

MINUTES OF THE CHESHIRE TOWN COUNCIL AND WATER POLLUTION CONTROL AUTHORITY PUBLIC HEARING HELD ON TUESDAY, AUGUST 21, 2012, AT 7:30 P.M. IN COUNCIL CHAMBERS, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410.

Present

Town Council: Tim Slocum Chairman; David Schrumm, Vice Chairman; Michael Ecke, Andrew Falvey, Patti Flynn-Harris, Sylvia Nichols, Thomas Ruocco, James Sima, Peter Talbot

WPCA – Tim Pelton, Chairman; Mr. Bowman, Mr. Scanell, Mr. Perrotti

Staff: Michael A. Milone, Town Manager; James Jaskot, Finance Director; Gina DeFilio, Deputy Finance Director; Dr. Greg Florio, Superintendent of Schools; Vincent Masciana, Director of Business Management, Dept. of Education.

Others Present: John Purtill, PBC Chairman, PBC member Mark Nash; BOE Chairman Gerry Brittingham.

Public Hearing Subject Matter
**Fiscal Year 2012-2013 Annual
Capital Expenditures Budget**

1. ROLL CALL

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

2. EXPLANATION OF HEARING PROCEDURE AND AGENDA

3. READING OF LEGAL NOTICE

The clerk read the legal notice into the record.

4. PRESENTATION ON HEARING SUBJECT

Chairman Slocum informed those present that the Budget Committee and the full Town Council have participated in the process for the capital expenditures budget. The budget for the public hearing is the Town Manager's proposed budget.

Town Manager Milone stated that this is the proposed budget he submitted to the Town Council, and this budget will undergo some changes. The call of this public hearing is for the first year of the capital budget, and this funding must be appropriated through an action of the Council. Years 2 through 5 are a planning tool and capital requests made and recommendations which Mr. Milone put before the Council. Over the subsequent years, the Council can change these numbers as they are not appropriations. Only year #1 is an appropriation.

The distinction between the capital budget and operating budget is that any item with a five year or greater life expectancy and at a cost of \$110,000 or more finds its way into the capital budget. It is not considered a reoccurring expense so does not end up in the operating budget. Most of these projects are paid for from borrowings from debt, and that debt service is actually paid for out of the operating budget.

Mr. Milone summarized the 24 projects that make up the capital appropriation which he has put before the Town Council. The 24 projects are those recommended for this fiscal year. While the projects total \$41,098,000, there are offsets which will reduce these costs. The second column indicates the amount to be bonded - \$40,240,000. There is also cash set aside for the lesser expensive capital projects.

The footnotes were pointed out by Mr. Milone for six (6) projects with a #2 next to them. Each of these projects has some portion of grant funds available to offset the cost. These offsets are not reflected because they are variable, and could be any amount of a range, within a formula, and cannot be identified with precise measure what the exact amount of a grant would be. It is estimated there will be significant amounts of grants available for these projects.

Some of these projects, if approved by the Council, will go to referendum. Mr. Milone identified these projects.

- #1 – Technology Reserve Fund - \$750,000.
- #7 – Land Acquisition - \$500,000.
- #11 – Road Repavement Program - \$1.5 million.
- #13 – Waste Water Treatment Plant Upgrade - \$31.3 million.
- #14 – Linear Trail Expansion - \$2.5 million
- #15 – Civil Rights Compliance at CHS Athletic Complex - \$1.188 million
- #21 - High School Utility Tunnel Improvements - \$500,000.

With regard to project #13, Waste Water Treatment Plant Upgrade, \$31.3 million, it was stated by Mr. Milone that this project has been discussed for 3 or 4 years, and intensively over the last 18 to 24 months.

Mr. Milone explained that this proposed project for the upgrade of the waste water treatment plant at \$31.3 million includes a component to treat the plant to reduce the phosphorous level going through the plant. Based on information from the DEEP, Cheshire qualifies for a grant and loan program through the Clean Water Fund (CWF). The Town would receive \$7 million in a grant from the State DEEP, getting the actual borrowing costs down to \$24.3 million. In addition to that as part of the CWF program the State DEEP will also lend Cheshire the balance of \$24.3 million at a 2% interest rate. Cheshire has a high credit rating, and going into the bond market the Town would get a competitive rate, but it would be about 2.75%. The Town has the benefit of a grant and loan which will significantly reduce the borrowing.

It was mentioned by Mr. Milone that the Town has been planning for this project for a long time, and there has been adapting of the capital budget to meet this spike in debt service. Over the next 3 years, the debt service, which is the money put into the operating budget to pay for capital projects, will stay constant. Because of the way the capital budget has been constructed, some things have been deferred, and other creative ways have been found to reduce costs. The impact of the treatment plant upgrade project will not be felt until FY 2016-2017. If approved at referendum, the

project will go ahead immediately, with the impact of the actual costs not felt for 3 ½ years. To mitigate some of the project costs, there is \$4.2 million set aside in a reserve account, exclusively for the day when the upgrade debt must start to be paid. The plan is to build this reserve account up to \$5 million, in order to have a significant reserve to take the spike out of this debt service and level it off as best as possible.

WPCA has informed Town administration that we are in a favorable bidding climate, and the hope is that the referendum amount is the worse case scenario, and ultimately the project will come in less than what is budgeted.

Mr. Milone advised that the Town of Cheshire has filed a lawsuit against the State of Connecticut Department of Corrections (DOC) and DEEP for two reasons. One is the fact that the DOC has consistently exceeded the contractual amount of capacity they have with the Town, and they have violated their discharge permit with the State. DOC consistently discharges more effluent to the treatment plant than the permit allows. Mr. Milone said that what the Town wants in turn is for the State DOC to meet with Town officials and pay a portion of some of the upgrade costs for the plant. The Town has a grant and loan from the Dept. of Energy and Environmental Protection, and is customary where projects like this are being initiated. Since the DOC is responsible for 20% to 25% of the effluent going to the plant, the Town's argument for the last 2 years is that they should pay 20% to 25% of the project. It is hoped that the gross costs of the treatment plant upgrade will be reduced dramatically.

Tim Pelton, WPCA Chairman, thanked Mr. Milone for his excellent presentation on the status and needs of the treatment plant, which is old and in dire need of repair. If the referendum passes, this is still a four year project, 2013-2017. One of the missions is to keep the plant operating 24/7/365, and rebuild it at the same time. There is a financial opportunity cost for the project at \$32 million, with \$7 million from the State, and a loan for \$25 million at 2% interest. This is with the proviso that bids are in place by June 30, 2013. Part of the WPCA effort will be to institute an educational program, work with all civic groups, have several public forums at Town Hall and the Library, to provide all the people of Cheshire the opportunity to go to the ballot box and make a cognizant and intelligent decision that the project is a good idea or bad idea.

The downside of all this is the referendum not passing in November, and July 1, 2013 comes, the \$7 million grant and 2% loan go away. The Town would have to proceed with this project under a DEEP Consent Order, and fund the \$32 million project at bond rates of 3% or more. Mr. Pelton commented on the significant financial opportunity which the Town should take advantage of. WPCA is cautiously optimistic that following its education program, the referendum will pass by the citizens of Cheshire.

5. QUESTIONS AT THE DISCRETION OF THE CHAIR.

Mr. Schrumm asked for clarification on bids being returned and accepted by June 30, 2013, and if this is for the bidding and construction that will take 3 or 4 years.

Stating that is correct, Mr. Pelton said the final design of the plant will be ready in January. It goes to DEEP for approval, comes back in February, bids go out in March with an April to early May submittal date. Then, the project would proceed forward.

Mr. Schrumm asked about this being a no bid contract and asked for illumination on this issue.

In response, Mr. Pelton stated that part of the process is selection of the design vendor to rebuild the plant. One of DEEP's rules is that dollars proposed by the vendor cannot be talked about, and the Town can only look at their credentials and experience. WPCA started with 5 vendor presentations for the plant design; selected 3 and then 2, and selected 1 vendor based on knowledge of the Town, experience with them. To say there is a sole designer for the plant design is after a selection process from 5 independent vendors. WPCA is prohibited from going out to bid on a dollar basis for the design process.

Mr. Schrumm discussed the refunding with the 2% loan being locked in even though the Town will borrow money periodically over the 4 year construction time frame. If the Town has to finance the project on its own, it will have to borrow over the next few years as the money is needed, and if interest rates increase, the future borrowing could be up to 5% or 6%.

With the spike payment of 2017, Mr. Pelton explained that one of the unique aspects of DEEP funding is no interest payment during construction in the first 4 years. As soon as the switch is flipped and the plant comes on line, all the interest for the first 4 years must be paid. This is why funds are being set aside to offset this payment.

Ms. Flynn-Harris asked about the bid process. In looking at WPCA minutes for the RFP for the phosphorous filters, this went out to bid separately, and Ms. Flynn-Harris asked if other components will be bid out separately before the rest of the project is bid.

Stating "no", Mr. Pelton said the phosphorous reduction element has been an issue, and WPCA was unable to get definitive information from DEEP about the level Cheshire would have to operate at. This information came in January 2012, and the DEEP rule is that the Town cannot sole source a vendor. There was a requirement to go out to the market place, see who was in the phosphorous mitigation business, and solicit for just this one part of the puzzle.

It was stated by Ms. Flynn-Harris that according to WPCA minutes there must be installation and testing of the phosphorous components in the existing facility to see whether or not they work. This could impact the design.

Mr. Pelton explained there is a PILOT program as part of the RFP to make sure it will work, and that is slated for September 2013. The vendor has been selected. DEEP turned Cheshire's approval rapidly. In September tests will be run with the vendor's

equipment to validate that it works to our expectations. If it does not work, we fall back to vendor #2.

Ms. Flynn-Harris asked about this not happening, affecting the rest of the design percentage.

There is a #2 vendor of choice and Mr. Pelton said if the awardee does not pass muster there is an immediate default to vendor #2.

Mr. Talbot commented on much discussion around the design percentage and various numbers out there at various times. In June it was 30% designed. In March it was 80% designed, and at the budget meeting it was up to 90%. He asked if this is where we stand now, at 90% of design.

Mr. Pelton explained that we are at 90% of design, and it could be 100%. Part of the approval process is that once everything is designed, it goes to DEEP for review and approval. Based on experience with the previous plant upgrade, DEEP makes changes. When we are at 90% done with our design it is really 100% from the Town's perspective. But, it cannot be called complete until DEEP's review, nuances and approval.

In the WPCA minutes, Mr. Talbot noted there is information about the disk filters to be added for the phosphorous removal, and asked if this is included in the current design completion.

According to Mr. Pelton, they are included. As the entire rest of the plant upgrade is designed, there is a footprint for the phosphorous area. Once the definitive data was received from DEEP on the operating discharge limit, WPCA went to the two vendors to get the best deal. A vendor was picked and the last piece of the puzzle is being designed. WPCA calls it 90% designed anticipating the DEEP modifications to some degree to their satisfaction.

Mr. Talbot asked for the cost of the design paid to AECOM, noting there was an approval at the March WPCA meeting of an invoice for design of \$151,655.54. In the handout from WPCA to the Council at a budget meeting this cost is listed at \$3.5 million, allowance for 100% design documents and engineering services. He asked for the total design cost paid to AECOM, and of the \$3.5 million allowance, what percentage is for the 100% design documents.

There are two pieces – design of the plant and designs occurring during construction, printing blueprints and reproducing from the master design all the copies the contractors need. Mr. Pelton said the original design cost to design the plan was \$1.5 million. That number is about to be met very soon. Another \$350,000 is needed to complete the design, adding the phosphorous element, and bring the project to closure. Mr. Pelton stated that there is some design money left over in some accounts from previous grants, and WPCA is looking to reallocate those funds, about \$200,000. The balance

of the \$250,000 will roll forward into that \$3.5 million piece of actual construction costs. There is design to build the plant, paperwork design paperwork, to build the plant.

Mr. Talbot asked about the \$3.5 million in the project costs, and the number off of that that is 100% of the documents.

Mr. Pelton said it is the other \$250,000, the last piece of the puzzle.

Mr. Talbot said that \$3.25 million is for the engineering services which will be done during the construction.

In reply, Mr. Pelton said that is correct.

The issue of value engineering was raised by Mr. Talbot, who said it was done in the Fall of 2011. He asked what the design percentage was when the value engineering was done.

According to Mr. Pelton it was 30% to 40% range.

Mr. Talbot asked if there are plans to do another value engineering study prior to the final numbers.

Mr. Pelton said "no". At the 40% design stage the foundation of the plant is designed, along with walls and roof, and the rest of the design elements are the infrastructure things which go inside. WPCA felt confident that it could give the value engineering firm a good sense of the size, shape, pipes, electrical needs, etc. of the plant as they roll forward. This was a \$50,000 investment which yielded a \$900,000 savings.

Mr. Talbot was wondering why another value engineering will not be done when the other one was done with 40%. He asked how we know that we are not adding other elements to the 60% which are not needed.

As part of what was given to the engineering firm were the infrastructure components, not by design. Mr. Pelton said it was so many pumps, pipes, lifts, etc. so the value engineering people could look at the pieces parts without them being intricately designed where they will come from, where power source will come from, etc.

Matt Bowman, WPCA member, stated that sometimes value engineering can be done by the sub-contractor on the project, and they would submit changes with savings to our engineer. Then, the Town's engineer could look at things and determine if there are savings involved.

This can be done, and Mr. Pelton said WPCA is always open to input from the vendors.

6. PROPONENTS AND OPPONENTS STATEMENTS ALTERNATELY EXPRESSED.

Dr. Greg Florio, Supt. Of Schools commended Town Manager Milone for his excellent presentation on the capital budget. Dr. Florio stated another great concern is the very old, tired infrastructure in Town buildings. He encouraged the Council to support Mr. Milone's budget recommendation, as coats of paint, chewing gum and wire don't last forever. Dr. Florio said that, eventually, the projects requested by the Board of Education (BOE) and reviewed by he and Mr. Masciana with the Council are going to have to be brought forward. \$24 million was requested over 5 years in the CEP for the BOE; it was reduced to \$22 million; and \$6.3 requested in the first year was reduced to \$3.2 million. These projects are coming back, and simply deferring some work that must be done in the schools will ultimately cost the Town more money. Dr. Florio requested the Town Council support the Town Manager's recommended budget.

The issue of strategic planning was raised by Chairman Slocum to Dr. Florio, and he asked whether this is part of a plan for operating expense of the BOE.

In response, Mr. Milone said he did not recommend that this item come forward to the Town Council in the five year plan.

Dr. Florio said the request will come back. He advised that the strategic plan was for evaluation of all Town facilities by a professional architect and engineer, to make an assessment of all buildings and give a road map of what should be done. There are surrounding communities which are spending tens of millions of dollars to renovate schools. Cheshire's newest school building is +40 years old. With an engineering study some of the things could be accomplished, and the question is cost and priorities.

It was suggested by Mr. Slocum that the energy audit will help further develop and identify some of these needs, and, maybe fund some of their start-up and completion.

Dr. Florio advised that the dollar amount for the planning request was \$250,000 from the BOE.

Ed Hill, PBC member, citizen and parent, stated his support for the \$1.188 million for the civil rights compliance at CHS Athletic Complex. He said this project includes the solution to the disgrace which we have at the boys' locker room facility. Mr. Hill said he was appalled at the conditions which student/athletes had to endure and cannot believe parents were not coming forward about this issue. At the PBC meeting it was stated that \$500,000 was not adequate for the locker room upgrade. PBC looked at other issues at the high school, including 10 storage containers in various degrees of rotting and rusting, rest rooms at the high school which are hazardous and unhealthy. This \$500,000 is a waste of money. PBC has ideas to address these issues, including replacement of the concession stand, replacement of the locker room facilities, need for an elevator to the press box...all in one project for \$1.2 million. There would be ADA compliance and building a facility of which Cheshire could be proud.

It was stated by Mr. Hill that when his son was on the CHS football team he went to many towns and facilities, and Cheshire's is by far the worst and the Town should be

embarrassed and ashamed of its facility. We can spend \$10 million on amenities like the Linear Trail, but it will not make Cheshire attractive for people to come to visit. We owe it to the Town and ourselves to have a first class facility. Mr. Hill encouraged the Council to approve this appropriation in the capital budget, as it will solve many problems in a cost effective way.

For a point of clarification, Mr. Slocum stated that the \$1.8 million is strictly for the field house, and does not address the concession stand, press box issues, etc.

In response, Mr. Hill said that is incorrect. The preliminary number of \$1.8 million which the PBC is discussing would be looking at a building to include storage, correct sized rest rooms, concession facility, and elevator without paying the premium for a stand alone elevator.

Matt Bowman, 422 Maple Avenue, commented on the fact that \$1.8 million is a lot of money while trying to go out with a sewer facility for \$32 million. Mr. Bowman does not want to put \$500,000 into a 50 year old facility. The only thing we can do is to make it code compliance and ADA compliant, and not fixing the issues of Title IX. The boys and girls facilities are totally different, both are old and in need of maintenance and work. He said we have the opportunity to construct a building to meet all Title IX issues. If the Town has a lawsuit regarding Title IX, it can be forced to undertake this project. With the \$500,000 the Town is half way towards a project that is needed for a new facility, which will be closer to the athletic fields, events, practice fields. Mr. Bowman noted that the Town is not close to being code compliant with the bathroom facilities at the athletic complex. He is surprised that someone has not "called" the Town on this issue. The Council has an opportunity to take care of everything in one full swoop. In the existing locker room, ramps would have to be built for ADA compliance, parking spaces would be lost, etc. Mr. Bowman asked the Council to authorize PBC to review and determine whether the project is feasible. He also noted that when the athletic facilities were built in 1963 there were only a few male sports involved, and no female sports. Now, there are 30 varsity sports using the same facilities as in 1963, and the student population has more than doubled. There is a need to do more than take \$500,000 and throw it into a rat hole.

Mark Nash, PBC Member, Chairman of the Locker Room/Athletic Facility Complex Committee, stated there appears to be a significant amount of misinformation and misunderstanding as what exactly is happening with this process. Mr. Nash reiterated that PBC was first presented with the locker room proposal. In the normal process, PBC vetted and examined the situation, and unanimously determined that the locker room project did not make sense financially, from a construction standpoint, or accomplishing any goals being looked at. The PBC met and discussed the issues with Mr. Masciana, and was informed of the requirements and mandates coming from the State and federal government in terms of Title IX, ADA compliance and civil compliance. In looking at the mandates which must be addressed by the Town and BOE, along with existing facilities, the PBC looked at the different avenues of what would be the best method to address all these issues.

With regard to the locker room project at \$500,000 to \$800,000, Mr. Nash said no other issues would be addressed which would need additional funds and compliance. By combining a series of issues into one project, eliminating the locker room project (which the PBC agrees should be done), Mr. Nash said everything has been tossed around, numerous meetings have been held, and a proposal has been presented by the PBC to move forward with creation of an athletic complex which is the direction in which the Town should go. PBC has visited other facilities, and the athletic complex option should be explored further, without pouring any more money into the inadequate and substandard facility (locker rooms).

Without funding, Mr. Nash said the PBC cannot develop accurate costs, a plan, rendering or anything at this time. The PBC wants to combine as many elements that need to be addressed as possible. This is what the PBC has looked at, and it has come up with something which addresses everything. PBC does not have accurate costs, because costs cannot be gotten without bid documents; and you cannot get bid documents without funding.

Chairman Slocum asked about the \$500,000 prior referendum appropriation, and if those funds would be used together with the \$1.18 million. This is a project costing \$500,000 more than the \$1.18 million, and he wanted people to understand this fact.

According to Mr. Nash, the project is north of \$1 million. However, if there is the locker room at \$500,000 (without addressing any ADA issues), access ramp at \$25,000, elevator north of \$300,000...this moves the cost to over \$850,000 just for the locker rooms. This does not address anything to do with the athletic complex, accessibility issues, compliance issues, public facility issues. By combining the two projects into one and addressing the whole package, there is more bang for our buck, and the Town gets a facility which functions as it should.

Christine Gardner, 407 Wiese Road, stated her support of the \$1.18 million for the athletic complex project. She has toured the locker room facility and said the conditions were appalling and they cannot be repaired with a band aid approach. She encouraged the Council to approve the \$1.18 million for the field house. Last week the boys were using the locker room, and were then not allowed back in due to asbestos. Mr. Gardner said children in Cheshire should not be facing these conditions. When people come to Cheshire it is embarrassing, and the rest rooms and concession stand cannot handle the large capacity at an event. There is a sense of urgency with the project, and it cannot be put off to a later date.

Wendy Stauffer, 44 Suffield Court, informed the Council she has 3 daughters at the high school involved in 6 sports, and she has visited the locker room facilities, and has personal knowledge of the poor conditions. Ms. Stauffer stated it is in the best interests of student/athletes and the Town to go forward with this project, noting that locker rooms are a big part of a student's life in high school. She commented on the many incidents and times when the locker rooms cannot be used by students, equipment has been stolen, toilets do not work. Ms. Stauffer said the high school is more than a

building, it is Town pride, and students want to strive for excellence. When other schools come to Cheshire they comment on the disgusting conditions, and it is embarrassing. Cheshire needs to step up and represent itself properly, and students deserve a clean place which meets ADA compliance with equal access for all.

Gerry Brittingham, BOE Chairman, stated that the renovation of the existing locker room facility is not the best use of taxpayer money. We have the perfect opportunity for the Council, BOE and PBC to work together and spend taxpayer dollars wisely and solve problems. Mr. Brittingham reiterated that renovation of the existing space is a waste of money, and asked the Council to consider allowing the citizens of Cheshire to voice their opinion on this referendum question. If not, he asked that the Council empower and allow the funds to be available for PBC to get the numbers right, explore the options, and solve the problems. Everyone can work together on this project, and Mr. Brittingham said the problem must be solved. If it is \$1.1 million or \$1.6 million, whatever the final costs, we can all say the problems were solved. This is not just the locker rooms, but an upgrade to the field, concession stand, grade to the fields and concession stand, and bathrooms. Mr. Brittingham asked that the PBC be allowed to come up with a permanent solution which everyone can agree to live by.

Barbara Hedden, 1452 Marion Road, CHS Girls' Outdoor Track Coach, echoed the comments made by others, and said building a new facility would solve every problem. She noted that the storage units leak, and have animals getting into them destroying mats, etc. which costs a lot of money to replace. A new facility would have storage areas for equipment, bathrooms, locker rooms, concession stand. Ms. Hedden reported that visiting teams have written letters to CHS coaches and the athletic director with copies to the principal regarding the lack of cleanliness at our facilities, including unusable bathroom facilities at the fields. She said a proper facility is needed for student/athletes, visiting teams, the public, along with property storage areas for athletic equipment.

Dr. Florio submitted recent photographs of the locker rooms as of a week ago, after \$25,000 was spent for painting, benches, and labor by BOE crews. As Superintendent, he said he must assure all students a safe, good, clean environment each day, and he will not put students in danger. Over the last 15 years a significant amount of maintenance has gone into the locker rooms. The facility is still old, tired, under sized – the same as the bathrooms by the field. Dr. Florio said we can keep putting \$25,000 a year or more into the facility, but the question of whether or not another facility should be built still will come up every year.

The residents of Cheshire were assured by Dr. Florio that he and the BOE will work hard to assure that the locker room, or any facility used by students or staff or the public is maintained. But, sometimes due to the use of the facility it is hard to keep up with the maintenance.

7. REBUTTAL AT THE DISCRETION OF THE CHAIR.

8. ADJOURNMENT

Chairman Slocum adjourned the public hearing at 8:50 p.m.

Attest:

Marilyn W. Milton, Clerk