

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

A special meeting of the Sharon BOF was held on November 19, 2019 at 6:30PM at the Town Hall. Present were regular members Fowler, Dignacco, Bancroft and Robertson; alternates Ensign and O'Kelly (6:45 and voting for Bartram); Road Foreman Reid, First Selectman Colley, Sharon Housing Authority Vice Chairman Szalewicz, Treasurer Whelan, Asst. Treasurer Manasse and the secretary.

Chairman Dignacco called the meeting to order at 6:30.

The 2020 regular meeting schedule needs to be set. Quarterly dates were discussed. Ms. Fowler made a motion to have the meetings at 7PM on March 19, June 16, September 15 and December 8, seconded by Mrs. Robertson, with all in favor.

Jamie Reid was present to discuss a truck purchase for the Highway Department with financing with Salisbury Bank & Trust Co. Ms. Fowler made a motion to approve the purchase with financing to Town Meeting, seconded by Mrs. Robertson. Discussion followed. The total cost of the truck is \$125,000 with a five year loan at 2.25% totaling \$132,300.00. The replacement of the F550 was on the schedule for 2020 but the schedule is being proposed to be re-arranged. Mr. Reid commented on the usage of this size truck as well as the repairs that would be needed on the current truck. The current truck would be sold at auction with those funds going back into the Equipment Replacement Account. The new type of truck body style was explained and that the new truck under carriages are being sprayed with a rust prohibitor. Mr. Reid stated it would take six to eight months for delivery once the truck is ordered. With all questions answered, the vote on the motion was taken = carried unanimously.

Members of the Sharon Housing Authority were present to request the support of the Town in their efforts to secure a 0 % interest loan to replace the heating systems at Sharon Ridge and to also consider the same for the replacement of water storage tanks. Mr. Manasse explained the complex and the structure of the financing. This is the first time that the Authority has had to come to the Town for financial assistance. The two loan needs were explained with Board members asking various questions:

Water Tanks – there are three storage tanks of which one has failed. The pump is 30 years old and if the whole system fails there would be 32 units without water. They would have to truck in water. The cost for this is \$52,300 with a subsidy of \$13,075 making the amount needed to be \$39,225. The option being looked at for this loan is with the State Department of Public Health Drinking Water Fund. The Ridge's cash flow and expenses are about even. For this project, the Expansion portion of the complex would pay 40% of the loan as they use the same system and have reserves. The request is to have the Town co-sign and agree to guarantee the loan payments if necessary.

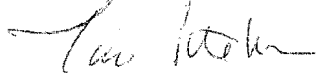
Heating Systems at the Ridge – It was explained that in 2013 split heating pumps were put in to reduce the electric bills for the tenants and give them air conditioning. These systems have failed with less than 25% of them operating. There is a class action suit against the manufacturer but who knows if SHA would see any money from this. These tenants have electric heat but no air conditioning and window units are not an option. The total cost for this project is \$204,000 with Eversource offering a grant of \$115,000 so the amount needed for a loan is \$89,000 at 0 % financing for four years. This grant/loan package is time sensitive as the paperwork needs to be submitted by the end of the year. The request is to have the Town co-sign and agree to guarantee the loan payments if necessary. The split heating pumps would be replaced with split heating pumps and have a twelve year warrantee.

Mr. Manasse explained that the SHA has requested CHFA (CT Housing Finance Authority), the mortgage holder for this section, to defer principal payments for four years but they have not responded yet to this request. Mr. Colley stated that he has spoken to the owner of Water Systems Specialties, who submitted the proposal for the water tank storage replacements and he feels there is no pressure on this project and that his proposal remains the same until August of 2020. He has also commented that the Town does not want to get involved with the Drinking Water Fund for various reasons. Mrs. Whelan commented that the Authority is working on getting a sponsorship with Habitat for Humanity as they are a 501 c 3 and can apply for various grants that an arm of the Town can't.

It was agreed to separate these two projects and place the request concerning the storage tanks on hold until more information is obtained. Mr. Bancroft made a motion to approve to Town Meeting the co-signing of a loan up to \$100,000 for the heating system replacement at Sharon Ridge via grant/loan package with Eversource, seconded by Mr. O'Kelly. In the discussion, Mr. O'Kelly expressed his concerns in that these loans do not help with the debt that has accumulated for various reasons spelled out in the explanation pages submitted by the Authority. In the future there may be the need for an infusion for working capital. After further discussion, Mr. Bancroft and Mr. O'Kelly agreed to amend the motion to approve to Town Meeting the co-signing of a loan up to \$89,000 plus fees with the total amount to be no more than \$100,000. Vote taken on motion = carried unanimously.

With nothing further, Ms. Fowler made a motion to adjourn, seconded by Mrs. Robertson, with all in favor. The meeting was adjourned at 8PM.

Respectfully submitted,



Tina Pitcher, Recording Secretary

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SHARON TOWN CLERK