

MINUTES OF THE TOWN COUNCIL BUDGET COMMITTEE MEETING HELD ON TUESDAY, OCTOBER 13, 2015, AT 7:00 P.M. IN ROOM 207, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410.

Present

David Schrumm, Chairman; Committee Member Thomas Ruocco and Peter Talbot.
Staff: James Jaskot, Finance Director

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 \$50 anonymous donation to the Human Services Gift Account for general purposes.

4. Acceptance and appropriation of a \$50 donation in honor of Leo R. Mirabelli to the Jitney Bus Fund.

5. Acceptance and appropriation of a \$2,180 donation from the Friends of The Cheshire Public Library in the Library Gift Account to be used for Signage outside the Children's Room.

6. Acceptance and appropriation of donations totaling \$24 to the CPFA Gift Account for annual scholarships.

7. Authorization to apply for a \$1,500 Connecticut Humanities Council Grant to fund Library cultural programming.

8. Authorization to apply for a \$7,500 "Curiosity Creates" grant from the American Library Association to be used for program materials and Technology for STEM programming and outreach.

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

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 of supplemental LOTCIP grant proceeds for Mountain Road Pavement Rehabilitation Project and authorization to execute Project Authorization letter.

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

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

Discussion

Mr. Jaskot said the projects costs were higher; contingencies were added in; the total cost is covered by LOTCIP funds; and the funds come through the Council of Governments (COG). If there is a cost overrun on this project, it would be the Town's responsibility.

VOTE The motion passed unanimously by those present.

10. Gasoline pricing agreement extension.

Discussion

Mr. Jaskot distributed information on the gasoline contract options and potential savings for extend and blend with East River Energy contract. The current contract ends December 31, 2015, and the request for the Town Manager to have flexibility to consider locking in gas prices now, extending and blending the contract up to three (3) years beyond December 31, 2015. The current price is \$2.81 for regular unleaded gas (Police Department), and \$2.87 for mid-grade unleaded gas for Public Works Department. The Town has participated in a consortium bid process through the Capital Region Council of Governments (CRCOG), which begins the process in November. However, the Town may want to consider extending the current contract to fix rates now while they are low. The blended prices would be in effect for the rest of the calendar year if the contract is extended and blended.

With extend and blend, the prices per gallon would be: 2016 - \$1.85; 2017 - \$1.92; 2018 - \$1.96. There are taxes and fees on top of the per gallon cost, but the per gallon price would still be under \$2.00. The resolution before the Council gives the Town Manager authority to use his discretion on the contract options.

Last five (5) years per gallon prices were cited by Mr. Jaskot. 2011 - \$2.46; 2012 - \$2.92; 2013 - \$2.86; 2014 - \$2.95; 2015 - \$2.82.

There is also an option to average pricing for three (3) years FY 2016-FY 2018, at \$1.91 per gallon. The Town can also ride out this year at \$2.81 per gallon, and starting January 1, 2016 the pricing will be \$1.85 per gallon. This is a calendar year contract. Mr. Jaskot pointed out that the pricing changes daily, and East River has been a good provider and departments are pleased with their pricing.

Following discussion the Budget Committee members agreed that Town Manager Milone should be given the authority and flexibility to make the decision on the pricing options.

Mr. Jaskot referred to the savings with "calendar year over current contract" which would be about \$40,000 to \$50,000 annually over the next few years.

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

MOVED to accept and approve item #10; to give the Town Manager authority to consider contracting up to three (3) additional years with the current provider for gasoline contract options; and forward it to the full Town Council for approval.

VOTE The motion passed unanimously by those present.

11. Authorization to use up \$127,500 in performance contracting rebate funds For replacement of deficient furnace at the Youth Center.

This matter will be discussed at the full Council meeting, with PW Director Noewatne present.

12. Call for public hearing for \$350,000 increase of FY 15 operating budget for allocation of Surplus Fund Balance to Debt Service Reserve.

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

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

Discussion

Mr. Jaskot informed the committee that the legal opinion from the Town Attorney is there must be a referendum if the cost is over \$350,000; if the cost is not over \$350,000 there can be a public hearing. With grant money to cover the appropriation, a referendum could be avoided for a special project.

The summary from the prior Budget Committee meeting was reviewed by Mr. Jaskot.

FY 2014 surplus was \$943,723; \$700,000 used for the operating budget; \$100,000 used for tax relief; balance of \$143,723 is the true surplus number.

FY 2015 surplus was \$1,015,000; \$700,000 used; balance of \$315,000 +\$143,723 for a total of \$458,723. The Council can only take \$350,000 out of this amount; next year \$108,723 can be added to the 2016 surplus.

Fund Balance - there is still a cushion in fund balance; it is about the 8%; the fund will have \$1.742 Million; deducting the \$350,000 is still not using all the excess from FY 2014-2015; and fund balance will still be at 9.1%.

The collection rate tax surplus should be about \$500,000. Taking out the projected \$424,000 W.S. Development revenue (expenditures of \$85,000) the projected surplus is \$100,000. Mr. Jaskot stated there are expected cuts in State funding forthcoming.

Pool Project - this project is on track; the projected September 1st opening has been moved to January 2016; this is loss of 4 months of revenue while still having 4 months of expenditures.

VOTE The motion passed unanimously by those present.

13. ADJOURNMENT

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

MOVED to adjourn the meeting at 7:25 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk