

MINUTES OF THE CHESHIRE TOWN COUNCIL BUDGET COMMITTEE MEETING  
HELD ON TUESDAY, JULY 12, 2011 AT 6:45 P.M. IN ROOM 207, TOWN HALL, 84  
SOUTH MAIN STREET, CHESHIRE CT 06410

Present

David Schrumm, Chairman; Michael Ecke and Thomas Ruocco.  
Town Manager Michael A .Milone; PW Director Joseph Michaelangelo; Deputy Finance  
Director James Jaskot.

1. ROLL CALL

The clerk called the roll and a quorum was determined to be present.

2. PLEDGE OF ALLEGIANCE

The group Pledged Allegiance to the Flag.

3. Acceptance and appropriation of a \$20 anonymous donation to the  
Human Services Gift Account.

4. Appropriation of \$875 from the Historic Document Fund for the purchase  
Of a shelving unit.

5. Acceptance, appropriation, and authorization to execute a contract for  
an Historic Preservation Grant.

6. Authorization to apply for the annual Connecticut Department of  
Education Youth Service Bureau Grant for \$17,808 to support clinical  
Services.

7. Authorization to apply for the Connecticut Department of  
Education Youth Service Bureau Grant for \$6,250 to support youth activities.

8. Call for public hearing on the proposed Fiscal Year 2011-2012 Five Year  
Capital Expenditure Plan and Annual Capital Expenditure Budget.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to approve agenda items #3 through #8 and forward to the full Town Council  
for approval.

VOTE The motion passed unanimously by those present.

9. Appropriation for road work at South Pond subdivision.

Mr. Michaelangelo stated that that these roads were left over from the first go-round,  
and could be added to the list for this year.

Mr. Milone advised that there is money to do these roads with de-authorization of \$600,000, and this road project will not add more to the bonded debt.

Mr. Michaelangelo reported that every Monday there is an escalation in the price of asphalt, and since spring time it has increased \$12. The State bids on a certain day; there is an index from there; and the cost is published every Monday. The installed price 3 weeks ago was \$67 a ton, plus \$12, with the price at \$79 a ton.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to approve agenda item #9 and forward to the full Town Council for approval.

VOTE The motion passed unanimously by those present.

10. Methanol contract award process.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to approve agenda item #10 and forward to the full Town Council for approval.

#### Discussion

With this process, Mr. Schrumm said it gives the Town the opportunity to choose from 3 suppliers and go with the lowest cost.

The committee was informed by Mr. Milone that Plant Supt. Dievert had concerns about the volatility of methanol a few years ago. Mr. Dievert and Mr. Michaelangelo met with Town Attorney Johnson to discuss a better way to procure methanol.

When Mr. Dievert bid for methanol in June for the next fiscal year, it could be at its highest cost, and the Town was locked in at \$2 a gallon. Then, the cost would drop to \$1.20 a gallon a few months later. The market is so volatile that the Town could get in at the very highest level. Mr. Dievert and Mr. Michaelangelo recommended a process to Attorney Johnson whereby they find 3 qualified vendors, and each month the bid is formalized with these vendors, and awards accordingly.

Mr. Michaelangelo advised that vendors are solicited once a year, and review them with the Town Attorney. The Town purchased methanol from Key Chemical three times this year at about \$25,000. By the letter of the law the Town is not actually bidding this, but receives e-mail quotes.

According to Mr. Milone the Town Attorney felt, that on a month to month basis, the Town was in line with the Charter. There is a concern about one month when the Town must buy more than the Charter limit. If this happens there is no authority to do that, and it could exceed the bidding limit. Attorney Johnson's recommendation was to go to the Council for approval on this.

Mr. Schrumm said this does not seem to preclude the Town from going into a longer term deal. He asked if it required a once a month process.

At the present time the bid is set up to solicit monthly, and Mr. Milone said the Town could purchase more methanol to carry it to a longer stretch of time, i.e. stock pile it.

Mr. Schrumm noted that this motion is not requiring the Town to bid month to month, so longer periods makes sense.

Mr. Michaelangelo stated that Cheshire purchases together with Southington and Meriden for better purchasing power and larger quantity. This is to the advantage of the towns.

VOTE           The motion passed unanimously by those present.

11.    Extension of electricity rates contract.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to approve agenda item #11 and forward to the full Town Council for approval.

Discussion

Mr. Jaskot informed the committee that this is a concern if the Town had the opportunity to lower its rates FY 2012, 2013, into 2014. At the present time we are locked in, by contract, to December 1, 2014. The thought is to extend this contract out one more year and blend for better rates over the next few years. This would give the Town Manager authority to explore this possibility. The contract ends July 20, 2011, and there would be the opportunity to look at the pricing and see whether this will materialize. The Town cannot opt out of this contract, but can re-negotiate and get another year with a blended rate.

The Town does this with a program through CCM and a consultant, and Mr. Jaskot said they are optimistic for the opportunity to go out one year.

Mr. Milone noted that the Council has given this authority to him twice in the past, once with Trans Canada for electricity and once with Yankee Gas for the natural gas pricing.

VOTE           The motion passed unanimously by those present.

12.    Yankee Gas multi-year agreement for Youth Center.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to approve agenda item #12 and forward to the full Town Council for approval.

Discussion

Mr. Schrumm said that this is made possible by the gas line on Route 10.

Mr. Milone said this is being done at not cost to the Town by the gas company, but the Town must sign a 10 year agreement with Yankee Gas for the gas.

The Youth Center oil boilers must be replaced and Mr. Michaelangelo said these are simple units, with the replacement programmed and budgeted. The oil tanks must be removed or pumped dry and filled with sand. There will be savings of about \$6,000.

VOTE The motion passed unanimously by those present.

13. Multi-year contract for mail machine.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to approve agenda item #13 and forward to the full Town Council for approval.

Discussion

Mr. Jaskot explained that the lease for the large mail machine in Town Hall expired. It was a 4 year lease and the Town wants to go out 5 more years. Pitney Bowes has serviced all the mail machines with each machine on a different cycle. Another vendor approached the Town to submit a quote, and it was considerably cheaper than the quote from Pitney Bowes. The Town has been paying \$5,000 annually for the previous mail machine lease. Pitney's quote came in \$1,000 less than their previous lease agreement per year, probably because they were aware they had competition.

The new company is Neopost from Plantsville CT, and their quote was \$1,000 less than Pitney Bowes quote. Mr. Jaskot made some calls on this company, and reported that the company received rave reviews from other towns, including Southington. He also called the Dept. of Education about their new Pitney Bowes machine, and they are not pleased with it. The annual savings with the new lease will be \$2,000, and Mr. Jaskot recommends that Neopost be given the opportunity to serve the Town. At the end of the leases for the two other mail machines, it will be determined what will happen with them.

VOTE The motion passed unanimously by those present.

14. Community Food Pantry appropriation request.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to approve agenda item #14 and forward to the full Town Council for approval.

Discussion

Mr. Milone advised that this appropriation will be coming out of the General Services budget which has some funds available. This budget is the one from which common expenses are paid. There is an un-obligated balance so funds do not have to be transferred.

VOTE           The motion passed unanimously by those present.

15.   ADJOURNMENT

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to adjourn at 7:07 p.m.

VOTE           The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk