Present
Budget Committee Members David Schrumm, Chairman, and Thomas Ruocco. Council members Timothy Slocum, Andrew Falvey, Andrew Giddings, Timothy White.
Staff: Michael A. Milone, Town Manager; Patti Lynn Ryan, Finance Director; James Jaskot, Deputy Finance Director; Robert Ceccolin, Parks and Rec 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. DISCUSSIONS RE: FISCAL YEAR 2010-2011 FIVE YEAR CAPITAL EXPENDITURE PLAN AND ANNUAL CAPITAL EXPENDITURE BUDGET.

A. OVERVIEW
Ms. Ryan stated that the capital expenditure plan includes all existing debt, adding on authorized and un-issued debt, projected debt is added on based on the proposed Manager’s budget, and Clean Water Fund debt.

It could be slightly over stated for a project, and Mr. Milone said we are working off appropriations and not actuals. With a project under budget there could be change orders, add ons, and other things, and until the firm final number is available, the budget works with what is appropriated.

What the Council adopts in the capital plan is what goes forward and Ms. Ryan said that if there are left over funds from an appropriation, they can be redirected.

When the FY 09-10 CEP was adopted, Mr. Milone said the Council approved $1,150,000 for the Mixville Pump Station. The appropriated number is used in all analysis even though a project came in lower. Assumptions are base don the $1,150,000, and the debt will be a little over stated.

Mr. Milone stated that the recommended CEP is $77.9 million; netting out all the offsets of $40 million, the net total is $37.8 million.

Comparing FY 10-11 to FY 13-14 there is a difference of about $31 million. Last year looking at the same four years the assumption was $42.8 million. These
four years increased by about $31 million. $22 million is the additional cost for the WWTP; Education budget is about $4 million higher for the same four years; $26 million of the $31 million is attributed to these two areas; much of the balance is in the Linear Park projects; and the remainder is in different places.

The FY 10-11 recommended gross budget is $8.8 million; last year the CEP was originally $12.4 million for FY 10-11; the recommended budget is $3.5 million less.

Debt is dropping and in the first year of the CEP will drop more dramatically.

In FY 10-11 the BOE originally planned to do a heating retrofit at the high school for $4 million, and this has been pushed out to FY 12-13, increasing this year by $3.5 million.

FY 11-12 (year 2) is $22.5 million higher than in last year’s proposed budget and this is because of the waste water treatment plant.

FY 13-14 was originally $4.5 million. The 5th year of the CEP is very light. The variance comes from the following projects: $2 million in education renovation projects which were not in the FY 13-14 last year; $1 million comes from moving land acquisition to this year; $1 million is the Cook Hill pump station moved to FY 13-14; $2.5 million is for the Linear Trail.

FY 09-10 Capital Budget is tab #10 in the CEP book.

Page 1-8 Capital Expenditure Summary, 1985-2010; over 25 years the Town has made a commitment to its infrastructure; $219.6 million has been spent on infrastructure (major projects), with one-half in the Public Works area.

Page 1-1 Para. #5 notes the value of the assets of the Town at $228.6 million.

Page 1-2 Under item #1, it is noted that debt service is still going down by $750,000 over the next 2 years. There is $4.4 million in debt reserve to be dedicated to capital needs and this has not been factored into the analysis. The assumption is borrowing at 5%, with hopes of borrowing at 3.5% to 4% range.

Mr. Milone referred to page 1-2 and 1-3 of the book, noting that the capital budget does not have to be adopted until November (per the Town Charter). In order to get projects on the ballot for referendum, the process is compressed to 7 weeks, and Mr. Milone would like to have pre-planning for the capital budget. This would include working with the policy makers (BOE, WPCA, PW, PBC, Energy Commission) to get a sense of priorities and more utilization of the capital budget planning account. Mr. Milone also recommended using the capital planning
account more than has been done in the past to get the right numbers and analysis on a project.

Page 1-3, item #3 – Mr. Milone recommended the adoption of a vehicle equipment replacement fund to address the need to maintain and replace the fleet of rolling stock. This area has been neglected in the operating budget over the years. For this fiscal year the requests for rolling stock are in the separate department budgets. With adoption of a replacement fund all the items could be aggregated in one place.

Mr. Schrumm commented on the fact that the annual CEP goes to referendum, and these items must be done, but not the rest of this budget by the end of August.

Stating you cannot separate the two, Mr. Milone said it would not give a sense of the overall impact of five years, and assumptions are based on the overall debt analysis. He is not suggesting that the Council get off the current cycle, but does recommend that there be one or two pre-planning sessions to provide the Council with better information and priorities.

Mr. Schrumm agreed with Mr. Milone’s recommendation, noting that the Council could use some of the pre-planning for items in year two of the CEP which go into year one of the following year.

Mr. Slocum liked Mr. Schrumm’s idea that pre-planning be dedicated to the 2nd year of the CEP. He asked if Mr. Milone is dovetailing some of his thinking off of last year’s proposal that a certain amount of money be spent analyzing 20 public properties to get a sense of where we are.

In response, Mr. Milone said that would be the building assessment study. With that in mind the Council would select 5 or 6 projects, get a good analysis of the costs with valid numbers. At this time he is giving the Council numbers that will go to referendum, and in some cases the numbers are not firmed up because no one has been hired to firm them up. There is $97,000 left in the capital planning account from previous appropriations, and Mr. Milone is requesting money to be set aside for this account as part of the capital budget. A project would include engineering costs paid from the capital planning account, so it would be reimbursed as a built in cost of the project. If a project does not go forward there is no money to reimburse the account.

Regarding the rolling stock equipment account, Mr. Schrumm asked if Mr. Milone is suggesting to fund this account for a particular appropriation, buying off of it as the rolling stock needs are developed. He also asked about C.N.R. and if the suggestion is to put money into C.N.R. each year realizing all rolling stock needs would be satisfied from C.N.R. There are two ways to do it, pay through C.N.R. or acquire funds through bonding, put it in an account and borrowing against it.
Mr. Milone said he would not advocate bonding for these acquisitions, i.e. a police car at $40,000. His recommendation would be to use C.N.R. for some appropriations with guidelines established by the Council for items below or above a set amount. He recommends putting an amount into this account each year, and only use what there is in the account to buy vehicles on the replacement schedule.

Mr. Schrumm stated that by staying with the replacement schedule we will know how much stock must be replaced each year.

According to Mr. Milone this account would only be for pickup trucks, police vehicles, Parks and Rec tractor. Larger vehicles would not be part of this account. He has discussed this idea with Fleet Manager Kazer and he has the replacement schedule and knows when things are beyond a useful life. The formalization of a vehicle equipment replacement account must be discussed in more detail with the Council.

(Mrs. Giddings left the meeting at 7:30 p.m.)

FINANCE - Page 2-2
Ms. Ryan reviewed the CEP FY 2011-15. The recommendation is a contribution of $1.1 million in FY 2011 and 2012. The total CEP for FY 2011 is $77.8 million.

Mr. Milone explained that the idea was C.N.R. to equal one mill, and the plan was to get to one mill (worth $1.8 million) at $200,000 annually. A mill is now worth $2.17 million.

The credit rating agencies are pleased with $1.8 million.

The analysis of the General Fund five year CEP has 5 columns, and Ms. Ryan explained that (2) is the total capital budget for each of the five years; (3) ties to page 2.8; (4) is the reduction from grants, loans and other funding; and (5) is the net long term borrowing requirements.

Page 2-3 Debt service for existing CEP/Unissued/Projected 5 year and CWF. Existing bonded debt = $9.4 million; WPCD debt upgrade projected cost is $31.5 million; the WPCD debt has not yet been upgraded.

Going forward, all WWTP debt is built into this plan (column 3); WPCD does not have the ability to assume any more debt, and they will be strained to continue to meet their debt obligations with the projects they are paying for.

Column (4) shows the estimated CWF costs for the WPCD upgrade; column (5) shows the Council approved $9.3 million in debt service payments in the 2011 operating budget.
The WPCD projects are the plant upgrade, West Johnson pump station, Cook Hill pump station going forward and I&I evaluation and mediation. Mr. Milone explained that column (2) unissued debt for the existing capital plan, column (3) new projected CEP debt, assumes 5% borrowing interest rate on these two columns. Column (4) has the assumption of 2% if the Town is successful in getting the CWF grant.

Page 2-7  This page details the grants and other funding details. 2011 has $1.95 million of total grants and other funding sources.

Page 2-9  This page details the net bonding for projects at $5.8 million.

Mr. Milone stated that the grant estimates are not iron clad. Page 2-9 shows the identified projects for bonding; the grant/loan/other funding sources expectations decrease the bonding; if the grant proceeds do not materialize there must be the authority to bond the difference. If a grant does not go forward, a project does not have to go forward.

Page 2-8  This page is a summary of C.N.R. 2011-2015; it shows the anticipated use of C.N.R. funds; these funds are used for projects with a shorter life cycle, i.e. GIS, Public Property/Various Buildings, Century 21st Classroom.

Mr. Schrumm commented on page 2-3 with the increase in debt service going down, and using the debt service reserve account, +$4 million, which could wipe out any pluses in the years to come. 2016 is the big year for debt.

Without CWF Ms. Ryan said the debt will increase significantly.

We might get the CWF funding, but Mr. Milone said we might not get it as soon as we need it and this is a concern. We will have to find a creative way to finance some portion of the upgrade.

According to Mr. Schrumm, the last word from Hartford was that Cheshire may be pushed out a year because the clean water money was going to major cities, and we are not on the priority list. He stated that the Town cannot take on the plant upgrade project without the CWF money, and cannot absorb this huge cost on its own.

Mr. Milone said the debt service should be shown if the Town is unsuccessful in getting the grant and loan to see what the debt will be at 5% to understand the worse case scenario. Because of the way this loan is repaid it takes away the spike.

Ms. Ryan stated that the WPCA funding was done in two ways – with the CWF funding and at 5% and 4% with the project pushed out 6 months based on the
Timing of things as they are today. She will provide both scenarios to the Council.

FINANCE Page 3-1
Geographic Information System (GIS) - $135,000 in FY 2010-11.

Ms. Ryan said there is $80,000 in grants; the Town has a lower base of maps and this project must go forward to the next level with more applications to be used. The plan is to use some of the planning money for a consultant to provide an assessment of the GIS and then budget the project. The CAD system needs GIS, particularly for the public safety departments and all Town department functions.

Mr. Milone stated that, normally, capital planning money would be requested with this project in the 2nd year. The reason for the exception is that the Police Department has gone ahead with the elaborate CAD system for the communications center. The sooner that an upgraded GIS can be married to the CAD system the more effective it will be. The consultant for the Police Department looked at their system and the Town’s GIS system is inadequate for the new CAD system. By waiting the extra year there is a delay in the Police Department taking full advantage of their communication system. Mr. Milone said we want to do the two together and not separate them. We would have application for every Town department. The GIS base is there; we have the fly over; but the system cannot go deeper to get information off the system. Some of the information can come the Assessor’s Office, Town Engineer, Planning and Zoning, but it is fragmented and not automated. The new GIS would enable the Fire Department to call up information on a structure, look at the floor plan, ingress and egress, location of water lines and the sewer system, etc. The Police Department would use the system in the same way with house calls.

According to Ms. Ryan the Town has the generic base GIS, 4,000 feet above land, but all department needs are different. There are details in the loading of information for each Town department.

Everyone in every department could aggregate all the information with the upgraded GIS, and Mr. Milone said isolated information is also available.

With regard to the new computer system, Ms. Ryan said it is up and running well. Staff is receiving training attending user group meetings, with information from other towns on their application of the system.

Capital Planning Account - $110,000 requested in FY 10-11 and FY 13-14.

Revaluation - $828,000 FY 11-12. This is on the five year revaluation plan, with a full physical revaluation of the Town. This is a great expense and is State
mandated. Ms. Ryan advised that part time help, legal staff and appeals will be part of the costs.

Technology Reserve Fund - $150,000 FY 11-12. Due to the economy, funding for technology has been cut out of the budget. Ms. Ryan said the goal is to get on a five year technology plan; a disaster recovery plan is needed; and the I.T. staff is shared with the BOE. There would be seed money in the C.N.R. Ms. Ryan advised that the plan would address ban width, wiring/connectivity, hardware and rolling stock inventory needs and technology management. Expansion of the technology department staff for the Town and BOE is necessary for future growth and E-government opportunities.

It was recommended by Ms. Ryan that there be a Technology Steering Committee run by a steering committee of Town departments to study the technology budget and needs of departments.

According to Ms. Ryan many of the Town records are still on paper and not backed up. The financial system is backed up; building permit records are on cards; and a full back up system is needed. There is no I.T. director working on this as a main source of their work flow. Ms. Ryan said a formal disaster recovery plan is not expensive, but is important. We need a study of the ban width, wiring needs and requirements.

Mr. Milone reported that an investment was made in the 1990’s to create the network and all we have today, spending $300,000 to $400,000. Nothing has been done since them. Things have been piece meal, reacting in an ad hoc way for ongoing needs. We should look at what we are doing, and integrate everything. The Town administration has met with the BOE administration, and there is support of a technology reserve fund and study.

A formal plan is needed and Ms. Ryan said a return on investment is hard to quantify. The Town spends about $5,000 a year for disaster recovery. But, the I.T. staff does not have the time to write a formal plan. There must be investment in technology; the budget for training and replacement of equipment has been reduced; and without keeping up with skills there is lower productivity.

Regarding the impact of E-commerce, Mr. Milone cited the Parks and Rec Department as an example of a department which would use this system. People could download the program registration and make payment. This would reduce people coming into the office and reduce staff time for these tasks. In the future, it is hoped that people can pay their taxes on line.

PARKS AND RECREATION DEPARTMENT 8-1
Mr. Ceccolini informed the Council that in the first 9 days of July there were 1,000 daily passes sold. The coupon in the book which went out to households resulted in many people calling and coming into the pool.
Mixville Park – there are new security lights and playground; the pond is not yet opened; the geese plan is in operation to remove the birds from the park.

Linear Trail Expansion - $875,000 FY 11-12; $2.9 million FY 13-14; total project cost in the five year plan is $3.8 million.

Mr. Milone reported on two major changes for the Linear Trail. The cost was $1.6 million in last year’s plan. It is now $3.8 million total for the two section expansion from Cornwall to West Main and West Main to Jarvis Streets.

Pool Replacement Bubble - $500,000 FY 11-12.

Mr. Ceccolini commented on the four projects funded in the five year plan.

Park Improvements, $143,000 FY 10-111. Last year there was $90,000 for Mixville Park improvements which are going along nicely. There are two parts to the park improvement projects – fencing around the park fields to protect the fields from people parking cars on them, and a storage building at Bartlem Park. With the expensive irrigation systems at the parks, it is important that they not be damaged by people parking cars on the fields, and the fence will alleviate this problem. The department has 8 bays at the Town garage, with one tractor stored at the Maple Avenue storage area. The old barn at Jackman Farm houses some equipment, but this barn has a short life and could come down at any time. The old Parks garage is still used for some storage, but the Fire Department has moved equipment in and space has been lost. A small shed at Bartlem would house some equipment for each of the sport organizations using the park. A contractor would be hired to build a storage building similar to the existing maintenance building at Bartlem Park.

(Mr. White entered the meeting at 8:37 p.m.)

For the concession stand at the park, Mr. Schrumm requested that there be no granite curbing in the parking area.

Linear Park – Mr. Ceccolini stated there is $875,000 in FY 11-12 for the Cornwall to West Main Street section of the expansion project. The next phase, West Main to Jarvis Street is $2.9 million. The project’s estimated costs were compiled by Milone and MacBroom, with a breakdown of the details for the project (survey, design, permitting, testing, DOT contingency, construction administration) for both phases.

Mr. Milone informed the Council that there is $875,000 funding in FY 11-12. To get the project from Cornwall to West Main is $1,675,000; we have $800,000 appropriated; and out of this $800,000 there is $320,000 promised from the federal government 10 years ago which is still alive. Mr. Milone reported that
he, Mr. Ceccolini, Mr. Sitko, Mr. Michaelangelo and Tom Sheil from Milone and MacBroom will be meeting with DOT this week for a meeting to appeal to them to keep this money alive. It is possible that this money could be redirected somewhere else, and Mr. Milone wants to request another 6 month extension for this funding to Cheshire.

There is a $250,000 grant, but the Town has not been formally notified it will be received, other than a phone call from OPM a few months ago. This money can be used on any part of the trail, with reapplying for the funding. The $320,000 already received must be used on the Cornwall to West Main Street portion of the project. With the original $800,000 there was a problem because there was an expectation that the Town would receive 80% reimbursement for the original trail project. In 1998 this $800,000 was approved by the Town Council, did not go to referendum, because $640,000 was expected to come from the federal government. The Town’s appropriation was only $160,000. Now we are only getting $320,000, and if the project stayed at $800,000 it could not go forward without going to referendum because the grant money is half of the original appropriation which was approved.

According to Mr. Schrumm the DOT people want this trail expanded, and his recommendation is to get this funding re-authorized for West Main Street to the north. The plan was to start at West Main Street and tie into Southington, and finish the last little stretch. With Southington coming down from the north, there will be more value to the money spent to go West Main Street to the Southington line, than spending $3 million to go through swamp areas from Cornwall. This is not an attractive stretch of the trail, and there can be an interruption in the trail line.

It was recommended by Mr. Slocum that $3 million be taken out of FY 13-14 and moved to FY 11-12.

Mr. Milone explained that it is up to $2.9 million. Milone and MacBroom went in there, and advised that with the change in the land, which is very wet, that boardwalks would have to be built for the Cornwall to West Main portion.

Mr. White asked about the $250,000 to be used on any part of the trail, and if this was stimulus money.

In response, Mr. Milone said DEP set aside money for trails, and to use it anywhere else requires a reauthorization which DEP said could be done. Mr. Milone also stated that the intention is to go to the DOT to free up the $320,000 for any part of the trail. The $320,000 is the last of the ISTEA funding for construction of linear trails.

With going West Main to Jarvis Street, Mr. White asked about a bridge crossing 691. He also said it makes more sense to go from Southington south.
Mr. Schrumb commented on this being a railroad bridge, and structurally it can handle bicycles.

This is not a 100 year old bridge and Mr. Falvey said its use was only stopped a few years ago.

If there is a consensus that the Council wants staff to request DOT to inspect this area for the trail, redirect the $320,000 north of West Main Street, then Mr. Milone said this would be discussed with DOT.

Mr. Schrumb stated that the more you infill the more attention and pressure there is to get the rest of the pieces done. With the West Main Street crossing solved there is a strip of pavement to be used. He said it is crazy to spend the large sums of money to go through wetlands, Cornwall to West Main, and the project should go north.

With regard to the $250,000 grant, Mr. White asked if this requires a matching grant requirement.

Mr. Ceccolini said it does not have such a requirement.

Stating he is not committed to spending money on anything like this now, Mr. White said the DEP should be asked to redirect the money to West Johnson Avenue to the Southington town line stretch of the linear trail.

With the West Main Streetscape project, Mr. Schrumb noted that there will be added economic stimulus to this area of Town with attraction of more people to this section.

There are three options, and Mr. Ceccolini said they are Cornwall to West Main, West Main to Jarvis, or go to the Southington line and connect the trail. To go West Main to the Southington town line is very costly, and amenities such as parking, bathroom, water, etc. are needed.

Mr. Ruocco stated the Cornwall to West Main Street area of the trail is the least desirable area for public use.

Vehicle/Equipment Replacement - $500,000 FY 11-12. Mr. Ceccolini informed the Council on the Parks and Rec vehicle replacement schedule. Year #1, $40,000 for 1 tractor and 1 replacement vehicle; year #2 infield groomer, $18,000; year #3, replacement truck, $34,000; year #4, 2 large replacement mowers, $36,000; year #5, replacement truck-small dump truck, $45,000.

Mr. Milone said he would provide a breakdown of the vehicle inventory for the Town vehicles.
Mr. Ceccolini advised that his department vehicle is a 1999 SUV with +150,000 miles. The tractors to be replaced are +20 years old, and with new tractors there would be fewer repairs needed, and one is needed with a creeper gear to do some of the required field work.

With his department vehicle, Mr. Ceccolini reported that he moves equipment for the department and Town events, and a vehicle capable of handling this equipment is required.

Pool Bubble $500,000 FY 11-12. The bubble is into its 7th year, and they usually last 8 to 10 years. The replacement cost is for the bubble and new blower/inflation system. The design of the bubble could be changed. With a bubble dropped to the ground on all sides of the pool, it would not be pressurized against the building. This would require a new cable system supporting the bubble underneath; there would be tunnels through the doorways; some engineering and building adjustments would be required with loss of some deck space.

Mr. Schrumm commented on leaving this money in the CEP for the pool solution, and said $500,000 may not be needed if we go to a summer only pool. He is willing to leave this money in the CEP as a place holder, but he is not in support of a new bubble.

Mr. Milone said something must be on the table as a place holder for discussion of the situation at the pool with a new bubble.

The Council was informed by Mr. Ceccolini that the least expensive way to go is to reline the bubble. This requires sending it to Florida for the new lining in May to be returned in September for installation.

Mr. White said the pool bubble should be in the CEP, but he would not vote in favor of a bubble replacement.

Mr. Ceccolini said that making the pool seasonal would require annual preparation, winterizing the pool each year, including a cover for the pool for the new vinyl lining. Another issue would be the snow on the pool during the winter.

Regarding the new finance computer system, Mr. Ceccolini stated that in the last two years the preparation of the budget has been very easy compared to past years. It is a good improvement for Town departments.

There was a brief discussion about payment for Parks and Rec programs on line, but Mr. Ceccolini said there are limitations. With registration on line there is a savings of $12,000 to $16,000 annually. The department brochure is on the web site, and hard copies are available at the office. The Rec Trac system is great to have for registrations, etc. but to get the next module is about $15,000.
Mr. Milone noted there could be issues with the Rec Trac registration program and E-government compatibility. He will have Ms. Ryan check into this and advise.

Ray Squier, Cook Hill Road, expressed a compliment to the Parks and Rec Department on the road barrier at Bartlem Park, and asked about extending this barrier for safety reasons.

There was a brief discussion about the condition of Town roads, with particular notice of the poor condition of Peck Lane. Mr. Milone advised that Peck Lane is in the process of getting started, with work on the basins, curbs, milling, paving. The project goes to Grandview, and then to Schoolhouse Road, with IWW approval. The goal is to get through the entire Town over 20 years. It is expensive and next year the $1.3 to $1.5 million will get the same number of roads done. It will cost more to do roads in the future. When the road study was done by the consultant, it was found that Cheshire’s roads are in better shape than most other towns.

Mr. Schrumm stated that when the roads are being rebuilt, we are putting in drains, curbs, etc. and not just chip sealing as was done in the past. Peck Lane was one of the first roads to go through the entire process, and that was about 20 years ago. Now is the time to go back through, after 20 years, to grind, chip seal and repave some of these roads. The expense will not be as great because the drains are already there.

According to Mr. Milone some of the drains will have to be replaced because they are not working.

When Public Works comes in to review the department CEP, Mr. Schrumm asked that Director Michaelangelo inform the Council on what is to be done next, and what $300,000 in the next budget year will do.

Mr. White wants a priority list from the PW Director which gives an estimate of the costs of each section of road. The Council then makes the decision on roads to be chip sealed or completely redone.

The Council was informed by Mr. Milone that the list of the money is for repaving, not reconstruction of the roads.

Mr. Slocum stated that when we talk about roads to be redone, the Council is talking about neighborhood roads on which people drive each day.

4. ADJOURNMENT

MOTION by Mr. Ruocco; seconded by Mr. Schrumm.
MOVED that the Town Council adjourn the meeting at 9:22 p.m.

VOTE The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk