

MINUTES OF THE CHESHIRE TOWN COUNCIL JOINT SPECIAL MEETING AND BUDGET COMMITTEE MEETING HELD ON MONDAY, AUGUST 26, 2013, AT 7:00 P.M. IN COUNCIL CHAMBERS, TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410

Present

Tim Slocum, Council Chairman; David Schrumm, Vice Chairman and Budget Committee Chairman; Michael Ecke, Patti Flynn-Harris, Peter Talbot

Absent: Andrew Falvey, Sylvia Nichols, James Sima

Staff: Michael A. Milone, Town Manager; James Jaskot, Finance Director; Vincent Masciana, Director of Management Services. Dept. of Education

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. FISCAL YEAR 2013-2014 FIVE YEAR CAPITAL PLAN AND ANNUAL CAPITAL EXPENDITURE BUDGET (JOINT)

Mr. Milone distributed a packet to the Council on the Plan

Attachment #1

Page 1-1 – Program Element Summary

Page 1-2 – Finance Department.

Capital Planning Account - reduction to \$50,000 in year #1.

Revaluation - \$100,000 (no change)

Technology Reserve Fund - \$651,000 (no change)

Page 1-3 – General Services

Vehicle/Equipment Replacement Fund - \$242,000 in year #1; no changes.

Page 1-4 – Public Property

Open Space Land Management – reduction to \$50,000 in year #1.

Page 1-5 – Planning/Land Acquisition – “0” in year #1; \$1 million in year #2.

Page 1-6 – Fire Department

Installation of Water Mains – “0” in years 1, 3, 4 and 5; \$150,000 in year #3.

Replacement of Snorkel Aerial Apparatus - \$980,000 in year #2.

Page 1-7 – Public Works

Creamery Road Bridge - \$850,000 in year #2.

PW Dump Trucks (2) - \$350,000 in year #1 (no tandem trucks - regular dump trucks)

Page 1-8 – Public Works Sewer and Water  
No changes.

Page 1-9 – Human Services Department  
No changes.

Page 1-10 – Parks and Recreation Department  
Addition of Community Pool Bubble Replacement w/Tension Membrane Structure - \$3.2 million in year #1.

Page 1-11 and Page 1-12 Education  
New public bathrooms, ADA, Code Compliance, Concession Stand Improvements, Grading and Paving Improvements – all zeroed out.  
Replacement - Upgrade Public Bathrooms and Concession Stand at CHS Athletic Complex – ADA & Code Compliance - \$350,000 year #1.

The resolution description will be rewritten to include the full description to cover all the projects.

Mr. Talbot is not confident the projects can be done for this amount, and questioned what happens if this project cannot be done for \$350,000 and more funding is required. He also asked about the confidence level of the BOE in this regard.

Mr. Milone advised that with a supplement to the project above the \$350,000 the funds would have to come from the BOE operating budget or the Council would have to approve funds from the BOE CNR building maintenance fund or go to referendum.

Mr. Masciana reported there is \$215,000 in the BOE maintenance fund with another \$75,000 to be put into the account shortly. Some of this money must be set aside for roof replacement. The BOE would get a design professional, determine what can be done for the money it has, and what can be done within these parameters. The allocation of these funds is a step in the right direction.

The size of the building was questioned by Mr. Slocum, who estimates it to be about 1,000 sq. ft. with a cost of about \$200 per square foot. It may be necessary to add space to the existing building.

There is an opportunity to use the existing building and Mr. Schrumm said the work can be done and be ADA compliant. He cautioned the BOE and PBC that the dollars to be spent are stated for the project.

There is sewer and electrical connection to the building.

Page 1-13 Education  
Roof Repairs - \$200,000 in year #1.

Page 1-14 Education

Increase of \$150,000 for Telephone and PA system in year #1; this is the amount removed from Technology in year #3.

21<sup>st</sup> Century Classroom - \$240,000 in year #1; this will bring the total project under the referendum limit.

Cafeteria Renovations - \$25,000 in year #1; \$625,000 in year #2; \$1.2 million in year #3; \$800,000 in year #4.

For the cafeteria renovations, \$25,000 in year #1 is planning money. Anything left over from the high school project could be used for the next school project.

Page 1-15 Education

Utility Tunnels – year #1 zeroed out; \$25,000 in year #2.

Classroom Improvements - \$300,000 moved to year #1.

Page 1-16 Education

Various School Improvements, \$150,000 in year #1.

Attachment #2

Page 2-1 - Summary resolutions for #1 through #27. The boiler plate language will be sent to the Council by Tuesday morning.

Page 2-3 – Mr. Milone explained that the bond counsel segregates projects by appropriation amounts; anything under \$175,000 can go forward after Council approval with money spent and requisitions signed. Projects \$175,000 to \$350,000 must wait 21 days from the date of publication, as these projects could be petitioned for referendum.

Resolution items 3, 10, 11 and 26 are referendum items.

3 – Technology Reserve Fund, \$651,000; Blacks Road Bridge, \$820,000; Road Repavement, \$1.75 million; Community Pool Tension Membrane Facility, \$3.2 million.

Bond Counsel has taken exception to a few items. The Council had appropriated \$110,000 for Mixville dredging and dam, primarily for design and planning money. However, the description included “construction”, and the current project is for construction. Therefore, bond counsel coupled the \$110,000 to the \$300,000 appropriation which puts the amount over the referendum limit. Mr. Milone and Mr. Jaskot have recommendations on how to handle this issue.

21<sup>st</sup> Century Classroom – Three years ago there was a bond appropriation of \$110,000; this is why the recommendation for FY 2013-2014 is to spend up to \$240,000 to keep the total project at \$350,000 just under the referendum limit. There was an inactive project in 2007-08 for \$250,000 which was discovered, and this puts it over the referendum limit.

Attachment #4 Summary of CNR Funds

Page 4-1 shows how funding for the projects will be supported. This report aligns with the prior report; the only difference is Open Space Land Management was reduced to \$50,000 from \$110,000, which picks up another \$60,000. Otherwise everything is same as represented last week.

Page 4-2 – represents projects that have to be bonded.

Page 4-3 – represents all of the grants available which will offset the various projects and reduce bonding amounts.

With regard to Mixville projects, \$60,000 was left in the original appropriation; and there is \$300,000 for the current project.

Sidewalks, Masonry, Chimneys, \$250,000 will be a bonded project. Mr. Masciana wrote the resolution with site specific projects.

Page 4-2. Mr. Milone reviewed the summary, and compared the original CNR, page 4-1, to the new CNR, page 4-2.

Public Safety – last week \$125,000 set aside for firefighting equipment, and in the 8/22/13 summary, it is suggested to be bonded.

Mixville Dredging \$300,000 will now be funded out of CNR.

21<sup>st</sup> Century Classroom \$240,000 will now be funded out of CNR.

This was made up by taking \$125,000 from firefighting equipment and District Sidewalks/Masonry/Chimney work \$250,000, and both will be bonded.

Resolutions have been rewritten with specific identification of sites for the funding.

In the project summary, nothing has changed; every project stays as is; and what happened is flip-flop of CNR so there are only 4 projects.

Post August 22<sup>nd</sup> Summary

CNR Summary as of 8/27/13 Proposed. Mr. Milone said the bonding changes a little, with \$125,000 Firefighting Equipment and \$250,000 for District masonry work. This nets \$40,000.

The Mixville Dam work will be bonded in year #2 at \$200,000, and is a separate and distinct project from the dredging project.

Mr. Ruocco made a comment about using these CNR funds.

Should something arise in the coming year with a need for CNR funds, Mr. Schrumm said projects could be deferred or costs reduced.

LoCIP funding of \$185,000 is for road replacement, and Ms. Flynn-Harris asked about this being the maximum amount for which the Town can apply.

This is the maximum the Town can receive and Mr. Milone said there is 100% assurance of these funds, and the legislature stated the money could be used for trail expansion. The Linear Trail is not a bonded project, does not need bond authorization and does not have to go to referendum. The total is \$3.4 million for the project.

Mr. Milone will e mail the entire packet of resolutions to the Council on Tuesday morning. He said the Council decides which projects are referred and which are not referred.

Resolution #16 – will be written to include the language “equipment and grading and construction.”

Resolution #22 – is \$300,000 and will be site specific.

Mr. Talbot stated his strong support of the \$980,000 for the Fire Department aerial truck in year #1, and his research shows this has been put off for 4 or 5 years. It is a recommendation from the Fire Chief and 9 people should not be making this decision, as the ultimate decision should be made by the citizens of the Town.

In response, Mr. Schrumm said if he thought it was a matter of public safety he would support the fire truck purchase. There are many fire department issues which must be taken up.

Mr. Slocum said that with the fire truck in year #2 at \$980,000 there is an obligation to purchase what the fire department needs, and costs must be reviewed for such a significant investment. He supports the purchase of the truck in year #2 at the best price possible.

Mr. Talbot expressed his concerns about this project being pushed out to year #2.

The Council received information from Chief Casner on Connecticut towns and their inventory of fire fighting equipment, and Mr. Slocum does not believe there is a dire public safety issue at this time. Cheshire has mutual aid and assistance in place.

If the Fire Chief makes a recommendation as he has for many years, Mr. Talbot believes 29,000 people should make a decision, not 9 people, and the Council does its job by giving citizens the option.

Mr. Schrumm said that the fire department issues must be addressed holistically.

This is not done with other things and Mr. Talbot pointed out the non-holistic approach used to take care of the ADA and code compliance issues at the high school. This work has been chopped up by the Council.

Mr. Ecke said that whether the fire truck is critical is an individual opinion of Mr. Schrumm versus that of other Council members.

Ms. Flynn-Harris said that the discussion on fire equipment is separate from the issues brought forward by the Fire Chief on manpower, and there will be a peer review on issues. The truck is a fire safety issue and there is staff to run this truck today.

According to Mr. Slocum there are a series of grants and funds which must be researched for firefighting equipment, and whether or not purchases can be made from the State list. This is the 2<sup>nd</sup> truck and not a replacement truck.

Mr. Ruocco commented on ADA compliant projects and not having to go to the full extent to meet this compliance.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to forward the Annual Capital Expenditure Budget to the full Town Council for approval.

VOTE The motion passed unanimously by those present.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to adjourn the special joint meeting at 8:00 p.m.

VOTE The motion passed unanimously by those present.

#### BUDGET COMMITTEE MEETING

The meeting opened at 8:02 p.m.

#### 4. F.Y 12-13 OPERATING BUDGET TRANSFERS

Mr. Milone distributed the list of budget transfers along with options to cover shortfalls, and reviewed them with the Budget Committee.

Town Manager – (\$4,706); \$3,400 Town Manager's raise was never budgeted; \$1100 excess in overtime expenses; and \$150 more in dues and memberships.

Town Clerk – (\$16,139.71); \$4,600 overtime; \$10,500 contractual services; and salary account over budget. Contractual services and overtime is reflection of significant increase in land records; received \$180,000+ in revenue.

Finance Department – (\$44,682.00); \$4,200 overtime; \$25,000 I.T. Department payout for staff; \$11,400 consultant contract changes.

Medical Benefits – (\$104,423.62); Workers Comp over budget \$30,000; VEBA \$74,000 over budget pay out from the operating budget; contract negotiations/actuarial consulting \$10,000; VEBA liabilities will decrease in the future.

Civil Preparedness – (\$48,829.09). \$100,000 into the account from CNR; \$149,000 in direct wages for storms; significant overtime charged to this account along with salt and materials and some truck repairs. Cheshire will be receiving a net reimbursement of \$220,000. More expenses to be submitted to FEMA for repairs to trucks, road repairs for curbs etc. and administrative costs.

Mr. Milone commended Mr. Jaskot for his diligence and hard work in preparation and submission of the many forms for FEMA reimbursement.

Police Department - \$107,475.27 under budget; this was due to vacancies and under budget on overtime in some areas of the department.

Fire Department - \$47,000 under budget.

PBC – (\$20.62) – advertising.

Public Works (\$130,000); supplies and materials for road repaving came out of the operating budget, \$180,000, to extend the repaving money; \$24,000 for West Main Street drainage problems.

WPCA – (\$537);

Public Health – (\$14,762); supplemental payment to Chesprocott.

Senior Services – (\$37.50);

Parks & Recreation – (\$24.56).

Education – (\$6,505); will be zeroed out.

Legal Bills - \$22,000 will be charged back to last year.

Total transfers - \$408,331.68.

There was a \$605,000 favorable revenue variance. \$991,000 possible audited surplus.

Mr. Milone reviewed the two proposals for transfers.

Proposal #1 – was transfers without protection and preservation of CNR.  
CNR was used as foundation for \$175,000 of the transfers.

Proposal #2 - If Council wants to preserve the CNR, proposal #2 would be the preferred one. Mr. Jaskot captured excess balances in other areas, and used them to make up the shortages, rather than taking \$175,000 out of CNR.  
Excess balances are on the left side of the proposal; and the right side are the accounts with shortages.

Mr. Milone pointed out that the surplus is \$291,000 over the \$700,000 appropriated; the problem is that the Council appropriated CNR at \$1.1 million; and all that is available is \$175,000. To increase that would require an additional appropriation retroactive to last year.

Mr. Jaskot said this would change the budget increase about \$25,000. We have unused CNR right now if there was no transfer to the CNR fund.

Without doing anything the \$175,000 in CNR is preserved, and Mr. Milone said when the Council approves the transfers it should formalize moving the \$175,000 into the actual CNR account. Otherwise, it becomes part of the surplus. There will be a resolution on this at the 8/27/13 meeting.

\$48,000 in unallocated CNR, plus \$175,000 = \$223,000 to the CNR fund.

Mr. Schrumm asked about an open ended resolution authorizing the Town Manager to put all the extra surplus into CNR.

Mr. Milone said the amount will have to be identified.

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

MOVED to accept Proposal #2 for the transfers and refer this to the full Town Council for approval.

VOTE        The motion passed unanimously by those present.

## 5.    ADJOURNMENT

MOTION by Mr. Ruocco; seconded by Mr. Ecke.

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

VOTE        The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk

