

**MINUTES OF THE CHESHIRE TOWN COUNCIL MEETING HELD ON  
TUESDAY, OCTOBER 9, 2012, AT 7:30 P.M. IN COUNCIL CHAMBERS,  
TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410**

Present

Tim Slocum, Chairman; David Schrumm, Vice Chairman; Michael Ecke, Patti Flynn-Harris, Sylvia Nichols, Thomas Ruocco, James Sima, Peter Talbot.

Absent: Andrew Falvey

Staff: Michael A. Milone, Town Manager; James Jaskot, Finance Director; Al Smith, Town Attorney.

**2. PLEDGE OF ALLEGIANCE**

The group Pledged Allegiance to the Flag.

**3. PUBLIC COMMUNICATIONS**

On behalf of the Town Council and the Cheshire community, Chairman Slocum held a moment of remembrance for Frank Papandrea, and expressed condolences to Norma and the family. Mr. Papandrea served on the Town Council and many boards and commissions, was a landscaper/farmer and owner of Tower Farms, supported the Town sports programs, and will be remembered fondly by the community.

**A. Food Drive Proclamation**

Chairman Slocum read the proclamation for the annual Cheshire Food Drive proclaiming November 2012 as Food Drive Month. The drive is to be held on Saturday, November 3, 2012.

**B. Consent Calendar Donation Acknowledgements**

Chairman Slocum read the list of names for the April 2012 through September 2012 donations to the Town of Cheshire.

Walter E. Cheetham, Artsday, Cheshire Human Services 6<sup>th</sup> grade program, Cheshire Library Staff, Johathan and Greta Jones, Michael Ballato, Aggregate Donations, Cheshire Kiwanis Club Foundation, Temple Lodge 16, Mary Ann Gale, Diana Parmenter, Cheshire police Benevolent Association, Connecticut Light and Power, Cheshire Chamber of Commerce, Cheshire Lions Club, Paul and Margaret Fleet, Cheshire Rotary Club Charitable Foundation, Middle School Yellow House Parents, Linda Musco, Amy LaBonia, Tracy Ajello, Jonathan Budd, Linda and Nancy Alusitz, Mary Dinmore.

On behalf of the Cheshire community, Mr. Slocum thanked all the donors for their generosity.

A copy of the list is attached to these minutes.

**C. Public Comments**

Derf Kleist, 251 Lancaster Way, addressed the Council regarding the complaint filed by Mrs. Kleist on July 23, 2012 with the Cheshire Police Department following a traffic situation on Highland Avenue, and confrontation with the police officer. He said the audio from the incident could not be heard, and the video shows the emergency flashers were on. He questioned why the audio could not be heard, why the department is getting money for communications equipment, and why there are no tickets for speeding on Town roads. Mr. Kleist asked when the complaint will be looked into, what is being done about this illegal activity, and why his wife must go to court for a bogus ticket.

Tim White, 1682 Orchard Hill Road, gave the Council and staff a reminder to put together a to do list for Town and Public Works projects in priority order, and make the list available to the public. He commented on the State DOT project for Route 42, the meeting to take place in Cheshire to look at drainage and paving the road, and the need to include DEEP. He asked about the natural gas connection to Norton School, and said the Governor wants to add 250,000 houses to the natural gas pipeline.

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

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

BE IT RESOLVED that the Town Council approves Resolution #100912-1

#### RESOLUTION #100912-1 CONSENT CALENDAR FOR OCTOBER 9, 2012

BE IT RESOLVED, That the Town Council approves the Consent Calendar for October 9, 2012 as follows:

- A. Acceptance and appropriation of a \$1,450 donation in memory of Dylan Sattler for a memorial bench.
- B. Acceptance and appropriation of a \$500 grant from the Gilder Lehrman Institute of American History for Library Civil War programming and exhibit.

VOTE The motion passed unanimously by those present.

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

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

#### **7. NEW BUSINESS**

**Chairman Slocum requested Council to approve adding an agenda item 7D regarding contracted electrical rates.**

MOTION by Mr. Sima; seconded by Mr. Ruocco.

MOVED that the Town Council approve the addition of item 7D to the agenda of the October 9, 2012 meeting.

VOTE The motion passed unanimously by those present.

**A. Approval of indemnification for fire training.**

MOTION by Mr. Ruocco; seconded by Ms. Nichols.

BE IT RESOLVED that the Town Council approves Resolution #100912-2

RESOLUTION #100912-2

BE IT RESOLVED, that the Town Council approves the indemnification agreement for the New Haven Regional Fire Training Academy for training for the Cheshire Fire Department.

VOTE The motion passed unanimously by those present.

**B. Discussion Re: Implementation of a one-time bulky waste collection.**

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

BE IT RESOLVED that the Town Council approves Resolution #100912-3

RESOLUTION #100912-3

BE IT RESOLVED, that the Town Council directs the Town Manager to go out to bid for a one-time town wide bulky waste collection to determine the cost and the actual dollar amount for consideration of a special appropriation for such a collection.

Discussion

Chairman Slocum said this has been an item of discussion by the Council and in the community.

Mr. Talbot stated that the bulky waste program was mentioned during the budget process, and is an item which the Councilors hear about from residents. The cost of the program would come from some of the surplus funds for a one time bulky waste pickup.

In his report, item #2, Town Manager Milone referred to the spreadsheet with information on the surplus for FY '12 - \$1,464,601. All transfers are done and the fiscal year 2011-12 is closed with the exception of a few housekeeping changes.

Under the "October" column, Mr. Milone pointed out the fund balance as of June 30, 2011 was \$8,770,676. The estimated surplus is \$1,464,601. An additional \$150,000 was received from FEMA, and the BOE cancelled encumbrances of \$330,000, and the surplus grew to \$1.464 million.

The fund balance as of June 30, 2012 is \$10.2 million. The Council took actions to utilize much of this projected surplus. \$600,000 was dedicated to FY 12-13 as revenue; \$100,000 was transferred to the Community Pool as a result of the shortfall from the facility closed for 3+ months; \$250,000 was committed to the automated recycling program; Debt Service Reserve was increased by \$150,000; Pension Reserve was increased by \$100,000. Overall, the Council committed to \$1,200,000 of the \$1.464,601 surplus funds. At this time the Town has a fund balance of \$9,035,277 – 9.23% of the operating budget. The balance of unused surplus is \$264,601, which has not been appropriated, dedicated or committed to any program or service in Town.

Mr. Milone stated that the Council can accommodate using these funds through a supplemental appropriation which would require increasing the bottom line of the budget by the amount appropriated, not to exceed \$350,000, or the matter would have to go to referendum. If more than \$175,000 is appropriated the Council must hold a public hearing.

According to Mr. Milone the last bulky waste pickup cost was \$150,000 and this was 3 years ago. It is expected it would be more for a future pickup, but it is unknown if it will exceed \$175,000, until the project goes out to bid.

Mr. Slocum commented on going out to bid in the Spring time, and questioned the mechanics of the process and the need to act on a bid within 60 days.

Mr. Milone explained that the bid specs could indicate implementation of the collection until a date certain. He is not sure about having a long lead time between now and the actual collection period, whether it would hurt or help, and his concern is delaying too long and not being able to get a vendor to do the program. Sooner means the vendor has to hold a price, without knowing what fuel costs would be in March 2013, but waiting too long involves an unknown response.

It was stated by Mr. Schrumm that this could be done in the form of an RFP as opposed to formal bid specs, with the program done in the Spring or Fall of next year. He said that Fall was the preferred time for the pickup, and we could wait until February or March for better pricing for the pickup.

Mr. Sima noted that this motion is to ask the Town Manager to go to bid, and get a fixed cost for the bulky waste program. The timing could be a different matter, and even \$150,000 to \$160,000 will be in the ballpark for the cost. We know how

much money is available for the program. If the number is in the \$240,000 range we will know the program may not be able to be done. With the subject resolution, Mr. Sima said we are not tying the hands of the Council or the Town, and this program is long overdue for Town residents. We can find the costs and tie in the rest of the pieces later.

Ms. Flynn-Harris commented on the Council's actions on recycling having produced interest in the bulky waste pickup and bringing it to the forefront. She said we need to find out the costs, which will help with feedback, and then determine the best time to do the program.

Stating he knows that the Town paid \$150,000 for the pickup program 3 or 4 years ago, Mr. Milone said the inflation factor must be worked in, along with additional volume of material to be picked up. He will talk to people in the industry, and return to the Council with the parameters of the cost, which he expects to be \$150,000 to \$200,000. Staff will begin preparation of the specs for when the Council is ready to decide on the program, which Mr. Milone will try to have available for the October 29<sup>th</sup> Council meeting.

If the program is implemented in September 2013, Mr. Schrumm said this could be an item in the operating budget for FY 13-14; take the money out of surplus or fund balance; and do it as a lump sum transaction, and put it into next year's budget.

In response, Mr. Milone said he would recommend a separate line item on the revenue side, and not roll it into the normal fund balance used to appropriate as revenue...but put a statement of special fund balance appropriation for bulky waste. If it gets rolled into the \$600,000, it is \$800,000, and he does not think it stands out for its designated purpose. And, in subsequent years, there is an expectation that we want to continue to budget \$800,000 from fund balance.

VOTE           The motion passed 7-1; Schrumm opposed.

**C.     Town Manager's contract (possible executive session)**

MOTION by Mr. Ruocco; seconded by Ms. Nichols.

BE IT RESOLVED that the Town Council approves Resolution #100912-4

RESOLUTION #100912-4

BE IT RESOLVED that the Town Council hereby amends the contract with Town Manager Michael A. Milone with the adoption of the following changes:

- 1)     Base annual salary to be increased to \$138,546 annually.
- 2)     Increase the Town's share of the Town Manager's deferred compensation

- plan to 13.5% of the base salary.
- 3) Unused accrued sick leave to be paid at Manager's present rate of pay \$135,497.
  - 4) Extend the contract to June 30, 2015.

This amendment is effective as of July 1, 2012.

#### Discussion

Personnel Committee Chairman Ruocco advised that the Council has deliberated with Mr. Milone about his contract. He commented on the extraordinary year for the Town, with the Town Manager working many hours to address pressing issues, and being very responsive to the public. Mr. Ruocco said he is willing to reward Mr. Milone for his work and this is an example of pay for performance, and the Town Manager is worthy of the compensation package.

Ms. Flynn-Harris said this year Mr. Milone should be rated in the public safety category as he has been on call 24/7 with all the things going on and activities in Town. He has done an excellent job and is deserving of the pay increase.

Mr. Schrumm stated that Mr. Milone is a tremendous asset to the Town, and for two years during tough economic times he did not take a pay raise. As captain of the ship, Mr. Milone is first to set an example for others in Town, and he is deserving of this pay increase. Mr. Schrumm commented on Mr. Milone's tireless efforts last year during emergency situations when he was working to insure people were fed and safely sheltered.

Mr. Slocum supports the pay increase for Town Manager Milone. He said the Town and Council face many things going forward, and Mr. Milone wears many hats each day, and is deserving of this pay increase.

VOTE           The motion passed unanimously by those present.

#### **D. Discussion and action re: Contracted Electrical Rates.**

MOTION by Mr. Sima; seconded by Ms. Nichols.

BE IT RESOLVED That the Town Council approves Resolution #100912-5.

#### RESOLUTION #100912-5

WHEREAS, The Town of Cheshire (the "Town") and TransCanada Power Marketing Ltd, ("TransCanada") entered into a certain Power Purchase Agreement, dated February 6, 2001 (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. The Agreement was extended to December 2014, and again to December 2015; 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 Agreement beyond December 2015 (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 January 1, 2014, and continuing through the end of the Extended Term (the "Blended Price");

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 2015, and to agree to a new rate for years beyond Fiscal Year 2015 and/or a Blended Price if the Town Manager believes that such an 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 extensions and repricing authorized by the Town Manager.

#### Discussion

Finance Director Jaskot informed the Council that on October 10<sup>th</sup> the Town will be entertaining some bids from TransCanada on the advice of Bay State Consultants. The market for long term supply is currently attractive, and supply could be procured at 2004 market levels. The electricity rate trends behind natural gas rates, and with a dip in the natural gas market this past year, the inventory has built up. The low point was in April, and since then gas rates have begun to creep up gradually, and this will continue. If we are going to lock in on historically low electric rates, this is the time to do it. The number crunching on savings has not been done as more details are needed on 10/10/12, and consultants will state whether the deal is good or bad.

The current contract ends December 2015, and Mr. Jaskot said it is hoped to extend and blend the current contract out to 2016, 2017 and 2018, and there are several options to be looked at for savings. In January 2014 the Town would be able to take advantage of the blended rates. Another option is to just contract with TransCanada for FY 16-17, or for 2016, 2017 and 2018, and not blend rates, just contract for the out years on a long term basis.

It was also mentioned by Mr. Jaskot that we are only talking about our current supplier, TransCanada, and we are looking to do extended blend. He said we could look at other suppliers to see what they have to offer, but to do this it would take about 6+ weeks to provide these suppliers with needed information to bid on us. This could be cost prohibitive to wait that long.

Mr. Slocum asked about going that far out on contracts and negotiation of prices and if it is a lower inflated price over previous years.

There is a trade off and Mr. Jaskot said staff would be looking at extended blend for more than one year if the prices differential is more significant. The short term rates over the last 10 years have ranged from 4.6 cents per kw (2003) to 12.6 cents per kw (2009), and right now Cheshire pays 9.145 cents per kw. Since this was initially contracted out in 2007 rates have come down, and the Town has extended the blend one or two other times.

On the last page of the handout, Mr. Sima noted it said there are prices anticipated at or below 2004 market levels, which would be below 6 cents per kw. He thinks it is advantageous to do this, and said during the budget cycle the Council tries to trim more and save money in the operating budget. This gives a more stable cost going into the operating budget process, without spikes up and down on commodities.

The Council was told by Mr. Jaskot that the Town spends about \$1.4 million on electricity each year, and 2/3rds is supply. He supports exploring the current opportunity for the Town.

Mr. Schrumm said the current contract takes us to 2015, and we are at 9.45 cents per kw, and we can get out of this deal by adding 3 more years. The rate could go as low as the 2004 rate of 5.84 cents per kw. The only way to lose on this is with gas rates plummeting and electrical rates also going down. With the lower rates there could be a savings of \$200,000+ for the Town.

VOTE            The motion passed unanimously by those present.

Chairman Slocum informed the Council and the public that there have been many motor vehicle break-ins throughout Town, particularly the west end. Chief Dryfe has requested that people lock their vehicles and conceal all valuables.

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

### **A. Monthly Status Report**

### **B. Departmental Status Reports, Police, Fire, Fire Marshal.**

### **C. Other**

- Monthly Financial Report – There is nothing significant to point out; and the quarterly report will be compiled by Mr. Jaskot and submitted to the Council.
- Prison PILOT cut by \$200,000, and the Town will continue to argue that this is inappropriate for many reasons.

- FY '12 Financial Recap – there is inclusion of the summary of the next to last revenue and expenditure reports to the Council; some are annotated due to accruals involved; certain amounts of money will be received and they are written in by Mr. Jaskot.
- Explanatory Text – The text has been finalized, sent to the Secretary of State, and it is informative without being an advocacy statement.
- Route 42 at King Road Project – Public Information Session, 10/123/12, in Town Hall, Council Chambers, at 7:00 p.m. The project is expected to start in Summer of 2013. There will be road and drainage improvements to the Hilltop Road area; and widening of Route 42, cutting the road down a little on the curves.
- Parks Cleanup Day – 200 Cheshire Academy students performing community service, and volunteers from Cheshire Youth Baseball will spread out and clean up the parks on Saturday, October 13<sup>th</sup>.
- Linear Trail Design – There is a letter from Milone and MacBroom in the packets; the preliminary design will be to the Council in mid-December with preliminary costs. In the summer of 2013 the design will be finalized; bids go out in September 2013; construction would begin in 2014.
- Automated Recycling Status Report – Everything is going as planned; containers will be delivered the first week in November; it will take 6 days to deliver them to households; 2,100 of the 64 gallon containers were ordered, and 6,800 of the 96 gallon containers were ordered; there will be 300 extra containers. There is a final cost of \$421,000. The Environmental Class at the high school is putting together public information videos for the government channel; and the students are creating posters and notices to heighten awareness of the new recycling program. The two sized containers are on display at the high school.
- The recycling pamphlet will be ready in a few weeks; it will be reviewed and approved by the Solid Waste Committee; and it will include the schedule for recycling pickups.
- State Plan of Conservation and Development – Town Planner Voelker put together a summary of the State Plan, and activities which the Town will be involved in. Mr. Voelker will give the Council a short presentation at the next meeting, and advise on the time line for the actions of the Council and PZC relative to getting information back to the State.
- Road Replacement – the schedule is going as planned; there is an update in the packets; Hilltop Road is getting drainage now and will be paved.

- Fire Prevention Month – October is Fire Prevention Month and there are events and activities being conducted by the Fire Department.
- Upcoming Meetings – The Council will hold the 2<sup>nd</sup> meeting of the month on Monday, October 29, 2012.

#### Questions/Comments

Ms. Flynn-Harris asked about all the road work being completed in October.

Mr. Milone said even if work goes into November, all the work will be completed and all roads on the list will be done.

Regarding the Linear Trail design, Mr. Sima commented on Milone and MacBroom not having this item on the front burner. He requested that the design work be moved forward faster, because at this pace the project will be pushed out to next winter.

Mr. Slocum questioned the PILOT issue and the revenue involved.

The Council was told by Mr. Milone that there is \$200,000 lost in the budget this year as a result of the reclassification of the Webster Facility. He tried to demonstrate to OPM that there was a pre-existing condition in that the contract arrangement agreement treated all that property, exclusively, as a prison, regardless of what happened with the buildings on the site.

Mr. Milone explained that Rep. Fritz has told him that the land (on which the buildings are located) has not been reclassified...so the question is why are they making a distinction that this should be changed. Since the PILOT has been in place, there are numerous out buildings and houses on the land which are treated as prison facilities. There is a question as to why this facility was singled out when there are other properties fully reimbursed, including land on which a prison no longer sits. Rep. Fritz has stated that her recollection at the time the prison was expanded is for 100% PILOT payment to always be in place, regardless of the utilization of the property. Through out Legislative delegation, Mr. Milone hopes to get attention to this matter and a response.

Ms. Flynn-Harris said that Rep. Fritz will be looking to bring this up again during the upcoming Legislative Session. Webster will be used as a dispatch center, and could be rated higher than 45% in the reclassification.

Mr. Milone will pursue the legislation as an added protection. The goal is to convince the State that this was a mistake, and could be imposed on other prison towns, and other properties on the prisons in Cheshire. The Town receives 59 cents on the dollar, and should be receive 100% payment on the property tax loss. The appropriation has not been increased in 9 years and the State keeps

ratcheting it down. The difference between 59% and 100% is a loss of \$2 million to the Town.

**9. TOWN ATTORNEY'S REPORT AND COMMUNICATIONS**

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

**A. Chairman's Report.**

Planning – Mr. Sima reported there was a site visit to the Casertano Property to look at parking on the west side of Marion Road. Milone and MacBroom have a preliminary design with cars off the street and good sight lines in and out of the property. He commended Town staff for a much better design which will work well.

**B. Miscellaneous**

Chairman Slocum appointed a new member of the Energy Audit/Performance Contracting Study Committee – Art Crooker to replace Lou Cohen.

**11. APPROVAL OF MINUTES – Regular Meeting, September 11, 2012  
And Special Meeting of September 24, 2012.**

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

MOVED that the Town Council approve and accept the minutes of the Regular Meeting of September 11, 2012 and Special Meeting of September 24, 2012 subject to corrections, additions, deletions.

VOTE The motion passed unanimously by those present.

**12. MISCELLANEOUS AND APPOINTMENTS**

**A. Liaison Reports**

WPCA – Mr. Schrumm reported that the Authority is doing a tour with educational presentations on the treatment plant upgrade project referendum, answering questions and dispelling misconceptions.

Parks and Recreation – Mr. Talbot reported that the Commission approved the Property Management Plans for Williams and Morin properties. There was discussion about the proposed dog park, and the group has raised \$12,000, with about \$8,000 to \$10,000 more to be raised.

Housing Authority – Mr. Talbot reported new emergency procedures were adopted; and there is a project to enlarge the Beach port kitchen which was moved to after the holiday season.

CPFA – Ms. Flynn-Harris reported that the Author Dinner was a huge success.

**B. Appointments to Boards and Commissions**

MOTION by Ms. Nichols; seconded by Mr. Talbot.

MOVED the following appointments:

John Torello (U) to the Historic District Commission, to replace Al Sanders; term of office 10/9/12 to 1/31/15.

James McKinney (D) to the Public Building Commission, to replace Ronald Palumbo, term of office 10/9/12 to 1/31/14.

VOTE The motion passed 6-2; Sima and Schrumm opposed.

**13. COUNCIL COMMUNICATIONS**

**A. Letters to Council.**

Chairman Slocum reported on a letter from Mike Wilson regarding his driveway and interaction with the PW Department; and a letter of complaint about road improvements near Route 70 and the bridge, tree clearing and debris left at the site. He also commented on removal of a stop sign at Norton Lane. Mr. Sima advised that this stop sign is back in place.

Mr. Ruocco acknowledged receiving a letter about Round Hill Road from Mr. Wilson.

**B. Miscellaneous**

**14. EXECUTIVE SESSION**

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

MOVED that the Town Council enter Executive Session at to include Town Manager Milone, Town Attorney Smith, Chief Neil Dryfe, Personnel Director Zullo and to discuss pending claims and litigation and personnel matters (Police and Library union agreements).

VOTE The motion passed unanimously by those present.

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

MOVED that the Town Council exit Executive Session at 10:20 p.m.

VOTE The motion passed unanimously by those present.

**15. ADJOURNMENT**

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

MOVED to adjourn the Town Council meeting at 10:20 p.m.

VOTE           The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk