might have.
- 2.) Auditors – Mr. Marinaccio noted that the Town’s auditors were on site perform their audit of Fiscal Year 2014 financials. He had no notable items to share other than the audit was being conducted three months earlier than last year.
- 3.) Pension Fund – Mr. Marinaccio informed the Board that Merrill Lynch has informed the Town that they will no longer be providing investment services to public entities. As a result, the Town has until February 27, 2015 to close out its accounts with them and find another provider. Mr. Marinaccio stated that an RFP for these services will be issued.
- 4.) A final recap of the FY 2014 year-end revenues and expenses was presented. Revenues came in \$682,232 higher than anticipated and Expenses were \$124,709 below budget. This resulted in \$806,941 (on a budgetary basis) increase in the General Fund balance. Mr. Krasinski questioned why the Town can’t accurately budget revenues. Mr. Marinaccio explained that as long as the State maintains its current budget adoption approach, all towns will face uncertainty in the development of their income projections. Often the final State grant numbers are not known until after the Town has adopted its annual budget.

APPROPRIATIONS AND TRANSFERS:

Transfers/Appropriations

| <u>Account Name</u> | <u>Account Number</u> | <u>Amount</u> |
|--------------------------|------------------------|-------------------|
| Transfer To: | | |
| Selectman | | |
| Regular Salaries | 100-0010-010-0110-5-00 | \$1,481.02 |
| Legal Services | 100-0010-010-0332-5-00 | \$186.78 |
| Mileage | 100-0010-010-0580-5-00 | \$134.29 |
| Cultural Commission | 100-0010-010-0590-5-00 | \$685.97 |
| Economic Development | 100-0010-010-0590-5-01 | \$689.02 |
| | | <hr/> |
| | | \$3,177.08 |
| Tax Collector | | |
| Q D Computer Service | 100-0013-010-0334-5-00 | \$3,019.41 |
| | | <hr/> |
| | | \$3,019.41 |
| Employee Benefits | | |
| Workers Compensation | 100-0019-010-0521-5-00 | \$144.00 |
| | | <hr/> |
| | | \$144.00 |
| Elections | | |

| | | |
|------------------------------|------------------------|--------------------|
| Elections - Temporary | 100-0035-010-0130-5-00 | <u>\$645.00</u> |
| | | \$645.00 |
| Fire | | |
| FD Volunteer Stipends | 100-2016-020-0160-5-01 | \$8,273.00 |
| Building Maintenance | 100-2016-020-0614-5-00 | <u>\$1,248.98</u> |
| | | \$9,521.98 |
| Police | | |
| Electric - Police | 100-2017-020-0622-5-00 | <u>\$185.76</u> |
| | | \$185.76 |
| DPW | | |
| Fire Protection/Hydrants | 100-3010-010-0411-5-00 | \$9,798.03 |
| Building Maintenance | 100-3010-010-0431-5-00 | \$12,774.00 |
| Utilities - Muni. Facilities | 100-3010-010-0622-5-00 | \$3,708.40 |
| Electric - Street Lights | 100-3010-010-0622-5-03 | \$3,788.49 |
| Uniforms | 100-3015-030-0650-5-00 | \$499.78 |
| Equip. Maint. Supplies | 100-3018-030-0433-5-00 | \$528.98 |
| Waste Disposal | 100-3034-040-0421-5-04 | <u>\$14,332.60</u> |
| | | \$45,430.28 |
| Ambulance | | |
| Ambulance Volunteers | 100-4124-020-0161-5-00 | \$3,596.46 |
| Training | 100-4124-020-0322-5-00 | \$1,065.18 |
| Medical Supplies | 100-4124-020-0616-5-00 | <u>\$53.26</u> |
| | | \$4,714.90 |
| Recreation | | |
| Shows & Concerts | 100-5122-070-0324-5-00 | \$891.19 |
| Supplies | 100-5122-070-0612-5-00 | \$31.41 |
| Summer Camp Self Support | 100-9098-090-0619-5-00 | <u>\$384.09</u> |
| | | \$1,306.69 |
| Total: | | \$68,145.10 |
| <hr/> | | |
| Transfer From: | | |
| Technology Supplies | 100-0017-010-0613-5-00 | <u>\$3,177.08</u> |
| | | \$3,177.08 |
| Process Improvement | 100-0010-010-0890-5-03 | <u>\$3,019.41</u> |
| | | \$3,019.41 |
| Dues & Seminars | 100-0021-010-0810-5-00 | <u>\$144.00</u> |
| | | \$144.00 |
| Training | 100-0035-010-0322-5-00 | <u>\$645.00</u> |
| | | \$645.00 |

| | | |
|----------------------------|------------------------|--|
| Town Hall Salaries | 100-0010-010-0171-5-00 | <u>\$9,521.98</u> \$9,521.98 |
| Mobile Data Systems | 100-2017-020-0439-5-00 | <u>\$185.76</u> \$185.76 |
| Portable Toilets | 100-3019-070-0423-5-00 | \$61.22 |
| Regular Salaries | 100-5021-060-0110-5-00 | \$3,827.34 |
| Contingency | 100-9099-090-0890-5-03 | \$20,000.00 |
| Temporary Salaries | 100-0010-010-0130-5-00 | \$3,000.00 |
| Insurance | 100-0010-010-0521-5-00 | <u>\$18,541.72</u> \$45,430.28 |
| Vehicle Fuel | 100-3018-030-0626-5-00 | <u>\$4,714.90</u> \$4,714.90 |
| Books | 100-5021-060-0640-5-00 | <u>\$1,306.69</u> \$1,306.69 |
| Total: | | \$68,145.10 |

Mr. Tolisano made a motion to approve the above year end transfers, seconded by Mr. Mazzoli, and the transfers were unanimously approved.

APPROVAL OF MINUTES:

Mr. Jim Persano called for approval of minutes of June 23, 2014 and August 4, 2014 meetings. Mr. Tolisano made a motion to approve the minutes, Mr. Krasinski seconded, and minutes were unanimously approved.

ADJOURNMENT:

A motion was made by Mr. Persano to adjourn the meeting at approximately 8 pm, seconded by Tom Mazzoli, all others approved and the meeting was adjourned at approximately 8 pm.

Respectfully submitted

Janice Bergeron-Recording

Minutes Are Not Official Until Approved at a Subsequent Meeting