Present
Timothy Slocum, Chairman; David Schrumm, Vice-Chairman; James Sima, Chairman of the Planning Committee; Michael Ecke, Andrew Falvey, Anne Giddings, Thomas Ruocco, Timothy White. Absent: Justin Adinolfi
Staff: Michael A. Milone, Town Manager; George Noewatne, Deputy Public Works Director.

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. EVALUATIONS OF COMMUNITY POOL ENCLOSURE PROPOSALS
Chairman Slocum commented on the fact that the Council had a presentation one week ago on the two proposals for the permanent pool enclosure. The Public Building Commission and the Pool Committee did a thorough job in the presentation. John Purtill, PBC Chairman gave the presentation to the Council, and it was followed by a question and answer period. Mr. Slocum stated that Town Manager Milone and Ms. Ryan and Mr. Jaskot prepared a financial analysis which will be reviewed by Council at this meeting tonight.

Town Manager Milone distributed information to the Council and the audience on the proposals before the Council. He stated that staff looked at the two options, the annual debt service, and what this translates to in terms of an expense to the average taxpayer.

Page 1 is the financial analysis for KBE, $5,455,000.

Page 2 is the traditional debt service summary with additional columns. The known debt service over the next 10 years was taken given the authorized, un-issued and adopted capital budget obligations. Added to that was the cost of the debt service for the pool to illustrate the effect it would have on the gross debt service. Also included in the summary is the anticipated debt for the WPCA. The assumed interest rate for both proposals is 4%.

Page 1 – shows the KBE ($5,455,000) impact, 2010-2030, paying only interest in the first year and spreading the principal out the next 19 years. The debt payment of the principal in year #2 is $287,105; interest is $218,200; the total debt over 20 years is $7,764,283. The assumption used the current tax mill rate.
The increase effect on the average taxpayer in year #1 is $11.15, and averaged over the 20 years the average annual impact is $34.01 per year.

Page 3 - GF Rhode/Open Aire ($6,744,000) – shows the impact for 2010-2030, paying only interest in the first year and spreading the principal out the next 19 years. The debt payment of the principal in year #2 is $354,947; interest is $269,760; the total debt over 20 years is $9,598,960. The increase effect on the average taxpayer in year #1 is $13.79, and averaged over the 20 years the average annual impact is $42.05 per year. The assumption used the current tax mill rate.

The estimated value of a mill is $2,772,571.

Page 2 - The existing bond debt is $10,300,222; the current debt service in the operating budget is $9,830,000; the difference of $326,562 is supplemented by the Debt Service Reserve Fund and potential savings from an advanced refunding of debt. In 2011, with the addition of the pool enclosure first payment of $127,283, the new project debt would be $9,782,310.

The WPCA upgrade is calculated on an annual basis; the estimated cost of the project is $35 million, borrowed at an interest rate of 5%.

During the budget process, Mr. Milone said the Council set aside $3,625,000 in the Debt Service Reserve Account, and none of that money has been factored into any of the calculations.

Page 4 – GF Rhode General Fund Projected Debt Service – this analysis was done similar to KBE’s analysis. The first 5 columns are identical to those of the KBE analysis, with the only change being addition of the pool enclosure $6.744 million to reflect the debt service repayment. The General Fund total will change to reflect the higher cost of the GF Rhode option versus the KBE option, and increase and decrease will vary from the KBE proposal because the GFR proposal is about $1.6 million higher.

WPCA amounts are consistent with what was cited on the page for the KBE proposal.

Page 5 – Aggregate Debt Service – this is the current debt service repayment schedule associated with the original pool construction. The Town borrowed $3,303,127, paid about $3.9 million for completion of the pool, with money used from fund balance. And, there was money in the pool fund balance because the Town started to transfer money from the General Fund to the Pool expecting it to open. When the pool did not open, it built up a reserve of about $400,000. This clarifies the difference between what was actually borrowed and the $3.9 million cost of the pool. Adding what is still owed on this debt, at the 6/30/10 payment which has not yet been made, there is still an outstanding debt of $2,692,000 in
debtf payments going out to the year 2029 on the existing structure. These numbers are already built into the debt totals on the page 2 and page 4 schedules.

Mr. Sima asked about the money owed on the existing pool with a payment due this year, and that includes the June 20,2010 payment.

Mr. Milone confirmed that was correct. It is about $2,056,000 in remaining principal and $636,000 in remaining interest on the project, and it does include the June 30th payment.

On the schedules for which assumptions must be made, Mr. Schrumm asked about the note assuming the Town goes to market between July and the end of the year to borrow this money. We have a bond issue coming up this year, and using 4% interest for this borrowing is conservative. He asked where we are hoping to be, i.e. less than 4%.

Mr. Milone said we are hoping for a lower interest rate than 4%. He informed the Council that the rating agencies, Moody’s, Fitch, and Standard & Poors, due to pressure by the federal government, have changed their rating structure. They have gone to a global rating system, which automatically increases the Town’s rating by one credit rating. Under Fitch the Town’s rating is Aaa, and on Moody’s rating the Town becomes Aa1. This is a positive, but Mr. Milone is unsure if this will generate additional savings, but it is hoped the interest rate would be less than 4%. Going ahead with the refunding will provide a good sense of what the market is, but Mr. Milone does not know what communities with Cheshire’s type of rating are selling for now. He expects the interest rate would be closer to 3.5% to 3.8% range.

On the projections for the WPCA project, Mr. Schrumm said that number must be added to the negative number to the column to the left of it. Also, 5% is the rate being used for the WPCA project. The WPCA number is at 2% interest from the Clean Water Funding, plus the 20% grant for the facility upgrade. This drops the estimated cost number significantly.

Mr. Milone stated that he would have liked to have done the WPCA debt at 4% so it was a good comparison, but these existing numbers are from 4 months ago. Using the 2% loan and 20% grant, which may possibly be a 30% grant, Mr. Milone is still not comfortable with those numbers to use less than 4% borrowing percentage.

With a lower interest rate, Mr. Schrumm said this would reduce by ½ column #4, and this would have a big impact.
Mr. Milone stated that this is the worse case scenario, and the numbers will come down, depending on whether the Town gets the loan or not, they could come down dramatically, particularly with the 30% grant.

If the interest rate is lower and there is a 30% grant, Mr. Schrumm said the WPCA’s debt service would decrease over the next few years.

Regarding Mr. Schrumm’s comments, Mr. Sima said that the WPCA project does not go out to bid until 2011, and we could be looking at higher numbers anyway.

Mr. Sima stated that PBC Chairman Purtill e-mailed changes regarding the starting basis for the life cycle cost chart. Since we are bonding this project out, we do not start at the $5 or $6 million point, but start at zero, and this is already built into the equation.

John Purtill, PBC Chairman, reviewed the Life Cycle Costs for cumulative total ownership cost plus operating cost for the bubble, KBE and GFR. In changing the chart the PBC recognized that the pool enclosure would be paid for by a bond issue over 20 years. Instead of showing a cash outflow of $6 or $7 million in year #1, it would be immediately reimbursed from a bond issue. We would start out at a zero point, and over a period of 20 years savings from the energy costs and maintenance reductions ($208,000 on GFR and less on KBE), adding cogeneration, there is a savings of about $260,000 per year. Mr. Purtill said this offsets much of the debt service costs.

Kevin Wetmore clarified some of the numbers, noting that the average annual taxpayer cost for KBE was $34 and for GFR it was $42. With energy savings and additional revenues, with the bond amount and interest rate fixed, the inflation keeps increasing the savings to the pool. For KBE with $34 savings for the average taxpayer, it will wind up with $18 in savings or increased revenue, so the net effect is $16 for the average taxpayer over that period of time. For GFR the amount is $42 per year, and because of the impact of energy savings and revenue increase driven by inflation you get an improvement of $27 per year, so the net effect is $15. The comparison is close between the two. It was stated by Mr. Wetmore that this amounts to a large pizza.

Mr. Milone informed the Council that the administration looked exclusively at just the debt service obligation, irrespective of all the other offsets. He said many people have asked him about the possibility of inclusion of the cost to the average taxpayer in the explanatory text. This has never been done, and Mr. Milone said he is not comfortable doing it because there are a hundred different ways to analyze this. There would have to be a page telling people what the assumptions are with the numbers, let alone explain the actual project.

Mr. Wetmore said it is the same on the capital side, and it appears to be 4% a year starting out with the dollar amount. He stated that the Town administration
has done a good job with refinancing, which keeps lowering the interest rate and/or the base value of the bonds. At this point we are looking at maximum numbers.

Regarding increased revenue, Mr. White said he does not see anything about this and PBC did not speak to this.

According to Mr. Wetmore this was spoken about last week. He had mentioned there are two different types of revenue increases reflected. One was the increase in fees for specific targeted current rates, i.e. no additional charge for the high school teams since this is taking from one government pocket into another. There is the assumption of increased fees for seasonal passes, parties, lessons, daily passes etc. The committee tried to take a conservative approach to this. In talking to the Milford Y people with the GFR type building they went up 300% in terms of membership. But, they put in a day care center, weight room, so it is significantly less than that. San Diego CA had a 40% increase. The committee increased fees by 10% because people are getting much more value added, continuation of programs, and the facility is better than the bubble. In terms of activities, for KBE there is just less than a 5% increase; and for GFR it went to 10%. What helps to deliver on this is the fact that the pool is down for about 4 weeks a year for putting up and taking down the bubble. There would be additional revenue for parties and daily pass revenue during the summer time.

For the increased revenue, Mr. White said he could see this happening, along with increased winter use. He believes this will be offset during the summer with the enclosure. With advocacy of this project, he suggested more time on the revenue side, with the easier explanation of reduced energy consumption and maintenance cost reductions.

Mr. Wetmore said the committee tried to look at getting documentation and existing results which were seen. In the case of the revenue, there was a meeting with the pool staff and the committee, and they came up with a range up to a 20% increase. On the fee increases with the improved situation, Mr. Wetmore noted that senior citizens pay $100 per year, and a 10% increase comes to $110 a year. This cannot be found anywhere. When the pool closes, people will pay more at other pools in other towns, some higher than even the proposed 10% increase.

In the presentation given to the Council, Ms. Giddings asked about cogeneration savings not included in the results, i.e. $50,000.

According to Mr. Wetmore, cogeneration savings were not included in the proposals.
Ms. Giddings said that neither the cost of setting up the cogeneration nor the savings reaped were included in these figures.

Mr. Wetmore said that was correct.

Mr. Milone commented on the fee revision and utilization matrix which he, Ms. Adams and Mr. Ceccolini prepared, and asked if this is where Mr. Wetmore got his numbers from in terms of additional revenue generated from increases in fees and utilization.

This was part of it and Mr. Wetmore said the committee met with pool staff, reviewed each category, and in some cases it did not make sense to increase the fees. In other cases a range was given up to 20%, and the committee tried to put in a differential making it more conservative, but to reflect the impact of people swimming from the two facilities which the committee visited.

Mr. Purtill said that the numbers were cut by about 2/3rds to a number which recognizes there will be some change and improvement, but does not commit to the full amount.

Related to finance, Ms. Giddings asked about cost assumptions, noting that with the KBE building the steel must be recoated every 6 years at a cost included in the proposal. But she heard that when this was done, the pool must be closed for a period of time.

That is correct and Mr. Purtill said the recoating is part of the budget for all three assumptions.

Ms. Giddings asked if anything was put in the budget in terms of any losses to be sustained due to the pool closure for the time the recoating takes to be done.

Mr. Purtill said this was not included in the budget.

Chairman Slocum asked about the number which came back on the RFP which was elevated as the committee went through it, with explanation that it had to do with the labor and bonding, clerk of the works cost, and some user group changes. He asked whether these costs can be captured for each proposal.

In response, Mr. Purtill distributed a handout to the Council (copy attached) on the initial cost to build the pool enclosure. There must be payment of the Bacon-Davis wage, a higher wage than normal. The committee used the contractor’s numbers, added in what the Town needs in order to meet the revised specifications which the committee put together. The original specification was to save energy, not necessarily to cover the entire footprint of the pool, and users felt the entire footprint needed to be covered. Therefore, wages, great wall recovering, bonds, clerk of the works, marketing estimate, 8% contingency,
materials testing, attorney's fees, etc. were added. Mr. Purtill commented on some of the unknowns of the site, noting that when the pool was built a lot of ledge was hit. Not too much excavating will have to be done now, but the work will be in this area of the site and ledge may be encountered.

Mr. Schrumm asked about the marketing, and since this is unknown, he said it can be removed from the list. For attorney's fees, he assumes this is for the work of the town attorney on the contract. With regard to the savings cited by Mr. Wetmore on the savings of $27 for GFR subtracted from the $42, and the $18 subtracted from $34 on the KBE, Mr. Schrumm asked if this is strictly the energy savings, on average, over 20 years using the inflation factors used with all the other projections, charts and graphs.

In reply, Mr. Wetmore said he took the revenue and energy savings, but principally energy savings were included in those numbers.

Mr. Schrumm stated that the savings are energy and anticipated revenue enhancements.

Out of $200,000 to begin with, Mr. Wetmore said for GFR it was about $65,000 for revenue.

Mr. Schrumm said that what is not in there are the other aggravating factors that we enter into if we continue as we are doing now. Without doing an enclosed structure, he asked if the PBC and Energy Commission recommends the cogeneration anyway.

Bill Kunde said there is a 6 year pay back on a cogeneration design for the specific Open Aire building, and there are no figures for the KBE building. He could review his historical data when cogeneration was first looked at for the bubble, but Mr. Kunde could not provide an answer right now. At that time the cost included the dehumidification, but cogeneration does not look all that good for a bubble. It could be considered but he does not think the payback would be sufficient in a short enough time to have any value.

On the $38,000 for sealing the wall, Mr. Slocum asked whether this must be done.

According to Mr. Purtill this must be done whether the pool is enclosed or not. This is included in the annual maintenance costs of the bubble.

Mr. White questioned the project going forward and approved, and if the wall must be recoated.

Mr. Purtill said yes it must be done.
Mr. White asked if this number should be captured in the analysis for the two permanent structures as well as the bubble.

If you look at the handout, Mr. Purtill said this is one of the line items noted.

Ms. Giddings stated the difference being that with the bubble, the great wall would have to be recoated periodically, but with the two alternatives, it just is recoated now.

Mr. Purtill stated that is the assumption of the committee.

During the last presentation, Mr. Slocum recalls a discussion about the contingency and it being split, and if the number stated is the number to be split.

Mr. Goldberg said this would be in the contract terms, and it is negotiated during the process. The number is unknown right now. The number cited is the PBC’s number which both contractors would be interested in pursuing.

This was explained by Mr. Sima in that the Town and contractor each have a number, and if the project comes under this number, the extra money is split with the contractor, 50-50, or 60-40…something to be decided.

If the contingency goes over, Mr. Goldberg said this is not split by the town, but is the contractor’s problem.

Regarding the referendum number for Open Aire, Mr. Slocum said it does not include the cogeneration, but it is recommended. If it is recommended to be included, then the referendum number ($6.766 million) would increase another $350,000, and this could be a problem.

Mr. Sima said it could be done as another piece of the bubble, and not part of this project. This would put it under the $350,000 limit which the Council can spend out of CNR or other funds. This was based on the structure with Open Aire for the cogeneration, and it might pay off faster with the KBE project because there is more lighting and electric costs for this project. The KBE Project will have a higher energy demand overall throughout the year than the Open Aire project.

Mr. Slocum said the impact on the budget next year with Open Aire would be immediate, with allocation in August for the capital planning, and it would be a $7 million project.

It was explained by Mr. Kunde that the reason cogeneration is split out separately is the tie in of the power purchase agreement. The Council had met with Chris Halprin last Fall to discuss performance based contracting, and the committee thought that adding cogeneration into the GFR would be too confusing
and we would not have apples to apples comparison of the proposals. It was
separated out, and if the Town is interested in pursuing cogeneration for either
one of these proposals, there is a company which has expressed interest in
participation with the Open Aire design but not the KBE design because it is not
as energy efficient and not a good risk for them. Mr. Kunde said if the Town
wants cogeneration it would be with the Open Aire proposal. He would
recommend a third party, i.e. Chris Halprin, for an agreement between the Town
and Advanced Renewable Technologies for the cogeneration. It is $297,000 for
the equipment and installation and tie in to the existing HVAC system.
Cogeneration would be on site and be tied into the existing system and the
existing equipment would not be removed. Most of the $297,000 is for the site
work to tie in the cogen equipment into the existing mechanicals. Because it
was under the referendum limit of $350,000, it made sense to the committee that
this go under operations or CNR due to the short payback. With KBE, Mr.
Kunde said he does not know of the payback under this proposal but believes it
would be a longer term payback.

Mr. White said he was uncomfortable discussing two clearly related topics and
separating them and putting it into CNR. If the Council has knowledge of it and it
is all related, all the numbers should go together with $7 million project, not a
$6.77 million project.

GFR included a cogeneration option in their original proposal and Mr. Schrumm
said there are other ways and people to do this. How it is paid for and the total
price does not make any difference as to how this is actually executed down the
road. If GFR says they will do it for $297,000 and there is a lower bid, nothing
precludes the Town from going with the lower bid. He noted there is federal and
state money for energy costs, and questioned whether there is any money
available through grants.

Mr. Kunde said there are new opportunities to get money for cogeneration, and
some also disappear. The original numbers for cogeneration savings of $55,000
were those thought to be possible through a grant, getting money back or doing
something along that line. Until there is a decision to explore the idea and be
serious about it, numbers cannot be received from people or grants applied for.
We must first make a decision, get the numbers, and apply for grants.

Mr. Schrumm went back to the issue of the profit sharing and contingency
sharing. Going with GFR, $5.9 million guaranteed maximum price, and a
$500,000 contingency, he asked about all going perfectly, and splitting this
contingency money, if there is an agreement in place. He asked about $500,000
sitting there and the Town taking the entire amount.

In response, Mr. Goldberg said this all depends on how the contract is written. It
gave a sample which could be 50/50 or 60/40 split under two different design
build contracts. One contract called for an open book situation. The clerk of the works would be eyes and ears, and if a change order comes out, he reviews it.

Mr. Schrumm asked about the number for the clerk of the works.

Mr. Goldberg said it is lower, and smaller firms could be hired.

Mr. Purtill stated that we have our own personnel for this.

For the two proposals, Mr. Schrumm noted that GFR is pieces of glass panes all put together and KBE is complex construction of a building. The clerk of the works must be there and would be more complex under the KBE proposal.

Mr. Goldberg said that the clerk of the works is about a 5% to 7% of the total contract amount of construction, and the proposals for this are not that high. We do not need someone there 24 hours a day, but someone there three times a week.

Chairman Slocum commented on the description of this all being moving parts with the cogeneration and not having a good number until there is discussion with them. He asked if this is, more or less, making a case for breaking it out at referendum, and if the Town is in a better position negotiating for the cogeneration piece of the project.

Mr. Kunde said it is his understanding that the committee tried to compare the two proposals as equally and similar as possible. And, cogeneration was suggested by one proposal, the other mentioned it but never carried it further. The two proposals were looked at, without cogeneration, and in his opinion there should be a decision to use cogeneration. One proposal has a complete package of cogeneration associated with it. Mr. Kunde suggested that if cogeneration is used, the Town Council and Town should work with Mr. Halprin or some like him. It is $350,000 for the cogeneration, and the Town can use the one through GFR or someone else...this is up to the Town. It should be a total number. He understands that fact, but the committee cannot give this answer, as it is a Council decision to use cogeneration for the pool.

Looking at things from the PBC's standpoint, Mr. Purtill said the flavor they have gotten of cogeneration is that the Council must first decide on the enclosure it wants for the pool. Then, give a green light to work out things regarding cogeneration because it is specific to the enclosure being used. You cannot come up with separate cogeneration package brought in and hooked up.

Mr. White asked Town Manager Milone whether it would be possible to get bond counsel to sign off on some sort of referendum question that incorporates the $6.7 million plus the $350,000 for cogeneration. This is sending a $7 million number out to the voters for referendum, knowing we have a reasonable
estimate for the cogeneration machine. Mr. White said he is leaning towards the Open Aire proposal with inclusion of cogeneration.

In response, Mr. Milone said the bond counsel will rely on the number being provided to him, and he will not question the number. He will look at the appropriateness of the resolutions developed, the language of the explanatory text, etc. He will not question the math itself, and will rely on the judgment of the Council, the commission’s input, and presume this is the number and work from there.

Mr. Purtill said we must know the enclosure to be installed and then Mr. Kunde can move forward with the cogeneration research.

David Gavin stated that the $297,000 is for the hardware changes to the pool facility, not for the unit. The company owns the unit, will maintain the unit, replace it if it fails, and there are options for leasing, buy pack after 10 years, etc. and all of this must be looked at. The $297,000 is for the piping, plumbing, meters, etc. to go from their unit to the hardware which would be put in place. It is physical change that the Town owns at that point. A good way to approach this is through a performance contract through Celtic Energy, and have it financed through the savings which should be very documentable.

If there is a concern about the transparency and getting our arms around this cogeneration, Town Manager Milone said it is possible that the explanatory text could indicate there is another element to this – cogeneration. This really can’t be determined until sometime after the contract is awarded, and it could be a subsequent appropriation at a later date. So, going into this the voters know that there could be some additional cost, but it cannot be ascertained at this time, nor can the actual savings. This covers everything – the concern that this could mislead if there are additional costs later on which are not divulged, and at the same time it takes the burden away of having to come up with an exact number which might be impossible to do going forward in time for the referendum.

Mr. Schrumm noted that we have a number of $297,000 from GFR, and we know we can get a performance contract for the connections. He commented on the PBC and committee being convinced there are people out there to do the rest of it. He questioned whether there is anyone who does not think cogeneration is the way to go. If we are going to do cogeneration, Mr. Schrumm said it must be done right because the energy savings is estimated at $50,000 annually going forward. This is very significant and a very good payback. Mr. Schrumm would want to have the cogeneration in the referendum, explain it all and let people know about it.

Regarding the timing, Mr. White said we are targeting a referendum date of June 22\textsuperscript{nd}, and he asked what happens after that.
Mr. Milone stated that the tentative calendar is to call for a public hearing on May 11th, with the hearing held on May 25th to meet legal notice requirements in the newspapers. Then the Council appropriates the money, calls for the referendum to be held 4 weeks after May 25th, and that date would be June 22nd.

Mr. Schrumm said there can be a call for a public hearing on an amount, and later on that amount can be reduced, but it cannot be increased. Between now and May 11th the PBC and committee will be coming up with new things, and we will be a little smarter. We can determine if marketing needs to be in there. We know the majority of the costs, and cogeneration on a payback period is a small piece of it. Investing the $300,000 with a $50,000 return is a good investment.

In response to a question on the timing for drafting the referendum, Mr. Milone said the resolution will not be hard to draft. 90% of the question is boiler-plate language, and most of the language describing the project is in place already. The bond counsel has what is needed, and the unknown is the amount and some of the specificity. Staff can start on framing the referendum question, and it can be modified with the amount and more specificity on the selected option.

Chairman Slocum stated that the Council will call for the public hearing on May 11th, and will make its determination on that date for the structure to be selected.

Doug Levens, 72 Chipman Drive, as a user and someone working towards the success of this referendum, would like to see the clarity in the referendum question. His group supports cogeneration, and would not want it added on later, losing the $50,000 annual savings. He said the $297,000 is a small number compared to the overall number for the entire structure.

George Neowatne, Deputy PW Director, informed the Council that the cogeneration is a great opportunity, and cited two points of importance. The Town has an existing energy agreement with Trans Canada for electrical power and with Hess for gas. The Trans Canada agreement has 4 years left to run and Hess has about 1 ½ years to run. There may be penalties going off the grid for the electric, which is a $60,000+ bill to Trans Canada.

This question was asked early on and Mr. Sima said we are confident there is no penalty costs involved. This must be researched further.

Ms. Giddings stated she knows there is no penalty with the gas. She commented on the graph on the life cycle costs, and being unable to tell what the times at the bottom refer to. She presumes “initial” is where we are starting, and asked what the next vertical line is.

Mr. Purtill reviewed the graph, and on the horizontal access it is 10 years, the next is 25 years, then 30, 35, 40 years. There is a change of scale. You look up from 20 years to see the points and the values.
With the comprehensive report from the PBC and the committee, Mr. Sima said the task for the Council is to decide on which of the two projects to select. At the last meeting there was a question about buying another bubble over the structure, saving 50% of the energy, and there are flaws in this assumption. He asked about using the air supported bubble structure, and having the same scenarios repeated as the last few years. We will not have a humidity controlled system, mechanical system for air-conditioning, dehumidification, and there will be many effects similar to the past few years. Some of the energy numbers cited did not pan out. Mr. Sima asked the Energy Commission if they concurred with his assumptions that a bubble will not lead to any significant energy savings in the next 20 or 30 years.

Mr. Gavin stated that an improved bubble could be put in, but it would never approach the economies of a permanent structure. The problem is with air flow, and there cannot be good dehumidification. Regarding the carbon footprint of the structures, Open Aire saves 1 million pounds of carbon annually, and there is a decrease in melanoma in the glass structures. Mr. Gavin commented on an article which the Council was given which states a bubble is a good temporary solution for a short term solution addressing indoor swimming. The problems should be created, and the enclosure is a good investment, even in tough times with a good bond.

The environment in the two structures was discussed by Mr. Sima. We have the KBE conventional steel construction with a membrane roof over it. The PBC and committee made many improvements to the design with the automatic windows above the wall and manual opening of the doors. There is a $1.3 million difference in the costs between KBE and Open Aire, and we must ask if the larger investment is worth it. He questioned whether the environment inside the KBE structure is better, even with an energy savings associated with it. With the KBE structure there is added lighting inside and asked if this is worth while pursuing. Or, is the structure so closed in that it would not be worth pursing.

Mr. Purtill said there is a significant energy savings.

Mr. Sima said he assumes there could be proper lighting, proper dehumidification and proper air movement in both structures. There would be duct work where needed, installation of proper heating and ventilating equipment. With the improvements asked for by the PBC in the two designs, Mr. Sima asked if the KBE design is worth undertaking.

In reply, Mr. Levens said that, from a user standpoint, if the KBE structure were used he would find another place to swim in the summer time. And, he knows many people feel the same way. From the PBC view point, increased revenues were put in, but from a user point, he would guarantee there will be a loss of membership.
As a pool user, Mr. Wetmore said this is a community pool and the openness of the Open Aire structure is better. In visiting the two pool facilities in the middle of winter, he saw the greater use of the Open Aire structure. During the summer, when people cannot afford other swim clubs, the open air effect with the benefits of the energy would favor the Open Aire structure from the community perspective and the people who use the pool.

Mr. Sima asked about the HVAC system in the two structures, and if they are significantly different from one building to the other.

Lew Cohen, 190 Hodgkins Ridge, replied that both projects have adequate HVAC. Open Aire has a more sophisticated system, will do more, and is different from the other system, and are not inexpensive. As a citizen and user of the pool, Mr. Cohen said he visited the Milford Y Open Aire structure and the Jewish Center. In comparing the two types of structures, Open Aire is magnificent. KBE is a nice structure and people will go there and enjoy it. But, the Open Aire structure raised your spirit, and Cheshire deserves a place to raise your spirit. In the summer when Open Aire is opened up it is like being outdoors, except in a rain storm, it is still okay to swim. Mr. Cohen cannot make a legitimate argument for not going with Open Aire. KBE’s structure will work, is a nice design, but has standard deficiencies of most normal pool structures.

Regarding the carbon footprint, Mr. Sima said when this push was started for the enclosure oil was expensive, and it is now increased in cost again. Even with natural gas rates locked in for the next three years, these rates are going up. In the calculations the committee used a 4% increase in petroleum products. If there was a higher increase in the cost of oil and natural gas, these savings would be even more significant with the Open Aire structure versus the bubble due to the bubble consuming so much energy. Mr. Sima asked whether the existing heating system of the bubble could be more efficient through the process being used at this time.

According to Mr. Cohen you can always tweak and improve and do better. He has seen proposals about a new bubble and a better way of doing things. With the bubble you have a non-robust, unstable situation, and if things are not done just right, energy and functionality goes away. The bubble is a loser, and something that should be gotten rid of. Going with another inflatable structure, somehow better and tweaked, is throwing money done a black hole and would be a sad thing to be done. Mr. Cohen apologized for not getting involved in the bubble controversy when the pool was first conceived, and he thought it would go away, and then it was there. It never should have happened and it was not a good idea.

When this project first started, Mr. Sima said he thought there would be significant savings going with KBE’s structure, with the $1.5 million difference. The field trips taken in January to the Milford Y showed a bright open structure.
The visit to the Jewish Center standard construction, Mr. Sima commented on getting into the swimming pool area, walking by a glass hallway down in the pool, and the pool was nice. However, as soon as you got into the locker room area, opened the door, the pool hit you even at 25 to 30 feet away through many different doors. The moist, damp, hot and humid environment slammed you as you walked through the door, and Mr. Sima said he cannot forget this change. A comment came forward during a question session with the people at the Jewish Center facility...if its this warm in January in this building, how do they handle the issue in the middle of summer. The staff responded by saying that they must rotate the life guards in and out every half hour to hour time frame because it becomes so unbearable to be in the structure. Mr. Sima said he does not want to select a structure that will lend itself to becoming another nuisance in Town, and wants a structure that will last. This is why he pushed so hard for a permanent structure over the pool...we have had many disasters with this bubble, and money is spent somewhere as things happened along the line. Mr. Sima wants to come up with a solution which will work, and have the pool be a sense of pride operating every day of the year, enjoyed by people, and not be something which hurts the Town in operations every year in some way. His opinion at this time, after looking at all the information and life cycle costs, is only one option to be chosen. Mr. Sima stated it is time to move forward.

Mr. Slocum commented on the fact that if the referendum fails the bubble will have to stay, and the Council will have to sell a bubble to the people. He doubts that the PBC and the committee will come back and help the Council do this.

Mr. Gavin said the bubble is better than nothing.

For clarification, Mr. Goldberg reported that he studied the construction of both proposals. With the KBE proposal you do not want to walk into the pool and get knocked over. This is why the PBC and committee wanted natural air flow with windows and opening doors on the back wall to get the natural air flow in some way. It is not the same as Open Aire, but this is why the windows are in there, and the proposal changed.

Stating his comment was more to January with the windows less likely to be open, Mr. Sima said moisture will be built up with pool activity during the day and people move around in the pool. The Open Aire system had 10 times more people in the structure than the KBE pool, was more pleasant and a larger pool.

Mr. Schrumm stated that the magazine article is excellent on pool atmosphere. He does not want to sell another bubble. But, after what has been stated by the PBC and the committee, he does not know what will be done. If the referendum fails and the bubble comes down in a few years in a snowstorm, he does not know what will be done. He understands the rationale behind the bubble being installed in the first place, and it seemed like a good idea at the time.
Mr. Schrumm asked Town Manager Milone to work with Finance Director Ryan to take the numbers on the 2% Clean Water Funding and 20% construction grant on the Waste Water Treatment Plant, and work that into the calculations. This would be helpful to people in discussions over the next few months to see the impact on the debt service and Town budget. While there is sticker shock on the plant, it comes at a time when debt service is trending off in a big way. Even with the plant put into the calculations, having a $6 million or $7 million project thrown in, this is not a bad time to have this happen from a bonding standpoint.

Mr. Milone asked about doing another debt service scenario on the pool with the cogeneration numbers built in.

Mr. Schrumm said that the cogeneration should be done, and even with this $297,000, and with the pool and treatment plant, overlaid with the debt service relief fund, he expects the debt service line item to go down.

Mr. Milone said he would be using the figure of $297,000 for the cogeneration.

According to Mr. Purtill 4% inflation was used on average and this is probably optimistic in today’s environment with spills in the Gulf and the cooling off about drilling, and no more drilling on the California coast. There could be some increase in the percentage, spikes in energy costs, but anything that involves greater inflation will benefit the two permanent structures because costs are locked in now. With the bubble the costs are open ended, with endless energy, and continuous buying of the structure over and over again every several years. This is a cost that mounts up to the numbers seen.

Mr. Purtill started this project with an open mind, and no votes or consensus of the group was taken on what was the best structure. It was decided to let the numbers and facts speak for themselves. But, over time, he and several others have come to think that the Open Aire structure is the right one for Cheshire. He was involved with the high school building and funding and design. It was a tough sell to get $9+ million to put in some extra classrooms and provide for more space and what we have there now. One thing that worked was what Tod Dixon called having a “splendiferous façade” and this is what was built. It won the Town an award and got the voters to buy into the project. The architect made mockups of the design, put them around Town, so people saw what they were going to get. Mr. Purtill stated that people in Cheshire understand value. With the Open Air structure we will have a signature structure for the Town, which people will be proud of. These structures are built around the world, with one being built in the Ukraine which is a giant water park. People love them and flock to them. The Milford facility makes a $1 to $2 million profit annually. This is not due to the structure so much, but it is part of it, and people join and use the pool, and it is crowded most of the time. Cheshire should have the Open Aire structure and Mr. Purtill believes people will agree with him. He urged the Council to consider the Open Aire structure when making its decision.
Mr. Sima advised that there will be a Planning Committee meeting on May 11th at 7:00 p.m. prior to the Town Council meeting.

Chairman Slocum reiterated the process going forward. On May 11th the Council will call for a public hearing on the pool project. The Council will vote on the selected structure, and the public hearing will be held on May 25th, with the referendum held on June 22nd.

Mr. Sima thanked the Public Building Commission and the Pool Committee for their work and time spent on the process for the selection of the permanent structure for the community pool.

4. ADJOURNMENT

MOTION by Mr. Schrumm; seconded by Ms. Giddings.

MOVED to adjourn the meeting at 9:30 p.m.

VOTE The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk