

SHARON BOARD OF FINANCE
Draft until approved at the next regular meeting

A special meeting of the Sharon Board of Finance was held on February 16, 2016 at 7PM at the Town Hall. Present were regular members Dignacco, Bartram, Seibold, Robertson and Flanagan; alternate Duncan; First Selectman Colley, reporters Sullivan and Lefferts, and the secretary.

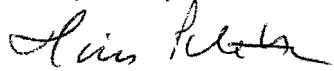
Chairman Dignacco called the meeting to order at 7:00. Mr. Duncan was made a voting member for this meeting.

First Selectman Colley explained to the Board the request for BOF approval on to a Town Meeting an additional expenditure out of the Equipment Replacement Account of \$55,600. In May, Town Meeting approved a total expenditure out of this account of \$125,000. With the purchase of a tractor, a smaller truck for the Highway Dept. and the principal/interest payment until 6/30/16 on an equipment loan, there will be an over expenditure of \$573.86. In addition, the BOS is proposing to lease (5 years), with a \$1.00 buy-out plan, a new Caterpillar Grader – first payment of \$54,474.98 before July 1, 2016. The current grader will be traded in and the Town will receive \$17,500, which will go back into the Equipment Replacement Account. Mr. Colley gave the Board a list done by the Road Foreman of repairs needed on the current grader. After some discussion, Mr. Bartram made a motion the Board approves to Town Meeting the BOS' request for an additional expenditure out of the Equipment Replacement Account of \$55,600, seconded by Mrs. Robertson, with all in favor.

With the USDA offer of the Grant/Loan package, the BOF needs to discuss the funding recommendation to Town Meeting for the construction of the new transfer station. The Grant is \$343,863 to each Town and the Loan offer is at an interest rate of 1.87% for up to 40 years to each Town for the balance (\$1,860,000 minus \$343,863 = each Town \$1,516,137). The Recording Secretary/Town Treasurer stated that she has spoken to the Auditors about various items and on this issue, Ron Baude recommended accepting the Loan offer for the full 40 years since there is no prepayment penalty. A "Loan Resolution" that was received from the USDA was reviewed. The Recording Secretary/Town Treasurer commented that in reading this document, "Bonds" are mentioned in various places. Is this "loan" an actual loan or is it "bonding"? This needs to be clarified. Mr. Colley spoke by phone to Ms. Fowler who is working with Curtis Rand and the USDA on this package. She stated that the wording of the document is in process and the funding is a loan. It was stressed that the actual document will need to be available for when the notice of the Town Meeting is published. Looking at the whole picture, this Board and the Town needs to keep in mind other Town/Board of Education Capital projects. A "ball park" estimate of the Undesignated Balance as of 6/30/16 was reviewed. Based on the current budgets, the balance is 8.4% of the General Fund Gross Expenditures. Mr. Bartram made a motion that the Board approves to Town Meeting the acceptance of the UDSA Grant in the amount of \$343,863 as proposed and approves to Town Meeting the USDA loan offer of at 1.87% annually for the full 40 year term for the balance of \$1,516,137, seconded by Mr. Seibold. In the discussion, Mr. Duncan stressed that the Board needs to "sell" their decision at the Town Meeting and demonstrate the unanimous decision especially as there is no prepayment penalty. The Town Meeting on this and other topics is scheduled for March 4, 2016. There will be an informational meeting to be held from 7PM to 8PM with the Town Meeting starting at 8PM. Information will be placed on the Website. Vote on motion – unanimously carried. Mr. Seibold raised the issue of clean-up of the current side and commented on the CIRMA option for Pollution coverage. Per the email Mr. Colley received from CIRMA, under this coverage, Claims are made with a Retroactive date of 7/1/12. How can one determine when, if any, pollution was done? It was emphasized that soil testing has been done all along so that time period could be determined.

With nothing further, Mrs. Dignacco adjourned the meeting at 7:40.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Tina Pitcher".

Tina Pitcher, Recording Secretary

NEXT QUARTERLY MEETING: MARCH 15 7PM

RECEIVED

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SHARON TOWN CLERK