

**MINUTES OF THE CHESHIRE TOWN COUNCIL MEETING HELD ON TUESDAY, JULY 12, 2011, IMMEDIATELY FOLLOWING THE 7:30 P.M. PUBLIC HEARING, IN COUNCIL CHAMBERS, 84 SOUTH MAIN STREET, CHESHIRE CT 06410**

Present

Council Chairman Tim Slocum; Vice Chairman David Schrumm; Council Members Stephen Carroll; Michael Ecke, Andrew Falvey, Patti Flynn-Harris, Thomas Ruocco, Absent: Sylvia Nichols and James Sima  
Staff: Michael A. Milone, Town Manager; Dwight Johnson, Town Attorney; James Jaskot, Deputy Finance Director; Joseph Michaelangelo, PW Director.

**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. PUBLIC COMMUNICATIONS**

**A. Public Comments**

Ray Squier, 291 Cook Hill Road, addressed the Council and submitted the following items for responses.

Review of the Town Charter, not to change it, but review it; formation of a 9 to 15 member committee to review the Charter; 2/3 vote of this committee required in case the Council wants to change the Charter.

Land grants – how secure are the land grants which have been donated to the Town, so no golf course can be built on them into the future; i.e. Ives Farm.

Cheshire Community Food Pantry – the median income in Cheshire is \$100,000 as noted in the Chamber of Commerce directory; the food pantry serves and feeds 90+ families a week, over 300 people; and residents can write a check to the CCFP, PO Box 926, Cheshire CT.

Silent Sundays – request that the Council take up and pass an ordinance for 7 silent Sundays, April to October, one Sunday a month; there would be no noise and disturbance from lawn mowers, weed whackers, etc.

Town Dump – what will happen to the site and future considerations for the site.

Wind power is not an option in Connecticut, and the question is whether this can be done.

FY 2010-11 budget – was it on target; people want a recap; bring back the annual junk pickup.

The \$100 million Town budget is about \$2 million a week; what are things in the minds of the Council which must be addressed in the FY 2012 budget.

Community Pool – the Council should hold a public meeting on the pool; the Town Manager's report should be held earlier in the meeting; we should know where we are and where we are going.

The debt of 14 years ago was \$78 million and this was to be paid off; how much is owed on Town debt right now.

Chairman Slocum advised that Ives Farm is not Town owned property, but under the jurisdiction of the Cheshire Land Trust, and they decide what happens to this farm. Town owned pieces are itemized as to their use, i.e. conservation.

Doug Levins, 72 Chipman Drive, asked for clarification on the pool subcommittee looking at the pool and bubble. The committee met for the first time last night. Everything needs to be sent out to RFP, and there is a question whether this is the intent, or was it to review bids received to insure they cover everything.

In reply, Chairman Slocum said that later on in this meeting the Council will discuss some of the points from the first PBC meeting. He will seek a motion to add this matter to the agenda of this Council meeting.

#### **4. CONSENT CALENDAR**

MOTION by Mr. Schrumm; seconded by Mr. Ruocco.

BE IT RESOLVED, that the Town Council approves Resolution #071211-1

#### RESOLUTION #071211-1 CONSENT CALENDAR FOR JULY 12, 2011

BE IT RESOLVED, that the Town Council approves the Consent Calendar for July 12,2011 as follows:

- A. Acceptance and appropriation of a \$20 anonymous donation to the Human Services Gift Account.
- B. Appropriation of \$875 from the Historic Document Fund for the purchase Of a shelving unit.
- C. Acceptance, appropriation, and authorization to execute a contract for an Historic Preservation Grant.
- D. Authorization to apply for the annual Connecticut Department of Education Youth Service Bureau Grant for \$17,808 to support clinical Services.
- E. Authorization to apply for the Connecticut Department of Education Youth Service Bureau Grant for \$6,250 to support youth activities.

VOTE           The motion passed unanimously by those present.

#### **5. ITEMS REMOVED FROM THE CONSENT CALENDAR**

#### **6. OLD BUSINESS**

**7. NEW BUSINESS**

**A. Call for public hearing on the proposed Fiscal Year 2011-2012 Five Year Capital Expenditure Plan and Annual Capital Expenditure Budget.**

MOTION by Mr. Schrumm; seconded by Mr. Ruocco.

BE IT RESOLVED, that the Town Council approves Resolution #071211-2

RESOLUTION #071211-2

BE IT RESOLVED, That the Town Council shall hold a public hearing on August 16, 2011, 7:30 p.m. to consider the proposed Fiscal Year 2011-2012 Five Year Capital Expenditure Plan and Annual Capital Expenditure Budget, and

BE IT FURTHER RESOLVED, that the Town Manager shall cause a notice of said public hearing to be posted and published according to law, and

VOTE           The motion passed unanimously by those present.

**B. Appropriation for road work at South Pond Subdivision.**

MOTION by Mr. Carroll; seconded by Mr. Schrumm.

BE IT RESOLVED, that the Town Council approves Resolution #071211-3

RESOLUTION #071211-3

**RESOLUTION APPROPRIATING \$182,000 FOR ROAD REPAVEMENT PROJECTS IN THE SOUTH POND SUBDIVISION AREA OF THE TOWN AND AUTHORIZING THE ISSUANCE OF \$182,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE.**

(A copy of Resolution #071211-3 is attached to the minutes of this meeting)

Discussion

Mr. Carroll stated his pleasure in helping out the South Pond homeowners. He said notice should be taken on the poor condition of these roads after the hard winter. We must pay closer attention to the roads during the capital budget session.

Mr. Falvey clarified that these roads will be done in addition to the other road projects and they need to be done.

There is a Town road paving study, and Mr. Slocum said it is on the web site. It shows how the roads are rated.

VOTE           The motion passed unanimously by those present.

**C.     Methanol Contract Award Process.**

MOTION by Mr. Schrumm; seconded by Mr. Ruocco.

BE IT RESOLVED, that the Town Council approves Resolution #071211-4

RESOLUTION #071211-4

WHEREAS, the Town's Sewerage Treatment Plan requires the use of methanol on a regular basis, and

WHEREAS, the Town has determined that the most cost effective way to purchase methanol is on a monthly basis based on lowest prices offered by any one from a group of pre-qualified vendors of methanol; and

WHEREAS, due to the increased cost of methanol in recent years and unpredictable fluctuations on a monthly basis, it is possible that during any given month the aggregate cost for methanol may exceed the bid limit set annually by the Council pursuant to Charter, Sect. 7-8 (C);

NOW, THEREFORE, BE IT RESOLVED, that the Town is authorized (1) to issue a request for qualifications to identify a group of vendors of methanol each of which is qualified by reliability, experience, and other criteria of importance to the Town to supply methanol to the Town's Sewerage Treatment Plant for up to 12 months from the date of qualification; (2) to seek bids each month from each qualified vendor to provide the Town with methanol for the coming month; and (3) to select and enter into a purchase order each such month with the vendor offering the lowest delivered price for methanol for that month; and

BE IT FURTHER RESOLVED, that the Town Council hereby waives the bidding requirements of Charter, Sec. 7-8 (C), if and to the extent that the value of methanol purchased from any vendor for any month during the 12 month period of this authorization exceeds the bid limit then in effect for purchases by the Town.

Discussion

Mr. Schrumm advised that this motion allows the Engineering and Waste Water Treatment Departments to go out to bid on methanol on a monthly basis in a cost effective way. Three approved vendors will supply the Town, and we can get the best price each month. The Town cannot go over the dollar amount for the Charter provision for purchases without going out to bid. The Budget Committee saw the wide

swings in the price of methanol on a month to month basis. Methanol is used to remove nitrogen from the effluent which goes into the Quinnipiac River.

Attorney Johnson stated that the Town may have three qualified bidders, and the number can be more than three.

VOTE           The motion passed unanimously by those present.

**D.     Authorization to execute West Main Street Streetscape improvements Agreement with Connecticut Department of Transportation**

MOTION by Mr. Falvey; seconded by Mr. Schrumm.

BE IT RESOLVED, that the Town Council approves Resolution #071211-5

RESOLUTION #071211-5

BE IT RESOLVED, that Michael A. Milone, Town Manager of the Town of Cheshire, is authorized to sign the agreement to construct streetscape improvements along CT Routes 68 and 70 (West Main Street) as shown on Plan Entitled "West Main Street (Route 68 and 70) Streetscape Improvements Phase 1 & 2 "DATE LAST REVISED: April 5, 2010.

Discussion

Mr. Falvey said that this is a State road, and for the Town to do the work along the right-of-way and edge of the road there must be a specific signed agreement between the Town and the State. This motion authorizes the Town Manager to do this for the Town.

Regarding the streetscape project, Mr. Michaelangelo reported on the next phase of this project. The contractor is at the site as of today, and will be working the whole area east of Willow Street, doing both sides of the road, until the State starts work on the culvert. The schedule for the culvert work shows the north side of the culvert being done in the summer; middle during the planned shutdown in late August; and then the last/south phase after this is done. This means the Town wants its contractor to go forward with the project, without urgency.

The status of the Yankee Gas pavement was reviewed by Mr. Michaelangelo, who reported the trench is in the south lane. There have been settlements in this trench. Yankee Gas will pave it, but the State has concerns about a sinkhole coming up after it is paved. This issue will have to be resolved. There has been some settlement in the trench, Ives Row and Peck Lane, and the State wants to insure all settling has occurred before there is overlay.

Mr. Schrumm commented on there being three projects in this area of Town – the streetscape project, Yankee Gas just overlaid the area, and the culvert work.

For the paving from Peck Lane to West Main Street, Mr. Michaelangelo said Yankee Gas will do this paving when the State and gas company agree on a proper time. This paving will go quickly.

Ms. Flynn-Harris asked about the areas where there are depressions, and whether this abuts the isle of refuge location.

Mr. Michaelangelo said most of the settlement is beyond this point.

Since the State is doing the isle of refuge, Ms. Flynn-Harris asked when they would start this, i.e. not until the culvert is completely done.

Mr. Michaelangelo said that was correct.

VOTE           The motion passed unanimously by those present.

**E.     Extension of electricity rates contract.**

MOTION by Mr. Schrumm; seconded by Mr. Ruocco.

BE IT RESOLVED, that the Town Council approves Resolution #071211-6

**RESOLUTION #071211-6**

WHEREAS, the Town of Cheshire (the "Town") and TransCanada Power Marketing Ltd. ("TransCanada") entered into a certain Power Purchase Agreement, dated February 6, 2007 (the "Agreement"), pursuant to which TransCanada agreed to sell and the Town agreed to purchase electricity supplies for the Town facilities for the period beginning with the billing cycle that commences after February 15, 2007, and the ending coincident with the billing cycle that concludes in February 2012, and then was extended to December 2014; and

WHEREAS the Town wishes to participate in a repricing program coordinated by Bay State Consultants, LLC, pursuant to which the Town may review price proposals provided by TransCanada from time to time, and extend the term of the Agreement beyond December 2014 (the "Extended Term") and average the price offered for the Extended Term with the current price listed in the Agreement, to receive a blended price effective as of July 1, 2009, and continuing through the end of the Extended Term (the "Blended Price");

NOW, THEREFORE, BE IT RESOLVED: That the Town Manager and other proper officers are hereby authorized, directed and empowered to extend the term of the Agreement for a period of up to three (3) years beyond December 2014, and to agree to a Blended Price if the Town Manager believes that such extension and repricing are in the best interests of the Town; and to execute on behalf of the Town such amendments

to the Agreement as may be necessary to consummate any such extension and repricing authorized by the Town Manager.

Discussion

Mr. Schrumm explained that this motion permits the Town to go back into the energy markets to extend the terms of an agreement in place for purchase of electricity for the Town. A long term contract was negotiated through December 2014 for advantaged electric rates.

Mr. Jaskot stated that the Town's contract is through December 2014. This motion allows the Town Manager to extend the contract for one year for favorable pricing, and the rate would be blended over the next few years. There are savings to be realized with this plan.

Mr. Milone advised that the Town would be working with an energy consultant, and he does not make these decisions on his own. A lot of guidance from experts is received and they will provide the range of rates. With enough lead time he will convey this information to the Council.

VOTE           The motion passed unanimously by those present.

**F.     Yankee Gas multi-year agreement for Youth Center.**

MOTION by Mr. Schrumm; seconded by Mr. Ruocco.

BE IT RESOLVED, that the Town Council approves Resolution #071211-7

RESOLUTION #071211-7

BE IT RESOLVED, that the Town Council approves and authorizes execution of a multi-year agreement between Yankee Gas and the Town of Cheshire to purchase natural gas for the Harmon Leonard Youth Center, and

BE IT FURTHER RESOLVED, That the Town Council approves the indemnification clause in said contract.

Discussion

Mr. Schrumm explained that this motion allows for Yankee Gas to install a gas line into the Youth Center, at no cost to the Town, with signing of a 10 year agreement to use gas at the facility. As part of a long term energy management program, the furnaces/burners at the Youth Center must be re placed with clean, more efficient, and less costly gas units.

In the agreement, Ms. Flynn-Harris noted that it states..."The customer is responsible for having the new fuel lines pressure tested and approved by the local authorities"...and using contractors who meet the standards of Yankee Gas. She

asked if the Town will do this or have a contractor do the work, i.e. the one doing the replacement of the burner.

If there is burden on the Town, Mr. Michaelangelo said that the contractor will have to do this work.

Ms. Flynn-Harris clarified that this cost would be included in the replacement cost. She noted that DPUC charges go by their rate table, and it says rate 10, and asked if there is an idea of the cost savings by going to natural gas for the 10 year contract.

Mr. Milone said he would provide this information, current rates of oil vs. natural gas, to the Council.

In the contract it states that this has to be done by December 1<sup>st</sup> to go into effect, and Ms. Flynn-Harris asked if this is doable, and how long the new equipment and lines will take to be installed.

At the Youth Center there are two furnaces, and Mr. Michaelangelo said not problems are anticipated in getting the replacement of the furnaces completed. Yankee Gas will dig a service line from the road into the basement of the building. These furnaces will not be dual service units, and the commitment will be for use of gas only, as they are gas furnaces. The Town Hall and Police Department have dual furnaces, and in the future Mr. Michaelangelo will recommend natural gas furnaces when the dual ones need to be replaced.

VOTE           The motion passed unanimously by those present.

**G.     Multi-Year contract for mail machine.**

MOTION by Mr. Ruocco ; seconded by Ms. Flynn-Harris.

BE IT RESOLVED, that the Town Council approves Resolution #071211-8

RESOLUTION #071211-8

BE IT RESOLVED, that the Town Council approves and authorizes execution of a multi-year agreement between Neopost and the Town of Cheshire for a postage meter rental.

Discussion

Mr. Ruocco explained that there are three machines, with the lease expiring on the one larger machine. The bidding resulted in an award to Neopost, a new vendor, with a savings of about \$2,000 a year on a five year lease. Two other machines will be coming due for new leases in a few years. Mr. Ruocco commended Mr. Jaskot for putting this out to bid.

Mr. Jaskot informed the Council that for the first year of the lease there is free maintenance on the machine.

VOTE           The motion passed unanimously by those present.

**H.     Community Food Pantry Appropriation Request.**

MOTION by Mr. Schrumm; seconded by Mr. Falvey.

BE IT RESOLVED, that the Town Council approves Resolution #071211-9

RESOLUTION #071211-9

BE IT RESOLVED, that the Town Council allocates a one-time, non-recurring contribution of \$10,000 from the unobligated balance in the FY 10-11 General Services operating budget to the Cheshire Community Food Pantry.

Discussion

Mr. Schrumm commented on the fact that the Food Pantry had requested \$15,000 earlier in the year. Town Manager Milone found money in the General Services budget so this money could be appropriated to the pantry.

VOTE           The motion passed unanimously by those present.

MOTION by Mr. Schrumm; seconded by Mr. Carroll.

MOVED that the Town Council amend the agenda of the meeting of July 12, 2011, and add an item to the agenda for the Community Pool Bubble Replacement.

VOTE           The motion passed unanimously by those present.

A time line submitted by the PBC Pool Bubble Subcommittee was in the Council packets, and Mr. Milone noted it is item #7 in his report.

Chairman Slocum stated that it is his intention to speed up the process for installation of the new bubble. This could be done through the bidding process. The time line shows the RFP out on July 21<sup>st</sup>; RFP formally advertised by July 25<sup>th</sup>; response deadline of August 15<sup>th</sup>; proposal evaluation completed by September 1<sup>st</sup>; PBC recommendation to the Council by September 7<sup>th</sup>; Council's award of contract September 13<sup>th</sup>; notice to proceed September 14<sup>th</sup>; final contract execution September 27<sup>th</sup>; bubble fabrication and delivery December 20<sup>th</sup>; bubble erection completed December 30<sup>th</sup>.

Town Attorney Johnson informed the Council that there is a procedure in the Charter to waive the normal bidding process when the Council deems it is in the best interests of the Town. From his understanding there are reasons why the Council could deem it to be in the best interests of the Town to waive the bidding process, with the principal

reason being the likelihood of acceleration of completion of the bubble by 6 to 8 weeks. Another consideration is cost, and Attorney Johnson's understanding is that the cost of the bubble is in the range of \$150,000. And, there is a very small number of potential vendors for a new bubble. Therefore, the question is whether the acceleration of the replacement installation is worth the possible small additional cost for the bubble. In view of the very limited number of vendors who could bid on this bubble, it would be reasonable for the Council to conclude, if it so chooses, that the savings from the bid process would be sufficiently small...so those potential savings could be offset by the advantage to the Town of acceleration of the installation date.

MOTION by Mr. Schrumm; seconded by Ms. Flynn-Harris.

BE IT RESOLVED, that the Town Council approves Resolution #071211-10.

RESOLUTION #071211-10

BE IT RESOLVED, that the Town Council finds that it is in the best interests of the Town to waive the bid requirements that would otherwise be applicable to the purchase and installation of a replacement bubble for the Cheshire Community Pool; and

BE IT FURTHER RESOLVED, that the Town Council authorizes the Public Building Commission (PBC) to select and negotiate with a vendor deemed suitable by the PBC and approved by the Town Council for the accelerated completion of the replacement bubble for the Community Pool.

Discussion

Mr. Schrumm stated that this motion is logical because there are few bubble vendors out there, and the Town may get only one or two responses. This project will be handled as a design-build. We still have the insurance company waiting to write the check for this new bubble. If all goes well, PBC will come up with a price, handle as a design-build, and the insurance company will write the check for the entire amount. This is why this matter must be expedited. Until we go through this process we will not know the numbers. Mr. Schrumm knows that we do not want to be trapped into the lowest bidder for the bubble, and said the PBC should be given the flexibility to negotiate the best overall deal based on price, performance, and dealing with the insurance company. Mr. Schrumm supports the motion on the floor.

Mr. Ecke commented on item #1 in the PBC summary which *states "Any scope expansions beyond replacement of the existing bubble will be handled as bid alternates, so that if the Town or swim clubs want to finance them, they can."* Mr. Ecke asked who came up with statement and decided this should be part of the memo to the Council.

According to Mr. Slocum this was in an e-mail from John Purtill, PBC Chairman, and sent to Mr. Milone, Mr. Sima and Mr. Slocum.

Mr. Ecke asked if Mr. Purtill has the responsibility to make this decision that the Town wouldn't consider doing something beyond the scope of replacing the bubble.

Mr. Slocum said we are bound by what the replacement costs will cover. He is not suggesting the Council could not elect, through another budget process, to spend more money in this process.

If the blowers need to be replaced, Mr. Ecke asked if the insurance company pays for this.

Mr. Slocum said "no".

Mr. Schrumm stated that the insurance company has said they would not pay for the blowers. However, we have an application into FEMA for those costs which the insurance company will not cover. He said we need to know what a blower would cost; whether or not FEMA pays for it, or the insurance company changes their mind and pays for it, or someone else pays for it. The purpose of going through this exercise with the PBC is to get finite numbers for which work can be done. We do not want to accept a settlement from the insurance company thinking it's a good deal, and then go out and get the work done, finding out it was as good a deal as first thought.

The former bubble was a low grade bubble at the time it was installed and Mr. Ecke said we have an opportunity for a bubble, most of which is paid for by the insurance company. If we want this bubble to last another 10 years, now is the time to spend money on a better bubble and put in a blower if FEMA does not come up with the money. Mr. Ecke said this should be considered because we do not want to replace the bubble with a low grade bubble again, use the existing blowers, and be no better off than we were before the bubble collapsed.

It was noted by Mr. Ecke that former Councilman Adinolfi did great research on the bubble, and did find a better quality bubble to withstand a harsh winter, and they are more energy efficient than the former bubble. For a small expenditure from the Town we could upgrade the facility and the bubble at the same time. Mr. Ecke commented on not knowing if the swim clubs could raise the extra funds necessary. He also has a hard time with looking to the community clubs to raise money for everything going on in Town because the Council does not want to spend the money.

Chairman Slocum stated that Mr. Ecke's concerns are reasonable ones. He said that the PBC is probably better positioned to arrive at some of the same conclusions through their diligence. The capital budget process will also give the Council the timeliness of investigating the cost of a blower based on current information. And, in the process, there may be a decision to spend money on a new blower. Mr. Slocum said he has been told that some of the greatest inefficiencies occur with the blower.

Mr. Ecke expressed his concern that the PBC is viewing their scope of what they need to do as just to replace the existing bubble.

In that regard, Mr. Slocum said this is based on the fact that the insurance company will give pay for a bigger and better bubble.

Doug Levins, member of the PBC subcommittee, informed the Council that one of the suggestions with the bid alternates was to look at the swim teams to do them. It was not said that any alternatives would be done. The intent is that the bid itself, because of the insurance monies, is to look at a like replacement of the bubble, using the existing blower based on current information. The bid alternates will be for a better quality bubble, new blower, cogeneration, more efficient lighting because the energy department is looking for ways to save money. It is known that the insurance company will not pay for the upgrade to the facility, and will only bring it back to where it was. The base bid is replacing like with like as much as what the current technology is. With the alternatives, the intent was to come to the Council, advise what insurance will cover, and ask for extra money for things such as an LED lighting system, new blower, and related savings.

On the timeline presented, Mr. Ecke said this process should have been started earlier since it has been known since January what had to be done. The timeline stated PBC recommendation to the Council on September 7<sup>th</sup>, when the Council will have adopted the capital budget on August 23<sup>rd</sup>. Therefore, recommendations from the PBC cannot be built into the capital budget.

Town Manager Milone reported that staff met with Mr. Purtill and reviewed every document, and staff put together a packet of material for the PBC and user members. There was a quote on the replacement bubble and a bubble that would be the next logical step up. It was known from the start that the Town would have a fixed amount of money to work with, it would not limit the PBC to just looking at a replacement bubble. They would explore the benefits of a bubble with a higher R value, and PBC has this information. In addition, there is a quote for a blower. With every installer the staff has spoken to, they talked about the inefficiency of the current blower. It is a realization that you cannot look at this replacement without exploring the possibility of a replacement blower.

Regarding the time it has taken to get to this point, Mr. Milone said we must remember nothing could be done until there was almost closure from the insurance company. The Town did not know the amount of money it was working with; did not have a basic amount to turn over to the PBC with its charge; and the numbers were not received until about 4 weeks ago.

#### PUBLIC

Ray Squier cited his interest in the timeline and what happens to the pool from September to December if the bubble is not up. He asked what would happen to the integrity of the pool wall if there is a freeze. For his pool he must keep water in the pool so the walls do not cave in...he is talking about the integrity of the community pool wall with freezing weather early in December.

In reply, Mr. Slocum said what needs to be done will be done, and people know this is a big deal and a small disaster for the Town, which must be rectified. There is a program to get this pool back up and the process still moves forward.

As a recap, Mr. Slocum stated that the Council is empowering the PBC to identify a pool bubble manufacturer in a more timely fashion.

Attorney Johnson commented on the hope that 6 to 8 weeks could be saved in the process, which means things must move quickly, with a contract in place by August 1<sup>st</sup>, which is very accelerated.

Mr. Milone said another hope is that the bubble can be fabricated in less than 3 months, received sooner, but to be conservative the 3 month timeline was used. However, it could take up to 10 weeks.

VOTE           The motion passed unanimously by those present.

**8. TOWN MANAGER'S REPORT AND COMMUNICATIONS.**

**A. Monthly Status Report.**

**B. Department Status Reports.**

**C. Other**

Financial Report - \$771,000 surplus projected for FY 2010-11; WPCA budget has a projection of a \$320,000 surplus, with \$565,000 in its fund balance; it was expected that this fund balance would be half that amount; and this puts things in a good position going forward as more debt service responsibility onto the treatment facility. This fund balance cushion will allow them to absorb some of the debt payments.

Community Pool budget – expenditures are expected to exceed revenues by about \$70,000. There is a claim into the insurance company for \$146,000 for lost revenue and additional expenses associated with the five months of non-operation of the pool. This is separate and apart from the insurance settlement for all the capital items. It is like a business interruption loss. It is hoped that the Town will get most, if not all, of the \$146,000 which would more than cover the difference between revenues and expenditures.

Mr. Milone commented on the fact that the insurance company has been very aggressive in resolving the issues with the capital expenses. They were told to concentrate on the capital expenses so the Town can get the pool operational. With that resolved, it is expected they will give attention to the business interruption loss.

FY 11-12 State Aid Status – There is a summary in the packets from Ms. Ryan. The impact of the Governor's budget cuts would have been a loss of \$225,000 to Cheshire.

That cut did not materialize because the legislature would not approve the reduction in municipal aid. As we enter FY 11-12 we are looking at the reduction of \$56,374 in State aid. Other areas of municipal aid were increased in the Governor's budget such as Manufacturer's Machinery & Exemption Equipment; and the retail sales combination with the real estate conveyance tax, generated about another \$177,000 for the town. This is offset by the reduction in the Town Clerk's revenue from less real estate conveyance tax.

CEP Dates – the dates for the Capital Expenditure Budget 7:00 p.m. workshops to be held in Town Hall are as follows: Tuesday, July 19<sup>th</sup>; Wednesday, July 20<sup>th</sup>; Wednesday, August 10<sup>th</sup> (at Cheshire High School); Thursday, August 11<sup>th</sup>; Tuesday August 16<sup>th</sup> Public Hearing at 7:30 p.m. followed by a Budget Committee meeting; and Tuesday, August 23<sup>rd</sup> at 7:30 p.m. for adoption of the budget.

AT&T Cell Tower – the Planning Committee met with AT&T representatives; a number of analyses have been done about putting up a cell tower at the treatment plant; but all plans for cell towers are on hold as AT&T merges with T-Mobile. The delay is about 9 months. This project would have generated about \$35,000 in revenue for the Town.

Infrastructure Projects – there is a list of what has to be accomplished with milling and paving for the summer and fall; and chip sealing later in July.

Energy Audit-Performance Contracting Initiative – The committee met and interviewed three companies. Amerisco was chosen for the project. There will be a formal recommendation to the Council in August to hire Amerisco, and charge the company with the responsibility of conducting an energy audit at all Town owned facilities. The cost of the audit is \$48,000. If the Council decides not to take any of the recommendations from Amerisco audit the Town pays the company for the audit. If the Council decides to proceed with the audit recommendations, the company takes their fee charge off of the savings from the expected results of changes made. Amerisco feels there is about \$6 to \$8 million worth of projects which could be conducted, and this is based on a preliminary analysis after looking at Cheshire High School, Dodd Middle School, Town Hall and the Police Department. There is a 12 to 15 year payback. It will take 6 months to get the full audit back to the Council, and the projects would take 12 to 18 months to develop.

Prison Inmate Increase – the OPM Secretary called to inform Cheshire on one of the Governor's recommendation to make up the \$1.6 billion deficit by closing a prison in Enfield. There would be 300+ prisoners brought to the North Block at the Cheshire prison.

Mr. Milone wanted an understanding of the increases and decreases in the facility, and he spoke to a deputy at DOC. About 1.5 years ago the Webster Facility was closed; there were 456 prisoners in that facility; and our prison count went to about 2,109 inmates. Based on what has been learned from the State there will be about 350 prisoners added to the Cheshire facility in the North Block. This results in a net of about 100 less prisoners from a year and a half ago.

There is concern about more stress on the treatment plant facility. Mr. Milone said we may be at a point where we have to go to the State and request consideration for an expansion of the facility. As a result of last week's meeting, Mr. Milone was directed by the Council to amend the agreement with the DOC and ask them for 25% support of the upgrade of the treatment plant. The addendum to the contract was completed with the help of Attorney Johnson. It was sent to OPM, and in a conversation with the secretary of OPM it was made clear that the Town was making a request for the State to support 25% of the cost of the upgrade. Mr. Milone emphasized that the upgrade was for these kinds of things, un-intended consequences which Cheshire feels the State has a serious obligation to meet. If they are not met, then the Cheshire taxpayers must subsidize the state's portion of the facility. There is the potential this does not materialize, but it is hoped the concessions will be realized.

Upcoming Meetings – Personnel Committee/Joint Town Council July 13<sup>th</sup> 7:30 p.m.; Budget Committee (per the CEP schedule); Personnel Committee, July 27<sup>th</sup>, 6:30 p.m.; and Special Council meeting July 27<sup>th</sup>, 7:30 p.m.

#### COUNCIL QUESTIONS AND COMMENTS

Mr. Schrumm asked if there is any indication from the State on the sewer plant upgrade, positive or negative, by August 23<sup>rd</sup>.

In response, Mr. Milone reported it was made clear to the OPM secretary that the Town needs to know by mid to late August. He makes weekly calls to OPM reminding them that Cheshire appreciates their support but needs an answer quickly. The Council was informed that Rep. Fritz is dogging this matter strongly, and he has reminded her of the need for an answer by late August. If there is no answer by this time, the public must be noticed. The issue goes to referendum in November, and getting a 25% reimbursement from the State could make a significant difference.

Out of the \$771,000 surplus, Mr. Schrumm said that \$600,000 is needed for next year's budget, leaving \$171,000 left over. Earlier in the year, Mr. Milone had talked about releasing some of that money and making decisions on the CNR projects; and Mr. Schrumm asked if it is too late to authorize this release money for some of the projects.

This will be discussed at the August meeting when the Council is presented with transfers which are deemed appropriate. Some money can go into the medical benefits trust fund or CNR or combination of the two. Anything over \$600,000 can be re-directed by the Council.

Regarding the BOE transfers, Mr. Schrumm asked if they have been received yet, and asked that they be provided to the Council.

Chairman Slocum extended appreciation and thanks to Finance Director Patti Lynn Ryan for service well rendered to the Town of Cheshire. Ms. Ryan was extended good wishes from the Council as she leaves town employment. Under her directorship the Finance Department has done much good for the town.

**9. TOWN ATTORNEY REPORT AND COMMUNICATIONS**

**10. REPORTS OF COMMITTEES OF THE COUNCIL**

**A. Chairman's Report.**

Personnel – Mr. Ruocco stated that the committee is busy; will meet on July 13<sup>th</sup> to review the Town Manager's Goals and Objectives, Finance Dept. reorganization, and Town pay classifications.

Budget – Mr. Schrumm reported that the capital budget process starts July 19<sup>th</sup>, and citizens are invited to attend the workshops and provide input.

Ordinance Review – Mr. Carroll reported that the committee met and discussed items such as the Historic District ordinance, requesting information from the Commission. The town attorney will write up the changes to the ordinance. There was also a recommendation from the Registrars of Voters on consolidating all the voting districts. Next year there will be re-districting, and it is too close to Election Day to look at re-districting. This will be considered next year.

**B. Miscellaneous**

**11. APPROVAL OF MINUTES**

MOTION by Mr. Schrumm; seconded by Ms. Flynn-Harris.

MOVED that the Council approve the minutes of the Regular Meeting of June 14, 2011 and Special Meeting of June 21, 2011 subject to corrections, additions, deletions.

Discussion

Correction to June 14, 2011 minutes, under Appointments...include the name of Doug Levins to the PBC Pool Subcommittee.

VOTE           The motion passed unanimously by those present.

**12. MISCELLANEOUS AND APPOINTMENTS**

**A. Liaison Reports**

**B. Appointments to Boards and Commissions**

MOTION by Mr. Carroll; seconded by Ms. Flynn-Harris.

MOVED that the Town Council approve the following appointments:

Jodee Heritage (R) to the Environment Commission, replacing Bonnie Mayer, term of office 7/12/11 to 1/31/14; Shawn Kilmartin (R) to the Performing and Fine Arts Committee; replacing Donna Herwitt Mark, term of office 7/12/11 to 1/31/12; Lelah Campo (R) to the Planning and Zoning Commission, replacing Sylvia Nichols, term of office 7/12/11 to 12/05/11.

VOTE           The motion passed unanimously by those present.

**13. COUNCIL COMMUNICATIONS**

**A. Letters to Council.**

Chairman Slocum reported on a letter from the Mayor of Meriden CT, inviting Cheshire residents to attend the city's 10<sup>th</sup> Anniversary of 9/11/01; the event will be held on 9/10/11.

**B. Miscellaneous**

**14. EXECUTIVE SESSION**

**15. ADJOURNMENT**

MOTION by Mr. Schrumm; seconded by Mr. Ruocco.

MOVED to adjourn the Town Council meeting at 9:20 p.m.

VOTE           The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk