

**MINUTES OF THE CHESHIRE TOWN COUNCIL MEETING HELD ON TUESDAY,
NOVEMBER 14, 2017 AT 7:00 P.M. IN COUNCIL CHAMBERS, 84 SOUTH MAIN
STREET, CHESHIRE CT 06410**

Present

Chairman Robert J. Oris; Vice-Chairman Paul A. Bowman; Council members: Michael Ecke, Jeffrey Falk, Patti Flynn-Harris, Sylvia Nichols, Thomas Ruocco, Timothy Slocum and Peter Talbot.

Staff: Michael A. Milone, Town Manager; Arnett Talbot, Assistant Town Manager; Human Resources Director Louis Zullo; James Jaskot, Finance Director; Fire Chief Jack Casner; Police Chief Neil Dryfe; Economic Development Coordinator Gerald Sitko; Town Engineer Walter Gancarz;

Dept. of Education – Superintendent Jeff Solan; COO Vincent Masciana.

Guests: Girl Scout Jessica Curello; and Boy Scout Troop 51, Chapman School.

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.

Chairman Oris moved agenda item #4 to current status.

4. PUBLIC COMMUNICATIONS

A. Recognition of Jessica Curello for achievement of Girl Scout Gold Award.

Chairman Oris presented Ms. Curello a Town Council Certificate of Recognition honoring her achievement of the Girl Scout Gold Award, which is the highest award in the Girl Scout program. Ms. Curello completed award qualifications with her Lyme Disease workshops and awareness of this disease.

Councilor Talbot presented Ms. Curello with a Connecticut General Assembly Certificate of Recognition in honor of her receiving the Girl Scout Gold Award for her work and efforts on Lyme Disease with workshops and raising awareness about the disease.

B. Public Comments

Cindy Kleist, 251 Lancaster Way, requested the Council look into having closed captioning for the Council meetings, so the hearing impaired can understand what is taking place at meetings. This is done in Watertown MA. She said there is a keyboard that can be purchased with someone typing in what is being said, and a company in Florida will remotely do the closed captioning. There could also be a sign language interpreter at Council meetings. Ms. Kleist will forward information to Chairman Oris and Town Manager Milone on this issue. She also commented on the \$37,000 sign at police headquarters as being too costly, and questioned the need for this sign.

3. ITEMS FOR EXECUTIVE SESSION

A. Personnel Matters

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

MOVED that the Town Council enter executive session at 7:11 p.m. to include Town Manager Milone, Police Chief Dryfe, Deputy Chief Pichnarcik, and Mr. Zullo to discuss personnel matters.

VOTE The motion passed unanimously by those present.

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

MOVED that the Town Council exit executive session at 7:26 p.m.

VOTE The motion passed unanimously by those present.

5. APPROVAL OF MINUTES

**Regular Meeting of October 10, 2017; Special Meetings of October 17, 2017;
Amendment of minutes of July 11, 2017 Regular Meeting.**

MOTION by Mr. Slocum; seconded by Ms. Nichols

MOVED to approve the minutes of Regular Meeting of October 10, 2017, Special Meeting of October 17, 2017, amendment to July 11, 2017 Regular Meeting minutes, subject to corrections, additions, deletions.

VOTE The motion passed unanimously by those present.

6. CONSENT CALENDAR

MOTION by Mr. Slocum; seconded by Mr. Ruocco

BE IT RESOLVED, that the Town Council approves Resolution #111417-1

RESOLUTION #111417-1
CONSENT CALENDAR FOR NOVEMBER 14, 2017

BE IT RESOLVED, that the Town Council approves the Consent Calendar for November 14, 2017 as follows:

- A. Acceptance and appropriation of a \$20 donation from Linda Wallinger in memory Of Betty King to the Cheshire Human Services Jitney Bus Fund.

- B. Acceptance and appropriation of a \$159.43 donation from the Greater Waterbury Transit District-DAR to the Cheshire Human Services Jitney Bus Fund.
- C. Acceptance and appropriation of a \$1,368.60 donation from Collette Travel Service Inc. to the Human Services Gift Account for the Senior Center.
- D. Appropriation of \$1,000 from the Jitney Bus Fund for the Greater Waterbury Transit District Dues for Non-ADA Service for FY 17-18.
- E. Acceptance and appropriation of a \$50 donation from an anonymous donor to the Human Services Gift Account for general purposes.
- F. Acceptance and appropriation of a \$100 donation from Dr. Peter Bauer to the Parks Gift Account for a memorial bench in honor of Judge Oberst.
- G. Acceptance and appropriation of a \$1,400 donation from Cheshire Dog Park Inc. to the Parks Gift Account for a bench in honor of Bob Ceccolini.
- H. Acceptance and appropriation of a \$20 donation from the Yellow House event To the Youth Services Gift Account to purchase PJs for the Pajama Project.

VOTE The motion passed unanimously by those present.

7. ITEMS REMOVED FROM CONSENT CALENDAR

8. OLD BUSINESS

9. NEW BUSINESS

- A. Acceptance and appropriation of a \$400,000 grant from the State of Connecticut Department of Housing and subsequent income to support the housing rehabilitation projects of the Small Cities Grant #SC1602501 Housing Rehabilitation Program.**

MOTION by Ms. Nichols; seconded by Ms. Flynn-Harris

BE IT RESOLVED, that the Town Council approves Resolution #111417-2

RESOLUTION #111417-2

BE IT RESOLVED, that the Town Council accepts and appropriates a \$400,000 grant from the State of Connecticut Department of Housing and subsequent income to support the housing rehabilitation projects revolving loan program of the Small Cities Grant #SC 1602501 Housing Rehabilitation Program.

Discussion

Ms. Nichols said this is a Small Cities grant of \$400,000 accepted by the Council, which needed to be re-drafted with amending of wording. The grant assists homeowners with a 0% loan to fix their properties for health and safety reasons. These loans are paid back when the property is sold, or homeowners can make payments on the loan. There were 28 applications; 12 were approved; 4 completed projects; 3 ongoing projects; and 2 projects out to bid. The total of the loans is \$108,424, and it is expected the \$400,000 will be totally expended before the time period is over.

VOTE The motion passed unanimously by those present.

B. Authorization to apply for an Emergency Management Performance Grant For generator replacement at the Youth Center.

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

BE IT RESOLVED, that the Town Council approves Resolution #111417-3

RESOLUTION #111417-3

BE IT RESOLVED, that the Town Council authorizes application for an Emergency Management Performance Grant for \$29,250 for the purchase of an automatic transfer generator for the Youth Center Building.

Discussion

Fire Chief Casner advised there is no generator at the Youth Center at this time, but there was one on site many years ago. There is a no-match grant available from Homeland Security for \$29,000; the grant closes December 1st; and the generator project meets the grant criteria. At the Youth Center building, improvements have already been made. A transfer switch has been installed in the basement, gas line is in place, there is a concrete pad at the site, some cleanup will be done without any excavation, inside wiring has been done, and some of the infrastructure is already there for installation of the generator outside the basketball court, at minimum cost. Chief Casner stated the cost of the generator (\$22,000 to \$23,000) and installation will be covered by the grant funds.

VOTE The motion passed unanimously by those present.

C. Approval of Regional Water Authority Road Repair Compensation Agreement.

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

BE IT RESOLVED, that the Town Council approves Resolution #111417-4

RESOLUTION #111417-4

BE IT RESOLVED, that the Town Council approves a road restoration agreement between the South Central Connecticut Regional Water Authority (RWA) and the Town of Cheshire whereby the RWA shall remit \$26,069 to the Town toward restoration of Verbena Court Road upon completion of the RWA water installation project, and

BE IT FURTHER RESOLVED, that the Town Council accepts the agreement amount of \$26,069 and appropriates said amount to road reconstruction for Verbena Court.

Discussion

Town Engineer Gancarz stated that this repaving work follows the model used in prior roadwork. RWA is doing the water work; the Town takes the money and uses it towards the repaving program and completes the overlay of the entire road. The RWA money will cover about one-half of the cost of this road work on Verbena Court. It is similar to the Moss Farms road project.

Mr. Talbot has spoken with residents of Verbena Court, and this is a great opportunity to get the road repaved, and he supports this resolution.

Stating the Town has a skilled road repavement program, Ms. Nichols asked when this work would be done, and if it fits into the road program.

The road work program for this year is completed and Mr. Gancarz said the Verbena Court road work will be done next year.

Chairman Oris asked if this type of road work accelerates the repaving of roads that do not need this work, if Verbena Court is in good shape except for this line through it, and if we are adding more costs to the repaving process by this program.

According to Mr. Gancarz, Verbena Court could be moved out a few years, but this road is not in great shape. RWA could make a 4 foot wide patch as required, and we accelerate the town investment out a few years.

Mr. Oris stated we need to be careful about not spending additional taxpayer dollars on roads that do not yet need repaving, adhere to the road work schedule, and not increase capital costs as a result of buying into the RWA program. Acceleration of a year or two is okay, but not beyond that, when road patching is more appropriate.

It was stated by Mr. Bowman that he supports this initiative, and asked if RWA is doing construction and using all the requirements for repaving of town roads...using compaction and suitable materials.

Mr. Gancarz said he makes sure everything is done under road construction standards, and RWA meets these standards.

On this initiative, Mr. Bowman talked about utility and water companies that do not follow the road ordinance, and said it is unfortunate the town must have this regulation, which penalizes others who do the road work the right way.

With changes made a few years ago, Mr. Gancarz said it ties the amount of restoration to the quality of the road.

VOTE The motion passed unanimously by those present.

D. Discussion re: Commercial Sewer Rate Adjustment.

Town Engineer Gancarz reported that WPCA will hold a public hearing on November 15th on the sewer rate adjustments for the coming year. The recommendation before WPCA is to keep the \$400 annual flat rate for residential users, and make adjustments in the commercial/industrial rates.

An analysis on the rates and proposed adjustments was prepared by Mr. Gancarz and submitted to the Council. A copy of the analysis is attached to these minutes.

The \$400 flat residential rate was converted to a commercial rate of \$3.07 per 100CCF which is applied to businesses and the prison complex.

The WPCA received 6,200 water records from RWA which showed the average house uses only 206gpd, substantially less than the 266gpd original usage. RWA has lost 1% in water revenue; sewer flows to the plant have dropped in the last six months; there is less I&I to the system; the only water into the plant is from the prison, residences, commercial/industrial users. There are prison flow meters which show their flow; there are commercial records showing flow; and with the new rate and conversion of the \$400 flat rate it converts to \$3.98 per 100CCF. This ends up with a more equitable distribution of the costs.

Analysis – The information shows the percentage of flow to the plant.

Commercial – 23.0% of plant flow; Prison – 26.6% of plant flow; Residents – 50.4% of plant flow.

2017 percentage of revenue – The information shows Commercial at 19.4% of revenue (\$673,194.86); Prison – 21.4% of revenue (\$741,383.87); Residents – 59.2% of revenue (\$2,046,613).

The analysis shows the residents are subsidizing the non-residential use and are paying an equitable portion of the sewer use fees, and that more financial responsibility should be borne by non-residential users. There should have been shifting to commercial/industrial a long time ago, but adequate information was needed to support

this change. WPCA is in total support of the changes in rates for commercial/industrial users. The analysis includes the list of major payers in town who have been under-paying for usage.

It was stated by Mr. Gancarz that what Cheshire is doing is not out of line with other communities. He pointed out that the analysis shows Cheshire's rates are still below surrounding towns (Southington, Meriden, Wallingford).

Southington – average residential bill is \$480; commercial average bill is \$2,098.
Meriden – average residential bill is \$413; commercial average bill is \$2,063.
Wallingford – average residential bill is \$484; commercial average bill is \$1,861.
These towns have not yet done their phosphorous improvements, and when this is done their rates will further increase.

Chairman Oris thanked Mr. Gancarz for the excellent explanation and analysis.

Mr. Ruocco commented on the rate adjustment as a big hit for the commercial/industrial users. There seems to be a balance on whether it is residential or commercial user. The \$400 household rate is based on using 59% of the flow. It should come down for residential use; it should be revenue neutral; and there should be re-balancing of costs.

The reason this was done was explained by Mr. Milone, who said when the budget was adopted there was a significant spike in debt service associated with the plant upgrades. This spike continues for the next four years, even using the \$6.5M in debt reserve. For the better part of the last few years we have been trying for variations of ways to increase the revenues and balance them in a more equitable way. Without this being revenue neutral there is \$300,000 debt service which would have been transferred to taxpayers, many of whom do not use the plan. There would have been loss of an additional revenue stream, which is being directed to pay debt service that continues to increase in the next four years.

With regard to the top 60 commercial/industrial users, Mr. Gancarz said one-half will not see any change in rates. Based on the RWA usage, some lower commercial users will be charged the \$400 flat rate.

Ms. Flynn-Harris thanked Mr. Gancarz for the in-depth information submitted in the analysis, and said everything makes sense with the analysis.

The WPCA will vote on the new rate structure on November 15th, and wants to get a letter out to the top users before the December billing.

Mr. Bowman will not support this initiative, but appreciates the work that went into the analysis. Going up this percentage is too much at this time. It is a 30% increase to some of the town's commercial/industrial users, and it too much. He commented on the town fostering an incentive for businesses to come to Cheshire, and some of the

high users not having time to budget for this increase. With the comparisons, Mr. Bowman noted the Wallingford rates higher than Cheshire, and this information being given to companies coming to Cheshire.

With regard to the comparison with other towns, Mr. Milone pointed out that these towns have not done the phosphorous upgrade, so their rates will spike even more with this large capital expense.

Mr. Ecke stated the importance of everyone understanding that the water pollution control is not a self sustaining fund, and interest is being supported by the town side of the budget. He said people not benefiting from the sewer plant are paying some of the expense for the facility, and contributing to the existing lower rates. Mr. Ecke supports the rate adjustment, and said it is more fair when expense matches the cost of supply and service. This is the more honest way to approach this, and is a step in the right direction.

A question was asked by Mr. Bowman about on the number of laterals coming off the mains, which are not being utilized by houses or businesses...how many people are paying an assessment, but have not connected to the system.

Mr. Gancarz will get this information to the Council.

Regarding septic systems, Mr. Bowman asked what it costs to pump a system on an annualized basis.

In response, Mr. Gancarz said it is about \$300 to pump out a septic system every three years...annualized at about \$100 a year.

Mr. Slocum commented on the important fact that we are now more able to catch the full use of the prison on the treatment plant.

Stating he agrees with that statement, Mr. Oris said there would be no vote on this matter at this meeting. He understands Mr. Bowman's concerns. The Council is concerned about costs to local businesses, economic drivers, and making Cheshire more attractive for economic development, and increase in the grand list. The analysis shows Cheshire below surrounding towns; our plant has been modernized to include phosphorous incurring that costs; and the numbers reflect this. The rate adjustment is the more equitable way to do this so there is no disproportionate burden on residential taxpayers. There is a 25% to 30% increase, and Mr. Oris said the commercial/industrial users have benefited from low disproportionate numbers for some time. This issue was discussed during the budget process, and were assumed in the operating budget.

E. Approval of Campion Ambulance Service Inc. Contract.

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

BE IT RESOLVED, that the Town Council approves Resolution #111417-5

RESOLUTION #111417-5

BE IT RESOLVED, that the Town Council approves the Contract for Emergency Medical Services with Campion Ambulance Services, Inc. per the terms and conditions as presented and attached.

Discussion

Mr. Slocum informed the Council that this contract has been discussed at Budget Committee meetings for a long time, and the Council has extended the contract for two months. Now, we are at the point of approval of this contract. The Campion Ambulance is assigned to the Town of Cheshire; the town has no choice in selection of this service; and an option is considering having our own ambulance service.

Fire Chief Casner reported that all the recommended Council changes are in the contract, and it went to the Town Attorney for approval, and then back to Campion. The contract has several stipulations; there is a means to get out of the contract if the town is not satisfied with the job being done by the ambulance service. He said Campion is meeting the terms of the contract and doing a good job. Cheshire will not have three ambulances all the time with the money now being paid. Chief Casner said reporting from the ambulance company has increased, with reports submitted to the Fire Chief and Town Manager.

There are some new reporting requirements, and Mr. Ruocco asked if certain metrics are being met for response times, and penalties for not meeting this criteria.

The Council was told by Chief Casner that Campion must meet 90% of the response time. If the town is not happy with the service, quality of time and people providing the services, this must be brought to the attention of Campion. This would give Cheshire an "out" without penalties.

Ms. Flynn-Harris asked about alternate resolutions, i.e. the two month extension, and more negotiations with Campion.

Mr. Oris is comfortable with another extension, and would support it. The Council can vote on the resolution, but he will not support it.

Mr. Milone has spoken with Bill Campion who informed him that the standard with other towns is 90%, and he wanted to be consistent. Mr. Campion was concerned with having two levels of response ability...but this is not to say Cheshire should not force the 95% response.

The contract increases were cited by Mr. Milone. Year #1 – 2%; years #2 and #3 at 1.5%; year #4 – 1%; over the course of five years the total increase is 6.13%.

For informational purposes, Chief Casner said the town is paying less now than what was paid 5-6 years ago.

The Campion report is complicated, and it will be revised by Chief Casner to be more user friendly. He advised that Campion services a few hundred calls per month. He did request some pricing on additional services in Cheshire, but has not yet received this information.

Mr. Bowman noted that the total cost for Cheshire calls is supplemented by insurance coverages and other types of payment.

Mr. Milone said there is much insurance coverage for ambulance service calls, and not many debts for the service in Cheshire.

A second motion was placed on the floor. The original motion was off the floor.

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

BE IT RESOLVED, that the Town Council hereby approves and authorizes the execution of a two month extension to December 31, 2017 of the Emergency Medical Services Agreement by and between the Town of Cheshire and Campion Ambulance, subject to further negotiations.

Discussion

With this conversation taking place within budget, Mr. Slocum said more information will be needed about the term of the contract and 95% response time.

Mr. Bowman stated the towns should receive pricing for additional services.

Chairman Oris said if the two month extension is approved, the Councilors can submit their thoughts to the Town Manager or Fire Chief.

Mr. Milone said Campion was pressed for additional coverage information, but there has been no response yet.

VOTE The motion passed unanimously by those present.

F. Approval of Ricci Tax Incentives.

MOTION by Mr. Slocum; seconded by Mr. Talbot.

BE IT RESOLVED, that the Town Council approves Resolution #111417-6

RESOLUTION #111417-6

BE IT RESOLVED, that the Town Council approves a tax incentive agreement with Ricci Construction for 986 South Main Street per the terms and conditions as attached.

Discussion

Mr. Sitko discussed this matter with the Council last month. He summarized Mr. Ricci's completion of construction of the 4,300 sq.ft. office building at 986 South Main Street. The kitchen and bathroom group will move to the new building on the first floor, along with the Ricci construction group. A technology company will consolidate and move all its business into the second floor. All real estate taxes will be paid by Mr. Ricci; tax benefits will be passed onto the tenants. This is a four year, totaling \$17,278; the town will gain an equal amount; the tax break could be more or less and this awaits the tax assessor's numbers. The incentive plan looks for a 10 year minimum stay in Cheshire, minimum staffing levels...without penalties...and the same standards have applied to other businesses (i.e. Nosal Construction, Shred It, ProCare). The Ricci application has the endorsement of the Economic Development Commission.

With regard to personal property and land, Mr. Sitko advised that these do not factor into the incentive program...it is only the estimated value of the building. When approved in 1990, the incentive plan did factor in the land.

Chairman Oris said he would support this tax incentive for the Ricci property. He cited sections of the agreement for discussion and clarity. Item 5E – maintaining minimum employment, offset of \$200 each fiscal year, and asked how this number is determined.

Mr. Sitko said employment count is represented in the application; there was no hiring number; the \$200 number was decided for the penalty. This clause has come into play two times with companies paying a penalty.

Item 6B – Mr. Oris asked about a company leaving or closing down a facility and payback. He wants to insure that if money is owed to the town, that is subject to lien rights referenced in paragraph 14. Mr. Oris read an excerpt of #14 into the record.

Based on experience, Mr. Sitko told the Council that Cheshire has not lost one tax dollar.

If a company owes the town money, Mr. Oris asked if this is subject to lien rights for Cheshire.

Mr. Sitko said this is a question for the town attorney. There has only been one lien with one company.

VOTE The motion passed unanimously by those present.

G. Board of Education Administrator's Contract.

Ms. Nichols clarified that if the Council does nothing, the contract is approved. If Council rejects the contract, there must be a motion on the floor.

Supt. Solan informed the Council that there were negotiations with the Administrator's bargaining unit; after a few months there was a mediation process with BOE, leadership and local representatives of the union, with settlement of the contract before the Council. Supt. Solan reviewed some of the contract conditions, including a significant shift in benefits and modest salary increases. The general wage increase over the three years of the contract totals \$160,000; increase in benefit costs saves about \$75,000; the net cost of the contract is \$87,000, which is less than \$30,000 per year for 18 people. It is understood the Council has concerns about benefit costs, and the contract has bargaining unit members buying up from PPO costs to HSA costs, if they do not elect an HSA. The net cost will to the BOE will be the same regardless of election of HSA plan or PPO. HSA deductibles increase to \$2,000/\$4,000; a post-deductible RX co-pay of \$0/\$20/\$40 has been added to the HSA; with co-share increases to 9.5%, then 10% and 11% over three years. Supt. Solan said the administrative team negotiated in good faith, and recognized the status of the State's financial condition. Subsequent to the State passed budget, there will be a 1% increase in retirement contributions for certified and administrative staff. This decreases the 1.3% increase.

In #X, #2, Mr. Talbot asked about job titles and salaries, with no reference to Darcey School Principal.

Supt. Solan explained that this position is an elementary principal in the contract.

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

BE IT RESOLVED, that the Town Council approves Resolution #111417-7

RESOLUTION #111417-7

BE IT RESOLVED, that the Town Council accepts the Cheshire Administrative Personnel Contract as presented and negotiated by the Board of Education and collective bargaining unit.

VOTE The motion passed 8-1; Ruocco opposed.

Supt. Solan thanked the Town Council for its support of the BOE and the administrative team.

H. Discussion re: Legislative Recommendations.

Town Manager Milone identified and reviewed the Town of Cheshire's legislative priorities with the Council. They were developed from meetings with staff, conversations and meetings with CCM staff and Mr. Milone's assessment of Town needs.

The Legislative Recommendations from the Town Manager are as follows:

1. Prevailing Wage

The Legislature revised the threshold from \$400,000 to \$1M for new development. Cheshire wanted the renovation threshold increased to \$500,000, with annual index increase to the rate of inflation. There have been no increases since 1991.

2. Binding Arbitration

This has to do with the time for an award; it is currently unlimited; past Cheshire police contract was in arbitration for 11 months, with settlement 23 months after the contract expired. The Cheshire BOE Secretary's union has been ongoing for 10 months with no award yet. CCM also wants this time frame adopted. It becomes costly when things drag out; there are more legal fees, additional arbitrator's costs; and problems imposing the changes retroactively and costing a great deal of money.

3. Tax Exemption on Manufacturing Machinery, Equipment and Commercial Motor Vehicles

The State has abandoned the PILOT, added to the cost, and the PILOT was in place for manufacturing industries to expand or come to the State. Some portion of the tax loss was paid to the town over a five year period, and this was stopped four years ago. At the same time, there was exemption of commercial vehicles along with real estate and personal property. Cheshire had to make up this tax revenue loss of \$1.367M for a very expensive unfunded mandate. It was pointed out by Mr. Milone that Cheshire is absorbing the \$1.4M for manufacturers, with the State continuing with more beneficial exemptions, without sharing in the cost.

4. Elderly/Disabled (Circuit Breaker) Tax Relief Program

The State abandoned this program which is the foundation for the Cheshire elderly tax credit and freeze program. The cost is passed onto the town, \$149,842. Mr. Milone said the towns need to push back on unfunded mandates.

5. Small Town Economic Assistant Program STEAP Grant

This grant has been a significant help to Cheshire with many projects such as West Main Street streetscape and sidewalks. The program has been de-funded, and there should be an effort for some recognition of restoration of these funds. Cheshire has a \$500,000 grant application for West Main Street parking lot for the Trail.

6. Renters Rebate Program

This program is in a state of flux; it appears the State will take over administration of the program this year taking on half of the program costs; the other half of costs will be subtracted from some town grants, about \$69,000, with \$35,000 deducted. The State will continue to administer the program, and next year they will put the entire program back onto the municipalities.

With regard to #4 and #5, Mr. Slocum stated the Town decided on granting elderly tax relief, regardless of State input. For the STEAP program, he questioned going to battle over this program.

The State talks about the importance of economic development, and Mr. Milone noted they pass the burden onto municipalities, such as the \$1.4M tax burden for manufacturing machinery. The STEAP grant has been beneficial and successful for Cheshire, and without this grant, the town should be pressing hard to share in the costs of tax exemptions.

Instead of requesting reinstatement of funds, Chairman Oris said it might be better to eliminate non-funded mandates and relieve the town of these costs. There should be a look into some of these areas.

I. Discussion re: Impact of State budget on Town Operating Budget.

Mr. Milone and Mr. Jaskot did a presentation on this important issue. A packet of information was submitted to the Council for discussion.

9-1 (I) – The quarterly report for the first quarter ending September 30th.

Estimated tax collection rate was 99.2%; it is tracking at 99.7%; .5% is another \$141,000.

October 31, 2017 report – elderly tax relief funding is eliminated; projected favorable balance in State grants this year is \$343,323; another caveat is the renters' rebate program, with Cheshire exposure of \$63,000 if the town must totally subsidize this program. There is talk about restoring one-half of this funding, and reducing other grants. \$343,323 is the favorable grant variance, which could be reduced, with effect of about \$31,500 to the town.

Investment Income – rates have increased; State Treasurer's Fund is at 1% to 1.5%; \$175,000 projected in favorable investment income this year; there is favorable variance in the BOE tuition of \$45,000.

Mr. Masciana reported on the Small Start Pre-K program at Darcey School, funded by the State, with parents tuition costs based on family needs. The program has 32 students in 2 classrooms, and this program will be supported by the BOE.

Mr. Jaskot reported the town is looking at a \$942,000 favorable variance.

Expenditures – there is no contingency fund use (\$125,000); there are better rates for general insurance (\$48,000) and workers comp (\$5,000); and \$178,000 in expenditure variances. Some positions and unfinished work being pulled back; there is some savings with frozen positions; but this is not yet factored into the report.

C.N.R. – budgeted at \$1.1M; transfer of \$250,000 for debt service; \$850,000 balance; this will be discussed further at the November 16th meeting.

General Fund Expenditures - during first quarter 2018, encumbrances were at 29.1% of the budget spent, which is 3% lower than last year at this time. The effect of the freeze and not filling vacancies have been beneficial.

Revenue and Expenditures – Taking into consideration revenue and expenditures, Mr. Jaskot said the town is looking at \$1.12M surplus, assuming restoration of C.N.R. being held back. The FY 2017 audit is still being done; surplus of \$1.213M expected; fund balance of \$10.064M, 9.45% of general fund expenditures.

Water Pollution Control Department (WPCD) – residential rate stays at \$400; there will be adjustments to the commercial/industrial rates if approved by WPCA; this could result in more revenue; and this money was included in the budget appropriations.

There was an issue with not budgeting for the full amount of the plant upgrade debt service. Of the \$34.15M, there was \$1.5M for engineering and design fees to be paid with WPCD debt expenditures; this was not budgeted this year. There will be a shortfall in this line item. The plant is in its second year of being fully operational, and it is expected some of the new efficiencies will reduce expenditures. There is some insurance savings in the WPCD budget.

State Lawsuit – the Judge’s ruling is expected on November 15th; it could be successful for the town, but could involve another lawsuit to get the settlement funds.

2017 fund balance “unaudited” shows +\$45,000 due to good revenue and expenditures, and encumbrances were cancelled at the end of the year.

Community Pool – In August the Council appropriated an additional \$32,000 due to shortfall in fee revenue. 2018 - \$40,000 appropriated from pool fund balance to help with this year’s subsidy; there are some concerns about revenue; FY 2018, pool fees decreased by \$29,000 from prior year’s budget; in the prior year there was a \$59,000 shortfall; the pool budget has a \$30,000 shortfall. The situation at the pool is not alarming, but the facility needs a jump start in some areas. The first quarter revenue is \$134,000. The pool will be monitored for revenue and expenditures with a report to the Council.

9-1 (II) – Department Reductions/Summary and Detail.

Mr. Milone reported that each department identified amounts of proposed reductions. Total of \$1,114,926 (3.71%). There are 40 pages of details with each department identifying areas of reductions. BOE information is included at the back of the document. The information will be reviewed due to possible service consequences.

9-I (III) – CCM report on Adopted FY 18 State Budget; Impact on Towns and Cities.
The report includes legislative changes on programs and impact.

9-I (IV) – Vacant, Unfilled Positions

Mr. Milone advised that part-time employees are in the Public Library and Recreation Department. There are two unfilled Police Department (CPD) positions, one Assistant Town Clerk (30 hours), 15 hour Library Clerk, 19 hour Program Coordinator/Recreation Dept.

Frozen Positions (2) – Police Officer and 25 hour Senior Library Associate; total \$105,298.

Eliminated Positions reflect a gross budgeted amount of \$256,676; pro-rated savings FY'18 November-June would be \$117,196.

Benefits from frozen positions are about \$75,000 to \$100,000. There was a good dent in reducing the size of the work force.

Town Hall Union retirement incentive – three positions (people with the highest seniority/years of service) are eligible for this incentive; it is expected more than three people will be opting for the incentive; next year it is expected three clerical staff will be taking a retirement incentive.

Cheshire Police Department (CPD) – one police officer position is frozen; one position has never been funded; there is a possible disability retirement in the next few months. If these positions were to be filled, the process must start immediately for a seat in the Police Academy March 2018 class.

CPD Chief Dryfe reviewed the status of personnel in the department. The 49th police officer has never been funded; 48th position is not filled; there were two unexpected resignations in July; one officer is out on workers comp for one year this week, and may not be returning to work). In order to get one or two seats in the Academy, the CPD must hire now, for the officer to attend the six month Academy classes, have three months of field training, and then the officer would be eligible for the field starting in February 2019. To hire police officers, the process must begin now.

Chief Dryfe informed the Council CPD has a few people eligible for retirement; the resignations in July crushed staffing; and it affected the vacation period. At the present time, officers are choosing their vacation and shifts for 2018.

Due to shortage of police officers, Chief Dryfe explained that an officer cannot take on the Narcotics Investigator position in the State Task Force. If more officers leave the department, CPD could be facing a critical shortage. It is possible the Chief will have to pull officers from traffic and School Resource duties. The last two CPD hires were certified officers from other departments; CPD does not have rolling recruitment; there is a separate test for certified officers; and they would be field duty eligible.

Based on the information being presented, Mr. Slocum asked if the Chief is encouraging the Council to fill the two officer positions.

Chief Dryfe would ask for the two resignation positions to be filled. He does not expect the officer on injury leave to return to the department.

Chairman Oris asked about the financial impact of not hiring these two officers relative to overtime, and if there are overtime issues at the present time.

Chief Dryfe replied that things have slowed down a bit right now, but the resignations greatly affected the summer peak vacation time period, and overtime increased. The department is saving these salaries, and an additional \$120,000 in overtime will not be spent. Payroll savings can be eaten up by the payment of overtime.

The Chief was asked a question by Mr. Oris on his professional opinion and concerns about hiring two police officers. He asked how soon this could be done with an uncertified police officer.

This does affect vacation and shifts for the next calendar year with fewer officers, and Chief Dryfe noted there would be two officers on July vacation, rather than three.

From his perspective, Chairman Oris stated his concerns about filling certain positions too quickly until it is understood the town can live without them. When it comes to public safety, much of this is off the table. Mr. Oris said he and the Council rely on the Chief and his professionals to state when public safety is at risk. Hearing what is being said, Mr. Oris recommended there be advertising for two police officers, due to his concerns about public safety. If CPD is at a critical level with further reduction of officers, Mr. Oris does not support pulling the SRO out of the schools.

It was emphasized by Chief Dryfe that he is not talking about public safety at this point, but the level of service to the community. He cited examples of services by CPD...school resource officers, dedicated traffic unit, helping people with installation of child car seats...which might have to be cut back.

Mr. Bowman stated his agreement with comments by Mr. Oris. By operating with two officers down, Mr. Bowman does not believe we should wait any longer. He supports moving forward and filling the police officer positions expeditiously.

With regard to Cheshire's police officers, Mr. Flynn-Harris asked about cutting down on officers to other communities for road work jobs. She supports going forward with the hiring of one police officer now.

Because of the long lead time, Mr. Milone said there should be an advertisement for two officers, but two do not have to be hired. There could be a disability and retirement of officers in the next few months. The Chief would have flexibility with an ad for two officers, and can return to the Council with his recommendation.

At this time, Chief Dryfe stated there is one frozen police officer position, two resignations, and a disability retirement pending. Before an offer can be given for a new officer, there must be disability approval for the injured officer. CPD would reserve two seats at the Academy, but may only use one seat if hiring one officer.

Chairman Oris stated the consensus of the Town Council is for Chief Dryfe to advertise for two police officers, with a hiring decision for one officer.

Mr. Milone discussed the three other vacancies with the Council.

Assistant Town Clerk (30 hours) – the Town Clerk wants to promote from within...a 20 hour per week employee to 30 hours a week. The 20 hour per week position would be frozen and Mr. Milone would not support this position in next year's budget. Town Clerk Brennan may come before the Council regarding the position issues.

Program Coordinator (19 hours) – this position was created to fill part of the void when two other positions were eliminated in the Parks and Rec Department. It is a part-time position to support department programming needs. On December 4th the new Director comes on board, but Mr. Milone wanted to fill this position before that date.

Library Clerk (15 hours) – this person would support the Sunday hours; one person resigned two weeks ago; and Director Burkey wants some resources for Sunday hours.

Regarding the Assistant Town Clerk position, Mr. Slocum asked if this could be eliminated now.

Mr. Milone explained that the 20 hour person applied for the 30 hour Assistant Town Clerk position...and the 20 hour position would be eliminated in the 2018-19 operating budget. Or, the position can be eliminated now. He said the Town Clerk department has more automation now, making things more efficient. Since the Town Clerk does not report to the Town Manager, he recommended Ms. Brennan speak directly to the Council about her staffing needs.

With regard to the Program Coordinator position, Mr. Slocum said the new Director can decide on whether this position is needed or not.

There is no Council decision on these positions now, and Mr. Oris wants to hear about these positions equated to services. Regarding Park and Rec Department positions, we should wait until the new Director starts and hear his thoughts.

9-1 (V) – Mr. Milone stated this report shows what money is available across various expenditure categories. There is \$8.9M in total personnel services; non-personnel total is \$6,629,330; the grand total is \$15,564,284. The potential to save money is in the temporary part-time; overtime must be watched carefully (CPD and PW) \$368,937; salary differential/performance award will have some money, amount uncertain until 2nd quarter of the year.

For B, C, D, E F, G – Mr. Milone requested Council give him some sense of what should be protected, and staff will work through the numbers.

\$850,000 C.N.R. money has not been allocated and can be used if needed; \$327,000 Ameresco contract money has been frozen; the remainder will depend on what Council wants to be put aside.

\$6.6M in Non-Personnel Services; Miscellaneous(pension/works comp/social security) expenditure does not have much movement.

With regard to the information submitted by the Town Manager, Mr. Bowman said he wanted information to evaluate services on what each town department provides, and the impact on citizens. He cited the Parks and Rec, Youth Center, Public Library as services used by residents...and asked for the number of service opportunities per department...daily, weekly, monthly use.

Mr. Bowman commented on community pool revenue being down, and asked what is going on at this facility. The Council needs to be have a better understanding of what our town government provides to residents, and wants to see the number of residents who benefit most from these services. Mr. Bowman sees this as historical data in order for Council to make decisions on cutting positions or services.

Some of this can be done in the short run, and Mr. Milone said it is the better way to do it, and it will be the foundation for next year's budget. At this time it is easier to go into a department, explain there is money in non-salaried accounts with "x" amount of dollars to be taken out, determine the effect on department programming and services. Mr. Milone started the other way because many programs are ongoing with some costs involved.

Chairman Oris recommended the department heads do a cost benefit analysis for their department.

It was explained by Mr. Milone that no one person is signed, exclusively, to do one job, because time is spent on multiple services, with indirect costs. A person determines the percentage of time spent on tasks and programs, and it is not just people but non-salaried part of the budget.

Cheshire Public Library – for the library there can be identification of programs, i.e. Sunday hours in the winter, Saturday hours in the summer, park summer events. There are programs that can be segregated with identified costs, while others are a blending of a multitude of people and non-salaried items.

It was stated by Mr. Ruocco that 65% of the town budget is for the BOE budget, and they must be included in these discussions.

Chairman Oris expressed hope that the BOE will look to gain efficiencies in its budget, as is being done on the town side. He noted the Council has no authority to force the BOE to do this. It must be a collective and collaborative effort on both sides.

Mr. Milone told the Council he and staff will put together some isolated program costs, benefits, etc. and it will take a few months to get all this information together. He and Mr. Jaskot will work through the list of available money, where dollars can be frozen, and impact on programming.

At budget time, Mr. Ruocco said the Council has authority to modify the BOE budget, and we cannot rely just on the Town Manager to help offset problems.

Mr. Oris questioned the opportunity for consolidation of work between the BOE and Town, i.e. outside maintenance. This may create efficiencies or not, and he cited having one maintenance entity that does it all.

It was noted by Mr. Milone that 10 years ago the BOE and Town had a study done on consolidated services. Much of the insurance collaboration and other services came out of this study.

10. TOWN MANAGER'S REPORT AND COMMUNICATIONS

A. Monthly Status Report - in Council packets

B. Department Status Reports: Police, Fire, Fire Marshal. In Council packets

C. Other Reports

- Monthly Financial Report – in Council packets.

- Recreation Director Appointment – Dr. Joshua Medeiros will start work December 4th.
- Public Works Projects – 12 miles of roads were completed this season; the solar project has started at the landfill.
- RWA Infrastructure Improvement Project – residents are being informed on when this work will be done.
- Cheshire Street Cell Tower – this has been a disappointment; the company requested an 18 month extension from the Siting Council for wireless service; they have been unsuccessful in getting AT&T to co-locate on the tower.
- Dept. of Correction – the Council is invited to a tour of the Manson Youth Institution on January 6, 2018, at 1:30 p.m.
- Certificate of Referendum Vote – the certification has been completed by Town Clerk Brennan.
- Town Hall Closed – Thanksgiving Holiday, November 23 and 24, 2017.
- Annual Tree Lighting – December 3, 2017, 6:00 p.m.
- Swearing in Ceremony – Sunday, December 3, 1:00 p.m. in Council Chambers.

11. REPORTS OF COMMITTEES OF THE COUNCIL.

A. Chairman's Report –

Ordinance Review Committee – Ms. Flynn-Harris reported a meeting on Tuesday, November 21st. 7:00 p.m.

B. Miscellaneous

Town Manager Search – Mr. Oris reported there were 57 applicants; 7 were interviewed; there are 4 finalists; there will be finalization of the appointment of the new Town Manager.

12. MISCELLANEOUS AND APPOINTMENTS

A. Liaison Reports

B. Appointments to Boards and Commissions

13. TOWN ATTORNEY REPORT AND COMMUNICATIONS

14. COUNCIL COMMUNICATIONS

A. Letters to Council.

Mr. Ruocco reported on an e-mail received from Robert Tucker requesting the Council consider discounted fees for veterans to Mixville Park (same as senior citizens).

Mr. Oris would support this request, and it is forwarded to the Town Manager.

B. Miscellaneous

15. ADJOURNMENT

MOTION by Mr. Slocum; seconded by Mr. Talbot.

MOVED to adjourn the meeting at 9:50 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk