

VALLEY COUNCIL OF GOVERNMENTS

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MEETING NOTICE

Regular Meeting Valley Council of Governments

Wednesday, August 12, 2009

11:30 a.m.

VCOG Offices

(Revised)

AGENDA

(Pledge of Allegiance)

1. Public Session

2. Acceptance of Minutes of 6/10/09 Regular Meeting *(Enc.)*

3. Treasurer's Report *(Handout)*

(a) Report on Energy Usage *(Enc.)*

(b) Year-End Projection '08-'09 *(Handout)*

(c) Update on State Budget *(Enc.)*

4. Action on Brownfields Revolving Loan Fund (BRLF) Items: *(Enc.)*

(a) Proposal to lower the BRLF and the DECD RLF interest rate from 3% to 1%;

(b) Proposal to make a loan from the BRLF to VDAR Inc. for \$235,000 for cleanup at 44 Commerce Street, Derby;

(c) Proposal to grant to the City of Bristol up to \$150,000 for cleanup of 316 Park St.

5. Executive Session – Personnel Issue

Note: A light lunch will be provided at 11:30 a.m.

**MINUTES OF REGULAR MEETING
VALLEY COUNCIL OF GOVERNMENTS
Wednesday, August 12, 2009
at VCOG Offices**

Persons Present:

Mayor Anthony Staffieri, Derby
1st Selectman Robert Koskelowski, Seymour
Mayor Mark Lauretti, Shelton
Sheila O'Malley, City of Derby
Eugene Driscoll, Valley Independent Sentinel
Rick Dunne, VCOG Staff
Arthur Bogen, “
Clare Falcha “
David Elder “
Matt Fulda “
Jan Jadach “

Chairman Koskelowski called the meeting to order at 12:00 p.m. The Pledge of Allegiance was said. The Chairman then asked if anyone wished to speak during the public session. No one spoke and the public session was closed.

Minutes – The minutes of the 6/10/09 VCOG regular meeting were accepted.

Motion: By Anthony Staffieri; Second: Mark Lauretti; Vote: Unanimous

Treasurer's Report – Rick Dunne indicated that the Treasurer's Report was handed out today. It is early in the year so we are showing a \$62,000 surplus. He thanked the municipalities for paying their dues on time. Revenue typically runs ahead early in the year. We are budgeted for a \$19,117 deficit. This is because the state has not passed a budget and unfortunately, we are anticipating the 100% cut of state funding. Rick continued, saying that if we get any money under the State Grant-in-Aid, it will lessen that deficit but we do not expect much. Mayor Lauretti asked how the state expected us to operate. Rick said that unfortunately, the Governor's budget cut us to zero. One legislative budget that was not voted on had what would have been the equivalent of \$10,000 to this agency instead of the \$53,000 received last year but even that looks in jeopardy right now. Mayor Lauretti then asked if this is an item that was on the table for the budget deliberations. Rick said that \$200,000 has been on the table in deliberations instead of the \$960,000 statewide in the prior budget. However, we are now hearing that that \$200,000 might be \$100,000 which means we will be lucky to get \$3,000 as opposed to \$53,000. The statewide organization of RPOs has made very little progress getting our funding restored. They haven't gotten a receptive ear on either side. Rick did say that the proposed Republican budget did have 100% funding for RPOs but it was never raised for a vote. Mayor Lauretti then asked what our plan is going forward if the state doesn't give us any money. Rick noted that this was discussed at our May meeting when we came up with two ideas. One was that since we have held the dues freeze for the towns for five years straight and it was too late to ask for that increase this year, we held the line for a sixth year. We had agreed that we would fund any deficit in the upcoming year from our unrestricted cash reserve—about \$20,000. Then we would revisit the municipal dues issue next year. We made up \$34,000 of the \$53,000 from non-recurring revenue. We are \$19,000 short right now. Absent the restoration of state funding next year or an increase in municipal dues, we will be facing more serious cuts.

To clarify, Rick said that we anticipated zero in the SGIA allocation for FY 2009-10. Anything we get under that allocation, if something comes out of this budget, we will credit it to that account as unanticipated revenue and that would then reduce the projected deficit. Rick noted that Federal revenue is stable. It doesn't change until the five-year transportation bill changes which will be next year. We anticipate that Congress is going to pass an 18-month interim bill after their August break which will maintain status quo funding. We are working closely with the Congressional delegation to try to get an increase in planning funds on the Federal side. Much of the non-recurring money that we are using right now is for special projects that we take on such as Route 8, Route 34, Seymour-Beacon Falls Connector Road, TOD. The U.S. House has passed an allocation of \$300,000 for our region to do Transit Oriented Development model land use regulations and identification of sites along our corridor. The Senate has not passed it yet; however, if that money becomes available in October, between that, the three Route 8 projects, the Rt. 67 project, and Seymour-Beacon Falls Connector Road, it basically increases the non-recurring federal and state revenue by about 40%.

The Chairman then asked what the plan was to make up the money. Rick said that based upon the directive from this board in May and the discussion we had at that time, we had agreed that we would use our reserve account to fund the deficit in the current year. We are cutting back on all of these items up and down the budget, even the ones that we have appropriated that have already been cut. We will do our best to do that but almost definitely, our reserve will be tapped to cover some of the expenses in the current year. He hopes that by January, once we know what the new state biennial budget is, we can talk about municipal dues increases for FY 2010-11.

Report on Energy Usage – Rick reported that we were shocked by how much we are saving by closing one day a week. We had budgeted \$12,000 for utilities and we only spent \$6,483. If you look at the savings on kilowatt hours and oil, we saved 30% over our prior usage by shutting down on Monday and making up the hours during the other four days. Being able to have that closure for three straight days, shutting down all the AC and heat, along with the computers, copier and printer, that's what amounted to this savings. First Selectman Koskelowski said that was not too surprising as the savings in Seymour range from 20% to 25% by closing that one day.

Year End Projection '08-'09 – Rick said the year end projection was handed out today. We had a balanced budget projection and we had agreed to allocate \$15,000 from reserve for capital expenditures. We painted and did some other improvements. We were supposed to do the ceiling tiles and carpeting but we did not so we only spent \$10,000. So we ended up taking \$11,692 from our reserve account to close out the year. Pending the audit, we believe that our unrestricted cash reserve going into July 1, 2009 was somewhere in the neighborhood of \$75,000. These are the unaudited results.

Update on State Budget – Rick noted that the letter and resolution we sent to the Legislature and the Governor informed them that due to the budget cuts, they have created unfunded mandates on the towns. There are items that are required of the RPOs under statute but we are an association of the towns so that not funding those activities has resulted in an unfunded mandate on the towns. We laid out for them the primary activities that are going to be curtailed without state funding which are land use planning, regional economic development, the regional roundtables that the Governor had us create last year with Executive Order #15, and there are numerous other statutes that we have to comply with. We will do our best to keep up

compliance where we can within the budget but these are the items that have to be cut because they are not funded.

Action on Brownfields Revolving Loan Fund Items:

(a) Proposal to lower the BRLF and the DECD RLF interest rate from 3% to 1%: Rick began by saying that the Mayors are probably all aware that we received a \$900,000 grant from EPA last week under the stimulus program for Brownfields cleanups. We sent out a memo to all of the CEOs a few days ago. We are still digesting the regulations from EPA but see no problem in getting that money out into cleanup projects. Public projects are eligible as grants. Private projects are eligible as loans. Because of the market conditions right now, we were at a 3% loan rate for those. To be competitive with municipal bond expense and other rates that are in the field, we are proposing lowering the RLF rate to 1% so that we are in a better position to place these dollars for cleanup. The terms are typically 5-10 years for these notes at 1%. When the money revolves back, it becomes ours to re-loan or grant it. Mayor Lauretti asked what the methodology was for reducing this rate to 1%. Rick said that we were always three points below the average municipal debt service rates so when we set it at 3%, towns were issuing debt in the 5% - 6% range. Now towns are issuing in the 4% range so we are still targeting to be 3 points lower than that. Rick further clarified that the \$900,000 stimulus funds we can grant to towns so it doesn't come into play, but the regular money that is in the fund or the money that revolves back to the fund would then again become loans to towns. We want to be able to loan it to the towns at 1%, not at 3%. Rick went on to say that we have 12 months to spend the stimulus funds. Mayor Lauretti asked if that was possible or are we facing the same thing we were with DOT. Rick said no because we deal directly with the federal government as opposed to dealing through an intermediary like the state. The money is expended when we make the loan or grant so once we take it out of the fund and give it to a town or loan it to a developer, then the money is considered expended for the purposes of the stimulus program.

Mayor Lauretti asked if staff has prepared anything in terms of proposals that would benefit the Valley communities. Rick replied that we cover 25 towns with the RLF. The four VCOG CEOs are the loan committee. The \$900,000 is for all 25 towns. We solicited the towns for projects prior to submitting this application and we submitted eight preliminary proposed projects to EPA. However, we are not married to those eight projects. Some have moved along and taken other money. Some have taken regular RLF funds from us so we are still basically soliciting new projects and rating and ranking them. Rick further clarified that any project that has a public purpose where the town is either in a position to acquire or has acquired the site, that can be a grant. So any of the towns are eligible for projects like that. Arthur then added that the Valley projects that were listed in the application that went in in May were 44 Commerce Street, Derby and Minerva Street in Derby. Those were the two in these four towns that had applications ready. Rick said the problem is that we can't use this money for assessments. These sites have to be already assessed and ready to go to cleanup. That is the shovel-ready criteria for cleanup projects, so if there is no assessment or conceptual remedial action plan in place, then there is not going to be time to bring a project like that in. We know Shelton has more projects, we know Seymour probably has one project. Ansonia has an ongoing project that may need more money, and we have a number of projects up and down the corridor, up all the way to Thomaston, that would be eligible. Originally, there were several Waterbury projects in the application that are no longer going to compete for this money because they have been funded otherwise. Arthur Bogen then stated that we are going to go to every community and simply talk about what projects can be supported as quickly as possible. The object here is to get

this money out the door. That is part of the stipulation. This money has a lot of details as to how it has to be placed but it is not as restrictive as the RLF. We will be in each of your towns trying to foster projects as quickly as we can.

Motion: By Mark Lauretti; To change the BRLF and DECD RLF interest rate from 3% to 1%;
Second: Anthony Staffieri; Vote: Unanimous.

(b) Proposal to make a loan from the BRLF to VDAR Inc. for \$235,000 for cleanup at 44 Commerce Street, Derby:

Motion: By Mark Lauretti; To approve proposal to make a loan from the regular BRLF to VDAR for \$235,000 for cleanup at 44 Commerce Street, Derby; Second: 1st Sel. Koskelowski stepped down from the Chair to second the motion and then stepped back as Chairman; Vote: Unanimous.

(c) Proposal to grant to the City of Bristol up to \$150,000 for cleanup of 316 Park Street:

Motion: By Mark Lauretti; To approve proposal to grant from the regular BRLF to the City of Bristol up to \$150,000 for cleanup of 316 Park Street; Second: Anthony Staffieri; Vote: Unanimous.

Rick clarified that the Commerce Street and Park Street loans are not coming from the \$900,000. They are coming from money that we already have. Rick said that this will leave about \$225,000 in the existing funds.

First Selectman Koskelowski then said he wanted to compliment David Elder on all the hard work he has done on the Route 67 project. He continued that Dave has done many things for him in the town of Seymour and he wanted to publicly thank him for all of his hard work in getting things done. David thanked him.

A motion was then made to go into Executive Session regarding a personnel issue. No action will be taken, subject to adjournment. Rick Dunne and Clare Falcha, if needed, were invited.

Motion: By Mark Lauretti; To go into Executive Session subject to adjournment; Second: Anthony Staffieri; Vote: Unanimous.

The Board went into Executive Session at 12:25 p.m., came out at 12:40 p.m. and adjourned.

Respectfully submitted,

Mark A. Lauretti,
Secretary