MINUTES OF THE CHESHIRE TOWN COUNCIL SPECIAL MEETING AND BUDGET COMMITTEE MEETING HELD ON TUESDAY, JULY 27, 2010 AT 7:00 P.M. IN ROOM 207, TOWN HALL, 84 SOUTH MAIN STREET CHESHIRE CT 06410

Present
Budget Committee Members David Schrumm, Chairman and Michael Ecke. Council members Timothy Slocum, Andrew Falvey, Anne Giddings, Timothy White. Absent: Thomas Ruocco and James Sima.
Staff: Michael A. Milone, Town Manager; Patti Lynn Ryan, Finance Director; James Jaskot, Deputy Finance Director; Ramona Harten, Library Director; Joseph Michaelangelo, PW Director; George Noewatne, Deputy PW Director; Richard Kazer, Fleet Manager.

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. ACCEPT AND APPROPRIATION OF $708,000 AMERICAN RECOVERY AND REINVESTMENT ACT GRANT FOR WEST JOHNSON AVENUE PAVEMENT REHABILITATION PROJECT

Mr. Milone explained that this is an ARRA project and the Council approved the wording of the resolution on the grant for the project. In order to get payment the Council must authorize appropriation of the funds. This funding went through COG which will reallocate the federal funds to the Town. The funds are expected to be received in the Fall.

MOTION by Mr. Ecke; seconded by Mrs. Giddings.

BE IT RESOLVED, that the Town Council approves Resolution #072710-1.

RESOLUTION #072710-1

WHEREAS, The Town Council authorized the execution of the Agreement with the State of Connecticut for the $708,000 American Recovery and Reinvestment Act Grant as administered through the State of Connecticut for the Construction, Inspection and Maintenance of Resurfacing of West Johnson Road,

NOW, THEREFORE, BE IT RESOLVED, that the Town Council accepts and appropriates said $708,000 American Recovery and Reinvestment Act Grant for the said Construction, Inspection and Maintenance of Resurfacing of West Johnson Road project.
VOTE  The motion passed 5-1; Falvey opposed.

4. DISCUSSION RE: PROPOSED FISCAL YEAR 2010-2011 FIVE YEAR CAPITAL EXPENDITURE PLAN AND ANNUAL CAPITAL EXPENDITURE BUDGET

LIBRARY – Ramona Harten, Library Director

Page 7-3. $300,000 in FY 10-11 for reconfiguration of Library to accommodate RFID conversion.

Ms. Harten explained that the RFID project has been on the back burner for five years and the technology is now right for prime time. RFID is a library identification program in which all items in the collection are individually bar coded with a chip. This allows better access to patron self service. RFID does not require line of sight, as the antenna transmits the bar code number into the system, and it is an easy system for patrons to use. This fiscal year is the second year with reduction of Library staff while the business and circulation continues to increase.

The RFID system would be purchased through the Library Connection Inc. (LCI) and there are two vendors – 3M and ITG. Simsbury CT will implement the RFID system in September and Fairfield and Darien are using it now.

The cost of the entire project is $300,000 with $50,000 from the State and $50,000 from the Library Gift Fund and $200,000 through CEP. The cost of the RFID equipment is $121,900. There is money in the CEP for furnishings; the State grant will allow moving the teen collection out of the Children’s Room into the Lobby. Without this grant the teen area cannot be moved. With a $250,000 project rather than $300,000 project there would be a new public circulation area in the Children’s Room. Under the new configuration the staff would be at the circulation areas and in the lobby for other services such as check out assistance, directional assistance, answer questions, and value added services. The goal is 100% self service at the Library. There will be machines for payment of fines in cash, debit or credit card payments. Ms. Harten displayed a photograph of this machine. This process will reduce the work of the administrative assistant who handles the cash payments, counts and bags the money and takes it to the bank. The annual revenue in fines and other payments is $45,000.

All current materials in the Library are bar coded. The RFID system will allow inventory of all materials using a digital library assistance wand which is scanned across the materials. The entire collection can be inventoried in one day. The cost is 20 cents per tag, and staff and volunteers will handle the task of tagging all the materials. Tags are adhered to the item with a sticky substance and last the life of the item.
With the current software, 3M and ITG are the preferred vendors for the RFID system.

Page 7-4. The initial cost for the five components of the RFID is $121,900. Furniture and shelving are part of the reconfiguration and refurbishing of the Library for better service and self service. The Staff Pad Workstations can be reduced to 3 rather than 5. The teen area and reconfiguration and furnishing of the Children’s Room will come from the $50,000 grant.

Regarding the State grant, Ms. Harten stated that it is uncertain if it will be on the Bond Commission’s agenda for the next meeting.

Mr. White asked if the State grant is a matching grant, and if the work in the Children’s Room is ear marked.

The State will pay up to 1/3 of the cost of the project, and Ms. Harten said there is funding in the gift account for the Children’s Room project. The goal is to do the entire project so there is minimal disruption of the Library.

Mr. White asked how many items will have RFID tags, their cost, and annual costs involved.

The cost for the tags is $16,000 for all materials, and Ms. Harten said this would come out of program supplies in the operating budget. The overall maintenance is about $7,000 to $10,000 annually. Both vendors give free maintenance for the first 12 months.

Ms. Harten commented on Simsbury CT having a book drop with an RFID reader and conveyor belt that sorts the items into the correct bins. This system would not be possible in Cheshire due to lack of space.

It was stated by Mr. White that he supports the RFID system, but he is curious about the numbers for the operating costs of the manual system, the number of staff hours reduced, etc.

RFID provides better and faster service but Mr. Schrumm said it comes down to cost factors involved. The actual cost of the RFID system is $120,000.

According to Ms. Harten the RFID could be done for less than $120,000, putting self check units on top of the circulation desk, and she would want to see the numbers involved.

Mr. Milone informed the Council that there is one public hearing for the CEP. For any item between $175,000 and $350,000 there is a required 21 day waiting period for petition for referendum. If this fails then the project is funded after 21 days.
With less than 5 staff pad work stations, Ms. Giddings asked about having the total adjustment of numbers before the Council votes on the projects. Also, with the State grant the Town spends $100,000.

Mr. Milone stated that if a project is scaled back the Council will be advised.

Ms. Harten explained that the Town must spend $100,000 because the request was for $150,000. For the project implementation, everything should be done together for less disruption. The RFID could be done alone without State funding.

For this project, Mr. Schrumm said that $120,000 is on the RFID system, and the rest of the money is to be spent on furnishings and reconfiguration of the Library. This project should be labeled properly.

Ms. Harten explained that $50,000 of the furnishings is to hold the RFID equipment, and technology cannot be included as part of the local matching funds.

The cost of $16,000 for the items coded was questioned by Mr. Adinolfi.

This is done through the company from which books are purchased, and Ms. Harten said staff and volunteers will do the inventory of all materials. With the entire project, the Library would be closed for a few days. Ms. Harten said she would provide information to the Council on the operating costs for the new system, and clarification of the projects involved.

PUBLIC WORKS – Joseph Michaelangelo, Director
Page 6-1

The Council and staff visited the Town Hall parking area to look at a 1995 dump truck/plow truck with +90,000 miles on it. Mr. Kazer, Fleet Manager, explained that it is costly to repair such an old truck and tires cost $300 each. For snow removal work the equipment must be manually attached to the truck, while new trucks have the sanders built into them. A new truck has an electrical computer system; the amount of sand and salt is entered into the computer for what will be used on the roads; this reduces the amount of material by 50%; and the new trucks have two way radios and a GPS system. The Town has 13 plow routes for 151 miles of roads.

The PW Department is requesting two trucks in the CEP this year to replace the 1995 and 1997 trucks in the fleet. A complete inventory of the fleet will be provided to the Council. The new trucks are purchased through the State bid process, and they are usually International Trucks at a cost of about $145,000 each. 2006 was the last time the Town went out for a new truck.
Mr. Milone explained that the PW Department has 5 projects in the CEP. Sidewalk Expansion at $200,000; PW Vehicles at $385,000; Blacks Road Bridge at $60,000 in year #1 and $600,000 in year #3; Creamery Road Bridge at $60,000 in year #2, and $600,000 in year #4; Road repavement program at $1.3 million in each of the five years of the CEP.

Sidewalk Program – Mr. Michelangelo explained that the sidewalk program is used for large scale projects, and there is constant repair of individual panels throughout the Town. The Route 10 sidewalks were done to have a network throughout the Town, and there are areas of destination where the Town would like sidewalks installed. A new sidewalk area is Higgins Road and Towpath Lane.

It was stated by Mr. Milone that the easiest part of the project is construction of the sidewalks, and the most difficult part is the homeowner’s demands on the Town about what they want done.

For the Higgins and Towpath area, Mr. Michaelangelo said we are linking the area which has a 200 ft. gap without sidewalks.

Ms. Giddings asked why we have to spend $200,000 for sidewalks every two years, and the replacement of asphalt concrete being done due to the condition of the material.

Mr. Michaelangelo informed the Council that some of the sidewalks to be replaced are +30 years old.

According to Mr. Schrumm the entire list will be looked at during the budget process. He said it makes sense to connect some areas, but the question becomes having sidewalks to nowhere and whether sidewalks are driven by public demand. With the West Main Street project there will be bituminous sidewalks. For the $200,000 in the CEP he wants a list of the sidewalks to be constructed.

Mr. Michaelangelo advised that a 4 foot wide concrete sidewalk has a cost of $30 a linear foot. The brick sidewalks used at the corner of St. Peter’s Church is a clay product, and the new brick pavers are better constructed.

Mr. White has discussed the issue of sidewalks with Mr. Milone who has prioritized where sidewalks should be installed.

It was noted by Mr. Adinolfi that the Town encourages and makes a requirement of sidewalks in new developments. However, the Town cannot compel a developer to install sidewalks.
PUBLIC WORKS VEHICLES
$385,000 in year #1 of the CEP – an inventory of the vehicles was submitted to the Council. FY 2006-07 was the last year in which money was spent for new trucks; FY 2008-09 the funds were frozen and the truck was never purchased; in FY 09-10 the money was moved to FY 10-11. Mr. Milone stated that there has been not been an appropriation for a truck for 4 years, and the tradition was to purchase one truck a year.

Mr. Kazer informed the Council that three new vehicles are being requested in the CEP. They would replace the following vehicles:
1995 Ford with 76,276 miles, 7,500 hours on the road, $5,743 in repairs this year, trade in value of $4,000 to $5,000.

1997 tandem 10 wheeler, +93,000 miles; $4,459 in repairs this year; trade in value of $7,000. This is the only truck in the fleet that can tow public works equipment; without this truck the Town would pay for another company to move equipment from job to job.

GMC Sierra, +132,000 miles; $7,200 in repairs this year; trade in value of $4,075.

According to Mr. Kazer the department is at a deficit with vehicles. With the stoppage of replacing vehicles in the 1990’s, one half of the fleet had to be replaced in 2002. It is better to keep up with the replacement schedule.

The Council was informed by Mr. Milone that Mr. Kazer has spent time and energy repairing the trucks and keeps them in good shape. He noted that the referendum number for projects is $350,000. With the new Charter there is a provision to aggregate like projects, and Mr. Milone will check on the last time the $350,000 referendum limit was used.

Page 6-3 is a breakdown of the cost of the trucks.

Mr. Kazer stated that there are 6 more vehicles on the inventory list that could be replaced, but the 3 cited are the worst in the fleet.

BRIDGE REPAIRS
Blacks Road Bridge - $60,000 engineering costs in FY 10-11; $600,000 construction in FY 11-12.

Creamery Road Bridge - $60,000 engineering costs in FY 10-11; $600,000 construction costs in FY 12-13.

Mr. Michaelangelo reported that last year an engineering firm did an inspection of the two bridges, and a copy of the report with photographs was submitted to the Council. The State of Connecticut does a bi-annual inspection of bridges, and the PW Department is on top of the bridge conditions and repairs.
Mr. Milone commented on wanting to take better advantage of the capital planning money, and prefers putting these bridge projects out over two years. The East Johnson Avenue bridge was appropriated in FY 09-10.

Mr. Michaelangelo explained that an RFQ has been issued for the East Johnson Avenue bridge project. The Town will receive some federal funding, and will be doing a design of the bridge, with 80% federal funding and 20% Town funding of the $320,000 project.

The Town culverts list was submitted to the Council for information and review.

Mr. Michaelangelo advised that bids were recently opened for the Country Club Road culvert - $590,000 +$23,000 in add alternates, with the bridge having a “stone” appearance. Photos were submitted to the Council. According to Mr. Michaelangelo one property owner gave up 5,000 feet of land for this bridge replacement.

Six months ago Mr. Milone reported to the Council that, with the help of the Town Attorney, the condemnation process is laid out for some of the projects to move along.

ROAD REPLACEMENT PROGRAM
$1.3 million in each year of the five year CEP.

Mr. Michaelangelo reviewed the list of areas which are candidates for paving, stating that the Town wants to do roads that are contiguous. The cutoff number was grade 67; 24 miles of road costs $5 million; this is an estimated cost of $40 per linear foot. On the rating system the higher the number the better shape the road is in. Chip sealing has a cost of $8 per linear foot. The list of roads in the 2010 paving program is 9.94 miles; chip sealing is 4.2 miles.

The idea of increasing the road program allocation to $1.6 million in each year of the CEP was raised by Mr. Schrumm.

If there is an ambitious schedule, Mr. Michaelangelo said the PW crews can keep up with it. He gets information on the cost of asphalt each day, and this week it was $90 a tone which covers 80 sq.ft. at 2 inches.

The flood area at the bottom of Avon Boulevard was raised by Mr. White who asked about storm drain funds.

According to Mr. Michaelangelo there are some chronic spot problems in this area but there are no large projects which can be funded out of the operating budget. Avon Boulevard has a State of Connecticut problem on RT 42, along with problems at Cedar and Flager Avenues and Inverness Court.
Regarding drainage issues, Mr. White asked that Mr. Michaelangelo speak to them individually.

Mr. Schrumm stated that he is not sure starting a fund for storm drainage is necessary.

Mr. Milone advised the Council that the road program information is on the web site.

**PUBLIC PROPERTY**

Page 3-6. $200,000 in FY 10-11 for Town buildings; $150,000 in FY 12-13 for Town buildings; Town Hall window replacement in FY 12-13 at $110,000; roof repairs $165,000 in FY 10-11 and $180,000 in FY 12-13. Emergency Mgmt-Installation of backup generator hookups for Town Hall, Police HQ, Fire HQ and Senior Center - $177,000 in FY 10-11.

Mr. Noewatne explained that there are improvements needed to various Town buildings with a cost estimate of $200,000 in FY 10-11 for the planned projects.

There is a request for the establishment of a Public Works emergency fund to address unexpected work in the Town buildings. There are targeted projects out of the $200,000, with 60% of the funds held over for failures and emergency needs and carried year to year.

Mr. Milone stated that this is similar to what the Council did for the BOE for its emergency fund. The Council would be kept informed of how the money is spent for emergency projects.

Mr. White asked for information on anything that is not an emergency and could be pushed out a year.

Fuel tanks – Mr. Noewatne said that a number of these tanks have been removed in the past few years; there are two main tanks at Town Hall and the Youth Center to be removed; and the cost of $110,000 came from consultants. With seepage of oil the project could be more costly. The Town Hall runs mostly on gas heat and the Youth Center can go to gas heat.

Roof Repairs - $165,000 is for the first piece of work to be done on the old wing of the Police Department. The Town Hall roof has also reached the end of its useful life.

Elevator at Senior Center - $110,000. This is for replacement of the car and putting in a new piston in the middle of the car which will be more efficient and safer.
Generator - $177,000. This is for back-up generator hookup for Town Hall, Police and Fire HQ, and the Senior Center for emergency situations. The existing generators do not operate air-conditioning; and the shelter for the Town would be at the high school which has a larger capacity for housing people.

There is an $86,000 grant which pays for the generator and Mr. Milone explained that the estimate for wiring the Town buildings is $177,000. If the Council does not want to wire the buildings then it will not be done.

It was noted by Mr. Schrumm that the generators at the Police, Fire, Senior Center and Town Hall are older. It may be better to put money into the generators that switch over.

FIRE ALARMS
$110,000 In FY 12-13. Mr. Noewatne advised that most of the main buildings have updated fire alarm systems, but some of the out buildings do not have them, i.e. the PW Garage. He will provide a list of buildings with fire alarms and out buildings which should have them.

OPEN SPACE
There is no funding for open space in FY 10-11, but there is $110,000 in FY 11-12. There is $20,000 set aside for demolition of the barn at Boulder Knoll Farm.

Mr. Schrumm recommended there be an RFP for the Dime Savings Bank and DeDominicus properties, and selective cutting to increase the health of the forest.

PW GARAGE
Mr. Noewatne informed the Council that the crews will be working on the inside of the garage during the winter months.

Mr. Milone reported on a meeting with the DOT to discuss the $320,000 in jeopardy for the Cornwall Avenue to West Main Street section of the Linear Trail. Through a DOT representative there was success in getting the Federal Highway Administration to reallocate funds for other purposes of the trail with the cross section at either end of the extension. The extension of the Cornwall to West Main Street in 10 years is no longer part of the allocation. A letter is needed from the Town Manager and Town Council resolution on the section of the trail for which the money will be allocated.

Mr. Milone stated that the Town has the $320,000 + $250,000 (without contingency). The DOT representative stated that the Town was held up for 9 years with a lawsuit, through no fault of the Town, so the money can be reallocated.
GENERAL FUND DEBT ANALYSIS
Ms. Ryan submitted a debt service analysis using 5% interest on the $31.5 million WWTP project to the Council for information purposes (column #5). Column #6 shows debt service decreasing, and at 10% of the operating expenses. This column looks at where we are, going forward, and it would be good to stay at the 10% level.

Mr. Milone said this is another way to look at where we are going and how we want to use the reserve.

According to Ms. Ryan it would be a hard sell to the rating agencies to have 12% debt service. She commented on their being a distrust among municipalities with older treatment plants, and noted they are all looking for funding, when there is a potential for limited resources.

5. ADJOURNMENT

MOTION by Ms. Giddings; seconded by Mr. Schrumm

MOVED to adjourn the meeting at 10:00 p.m.

VOTE The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk