

**MINUTES OF THE SPECIAL CHESHIRE TOWN COUNCIL AND BUDGET  
COMMITTEE MEETING HELD ON THURSDAY, AUGUST 17, 2017, IN ROOM 207,  
TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410**

Present

Council Chairman Robert J. Oris Jr.; Paul A. Bowman, Vice Chairman; Michael Ecke, Jeffrey Falk, Timothy Slocum, Peter Talbot.

Absent: Patti Flynn-Harris, Sylvia Nichols, Thomas Ruocco.

Staff: Michael A. Milone, Town Manager; James Jaskot, Finance Director; Arnett Talbot, Asst. Town Manager; BOE COO Vincent Masciana; I.T. Director Anthony Verrill.

**1. ROLL CALL**

The Clerk called the roll and a quorum as determined to be present.

**2. PLEDGE OF ALLEGIANCE**

The group Pledged Allegiance to the Flag.

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

Town Manager Milone distributed a packet of information for meeting discussion.

At the August 17<sup>th</sup> meeting, a question was raised by Derf Kleist about CPD vehicles. Mr. Milone stated that four (4) CPD vehicles are requested in the annual capital budget. Two (2) will be unmarked cars and two (2) will be marked cars. They will replace 2009 and 2008 Chevy Malibu vehicles. Mr. Milone is uncertain which of the two officers will be taking home a car; five (5) officers take vehicles home – Chief, Deputy Chief, 3 Lieutenants, and Detective Sergeant; these officers are on call 24/7, and respond immediately and directly to the scene of an emergency or situation. The Council was told by Mr. Milone that Chief Dryfe will be present at a budget meeting and provide any further information needed.

PUBLIC COMMENTS

Cindy Kleist, 251 Lancaster Way, does not agree with this policy of take home cars. She said the Chief does not live in town; take home cars should only be used for emergencies; and CPD does not need these cars.

Capital Budget Discussion Issues – August 17, 2017 handout.

Town Manager Milone referred to page 46 of the CEP book, noting that since FY 2013 the Council and voters approved \$2.078M for Town and Education to rebuild technology infrastructure. At the time the infrastructure was inadequate, unreliable and on the verge of failing. We do not want to fall into the same major crisis as 2013, and Mr. Milone is recommending start of a technology infrastructure replacement fund. Everything was vetted by The Technology Study Group. The life cycle duration of equipment, industry standard, is 6 to 7 years, and the town is spreading it out over 10

years. In addition to Apex support, the Public Safety upgrade was \$3.1M, and there is another \$1.3M in the annual capital budget for technology.

Mr. Milone advised that he sought Mr. Verrill's advice on whether the deletion of funds for the next three years was prudent and asked if it is impactful. After Mr. Verrill's evaluation, he informed Mr. Milone there could be some failures in the next three years with deferring to future years. In that regard, Mr. Verrill is present to inform the Council of the risks of deferring, and how to fund less costly ways to address the situations. If necessary, I.T. funds can be reinstated over the next three years. There is also a \$50,000 grant to offset some of the costs, another grant opportunity for funds for the security system...so there could be some funding to offset the Town's costs.

According to Mr. Masciana, BOE funds have already been deferred from last year, and the program is one year behind. Pushing the proposal out another year could be an issue.

#### 1. Technology Overview – Anthony Verrill, I.T. Director,

Mr. Verrill gave a brief history of the I.T. process that started in late 2010 into 2011 when the network was failing, and everything was requested over a 7.5 year period. As part of this, there was an attempt to implement a capital replacement program so the failing situation would not be repeated. Steps were taken to bring the network up to speed, to be user effective, and have replacement segments. The medium industry standard of life for equipment is 6 years based on the date of installation and use 24/7.

Information in the format of a power point presentation was presented by Mr. Verrill for the "Network Infrastructure Build-Out". A copy is attached to these minutes.

The Council was told by Mr. Verrill that there is a need to start replacement of things purchased in 2011-2012, and every year support replacement of some of the elements.

Wireless must be replaced first (switches, routers, firewalls, servers and storage).

2017-Wireless component; \$200,000; spread out over two years.

\$200,000 capital replacement commitment for each year to replace oldest equipment.

2019 - \$300,000 for equipment that should be replaced; spread out over three years.

2022- re-evaluate entire I.T. system.

Some of the equipment will be replaced with higher density and capacity.

Wireless must be looked at first; schools have 5,000 users of the wireless each day, and we want to avoid a catastrophic failure.

All these costs are based on industry numbers; labor is already included in the operating budget; everything goes out to bid; a decision will be made on getting more than six(6) years out of different pieces of equipment. Mr. Verrill said staff is trying to look at the total infrastructure components.

Mr. Milone advised there is \$54,000 left in the I.T. account. He questioned whether this has been allocated already.

Mr. Verrill stated that we want to have a little funding in the CEP for equipment replacement, and capital funds have been used in the past for equipment in service (2010-2011).

There has been spending of the full amount in the operating budget for technology, and Mr. Milone can find \$50,000 this year. The assumption is to go to the operating budget and defer some of the other pieces of equipment, i.e. laptops.

Licensing – Mr. Jaskot said that last year the Microsoft licensing costs were lower than estimated, and this was taken into consideration doing the regular budget.

Mr. Verrill is working with Microsoft on costs of new licensing going forward. An inventory of equipment, when put into service/year/cost/replacement will be given to the Council.

The Town spent \$2.1M for rebuilding all the equipment; over three years; divided by 10 years for amortization.

Mr. Milone stated that he wanted to alert the Council to the I.T. situation.

Mr. Verrill recommends appropriation of \$200,000 each year over three years. He stated that after six (6) years of using equipment, there is a risk failure; some equipment risk failure is more than other equipment; but he does not want to go more than seven(7) years with the equipment.

Mr. Masciana cited some information about the wireless. It is an access point for users to connect (AP125); installed in 2011; replacement is needed in order to upgrade to the next version of software; and this is system wide.

It was stated by Mr. Verrill that when the program was started, everything was done from an enterprise perspective, and everything is managed as an enterprise. If the devices are not upgraded there cannot be upgrade to the next version of software. The current software will not be supported by vendors, and the Town and BOE will be told to upgrade the software. The cost is about \$196,000.

Mr. Verrill explained that we cannot take advantage of the new software at the present time. The “end of life” means they will not be sold anymore; “end of support” means no further support; and if it fails, you cannot call the vendor. He noted that Cheshire is already one year behind the upgrade; is on old APs; cannot take advantage of some of the higher density features; and cannot have as many users to one access point.

It was noted by Mr. Masciana that the network has been stable, but without an upgrade we will begin to see degradation of the wireless. It is okay this year; but next year we will have to upgrade; the APs are at the end of their life.

New Chromebooks may have AP upgrades. Mr. Verrill said new wireless cards will require higher density APs; there will be issues with printing; batteries will start to fail without replacement. Servers/storage went into service 7 years ago; they run 24/7 for 7 years; there have been some drive failures; and we have a great disaster recovery program. Upgrading one-half of the wireless can be done for one year. Anything would be catastrophic...we do not want to get to that situation, and maintenance and replacement have been done.

Councilor Talbot, Technology Study Group Member, commented on the infrastructure issues and concerns. From a committee standpoint, he said the Town was on the verge of a disaster, but things are steady now. What is being presented is the recommendation for maintenance which does not get us back to the former situation. This is not "nice to have"; the equipment is at its end of life; and we could have a situation where there is no functionality and support if something goes down. Mr. Talbot stated his support of what Mr. Verrill is recommending, and said the Town should proceed with the recommendations.

Mr. Masciana said there is \$54,000 in the I.T. reserve account; the Town will receive \$60,494 in the security grant reimbursement; the \$60,494 should be appropriated to the I.T. reserve, bringing it to about \$100,000; and this money could be appropriated this fiscal year.

Mr. Milone cited the fact that there is \$19,000 encumbered on the I.T. fund. When he submitted the information to the Council on the I.T. situation he followed the five year plan. He then came to the realization that something must be made available. His job is to find it and make it easier for Council to deal with it. Mr. Verrill will tell him what is needed. He will work with Mr. Jaskot to determine how to do this and not cut the budget further.

Chairman Oris said the wireless is an important issue, and we have \$100,000 from two sources. This money should be taken and wireless units replaced, deferring everything else to next year, and then get back on track. Mr. Oris said we do not want to spend the capital money until we know the damage the State is doing to the Town.

If something happens, Mr. Milone would go to the operating budget; take the money out; and then find savings in the operating budget.

Page 47 – The Town and School Security Project. This project is intended to replace all video surveillance and door access controls across the entire system, and expand the existing security footprint. It will integrate the entire system, and enhance security and safety in all town and school locations.

Mr. Masciana commented on this being discussed on July 18<sup>th</sup> when the BOE presented its capital budget. The request is for \$250,000 in FY 2017-2018; \$170,000 goes towards the door access controls in Town buildings; the second portion is for further video upgrades in the schools.

The State is announcing the third run of school security component grants program. Mr. Masciana said \$106,000 was reimbursed to Cheshire in the first round; there is \$60,000 for the second round; and Cheshire will apply for the third grant which is 40% reimbursement. The approved funding has to do with school security, and he will look for grant money to offset part of these costs at 40%. The school districts apply for the grant; the State chooses the actual funding; the application deadline is October 2<sup>nd</sup> with no cost to apply for the grant. The grant would apply to the \$78,000 cost.

Mr. Verrill pointed out that the I.T. group came up with the overall project to replace video surveillance and door access controls in the enterprise...Town and schools. It was broken into different years. CPD and CFD have the most requirements. We need to replace door access controls in Town buildings and police department building which is still using keys to get in and out of the building.

With regard to the grant, Mr. Talbot asked if the \$155,000 (FY 17-18) is primarily police. He questioned it making sense to put the cost for access controls for schools into the grant for 40% reimbursement.

In response, Mr. Masciana said it makes sense from a money point of view, but the question is priority. Schools do have good door access controls in the buildings; it is not integrated; it is an older proprietary system that does not interact with the video system. But, it is functional.

For the existing door access control for the Town, Mr. Verrill said we cannot get parts.

Chairman Oris has concerns about the school security and door access. He supports school system and public buildings having adequate safety controls.

On the Town side, Mr. Verrill reported that the existing system is almost non-functioning and must be replaced.

It was noted by Mr. Oris that the video and door access controls are not inter-connected in the schools. If anything is to be accelerated, Mr. Oris said it should be public safety and school security.

Mr. Verrill said the Town looked at the \$1.2M project for the Town and school buildings to be integrated, replacement of door access controls throughout the entire organization. There is access to video surveillance now. The project is divided up over the years. FY 17-18 includes all the municipal buildings, including public safety. With

the new system, he said we want to move the schools to this system and be fully integrated.

It was noted by Mr. Masciana that there is no decision tonight on where the money will be allocated. The BOE will apply for the grant on the door access with numbers included in the grant application. He will be requesting the maximum, and said we do not have to appropriate 100% up front to satisfy the grant application.

Mr. Milone stated the priority is the upgrade to the school system to the extent possible.

Chairman Oris thanked Mr. Verrill for the information he presented to the Council.

2. Decision on separating budget requests.
  - a. August 29 – just items for referendum
  - b. Defer remainder of Capital Budget
  - c. Meetings scheduled for next two weeks

Mr. Milone explained that the Council has three options – adopt everything, or just those items going to referendum, and defer other projects to be decided by the November 20<sup>th</sup> deadline. Or, defer everything to November 20<sup>th</sup>. With deferring everything, the referendum projects would require a special referendum election. These special elections have lower voter turnout (2,100 to 4,200 voters) than general elections with 15,000 to 16,000 votes on referendum items.

Handout – page #2. There are 22 projects listed. Referendum items/projects include the following:

#5 - Linear Trail Parking Area; \$500,000 STEAP grant has been submitted; this project could be deferred, await outcome of the grant. The Council could appropriate up to \$400,000, and do the project in two installments. The project requires land acquisition, demolishing some property, and construction of the parking lot. The resolution could be conditioned on the Town getting the \$500,000 grant; then it does not go to referendum; but the Town can only spend \$250,000 to start the project.

Meetings week of August 21<sup>st</sup>. Monday, August 21<sup>st</sup> meeting is cancelled; Tuesday, August 22<sup>nd</sup>, tour of Chapman property; Wednesday, August 23<sup>rd</sup>, Council and Budget Committee Meeting.

6. Interchange Zone Project – description revision

Councilor Bowman informed the Council that he has a minor interest in property in the northwest quadrant. Therefore, when this project is discussed, he will leave the meeting, and will not participate in discussion or action.

Mr. Milone asked that this project be moved to the end of the meeting. Chairman Oris agreed to the request.

7. Upgrade and Expansion of Public Safety Radio Communication System.

This referendum item has a cost of \$1.313M for the Town and BOE/school system, and must go to referendum.

10. Public Works Dump Trucks and Plows - \$442,000

The Council is awaiting a cost benefit analysis; this project is open for discussion; and it could also be deferred until later. The cost could also be lowered below the referendum number, and there could be another way to fund the purchases.

12. Road Repavement Program \$1.7M – must go to referendum.

13. Cook Hill Pump Station Rehabilitation - \$400,000

Money was appropriated for this project, \$125,000 in 2011 in bonds when the design was done. The aggregate puts the project over the \$400,000 limit.

17. Window Replacements – Cheshire High School - \$250,000.

This project is subject to grant funds; this is regular construction reimbursement, cost of the glass, with estimated 15% reimbursement of the total cost.

19. Lavatory Improvements, Norton and Doolittle Schools - \$250,000

This piggy backs on a prior appropriation, totaling \$625,000.

This is where we are for items subject to referendum. Mr. Milone said the choice is up to the Council...either split them up, deal with the items over the next few meetings, or defer the entire capital budget to November.

Mr. Slocum asked the Council how they felt about this aspect of the capital budget, deferring items until there is a better picture of the financial situation.

Mr. Oris is not in favor of a special referendum; he favors discussion and deferring the non-referendum projects; for referendum items the Council can make a decision on what will advance.

It was noted by Mr. Slocum that some of the projects have CNR funding.

With a doomsday budget, Mr. Milone said the CNR would be used to offset the loss of general fund revenue...and these projects for CNR would be deleted or bonded.

#5 – Linear Trail Project – Mr. Slocum talked about the strategy for this project, waiting for the STEAP grant funding, and then appropriate \$250,000.

Mr. Milone advised the Council could appropriate \$400,000 for this project in October or November.

Mr. Oris would consider a \$400,000 allocation at a later date, and not advance this to referendum at this time.

#7 – Public Safety Radio Communication System \$1.313M. Mr. Slocum stated this project should go out to referendum. It will go out to bid.

Mr. Oris said it is an important project; it is a piece of the puzzle; we must move forward on this project as there is no communication between the Town and school buildings.

The Council was informed by Mr. Milone that the infrastructure will take about nine months to get; there will be a bid award in late fall or early winter; in December we will know the cost of the project; there is authority to spend up to \$1.313M.

Radios will be ordered immediately as some have already failed. It will be a progression of over two years for replacement, and the radios will be replaced only as needed. There are significant discounts by going out to bid for all the radios at one time, but they do not have to be ordered at one time. The money will not be bonded right away. There is no debt service paid for over four years; but we must get the appropriation in place to proceed.

The Council members decided that this project must go to referendum.

#10 – Public Works Trucks \$442,000. This can be deferred.

#12 - \$1.7M Road Replacement Program. This is a referendum item, and if approved the money must be spent. With a catastrophe, the money would not have to be spent.

Mr. Milone asked the Council to look at projects that could be frozen. He noted the pump station project came in \$500,000 under budget.

Mr. Slocum commented on the road replacement project being on track. It has wide public support; the roads are being maintained; and if it goes to referendum the voters can make the decision on this appropriation.

This is the most popular referendum project, and Mr. Milone said it has been approved 75% of the time.

Regarding the road repavement program, Mr. Bowman asked to see a listing of the roads in the roughest shape, and plans to spend money on these roads.

Mr. Milone will have this information at the next meeting for Council review.

Mr. Bowman stated that cul-de-sacs are not primary roads, and repaving them should be deferred.

#13 – Cook Hill Pump Station \$400,000. This project must go to referendum.

#19 – Lavatory Improvements Norton and Doolittle Schools \$250,000 – This project must go forward.

The projects still being considered for referendum (from the list of 22 projects) are #s 6, 7, 12, 13, 19. Item #12 will have more information for Council.

Mr. Oris said if the town gets an \$8M cut from the State, not much will get done, and he will not be in favor of passing the capital budget onto the taxpayers.

Tuesday, August 22<sup>nd</sup>, site visit; Wednesday, August 23<sup>rd</sup> – projects to be reviewed to go forward and decisions to be made; Monday, August 28<sup>th</sup> – could be review of the resolutions; Tuesday, August 29<sup>th</sup> – Town Council meeting and vote on the referendum items.

Site Visit – the site visit will be at the Chapman Property. PW Director Noewatne will cut a path from the pool to this property; he will have keys to each of the buildings to look at the interiors. Ms. Adams will join the Council for review and discussion of additional recreation areas outside the pool facility...i.e. sand volleyball, bocce court, screened area for the public. Parks and Rec Commission members have been invited to the site visit.

#4 – Roof Replacement \$185,000.

Handout Page 4-A – Projected Debt Analysis/General Fund, FY 2018-2022.

Mr. Jaskot updated the report. Column #3 - Total debt 2018 is \$6.591M; has declined by about \$1M because some projects were deferred. Chapman Property has \$100,000 for planning (not \$2M).

Footnote #4 – refers to the \$332,549 increase in sewer use revenue.

Page 4-B – WPCD Debt Service Summary 2018-2027.

\$200,000 of fund balance used this year to defray debt service next year. The Council supported the rate revision for commercial users, with expected revenue generated of \$324,549. It was used to reduce debt service in this year's budget, but it was never extended out the nine (9) years, and it should be extended. This money is used to primarily defer the cost of debt service. It has to be approved by the WPCA; this is excess revenue; and it can be used in the next nine (9) years to offset the debt service (on page 4-A).

Mr. Oris said this money should be used towards the reduction of the debt service for the treatment plant.

Page 4-A Column #4 – shows how the debt service reserve will be allocated 2019 to 2028; Column #4 shows effect of the bonding.

Page 4-C – General Fund Borrowing Requirements, 2018-2022 CEP.  
Gross borrowing – 2018 is \$7.557M; 2019 is \$8.368M.

Mr. Jaskot explained that anything approved this year will be bonded next fiscal year out, February 2019.

Mr. Milone said we would be bonding all of the capital budget approved this year, and half of the capital budget approved next year. Almost \$12M.

Going back to page 4-A, the effect is cited in column #3; debt service would be affected to the tune of \$430,503 in 2020, and then goes up to \$1.87M in 2021.

From his perspective of the budget, Mr. Bowman questioned going back and comparing the grand list compared to debt and to the budget on an annualized basis. If we are going to spend money on a go forward basis, we need to target grand list growth, and whether our taxes will have a big increase.

This was done in the operating budget with the five year projection, and Mr. Milone will bring this information to the Council. He advised that one of the key things which the rating agencies look at is debt as a percentage of the grand list as they know this is where the tax revenue is; they also look at debt as a percentage of the operating budget. These bonds are backed by the full faith and credit of the town, so they look at the tax revenue over time.

CEP Book, page 42 Amortization Schedule -  
\$1Million Bond Issue, at 4% interest rate.

Mr. Milone said there can be identification of existing projects which will be frozen or closed out. For the 2017 projects, everything is in process with the exception of the West Johnson pump station, a \$3.5M project. Bids came in under \$2.5M. He will go back to the prior 2017 projects; scrub them; and come up with some de-authorization or projects completed with money left over. Mr. Milone cannot determine how much money can be cut from these projects.

There was a brief discussion about the large generation at the high school and its location. Mr. Masciana pointed out that the CHS generator will have a fence around it.

Handout Page 1, #7 –WPCD Clean Water Fund Payment \$80,337.

Mr. Jaskot explained that FY 2018 the debt service budgeted in this fund will be short by about \$80,337. He found this error, takes responsibility for it, and explained the design work from a few years ago, was not paid out of the fund.

WPCD has a fund balance of about \$800,000, and Mr. Milone said it will stay there with a projected surplus this year. There is money to pay this \$80,337 out of the operating budget.

8. Revisit projects/add.

Mr. Milone has a status on each of the projects to be reviewed next week.

d. Public Works-Solid Waste. Mr. Milone informed the Council on the re-negotiation of the A.J. Waste contract. There were meetings with the Solid Waste Committee to review and discuss savings with automated solid waste collection. There was not much money to be saved. The Town had to buy containers at a cost of \$50 per container for 9,000 households. The A.J. contract runs out June 2019. Mr. Milone will discuss with Council the idea of putting money in an out year for purchase of the containers. If we go the automated route, the container costs can be amortized over 10 years. The savings are not worthwhile with re-negotiation of the contract now and buying the containers.

Mr. Bowman left the meeting at 8:45 p.m.

Handout, Page 3 – The Council read the memo from Jerry Sitko regarding water main extension for the Interchange Zone.

With the I-C zone, there are a number of properties along Route 10 to West Johnson north of I-691. All could be hooked up, and Mr. Milone said referendum item #6 should read “Infrastructure Improvements for Interchange Zone”.

The issue of water freezing under a bridge was raised by Mr. Slocum.

These are all insulated pipes and Mr. Milone said there are also fire stations along the highway.

Mr. Slocum asked if the dollars stated are all inclusive costs.

This does not go to the Southington line, and Mr. Milone said it stops just below the commuter parking lot.

The Council agreed to change the name for item #6 on the project list. Mr. Milone reported that Mr. Sitko will be meeting with RWA representatives, and the intent is to see RWA participating with the town on the infrastructure improvements.

Mr. Milone explained the process when property owners hook-up. When they are assessed for the hook-up, some of the assessment is for hooking into the water main, and some money should come back to the Town for this hook-up. It is possible, even if RWA does not partner with the Town, for some assessment money to come to the Town. This is another issue to be clarified with RWA.

Mr. Oris said there is a connection fee, and RWA should not get the benefit of this if the Town does the work.

This also affects the Town retroactively, and Mr. Milone said the Town has extended water mains. There have been residential hook-ups, without any money coming back to the Town. The money went to RWA. This needs to be further explored.

Mr. Oris stated his support of anything that helps the Town control its own destiny with revenue generation, and that is grand list growth. He supports the infrastructure improvements in the Interchange Zone.

Mr. Talbot stated that with economic development, we cannot afford not to do it.

The consensus of the Town Council was to support project #6, Infrastructure Improvements in the Interchange Zone.

#### **4. ADJOURNMENT**

MOTION by Mr. Falk; seconded by Mr. Talbot.

MOVED to adjourn the meeting at 9:05 p.m.

VOTE           The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk