

MINUTES OF THE JOINT TOWN COUNCIL BUDGET COMMITTEE, PLANNING COMMITTEE AND SPECIAL COUNCIL MEETING HELD ON TUESDAY, MAY 20, 2014, AT 7:30 P.M. IN ROOM 207, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410

Present

Chairman Timothy Slocum; Vice Chairman David Schrumm; Patti Flynn-Harris, Thomas Ruocco, James Sima, Peter Talbot.

Absent: Liz Linehan and Robert Oris.

Staff Present: Michael A. Milone, Town Manager, James Jaskot, Finance Director; Gina DeFilio, Deputy Finance Director.

Dr. Greg Florio, Supt. Of Schools; Vincent Masciana, Director of Management Services; Gerry Brittingham, BOE Chairman; BOE Members Tod Dixon and Anthony Perugini.

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. CAPITAL BUDGET PRE-PLANNING

A packet of information prepared by Mr. Milone and Mr. Jaskot was given to Council members.

#1 – Five Year CEP, 2013-14 to 2017-18 with focus on FY 14-15 and FY 15-16.

Mr. Milone said the focus in the CEP document would be FY 2014-15 and FY 2015-16. He has talked to department heads about their CEP requests, and noted that the BOE has adopted its capital budget.

#2 – Capital Projects Report/Bond Funds, as of 5/19/14. Mr. Milone explained that the first 3 pages are projects supported by bond proceeds; pages 4 and 5 are projects supported with cash from CNR.

#3 - Debt Analysis/Projected Debt Obligation FY 2014-2018. Page #1 shows how much debt service is expected to be over the next 10 years; column #3 will reflect any changes in projects. Page #2 shows the estimates for bond sales. Page #3 is the amortization schedule, \$1 million bond issue, at 4% interest, and value of \$1 million reduction or increase in overall capital budget.

The Council was informed by Mr. Milone that the Governor signed the bill increasing the phosphorous portion of the WWTP upgrade to 50% for Cheshire. The project cost is \$32.5 million; the total grant is \$8.59 million, loan of \$23.560 million; the grant is about 27% of the project and the loan is about 73%. These numbers will be worked into the debt service projections.

Cheshire received a STEAP grant of \$500,000 which will be used to fund the sidewalk project which has an estimated cost of \$820,000 to \$850,000. A second grant application has been submitted to the Main Street Development Fund for between \$350,000 to \$400,000.

Mr. Schrumm commented on there being some de-authorization of capital projects on the list, and changes in the CEP 2014-15 and 2015-16 numbers.

Mr. Milone will be informing department heads and staff to look at projects and provide information. The Council must approve the listed projects before anything can be done with them. The Capital Budget documents will be given to the Council by July 1, 2014, and CEP budget meetings will start sooner this year.

Regarding “encumbrances”, Mr. Milone explained these are frozen numbers, committed but not spent, and similar to an open purchase order. The “available budget” is the money left in the project.

There was a brief discussion on the Council imposing some guidelines on CEP projects for limitation on the availability of funds, doing this internally, and not within a bond resolution, i.e. a formalized 5 year timeline.

Capital Projects Report, page #1 – Administration and Finance – Town Hall A/C, \$165,000; this project is coming off the list because it is in the performance contracting list. Technology Reserve funds will be expended as the Town is going to an entirely desktop environment.

Planning and Development – Land Acquisition - \$550,000 balance + \$200,000 coming from recent Pickowski property; total \$705,000.

Mr. Jaskot stated that General Fund encumbrances are closed out after one year.

Emergency Generator Hookup, \$61,000 encumbered due to incompleteness of the electrical work to finish the installation of generators; most of the encumbered funds will be used to complete the project.

Page #3 - Education Projects – Mr. Masciana stated that on some of the BOE projects, i.e. 2009 windows, the BOE is trying to get new windows at Humiston School. 2001 Highland/Humiston – this project was code compliance, fire and safety. 2006 Plan/DSN Humiston \$710,000 – was for code compliance projects; right now there is nothing specific for Humiston. 2007 CHS Heat System \$100,000 – design money; \$25,000 reduction in this appropriation because the project will be under the performance contracting.

Mr. Sima commented on the Council not wanting to end up with projects +5 to 10 years out.

In that regard, Mr. Milone advised that all projects will be revisited, and unnecessary projects will be closed out.

Page #5 CNR – CHS Infrastructure project, \$6,000 encumbered; \$6,000 available funds.

If there are multiple projects the oldest one is shown on the report.
BOE BLDG MAINT \$500,000 is the BOE emergency fund.

At the July Council meeting the agenda will include the de-authorization of projects for Council consideration and approval.

Page #2 Cook Hill Pump Station, 2011 - \$150,000. Mr. Talbot noted that there is \$120,000 with \$50,635 encumbered; and 2014 - \$150,000, \$23,200 encumbered and this is the Elim Park donation for the pump station project work.

Mr. Milone clarified that \$120,000 is planning money for design, and \$150,000 is the Elim Park donation.

WPC Plant, \$500,000 is for two aerators, and this money is being held to supplement the \$32.5 million, if needed.

CEP SUMMARY – FY 2014-15 and FY 2015-16.

Page #2 - Finance Department - \$86,000 balance in the capital planning account.

Revaluation – Two CNR accounts frozen; \$100,000 revaluation account and \$50,000 funding for maintenance & cleanup of open space. \$90,000 left in the revaluation account which will be used rather than the \$100,000 FY 2013-14 appropriation; and if not used the funds will be restored.

Technology Reserve – this number will be decreasing as the technology plan is completed; FY 2014-15 appropriation is \$200,000; Dept. of Education phone system is taken out of this funding as DOE installed new phone system last year. Technology Study Committee meets May 28th.

Mr. Milone stated he would be requesting the Council approve a Facilities Assessment Plan (for Town and DOE), which will give a blueprint of everything left to be addressed.

Page #3 - General Services – Vehicle/Equipment Replacement Fund. There are no changes at this time. Mr. Milone advised there may be inclusion of two mini-buses in the capital budget at \$61,000 each supplemented by two \$40,000 grants, for a Town cost of \$42,000. There are 4 buses, 3 used and 1 spare.

Page #4 – Public Property – Various Town Buildings \$150,000 FY 2014-15; could increase to \$200,000 for roof repairs Town Hall, Library and Fire Dept. headquarters

and moved out to FY 2015-16. Open Space Land Management, \$110,000 is frozen at \$50,000.

Planning/Land Acquisition – no changes expected, and no more than \$1 million anticipated.

Page #6 Fire Department – there are plans to stay within the requests for FY 14-15 and FY 15-16; Replacement of aerial truck #1 will also be funded by Elim Park gift account.

Page #7 – Public Works – Sidewalk Program \$200,000 FY 15-16 will be moved to FY 14-15. Vehicle/Equipment \$170,000 will be increased to \$355,000 to include purchase of a Town sweeper. Dump Trucks, \$361,000 will be requested in FY 14-15. East Johnson Bridge - \$3 million moved to FY 15-16.

There will be some additional requests in the CEP from the PW Department including intersection work, South Brooksvale Road and Mt. Sanford Road and drainage improvements, \$500,000; and Ash Tree infestation will be a major problem, with removal of the trees. West Main Street Sidewalks (STEAP Grant) in FY 15-16; application for two grants for work on Mountain Road, South Brooksvale Road, and without grants projects will not go forward.

Page #8 Sewer and Water – West Johnson Avenue Pump Station, \$1.7 million now up to \$3.2 million cost; project could qualify for CWF grant and loan.

Cook Hill Pump Station – this project is moving forward, work could be completed under \$350,000.

Page #9 – Human Services – Senior Center Basement Renovation, FY 14-15, \$220,000; no change; grant application submitted to Community Development Block Grant to fund this project.

Page #10 – Parks and Recreation – no changes; FY 15-16, tennis court renovation at Youth Center.

Page #1 – Education. Mr. Masciana reviewed the DOE capital projects. Roof Replacement, \$125,000 and \$75,000 re-seaming roofs at Cheshire High School which are out of warranty to get 5 to 7 more years out of these roofs.

Dodd Middle School athletic field improvements/drainage, \$125,000; Facilities Plan, 10 year plan, \$145,000 (review of housing stock, demographics, look at school buildings, make recommendations to be followed over 10 year period).

Sidewalks, Walkways - \$150,000; Flooring/Carpeting replacement - \$225,000. CHS Windows, \$250,000 (replace 60 year old windows); about \$1 million is needed, but start with \$250,000 for windows on the south side of the Senior Courtyard.

Lavatory Replacement - \$250,000; Doolittle and Norton Schools are a priority.
CHS Field Complex - \$260,000; 4,000 sq.ft. storage building to replace 9 storage trailers.

CHS Kitchen Upgrade - \$750,000; BOE approved \$750,000 in FY 14-15 and FY 15-16; extend seating area in cafeteria, gut and replace entire kitchen, serving area for students – about \$5 million project. Doing just kitchen, cafeteria, serving area, \$3 million; Fletcher Thompson working on a \$2 million proposal/estimate.
Total BOE Capital Expenditure Plan - \$2.28 million.

Additional funding for CHS Locker Sports Lockers \$245,000, additional funding for CHS Concession/Bathroom/Grading Project \$259,000, and CHS Kitchen/Cafeteria \$750,000 brings total BOE CEP to \$3.034 million. The BOE Five year Capital Expenditure Plan total is \$17.8 million.

Following the review of the capital expenditure plan, Mr. Schrumm requested a Council tour of Cheshire High School (kitchen/cafeteria/Commons areas) during school hours with DOE staff and representatives from Fletcher Thompson (designer).

Utility Tunnel project is completed.

A portion of the CHS energy replacement projects will be done this summer, and next summer the science lab work will be done.

Debt Analysis/Borrowing Requirements – Mr. Jaskot referred to page 2 of this document which showed projections of General Fund borrowing requirements, CEP FY 2014-2018. February 2015 - \$17.252 million to be borrowed; 2017 - \$15.734 projected borrowing requirement; for projects approved by the Town Council, bond sale is 50% in the fiscal year and 50% in the 3rd year out. There is information on page #2 on details of the adjustments to the various projects; pending grants total \$334,399; WWTP pending grants - \$7.450 million; pending grants for projects with borrowing authorization \$2.278 million; total pending grants \$10.073 million. WPCA I&I, \$100,000; WPC plant upgrade design \$1.5 million; total \$1.6 million. Projects for de-authorization (design, CHS heat system) \$25,000. Last bond sale was in February 2013 for \$10.5 million.

WPCA – Mr. Milone informed the Council about the pcb's found during the plant upgrade, and the fact that this portion of the project will be eligible for the grant and loan program.

There is +\$6 million in the Debt Service Reserve Fund.

Regarding PW truck inventory, Mr. Sima requested information/list of how trucks are secured and decommissioned, a trail of how trucks are purchased until no longer used, where the money goes after sale of a truck.

Mr. Jaskot told the Council he has an equipment listing which can be reviewed. When a truck is sold the funds go into the General Fund Miscellaneous Revenue. The total spent in recent years has been about \$20,000 per year.

The Council briefly discussed time limitations on capital projects, with the suggestion of five years as the time limit.

Mr. Sima raised the issue of the Fire Department Ladder Truck, asking if there have been numbers from any other vendors on cost comparison for purchase of this truck. He commented on the need to move forward with Fire Department compensation issues as they relate to sustainability of the operation of the department.

Mr. Talbot advised he would be looking at all of the numbers related to the CHS athletic complex, and will request the Council to review this information.

It was stated by Mr. Schrumm that the CHS complex bathrooms, concession stand and locker room projects are long past due. He also stated that until PBC follows the process for a project, things cannot go forward...and the Town Charter states that there must be funds allocated before a project can be approved.

There was no further business or discussion.

4. ADJOURNMENT

MOTION by Mr. Talbot; seconded by Mr. Ruocco.

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

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk