

**CHESHIRE ECONOMIC DEVELOPMENT COMMISSION  
MINUTES OF THE REGULAR MEETING HELD ON  
TUESDAY, MARCH 17, 2009 AT 7:30 A.M.  
CHESHIRE TOWN HALL – 84 SOUTH MAIN STREET  
ROOMS 207 / 209**

Commissioners Present:

Chairman Brian Miller, Justin Adinolfi, Bea Fiorino, Kathleen Gannon, Arthur Hostage and Richard Kaplan

Commissioners Absent:

Lelah Campo

Staff Present:

Jerry Sitko, Economic Development Coordinator; Michael Milone, Town Manager; Joe Michelangelo Public Works Director / Town Engineer

Others Present:

John Lesky, Liaison for the Cheshire Chamber of Commerce; Bob DeJongh, Liaison for the Inland / Wetlands Commission; Christopher Holmes, President / Chief Executive Officer of Atlantic Inertial Systems (departed at 8:10 a.m.); David Oldham, Vice President / Chief Financial Officer of Atlantic Inertial Systems (departed at 8:10 a.m.); Patricia Gillanders, Connecticut Department of Economic & Community Development (departed at 8:10 a.m.)

**I. CALL TO ORDER**

Chairman Miller called the meeting to order at 7:30 a.m.

**II. ROLL CALL**

The roll was taken.

**III. DETERMINATION OF QUORUM**

It was determined that a quorum was present.

**IV. PLEDGE OF ALLEGIANCE**

All present recited the Pledge of Allegiance.

**V. APPROVAL OF MINUTES –** January 20, 2009 Regular Meeting  
February 17, 2009 Regular Meeting

**MOTION** by Mr. Hostage that the minutes from the January 20, 2009 Regular Meeting of the Economic Development Commission be accepted as presented. **SECONDED** by Ms. Fiorino

VOTE: In Favor – Fiorino, Gannon and Hostage  
Opposed – None  
Abstained – Adinolfi, Miller and Kaplan

The motion passed 3 – 0 - 3.

**MOTION** by Ms. Fiorino that the minutes from the February 17, 2009 Regular Meeting of the Economic Development Commission be accepted as presented. **SECONDED** by Mr. Hostage

VOTE: In Favor –Gannon, Hostage and Miller  
Opposed – None  
Abstained – Adinolfi, Fiorino and Kaplan

The motion passed 3 – 0 - 3.

## **VI. WELCOME NEW COMMISSION MEMBER RICHARD KAPLAN**

Chairman Miller welcomed Mr. Kaplan to the Economic Development Commission. When asked, Mr. Kaplan stated that he works in the printing industry.

## **VII. COMMUNICATIONS**

There were numerous news articles included in this meeting's packet for Commissioners to review.

## **VII. BUSINESS**

### A) Presentation Re: Atlantic Inertial Systems

Chairman Miller welcomed Christopher Holmes, President and Chief Executive Officer of Atlantic Inertial Systems and David Oldham, Vice President and Chief Financial Officer of Atlantic Inertial Systems to this morning's meeting of the Economic Development Commission.

Mr. Holmes stated that Atlantic Inertial Systems (AIS) is located at 250 Knotter Drive in the Cheshire Industrial Park. Total sales for AIS are approximately \$ 200 million; AIS is a worldwide supplier of inertial measuring devices. These are devices that measure rate of change and displacement. Mr. Holmes shared some examples of their products with the Commissioners and distributed a copy of this morning's presentation by AIS.

Atlantic Inertial Systems is the number 2 supplier of solid-state inertial measurement devices in the world, Honeywell is the 1<sup>st</sup>. AIS is also the 4<sup>th</sup> place supplier of spinning mass devices.

Atlantic Inertial Systems is owned by J. F. Lehman Partners; John Lehman is the former Secretary of the Navy under President Reagan. AIS has 5 locations worldwide including Cheshire, New Jersey, Ohio, United Kingdom and Japan. There are approximately 480 employees working over 2 ½ shifts in the Cheshire facility, which is Atlantic Inertial Systems' World Headquarters.

Mr. DeJongh asked why Cheshire was chosen as the World Headquarters for Atlantic Inertial Systems? Mr. Oldham explained that AIS is the former Allied Signal Bendix, then Condor Pacific and then BAE Systems, all of which kept this Knotter Drive location.

Mr. Holmes talked about some of the improvements that Atlantic Inertial Systems has planned for their Knotter Drive location over the next few years, including upgrading the reception area and improving the landscaping of the property.

Mr. Holmes and Mr. Oldham talked about some of the wide range of products they handle and the applications that they are used in.

Chairman Miller asked if AIS has any problems obtaining an appropriate labor force here in Cheshire? Mr. Holmes replied that with regards to their "small assembly" positions, they do not usually have a problem hiring. Where there tends to be problems are in the systems engineering or deep electrical or reliability positions in which there are approximately 12 open positions currently.

Mr. DeJongh asked if there are any plans for expansion at the Cheshire facility and Mr. Holmes replied that Atlantic Inertial Systems could probably grow another 10% to 15% before running out of "headroom", which at that point they could move some of the administrative positions out of the facility. Mr. Holmes added that these are very optimistic predictions of the future.

Mr. Lesky asked if the transit buses coming through the Industrial Park have been beneficial to AIS and Mr. Holmes replied that a good portion of their work force comes from Waterbury so they pick up the bus at Bank Street in Waterbury. There are 3 passes of the bus by their facility each day.

Mr. Sitko asked if Atlantic Inertial Systems was still interest in a fuel cell for their facility? Mr. Oldham replied that the average electrical expense for the Cheshire facility is \$ 180,000 per month. AIS is looking into the possibility of installing a fuel cell on their Cheshire site to generate a good chunk of the facility's electrical needs. There have been a few problems along the way, including not having enough gas supply to power the fuel cell and decreased funding availability. Based on a number of obstacles, this project has been put on hold.

Chairman Miller thanked Mr. Holmes and Mr. Oldham for attending this morning's Economic Development Commission meeting.

## B) Discussion Re: Proposed Capacity Fee for Connection to Sanitary Sewer System

Chairman Miller welcomed Town Manager Milone and Director of Public Works / Town Engineer, Joe Michelangelo to the Commission meeting to discuss a proposed one-time capacity fee that is now being entertained by the Water Pollution Control Authority (WPCA).

Mr. Michelangelo explained that there has never been a connection fee, per say. There is a sewer user fee, which basically covers the WPCA operating budget each year. Over the years there has been better assessments on properties when a sewer line goes in front of a house. This fee has only actually covered the project cost of the individual neighborhood and the sewer line in front of an individual's house. The infrastructure with regards to the main lines, pump stations and sewer treatment plant do not get covered by any of the user fees or any of the betterment assessments. Mr. Michelangelo also noted that many of the assistance programs from the 1970's that used to help pay for these additional projects have since dried up. Therefore the Water Pollution Control Authority has had to rely on the funds brought in through municipal taxes.

Town Manager Milone explained that over the last few years efforts have been underway to help make the Water Pollution Control Authority more self sufficient so that they could absorb more of its debt, otherwise it would fall back onto the general fund of the Town. As a result of a consultant taking a look at ways to generate revenue for the WPCA, the idea of a connection fee was explored.

Mr. DeJongh asked when there is a referendum to make improvements at a pump station in Town, is that a WPCA cost or general fund cost? Town Manager Milone replied that going forward the Town would like the cost imposed upon the WPCA.

Mr. Michelangelo commented that more than half of the Town's businesses and residences are connected to sewers.

Town Manager Milone noted that the WPCA has already held a Public Hearing on this topic, which has been continued until March 25<sup>th</sup> at 7:30 p.m.

Mr. Michelangelo explained that Municipal Financial Services Group was in consulting a few years ago for the Town with regards to income options for the Water Pollution Control Authority. He explained that different towns charge using different methods for connection fees. There is the unit cost approach and billing based on lot size or based on square footage of a building. These consultants decided to base their calculation on the size of the water meter for a property. Mr. Michelangelo explained how the calculation of a potential connection fee would work, if approved by the Water Pollution Control Authority. He added that the proposed connection fee would be used only to pay for improvements going forward and only the improvements going forward specifically related to capacity issues and growth issues.

Mr. Adinolfi asked if the same fees would be used for businesses and residential? Mr. Michelangelo replied that it was correct. Mr. Adinolfi asked how the proposed connection fee compares to other towns that Cheshire could be competing with? Mr.

Michelangelo replied that he knows that Southington has sewer connection fees and most towns do. It was agreed that additional research is needed as to the fees in other towns.

Mr. DeJongh asked how this proposed connection fee would impact the viability of the W.S. Development proposed project? Mr. Sitko replied that his guess would be that the cost would be spread across the whole project.

Mr. Sitko noted that there is a benefit to existing business, which is an equity issue because of having existing businesses, and residents subsidize the cost of the sewer treatment, a share of the capacity upgrade that is necessary in the treatment plant. In this case the new business will do that, not the existing taxpayers.

Town Manager Milone stated that this is delicate balancing act. For years non-users have been subsidizing the facility and now more than ever the Town has to be careful. As we continue to grow the facility and continue to replace capital equipment, we don't want people who don't use it to bear that cost. At the same time, we don't want to drive businesses out of Town. Mr. Milone agrees that more work is needed to see what other surrounding towns are doing about connection fees to better understand the impact this proposed fee will have on recruiting and keeping businesses in Cheshire.

Town Manager Milone and Mr. Michelangelo will be back to discuss this topic further with the Economic Development Commission as they recognize, if approved, these fees could generate some revenue, it could also have some terribly unintended consequences, which they don't want to create.

Chairman Miller commented that it may be important to have the ability to waive the proposed connection fee in certain circumstances.

Mr. Michelangelo reminded the Commission that the next Public Hearing at the WPCA is set for next week, should Commissioners want to comment. Town Manager Milone commented that he was going to ask WPCA Chairman John Attwood to keep the Public Hearing open because of the pending questions on this.

Chairman Miller asked if it would be helpful if the Economic Development Commission sent a letter to the Water Pollution Control Authority asking them to keep this Public Hearing open because of the impact it could have on the Town's economic growth, to which Town Manager agreed would be helpful.

#### C) Meetings with Cheshire companies

Commissioners talked about meeting with the new Cheshire Academy Headmaster and a representative from United Snack Group at a future Economic Development Commission meeting.

#### D) West Main Street Commercial Area Streetscape Improvements Project Update

Mr. Sitko reported that there will be a West Main Street Commercial Area Streetscape Improvements Subcommittee meeting on April 8<sup>th</sup> at 7:30 a.m.

#### E) Strategic Work Plan

Mr. Sitko has developed a list of about 25 with the Chamber of Commerce for home-based businesses in Cheshire. The first work group will hopefully be held next month. There will be a meeting before hand to help develop questions for the group.

Mr. Sitko also commented that there are a number of State related tax credits and exemptions that he would be adding to the Town's web site as well as the Chamber of Commerce's web site.

#### F) Business Appreciation Day

Mr. Sitko has set the date for Business Appreciation Day as Wednesday, May 6<sup>th</sup> from 7:30 a.m. to 9:00 a.m. at Elim Park with the guest speaker for the event, Todd Kallman, President of Commercial Engines and Global Services for Pratt & Whitney. A press release will be going out looking for companies that have been in business in excess of 50 years so they can be recognized at the event.

#### G) Liaison Reports

There were no liaison reports given at this meeting.

#### H) Coordinator's Report

Mr. Sitko reported that of the reported 1,100 layoffs planned at UTC, the majority of them are "white collar" positions. He noted that the Cheshire UTC facility is made up mostly of "blue collar" workers.

The Rite Aid project proposed for Main Street has been approved by the Planning and Zoning Commission. Also approved was the heliport at Bozzuto's.

Mr. Sitko stated that Creative Dimensions is having an open house today, March 17<sup>th</sup> from 9:00 a.m. to 12:00 p.m. and 4:00 p.m. to 7:00 p.m. for any Commission member that would like to attend.

Mr. Sitko reported that the Islander East project is dead. Also, PA Sportsticker has been purchased by STATS and will be closing its Cheshire office in the coming months.

Also, in the coming months, all meeting agendas and minutes will be delivered electronically to Commissioners as a means to cut expenses and as part of the Town Manager's sustainability objective. Any Commissioner that would still prefer to receive their packets via the mail should contact Mr. Sitko.

## I) Other

Mr. Hostage noted that Dick and Elaine Lau have sponsored some sort of aid to primary education in Cheshire with an emphasis on natural sciences and mathematics. Mr. Hostage stated that he does not know in detail what they are doing but suggested that the Economic Development Commission invite them to attend and tell the Commission what they are doing, as he believes it was a substantial donation.

Mr. Adinolfi replied that as a member of the Cheshire Education Foundation, he could explain what the Lau's are doing. He stated that they have made a \$100,000 contribution to the Cheshire Education Foundation toward a dedicated science room in each of the four elementary schools in Cheshire. The first dedicated science room was recently completed at Chapman School. The Foundation is currently trying to raise \$ 275,000 to finish the project in the other schools, when the space becomes available over the next 2 or 3 years.

**VIII. ADJOURNMENT**

**MOTION** by Mr. Hostage to adjourned the meeting at 9:07 a.m.; **SECONDED** by Ms. Fiorino.

VOTE: In Favor – Adinolfi, Fiorino, Gannon, Hostage, Miller and Kaplan  
Opposed – None

The motion passed 6 - 0.

Respectfully submitted:

Tracey M. Kozlowski  
Recording Secretary