Call to Order / Pledge of Allegiance

Mayor Mark A. Lauretti called the special meeting of the Board of Aldermen to order at 5:30 p.m. All those present stood and pledged allegiance to the flag.

Roll Call - Finance Committee

Alderman John F. Anglace, Jr., President - present
Alderman Lynne Farrell - excused
Alderman John “Jack” Finn - present
Alderman Stanley Kudej - present
Alderman Noreen McGorty - excused
Alderman John P. Papa - present
Alderman Eric McPherson - present
Alderman Anthony Simonetti - present

Administration
Mayor Mark A. Lauretti-present
Attorney Tom Welch- present
Paul Hiller- present

1. Authorization for the Purchase of School Buses

Mayor Mark A. Lauretti stated, we have one item on the agenda. This is an item we discussed at our last meeting. We did a bid waiver for the authorization to purchase propane school buses.
Alderman Anglace moved to approve to appropriate the sum of $1,094,761.20 for the initial deposit for the Lease Purchase Agreement of approximately 60 school buses with funds to come from General Fund Surplus Account.

Further, move to approve the Equipment Finance Inc. (Connecticut) Lease Purchase Agreement for the full cost of said buses in the amount of $5,473,806 based upon the term sheet dated February 27, 2013 with the understanding that the initial deposit shall be reimbursed to the General Fund from said TD Equipment Finance Inc. (Connecticut) Lease Purchase Agreement.

Further authorize Mayor Mark A. Lauretti to execute any and all documents to effectuate said agreement; seconded by Alderman Kudej.

Mayor Mark A. Lauretti stated, as you already know this is for the purchase of school buses for the Board of Education. As it was said at the last meeting we are shifting gears and embarking upon a different model and concept. This took a lot of time and effort on many people’s part but I think it is one that will bear some financial results for the City and Board of Education. These are propane fueled buses which is a departure from the traditional school buses that run on diesel fuel. There is only one dealer that I’m aware of that makes the propane fueled bus for the size that we need. This is why we are using Blue Bird because they are the only one that currently makes a propane powered 77 passenger bus. The other reason for our meeting tonight is to place a deposit with the dealer here in Connecticut, so the buses can be ordered in the City of Shelton’s name and arrive on time for the new school year. This is a lease purchase agreement where the City will lease the buses from the lender and will buy the buses at the end of the term.

Attorney Welch stated, the cost will be $1.00 to buy the buses at the end of the term.
Alderman Finn asked, over the five year period what will we be paying out each fiscal year?

Mayor Mark A. Lauretti replied, for the five years? I do not have that schedule however; you do have the dollar amount in front of you. So it will be the dollar amount plus the interest rate.

Alderman Finn asked, would the payments start next fiscal year or this fiscal year?

Paul Hiller replied, next fiscal year probably the first payment will be sometime in month of August I would suspect.

Alderman Anglace asked, by going this route and buying these buses approximately what is the ballpark savings?

Mayor Mark A. Lauretti replied, the savings will come in a couple of different forms and they haven’t been firmed up yet. We do know that through the Board of Education’s estimates that the fuel differential alone will be $180,000 a year if we use propane as opposed to diesel. I also believe that there are green incentives for; the purchase of the buses, the fueling station and the propane fuel. Many people are working on the green incentives now.

Alderman Anglace stated, another point that you mentioned was after five years we will own the buses and continue to use them. That has to result in some kind of savings.

Mayor Mark A. Lauretti agreed, it’s a big savings. If you look at the history of the school bus contracts they typically run in five year increments. At the end of the past terms we were always faced with having to renew the contracts for a couple of years or changing companies altogether. Even when we extended our contracts with the same companies they always increased their fees. The benefit of this lease is that at the end of five years there will be no debt on the buses, the City will own them.

Alderman Finn asked, are there also incentives putting in the propane fueling stations as well?
Mayor Mark A. Lauretti answered, Yes, the State and Federal government have a number of different programs for the filling stations and the purchase of the fuel.

Alderman Papa asked, the people that operate the buses will they also be responsible for all the maintenance?

Mayor Mark A. Lauretti replied, this concept is going to mirror what we did with the recycling and garbage collection trucks. We will now contract for an outside vendor to supply the service for; picking the children up on a daily basis, operating the buses and maintaining the buses. Keep in mind we do own the lot where the buses are stored which is another savings.

Alderman Papa asked, the life expectancy of these buses do they normally last more than five years?

Mayor Mark A. Lauretti stated, I called the manufacturer and they explained, if the buses are maintained properly they can last 10-12 years.

Alderman Kudej asked, what kind of mileage do they get?

Mayor Mark A. Lauretti answered, we are told that the diesel buses are somewhere around 2 miles per gallon whereas the propane are 4 to 4.5 miles per gallon.

Attorney Welch added, whatever maintenance is recommended it must be done at 125%. Also the title to the property will be in the name of the City.

Alderman Finn asked, what is the interest rate?

Mayor Mark A. Lauretti replied, 1.27%.

Alderman Simonetti asked, are there cameras in the buses to catch anyone who passes the bus illegally?
Mayor Mark A. Lauretti replied, yes. Any further questions? At this time I’m not sure there are any other towns or Cities that are utilizing propane buses.

A voice vote was taken; all were in favor and the motion passed 6-0.

**ADJOURNMENT**

At approximately 5:45 p.m. Alderman Anglace moved to adjourn; seconded by Alderman Simonetti. A voice vote was taken and the motion passed 6-0.

Respectfully submitted,

Melissa Anglace
Acting Clerk, Board of Alderman