

**MINUTES OF THE CHESHIRE TOWN COUNCIL SPECIAL MEETING AND BUDGET COMMITTEE MEETING HELD ON MONDAY, JULY 17, 2017, AT 7:00 P.M. IN ROOM 207, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410**

Present

Vice Chairman Paul A. Bowman; Michael Ecke, Jeffrey Falk, Patti Flynn-Harris, Sylvia Nichols, Timothy Slocum.

Absent: Robert J. Oris, Jr., Thomas Ruocco, Peter Talbot

Staff: Michael A. Milone, Town Manager; James Jaskot, Finance Director; Gina DeFilio, Deputy Finance Director, Gerald Sitko, Economic Development Coordinator  
Dept. of Education, COO Vincent Masciana.

Guest: David Pelletier, Chairman, Economic Development Commission (EDC)

**1. ROLL CALL**

The clerk called the roll and a quorum was determined to be present.

**2. PLEDGE OF ALLEGIANCE**

The group Pledged Allegiance to the Flag.

**3. DISCUSSIONS RE: FISCAL YEAR 2017-2018 FIVE-YEAR CAPITAL EXPENDITURE PLAN AND ANNUAL CAPITAL EXPENDITURE BUDGET.**

**OVERVIEW**

**FINANCE DEPARTMENT**

**GENERAL SERVICES**

Page 3 - Town Manager Milone stated that projects were cut back as much as possible; compared to last year, the four year plan is about \$5.6M less than FY 17-18 to FY 20-21; EDC has two new requests for \$2.1M this year; the five year comparison to the five year plan last year is about \$7M less.

For FY 2017-18, there are 22 projects; for the five year plan there are 56 projects.

Page 4 – does not include the three requests for the School Facilities Plan. Dodd Middle School came in with this budget (before Council made decision on the middle school project). In outer years there are BOE requests for renovation to Doolittle and Norton Schools. Mr. Milone said he took the position of not supporting these projects until the Council made a decision on the middle school...everything was inter-connected...and these projects are held in abeyance. Cheshire is faced with an unusual situation with the State not adopting its budget.

Page 4 – Paragraph #5 – Mr. Milone stated the Town could not have a capital budget at all...and this is the prerogative of the Town Council. Mr. Milone presented some options for Council consideration.

- 1) Delay adoption of the CEP until the November 20<sup>th</sup> deadline permitted by the Charter.
- 2) Bifurcate adoption of the CEP budget into two parts – projects of high priority to be moved along; hold other projects in abeyance; the down side is the need for a special election/referendum if any projects exceed the \$400,000.
- 3) Freezing the future annual operating budget appropriations for the CNR contribution of \$1.1M, to offset potential General Fund state aid reductions. The money would not be used to pay for lesser expensive capital budget items.

Page 42 – amortization schedule; \$1M bonding over 20 year, 4% interest = \$1.436M cost.

The Town Council can stop projects from proceeding, and the funds appropriated do not have to be spent.

Page 27 – Debt Analysis – column #3 reflects the projected new CEP debt Town Council approved.

February 2019 is the next time for a bond market sale for any savings. Until then there is no immediate impact; column #3 shows all the programmed debt for now and into the future; the information has not been updated to include the proposed capital budget. The debt analysis will be updated to reflect the proposed capital budget. \$5.6M was taken out of the budget; the total debt service will be reduced by \$5.6M and spread out over 20 years. This is where the savings would be if any projects were deferred or decide not to have a capital budget.

Page 38 – Summary of referenda results 1995 to 2016 – For the last 5 years there were 25 items to referendum, and all have been approved. Over the course of the years, 81 out of 87 referendum projects were approved; those rejected were modified and eventually approved; and these were the big ticket items which would be foregone without a capital budget or deferring projects. Over the last 5 years, the road repavement program had 73% voter support for this project work.

In the near term, Mr. Milone said we can get away without any fire trucks; last pump station is being done this year with Cook Hill Road; there is continuing need for road repavement money, and more needs for the high school, middle school, and elementary schools. The treatment plant is in good shape. Deferring road repavement work would take lots of money to get caught up.

Two referendums were held outside the regular election process. In 2016 it was the Chapman property with 2,567 votes; and in August 2010 the pool project received 4,205 votes.

Page 6 – Major highlights of the Capital Plan.

Page 3 - Summary Review of the Five Year Capital Expenditure Plan.

FY 2017-2018 Finance Department \$250,000 – for video surveillance project and door access project over 3 years \$1.3M; combination of Town and BOE buildings; with the current system BOE and Town buildings have no inter-connection; a complete new system must be purchased in order to work as one system, and communicate as one.

Land Acquisition - \$1M in FY 19-20. Mr. Milone reviewed information for this line item. There is \$598,000 in the Land Acquisition account, In the budget document there are some policies for Council to consider and adopted...one dealing with land acquisition and one dealing with open space maintenance. They have become more urgent now; staff wants to close out some of these things; adopt policies; solidify the Council's position so the new town manager has fewer issues to negotiate and decide.

EDC is promoting reevaluating land acquisition strategy. We have looked at open space for passive recreation, recreational facilities or land for school buildings. EDC suggests the Town broaden the scope of how it looks at land acquisition and also introduce the economic potential of buying property. This is one of the EDC recommendations in the Muldrow report.

Economic Development – has a \$1.3M request to bring water into the northwest quadrant of the Interchange zone. EDC says it is time to try incentivizing development, hoping it may attract someone to develop the northwest quadrant. Sewer extension is \$1.1M, and extension of water is \$1.3M.

EDC is hoping to build a parking lot adjacent to the Linear Trail on West Main Street, on the southwest quadrant behind the area around or around the former site of the food pantry. It would be adjacent to the State parking lot; the State will put in bathrooms, make it a gathering spot with benches and a bike maintenance component. There are concerns that people will use the parking and facilities of local retailers, without making a purchase. The Town has applied for a \$500,000 STEAP grant for this project.

Public Safety/Police - \$1.3M for phase #2 of the communications system; last year the Council approved \$3M for an upgrade for the dispatcher console, hardware and ancillary items. This appropriation is for the mobile and hand held radios, and it incorporates Public Works, Building Dept., BOE, CPD, CFD. The current communications equipment is old; needs to be replaced; and this plan also includes enhancement of the Higgins Road tower. CPD hired a consultant who is putting the bid specs together for a bid document. Most of the radios in the system are outdated. Bid specs will be available in a month.

Public Works Department - \$1.7M to continue road repavement; there are two requests for a plow truck and other heavy equipment at \$800,000.

Sewer and Water - \$400,000 for the Cook Hill Pump Station; this is the last station to be upgraded for a long time to come.

Parks and Recreation - \$280,000 for completion of the bathroom projects, and development of the Chapman property. Two bathrooms completed this year and two next year. \$100,000 to hire consultant for planning of the Chapman property; \$2.7M was requested for development of the Chapman property which is placed on hold; last year it was reduced to \$2M, and it is now in year #2 of the CEP.

Mr. Milone suggested a bus tour of the Town by the Council, to include the Chapman property...walk and see this property including the house and other dwellings which are structurally sound...and have a ground level view relative to the Bartlem Park site for new integration of the two properties.

Community Pool – Ms Adams wants bleachers at the pool, recreation area outside the pool, which could be integrated with the Chapman property project. Mr. Milone did not support the funding for the bleachers in this CEP, and moved it further in the out years.

Education – this budget is status quo and has changed little from last year.

Pages 28, 29, 30 – Summary of bonding for projects; how they were funded; grants and bond funds.

Page 31 – Summary of debt service and debt service reserve account; \$4.665M left in the debt service. Next year WPCD Fund will have additional payments; Council increased the user fee for sufficient surplus money to create a healthy reserve so WPCD could take on some of its debt service. WPCD is paying \$500,000 for pump station upgrade; is carrying \$800,000 to \$900,000 fund balance which will grow with new sewer rate revision to be approved in November; this will take pressure off the operating budget, i.e. Clean Water Fund loan payment for the upgrade project. There will be continued utilization and reliance on the WPCD money. All their major projects are done, and the plant will be more efficient, without drawing on the reserve funds to support debt service.

Pages 32 and 33 – These pages reflect what has been done to control debt service as a percentage of the operating budget. 2018 – shows debt service dropping to lowest amount of the operating budget with utilization of debt reserve and WPCD money. It also shows how debt will moderately grow over the next 4 to 5 years.

Page 36 – Long term bonded debt as of March 6, 2017; Grand total is just over \$69M.

Page 44 Finance Department – Mr. Jaskot reviewed the information on this page. Revaluation \$75,000 FY 2018-19; funding for legal expenses associated with appeals; there is about \$62,000 left in old appropriation for legal expenses. Full property revaluation is for the 2023 grand list at \$450,000.

Mr. Milone explained that, routinely, all the projects are scrubbed to look at taking money out, or completely close the project. Once this is done in a few weeks, Mr. Milone and Mr. Jaskot will review the information with the Council.

Technology Reserve Fund - \$210,000 FY 2020-21. Establish maintenance fund, rebuilt infrastructure; town and school security system is funded in FY 2017-18 at \$250,000. This line item will be reviewed with Apex Technology.

Page 48 – General Services. Vehicle and equipment will be reviewed with department heads providing specific information.

There is \$122,000 left in the Capital Planning Account; if there is no need for this money then \$100,000 could be used for Chapman property study.

Page 57 – Public Property.

## **PLANNING**

Mr. Pelletier and Mr. Sitko were present to discuss Planning and Development.

Mr. Milone talked about having a formal approach to open space with some controls in place with the Council meeting annually with the committee. He stated that open space is a large part of the town's inventory, and will continue to be monitored by Police, Fire and Parks Division, which will help reduce vandalism, accidents, squatters, fires etc. with an eye kept on things for more maintenance.

Page 67 – West Man Street Parking Area for Linear Trail near West Main Street - \$750,000 requested appropriation.

Mr. Sitko has not talked to property owners but there are some properties under consideration. Mr. Milone noted one property owner has approached the town about this project.

At this time the State will have 10 parking spaces out there, and more are needed. With properties being looked at there could be another 40 spaces for the Trail, and support of Ball and Socket Arts also using this parking. Mr. Sitko said this is a continuation of a 10-12 year effort on West Main Street, started with the STEAP grants of \$1M, \$500,000 STEAP funds for sidewalk extensions, and the parking is the last piece of the puzzle. The Council authorized submission of a STEAP grant application in April 2017, but there has been no response on this grant at this time.

Town Manager Milone will follow up on this grant submission with Rep. Zupkus and Rep. Linehan.

According to Mr. Sitko there is concern about people parking for the Trail at local business parking lots, and taking away parking spaces from business patrons. The budget for the parking project is budgeted at \$750,000 for acquisition and development of a few properties. \$500,000 grant would defray part of the costs.

Page 68 – Infrastructure Improvements for NW quadrant of Interchange Zone.

Mr. Sitko explained that in March 2017 when EDC was working with the Muldrow firm, Milone and MacBroom submitted a rough estimate on the cost to run utilities to the north end of the I-C zone. This is 100 prime acreage, and is one of the few remaining interchanges in the State. There was a meeting last week with some developers about a potential mixed use project on this property, and questions were raised about the infrastructure. The Town has invested in a road infrastructure in the past on McCausland Court, and the linkage of Industrial Avenue in support of Bozzuto's. Water would be coming up from West Johnson Avenue to the northwest quadrant of the industrial zone. There was talk about water coming from Southington for the W.S. Development site, as well as water coming from West Johnson Avenue.

Mr. Pelletier noted that in the Arnett Muldrow report there were two areas for development in the Town – West Main Street area and West Johnson Avenue area. With any development project, the company comes in and looks at the area, and wants to make sure they can start putting a shovel in the ground as quickly as possible. They will not wait for infrastructure to be brought into the property and costs involved. Bringing infrastructure across the highway into that property could be paid for with looking into putting in a TIF project. This may not cover the cost of the water, but maybe the eventual sewer lines to go up there. Mr. Pelletier and Mr. Sitko have had discussions with the Regional Water Authority (RWA) which is looking to increase its capacity, or cost share on a project. As far as furthering economic development in Town, getting parcels as ready as possible for development will help moving forward.

The Council was told by Mr. Sitko that there was a large warehouse interested in this site, but they went elsewhere. He called them and was told a number of factors were involved, including lack of infrastructure for their decision. We must get something going up in this zone to show the Town is moving in the right direction, even TIF.

Mr. Slocum commented on these projects entailing laying pipe connected to existing infrastructure, running it up West Johnson Avenue, across the bridge. It could possibly be connected to Southington.

Mr. Sitko said water would be in the road, near the site, and 1,800 linear feet is the average, over the bridge, at the intersection of West Johnson and Route 10. The sewer would be running in the same direction; this is up to the user and their needs. The primary emphasis is to get water. Regarding Eversource Gas, Mr. Sitko said he is attempting to get the eyesore building down; this is in progress; and then the property can be cleaned up; and get the property back to use.

There is gas to the north end and Mr. Pelletier said Yankee Gas representatives met with EDC a few years ago. The gas company was not looking to expand lines in Town, and wanted to just pick up more users along the lines, and would expand the lines if the Town had the road opened up. He said there could be an opportunity, if the road is opened up, for Yankee Gas about running some lines up at the same time. This has

not been addressed, and would be at the expense of Yankee Gas. It would be a good idea to approach the gas company and put it all together.

Pages 18-21 – Mr. Milone referenced the information on these pages, which was developed by Mr. Voelker, Mr. Sitko and Mr. Milone in response to a request from the Town Council for some objectives for a different approach to land acquisition. They went back to the Open Space Land Use Advisory Committee 1996 report which has been the guiding principle and framework followed by the Town. It was decided to depart from this a little bit, formalize a review process with the Council or the Committee, on an annual basis, for larger oversight of land acquisition in Town. We want to have people advising the Town of potential opportunities to purchase property rather than wait for someone to approach the Town Council.

The EDC is taking is starting to take a serious look at creation of a “Development Authority”, and Mr. Sitko said there may be a compelling need for the Town to acquire property for economic development purposes. He stated the EDC would approach the Council on creation of a Development Authority, and have it in place if it is needed. Mr. Sitko informed the Council that the Town of Glastonbury used this concept when developing its town center. The discussion was started by Mr. Milone, Mr. Voelker and Mr. Sitko, and EDC is very interested in pursuing this further.

Mr. Ecke asked which town is similar to Cheshire with a Development Authority and is successful.

Stating he is unsure about the success rate, Mr. Sitko said most are in urban areas. There is potential for such an Authority, and it should be looked at by the Council. He talked about the time when Jack Errechetti walked away, and the property was available for sale to the Town. It could have been opened up; infrastructure put in for an industrial park uses; and the money paid back over the years.

According to Mr. Pelletier the Development Authority would be a stand-alone, non-profit organization, quasi-government.

Mr. Ecke stated he likes the idea. If the organization made money on a project, then this money is available to roll into the next project.

Mr. Milone said we realize we have to incentivize some parts of Town, and this is one way to do it. He also stated the tax incentive program works well, but is one small part of what would be offered.

If a property is available, Mr. Ecke asked about the Town being more apt for prime development for it.

The Council was informed by Mr. Sitko about a medical office building, two facilities, which he worked on for more than three years to come to Cheshire's north end. They could not come to terms with anyone or anything, and went to another town.

Mr. Ecke commented on Cheshire getting negative stuff going with development in surrounding/bordering towns. He cited Home Depot in Southington, and associated traffic in Cheshire.

The process with an Authority would be the same as with land acquisition. The "Development Authority" would be a non-profit organization, profits could support loan funds, help with incubator projects. Mr. Pelletier said it could work for Cheshire.

Mr. Sitko stated the Council is on the right track with the land acquisition policy, and EDC has picked up on this.

It was stated by Mr. Pelletier that the Muldrow report talked about land acquisition where the Town controls the development of a parcel.

Mr. Ecke said there could be a message out there that Cheshire is a hard town to deal with because of the planning and zoning process, which takes a long time. If the Town has a vested interest in getting something done, this would send a message to developers that Cheshire is open to business and will work with them to get things done.

That is a big part of this, and Ms. Nichols said the process must be streamlined, as it takes a long time to go through each commission. If this could be gathered, and the process streamlined, presenting to IWW, PZC and other commissions.

The Council will get a proposal from EDC. The first proposal will be about TIF; then the Development Authority; and formalization of the policy.

With the concept of land acquisition, Mr. Milone said it is inclusive, broadens the town's approach, and formalizes a process where we are proactive, and not reactive. Up until now there has not been a proactive land acquisition strategy, and they go hand in hand.

If this Authority is developed, Mr. Slocum said they are developing the shopping list for their purposes. They would become focused on these things, and come to the Council for a referendum.

Mr. Milone said the policy must still endorse what the Authority is doing. While there might be deferring to the Authority the responsibility and right, the Council still has to have the policy which recognizes the EDC authority to do it, responsibility to interface with the Council, and a mechanism to monitor what they are doing. The infrastructure funding could go to referendum this year as the first step.

The Council was informed by Mr. Sitko he is approaching some consultants about working on TIF, and will get numbers from Mr. Milone. Some legal assistance will be needed to put things in place, and this is six months out.

The way this would work was explained by Mr. Milone. The Council would agree to "X Company" developing a property; any additional tax dollars generated from the property are used for them to finance their project. The Town does not put any money out, but is basically allowing the company to use the additional tax revenue to finance their development.

The Council has been very supportive of EDC and is great on the incentive policy. Mr. Sitko will discuss the "Development Authority" with EDC; TIF could be done within six months; and at this time next year we could have the infrastructure in place.

If the price is right, Mr. Pelletier said the Town can go back to Arnett Muldrow (Tripp Muldrow) as the consultant for TIF.

Mr. Milone advised that the Capital Planning Account could be used for this purpose of capital planning. He would have bond counsel look at it, and he will also check with the Town Attorney.

#### **4. ADJOURNMENT**

MOTION by Ms. Nichols; seconded by Ms. Flynn-Harris.

MOVED to adjourn the special meeting at 8:20 p.m.

VOTE           The motion passed unanimously by those present.

Attest:

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MARILYN W. MILTON, CLERK