MINUTES OF THE CHESHIRE TOWN COUNCIL BUDGET COMMITTEE
MEETING HELD ON TUESDAY, JUNE 8, 2010 IN ROOM 207, AT
7:00 P.M. TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410

Present
David Schrumm, Chairman, and Thomas Ruocco; Absent – Michael Ecke
Councilor Anne Giddings.
Staff: Michael A. Milone, Town Manager; Patti Lynn Ryan, Finance Director;
William Donlan, Tax Collector; Jack Casner, Fire Chief.

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 $1,500 donation from Bodh and
   Santosh Gulati to the Parks Gift Account for a memorial bench.

4. Acceptance and appropriation of a $50 donation from Mary M.
   Surowiecki to the Police Gift Account for general purposes.

5. Acceptance and appropriation of a $300 donation from the Cheshire
   Women’s Club Inc. to the Library Gift Account for general purposes.

6. Acceptance and appropriation of a $25 donation from Suzanne Duffy
   in memory of Cynthia Dubea to the Library Gift Account.

7. Acceptance and appropriation of a $100 donation from the Cheshire
   Lions Club Inc. to the Library Gift Account for general purposes.

8. Acceptance and appropriation of a $714.60 donation from the Judicial
   Branch – Special Services to the Parks Gift Account for park repairs
   And general purposes.

MOTION by Mr. Ruocco; seconded by Mr. Schrumm

MOVED that agenda items #3 through #8 be approved and forwarded to the full
Town Council for approval.

VOTE The motion passed unanimously by those present.

9. Authorization to apply for an emergency generator grant.

MOTION by Mr. Ruocco; seconded by Mr. Schrumm.
MOVED that the agenda item #9 be approved and forwarded to the full Town Council for approval.

Discussion
Chief Casner informed the committee that this is a reimbursement grant whereby the Town puts up the funds and is then reimbursed. The grant is for $90,000, which equates to $3 per capita for purchase of a generator, and the application will be for a back-up generator for the emergency shelter in the event the existing generator were to fail. The current generator is 21 years old, has had repairs costing up to $5,000 and the manufacturer has stated it will not last too much longer, so the Town should consider replacing it.

Chief Casner said he wanted to take advantage of the opportunity to secure another generator. It is a two phase project with application and securing of the grant, and then doing the wiring in the Town buildings with outside plugs for the generator in case of an emergency situation. The buildings considered are Town Hall, Senior Center, Police and Fire Department, which are the most critical buildings for a generator.

Mr. Milone explained that the Town does not have proper electrical setup up in the buildings to be serviced with a generator. There would be a capital request made for the cost of the wiring of the buildings, but this grant application has a deadline of June 30, 2010. It is expected the capital request would be $120,000 to $130,000, with the $90,000 grant offsetting the cost.

According to Chief Casner the estimated cost per building for the outside wiring is $22,000. The Town will have to get a licensed electrician to do an analysis of the load of the building(s). A completed form from the electrician must be submitted with the grant application. The Town would have to pay, up front, the $90,000 which will be reimbursed by the State.

At this time we do not know how many buildings will be done or used, and Mr. Milone said this back-up generator would be at the high school which is the emergency center.

Without this grant funding, Chief Casner said the Town would have to purchase a 250KW Direct Power Plant with trailer and 72 hours worth of fuel, at an estimated cost of $90,000.

Mr. Schrumm asked about the $3 per head, and if this included the prison population. The current population count is 29,554. He also asked if the new generator would replace the current one.

In response, Chief Casner verified the population number of 29,554, and said the Town would be adding a generator, which would be a back-up to the 21 year old generator the Town has now. These two generators could run the entire high
school building, including air-conditioning, cafeteria, locker rooms, boilers, and refrigeration. The BOE would have to find the funds to get all the wiring and cable done at the school. Chief Casner noted that the current generator is tested on a regular basis.

It was stated by Mr. Milone that it is not being suggested that 4 or 5 buildings be added as generator sites. The request is approval to apply for the grant, without the wiring being requested at this time since it would be a consideration during the capital budget process.

With regard to the possibility of getting the grant, Chief Casner said Cheshire is competing against larger cities (New Haven, Waterbury, New Britain). If the grant is received the new generator can be purchased. The Police Department wiring is expected to cost $22,000.

Mr. Milone did not want the Council to think this approval would have a generator for every Town building.

In emergency situations such as ice storm, hurricane, etc. Mr. Schrumm said he believes someone goes out and tests the generator.

Chief Casner said that all the Fire Department generators are run every Monday for one hour, and prior to a blizzard there is assurance the fuel tanks are full and the generators work.

Mr. Schrumm stated that the Town should apply for the grant, and then firm up the numbers for wiring and electrical work.

The Town will hire an electrical contractor to review the buildings and firm up the costs for the wiring, and this will be part of the capital budget.

Chief Casner noted that this new generator will work with the high school, Fire and Police Departments, Senior Center and Town Hall. He commented on the fact that Cheshire people do not go to shelters, and there is a cost for maintenance and other things which go along with this purchase.

VOTE The motion passed unanimously by those present.

10. Approval of tax lien sale.
Mr. Schrumm noted that Virgo Management CT, LLC was the vendor as the best choice for the tax lien sale, and asked about some of the criteria for this selection.

Mr. Milone explained that the two high bidders did not meet the criteria, and it was decided to go with Virgo Management.
Tax Collector Donlan stated he does not believe in the highest and best bidder, and wants what is best for the Town of Cheshire. The four bids were reviewed; he spent time doing reference checks on all four bidders; and with two of them there were questions and concerns which were not in the best interests of the Town, and this was brought forward to Mr. Milone and Ms. Ryan.

It was explained by Ms. Ryan that there is a tax lien sale to buy time for taxpayers to pay back taxes. Some firms want the money right away and force people into foreclosure, and the Town tries to get people 12 months to pay the back taxes. If the top bidder met the requirements and shared the Town’s philosophy, they would have been selected. The company which is recommended will not foreclose for 12 months and has agreed to put this in writing, and this is better for the taxpayers. Ms. Ryan noted that giving people 12 months to pay back taxes and not lose their homes has worked out in the past. The Town is getting 103.17% on the dollar.

Mr. Donlan informed the committee that he likes this strategy, and he has been involved in foreclosures in the past. Since 2003 there have been 235 properties have gone into this pool of activity and not one property has been foreclosed. Mr. Donlan meets with people on this activity and one of the selling points is that they are not in a worse position, and the company cannot charge anything more than 18%. The difference is that the Town is paid up front by June 30th. If the company is not paid by the taxpayer then they are subject to action and foreclosure, which can take from 3 to 9 months. Over 10 years the Town has collected $1.5 million with the lien sale.

By continuing to do this type of activity, Mr. Milone said it is a good threat because people realize the Town will sell the liens.

When the process started earlier in the year, Mr. Donlan reported there were 43 accounts, totaling $314,000; 29 have paid in full with revenue of $164,000. Everyone on the list receives a certified letter from him with follow-up letters, and he holds a meeting with the taxpayers. Mr. Donlan noted that some situations are very difficult, and the people are referred to Social Services for help.

MOTION by Mr. Ruocco; seconded by Mr. Schrumm.

MOVED that agenda item #10 be approved and forwarded to the full Town Council for approval.

VOTE The motion passed unanimously by those present.

11. Transfer of uncollectible taxes to the Suspense Tax List.

MOTION by Mr. Ruocco; seconded by Mr. Schrumm.
MOVED that agenda item #11 be approved and forwarded to the full Town Council for approval.

Discussion
The committee was informed by Mr. Milone that this action is required under the accounting standards and State statute, bringing the list of taxes which do not appear to be collectible, so there is realistic receivables, to the Council. In Mr. Donlan's letter, these are reclassified, turned over to a collection agency and sometimes money is received.

Mr. Donlan noted that this has been done since 2005, turning over the list to a collection agency, and then money comes in. On an annual basis, this file is cleaned out. Many of these business and personal property taxes are in the hands of a State Marshal. An advertisement was placed in the newspaper in April about the collection agency notification, along with a letter to the property owners. Without payment to the agency, they have the authority to stain the credit of the taxpayers.

VOTE The motion passed unanimously by those present.

12. Approval of hauler refuse permit fees for Wallingford Regional Solid Waste Project.

MOTION by Mr. Ruocco; seconded by Mr. Schrumm.

MOVED that agenda item #12 be approved and forwarded to the full Town Council for approval.

Discussion
Mr. Milone explained that each of the five towns in the region have different methods for permitting trucks. This has caused problems with trucks bringing refuse into the plant without a charge. CRRA wants uniformity in the permitting process, and at the present time some towns charge a different fee than other towns, and some do not charge at all. With this proposed fee required all five towns will have the same permit. Cheshire did not charge a fee before, and now must charge this fee, which will generate about $3,500 in revenue. This will bring about uniformity and accurate data on tonnage. Cheshire must meet its minimum tonnage requirement. There have been instances when Meriden trash was recorded when it was Wallingford trash, and with the fee this situation can be alleviated.

VOTE The motion passed unanimously by those present.

13. ADJOURNMENT

MOTION by Mr. Ruocco; seconded by Mr. Schrumm.
MOVED to adjourn at 7:29 p.m.

VOTE The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk