Ms. Kemp, called the meeting to order at 7:00 p.m.

1. **ROLLCALL**
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. **APPROVAL OF MINUTES OF THE DECEMBER 30, 2019 AND NOVEMBER 18, 2019 MEETINGS.**

   MOTION by Mr. Gusenburg; seconded by Ms. Nichols

   MOVED to approve and accept the minutes of December 30, 2019 subject to corrections, additions, deletions.

   VOTE The motion passed 12-1; Matt Bowman abstained.

   MOTION by Mr. Gusenburg; seconded by Ms. Nichols

   MOVED to approve and accept the minutes of November 18, 2019 subject to corrections, additions, deletions.

   VOTE The motion passed unanimously by those present.

4. **DISCUSSION WITH JEFF GUTSFELD FROM COLLIER REGARDING OBJECTIVES, SPECIFICATIONS AND PROCESS FOR AN RFP.**

   Mr. Gutsfeld gave a short presentation on Colliers International. The firm has been in business since 1996, and was created to be an owner's project management firm
providing project management, planning and advising, and commission management services. Colliers is an owner’s representative, which represents interests of owners in the management, planning, oversight, and implication of capital projects. Most of their work is done in the educational sector; 70% of the work is in the academic environment; it employs 150 people located in six (6) offices, and is headquartered in Madison CT. The team consists of architects, engineers, contractors, finance people…all who have been in the trenches of building, planning and constructing facilities, as well as operators.

Mr. Sklenka, Managing Director, stated Colliers is a collection of architects, engineers, construction professionals, and owner’s advocates. The OPM (Owner’s Project Manager) is a member of the ownership team, with no biases towards design or construction. The sole interest is to represent the interest of clients. The firm does business in Connecticut, Rhode Island, Massachusetts; 85% of its work is in education; and comes in as a technical consultant/advisor to speak on behalf of the town, and guide it through the process.

List of OPM Oversight – Mr. Sklenka reviewed the list, which includes maximize project oversight; due diligence management; grant application filing – following and understanding the process to maximum dollars; handling selection process for architect; oversight of the program. The firm does not make decisions, but empowers clients to make the decisions based on the information they need. The list includes project budget development, schedule development, reimbursement procedures with the State, cash flow forecasting…all that must happen with a project, start to finish, to be properly executed for the clients.

It was stated by Mr. Sklenka that Colliers is often hired early on with inception of a project, or sometimes in the middle of construction because things are not working, with a need for management of the rest of the process.

Some cities and school districts in Connecticut were cited as using an OPM for projects. In Massachusetts it is a law for any publicly funded project over $1.5M to first hire an OPM, and Rhode Island is about to adopt this same legislation. Connecticut towns using Colliers International as an OPM include Branford, East Hampton, Farmington, Madison, Stonington and other towns.

Stonington CT had a $69M education project that passed referendum, selected an architect, and Colliers helped get the architect under contract, and ended up managing the entire project. In the first six months of Colliers services the fee was $550,000, and Stonington saved over $7.5M with the OPM at the table. The town’s schedule was compressed by a year and this saved $2.3M to the bottom line.

PLA Awareness – this is a full union agreement project costing about 10% of the total project.
Colliers provides the facility and management process to help save money and maximum costs for the projects.

**OPM School Modernization Plan** – Colliers provides management development of the school modernization program. This includes facilitating meetings with the State of Connecticut; management of pre-referendum process; enrollment projections and education specifications; due diligence/hazmat reports and environmental study assessments; option developments; assisting the Town and building committee in developing a program/plan for the schools into the future; and evaluation of the pluses and minuses regarding renovation vs. new construction.

Mr. Sklenka commented on the importance of understanding the State’s OCSTR process, as these State rules are always changing. Colliers will assist with insuring documents are as good as they can be…but they are never perfect. They also help with change order reviews, insure they are valid, and coordination efforts to justify change orders.

Once a project passes referendum there is management selection of the architect, construction manager and consultants. There is review of invoices and requisitions; design review; insure the highest quality of construction is installed, and the project is completed on time and under budget. Colliers helps with managing the financials for accuracy and tracking ineligible costs for maximum State reimbursement.

**EDO46** reimbursement requests must tie in with the general ledger; the OPM helps with management of the financials for accuracy; ineligible costs are tracked; and keeps the project on budget.

Audit trail starts now. Colliers works to have schedules up front, establish these schedules, maximize State reimbursements; there must be a paper trail for every consultant, expenditure, RFQ, bid, contract, advertising…everything must be there for the State review.

**Working Relationship with Clients** – Mr. Warrington explained Colliers works with the SMC, Superintendent of Schools, Board of Education, Town Council and the community. The firm works directly with the SMC Chair and committee, bringing all the information together for a transparent process.

**List of State Guidelines** – Mr. Sklenka reviewed the list of guidelines, noting the State is very descriptive on how they foresee projects. A good OPM will guide the SMC and the Town through the process so nothing is left out.

Mr. Warrington stated the SMC and the Town must do its homework before submission of a grant application to the State.
In terms of the next steps for the Town of Cheshire, Mr. Sklenka reviewed the options and issues. There is identification of the concerns and needs and issues...is it enrollment, condition of facilities, redistricting, closing a district school. This must all be identified and addressed, with a plan developed and understood.

**Meeting with the State** – The State likes to be engaged early. Cheshire should meet with them sooner than later, review options/issues, renovation or new construction, and build a relationship with the State. The State’s life expectancy of a new school is 50 years.

**Renovation Status** – When a project is submitted as renovation status (alteration for expanding extension), sometimes the State says it is not renovation status, and there are ineligible costs. It is important to understand that up front. With a renovation the statutory definition is “like new condition for the next 20 years”...and there cannot be another grant application for anything for the next 20 years. With a properly renovated project it should last 30-40 years.

Mr. Sklenka said that Cheshire has prior information/reports and they would be reviewed and updated as needed. Developing ed specs is very important, and must be developed for any project grant application, and Colliers would help develop these specs with the committee.

Hazmat is in phase #1 of the site assessment, part of the due diligence, and is an important step in the preliminary geo-tech process. These two things can go a long way in terms of risk mitigation when it comes to financial success, and can be less than $10,000 cost. There must be understanding of the State standards, space standards, special service programs, Town’s debt service status, conditions assessment of the school buildings. The Town must understand what it has, the costs to manage as is...over the next 10 years, and Cheshire has started some of this process.

**Time Line** – Mr. Sklenka said the September 15, 2020 time line to present the plan to the Town Council is doable for the SMC, and for a grant application by June 30, 2021. It will take a lot of meetings, due diligence, and addressing needs and issues early on.

For the work previously done on the prior project, there may be some gaps, things missed, with an overall assessment, taking all the information, ascertain what is needed and areas to be supplemented. The SMC and community would be informed of the needs of the school district.

**State Grant Approval or Referendum First and then Grant Approval** – Mr. Sklenka explained that before the State approves a grant there must be an approved referendum. The grant application can be submitted before a referendum as long as the value is identified, with a referendum by November 15th of that year. If the
referendum fails, the grant application goes into the waste basket. By statute, the State requires a referendum date.

Mr. Oris stated Cheshire is trying to get the school plan to referendum for the November 2020 election, before the grant application submission in June 2021.

Mr. Sklenka reiterated that the State supplements and updates the building code changes, and firms are up to speed on these changes, and this would be in the architect’s contract. The OPM receives proposed codes and factors them in.

Debt Service Status – It is important to know how much debt the community can absorb, the effect on bond rating and the taxpayers. OPM works with the Finance Department for understanding of the debt service.

Pre-Referendum Project Management Services – Mr. Sklenka said Cheshire is talking about a long term, multiple schools, and multiple phase programs. The State, community residents, and SMC want to see a program, a layout…and the document lays out, year by year, building by building, what will happen and what to expect.

The Town of South Windsor CT is the model town for school programs, with a well developed plan that the town is following. The reason for the success of each referendum is a plan that makes sense, is being followed, it is logical and meeting successes in all phases of the project. SMC should look at this plan.

There are successes and failures, and it all comes down to having a well thought plan. The OPM should steer Cheshire towards developing such a plan.

Mr. Sklenka talked about the town’s tolerance for a referendum. The OPM facilitates dialogue with town officials, and learns from past failed referendums. He noted that a survey ranked social media information at #17 on how people get their information.

A good OPM understands and establishes the roles of the BOE, administration, and SMC, insures everyone understands their role, and the OPM’s job is to manage this process. When roles cross, problems are created, and a collaborative effort is needed.

There must be development of a public marketing plan; early PAC support, get out the vote campaign, public information sessions, school tours, letters to the editor, impact on the debt service, and get the message out to the people. The OPM can partner with a marketing firm doing this type of work, helping to get the message out to the community.

Matrix on Schedules – The OPM will schedule and manage the project schedule throughout the process.

Enrollment – The question of reliance on these numbers, declining enrollment, birth rate decline, history and trends with the numbers was raised by Mr. Talbot.
According to Mr. Sklenka, having a strong demographer is important, someone who understands demographic consulting, how to develop and run projections. There is a look at the development perspective in town, building permits for residential units, numbers used over the next 10 years, and design to that. He noted South Windsor has a +12% increase in student enrollment due to new businesses coming to town, and people moving into the community.

OPM Payment and Phases of Work – Mr. Sklenka said Colliers fees are different from others in the construction industry...they depend on the program...even a single phase of a project. Fees are generally “who” is involved – a director with high level experience, a project manager, and other staff – at an hourly rate giving a lump sum value. This value could be prorated over a month, or hourly not to exceed...and there is flexibility on how the firm is paid. Specific services would be in the RFP.

Mr. Bowman asked about different team members changing, depending on the scope and size of the project, and how a team is selected as a good fit for Cheshire. Mr. Sklenka explained that the most experienced individuals are on an assignment, and a project manager doing health care work would not be assigned to an education project. There is understanding of the type of project, and a project manager would have experience and understanding with Connecticut K-12 schools.

In response to a request, Mr. Sklenka will provide the SMC with an index of the acronyms used in the Colliers presentation.

A question was raised by Mr. Martinez about SMC and the Town selecting an appropriate consultant for Cheshire.

Mr. Sklenka said this would involve having a qualified and experienced person for the type of work, getting the most qualified firm at the best value. An RFQ will get 10-12 responses; the top four (4) qualified firms are asked to submit an RFP; there is competition in terms of fees; and it is the most qualified firm for the best value.

It was recommended by Mr. Warrington to hire a hazmat consultant outside the umbrella of the architect.

For an architect, the State requires choosing no more than four (4) firms.

Due to the last failed referendum on a school project, Mr. Martinez asked for help with an accurate budget for the current program, in-house or support services.

Mr. Warrington explained that Colliers generally develops project budgets without going to an outside consultant, and manages that budget. Information is shared with the client; there is management of construction trends/contingency built in for unknowns, knowing hazmat/abatement costs. A budget document is 80+ lines long with
identification of values based on the project...advertising, legal, survey, etc. and based on good work Colliers’ projects do not come in over budget. There are details and transparency in how the numbers are developed. At the end of the day, there must be a number which the town will support.

PUBLIC COMMENTS/QUESTIONS
Robert Brucato, 1146 Wolf Hill Road, talked about Colliers looking at and helping Cheshire schools, where it is going in 10 years...size of classrooms, computers, infrastructure, renovation or new construction, future education needs and programs during this process.

Mr. Sklenka advised an OPM should share what other districts are doing, listen to what educators and administrators are saying is needed...i-pads, chrome books, how education is different. Today, education is group based learning, and having spaces that are flexible is important to accommodate technology. OPM should look to what education is needed for the students, and transmit this information to the designers. It all starts with a dialogue.

Ms. Kemp thanked Mr. Sklenka, Mr. Warrington and Mr. Gutsfeld for the informative presentation to the Committee and the community.

5. FINANCIAL HISTORY AND OVERVIEW OF DEBT AND DEBT SERVICE
Jim Jaskot, Finance Director, gave an overview of finance and debt for the Town of Cheshire.

Cheshire CT Credit Rating – two rating agencies (Fitch and Standard & Poor's) give Cheshire an AAA rating. Moody’s no longer rates Cheshire. These agencies look at the institutional framework, debt service policies, fund balance, economic management/strong team, financial measures, debt & contingent liabilities (10%). The agencies make adjustments based on attributes considered favorable and unfavorable.

Fund Balance – Cheshire’s current fund balance is +10% - $11M. In 1995 the fund balance was 1.8%. The town's police is to maintain an 8% to 9% fund balance; there are bond sales every other year with savings on cost.

Debt Service - 8% of budget expenditures is the average percentage for debt service; Cheshire is now at 10%; and wants to stay under 10%. The WWTP upgrade was a $25M upgrade in debt for the town; there is $8M in reserve for the $25M WWTP debt.

Reserves – In the last decade there was closure of the CRRA facility, and Cheshire received its share of the reserve, about $2M. This became the debt reserve fund.

There have been bond sales over the years, with the Council putting the premiums from the sale into the reserve fund. Cheshire also had healthy surpluses over these years. There was $8M in a reserve fund in anticipation of the treatment plant upgrade project.
State Funding – In 1995, State of Connecticut funding to Cheshire was 20.9%; in 2019 this funding is 14.8%; and this is a $6M difference in this time frame.

If Cheshire ever lost its AAA rating, there are risk factors with bonding and interest payments.

For overall debt, Cheshire is on the high side compared to other peer towns. The 20 year bonding included the WWTP upgrade debt, through the Clean Water Fund loan. With school projects the town could use some of the fund balance to start the project, and with low interest rates, some bonding could be done.

2020-2024 Debt Analysis – the chart shows 10 year debt projections Cheshire vs. similarly rated communities; Cheshire is at 5.1% in 2018; the school projects are at $25M in the ten year CEP.

General Fund long-term debt service and projected long term debt service – Mr. Jaskot reviewed the charts; 2018 debt is 6.1%; FY 2019 and 2020 – 5.9% and 5.8%; 2030 projection is 8.5%. Adding on $25M bond is shown for 2023, 2024 and 2025; the Town’s policy is staying within 10% of budget with debt.

Five Year CEP Projected Debt Analysis - total projected debt, over 10 years, is $101M; there are reserve funds to mitigate this debt service; a school project would exceed the 10% and absorb the $25M. State reimbursement for new construction is 36%; renovation reimbursement is 45%.

These numbers do not take into consideration additional grants, potential savings from current CEP projects being completed with some operating savings.

Mr. Jaskot commented on there being many pieces to the puzzle…build a new school, close a school, create efficiencies to mitigate new school costs. He noted Cheshire has a 99.79% tax collection rate; $500,000 of surplus is built into the budget each year; the town has been lucky in receiving State grants; the town has a consistently high surplus, averaging $1M, which goes into debt service for future payments; there are annual contributions to the Capital Non-Recurring fund (CNR) each year to fund projects on a cash basis. The budget process traditionally uses a good percentage of the surplus for the next year’s budget.

Grand List Growth - .07% is the growth average over the last 10 years; larger buildings are coming onto the grand list; many of these buildings receive incentives lasting 4 to 7 years. It is hoped the grand list will grow and absorb some of the debt.

PUBLIC COMMENTS/QUESTIONS
Doug Noble, 30 Jesse Court, asked about the consensus of what level of debt Cheshire can handle each year…$10M-$14M, and more benefit if the Town goes over and takes out more bonds now before rates go up.
Mr. Jaskot said the $25M debt increments added is 10% under the current policy. He said maybe there should be some contributions budgeted to the debt reserve fund to mitigate future increases.

It was pointed out by Ms. Kemp that during the process, the SMC and Finance Director will have discussions on the impact of a new school project on the taxpayers.

For 2023 to 2025, Mr. Jaskot said interest rates could be 3% to 3.5%, and the lower range was 2.6% a few years ago. With the $25M increments, these are the assumed interest rates.

Adam Grippo, 1068 Avon Boulevard, asked about the 10% debt service ratio, assumptions to make that calculation, the assumed growth in the grand list in the annual budget, assumed mill rate increase that corresponds to the debt service ratio.

Mr. Jaskot explained the budget growth built into these projections is 1.5%; budgets tend to grow closer to 2%; grand list growth used is .07%. These are all on the conservative side. The last grand list revaluation was October 2018.

6. DISCUSSION AND CREATION OF INITIAL SUBCOMMITTEE GROUPS
Ms. Kemp cited the proposed subcommittees for SMC, to include RFP, Out-of-District Tours/Learnings; and Teacher/Staff Input.

RFP – committee would work with BOE and Town staff; return to SMC for review, comments and recommended selection of a firm.

Out-of-District Tours/Learning – there must be a flexible schedule, and bring back information on the districts to SMC.

Teacher/Staff Input – All SMC members will visit the Cheshire schools; teachers and all staff will be invited to SMC meetings at the schools; teachers and staff will also be invited to meet with SMC members at the end of their official work day. Ms. Kemp cited the importance of input from all district staff who know the schools, the challenges, and what works well.

The consensus of the SMC members was to move forward with having an “Owners Rep” (OPM) for the project.

The committee discussed handling the school tours as recommended by Colliers International; committee reports will be a standing SMC agenda item; Town and BOE staff available to assist with development of the RFP for the owner’s rep; Town Attorney providing legal input on the RFP to insure it meets required standards.

Based on SMC discussions, Ms. Kemp said the Owners Rep would share their expertise and propose their process to move forward. The first consultant could get
SMC to looking at several scenarios. What the SMC outlines for a firm could be built into the RFP structure.

Mr. Bowman suggested inviting the Town Attorney to the next SMC meeting to review and discuss items of interest, and have executive session, if necessary.

Ms. Talbot advised that all meetings must be accessible to the public and are required to have public notification and participation.

In that regard, Mr. Bowman commented on meetings being fully transparent, audio-visual recording, minutes from recording secretary. He noted the Cheshire school tours will be part of the SMC meeting held at the schools, and the public is welcome to join the school building tours. For the out-of-district tours, it could be more limiting, and not open to members of the public. There must be some control of the number of people for these tours…5 people maximum.

Ms. Nichols is not in favor of the public being invited to the out-of-district tours. The committee can bring back photographs and information to the SMC and the public. For the in-district tours, the public could participate.

**RFP Committee** – Rene Martinez, Andrew Martelli, Charles Neth; Rob Oris, ex-officio member.

**Out-of-District Tours/Learning** – Anne Harrigan, Matthew Bowman, Sylvia Nichols, Rich Gusenburg.


When the SMC meets at the Cheshire schools, the staff and public can attend. There will be an open invitation to teachers and staff for the end of day meetings.

Supt. Solan commented on the importance of the opinions of teachers and all staff, and their opinions being welcomed. He noted this is an opportunity for a survey of issues in the school district, all voices should be heard, and there should be no concern about retribution or angst over sharing opinions.

The consensus of the SMC members was to move forward with an Owner’s Rep (OPM) through the RFP Subcommittee.

The Town Council, BOE and staff are liaison to the SMC. Council and BOE members get copies of the meeting minutes, which will be part of their packets.

### 7. DISCUSSION REGARDING SCHEDULING SCHOOL VISITS

a. Cheshire Schools
Mr. Masciana informed the SMC that the next meeting, January 15\textsuperscript{th}, 7 p.m. has been confirmed at Dodd Middle School Cafeteria. Other meetings in district schools will be discussed and arranged at the January 15\textsuperscript{th} meeting.

\textbf{b. Out-of-district schools}

These tours will be coordinated by Mr. Masciana with the other school district administrative staff.

\section{REVIEW OF TIMELINES AND MILESTONES}

Ms. Kemp and Mr. Martinez met with Asst. Town Manager Talbot on the process and steps for the SMC. The referendum submission date for November 2020 is September 4, 2020, with language to the Secretary of State. There will be a determination on whether the timeline is feasible and if SMC is ready to proceed.

\section{COMMITTEE COMMUNICATIONS}

Questions and responses brought to SMC will be captured and Ms. Bates will keep a running document.

All e-mail communications should go to Asst. Town Manager Talbot, who will review them, and insure they are included in the next SMC meeting packet.

The SMC will have a future presentation from Supt. Solan and BOE Chairman Perugini on the BOE vision for the Cheshire School District. It will be on the February agenda.

Media Point Person – The committee discussed who would be the best person to speak on behalf of SMC in a unified voice. Ms. Kemp will be the media point person.

\section{PUBLIC COMMENT AND CORRESPONDENCE}

None at this time.

\section{QUESTIONS/COMMENTS FROM SMC MEMBERS}

A question was raised about filling the vacant seat on the SMC.

Council Chairman Oris informed the committee there were three (3) alternates for the SMC. The selection committee reached out to these people; two (2) are still interested in serving on the committee; and the selection will be on the January 14\textsuperscript{th} Town Council agenda.

\section{ADJOURNMENT}

MOTION by Mr. Bowman; seconded by Mr. Gusenburg.

MOVED to adjourn the meeting at 9:55 p.m.
VOTE The motion passed unanimously by those present.

Attest:

____________________________________
Marilyn W. Milton, Clerk