

**MINUTES OF THE CHESHIRE TOWN COUNCIL BUDGET COMMITTEE MEETING  
HELD ON TUESDAY, MARCH 11, 2014 AT 7:15 P.M. IN ROOM 207, TOWN HALL,  
84 SOUTH MAIN STREET, CHESHIRE CT 06410**

Present

David Schrumm, Chairman; Thomas Ruocco and Peter Talbot.

Staff: Town Manager Michael A. Milone; 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 \$5,000 donation from Alexion Pharmaceuticals to the Police Gift Account for training, equipment And technology.
4. Acceptance and appropriation of a \$35 donation from the Yellow House Programs to the Cheshire Fuel Bank.
5. Acceptance and appropriation of a \$1,500 donation from Richard Walesky To the Parks Gift Account for a memorial bench in memory of Robert Walesky.
6. Acceptance and appropriation of a \$10,000 Bright Idea Grant.
7. Authorization to apply for a Connecticut Department of Transportation Mini-bus Grant.

MOTION by Mr. Ruocco; seconded by Mr. Talbot.

MOVED that the Budget Committee approve agenda items #3 through #7 and forward to the full Town Council for approval.

Discussion

Regarding agenda item #6, Mr. Milone informed the Commission that the Energy Commission will have recommendations for the use of the grant funds. There is criteria in place for use of the funds, and money will be appropriated for projects associated with the Commission.

Mr. Milone advised that for agenda item #7, the maximum grant is \$40,000, and a bus cost is about \$50,000. Therefore, the mini-bus purchase costs will have to be supplemented.

VOTE           The motion passed unanimously by those present.

8. Approval of Performance Contracting Energy Services agreement.

MOTION by Mr. Ruocco; seconded by Mr. Talbot.

MOVED that the Budget Committee approve agenda item #8 and forward to the full Town Council for approval.

Discussion

The Committee was told by Mr. Milone that the next step is the financing. The Town Attorney is looking at the paperwork on the financing, and the Town has 90 days to finance the agreement.

VOTE The motion passed unanimously by those present.

9. Approval of a bulky waste collection bid waiver and contact and call for public hearing for appropriation for said contract.

MOTION by Mr. Ruocco; seconded by Mr. Talbot.

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

Discussion

Mr. Milone stated that the question is how much the tipping fees will be, as well as how much the out of town pickers will take from the bulky waste on the streets. There is a flat rate, and a sliding scale on the cost of tonnage...the more tonnage the less cost per ton. The current tipping fee is \$69 per ton; it is being increased to \$71; and \$89 per ton will be the range for the bulky waste materials.

Under Council agenda item 7C, there is an agreement with A.J. Waste of \$160,000; the first 900 tons will cost \$89 per ton (\$80,100); total cost will be \$240,100. For 900 to 1,000 tons, the cost is \$86 per ton; any additional tonnage will be \$84 per ton. The last bulky waste collection tonnage was 870 tons, and over the last three collections the average tonnage was 900 tons. For the upcoming collection any extra tonnage costs will come out of the operating budget, and Mr. Milone does not expect it to be a lot more. The collection will be funded with \$94,000 CRRRA money and \$200,000 from fund balance.

VOTE The motion passed unanimously by those present.

10. Authorization for debt refunding.

MOTION by Mr. Ruocco; seconded by Mr. Talbot.

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

Discussion

Mr. Jaskot informed the Committee that there is \$9.56 million to be refunded. It is a 2004 issue with an average interest rate of 4.44%, which will be lowered to 1.42% for eight (8) years left on the original 2004 bonds.

Mr. Milone commented on this being one of the best savings the Town has ever done. These bonds were refunded in 2004, so this is a refunding of a refunding.

With such a low interest rate, Mr. Schrumm asked about grabbing more.

This cannot be done, and Mr. Milone explained it would be a new sale. There is only authorization to refund, and the Town cannot borrow at this low interest rate. It would have to be segregated into a new sale and would be treated differently in the market place. This is the first time the Town is doing a refunding during the call provision. When the Town sells bonds it puts in a call provision for 4 to 10 years, and pays a premium to have flexibility when the call date comes and interest rates are lower.

Mr. Jaskot stated that the refunding date is April 17<sup>th</sup>.

VOTE           The motion passed unanimously by those present.

11.   ADJOURNMENT

MOTION by Mr. Ruocco; seconded by Mr. Talbot.

MOVED to adjourn the meeting at 7:29 p.m.

VOTE           The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk