

Special Joint Meeting
Board of Selectmen
Board of Finance
Board of Education
March 11, 2009 – Town Hall
127 Norwich Avenue

RECEIVED
COLCHESTER, CT
2009 MAR 13 PM 12:51
Nancy A. Bray
NANCY A. BRAY
TOWN CLERK

BOARD MEMBERS PRESENT: Board of Selectmen: First Selectman Linda Hodge, John Malsbenden, Greg Cordova, Stan Soby; Board of Education: Chairman William Hettrick, Mary Lynn Burke, Elizabeth Ciccone, Donald Kennedy, Timothy Lamp, Monica Swyden-Bolles; Board of Finance: Chairman Bruce Hayn at 6:38 p.m., Ronald Goldstein, Michael Ryan, John Ringo, Brian Smith, Ronald Crabb.

Chief Financial Officer Maggie Cosgrove, Superintendent of Schools Karen Loisselle, Treasurer Jon Sandberg, Bacon Academy Principal Jeffry Mathieu, Fire Chief Walter Cox.

MEMBERS ABSENT: Selectman Rosemary Coyle, Board of Education Member Mike Egan.

1. CALL TO ORDER

Vice Chairman Goldstein called the Board of Finance to order at 6:33 p.m.
First Selectman Hodge called the Board of Selectmen to order at 6:33 p.m.
Chairman Hettrick called the Board of Education to order at 6:33 p.m.

Board of Finance Chairman Hayn arrived just as the Debt Service presentation began.

2. PRESENTATION AND DISCUSSION OF CURRENT DEBT SERVICE REQUIREMENTS AND DEBT SERVICE PLANNING

Chrissy Caruolo, Financial Advisor and Assistant Vice President of Webster Bank gave a presentation on the bonding process and requirements for a town. C. Caruolo explained the ratings given to the Town by Moody's and Fitch rating agencies and how that affects the bonding process. Currently Colchester has an A1 from Moody's and an AA- from Fitch. These ratings are based on a number of items including the economy, the ability to pay/finances, existing debt, and the administrative/management strategies of the town.

C. Caruolo said the percentage rates are low and the Town has a good rating. The Town can borrow in 2009, with interest only payment in 2010 with principal and interest in 2010-20110 or it can be structured to defer the first principal payment.

M. Cosgrove added that if the bond is approved in May the Town does not have to borrow immediately. Presentation attached.

3. CITIZENS' COMMENTS

Citizens speaking in favor of the Bacon Academy Track Replacement project were:
Jonathan Bain, Jimmy Lang, Rich Conan, Jim McNair, Patrick Decker, Anita Hill, Natalie Gaudette, Ellen Weinick, Jessica Tucker, Karen Van Heest, Jeff Tucker.

John Knapp asked questions regarding the bond rate.

J. Sandberg stated his support for the track but is concerned with the Town's rating and the impact in this economy.

4. PRESENTATION OF PRIORITY ITEMS FOR CAPITAL PROJECTS

Superintendent Loisselle and Bacon Academy Principal Jeffery Mathieu gave a brief overview of the condition of the track.

The Selectmen provided a list of priority items for potential debt financing. The top four items included the ET 228 and equipment (fire truck), road improvements, R528 (Ambulance) and Technology.

Fire Chief Walter Cox explained the ET28 fire truck has been in the Capital Improvement Plan for 12 years and is the primary piece of equipment for the Fire Department. The high standards the Department has through its equipment show in the high rating the Town has with the International Standards Organization (ISO) which in turn gives savings in insurance to property owners.

Chief Cox explained that Emergency Medical Services calls have been increasing – 1,200 calls in year 2000 to 1,965 last year. The ambulances provide basic life support and sometimes are required to travel long distances, as well as provide mutual aid services. It was noted that the ambulance does bring in substantial revenue, last year the amount was in excess of \$400,000.
Presentation attached.

5. DISCUSSION AND POSSIBLE ACTION OF CAPITAL ITEMS TO BE VOTED AT REFERENDUM

The Board of Selectmen had approved and forwarded to the Board of Finance a recommendation to bond the fire truck and the BOE track.

At a March 4, 2009 meeting of the Board of Finance a motion was made and approved to bond the fire truck and the road improvements on the priority list. The road improvements were a new addition to the list coming out of budget discussions.

Motion by: R. Goldstein
to rescind the March 4, 2009, BOF motion approving the truck and road improvements.

Second by: B. Smith.

Vote: Opposed: J. Ringo, M. Ryan, R. Crabb.
In favor: R. Goldstein, B. Smith. NOT APPROVED.

The motion from the March 4, 2009 BOF meeting to bond the fire truck and road improvements stands.

Motion by: B. Smith
to add the ambulance, the BOE track, and proposed technology package to the bond issue.

Second by: R. Goldstein.

Vote: Opposed: J. Ringo.
In favor: R. Goldstein, B. Smith, M. Ryan, R. Crabb. MOTION CARRIED.

6. DISCUSSION AND POSSIBLE ACTION ON 2009-2010 BOARD OF EDUCATION BUDGET

Chairman Hettrick noted that the Board of Education voted on their budget at last night's meeting and will present it to the Board of Finance at the next workshop meeting. No action taken.

7. CITIZENS' COMMENTS

Jim Lane thanked the BOE for the time and money put into the study of the track.

Brett Rhodes asked the Board of Education to reconsider the middle school sports that were cut from the budget.

Kristi Rhodes stated she had an issue finding meetings, schedules and explained that she felt travel teams were not a substitute for school teams.

Superintendent Loiselle explained that all agendas (posted a minimum of 48 hours prior to a meeting) and minutes are posted on the websites (and in Town Hall).

John Knapp congratulated the Board on their decision and stated they needed to get support out for the budget.

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8. ADJOURNMENT

Motion by: BOF Member B. Smith
to adjourn the Board of Finance meeting.

Second by: R. Crabb.

Vote: Unanimous.

Motion by: BOS Member J. Malsbenden
to adjourn the Board of Selectmen.

Second by: G. Cordova.

Vote: Unanimous.

Motion by: BOE Member E. Ciccone
to adjourn the Board of Education meeting.

Second by: M. L. Burke.

Vote: Unanimous.

The Chairman of their respective Boards adjourned this Special Joint meeting at 9:21 p.m.

Respectfully submitted,

Mary Jane Slade
Recording Secretary

**A PARTIAL TAPE RECORDING OF THIS MEETING IS AVAILABLE THROUGH THE
FIRST SELECTMAN'S OFFICE.**

Webster Bank Government Finance Group

Presentation to the Town of Colchester

Given by Christine Caruolo, AVP

March 11, 2009



Topics of Discussion

What is Bonding?

When Should Bonding Occur?

Alternatives to Bonding

Current Municipal Bond Environment

Town's Debt Outstanding

Impact of Any New Debt Service

What is Bonding?

Bonds (more than one year maturity)

- Permanent financing
- General obligation (full faith & credit of issuer)
- Revenue (pledged revenue stream)
- Taxable vs Tax-Exempt

Notes (one year or less maturity)

- Temporary financing
- Bond Anticipation Notes (BANs)
- Tax Anticipation Notes (TANs)

What is Bonding?

Municipal Bonds

Tax-exempt General Obligation Bonds

Many different kinds, including pension obligation bonds, revenue bonds, industrial development bonds, etc.

Issuer is any public entity with public funds (Towns, Cities, Districts, States, etc.)

What is Bonding?

Three types of Sale methods

Competitive

- Best rate received on average

- Recommended for the average bond sale

Negotiated

- Recommended for “story bonds”

- Large increase in Sept/Oct 2008

Private Placement

- Bonds in denominations of \$100,000 sold to 35 or less sophisticated investors

When Should Bonding Occur?

When it Makes Fiscal Sense

Interest rate received makes up for cost of issuance

Good Market Environment

- Underwriters willing to bid
- Municipal rates are low compared to other financing methods

Projects Pass the Litmus Test

- Capital, non-recurring projects
- Life of project matches life of bond

Alternatives to Bonding

Pay-As-You-Go

Appropriating from operating budget

Pay all at once or save up over a few years

If paid from fund balance, cost is loss of investment income

Leasing

- Tax-exempt or taxable

- Issuance Costs

- Town must appropriate lease payment each year

Usually, no referendum needed

May pay higher interest rate

Current Municipal Bond Environment

Bond Insurance

Town's rating matters more

Bidders have changed

Flight to quality environment

If Town has a good rating, it's a
great time to issue bonds

Rating Agencies

Independent Agencies with Obligations to
the Investment Community

Moody's/Standard & Poor's/Fitch Ratings

Four areas of the rating

- Economy

- Debt

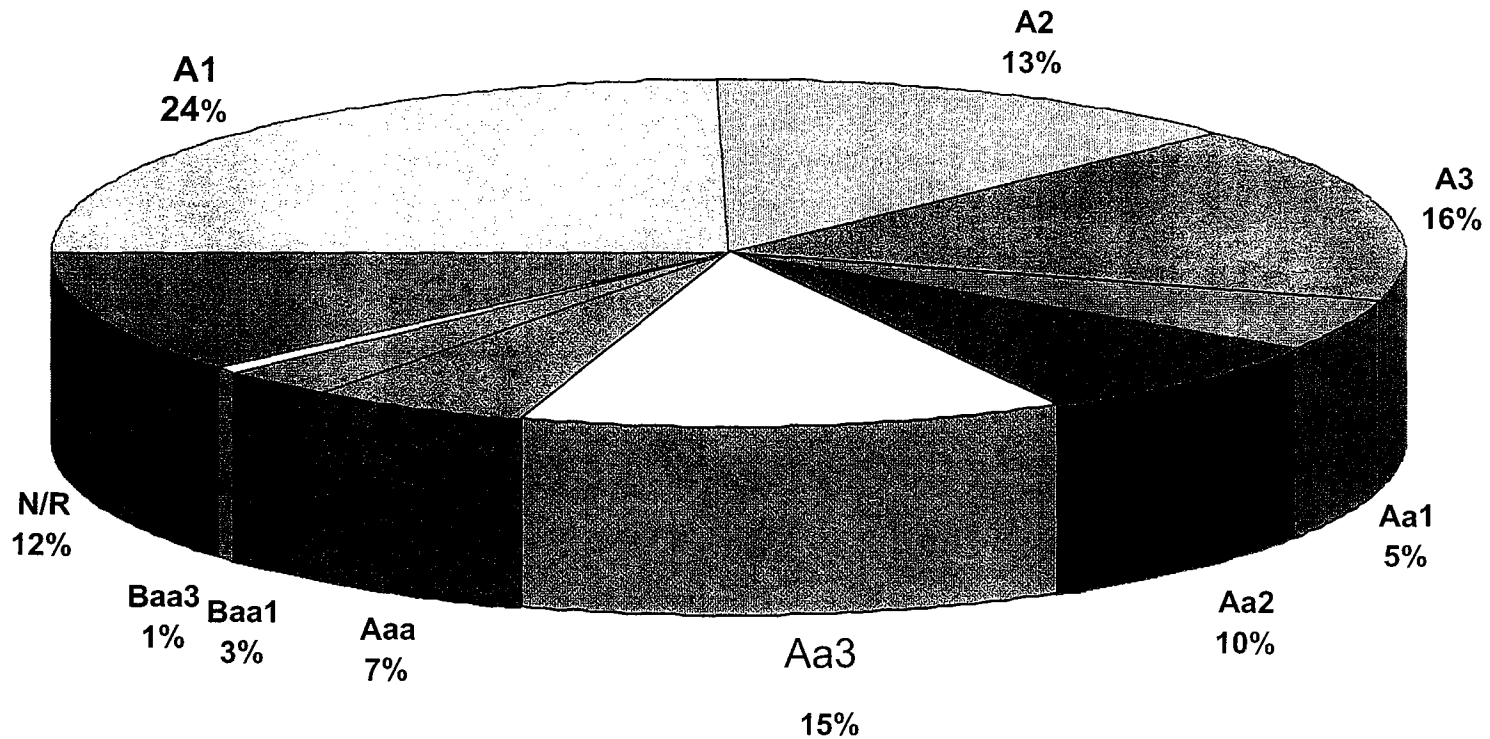
- Finances

- Administration/management strategies

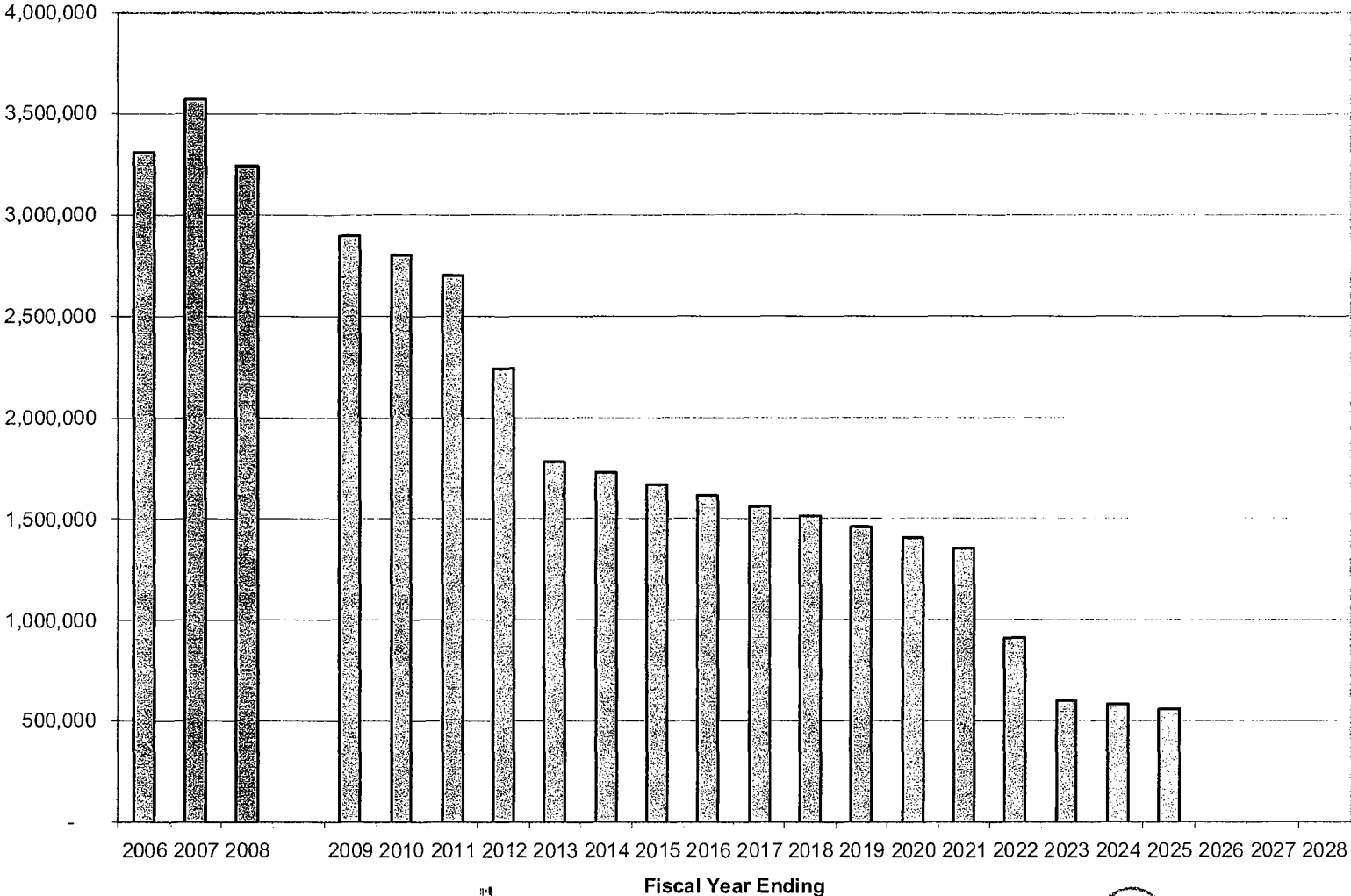
Investment Grade Ratings

	Moody's	S&P	Fitch
Best Quality	Aaa	AAA	AAA
High Quality	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
Upper Medium Grade	A1	A+	A+
	A2	A	A
	A3	A-	A-
Medium Grade	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-

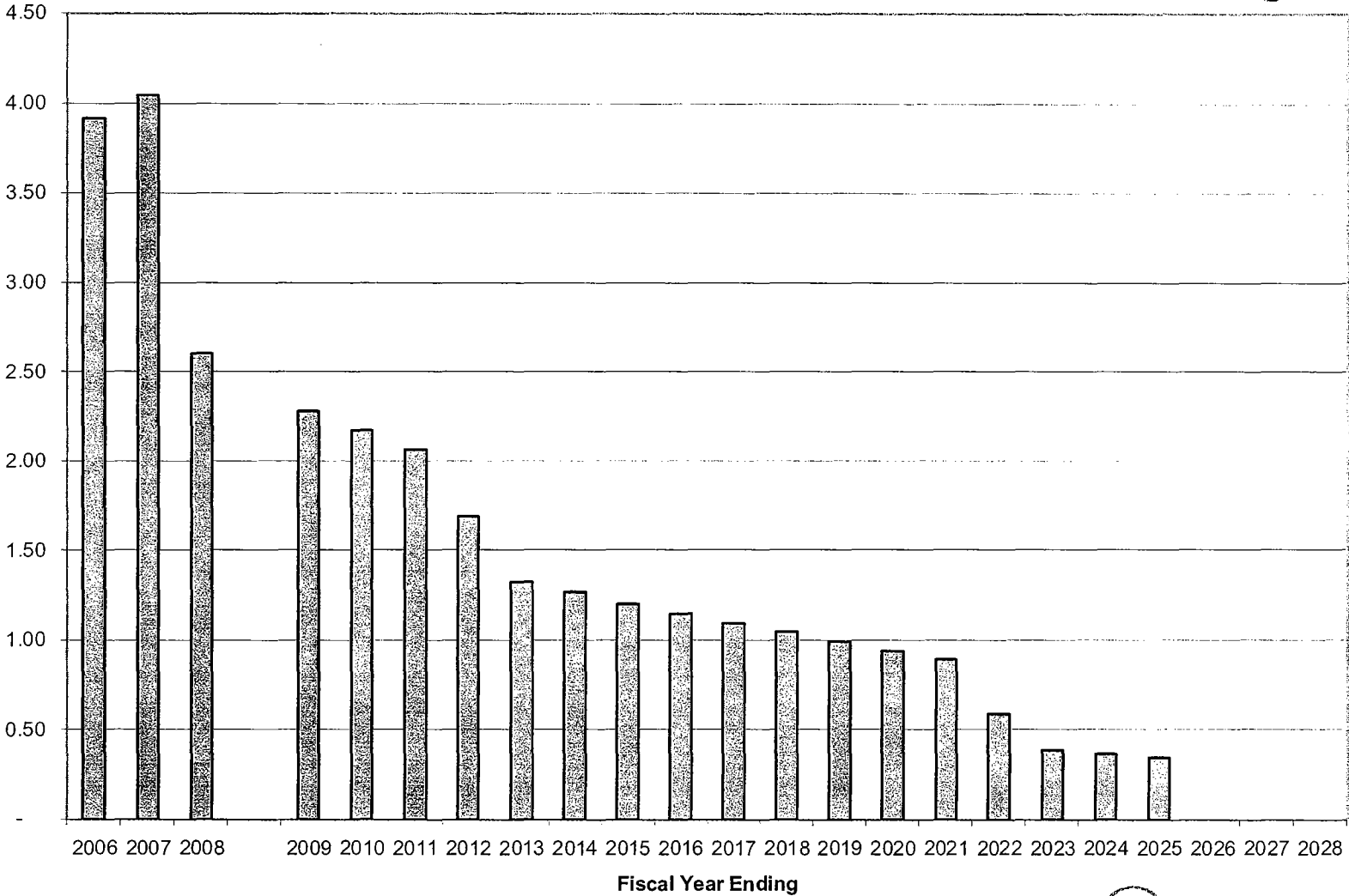
Moody's Ratings Summary for Connecticut



Town of Colchester Debt Outstanding



Town of Colchester Debt Outstanding



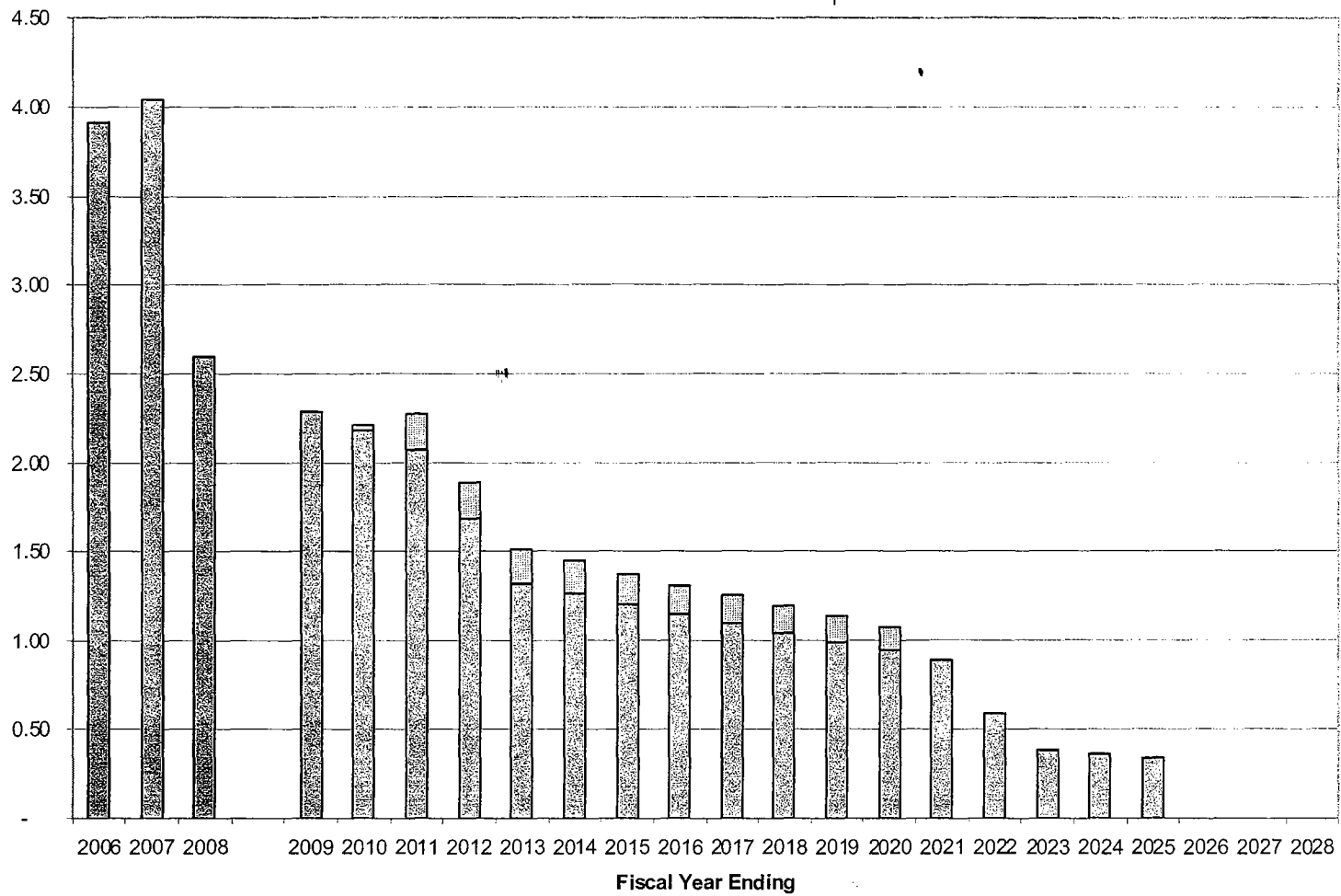
Town of Colchester Proposed Debt

Assumptions

- Value of 1 Mill = \$1,268,784 (10-1-08 NGL)
- NGL increase estimated at 1.5% annually
- 10 year bonds at 4%

- \$2 Million Financing
- Issue Summer **2009**

Proposed Debt 2009 Issue



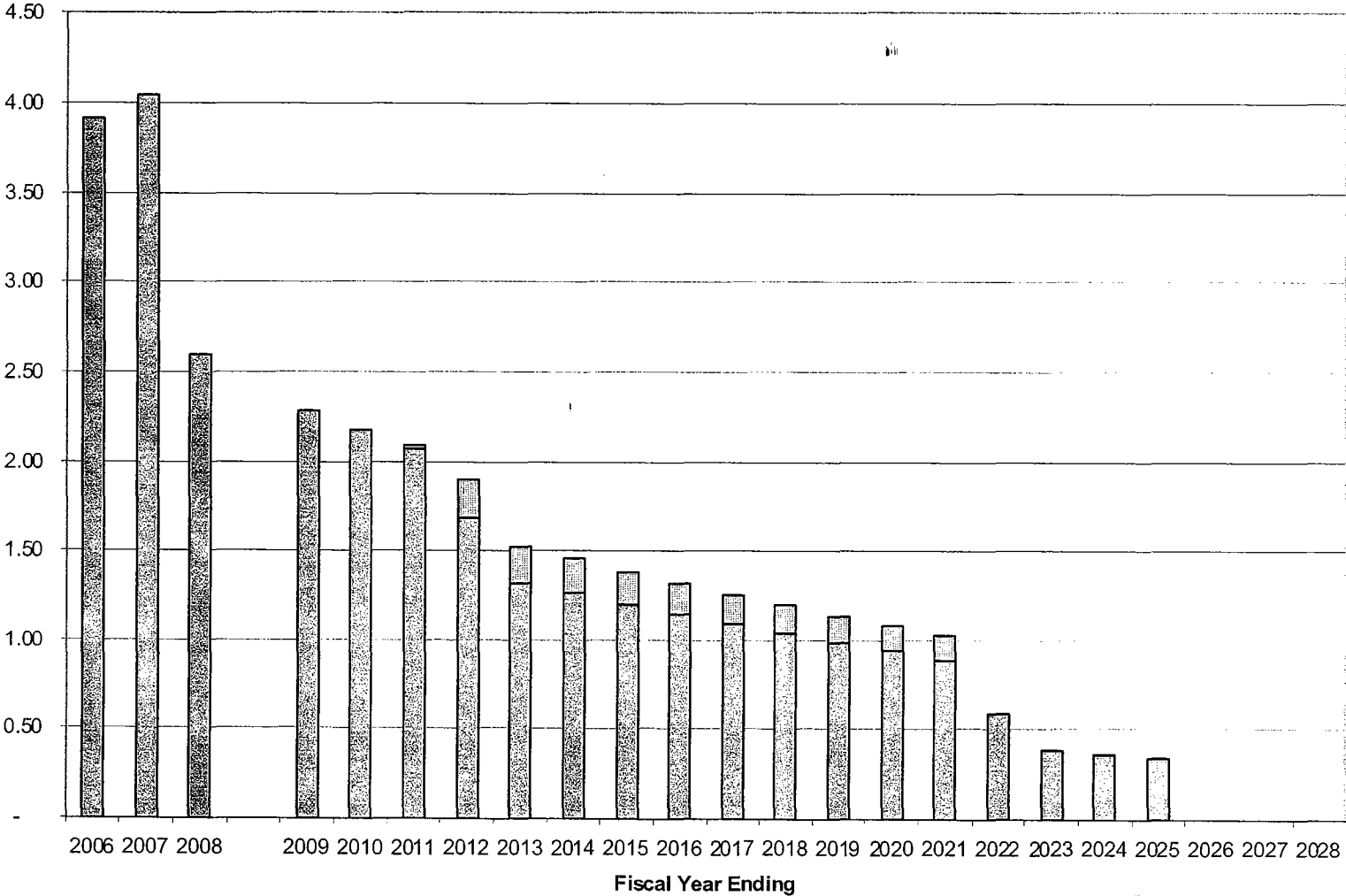
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Proposed Debt 2010 Issue



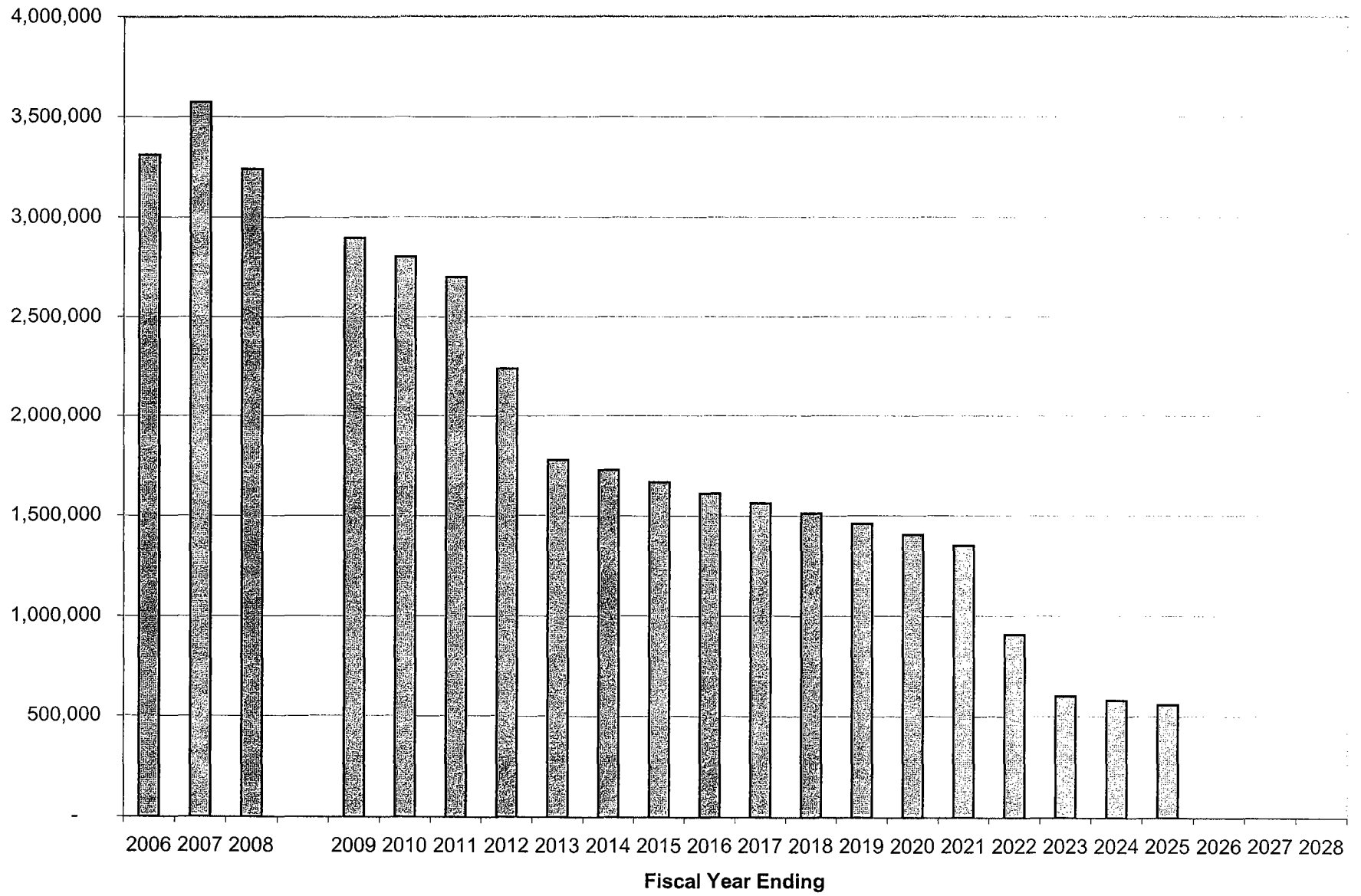


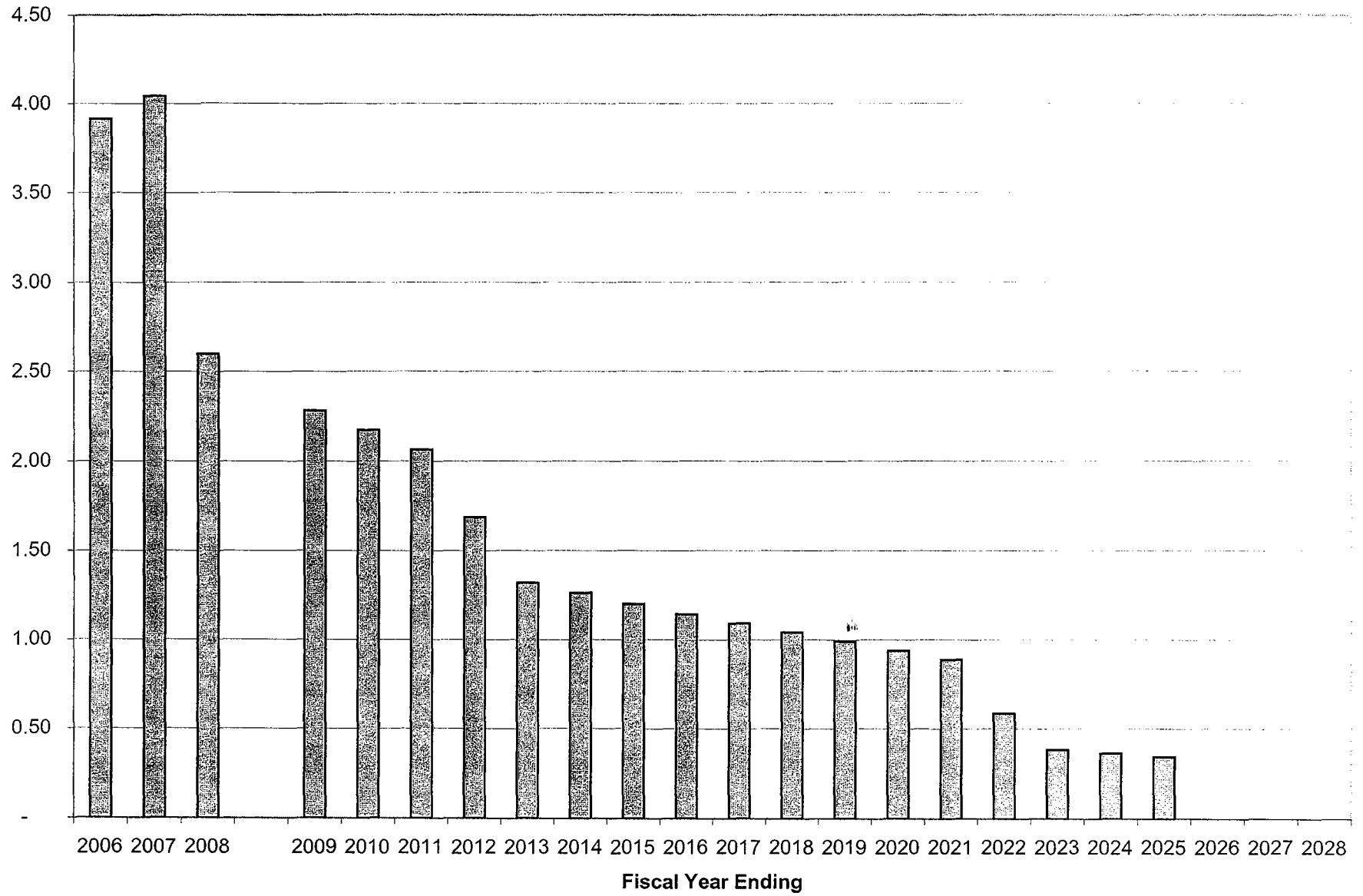
Summary Thoughts

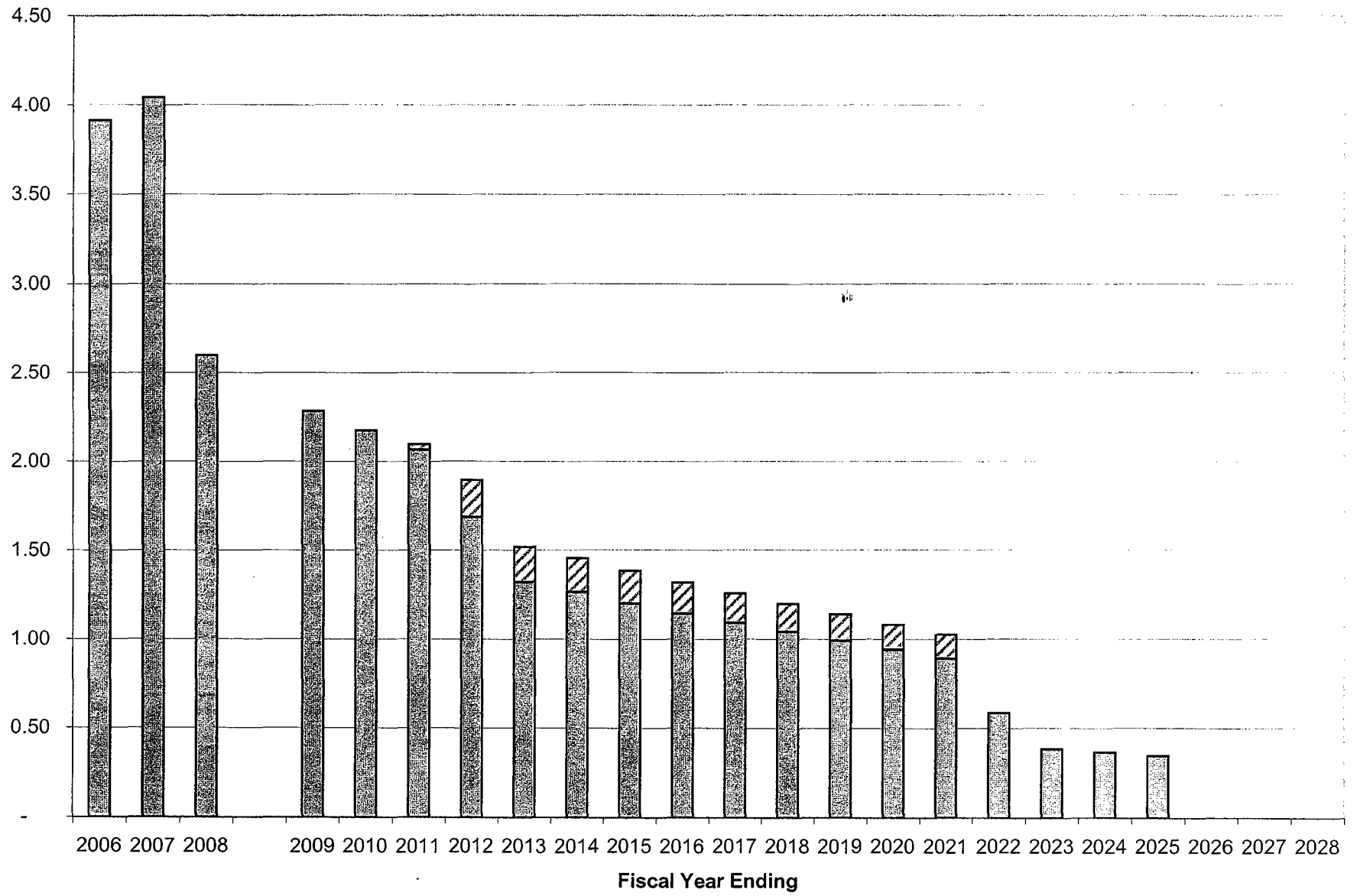
Bond issues are only one method of financing capital projects

It's a good time for municipalities to bond

Town is in a good position to take on more debt service







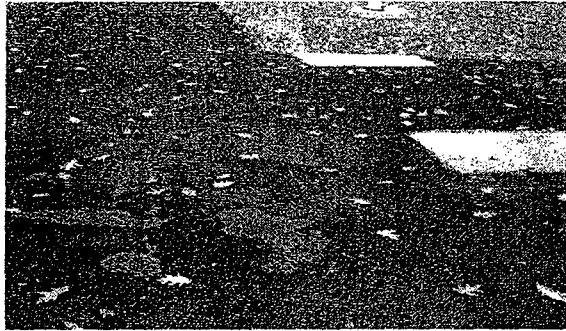
TOWN OF COLCHESTER, CONNECTICUT

Mill Rate Analysis of Proposed Debt Service

Summary Table

FYE	Net Taxable Grand List + Growth (\$000)	Existing Net Debt	Mill Impact of Existing Debt	Proposed Debt	Mill Impact of Proposed Debt	Existing and Proposed Debt Total	Mill Impact of Existing and Proposed Debt
2005	799,935	3,003,667	3.75	-	-	3,003,667	3.75
2006	845,409	3,312,068	3.92	-	-	3,312,068	3.92
2007	883,530	3,573,491	4.04	-	-	3,573,491	4.04
2008	1,246,515	3,240,905	2.60	-	-	3,240,905	2.60
2009	1,268,784	2,897,702	2.28	-	-	2,897,702	2.28
2010	1,288,013	2,803,073	2.18	-	-	2,803,073	2.18
2011	1,307,333	2,701,954	2.07	40,000	0.03	2,741,954	2.10
2012	1,326,943	2,240,151	1.69	276,000	0.21	2,516,151	1.90
2013	1,346,848	1,780,658	1.32	268,000	0.20	2,048,658	1.52
2014	1,367,050	1,731,573	1.27	260,000	0.19	1,991,573	1.46
2015	1,387,556	1,669,973	1.20	252,000	0.18	1,921,973	1.39
2016	1,408,369	1,613,153	1.15	244,000	0.17	1,857,153	1.32
2017	1,429,495	1,564,523	1.09	236,000	0.17	1,800,523	1.26
2018	1,450,937	1,514,948	1.04	228,000	0.16	1,742,948	1.20
2019	1,472,701	1,462,103	0.99	220,000	0.15	1,682,103	1.14
2020	1,494,792	1,408,013	0.94	212,000	0.14	1,620,013	1.08
2021	1,517,214	1,353,653	0.89	204,000	0.13	1,557,653	1.03
2022	1,539,972	909,090	0.59	-	-	909,090	0.59
2023	1,563,072	604,800	0.39	-	-	604,800	0.39
2024	1,586,518	583,200	0.37	-	-	583,200	0.37
2025	1,610,315	561,600	0.35	-	-	561,600	0.35
2026	1,634,470	-	-	-	-	-	-
2027	1,658,987	-	-	-	-	-	-
2028	1,683,872	-	-	-	-	-	-
Total as 2009+		\$ 27,400,161		\$ 2,440,000		\$ 29,840,161	

1.5% Rate of NGL growth



Bacon Academy Track Facility Replacement

March 11, 2009 Tri-Board Meeting
Boards of Education, Finance, Selectmen

History of Track Repair

- Prior to 2005, track was patched annually by P&R Dept. staff, with “major” patches contracted out approx. every 5 years
- Winter 2005 – Tri-board meeting to discuss concerns about the track
- Summer 2005 – \$4,500 spent on patching
- Fall 2005 – Recommendation to Boards to resurface or replace track
- Summer 2006 - \$2,000 spent on patching
- Winter 2007 - \$1,300 spent on repairs
- Summer 2007 - \$10,000 spent on repairing 2 sections (3,000 sq.ft.) of track
- Summer 2008 – track determined unsafe for competition, safe for limited practice on identified sections
- Fall 2008 – BOF, BOS, BOE inspection of track
- Fall 2008 – Tri-board meeting discussing major capital needs including track . Track Study conducted by Landscape Architect

Who Uses the Track Each Year?

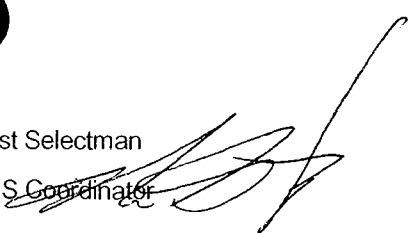
- Between 70-80 athletes on the Bacon Academy Track and Field team
 - Other Bacon Academy sports teams (basketball, baseball, wrestling, soccer, cross country, cheerleaders, volleyball, football)
 - 65 Middle School Track and Field athletes
 - 30 Middle School Cross Country athletes
 - 150-200 children who compete in the annual Hershey Track Meet and associated clinic
 - 25 Special Olympics Track and Field athletes each spring
 - Spring Academy Track Clinic for Middle School athletes
 - 250 Physical Education students preparing and testing for state physical fitness requirements
 - Fitness walking by students enrolled in Foods & Fitness course
 - Community Fundraisers (i.e. The Sheehan Memorial Walk)
 - Members of the community for recreational jogging and walking
- An estimated 1,000 community members use the track on an annual basis.

A 'Track' Record of Success

- **BACON TRACK SINCE 2000**
 - 55 individual conference champions
 - 11 state champions
 - 1 NE champion
 - 1 National champion
- IN ITS 45 YEAR HISTORY TRACK & FIELD HAS EARNED 3 OF THE 4 STATE CHAMPIONSHIP BANNERS BACON ACADEMY HOLDS**
- Currently there are 6 athletes from last year's team that are competing at the collegiate level, one who receives a half-tuition scholarship at a Division I University
 - Track and Field and Cross Country are the only varsity sports to accept all athletes who try out

Memo

To: Linda Hodge - First Selectman

From: Marc Tate - IT/GIS Coordinator 

Date: 3/11/2009

Re: IT Capital Money

The technology money in the amount of \$40,000 that was requested by the IT department was for several necessary technology improvements for the Town of Colchester

\$18,000 Computers

This money is to bring the remaining computers up to speed in the replacement schedule. All computers have been assigned a priority based on the position with the library public computers removed from the calculation. The school of thought is that of the remaining 125 computers 60 need to be replaced every 5 years with the older machine passed along to a secondary life until failure. This money will purchase the 15 computers that need to be replaced bringing the replacement schedule up to date.

\$8,000 Software upgrades

This money is to replace/upgrade the software at the library that is not compatible with new technology. It is also for the purchase of GIS software for the GPS unit and an additional floating license as we have been running into issues.

\$6,000 GIS Data Correction

This money will be spent to correct the issues of assessor parcel lines not lining up properly. It will correct the major issues but further corrections can be made during the normal maintenance process.

\$5,000 Town Hall Network upgrade

This money is to run new network wires and purchase the associated equipment to correct the constant issues that we have with the network wiring.

\$3,000 Tracking Software

This money is for the purchase of additional licenses of FileMaker database software to increase efficiency by creating tracking databases for the Town Clerk, Health and Youth Services.

**PRIORITY LIST FOR POTENTIAL DEBT FINANCING
FOR BOARD OF SELECTMEN REVIEW & POSSIBLE APPROVAL**

Approved By Board of Selectmen to Move to Board of Finance – February 19, 2009

To Board of Finance Regular Meeting – March 4, 2009

To Board of Finance Special Meeting with Explanation of #2 and #4 Attached – March 11, 2009

PRIORITY	ITEM	DEPARTMENT	AMOUNT	NOTES
1	ET 228 & Equipment (1982)	Fire/EMS	\$ 701,000	
2	Road Improvements (Explanation Attached)	Highway	500,000	
3	R528 (Ambulance) (2000)	Fire/EMS	220,000	
4	Technology (Explanation Attached)	Town-wide	40,000	
5	Hose Tender 128 (1987)	Fire/EMS	300,000	
6	Dump/Plow Trucks (1990 & 1992)	Highway	300,000	
7	Hydraulic Rescue Tools (1989)	Fire/EMS	60,000	
8	Excavator (1998) (sell current excavator & backhoe)	Shared --Transfer Station & Highway	140,000	
9	Rolling Stock	Multiple	172,000	
	Van (1999)	Youth Center	0	25,000
	Pickup #4 (1995)	Highway	0	17,000
	Pickup #43 (1993)	Highway	0	17,000
	Traffic Control Truck (1986)	Fire/EMS	0	30,000
	Pickup #28 (1993)	Park & Recreation	0	33,000
	Pickup #22 (1997)	Park & Recreation	0	33,000
	Pickup #29 (1991)	Facilities	0	17,000
10	Grader (1967)	Highway	100,000	
			\$ 2,533,000.00	
11	Early Warning System	Emergency Management	293,000	
12	Old Firehouse	General	100,000	
13	ET 328	Fire/EMS	620,000	
			\$ 1,013,000	

Other CIP Items Over \$25,000 (in no specific order):

- Town Hall Security
- Senior Center/Community Center
- Parking Lot Paving – FD, Town Hall, Senior Center
- Squad #128
- Outside Fuel Tank Removal – FD #1
- Carpet Replacement – FD #1
- Boiler/Furnace Replacement – FD #1
- Paving Box
- Lighting Walkway By Football Field
- Sports Field Irrigation
- Sports Lighting
- 1993 Youth Services Van Replacement
- Senior Center Van (\$20,000 town, remainder grant funded)

Memo

To: Linda Hodge
From: Mark Decker
CC:
Date: 3/11/2009
Re: Road Improvement Program

This memorandum provides a description of the roads included in the pavement improvement program in the proposed 2009/2010 fiscal year budget. Described are the road, the general type work category for each, and the costs associated with that work. A description of the benefits of a bond funding along with operating budget funding is included.

Road Improvement Program:

The proposed 2009/2010 road improvement includes the following roads with their proposed activities:

Reconstruction:

Chestnut Hill Road from Norwich Avenue to the Route 2 entrance/exit ramp – full depth reclamation, grading and compaction, and paving with 3.5 in. of hot mix asphalt – *est. cost - \$183,118*

Linwood Cemetery Road from Wall Street to the north end near Schuster's Park - full depth reclamation, grading and compaction, and paving with 3.5 in. of hot mix asphalt – *est. cost - \$61,879*

Pavement Enhancement – Add Structural Thickness:

Christy Lane from Halls Hill Road to the recently constructed extension – add average 1-1/4 in thick hot mix asphalt – *est. cost - \$31,433*

Sashel Lane – full length - add average 1-1/4 in thick hot mix asphalt - *\$39,633*

Surface Treatment – remove and replace/leveling prep work then surface sealing treatment:

Shailor Hill – full length chip seal – *est. cost – \$36,373*

Shugure Road – full length chip seal - *est. cost – \$4,832*

Waterhole Road – full length chip seal of Colchester portion - *est. cost – \$29,494*

West Road – full length chip seal - *est. cost – \$123,594*

Louis Lane – full length micro pave – *est. cost - \$2,675*

In addition to the above projects proposed for the 2009/2010 fiscal year, there are four road projects uncompleted from the 2008/2009 fiscal year. These include:

Clark Lane – full depth reclamation, grade, compact and pave with 3.5 in. of hot mix asphalt – *est. cost - \$60,000 (Reconstruction project)*

Jurach Road – remove and replace then add average 1-1/4 in. thick hot mix asphalt – *est. cost \$50,000*
– *(Pavement enhancement)*

Wall Street and Gill Street – reconstruct lower intersection to enhance drainage, Micropave surface sealing treatment for both roads – *est. cost - \$32,000 (Surface Treatment)*

Funding:

\$500,000 Bond for Road Improvements plus \$198,447 Road Improvement Operating Budget – if the bond is retained and passes along with the proposed \$198,447 for Road Improvements in the operating budget, it will keep the road improvement program moving forward, allow for minor cost or scope increases, and provide funds to complete the 08/09 scheduled work. With the severity of this winter, there has been greater deterioration of the roads which will require additional prep work prior to performing the scheduled maintenance. The funds will also allow us to complete the remaining four roads not performed in the current fiscal year because of unit price cost increases (approximately \$142,000 additional expense). This can be done without dipping further into Town Aid Road funds as has been required in prior years. The full \$698,447 will likely be necessary to complete the old work and account for minor prep or unit price increases. This funding level will not, however, allow us to move ahead of schedule in the multi-year Road Improvement Program.

Town Aid Roads (TAR) Account - The 08/09 fiscal year road improvement program was funded in 2008/2009 budget at \$198,447 with an additional \$150,000 for road improvements coming from TAR funds. Due to the volatility of the oil market this past year, unit price costs increased dramatically from the budgeted values. As a result, the full Operating budget allocation plus \$222,403.80 from the TAR fund was used towards road improvements. However, due to that volatility, four roads scheduled for maintenance in the 08/09 fiscal year have not been performed yet. The projected cost to perform the remaining work is \$142,000. If these TAR balances continue to be depleted, we will not be able to absorb any of the cost or project magnitude changes as occurred this past season. Furthermore, by paying for road improvements at such a rate out of TAR money, there will be no opportunity to purchase replacement plow/dump truck(s) as we have done previously to keep the rolling stock replacement program intact. Without other means of funding, the investment in our equipment also will continue to deteriorate.

Summary:

Without full and proper funding, not only will the cost increase to restore our roads to the level desired, it also has impact on many other services and enjoyment for our residents. As the roads degrade, drivability suffers – this means residents have a lower comfort level when they drive, school bus rides are rougher, response by police, fire, EMS are all reduced slightly, wear on vehicles increases, ability to plow and clear away snow is compromised because of surface irregularities, and there is increased fatigue on drivers as they plow. For some roads, the effect will not be immediate, for others, our inability to fund the road improvement program for the last several years has already pushed them beyond the desired level and the effects are being felt now. Reductions in maintenance have far and long-reaching impact and the cost to recover becomes significantly greater with each passing year.

Please let me know if you have questions.

TOWN OF COLCHESTER, CONNECTICUT

Mill Rate Analysis of Proposed Debt Service

Existing Net Debt					Proposed Debt @ 4.00% Dated 8/15/09, 10 yr Maturity		
FYE	Existing Debt (after refundings)	Less School Construction Grant*	Less Self-supporting Debt	Existing Net Debt	Principal	Interest	Total
2005	4,833,424	(1,594,314)	(235,443)	3,003,667	-	-	-
2006	5,050,150	(1,523,490)	(214,593)	3,312,068	-	-	-
2007	5,225,274	(1,447,587)	(204,196)	3,573,491	-	-	-
2008	4,766,929	(1,327,519)	(198,505)	3,240,905	-	-	-
2009	4,133,316	(1,048,235)	(187,380)	2,897,702	-	-	-
2010	3,967,288	(988,210)	(176,005)	2,803,073	-	-	-
2011	3,700,303	(943,448)	(54,900)	2,701,954	-	40,000	40,000
2012	2,888,509	(595,358)	(53,000)	2,240,151	200,000	76,000	276,000
2013	1,806,658		(26,000)	1,780,658	200,000	68,000	268,000
2014	1,731,573			1,731,573	200,000	60,000	260,000
2015	1,669,973			1,669,973	200,000	52,000	252,000
2016	1,613,153			1,613,153	200,000	44,000	244,000
2017	1,564,523			1,564,523	200,000	36,000	236,000
2018	1,514,948			1,514,948	200,000	28,000	228,000
2019	1,462,103			1,462,103	200,000	20,000	220,000
2020	1,408,013			1,408,013	200,000	12,000	212,000
2021	1,353,653			1,353,653	200,000	4,000	204,000
2022	909,090			909,090	-	-	-
2023	604,800			604,800	-	-	-
2024	583,200			583,200	-	-	-
2025	561,600			561,600	-	-	-
2026				-	-	-	-
2027				-	-	-	-
2028				-	-	-	-
Total as of 2009+	\$ 31,472,698	\$ (3,575,251)	\$ (497,285)	\$ 27,400,161	\$ 2,000,000	\$ 440,000	\$ 2,440,000

2.0

TOWN OF COLCHESTER, CONNECTICUT

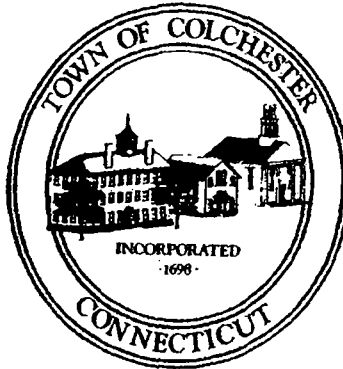
Mill Rate Analysis of Proposed Debt Service

Summary Table

FYE	Net Taxable Grand List + Growth (\$000)	Existing Net Debt	Mill Impact of Existing Debt	Proposed Debt	Mill Impact of Proposed Debt	Existing and Proposed Debt Total	Mill Impact of Existing and Proposed Debt
2005	799,935	3,003,667	3.75	-	-	3,003,667	3.75
2006	845,409	3,312,068	3.92	-	-	3,312,068	3.92
2007	883,530	3,573,491	4.04	-	-	3,573,491	4.04
2008	1,246,515	3,240,905	2.60	-	-	3,240,905	2.60
2009	1,268,784	2,897,702	2.28	-	-	2,897,702	2.28
2010	1,288,013	2,803,073	2.18	-	-	2,803,073	2.18
2011	1,307,333	2,701,954	2.07	40,000	0.03	2,741,954	2.10
2012	1,326,943	2,240,151	1.69	276,000	0.21	2,516,151	1.90
2013	1,346,848	1,780,658	1.32	268,000	0.20	2,048,658	1.52
2014	1,367,050	1,731,573	1.27	260,000	0.19	1,991,573	1.46
2015	1,387,556	1,669,973	1.20	252,000	0.18	1,921,973	1.39
2016	1,408,369	1,613,153	1.15	244,000	0.17	1,857,153	1.32
2017	1,429,495	1,564,523	1.09	236,000	0.17	1,800,523	1.26
2018	1,450,937	1,514,948	1.04	228,000	0.16	1,742,948	1.20
2019	1,472,701	1,462,103	0.99	220,000	0.15	1,682,103	1.14
2020	1,494,792	1,408,013	0.94	212,000	0.14	1,620,013	1.08
2021	1,517,214	1,353,653	0.89	204,000	0.13	1,557,653	1.03
2022	1,539,972	909,090	0.59	-	-	909,090	0.59
2023	1,563,072	604,800	0.39	-	-	604,800	0.39
2024	1,586,518	583,200	0.37	-	-	583,200	0.37
2025	1,610,315	561,600	0.35	-	-	561,600	0.35
2026	1,634,470	-	-	-	-	-	-
2027	1,658,987	-	-	-	-	-	-
2028	1,683,872	-	-	-	-	-	-
Total as 2009+		\$ 27,400,161		\$ 2,440,000		\$ 29,840,161	

1.5% Rate of NGL growth

Linda M. Hodge



First Selectman

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Mary Lynn Burke
MARY LYNN BURKE
TOWN CLERK

**Special Joint Board of Selectmen, Board of Finance
and Board of Education Meeting Minutes
Monday, October 20, 2008
Colchester Town Hall
Meeting Rooms 2+3 – 7:00 p.m.**

MEMBERS PRESENT: First Selectman Linda Hodge, Stan Soby, Greg Cordova, Rosemary Coyle, John Malsbenden, Bruce Hayn, John Ringo, Bill Hettrick, Ron Goldstein, Monica Swyden-Bolles, Michael Egan, Mary Lynn Burke, Betsy Ciccone, Tim Lamp, Don Kennedy

MEMBERS ABSENT: Mike Ryan, Brian Smith, Ron Crabb

OTHERS PRESENT: Mike Caplet, Greg Plunkett, Jon Sandberg, Walter Cox, Jesse McMinn, Diane Church, Pam Scheibelein, Ryan Blessing, Maggie Cosgrove, Dominique Demar, John Jones, Rob Esteves, and other citizens

1. **Call to Order:** First Selectman L. Hodge called the meeting to order at 7:00 p.m.
2. **Citizen's Comments:** None
3. **Discussion on CIP**

- a. **Board of Education, including track:** Superintendent Karen Loiselle reported on the Board of Education's capital needs and the Bacon Academy track and field events study.

The Board of Selectmen, Board of Finance, and Board of Education members discussed the Bacon Academy track project and possible timelines for the project approval milestones.

First Selectman L. Hodge received concurrence from the Board of Selectmen members that a special Board of Selectmen meeting would be held to create a building committee for the Bacon Academy track project in order to get proposed figures finalized for the Board of Finance.

- b. **Town, including fire truck:** First Selectman L. Hodge reported on the Town of Colchester Five Year Capital Improvement Program and outlined the priorities for funding, which include a fire truck to replace the current 26-year-old truck, a grader to replace the 40-year-old grader, and an excavator to replace the existing grader for which parts have been sought since April 2008.

The Board of Selectmen and the Board of Finance discussed options for addressing the priorities.

4. **Discussion of Possible Freeze on Town Spending:** First Selectman L. Hodge introduced this item to the Boards. CFO Maggie Cosgrove, who presented a complete overview of the Town's current financial state at each of the last Board of Selectmen and Board of Finance meetings, answered questions from the members. First Selectman L. Hodge discussed procedures in place to monitor spending. Chairman Bruce Hayn noted that this should continue to be reviewed on a regular basis to ensure that negative trends do not develop.
5. **Citizen's Comments:** None
6. **Adjourn:** B. Hayne moved to adjourn at 9:00 p.m., seconded by R. Coyle. Unanimously approved. MOTION CARRIED.

Attachments

1. Spreadsheet titled "Town of Colchester Five year Capital Improvement Program by Priority FY 1020 – 2014"
2. Spreadsheet titled "Town of Colchester Fire and EMS"
3. Document titled "Bacon Academy Track and Field Events Study", dated October 2008
4. Spreadsheet titled "Colchester Public Schools Significant Capital Needs – Prepared – January 2008 Updated October 20, 2008"

Respectfully submitted,



Michael J. Caplet
Executive Assistant to the First Selectman

BACON ACADEMY
TRACK AND FIELD EVENTS STUDY

OCTOBER 2008

M. R. Roming Associates, P.C.
Landscape Architects • Land Planners
224 Whiting Lane
West Hartford, Connecticut 06119
(860) 233-1265

BACON ACADEMY TRACK AND FIELD EVENTS

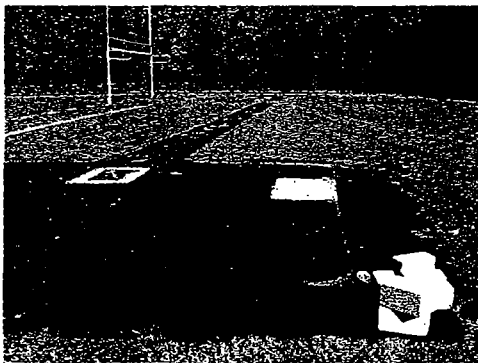
Existing Conditions:

The existing school site where the track was constructed is on wet, unstable soils, adjacent to existing wetlands. The topography had excessive grade changes which required extensive filling and cutting to facilitate the new track complex.

The existing 400-meter running track was built in 1993. The track has a two-course bituminous concrete base constructed on a gravel sub-base. The surface is a Tracklite rubberized asphalt product which was applied considerably less in thickness than the specified depth of one inch; it actually is about one-quarter inch thick, as observed. The present surface shows numerous patched areas, cracking, and peeling. Small trees have started to grow outside the track perimeter and their root systems are penetrating the track surface.



There are indications of some minor base failure which is evident by depressions in the surface. This could have been caused by admixture of the subgrade materials into the base. The existing plans did not call for underdrains in the base, which based on site conditions, is a must. The storm system piping for the interior playfield is perforated PVC, but neither the drawings or specifications indicate if geotextile fabric was used around the pipe or in the trench. This could be a potential cause of entrapment of subsurface water in unwanted areas.

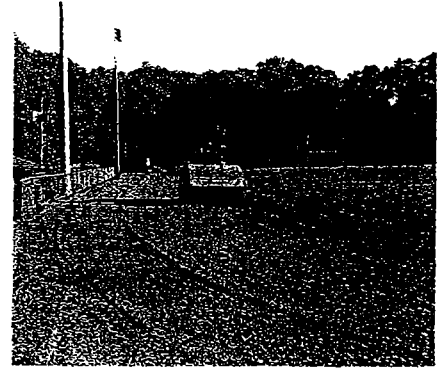


The sand landing pits for the long/triple jump are in poor condition and undersized. The pole vault pavement is not adequate in size to handle the new regulation safety pads. The runways on all field events have deteriorated surfaces. The discus pad and cage are located inside the track, but are unusually elevated to avoid the pole vault runway. The perimeter track fencing is in very good condition, except for a few heaved footings.

As we understand from discussions with school representatives, the track and field event surfaces started to deteriorate prematurely. As rough as it is, the resilient surfaces have survived far beyond the normal 10 year life expectancy, even though there appears to be some product and installation deficiencies.

Recommended Improvements:

All available existing plans and specifications were reviewed, and site visits were made to investigate the background of the original construction of the running track and field events. Through these investigations, it became quite evident that total reconstruction of the track and field events is necessary. The reconstruction of the interior playfield and storm drainage was not considered and presently is not part of this project.

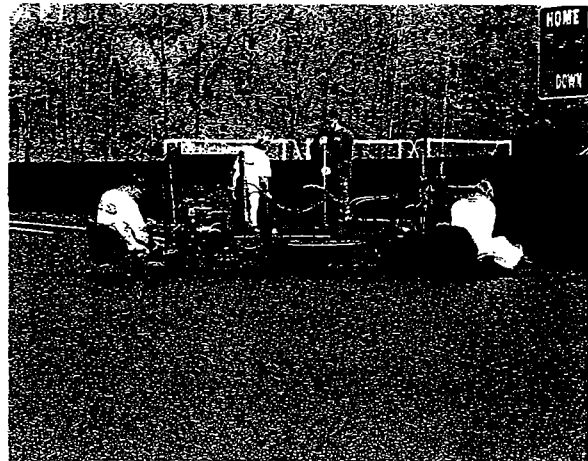


The existing problems below grade precipitated some of the failure of the paved surfaces. The pavement and base materials should be removed to subgrade and the subgrade checked for stability and compaction. If there is still movement in the subgrade, woven geotextile fabric overlays should be implemented wherever necessary.

A new perimeter interior underdrain should be installed in the track's granular sub-base to insure the extraction of any water from the sub-base. The sub-base preferably should be 18 inches in depth. On top of the thoroughly compacted sub-base, a three and one-half inch, two course bituminous concrete base shall be placed. The final course of resilient surface should be a one-half inch thickness of layered polyresin or polyurethane-coated rubber surface. These two surfaces are the most accepted and preferred high school level types. The final determination would be by the school based on resiliency, durability and cost. There is no visible aesthetic difference in the resilient surfaces.



Polyresin Surface Application



Polyurethane Surface Application

Minor modifications to the track layout may occur based on particular desires of the school, i.e. longer leg to give more room prior to the start line. The construction cost estimates take into account the extension of the straightaway and possibly increasing it from six to eight lanes. The expansion of the track to an overall 8-lane, 400 meter track is not economically feasible because of the steep grade changes and wetlands, and therefore is not offered as an option.

All the field events need to be totally reconstructed because of their deteriorated condition and due to the fact that they do not meet present safety issues or competitive National Federation of High School Associations (NFHS) requirements. There are two existing long/triple jump pits and one pole vault runway. The proposed budget calls for the reconstruction of the existing jump pits and pole vault event. It also includes the cost of an additional pole vault runway which was requested by the coaching staff.



Construction Costs:

Following are estimated costs for various options to be considered for the rebuilding of the running track and field events at Bacon Academy in Colchester, Connecticut. These costs are based on 2008 pricing with an adjustment noted for proposed construction to occur in 2009. An escalation factor of 10% per year should be applied for each year after 2009. It should also be mentioned that the large variations in oil prices in the past few years have greatly affected track construction costs. The bituminous concrete base and the resilient surface contain oil-based components. Pricing has been and could be affected by the oil market.

Option 1

Six-lane, 400 meter Resilient Running Track	\$372,950	
Two Pole Vault Runways	\$ 19,125	
Two Long/Triple Jump Runways and Sand Pits	\$ 15,700	
High Jump	\$ 38,250	
Discus Circle and Cage	\$ 13,000	
Shot Put Circle and Fan	<u>\$ 3,400</u>	
	TOTAL	\$462,425
		\$508,700 2009 Cost

Option 2

Six-lane, 400 meter Resilient Running Track	\$419,650	
with two additional lanes on straightaway		
Remove and replace fencing along straightaway	\$ 13,500	
Two Pole Vault Runways	\$ 19,125	
Two Long/Triple Jump Runways and Sand Pits	\$ 15,700	
High Jump	\$ 38,250	
Discus Circle and Cage	\$ 13,000	
Shot Put Circle and Fan	<u>\$ 3,400</u>	
	TOTAL	\$522,625
		\$575,000 2009 Cost

Alternate

Trench drain around interior edge of pavement		
for future Artificial Turf	TOTAL	\$104,000
		\$114,400 2009 Cost

Town Direct Purchase

Pole Vault Pads	\$ 18,000	
Materials for New Shed	<u>\$ 10,000</u>	
TOTAL	\$ 28,000	
	\$ 31,000	2009 Cost

Soft Costs:

Additional soft costs associated with the track reconstruction project will also include design fees, survey costs, bidding costs, testing, general conditions and contingency. Design fees typically range from six to eight percent of construction costs. A T-2 survey of the existing conditions is necessary because of the precise slope requirements to meet NFHS standards. Bidding costs include printing of the contract documents and the legal notice advertising the bid. Testing during construction is necessary to assure proper compaction of the gravel base material and the bituminous surface and is paid directly by the Owner. Most, if not all, construction projects carry general conditions and contingency figures. General conditions are the contractor's cost to administer the contract, typically five percent of the cost. Contingency is an amount to cover unknown conditions, for instance, buried unsuitable soils, typically 10 percent.

	<u>Low</u>	<u>High</u>
Design Fees	\$30,000	\$40,000
Survey	\$ 2,500	\$ 3,000
Bidding	\$ 800	\$ 1,200
Testing	<u>\$ 1,000</u>	<u>\$ 2,000</u>
TOTAL	\$34,300	\$46,200

Referendum Budget Costs:

The Town should go to referendum with the "high" prices so the funding is in place and also to hedge against the inability to foresee future price spikes. Finally, round the "total" number to an even amount. Therefore, we suggest the following:

Option 1

Construction Cost	\$508,700	
Soft Costs	\$ 46,200	
General Conditions	\$ 25,400	
Contingency	\$ 53,400	
Town direct purchase	<u>\$ 31,000</u>	
TOTAL	\$664,700	Say \$665,000

Option 2

Construction Cost	\$575,000	
Soft Costs	\$ 46,200	
General Conditions	\$ 28,700	
Contingency	\$ 60,400	
Town direct purchase	<u>\$ 31,000</u>	
TOTAL	\$741,300	Say \$745,000

Even though artificial turf is not part of the program, a proposed alternate for installing a perimeter trench drain has been included for consideration. This would allow conversion of the interior field without disruption or damage to the new track. Adding the Alternate to either of the above results in the following:

Option 1 and Alternate

Construction Cost-Option 1	\$508,700	
Construction Cost-Alternate	\$114,400	
Soft Costs	\$ 46,200	
General Conditions	\$ 31,150	
Contingency	\$ 65,400	
Town Direct Purchase	<u>\$ 31,000</u>	
TOTAL	\$796,850	Say \$800,000

Option 2 and Alternate

Construction Cost-Option 2	\$575,000	
Construction Cost-Alternate	\$114,400	
Soft Costs	\$ 46,200	
General Conditions	\$ 34,475	
Contingency	\$ 72,400	
Town Direct Purchase	<u>\$ 31,000</u>	
TOTAL	\$873,475	Say \$875,000

Conclusion:

The current track and field events have outlived their normal life expectancy. With maintenance and resurfacing of the resilient surface, the typical track lasts approximately twenty years. In its current condition, it is unsafe for competitive use. Because of the site location and conditions, the entire track, including gravel sub-base needs to be replaced.

The decision on which of the options, and possibly the alternate, best suits the needs and finances of the Town of Colchester is a community choice. This project not only benefits the High School track teams but also every student through physical education classes and the community as a whole for a safe place to walk or run to improve their health. A major undertaking such as this should be thought of as a long term investment for the benefit of the entire Town of Colchester.

is being paid for by the Board of Education. Transportation to the magnet school - CT Academy for the Arts is provided by ACT for CREC. Principal Sullivan reported that as of December 9, four additional students have expressed interest for next year. Parent Paul Pepin noted that the van cannot accommodate that many students and a bus will be necessary.

Superintendent Loiselle is very concerned with the reductions that may be made to the State budget that will affect this Board's budget for 2009-2010.

Motion by: E. Ciccone

to direct the Superintendent that the Board of Education will not provide transportation for the 2009-2010 school year unless funding becomes available through the State.

Second by: M. Swden-Bolles.

Vote: Unanimous.

8.2.3 Student Achievement Update: Language Arts

Director of Curriculum and Instruction, Barbara Gilbert shared an interim report on language arts achievement in the district, as well as the specific interventions that school administrators and reading specialists/leaders have put into place to support all students in meeting rigorous performance standards. Formative student learning data and student work samples are now reviewed collaboratively with school administrators and teacher leaders at the central office level through regularly scheduled meetings entitled Instructional Council.

8.3 Financial Reports.

8.3.1 Monthly Budget Report.

M. Cosgrove reviewed the budget through November 30, 2008.

8.3.2 Requests for Budget Transfers.

No requests for transfers were presented.

8.3.3 Notification of Transfers.

None.

8.3.4 Health Insurance Account.

M. Cosgrove stated that the Health Insurance Account for October 2008 has a monthly reserve at 2.17.

9. UNFINISHED BUSINESS.

9.1 Proposed Policy #4252.6 Family Medical Leave Act (FMLA) – Second Reading

Motion by: T. Lamp

to approve the FMLA Policy as presented.

Second by: M. Swyden-Bolles.

Vote: Unanimous.

9.2 Bacon Academy Track Specifications

The Bacon Academy Track Action Planning team met to review the report from M. R. Roring Associates. The team reached consensus on the proposed specifications. Superintendent Loiselle attended a November 12, 2008 Board of Finance (BOF) meeting to further discuss the need for a track. The BOF reached consensus that they will ask the Board of Selectmen to place the rebuild of the tracks as a question for the May 2009 referendum. Last month the BOE approved a survey that is currently being planned/conducted at the existing track site. Plans for the referendum cannot move forward until the BOE (named by the Board of Selectmen as the BA Track Building Committee) approve specifications for the project.

The Track Planning Committee members are Tim Lamp, Karen Loiselle, Ron Goldstein, Maggie Cosgrove, Jeff Mathieu, Kevin Burke, Jay Cohen and track coaches Steve Browning and Charlie Hewes.

Motion by: E. Ciccone

to approve the proposed track specifications in the amount of \$664,700 to go to referendum in May 2009.

Second by: D. Kennedy.

Vote: Unanimous.



Colchester Public Schools

127 Norwich Avenue, Suite 202
Colchester, CT 06415

Karen A. Loiselle
Superintendent of Schools

Phone (860) 537-7208
Fax (860) 537-1252

December 16, 2008

Mr. Bruce Hayn
Chairman, Colchester Board of Finance
31 Sashel Lane
Colchester, CT 06415

Dear Mr. Hayn:

As you are aware, the Colchester Board of Selectmen named the Board of Education as a Building Committee charged with the task of developing specifications for the re-construction of the track at Bacon Academy. Using designated funds from our Capital Reserve Account, the Board employed M.R. Roming Associates, P.C. to study the current track and make recommendations. Attached is a copy of the study which was concluded in October 2008.

To assist the Board with their charge, I assembled and chaired a Track Planning Action Team that included Board of Education member Tim Lamp, Board of Finance member Ronald Goldstein, Chief Financial Office Maggie Cosgrove, Bacon Academy Principal Jeffrey Mathieu, Parks and Recreation Director Jason Cohen, Athletic Director Kevin Burke and Bacon Academy track coaches Steve Browning and Charlie Hewes. The team has met multiple times to review/discuss the track study and recommend track specifications. In addition, the team conducted a Saturday track walk/inspection on November 8 for interested Board of Education, Board of Finance and Board of Selectmen members.

At their December 9, 2008 meeting, the Board of Education/Bacon Academy Track Building Committee voted unanimously to approve the attached specifications for rebuilding the Bacon Academy track at a total cost not to exceed \$664,700. I have also included the Board of Education minutes for the meeting at which that decision was made.

I request that you contact me to discuss next steps for preparing the project for a vote at the May 2009 Referendum.

If look forward to working with you on this initiative.

Respectfully,

A handwritten signature in black ink that reads "Karen A. Loiselle". The signature is written in a cursive style with a large initial 'K' and a small flourish at the end.

Karen A. Loiselle
Superintendent of Schools

Cc: Linda Hodge, First Selectman
Board of Education members
Ron Goldstein, Board of Finance/Board of Education Liaison
Maggie Cosgrove, Chief Financial Officer
Jeff Mathieu, Principal Bacon Academy
Jason Cohen, Parks & Rec Director
Kevin Burke, Bacon Academy Athletic Director
Steve Browning, Bacon Academy Track Coach
Charles Hewes, Bacon Academy Track Coach

Proposed Bacon Academy Track Specifications:

The Track Action Planning team is recommending that the Track Building Committee (Colchester Board of Education) approve the following specifications for the Bacon Academy Track Replacement Project:

I. Construction Cost:

Following are estimated costs for the rebuilding of the running track and fields events at Bacon Academy in Colchester, Connecticut. These costs were provided by M. R. Roming Associates, P.C. and are based on 2008 pricing with adjustments (10% escalation factor) noted for the proposed construction to occur in 2009. The large variations in oil prices in the past few years have greatly affected track construction costs due to the bituminous concrete base and resilient surface contain oil-based components. Pricing has been and could be affected by the oil market.

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	TOTAL	
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	\$508,700	2009 Cost

II. Town Direct Purchase

Pole Vault Pads	\$ 18,000	
Materials for New Shed	\$ 10,000	
	TOTAL	
	\$ 28,000	
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III. Soft Cost:

Additional soft costs associated with the track reconstruction project include design fees, survey costs, bidding costs, testing, general conditions and contingency. Design fees typically range from six to eight percent of construction costs. A T-2 survey of the existing conditions is necessary because of the precise slope requirements to meet NFHS standards. Bidding costs include printing of the contact documents and the legal notice advertising the bid. Testing during construction is necessary to assure proper compaction of the gravel base material and the bituminous surface and is paid directly by the Owner. Most, if not all, construction projects carry general conditions and contingency figures. General conditions are the contractor's cost to administer the contract, typically five percent of the cost. Contingency is typically a 10% amount to cover unknown conditions, for instance, buried unsuitable soils.

	<u>Low</u>	<u>High</u>
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Survey	\$ 2,500	\$ 3,000
Bidding	\$ 800	\$ 1,200
Testing	<u>\$ 1,000</u>	<u>\$ 2,000</u>
TOTAL	\$34,300	\$46,200

IV. Referendum Budget Costs:

<u>Total Cost of Recommended Track Construction 2009</u>	
Construction Cost	\$508,700
Soft Costs	\$ 46,200
General Conditions	\$ 25,400
Contingency	\$ 53,400
Town direct purchase	<u>\$ 31,000</u>
TOTAL	\$664,700