

TOWN OF CROMWELL  
BOARD OF FINANCE  
REGULAR MEETING  
THURSDAY, DECEMBER 28, 2006  
CROMWELL TOWN HALL 7:30 P.M.  
ROOM 224/225

MINUTES

PRESENT: CHAIRMAN MICHAEL GENGLER, LORAIN CARUSO, JULIUS NETO, JACK HENEHAN AND EDWIN MALEY JR.

ABSENT: JOHN FLANDERS

A. CALL TO ORDER: Chairman Michael Gengler called the meeting to order at 7:34 p.m.

B. APPROVAL OF AGENDA: ***Loraine Caruso made a motion to approve the agenda, seconded by Julius Neto. All were in favor. Motion Passed.***

C. APPROVAL OF MINUTES OF PREVIOUS MEETINGS:

1. Regular Meeting, November 30, 2006.

***Julius Neto made a motion to approve the minutes, seconded by Loraine Caruso. All were in favor. Motion Passed.***

D. CITIZENS COMMENTS: None.

E. REPORT OF THE FIRST SELECTMAN:

The First Selectman reported the following issues:

1. Interest arbitration was successful and the town won two out of the three issues. The issue the town lost had to do with duration.

2. The next steps of the Senior Tax Abatement Program which were forwarded to the Town Attorney for codification as an ordinance.

3. Appropriation for a River Landing Park sign. The First Selectman discussed the deterioration of the wet wood and termites and is requesting 8,000 for a sign similar in design to the municipal sign.

4. Appropriation to re-bid the Evergreen Road Project.

5. Appropriation in CNR for a bulldozer as discussed last month we are looking to redirect some of that money for an opportunity that exists out on

Washington Road to extend side walks where Mr. Hagel's Subdivision is all the way to Court Street.

6. A special meeting is being held on January 4, 2006 for the Board of Selectmen, Board of Finance, and Board of Education. At this meeting they will be discussing the long term renovations of the Schools.

7. The Plan of Conservation and Development has to be discussed. There are a number of proposals and we need to see what we can do in the near future. What our debt service of 3, 4, 5, and 10 year plans are going to be. The First Selectman asked for some of the debt service to be put together by the Finance Director.

#### F. BUDGET REPORT:

The Finance Director reported that there are concerns with legal expenses. There is 20,000 over budget on the labor side and we hope to come within budget on the Attorney side. On the revenue side the interest income looks good and hopefully we can find money in other areas to cover legal expenses. There is a small miscellaneous revenue sale of Hammerhead Place 50,000 - 55,000 over budget on the revenue side.

The First Selectman reported that he did discuss the tax sale of 14 Alcap Ridge with the Tax Collector which is a major creditor foreclosure. They will be sitting down on January 3<sup>rd</sup> with Atlantic National Trust and engaging in discussion on the two unsuccessful tax sales. DEP will be recommending a remediation plan as a requirement. Within 90 days the responsible parties are to begin remediation of the property. The Tax Collector is moving forward on this issue. The Creditor is the major stake holder, Atlantic National Trust, which has a 3 ½ million dollar mortgage on this property. Mr. Neto hopes DEP gets aggressively active with the creditor. The First Selectman discussed that DEP has been involved with this property for a number of years. They required the responsible parties to connect, abutting property owners, specifically the residential owners along Oak Road to city municipal water which occurred. The responsible parties were ALCOA and Safeway. Last year they completed the connection of residential properties to municipal water supply which was the first step. They continued investigation on the remediation plan and should be issuing a report in January. Once the investigation is completed the responsible parties are required to begin remediation and the property can be occupied if habitable. The Tax Collector has been staying on top of this issue. The appraisal or value of the property currently in its compromised state is about 2 ½ million dollars. The million dollar tax bill also includes the fire and sewer usage fees.

G. REPORT OF THE TAX COLLECTOR: The Tax Collector submitted her report for 2005-2006 Fiscal Year Budgeted Collection Vs Actual through 12-19-2006.

H. OLD BUSINESS:  
None.

I. NEW BUSINESS:

1. Discussion and action on appropriation of \$608,000 within the Sewer CNR Fund for the Sewer Pipeline Rehabilitation and Engineering, as recommended by the CWPCA.

*Loraine Caruso made a motion to approve \$648,000 appropriation within the **Sewer CNR Fund** for the Sewer Pipeline Rehabilitation and Engineering, as recommended by the CWPCA, seconded by Julius Neto. All were in favor and it was unanimously approved. Motion Passed.*

Richard Peck presented pictures before the board and gave a brief history of the sewer pipeline rehabilitation project. Dennis Obe, eight year engineer with Weston & Sampson Engineers Inc. was retained by the Cromwell Water Pollution & Control Authority to perform a trench list rehabilitation study identifying the cost and specifics of the sewer studies. They plan to prioritize, relining, and spot repairs. Mr. Gengler discussed the ground water infiltration amount of overflow that needs fixing and what the amount of cost would be. Mr. Obe discussed that the lining of the pipe pushes using water pressure to the manhole. The manhole then expands heat resin and takes shape forming a new pipe within the next 30-50 years. They bid per linear foot of relining approximating over time which takes about 104 days. Then they do a root killing within the first six weeks prior to installation. The sewer may not be used for eight hours prior to storage so they will try to do during the off-peak hours. Mr. Henahan asked about quality control which is check by a residential engineer. Mr. Maley asked about the 62 miles of sewer pipe. At four miles why they are doing half? The other two miles have lesser defects and are of lower priority. It has taken 6 years to pull together to get 3% done and there is 58 miles to go. Most of the necessary work has to be done to the older clay pipes not the pvc pipes. Mr. Neto asked if 10% is enough? Mr. Jahn stated that there is no need to go beyond the 10% and it is what the DEP recommends.

2. Set the 2007 Regular Meeting Schedule.

***Lorraine Caruso made a motion to approve the 2007 Regular Meeting Schedule as presented, seconded by Jack Henehan. All were in favor. Motion Passed.***

3. Update on status of the Senior Tax Abatement Program

The First Selectman discussed as of last month the committee presented its case before the Board of Selectman. The Board of Selectman deliberated at some length the conceptual aspects of this particular program. Mr. Beauliea discussed some of the Board of Finance comments from the previous month. Basically the Board of Selectmen did not endorse the idea of a deferment program as proposed. They want to see this completely as a abatement program. We need some kind of Affirmative statement of who the Arbiter would be for the applicant qualifications. Also, there would have to be an appeal body. It was suggested that the arbiter be the Assessor and the Appeal body be the Board of Selectman. If the number of qualified applicants in any given year exceeds the cap then the tax relief would be pro-rated equally for each level of benefit. The question arose that if we have more applicants in any given year than we are able to provide for then how is it adjusted. What is suggested is that the 600-900 level would be prorated to apportion it appropriately. It was supposed to be a certain percentage of the grand list and it was suggested that 105,000 would be the revenue. Mr. Maley discussed that if it was prorated down across the classes in the same percentage from the bottom class of 95% from the top of 95% than mathematically it may be the same thing as if each class would be prorated by 5%. I don't know if that means each person within that class would then be prorated by 5%. The First Selectman reiterated that it says the tax relief would be prorated equally for each level of benefit. Mr. Maley stated that this is a different way of saying and is not sure if it has the same result. Some of the language may have to be changed. This was transmitted to the town attorney for codification and we have not heard back yet. The Conceptual portion of the program was essentially what the committee recommended with the major change being that it would operate as tax abatement and not a deferment. The target is  $\frac{1}{2}$  of 1% of the grand list. Mr. Beauliea believes the last look at the charter and statutes that this board was the budget making authority and he did not think that an ordinance could dictate a particular amount in any particular budget. It could recommend and suggest. Mr. Maley still feels that this would be a revenue loss and not sure how to budget for this. Mrs. Sylvester mentioned by setting the mill rate. Mr. Maley feels that this would have to be done on the front end and that this would have

to be done administratively. Mr. Gengler mentioned that this is going to be an increase in the back part of the estimated uncollected part of the grand list. Mr. Maley's circularity concern is that, "if we have to determine after, before we set the rate how much we are going to lose then how can we determine how much you are going to lose if you don't know what the rate is if its set as part of what the rate is going to be." It would have to be set up in such a way that somebody makes the decision before the process or at the first part of the process of how much you are not going to get. The number of individuals times some ceiling imposed. How will it be determined and pro-rated back and when will it be done? Some suggested going by the prior grand list so we know what it is. The First Selectman mentioned that it says 1 mill toward the current grand list.

J. BOARD OF EDUCATION – LIASON REPORT:

Julius Neto discussed that the Board of Education is spending a lot of time planning and strategizing to increase staffing and adding a social worker.

K. CHAIRMAN'S COMMENTS:

Michael Gengler mentioned that he received a letter from Art Director giving his resignation. He established residency in Florida and will continue his summers at the River Highlands.

***Loraine Caruso made a motion to accept Arthur Director's Letter of Resignation, seconded by Julius Neto. All were in favor and it was unanimously approved. Motion Passed.***

Michael Gengler expressed how much Mr. Director will be greatly missed. He was certainly a great person to work with for many years. He helped see through the budget process. He was a great compromiser and gave a great perspective as a business man.

Loraine Caruso also expressed how grateful she was to have the opportunity to listen and learn from Mr. Director. It was a pleasure to be with him and he will be greatly missed.

L. VICE CHAIRMAN'S COMMENTS:

Loraine Caruso discussed the Fonda/Lowe's Project still waiting to come up before the IWA.

The First Selectman discussed the Cobbleston project received endorsement from the Middlesex Chamber of Commerce. January 2<sup>nd</sup> they are coming in for

site plan approval for modification of their special permit. Most are aware of 3 – 4 retail establishments planned for that location. They may endorse the Lowe’s Project as well. Lowe’s should be coming before IWA in January.

M. GOOD AND WELFARE:

The chair acknowledges Arthur Director’s Resignation.

Alternate Jack Henehan will be recognized as a regular member.

The Board of Finance is currently in need of Alternates to serve on this board.

N. ADJOURNMENT:

Edwin Maley Jr. made a motion to adjourn at 9:50, seconded by Loraine Caruso. All were in favor. Motion Passed.

Respectfully Submitted,

Michelle Milardo  
Clerk