

SPECIAL TOWN MEETING – January 23, 2013
MINUTES

Present: Gregg Schuster, First Selectman, Selectmen: James Ford, Greg Cordova; Board of Education: Ron Goldstein, Chairman, Donald Kennedy, Bradley Bernier, Mary Tomasi, Mike Egan; Greg Plunkett, Dir. Of Facilities; Maggie Cosgrove, CFO; Board of Finance: Rob Esteve, Arthur Shilosky; Nancy Bray, Town Clerk; James Paggioli, Public Works Director, 3 reporters and 35 townspeople.

Meeting was called to order by Gregg Schuster, First Selectman, at 7:00 p.m.

Motion that Brenden Healy be Moderator made by Greg Cordova, seconded by Ron Goldstein. Motion to close nominations made by G. Cordova, seconded by Andrew Norton. MOTION CARRIED.

Motion that Brenden Healy be Moderator. SO VOTED AND CARRIED.

Moderator asked for a motion to waive the reading of the warning, motion made by Andrew Norton, seconded by G. Cordova. SO VOTED AND CARRIED.

A copy of what was made available to all those in attendance is attached to and made a part of these minutes.

Motion to move Item #1 (a-d), To consider a resolution to authorize the Town of Colchester to undertake a lease-purchase financing of the Energy Conservation Savings Program, substantially as described in the Investment Grade Audit prepared by Honeywell Building Solutions and on file in the office of the First Selectman, in a principal amount not to exceed \$3,500,000, for a term not in excess of 12 years, made by G. Schuster, seconded by G. Cordova.

Moderator asked Jim Paggioli, Public Works Director, to give a presentation of the project.

Discussion:

Andrew Norton noticed from the presentation that there were two separate lists of towns and was wondering what the difference was between the two. J. Paggioli pointed out that each had a different service provider, the second list was Honeywell.

Mr. Norton also asked if any of the savings above and beyond had to be shared with the contractor or did it all belong to the Town? Jim answered that it would belong to the Town.

Mr. Norton: The lifespan expectancy is somewhere between 13-17 years or will the Town be replacing the items sooner? Jim: The lifespan is longer than the lease time in most cases; the transformers are good for 30 years.

Mr. Norton: So the savings would be realized in the 13th year and longer? Jim: Yes

Jack Faski: Would any of the installation of equipment be done with future technology upgrades in mind? Jim: Yes Jack: Will the Town own the equipment after the payment of lease? Jim: Yes

Leslie Curtis: If the cost of oil goes down will the savings go down as well? Jim: The savings will be in kilowatt hours.

James McNair: Maggie will the "baseline" that was in the presentation also be the base for the budget? Maggie Cosgrove: Budget neutral project James: When will the public see a report?

Celtic Rep.: 12 months after the project is installed; Honeywell will release the report.

J. Paggioli spoke a little on the conditions of the project.

Carl Swanback: Heard report of solar panels obsolete by a certain date. Jim: No solar panels will be used in the project.

Special Town Meeting – Jan. 23, 2013, Page Two

Mr. Curtis: Timeline on project? Jim: End of March 2013 (Later clarified that the project will start in March so most will be done in summer months when school is closed.)

Joe Broder: Are the payments guaranteed annually? Jim: Yes, if we save more money than expected we keep the money.

Diana Giles: Can the monitoring verification be extended after 3 years? Jim: Yes, can extend but it may cost additional money, same guarantee.

Jack Faski: Who does the monitoring? Jim: Honeywell and Celtic Energy double checks.

Steve Coyle: Voiced his concern with how the project was put together; couldn't we do our own audit? He has not seen the audit because the First Selectman has not made it available to the public. Couldn't we have done the audit ourselves and not used a company? Jim: There would be no guarantee if we did it ourselves.

B. Sullivan: What is Honeywell doing to maximize the savings in the schools? Jim: Changing style of lighting, water conservation measures.

Mike Egan: When looking at all of the facilities, will they blend the items, only those things that result in energy savings? Jim: Yes; some facilities would have fewer items and older less efficient facilities would have more.

A Citizen: What guarantee is there on fixtures when Honeywell will have a subcontractor doing the work? Jim: Celtic will be relied on for checking items; monitoring of payments and performance, additionally the town would receive the manufacturer's warranties.

Jack Faski: Have any towns ever missed out on savings? Celtic Rep.: No; not in the 25 years that they have been monitoring. Jack: Voiced his opinion that he would like local people to get some of the work if at all possible.

Moderator Healy asked the following questions: Did the Board of Education support this project?

Ron Goldstein: Yes, absolutely we did support the concept. Healy: Did the Board of Finance support the project? Rob Esteve: Yes, after much discussion.

James McNair: After reading the minutes of the BOF meeting, I understand that the Chairman, Rob Tarlov, abstained from voting on the motion to support. What is the risk of the project?

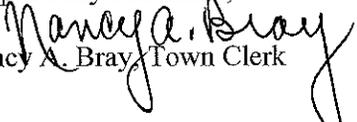
Rob Esteve: Payback period as it relates to life expectancy is what was discussed at length by the Board of Finance.

A Citizen asked who would we borrow money from, a bank or savings institute? Maggie Cosgrove explained that the Town goes out to bid for a "lease" company, a bank or financial institution who would put the money out up front and the Town would pay back with the lease payments. There will be no lease payments made until next fiscal year but going ahead with project now. A lump sum payment will be made at time of lease than payments will be made in increments as the project continues. The financial institution would pay Honeywell and the town would begin to make lease payments once all the work was complete and town is receiving savings.

Moderator called for voice vote on Item #1 (a-d), SO VOTED AND CARRIED.

Motion to adjourn made by Mary Tomasi, seconded by Don Kennedy at 8:26 p.m.

Respectfully submitted,


Nancy A. Bray, Town Clerk