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TOWN COUNCIL

Town of Wallingford, Connecticut

MUNICIPAL BUILDING WALLINGFORD, CONNECTICUT 06492

DAVID A. GESSER, CHAIRMAN
MARIE B. BENJAMIN, VICE CHAIRMAN
EDWARD L. DIANA
STEVEN B. HOLMES
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June 19, 1985

SPECIAL TOWN COUNCIL MEETING

There will be a special Town Council Meeting on Thursday, June 20, 1985 at 8:00 p.m. for the purpose of:

- (1) DISCUSSION of PASNY (Power Authority of the State of New York Allocation Plan) requested by Raymond F. Smith, Director of Public Utilities.
- (2) DISCUSSION of Robert Earley School Facility.
- (3) DISCUSSION of Parker Farms School Facility:
 - (a) Authorize the formation of a building committee to rebuild Parker Farms School.
 - (b) Authorize the preparation of schematic drawings.
 - (c) Authorize the filing of appropriate applications with the State of Connecticut by the Wallingford Board of Education.
- (4) DISCUSSION of Resource Recovery Project, requested by Philip J. Hamel, Jr.

CC: Mayor William W. Dickinson, Jr. (3)
Rosemary A. Rascati, Town Clerk (2)
Wallingford Town Council Members
Meriden Record-Journal
New Haven Register
Wallingford Post
Hartford Courant
Program Planner's Office
Raymond F. Smith, Department of Utilities (6)
Wayne B. LeClaire, Chairman, Robert Earley Disposition
Parker Farms School Committee Members
Frank J. Soldan, Superintendent of Schools
Wallingford Board of Education (9)

Special Town Council Meeting

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June 20, 1985

A special Town Council Meeting was held Thursday, June 20, 1985 for the discussion of the following items:

- (1) Discussion of PASNY (Power Authority of the State of New York Allocation Plan). Present was Mr. Raymond F. Smith.
 - (2) Discussion of Robert Earley School Facility. Present was Mr. Richard Caplan.
 - (3) Discussion of Parker Farms School Facility:
 - (a) Authorize the formation of a building committee to rebuild Parker Farms School.
 - (b) Authorize the preparation of schematic drawings.
 - (c) Authorize the filing of appropriate applications with the State of Connecticut by the Wallingford Board of Education.
- Present for the discussion were Frank J. Soldan and Roberta G. Shaw.
- (4) Discussion of Resource Recovery Project. Present was Mr. Philip J. Hamel, Jr.

Chairman Gessert called the meeting to order at 8:10 p.m. Present were Council members Bergamini, Diana, Gessert, Holmes, Killen, Krupp, Papale, Polanski, and Rys. Mayor Dickinson was also present.

Mr. Krupp started the meeting by questioning if there was any backup material for Items 1, 2, or 4. It was noted that for Item 2, information would be provided by Mr. Richard Caplan.

Mr. Gessert noted that Item 1 was a discussion of PASNY presented by Mr. Ray Smith. He noted that a couple of months ago when talking about the Coop, the Public Utilities Commission and Ray Smith were asked to look into some alternatives and one of the ways was to buy power.

Ray Smith states that he really cannot take credit for this. The situation has been developing for years, with the result of the contract expiring with the Power Authority of the State of New York. He states they are the beneficiary of a lot of work by other people. Specifically, the bargaining agents of the State of Connecticut and the bargaining agents of the State of Massachusetts. As a result of the action of PASNY, Burke and the 2nd Circuit Court of Appeals it was determined that each state bordering New York is entitled to its share of this power from PASNY. It is generated 2 stations of Niagra Project and the St. Lawrence Project. Effective July 1, the allocations are supposed to be received. The allocation to this point is 553 kilowatts of burn power and 83 kilowatts of peaking power. The first year the contract increases the value up to about 18,000 kilowatts in the 10th year for which their share is about 4 megawatts, 20% at this point.

Mr. Smith also stated that the entire State of Connecticut was getting 100. This has been developed by formula and municipal systems are getting a larger than adequate share because of certain restrictions on the Niagra Project because this power is to be sent only to the municipal or preference project. Say, Barnes Project powers the high level for all users of the State. In order to get this power here, certain contractual arrangements must be made. The original agreement has been signed with PASNY, but we need an agreement with the bargaining agents for the State of Connecticut who is the only authorized representative for any of the affiliates in Connecticut. CMEFC delegated the responsibility back in the 1970's, reaffirmed by Governor O'Neil in April '82. They led the fight and they retained the position of bargaining agent. The other contract needed is a transmission service agreement. In order to get the power actually flowing to us we need an interconnection between our system and the New York border. In this case, it is the New York/Massachusetts border which is electrically the closest point. At that point, Northeast Utilities would be responsible for bringing it into our system. It will be dispatched by NEPOOL where the NEPEX will occur. Therefore, there is no jurisdiction as to how it is dispatched. We receive it after the fact. We get our share as to what is actually provided to the New England Power Pools. Everyone is in the same

situation. Another complication that arises is since we are not a member of NEPOOL we have to take our share of the reassignment back to Northeast Utilities. We have talked to them about it and negotiated with them about signing the agreement. As of about 4:00 p.m. no agreement has yet been arrived. They are planning to file an amendment to the W2 Rate Increase in lieu of the signed agreement. We have not yet purchased Power Agreement with CMEEC. The attorney's are still talking and the final draft is suppose to be received by 8:00 a.m. tomorrow. There is not much of a difference at this point. As a result of the late timing in conjunction with July 1, 1985, the PUC on Tuesday night authorized Mr. Smith to execute the necessary documents on behalf of the PUC. The documents are 10 year contracts which provide for receiving power as dispatched commencing July 1, 1985 to June 30, 1995. The first year the estimated savings (net) are about \$50,000. We anticipate that the net savings for the 9th, 10th year of the contract will turn out to be several hundreds of thousands of dollars. Perhaps millions. The problem is we don't have anything to compare it to so we don't know what the rates will be 10 years from now. One thing is certain and that is that the PASNY rates over the past 25 years have not varied that much. 2.0 mills at Niagra Falls. A stipulation in the contract is that no profit can be made on this power. If there is a reduction of cost in energy, it must be directly passed on to the customer. We do not just reduce our expense side, we also reduce our income side. In prospective, \$50,000 for one year amounts to about .10c a month/customer. No great shakes, but \$50,000 when accumulated. The larger customer will naturally see a greater savings. This is just the first year and we hope to keep increasing. This is where we stand. Mr. Killen suggested that since the Council didn't have the opportunity of oversight by next Tuesday, the meeting for the contract should be signed by then, that Mr. Smith be delegated to bring the Council up to date on the status of this situation.

Mr. Gessert then states that this has been a long time in the works and that although the initial impact might not be that important, down the road we are sure that this is the cheapest power around. Nuclear power isn't going to be any less expensive and the more hydroelectric power you can get the cheaper it is going to be in the long run. This will help keep our costs down.

Mr. Krupp then questioned Mr. Smith as to CMEEC being the bargaining agent for the contract amendment. Are they entering then into the sales agreement only and not as a membership.

Mr. Smith responds "absolutely not". An agreement to bear our responsibilities for the PASNY cost as they are only an agent. There are no membership obligations whatsoever.

Mr. Krupp then asked Mr. Smith to explain more about the 553 kilowatts. This doesn't sound like alot when compared to kilowatt hours used at home on a monthly basis.

Mr. Smith states that the estimated kilowatts for the first year are 3,350,000 kilowatt hours. The total system is 415,000,000 kilowatt hours.

Mr. Krupp asks how many kilowatt hours does the average homeowner use.

Mr. Smith states that this figure would be about 750. Mr. Krupp then thinks that 553 kilowatts is still a low figure and Mr. Smith states that this is 553 kilowatts and not 553 kilowatt hours. For each hour there will be 553 kilowatts per hour. Kilowatts is a measurement of instantaneous energy, kilowatt hours is a measurement of energy over a time.

Mr. Holmes then asks Mr. Smith what kind of impact he foresees that this will have on the financial statements.

Mr. Smith states that there are 2 impacts. One is that for the 1st year the costs would be reduced by \$50,000 and the revenues would be reduced. There are 720 hours each month involved. A bill from CMEEC has to be varified with our C L & P bill. It is very important to keep track of this.

Mr. Holmes noted that Mr. Smith said no profit would be made yet in the 8th, 9th, & 10th years showed significant dollars. Mr. Holmes feels that the Council should be made aware of this.

Mr. Killen noted that he was present when Mr. Smith made his presentation to the PUC and he states that this affects all of us. Mr. Killen wanted everyone to have a share in their feelings on this issue since Friday all the documents are to be in the hands of CMEEC.

Mr. Smith then noted that after CMEEC gets the documents, they have a requirement with PASNY for next Tuesday. In order for the power to be flowing, PASNY has requested that all documents be in order so that they can show the path to the final recipients.

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Mr. Killen then states that the legislative oversight may have been done by the Board and he wanted to have everyone's feeling on this subject.

Mr. Rys then states that the documents received a few months ago showed that in 1990 they projected a savings of \$153,580. Is this calculated from the year 1985 up or is that just the savings for that particular year?

Mr. Smith states that the first bite at this thing showed only a small share \$13,000 for the first year. He states that the share has been increased by 3 times. The estimate now is \$50,000 which is quite higher. Everything on the report Mr. Rys is referring to is proportionately higher now.

Mr. Rys then questions the reading in the packet given to them a few months ago which said that authority understands that a customer may desire to assign, sell & transfer to American Municipal Power of Ohio.

Mr. Smith states that that was a very early draft which has been revised. That was the PASNY contract he was looking at. The contract now restricts this to users in Connecticut. If they want to give up their shares in Connecticut, then the other utilities in Connecticut have first rights to them. If they all refuse, it then goes back to PASNY.

Mr. Krupp notes that Mr. Smith refuses to take credit for this but it should be noted that Mr. Smith deserves credit for seeking and taking immediate action when it was necessary. Mr. Krupp then goes back to question the profit level. No profit can be made yet they do have to budget the net income on the overall sales on the assets of the division. Mr. Krupp asks if on certain types of rates there will be a higher profit absorption. Will there be a two tier rate system?

Mr. Smith states that he does not feel it will be that complicated to be two tier because there is just not enough energy to do that. This is only something that may end up to be 4-5% in the long run. In the rate design, this will be subtracted from your sales. This will all be molded together. Mr. Krupp thinks that the rates will then have to be adjusted and Mr. Smith replies that this will all be watched.

Mr. Gessert then states that Mr. Smith does indeed deserve some credit because if something goes wrong he will be the first to hear about it. Mr. Gessert thanks Mr. Smith and Mr. Smith then thanks the Council.

Mr. Gessert then states we will go into the discussion on Robert Earley. He states that there has been a lot of discussion about turning Robert Earley into a Town Hall. Some of the preliminary figures for bonding years ago were considered extremely high. This was why some of the members were opposed to this. Richard Caplan is here and he has looked into a plan to incorporate the existing buildings in this area. A great deal of time and effort have been put into developing this plan and he would like to present his plan with the Council this evening for discussion. He would like our opinion and our advice as to whether we see this as a foreseeable way to go, and whether we are interested in this for the Town of Wallingford. Should he continue to pursue this and use more money to finalize this plan and this is what he is looking for.

Mayor Dickinson wants it noted that the information Dick Caplan has is an expenditure of funds by he and his partner. This represents information on the missing piece as far as possibilities at Robert Earley. Missing piece being what kind of finances would be available for a private developer to be renovating Robert Earley in a joint effort in the Town leasing back. That information has not been available and this is a vital piece of information that is now available to us. It was noted that Dick Caplan had copies of his cost/benefit projection. These copies were then handed out to each Council member.

Mr. Caplan explained that they have been working on this plan for the last 6 months but have been putting it together for the last 2 1/2 years. He hired Halcyon, a developing corporation of Hartford, to produce a highest and best use for the current land owned by Mr. Wooding and Mr. Caplan. At the same time, he gave them 2 other

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problems. He gave them the adjacent land from his land, and he gave them the problem of potential Robert Earley being the site for the new Town Hall and he gave them the strong interest in the community for a kind of facelift to the business district in Wallingford. He gave them a developers problem, a Town Hall problem, and a community problem. He then asked them to solve this for him. The figures given each member are a culmination of this work. The next step would be to get the proof of this. Mr. Caplan has assumptions and numbers based on those assumptions but he doesn't have the proof. This would be an architectural study. This is a rather expensive study but at this point would be ready to get this study done. The plan is as follows: He would lease the land under Robert Earley for X number of years for \$1/year. They would purchase the existing town buildings here for \$600,000. They would then renovate 36,000 sq. ft. of Robert Earley and lease it back to the Town at \$7.50/sq. ft. 36,000 sq. ft. comes from a study that Halcyon did in working with Don Roe in figuring out how many sq. ft. would be needed right now in Robert Earley. The building is 38,000 sq. ft. which means there is room for growth. They also estimate that the Town would pay costs in addition to the \$7.50/sq. ft. of \$4.00/sq. ft. This is for occupancy. With those sites free, they would then develop new and renovate some of the existing buildings on this site and construct a mixed-use development. Mixed use being office, retail and residential. In looking at the sheet given each member, the new expenditures would be 36,000 sq. ft. at \$7.50/sq. ft. What isn't seen is an escalation of 5%. The same with the operating expenses figured at \$4.00/sq. ft. The total expenditure then for the first year happens to be \$414,000. Next comes new revenues to the Town of Wallingford. The first being Robert Earley. As opposed to costing us \$20,000 to \$30,000 a year, since it would be privately owned, taxes would be paid on this. This would be about \$49,000 to the town. The next line would be the commercial properties. This line increases dramatically because commercial development increases until it gets to completion and then it goes to 5% annually. Next comes residential and again the figure jumps because of construction. The next line is a Money Mortgage. They are proposing that the \$600,000 price be interest only over a 10 year period. Therefore, they would be paying \$60,000 over the next 10 years. The total then would be the new revenues. The first year being the \$167,780. Subtract the expenditures minus the new revenues brings us to the occupancy cost of \$246,220.

Then what is being paid now was simply subtracted. This was taken from the 1986 budget. This was \$197,102 which would no longer be an expense.

Mr. Gessert then questions Mr. Caplan if the Simpson school has been figured into this operating expense and Mr. Caplan replies that yes it has.

Mr. Caplan then explains that they expect a net new occupancy cost after subtracting the revenues and what is already being spent of about \$50,000. The first year works out to about \$1.36 per sq. ft. Then this takes a radical drop as the Town begins to receive revenues. Over a 10 year period the estimated cost is less than .25¢ per sq. ft.

Mr. Gessert asks what Mr. Caplan has in mind for the rear area. He realizes they asked Halcyon to do the study and talked about developing the uptown area with keeping the Town's needs in mind.

Mr. Caplan says what was expressed to Halcyon was that Wallingford is over 300 years old and there is only so much square footage at the sites. What was needed was a program that would address the age of the town and also something architecturally feasible. This was in opposition to a 50 story building in the center of town. Mr. Caplan states that without an architectural feasibility study, they have some concepts which are some new retail space, some residential space and some office space. A question was raised as to what might happen to Academy Street. Mr. Caplan replied that that was one of the more charming streets in town. The main items are already there. Zoning, utilities etc. What needs to be done now is the architectural study.

Mrs. Papale then assumes that Mr. Caplan has no intention of coming in and building some type of mini mall and states that this was of great concern. It will be kept village looking.

Mr. Caplan states that he would hope to work with the beautification committee. Not opposing each other but working together to give Wallingford a lift. Mr. Caplan assures Mrs. Papale that he feels that a suburban mall does not belong in the middle of town.

Mr. Krupp states that in reading his projected sheet in front of him it shows a net cost of \$49,118 for 1986. Beyond that from a materiality standpoint Mr. Krupp feels that this plan looks good.

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Mr. Rys questions whether Mr. Caplan will be redeveloping the building or utilizing the buildings that are very sound.

Specifically, Mr. Caplan states that it is their plan to take the P & Z structure down. 3/4 of the old Town Hall would come down. The only quarter to stay would be that which houses the mechanics. They would hope to renovate along North Main street because that has alot of charm. Also, some of the buildings he owns, he would be doing facelifts to. Some may have to come down. The larger structure on North Main Street he would like to renovate.

Mr. Rys then notes that Mr. Caplan stated he did not plan to build a superstructure, however would the new structure be a 2,3,4 story building or would he try to keep this structure down to size with the area.

Mr. Caplan assumes they would try to keep the structure down to size.

Mr. Holmes comments that Robert Earley has been a question for a long time now. It also seems to raise a question as to what will be done with the Town Hall. To exchange one vacant building for another is falling behind in the game. He thinks forces should be joined and with so many expensive items going on in Town, it is very interesting to avoid the bonding costs associated with renovation which would be very expensive for the town. He feels this stands for further investigation.

Mrs. Bergamini states that Mr. Caplan said he would only renovate 36,000 of the 58,000 sq. ft. How is this determined?

Mr. Caplan explains that the 36,000 sq. ft. figure was determined by taking what it would take for these two sites, plus Simpson. Also, the 1980 study was used. 390 Center St. is 3,100. 350 Center St. is 15,000. 9-21 North Main is about 5,000. All together there is about 23,000 sq. ft. for these buildings. This does not include Simpson.

Mr. Polanski noted that residential would be the first thing completed. Also, 1987 got the greatest rise in the residential section.

Mr. Caplan states that the residential should be finished by 1989 and the commercial will take the same amount of time. Both plans assumed that by 1989 the site would be developed.

Mr. Diana raises a question about the 36,000 sq. ft. It was always said that even if Robert Earley was filled to capacity they wouldn't be able to fit all Town Offices. This was just a criticism. Also, does this mean that Simpson School will be completely vacated.

Mr. Caplan states that this is an option of the Town. They were just providing an option for what is being used there.

Mr. Diana then questions what will happen in 1995 when this is all done.

Mr. Caplan then explains that the note will come due. The total being \$600,000. This is only spelled out for 10 years. After this time, he would assume that the Town would buy back the building for \$1. This \$600,000 purchase price is based on some other things as well. Unless these are proved with an architectural feasibility study, or unless the town is not interested in selling these buildings, these plans are no good.

Mr. Diana states that it would be interesting to see what it would cost for bonding if the Town had to go out and do this themselves. He would like to see what the dollars look like if they were to compare them. Another thing was the revenues to the city. This always looks good on paper. It shows that \$167,000 for revenue for 1986.

There is no way that you are going to be able to move from one building into another while completing a certain percentage of the project and still have that kind of money for the first year. Mr. Diana feels that maybe Mr. Caplan should have started with the year 1987.

Mr. Caplan states that they had to start somewhere. He says it will take approximately 8-9 months construction. This plan doesn't

mean that Robert Earley has to be completely occupied before they can begin renovations, or perhaps start residential. This can all be going on at the same time. 32

Mr. Gessert feels that when the plans start taking effect, certainly the Town will have certain guarantees that the construction will take place at certain times so that someone doesn't end up out on the street. Also, something would have to be done to protect the income of the Town.

Mr. Diana stresses that naturally anything that can be done to rejuvenate the downtown area is very important. Mr. Diana then asks Mr. Caplan to explain PMM to him.

Mr. Caplan states that this is Purchased Money Mortgage. They are proposing to buy all the buildings for \$600,000. Then they would ask the Town to hold an interest only Money Mortgage. 10% will then be paid over 10 years. \$60,000 a year.

Mr. Killen asks Mr. Caplan on the Current Est. Occupancy Cost what figures were used to determine this.

Mr. Caplan states that Halcyon just took the 1986 Budget numbers.

Mr. Killen then states that these figures would include janitorial and utility fees also.

Mr. Caplan states that the figure of \$197,102 is what is being spent on these buildings plus Simpson School.

Mr. Gessert then notes that the Operating Expenses have been figured in and this is where this money would be programmed back.

The second line as explained by Mr. Caplan is what they are assuming the town will pay to maintain that building. The \$4.00/sq. ft. figure

Mr. Killen then asks if this \$4.00/sq. ft. is a firm figure.

Mr. Caplan replies that this is from an investigation of the Wallingford area. Therefore, Mr. Caplan states that this \$4.00 figure is not firm. If it can be done for less than \$4.00/sq. ft. all the better. Also, it was noted that the \$4.00/sq. ft. cost again increases at a rate of about 5%. Mr. Caplan also explains to Mr. Killen that the property taxes on the New City Hall are what they are assuming after improvements.

Mr. Killen then states that again, in doing anything you always like to do it in comparison. A dollar isn't worth anything unless you know what you are buying.

Mr. Killen would like to go over the figures on what it would cost to do over the Robert Earley School, what they could get for all the buildings talked about in a forced sale. This would give them an idea of about what they might be worth. This would give them an honest comparison.

Mr. Gessert states that he has asked Mr. Caplan to have the figures go the other way. Using the original conversion cost of 1.5 million. Then see how it worked out doing it a different way.

Mr. Caplan states that they can use these figures. However, what he is proposing is a package. To offer the current site for sale, may prohibit what he is offering. It is their decision. However, he is talking not only about Robert Earley, but also the development of this area. If open bidding were to happen, another developer may come in, he may purchase the building, but they won't get this size renovation that he is proposing. Again Mr. Caplan states that this is a package deal he is offering.

Mr. Diana states that they may be at a disadvantage with Mr. Caplan owning adjacent property. If they went ahead and did this on their own, Mr. Caplan and Mr. Wooding may be reluctant to let go of the property that they own. This would then take away from what they are trying to do to the downtown area. Mr. Diana feels that this should be taken into consideration.

Mr. Gessert states that if they were to have the same concept developed would there be different financing options. Is another plan more feasibly economical.

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Mr. Krupp then states that they should look at this as more than just a dollar and cent item. This is something for the community. Mr. Caplan is someone who is within the community and is talking about preserving and restoring this back to a village like concept. This should be taken into consideration. It seems more appropriate to let a member of the community that does have some concern as to preservation come in and do this than to let someone from the outside come in who won't have the least bit of concern.

Mrs. Bergamini states that it is fine to open up this to other developers but they may get someone who is going to give them 1.2 million for the property and then have to do Robert Earley on their own. With the package deal, we might have some kind of control on what is going on. If they don't like it, they may be able to go along with the 2 developers and ask for assistance. If another developer comes in, he is going to be concerned only with making his money back and then some. A highrise is not going to get her vote. With a package deal they still might have some control on what will happen to downtown. If there should be a problem with parking, why not knock a house down a couple of blocks away and get the extra parking. This is why she is afraid of getting someone from the outside.

Mr. Holmes notes that Mr. Caplan seems to be receiving favorable results from the Council. His next step then be to go out and hire an architectural firm.

Mr. Caplan states that what he needs to go any further is an architectural study to help him facilitate future studies on delivering.

Mr. Kilen again notes that there is nothing worth while that can't stand comparison. He is not only representing himself, but also representing their electorates in Town. He feels it is a good concept but he also should be able to say it is better because.... Not only money wise but in all ways they should feel that this plan is better than any other plan.

Mr. Gessert then states that he would like to take a vote of the Council to see if Mr. Caplan can then go ahead and develop his figures and get back to the Council.

Mrs. Papale notes that she understands Mr. Caplan doesn't want to put money into an architectural firm if they are not even interested in his plan.

Mayor Dickinson states that he thinks that Mr. Caplan is looking for is a legal document with an option to purchase. This means that it would take some time to develop this document. During this time, they could also come up with figures and other means of doing this. However, what Mr. Caplan is looking for a yes from the Town that regardless of the financing, an option to participate with municipal properties to enhance the area that includes his properties.

Again Mr. Caplan states that this is a package deal. This includes his property. This includes a private developer taking a building that needs to be renovated, leasing it back to municipalities and then using some of the appreciation in your own figures.

Mr. Polanski notes that they have only heard from Mr. Caplan. They have a Robert Earley Disposition Committee that they haven't heard anything from.

Mr. LeClair then states that he can't see other developers coming in and taking property that would be conducive to Mr. Caplan and Mr. Wooding. He feels that they do hold the key. He knows that there will be restrictions as with anything. Robert Earley with the bonding costs may or may not be in the best interest of the Town to do itself. Mr. LeClaire states that his study is at the printers right now. Their committee met Tuesday night plugging in these figures with their own set plus alternate figures. The report should be received within 48 hours.

Mr. Gessert states that the question at hand is "Would you like to see this concept pursued." This is what Mr. Caplan needs to continue and then get his architectural study.

The Council members then vote "yes" unanimously to see this concept pursued.

Mr. Gessert then calls a 5 minute recess.

Mr. Gessert then states that the next item up for discussion is Parker Farms School Facility.

Mayor Dickinson then states that what everyone has is a financial book prepared by the Comptroller's office. This report in no way takes a position pro or con but is simply what was requested. The most important items are the Finance Schedules, Schedule II and Schedule III. Schedule II sets out for a 5 year Bond Issue. This is for the 1.2 million estimated for Parker Farms. Schedule III is based on a--10 year Bond Issue. This was based upon a fiscal impact with State Grant supporting 60% reimbursement and without a State Grant. It is assumed that we will have the Grant but it is wise to know what would happen if we didn't get the Grant. This does not take into consideration the sale of any other school. Since the date of that sale and the purchase price are totally a matter of conjecture. Mayor Dickinson then noted for the members to look at the Amount Impacting Budget with State Grant for both Schedules. This is what the Town of Wallingford would have to fund. If there were a sale of the school, they would probably have to make at least 2 of those payments. What is on the agenda is the approval of 3 items: authorize the formation of a building committee, prepare schematic drawings, and authorize the filing of appropriate applications with the State of Connecticut by the Wallingford Board of Education. These actions can be taken by June 30, 1985, putting them on the list for State Grants, and they can take those actions and wait until the State commits which would be next year. At that point, move forward once we have the State Approval in our hand or we could move immediately this summer. The financial impact for moving this summer would be that lacking the State approval, the 6/15/87 payment would have to be included in the 85-86 budget. Therefore, lacking that approval without State Grant this would be \$374,300 for about .46 mil. If we waited, that sum of money would be reduced to \$155,060. If we went to a temporary note instead of immediate bonding, this involves immediate bonding by February of '86. Selling in February and refinancing in June. If we went to temporary note for a year, we would increase the total by over a little more than \$100,000 a year in interest. It is probably wiser to go with the bonding. We often argue over \$30,000 or \$40,000 where \$155,000 is a large amount of money. Again, at this point there are two options. However, looking at a State approval and they would then reduce the financial impact on the town. This report is just to give the financial impact on this.

Mr. Gessert states that Items 3 a, b, & c are what is needed to file application to the State. Therefore, no one person has to be appointed, but they have to authorize them to appoint one.

Mayor Dickinson then states that the pure authorization is what was explained to him. Items A & B would have to be done in order to file the application for the Board of Education.

Mr. Krupp then notes that any committee appointed by this Council, will not exist after the end of their term.

Mr. Killen notes that State Statute would override this and he doesn't feel that this applies to a school committee.

Mr. Gessert states that project CATCHUP Committee has been for many years.

Mr. Holmes states that he supports moving on Parker Farms. He urges everyone to go into this with their eyes open. There is a significant cost involved.

Mayor Dickinson states that there are 2 things that should be put on the record. One is, as he sees it, they are not facing a capacity problem. The current schools can handle the enrollment as well as the projected enrollment. What they are talking about is a school that can handle mandated programs within its own walls for a given district. What your saying is not the case with Yalesville, but would be the case for Parker Farms being the larger structure.

Mr. Frank Soldan noted that Parker Farms would hve the ability to handle future programs and the limitations that existed once as one school vs. the opportunities that exist in the other.

Mayor Dickinson then comments that this is in no way a plan for all day kindergarten.

Mr. Soldan then explains that it is not the intent of this Board or this administration to have an all day kindergarten. As a matter

of fact, the Board takes the position against this. The reopening of Parker Farms has nothing to do with an all day kindergarten. However, with this mandated, this would provide us with the additional room. This would be system wide. He states that with this school, if it were mandated, this school would be large enough to accomodate where Yalesville would not. Also, other schools would not have the room.

Mr. Krupp states that some of them have children attending school, and they will all agree that things are a little bit crowded. (applause from the audience).

Mr. Holmes asks Mr. Soldan when he anticipates a definite answer from the State about this financing.

Mr. Soldan states that the first step would be what is requested tonight. With this being approved, his department would file the proper forms. It would then go in for next years financial package. They would then file additional forms to reinforce this commitment. However, somewhere along the line, a building committee must be formed. As he files new applications, he must name the chairman of the committee. He can't do this until this committee is chosen.

Mrs. Bergamini states that she isn't going to bring up the Chorale Room.

Roberta Shaw then states that she has an explanation for this. The Chorale Room and the alarm system were a part of project CATCHUP. Because the Chorale room has not been finally accepted, no money has been paid. Also, no alarm system has been approved.

Mrs. Bergamini then asks when they are going to accept a final alarm system. Mrs. Shaw then responds that this is going on the agenda very shortly and she just wanted to let them know that there was a reason for the delay.

Mrs. Bergamini asks that if they approve this tonight, they will go ahead and apply for the Grant but they will not know whether the Grant is forthcoming until January '86.

The Mayor then responds that it would be June '86 or when the legislation is signed by the Governor and would include this project in the projects approved by the General Assembly in their '86 session. By the end of the session they would know that this was approved and from then on it would be an approved project.

Mrs. Bergamini states that the Council will just be approving the go ahead with the application for tonight. However, at some point, they will have to decide if they want to bond this thing for 5 years or 10 years. They cannot wait for the Grant. The Grant really doesn't enter into anything.

Mayor Dickinson states that this kicks in where you pass an ordinance and then sell bonds. What we are talking about is the time sequence in which you actually begin selling bonds. The mil rate in the Town budget to meet those cost. This is why he feels they would vary depending upon if bonds were sold in February or wait for the State legislation to be approved.

Mrs. Bergamini states this would never go with the request of the Board's '86 opening.

Mayor Dickinson states that they are requesting that we are in line for the Grant which means an application by June 30, 1985. The 2nd question of whether we would sell bonds by February is not on the list tonight. At this point, the Mayor doesn't feel this should be done. He thinks they should wait until the State approves this and then wouldn't have to put 1/2 mil in the budget.

Mrs. Bergamini notes that they are committing another Council to this expenditure. Can they do this. They are letting them file application for the Grant by June 30th but they are also committing another Council to this project.

Mayor Dickinson states they are showing concern to go ahead with this project. He states that this is no different than most expenditures that are not ordinances. There really isn't anything else to do. Legality does not enter into this. The State of Connecticut is interested to know whether the Town of Wallingford is expressing a commitment to this project. We are expressing a commitment by passing these resolutions. That is all they are worried about.

Mr. Diana states that this is part of the electorate process. Every 2 years they are subject to change whether they like it or not. Many items are extended beyond their two year term. 343

Mr. Krupp moved to authorize the formation of a building committee to rebuild Parker Farms School; seconded by Mrs. Bergamini.

Mr. Gessert then states that he would like 1 person to speak from each side of the coin and give their opinion in this matter.

Edward Musso, 56 Dibble Edge Road, doesn't feel they should renovate that school and bring it back and does not feel any money should be spent. That money should be used to update Yalesville School. They will spend all this money and they still will just have an old brick building. There is plenty of room. No extra room is needed. He feels that this expense is totally unnecessary. The building is no good and it just isn't worth it. He would much prefer to have Yalesville School up to snuff. Use common sense. We do not need this building.

Mr. Devine, 22 Jodi Drive, states that they have a special interest in this because they have a special interest in their children and their education. They felt Parker Farms was closed at the wrong time and for the wrong reasons. He states that there is \$119,000 cost differential between the first bond and principal payment and the payment if there was no State Grant. If we wait another year, will that \$119,000 difference be absorbed by additional bonding costs at a higher interest rate, and additional depreciation to the building. Look beyond the immediate expenditure and see what will happen if this is prolonged any longer. Parker Farms has been left to deteriorate and no one single party is to blame. Deal with the issue by saying what is best for the educational system. Also, he would like to thank the cooperative members of the Council. Namely, Mr. Krupp, Mrs. Bergamini, and Mr. Diana for their help and support. (Applause).

VOTE: Unanimous ayes; motion duly carried.

Mr. Krupp moved to authorize the preparation of schematic drawings; seconded by Mr. Rys.

VOTE: Unanimous ayes; motion duly carried

Mr. Killen noted that they didn't have a copy of the resolution in front of them. Normally they would have the resolution.

Mr. Gessert explained that they should have the minutes of this meeting on Tuesday night and they will then have them in writing.

Mr. Diana moved to authorize the filing of appropriate applications with the State of Connecticut by the Wallingford Board of Education; seconded by Mr. Krupp.

VOTE: Unanimous ayes; motion duly carried.

Philip J. Hamel, Jr. then begins the discussion on the Resource Recovery Project. He states that they have gone through the project description. He wanted to bring out the finer points of the project. He notes that the authority will take all refuse from this Town except for hazardous waste and sewage. If the plant is not working they will try to divert the waste to another facility rather than just bury raw refuse. He states that they have been to 3 other legislative bodies and by next week they will be going to Hamden and will then have spoken to all 5. In Wallingford, the scale is 35,000. However, they are saying Wallingford should make a commitment of 27,500. This is a fairly large reduction.

If that refuse is not received, they would have to pay for it. However, what they do is to take advantage of other people's overages. Therefore, if the system gets enough refuse, they don't have to pay for it. If the system is short, they may have to pay on a prorated basis. If energy rates are down, the way the program is operated is that the operating maintenance cost plus capital cost less energy revenues. Current bid price on the plant is \$26 million but they expect it to go as high as \$28 million. This is because of the electrical meter for CL & P.

Mr. Gessert states that the Town of Wallingford does not have to pay a base price.

Mr. Hamel assures him that this is correct. They have to pay a tip fee. Mr. Hamel goes on to state that what they are looking for is approval in August. There was a meeting today and it was felt a proposal could be put together that was signed and documented by the end of July. He hopes to get the municipal decision by July. They feel if they do not have a decision by August they will not be able to finance this project. What they want to do is to gather the comments from all the Towns and put them together in a package instead of doing this six times. If there are conflicts, they would like to have the Chief Executives solve those conflicts. The Authority agrees that if there are changes agreeably acceptable by each Town, they would be willing to make those changes. Mr. Hamel states that possibly a meeting should be set up to get all questions answered. They have to meet a deadline. Unless this whole package changes, they really can't change those deadlines. Mr. Hamel states is what they hope to have from ORFA is a signed document by the end of July with Thyssen's guarantee behind it saying that this is the deal we are offering Wallingford. At that point, comparison will be made and he will talk to the Chief Executives again. 344

Mrs. Bergamini states that at one time there was a question as to whether there would be enough room for the site.

Mr. Hamel then explains they are talking about another site. They are not talking about the Landfill site. CRRA's site is at American Cyanamid's north end of the property on South Cherry St.

Mr. Killen asks if Planning & Zoning have been in on this.

Mr. Hamel replies that they have talked to Linda Bush. There are currently no regulations for this type of plant. Under the new regulations, however, there is zoning for this type of plant and it will be a special zone for a special use and will have to have a special permit and a special hearing and this would only apply for this to service Wallingford.

Mr. Krupp asks if CRRA is tax exempt. Mr. Hamel replies that until January they are. Would ORFA Be? Mr. Hamel replies that if they build it themselves and do not use public money from CRRA or from the Town, he doesn't believe they would be tax exempt. The only thing that the Town could do would be to give them a 7 year abatement. Not a 20 year abatement. Mr. Krupp asks those questions are of great concern. Before any final decision is made he would like those answers. This would also have an impact in comparison to the tip fees. Mr. Krupp would like to see a cash flow projection if they are tax exempt vs. tip fees.

Mr. Hamel states that they will be looking into the financing.

Mr. Krupp is concerned about cash flow to the Town and From the Town.

Mr. Hamel states that this was a discussion to get any comments that they may have.

Mayor Dickinson then asks if everyone has the contract and the summary. That is what Mr. Hamel is concerned about. This is what they would like to have action on in July.

Mr. Gessert then goes on to say that when talking to 5 communities they could all indicate some interest. However, whether they decide to join is in question right now. There are no guarantees.

Mr. Diana states that there are no guarantees. However, in the very near future, they are either going to pick CRRA or ORFA. Hopefully, it will be the host town. The other towns are Cheshire, Wallingford, North Haven and Meriden. If they went with those excluding Hamden, that would come to about 300. Mr. Hamel states 360. Mr. Diana now questions Mr. Hamel if they have approached Durham or North Branford, or Northford.

Mr. Hamel states that not at this time. North Branford he believes is working with Branford and they are dealing with New Haven. They are closer to New Haven geographically. Hamden on the other hand borders Wallingford. Mr. Hamel does state that if they lose a municipality such as Hamden or Wallingford, they would have to go and talk with some of these other towns.

Mr. Diana then states that if one dropped out they would need someone of the same approximate size. What about Middletown.

Mr. Hamel states that Middletown is planning its own project.

Mrs. Bergamini questions if they will all have transit stations. 315

Mr. Hamel replies that in this project, no one will have transfer stations. The trucks will be coming through. They did a traffic study and they believe it will be approximately 6-8 trucks per hour.

Mayor Dickinson states that if the traffic did get to be a problem, they could restrict use to Rt 5 or one of the State highways to get the traffic in and out.

Mr. Krupp then asks that we are committing 30,000 tons but produce approximately 27,500. What happens if all of the communities come up to full capacity. Can this be handled. If not what is done with the excess.

The way the plan is set up they are guaranteeing that they will take 125,000 tons of refuse per year for 5 towns. We say the \$20-\$25 tip fee is based on that. Obviously, there will be an increase in some cost such as maintenance on the plant. More refuse to expose of so more cost there. They do know that whatever waste they are showing on their scales, they are getting less than that.

Mr. Krupp states that the plan projection is placed on expected and not the guaranteed plus how many years expected quota.

Mr. Hamel states that until they know how much waste they will really have until it gets there, it is difficult to say that. Even though they have scales they don't know how much waste is going into this plant. They think in the neighborhood of 140,000 tons a year. It might also be in the best interest to bypass 5,000 tons a year. Also, they could add on another module to this plant. They wouldn't want a module there now to sit there for 6-9 months and not do a thing and be paying on this for nothing.

Mr. Krupp then questions if Durham could be added on as a 6th community if the level was then low.

Mr. Hamel states that if the plant did not fulfill its commitment, they would do spot market refuse. They wouldn't want to commit anyone. They feel that each town somewhere down the road will begin to grow and produce more refuse.

Mr. Diana feels that there is no reason to fill this to capacity because over the next few years, it is going to grow.

Mr. Hamel states that it may grow. One idea is that despite a population growth, there is not that much of a growth in refuse. If everyone should someday become full to capacity, it might make sense to someday build another plant say in Durham to accept all the overflow. They do have the facility to add on another module to this plant. Mr. Hamel also states that no towns have committed. Everyone is in the question and answer time. All finalizations have to be made.

Mr. Diana questions if Wallingford is the starting vehicle. They feel if they say no, the other towns may decide to decline.

Mr. Gessert states that what Mr. Hamel has requested is for someone to sit down and review the contract. He suggests that possibly two Council people may be willing to sit down and talk about this. They could then attend the meetings and fill the rest of the Council in on what is happening.

Mr. Diana then states that if only two members attend meeting, they will still have to get the rest of the Council in on what is happening. Why not just have a hearing or a workshop so they can all ask the questions.

Mr. Hamel agrees with this idea to have some kind of workshop.

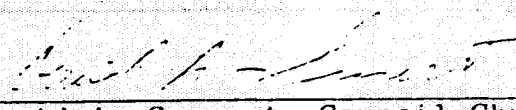
It was then agreed that a meeting would be held on July 11, 8:00 p.m.

A motion was duly made, seconded and carried and the meeting was adjourned at 11:05 p.m.

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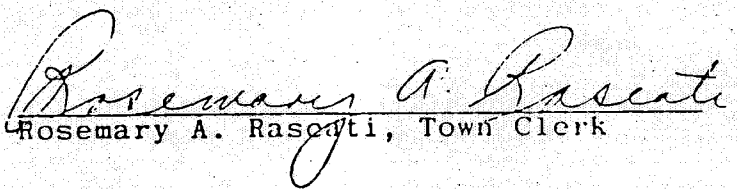
Lisa M. Bousquet
Council Secretary

Approved:


David A. Gessert, Council Chairman

Date

July 11, 1985


Rosemary A. Rascati, Town Clerk

Date

July 12, 1985

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