

MINUTES OF THE CHESHIRE TOWN COUNCIL BUDGET COMMITTEE AND JOINT TOWN COUNCIL MEETING HELD ON TUESDAY, JULY 19, 2016, AT 7:00 P.M. IN ROOM 207, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410

Present

Timothy Slocum, Budget Committee Chairman and Budget Committee Members Michael Ecke and Sylvia Nichols.

Council Members: Chairman Robert J. Oris Jr., Vice Chairman Paul A. Bowman, Patti Flynn-Harris, Liz Linehan and Peter Talbot.

Absent: Thomas Ruocco.

Staff: Town Manager Michael A. Milone; James Jaskot, Finance Director; Gina DeFilio Deputy Finance Director. Dept. of Education - Supt. Jeff Solan and COO Vincent Masciana

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. FIVE YEAR CAPITAL EXPENDITURE PLAN

Town Manager Milone stated that the \$3 million land acquisition is a separate property outside the Capital Expenditure Plan (CEP), and is not included in the request. It will be included in the debt analysis, which the Council will have next week.

Overview - There are a few changes made to the document from last year which the Council revisited and adopted as part of the succession planning initiative. There is addition of reports and graphs and each section has an overview (summary and narrative) prepared by the department heads. The Plan is consistent with the last five (5) years; the Council will review the first four (4) years FY 2016-2017 to FY 2019-2020.

Years 2 to 5 of the CEP show \$4.5 million more in spending. There are three reasons for this spending increase.

\$2 million in year #2 for construction of recreational facilities at Bartlem Park if the land acquisition proposal is successful. This number is derived from Milone and MacBroom plans of a few years ago, which estimated \$2.7 million. The current estimate is \$2 million with Town crews doing much of the labor. This project would include moving the CHS tennis courts to Bartlem Park and the high school student parking to the school.

The CEP has a request for \$1,050,000 for schools and town buildings. This would include an upgrade to one uniform security system. It has been pushed out a few years for more time to review. The town side does not need the level of security required for the school system.

CEP has \$4.4 million for upgrade to the safety communication system that is now at the Cheshire Police Department. The system is universal to many town departments (Police, Fire, Public Works, WWTP, Education, Parks and Recreation). The funding for this project is split into two years.

There was a brief discussion on safety concerns for everyone working in the town, particularly the town and school properties. One of the upgrades will be expansion of use of cameras, and Mr. Milone stated he is comfortable pushing out this item for further study.

Ms. Flynn-Harris pointed out security discussion at the recent Technology Study Group meeting. The consultant recommends cameras on the Linear Trail. With the possibility of a regional dispatch center in Wallingford, there will be major changes in two years to be compatible.

CEP Year #1 - total \$15,810,000; after grants/CNR the total will be \$12,233,000.
Five Year CEP total - \$59,913,000.

Page 3 Year #1 Changes include the following:

Finance Department - none

General Services - vehicle replacement program, \$55,000.

Public Property - reduced to \$295,000; some projects were moved out.

Planning Department - none.

Cheshire Fire Department - over five (5) years replacement of four pumping engines and emergency rescue vehicle. North End Firehouse \$4.5 million moved out of the plan.

Water Main Extension - is taken out of the CEP. The Regional Water Authority has its own vendors who are very pricey. RWA will not share in the costs of the mains; RWA is the major beneficiary of the water mains; and the water main usage charges increase each year. There must be a policy decision made to not support water main extensions. Mr. Milone will be meeting with an RWA Director to discuss cost sharing of the water mains.

Cheshire Police Department - CPD Communication System is a large increase of \$3.348 million, plus cruisers and body cameras.

Public Works - +\$1.5 million from last year's budget; there is a \$1.2 million LOTCIP grant through COG. Culvert and intersection replacement on Mount Sanford Road and North Brooksvale Road is \$875,000; with grant funds the Town's cost will be about \$75,000.

Sewer/Water Public Works -\$3.5 million for the West Johnson Avenue Pump Station. This is the largest and most important station in town, and is 30 years old.

Library - \$500,000 project; \$250,000 grant funding; this is for rehab of the 2nd floor.

Parks and Recreation - \$280,000 for baseball and tennis courts (Rolling Acres); tennis courts at the location are in disrepair, someone can get injured, and they need to be repaired or closed. This is a town project.

Education - \$1.7 million in the CEP for the facilities plan.

Page 4 - cites the value of town assets at \$307,178,079; assets increased by \$37 million in the past year due to treatment plan upgrade, roads and culverts.

Page 5 - \$3.0 million for the Chapman Property acquisition. The Facilities Plan (DOE) gross cost is \$212 million to \$464 million. Total town debt is now \$57 million.

\$6.5 million is in debt reserve. There must be development of a debt reserve plan. In FY 17-18 there will be a \$3.6 million debt spike. WWTP has \$711,000 fund balance. The town will receive a \$1.8 million rebate for phosphorous; energy rebates total \$514,000; the town has a \$7.2 million lawsuit against the State of Connecticut.

Pages 5 and 6 - show a series of objectives to reduce the debt burden. Staff will go through all existing projects, close some out, reduce some, and cut a few million dollars, with any CNR cash for other projects.

Pages 6 and 7 - show the major highlights of the CEP per department.

Page 13 - Policy Recommendations. Utilization of debt service reserve fund per review of the Council on the proper way to go. There was consideration of a two tier user fee for WWTP since the burden is borne by all taxpayers. Town Attorney Smith has informed Mr. Milone that, legally, this cannot be done. It is expected the user fee will be increased next year to offset the \$3.6 million debt payment.

Chairman Oris commented on the need for the Council to look at the BOE Facilities Plan, not just look at the WWTP, and look at future projects.

With the town facing a \$3.6 million spike in debt, Mr. Milone said the question is what to do to mitigate further significant tax increases in the next two years. The BOE Plan must be assimilated into the Council's decisions.

According to Mr. Masciana there is no CEP request two years out. The master plan is a 10-year plan.

It was stated by Mr. Oris that some school buildings are falling apart, and we must get to the point of reality, look at the plan as a long range plan, and look for grand list growth.

Mr. Ecke said surrounding towns are dealing with upgrade of their school infrastructures.

Mr. Oris wants to include a collaborative effort with the BOE and Council, not just look at the WWTP debt spike, and get back to normalcy.

The Council was informed by Mr. Masciana that the BOE Planning Committee met with the consultant; reviewed three options; is cutting back with #4; middle school decision is whether to include grade 6 into middle school. The committee is leaning towards inclusion of grade 6; this would reduce elementary school building capacity; and BOE is a few months away from its final plan.

Pond Dredging - exposure to this work is \$35 million, and PW staff will discuss it with the Council.

Energy Rebate - \$1.2 million.

Pages 18 and 19 - the Council has raised the concern of changing its approach to land acquisition.

Mr. Slocum has trepidation on going out for \$3 million and asked about variations on the bonding costs -- using \$2 million from the land acquisition fund.

There was a discussion regarding broadening the bond resolution language for acquisition of the Chapman Property, and using some of the money for remediation or other purposes. The land acquisition fund has \$2.2 million, and was appropriated for acquisition only, not remediation or other purposes for land.

Page 41 - Amortization Table. This table shows the cost of borrowing \$1 million at 4% interest, over 20 years.

Mr. Milone read from page 18 - the bonding resolution. "that the Town of Cheshire appropriate \$___ for land acquisition for recreational, open space, conservation, educational and municipal purposes". This language can be expanded to explain funds can be used for rehabilitation of the property.

Page 128 - has an explanation on the Chapman Property, summary of components of the use of the property.

It was noted by Mr. Ecke that a resolution at \$2.7 million has a better change of passing than a \$3 million resolution.

Page 25 - Capital Expenditure Historical Summary. \$90 million has been spent on the WWTP and sewer related projects; this is 30% of the capital budget.

Page 26 - CEP historical comparison.

Page 27 - Debt Analysis FY 2016-2020. Mr. Jaskot stated refinancing was done earlier this year, and information will be updated for the CEP. The town received \$1.8 million refund for phosphorous, which will reduce the borrowing from the Clean Water Fund loan. The \$3 million debt for land acquisition is not included in the CEP. The \$3 million will change column #3 of the analysis; debt service increase in 2018 is \$3.6 million; the debt uses 4% interest; the 2015 issue was at 2.6%; 2013 issue was 2.46%.

One Mill = \$2,701,498.

Pages 28 - grants and funding sources, CNR, with protection of CNR at \$300,000. LOTCIP grant funds \$800,000 of the Mount Sanford Road project; there is \$1.2 million for the Bethany Mountain Road to Mountain Road project.

Page 29 - Summary of proposed bonding. 2017 has 4 referendum projects. Expansion of the CPD radio system - \$3.144 million; Road repair program \$1.750 million; West Johnson Avenue Pump Station \$3.5 million (no CWF loan money available at this time; Library reconfiguration \$250,000 (part of a prior funded project).

Education projects will be checked against prior projects aggregated going over \$400,000.

Page 30 CNR projects summary - includes small fleet vehicles, technology, assessment revaluation, computers, historic preservation fees. There is a \$270,000 approved appropriation for the East Johnson Avenue Bridge, paid out of CNR, with anticipation of 80% payback. There will be a \$200,000 balance kept in the CNR; it is currently at \$312,000.

Page 33 - Debt service in graph form.

The Council briefly revisited the Chapman Property acquisition, and discussed using \$250,000 of prior approved funding for land use, and \$250,000 of the referendum funds to be used for clearing the land.

Finance Department- postponed to next meeting.

General Services - postponed to next meeting.

Planning Department - postponed to next meeting

4. ADJOURNMENT

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

MOVED to adjourn the meeting at 8:35 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk