**********DRAFT **********

# MINUTES OF THE BOARD OF FINANCE
# REGULAR MONTHLY MEETING
# MAY 5, 2016

The Board of Finance Regular Monthly Meeting was held on Thursday, May 5, 2016 at 7:30 p.m. in the All Purpose Room, Osborn Hill Elementary School, 760 Stillson Road, Fairfield, Connecticut.

**MEMBERS PRESENT**
David Becker, James Brown, Thomas Flynn, Kevin Hoffkins, Mary LeClerc, John Mitola, James Walsh

**MEMBERS ABSENT**
Christopher DeWitt, Robert Stone

**ALSO PRESENT**
Michael Tetreau, First Selectman, Town of Fairfield (8:30)
Robert Mayer, Chief Fiscal Officer, Town of Fairfield
Linda Gardiner, Budget Director, Town of Fairfield
Stanton Lesser, Town Attorney, Town of Fairfield
Dan Sciglimpaglia, System Administrator, IT Department, Town of Fairfield
Marc Donald, Chairman, Fairfield Ludlowe High School Building Committee (FLHSBC)
Peter Manning, Construction Manager, Fairfield Ludlowe High School Building Committee

**ACTION TAKEN:**
Approved the Suspense List as presented by the Tax Collector at tonight's meeting at a value of $97,773.97.
Motion carried unanimously.

Approved to adjourn Agenda Item #3 on the agenda, to the BOF Quarterly Review Meeting on Tuesday, May 17, 2016 with the request for Bond Counsel, First Selectman, Chair of the Board of Education and Superintendent of Schools to be in attendance at that meeting.
Motion carried unanimously.

Approved to move Agenda Item #1 to Agenda Item #4.
Motion carried unanimously.

Failed to approve to postpone setting the Mill Rate, Agenda Item #, to date certain of May 17, 2016.
Motion failed with a vote of 2 yeas (Hoffkins, Mitola), 5 nays, 0 abstentions.

Failed to amend motion to set the Mill Rate at .02564 to read to set the Mill Rate at .02564.
Motion to amend failed with a vote of 2 yeas (Hoffkins, Mitola), 5 nays, 0 abstentions.

Approved Motion to set the Mill Rate for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017 at .02545.
Motion carried with a vote of 5 yeas, 2 nays (Hoffkins, Mitola), 0 abstentions.
Approved the appointment of Cohn Resnick LLP as auditors for Fiscal Year 2016.

Motion carried unanimously.

Approved the transfer of funds from Town contingency to IT capital outlay for purchases in the amount of $90,000.Motion carried unanimously.

The minutes of all the meetings listed in Agenda Item # 6 were approved as follows:

February 3, 2016 unanimous yea
February 16, 2016 unanimous yea
March 1, 2016 unanimous yea
March 3, 2016 6 yeas, 0 nays, 1 abstention (Walsh)
March 8, 2016 unanimous yea
March 10, 2016 unanimous yea
March 15, 2016 unanimous yea
March 16, 2016 unanimous yea
March 19, 2016 5 yeas, 0 nays, 2 abstentions (Brown, LeClerc)
March 21, 2016 6 yeas, 0 nays, 1 abstention (Brown)
March 31, 2016 unanimous yea

Approved unanimously to adjourn the meeting at 9:40 p.m.

Chairman Flynn called the meeting to order at 7:35 p.m.

Mr. Mayer led the Pledge of Allegiance.

Mr. Hoffkins moved and Mr. Mitola seconded to postpone Agenda Item #1 to Agenda Item #6 since Mr. Tetreau cannot be here until later due to a prior engagement.

Motion carried unanimously.

AGENDA

2-To Hear, Consider and Act Upon the Suspense List for Tax Collector.

Cinda Buchter presented this item to the Board and reviewed the Suspense List with the Board. Ms. Buchter explained that by moving these items to the Suspense List will make the collectable tax list more realistic since every effort has already been made to collect the items on the suspense list. Ms. Buchter noted that last year's Suspense List was at @123K and this year's Suspense List is at $97,773.97.

**Mr. Brown moved and Mr. Mitola seconded to approve the Suspense List as presented by the Tax Collector at tonight's meeting at a value of $97,773.97.**
**Motion carried unanimously.**

3-Fairfield Ludlowe High School Building Committee
To hear, consider and adopt a bond resolution entitled "A Resolution Amending and Restating a Resolution Adopted by the Representative Town Meeting on June 24, 2013 Entitled 'A Resolution Appropriating $11,630,000 for the Costs Associated with the Expansion and Renovation of Fairfield Ludlowe High School and Authorizing the Issuance of Bonds to Finance such Appropriation to Increase the Amount of the Appropriation and Bond Authorization by $3,907,674."

Mr. Donald and Mr. Manning presented this item to the Board. Mrs. LeClerc and Mr. Walsh requested that Dr. Title and Mr. Tetreau be present for discussion of this item. Mr. Brown requested that Bond Counsel be present for this discussion as the Board of Finance has required at all discussions concerning bond resolutions. Chairman Flynn noted that the issue tonight is that the bids for this project have been open since January 3rd or 4th and the time to award the bid has passed but the bidders have so far agreed to leave the bids open.

Mr. Donald reviewed the timeline with the Board. Mr. Donald explained that the bids were complete in late January and on January 20th the GMP was decided but some other projects took precedence so this project was put on hold. Mr. Donald reported that Phase 1 of the project, the roof, was done in August 2015, Phase 2 of this project, classrooms and cafeteria area, was also done in August 2015, and Phase 3 of this project,, replacement of selected windows, received EPA approval on December 10th, 2015.

Mr. Manning explained that the First Selectman wanted finality of the 1t two phases of this project before phase 3 was advanced. Mr. Manning then explained that it took until April 6, 2016 when the FLHSBC made a presentation to the Board of Selectmen (BOS) to totally close out the first 2 phases of this project.

Mr. Walsh stated at this point that, in his opinion, this item needed to be postponed to the BOF Quarterly Review Meeting scheduled for Tuesday, May 17, 2016 because there are already questions that need to be addressed by the First Selectman and Dr. Title.

Mr. Manning asked if he could go over the power point presentation with the Board as the presentation might be able to answer some of the outstanding questions so the presentation was presented to the Board. Mr. Manning informed the Board that the cost for phase 3 is $4.5M.

Mr. Brown stated that he still has several questions and he will make every effort to get those questions answered before the next meeting on the 17th. Mr. Brown also noted that the history of this project would be quite beneficial for the discussion and, bond counsel must be present for the discussion.

Mr. Brown and Mr. Walsh both noted that the Board originally voted on the entire project, not phases and the windows were a primary focus of this project and it is unclear why the windows are still not done and the project needs an additional $4.5M. Mr. Walsh requested a tour of the building to actually see what work was done and he also requested the original materials from the 1st presentation of this project.

Mrs. LeClerc noted that the RTM added budget attachments to the Bond Resolution that was approved and she requested copies of the original Bond Resolution with the budget data attached for the next meeting.

**Mr. Walsh moved and Mrs. LeClerc seconded to adjourn this matter, Item #3 on the agenda, to the BOF Quarterly Review Meeting on Tuesday, May 17, 2016 with the request for Bond Counsel, First Selectman, Chair of the Board of Education and Superintendent of Schools to be in attendance at that meeting.**
**Motion carried unanimously.**

**Mr. Mitola moved and Mr. Brown seconded to move Agenda Item #1 to Agenda Item #4.**
**Motion carried unanimously.**

1- To consider and set the Mill Rate for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017.

Mr. Mayer presented this item to the Board. Mr. Mayer stated that the proposed Mill Rate is currently at .02545 but could go to .0243 which would result in an average increase of $223.00 for the average taxpayer in Fairfield. Mr. Mayer noted that the Board of Assessment Appeals had 300 appeals this year with $56M of assessment value resulting in a reduction of about $200K. Mr. Mayer reviewed his handouts with the Board included Schedule F. Mr. Mayer stated that, with the proposed State revenue adjustment that includes the Educational Cost Sharing (ECS) reduction to towns, the Mill Rate would go to .02564 which would result in a potential increase of $296.00 for the average taxpayer in Fairfield.

Mr. Tetreau arrived at the meeting at this time. Mr. Tetreau reported that the RTM does not recommend cuts due to State cutbacks especially the ECS cuts. Mr. Tetreau asked that the BOF postpone setting the Mill Rate until the State budget is finalized and this should take only a few weeks.

Mr. Walsh asked Mr. Tetreau if he is asking the BOF to raise taxes to cover this potential shortfall from the State. Mr. Mayer noted that the tax increase is more aligned with the budget increase, not the Mill Rate increase. Mr. Mitola stated that he personally will have great difficulty voting on this item tonight before the State budget is finalized. Mr. Mitola also noted that, by law, we are obligated to fully fund what the RTM voted. A discussion followed and it was noted that to fund the potential $2.3M loss from the State, the Mill Rate will be .02564 with an average increase to the taxpayer of about $73.00 over the $223.00 increase if the Mill Rate is set at .0243.

Mr. Becker noted that once something is in a budget, it seldom goes away in the future (Cost Sharing expenses for the BOE as an example. Mr. Becker further noted that within the BOE and Town budget that are things there today that will be there tomorrow but should be the first things to be looked at for reductions in the future. Mr. Becker noted that the State is transferring costs to the Towns that will never go back to being the State's responsibility.

Mr. Walsh stated that, in his experience, he has never seen such insanity in Hartford in an effort to balance a budget. Mr. Walsh pointed out that Fairfield was hit by a reduction of $3.5M in ECS but Bridgeport was given more money than they are currently receiving. Mr. Walsh also stated that, in his opinion, to cut education money to balance this State's budget is horrible.

Mrs. LeClerc stated that, in her opinion, the State has been quite arbitrary and the State is passing the tax to the Towns. Mrs. LeClerc also noted that the Town budget was approved with a specific goal in mind and she is not in favor of changing the Town budget so she will be supporting the Mill Rate as scheduled.

Mr. Flynn reviewed Schedule E, one of Mr. Mayer's handouts, and presented some of his observations on the situation with setting the Mill Rate. Mr. Flynn stated that the hit to Fairfield would be $2.45M but the motor vehicle adjustment is incorrect as it is stated as gross, not net so it is actually closer to $2.1M; the Town has picked up $200K in collections in the last few weeks leaving the adjustment at $1.9M as of today; all budgets are done on estimates, both revenue and expenses; the BOE Health Insurance could return $1.15M; RTM Representative Herley has stated that any shortfall is to be managed by both the Town and the BOE; expense control should be used to manage overages.

Mr. Flynn reported that he had a meeting with Dr. Title today and Dr. Title gave his permission for Mr. Flynn to share that meeting with the Board. Mr. Flynn reported that Dr. Title said he stands behind the budget, he is frustrated with the State and he feels bad for the Fairfield taxpayers. Mr. Flynn reported that Dr. Title agreed that the BOE will take part of the percentage of the cut as well as the Town and Dr. Title stated that the ECS cut will not affect program. Mr. Flynn also reported that Dr. Title stated that he would like to sit down with his senior managers to prioritize where cuts could be made and he would like to include any insurance savings in a potential solution to the shortfall problem. Mr. Flynn stated that, at the end of the day, the Town is looking at a $1M shortfall with all things considered.

Mr. Hoffkins expressed his concern that the Town would also make cuts like the DPW equipment replacement plan. Mr. Mayer, in response to a question from Mr. Flynn about recent surpluses, reported that the Town has had a surplus at the end of every fiscal year recently. Mr. Flynn stated that revenue adjustments could also help to offset deficits. Mr. Flynn also noted that the revenue estimates have been quite conservative recently so this could also help with a shortfall.

Mr. Lesser, in response to a question from Mr. Hoffkins, stated that the BOF is obligated, under State Law, to fully fund RTM obligations. Mr. Hoffkins strongly urged this body to wait for the State to set their budget before setting our Mill Rate. Mrs. LeClerc stated that she would not increase the Mill Rate or wait for the State to decide on their budget.

**Mr. Mitola moved and Mr. Hoffkins seconded to postpone setting the Mill Rate, Agenda Item #! to date certain of May 17, 2016.**
**Motion failed with a vote of 2 yeas (Hoffkins, Mitola), 5 nays, 0 abstentions.**

**Mr. Walsh moved and Mr. Brown seconded to set the Mill Rate for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017 at .02545.**

**Mr. Hoffkins moved and Mr. Mitola seconded to amend Mr. Walsh's motion to set the Mill Rate at .02564.**
**Motion to amend failed with a vote of 2 yeas (Hoffkins, Mitola), 5 nays, 0 abstentions.**

**Motion to set the Mill Rate for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017 at .02545 carried with a vote of 5 yeas, 2 nays (Hoffkins, Mitola), 0 abstentions.**

Mr. Flynn called for a 5 minute recess.

4- To hear, consider and approve appointment of auditors for Fiscal Year 2016.
Mr. Mayer presented this item to the Board. Mr. Mayer stated that Cohn Reznick LLP has been the firm used by the Town this year and it is his recommendation that they continue in that position for the next fiscal year. Mr. Mayer, in response to a question from Mrs. LeClerc, reported that there is no formal engagement letter as yet but there is a verbal agreement.

**Mr. Brown moved and Mr. Walsh seconded to approve the appointment of Cohn Resnick LLP as auditors for Fiscal Year 2016.**
**Motion carried unanimously**.

5-To hear, consider and approve the transfer of funds from IT contingency to IT capital outlay for purchases in the amount of $90,000.
Mr. Sciglimpaglia presented this item to the Board. Mr. Mayer noted there is an error in the Agenda Item description and the item should read that the funds should be transferred from the Town Contingency account, not the IT Contingency account.

**Mr. Brown moved and Mr. Hoffkins seconded to approve the transfer of funds from Town contingency to IT capital outlay for purchases in the amount of $90,000. Motion carried unanimously.**

6-To hear, consider and approve minutes of:
February 3, 2016 Regular Meeting
February 16, 2016 Quarterly Review Meeting
March 1, 2016 Combined Board of Selectmen and Board of Finance Public Budget Hearing
March 3, 2016 Special Meeting
March 3, 2016 Combined Board of Selectmen/Board of Finance Public Budget Hearing
March 8, 2016 Combined Board of Selectmen/Board of Finance Public Budget Hearing
March 10, 2016 Combined Board of Selectmen/Board of Finance Public Budget Hearing
March 15, 2016 Combined Board of Selectmen/Board of Finance Public Budget Hearing
March 16, 2016 Combined Board of Selectmen/Board of Finance Public Budget Hearing
March 19, 2016 Public Budget Comment Session Meeting
March 21, 2016 Combined Board of Selectmen/Board of Finance Public Budget Hearing
March 31, 2016 Public Executive Session Vote Meeting

**On a motion made by Mr. Brown and seconded by Mr. Mitola, the minutes of all the meetings listed were approved as follows:**

**February 3, 2016 unanimous yea**
**February 16, 2016 unanimous yea**
**March 1, 2016 unanimous yea**
**March 3, 2016 6 yeas, 0 nays, 1 abstention (Walsh)**
**March 8, 2016 unanimous yea**
**March 10, 2016 unanimous yea**
**March 15, 2016 unanimous yea**
**March 16, 2016 unanimous yea**
**March 19, 2016 5 yeas, 0 nays, 2 abstentions (Brown, LeClerc)**
**March 21, 2016 6 yeas, 0 nays, 1 abstention (Brown)**
**March 31, 2016 unanimous yea**

7-To Hear, Consider and Act Upon Any Communications.
Mr. Flynn noted that, at the end of the day, we are all trying to do what's right for the Town of Fairfield.

**On a motion made by Mr. Becker and seconded by Mr. Hoffkins the meeting was adjourned at 9:40 p.m.**

Respectfully submitted,

Deborah J. Garavel
Recording Secretary

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# BOARD OF FINANCE
# QUARTERLY REVIEW MEETING MINUTES
# May 17, 2016

The Quarterly Review Meeting of the Board of Finance was held on Tuesday, May 17, 2016, at 8:30 p.m. at the Board of Education Administrative Offices, Seminar Room 295A&B, 501 Kings Highway East, Fairfield, Connecticut.

**MEMBERS PRESENT**
Thomas Flynn-Chairman, David Becker, James Brown-Vice Chair, Kevin Hoffkins, Mary LeClerc-Secretary, John Mitola, Robert Stone, James Walsh (8:39)

**MEMBERS ABSENT**
Christopher DeWitt

**ALSO PRESENT**
Michael Tetreau, First Selectman, Town of Fairfield
Robert Mayer, Chief Fiscal Officer, Town of Fairfield
Caitlin Bosse, Controller, Town of Fairfield and Clerk of the Board of Finance Bond Counsel
Dr. David Title, Superintendent of Schools, Board of Education, Town of Fairfield
Sal Morabito, Manager of Construction, Security & Safety, Fairfield Public Schools
Brian Vahey, Joint Retirement Investment Board Chair, Town of Fairfield
Marc Donald, Chair, Fairfield Ludlowe High School Building Committee
Peter Manning of Gilbane for the Fairfield Ludlowe High School Building Committee
John Stafstrom, Bond Counsel, Pullman & Comley

Chairman Flynn called the meeting to order at 8:34 p.m.

Dave Becker led the Pledge of Allegiance.

Mr. Flynn thanked the BOE for arranging the school tour the previous night for the BOF members.

1. To review the current status of the Town's Pension and OPED Funds
Mr. Vahey presented the Town's Pension fund, noting that numbers were up. April and May were flat. Money is being moved out of hedge funds and possibly into a multi-asset class. In September, the Board of Finance (BOF) can review actuary results to look at assumptions and any changes going forward on a five year plan. Retirement affects were discussed. An evaluation should be done every other year.

2. To review the Town's Q3 FY16 financial position
Ms. Bosse presented the Projected Net Estimated Variance through March 31, 2016 Executive Summary to the Board. The overview revenue and expenditures were discussed.
Revenue and expenditure variance details for this quarter and the last quarter were compared and reviewed. Mr. Flynn asked if the surplus could be used for the future since there was a surplus this year. Mr. Mayer said it was possible and a good thought.

The Finance Department will analyze $1.6m and present options to the BOF in May/June. Mr. Mayer will give considerable due diligence and will get back to the BOF in a few days on when they should have a special meeting. The hit is $2.3m.

| REVENUE | Fav/(Unfav) |
|---|---|
| Current Tax Levy | $923 |
| Conveyance | $ 50 |
| Interest Income | $250 |
| State Revenue-Exhibit A | ($768) |
| Park and Recreation Revenue | $300 |
| Other | $129 |
| Subtotal | $884 |
| | |
| EXPENSES | |
| Heart & Hypertension | $300 |
| Electricity | ($140) |
| FYIS Operations | $345 |
| Vacancies | $467 |
| Non-Personnel | ($122) |
| Subtotal | $505 |
| | |
| Net Estimated Variance | $1,389 |
| Unused Contingency | $250 |
| Budgeted Contribution to Surplus | $650 |
| Estimated Increase in Fund Balance | $2,289 |

Mr. Mayer gave his report to the Board. The 9.22% overage equals $2m.

There was a brief recess at 9:07 p.m. The BOF reconvened at 9:29 p.m.

3. To review the BOE's Q3 FY16 financial position
Dr. Title presented few changes in the financial position from the 2nd quarter. The BOE will be in the black; the mild winter helped. The BOE/Central Office will take care of the air conditioning project this fiscal year. There will be no need to go to the BOF for bonding. They will finish the year close to breaking even. There will be no surplus. If there is money left over, the BOE/Central Office will purchase text books so they don't have to spend next year. Dr. Title will report to the BOF if they do make this purchase and will track the purchase.

Mr. Flynn wished his son a happy 10th birthday.

Mr. Flynn mentioned a fundraiser for a heart transplant for young girl from our community. A golf outing will be held Monday at Fairchild Wheeler and a dinner Monday evening at the GAC. Tickets are $150. Jude Fitzgerald is coordinating.

4. Fairfield Ludlowe High School Building Committee
To hear, consider and adopt a bond resolution entitled "A Resolution Amending and Restating a Resolution Adopted by the Representative Town Meeting on June 24, 2013 Entitled "A Resolution Appropriating $11,630,000 for the Costs Associated with the Expansion and Renovation of

Fairfield Ludlowe High School and Authorizing the Issuance of Bonds to Finance such Appropriation to Increase the Amount of the Appropriation and Bond Authorization by $3,907,674."

Ms. LeClerc motioned, Mr. Stone seconded to put item before the Board.

Mr. Walsh would like to motion to extend the suspend rules to the 11:00 p.m. curfew, Mr. Brown seconded the motion.

Marc Donald, Chair, Fairfield Ludlowe High School Building Committee, made a presentation. Mr. Manning of Gilbane, who represents the general contractor and construction manager, gave a brief summary. The BOF reviewed a power point presentation that was distributed at the last BOF meeting. The purpose was never intended to be a phased project. It made sense to bid out different parts of the job separately due to timing. The first roof phasing was explained.

A budget history of the project was given. In February 2014, the Committee had a conceptual drawing. At that point, the Committee felt it was on target as the designed developed. The architect added a schematic design filling in the gaps. In July, the new estimate increased the cost. Five designs were discussed. The BOF asked about duplicate costs. The courtyard was discussed and construction is being performed while the building is occupied. The escalated cost was explained.

Discussion also involved the original process funding based on conceptual design and the best estimate on escalating factors of no management fee, a school occupancy compressed timeline, and a temporary staircase on the outside of the building. Dr. Title explained the timeline. EP issues created lost time. Mr. Manning said in July 2014 the Committee realized the budget was going to be increased.

Mr. Tetreau explained why bond resolution questions didn't go before the BOF and how they came up against the schedule in July. In November 2014, the Committee went before the BOE. Mr. Walsh said at that time the Committee could have gone before others boards. Mr. Walsh said he saw a more expensive bi-level café for the first time yesterday. The construction cost variance is $1.18m. The class room variance is $2.23 m. The window replacement is $500k. The roof after rebid earned a savings of $160k. The projects costs $ 3.9m because of soft costs.

The Committee realized the café was going to cost more in July 2014. Bi-level vs. single level cost difference was discussed. The architectural firm understood the bi-level option was going to cost more and the firm moved forward anyway knowing the Town didn't have the money. The BOF asked why wouldn't the Committee stop at this time and get the Town's opinion.

Mr. Tetreau said he was aware of the roof and classrooms. The bump out now needs handicap accessibility because it's on a different level. Mr. Walsh said there would have been more space if this was done on one level. He added that it cost more and square footage was lost and this was all done without elected officials' approval. The windows became a sacrifice. The BOF is extremely frustrated.

Mr. Stafstrom, representing Bond Counsel, explained the bond resolution. He said the Committee spent money that was within the resolution. He said it was a conceptual estimate not a fixed price.

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He also said the Building Committee reports to the Board of Selectmen.

The BOF asked, if under law, does a building committee like this one, have to stop when it doesn't know if there is enough money to complete a project. Mr. Stafstrom said the Committee should have gone back to the Boards when they realized this. Mr. Stafstrom said he is not aware of any state statute on this. He suggests the Town Attorney process guidance changes on building committees.

Extensive discussion ensued on whether it would have been better to have three different bonds and maybe three different bids. Bid amounts were higher than expected. The process as a whole was discussed. Mr. Tetreau shared cost concerns with the BOF.

The BOF was never told and they did not approve. The Committee went and got new conceptual drawings and hired an architect. The BOF came in on a day's notice with other schools changes. The BOF discussed how it can stop these issues so they don't happen again.

Mr. Flynn asked Mr. Tetreau when he knew it was different. Mr. Tetreau stated it was not reported back by Judy Ewing that the concept design had changed.

The Building Committee felt the architect had an unfair advantage and did not invite them to present.

Mr. Hoffkins moved to hear, consider and adopt a bond resolution to another meeting. Mr. Stone seconded the motion. Mr. Walsh, Mr. Flynn, Ms. LeClerc, Mr. Becker and Mr. Brown opposed the motion. There was a 2/3 majority to suspend the rules.

There being no further business to come before the Board, Mr. Walsh *moved* and Mr. Stone *seconded* to adjourn the meeting at 11:09 p.m. *Motion carries unanimously.*

Respectfully submitted,

Sheila Tesei
Recording Secretary

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# MINUTES OF THE BOARD OF FINANCE
# SPECIAL MEETING
# MAY 26, 2016

The Board of Finance Special Meeting was held on Thursday, May 26, 2016 at 7:30 p.m. in the Seminar Room 295 A&B, Board of Education Administrative Offices, 501 Kings Highway East, Fairfield, Connecticut.

**MEMBERS PRESENT**
David Becker, James Brown, Christopher DeWitt, Thomas Flynn, Kevin Hoffkins (7:55), Mary LeClerc, John Mitola (8:25), Robert Stone, James Walsh (7:45)

**MEMBERS ABSENT**
None

**ALSO PRESENT**
Michael Tetreau, First Selectman, Town of Fairfield
Robert Mayer, Chief Fiscal Officer, Town of Fairfield
John Stafstrom, Bond Counsel, Town of Fairfield
Phil Dwyer, Chairman, Board of Education (BOE), Town of Fairfield
David Title, Superintendent of Schools, Board of Education, Town of Fairfield
Sal Morabito, Manager Construction/Security/Safety for Fairfield's Public Schools, Town of Fairfield
Greg Hatzis, Headmaster, Fairfield Ludlowe High School (FLHS), Town of Fairfield
Marc Donald, Chairman, Fairfield Ludlowe High School Building Committee (FLHSBC)
Peter Manning, Construction Manager, Fairfield Ludlowe High School Building Committee

**ACTION TAKEN:**
Approved to amend the proposed Bond Resolution being considered as Item #1 on tonight's agenda to read in the paragraph with the 3rd Whereas, the final dollar amount should be $15,537,674, not $15,124,301 as stated.
Motion carried unanimously.

Approved "A Resolution Amending and Restating a Resolution Adopted by the Representative Town Meeting on June 24, 2013 Entitled 'A Resolution Appropriating $11,630,000 for the Costs Associated with the Expansion and Renovation of Fairfield Ludlowe High School and Authorizing the Issuance of Bonds to Finance such Appropriation to Increase the Amount of the Appropriation and Bond Authorization by $3,907,674."
Resulting in a total dollar amount of $15,537,674.
Motion carried unanimously.

Mr. Walsh requested that a discussion of creating a new BOF sub-committee be included in the agenda for the next BOF meeting.

Approved unanimously to adjourn the meeting at 9:50 p.m.

**BOARD OF FINANCE**
**SPECIAL MEETING **** DRAFT ******
**MAY 26, 2016**

Chairman Flynn called the meeting to order at 7:35 p.m.

Mrs. LeClerc led the Pledge of Allegiance.

Chairman Flynn thanked the members of the FLHSBC for all of their hard work in bringing this project this far. Chairman Flynn also thanked John Stafstrom of the Bond Counsel for his assistance with this project. Chairman Flynn stated that the BOF is not here to make anyone feel bad, etc., but some difficult questions need to be answered and the BOF is trying to understand that the lessons learned here won't happen again in future projects.

Chairman Flynn also took a moment of personal privilege to congratulate Mrs. LeClerc on her daughter's graduation from college as a civil engineer.

Chairman Flynn also announced the resignation of BOF member Robert Stone due to his impending move out of Fairfield. Mr. Stone said that this has been a great eight years serving on the BOF; he expressed his wishes that more people would pay attention to what this Board does; he is disappointed that this Board has become political in the last few years and it is his hope that this situation will turn around. Mr. Stone said that he is very proud of what the Board does.

Mrs. LeClerc stated that it has been a pleasure working with Mr. Stone. Mr. DeWitt also stated that it has been a pleasure running with and against Mr. Stone and serving with him on the BOF. Chairman Flynn thanked Mr. Stone for his service and friendship. Chairman Flynn also thanked Mr. Stone's family for sharing him with the BOF.

AGENDA

1. Fairfield Ludlowe High School Building Committee

   To hear, consider and adopt a bond resolution entitled "A Resolution Amending and Restating a Resolution Adopted by the Representative Town Meeting on June 24, 2013 Entitled 'A Resolution Appropriating $11,630,000 for the Costs Associated with the Expansion and Renovation of Fairfield Ludlowe High School and Authorizing the Issuance of Bonds to Finance such Appropriation to Increase the Amount of the Appropriation and Bond Authorization by $3,907,674."

Mr. Tetreau, Mr. Donald and Mr. Manning presented this item to the Board. Mr. Tetreau reviewed some of the highlights of the timeline and details for this project that include:

- A conceptual approach that was used; and
- This was actually 3 projects in one – independent of each other; and
- There were strict deadline in timing; and

Mr. Walsh arrived at this time

- PCB's were found in Phases 1 & 2 which caused major delays in Phase 3; and

- The July 2014 update did not provide financial updates due to no final costs being available at that time; and
- A scope change from the BOE was needed to make the windows phase of the project optional; and
- A situation with dueling architects took more time than originally estimated; the architect who drew the conceptual drawings was not invited to make a final presentation to the BOE as one of the 4 firms invited to present; and
- Mr. Tetreau would like to recommend that in the future the Town should hire the architect and the Owner's Representative; and
- Mr. Tetreau suggested that, in accordance with the 2007 Building Committee Guidelines Report, a liaison from the BOF should be on all projects; and
- The BOS met 5 times with updates on this project, more than any other project.

Mrs. LeClerc stated that there are still areas of concern for her; she has read all of the building committee minutes and, in her opinion, it was clear from the very start that there were three projects within this particular Bond Resolution. Mrs. LeClerc expressed her concern that money that was approved by the BOF in the Bond Resolution was not being spent as the BOF intended it to be spent as specified in the Bond Resolution.

Mr. Hoffkins arrived at the meeting at this time.

Mr. Flynn questioned what's to stop a future building committee from spending approved funding on items not specified in the definition of what the money was approved for in the Bond Resolution. Mrs. LeClerc asked for the cost to fast track the project and if it was actually needed. Mr. Donald asked if the question is do we want lessons learned or to pick apart this particular project?

Mr. Flynn questioned the BOE about the current enrollment at FLHS. Mr. Flynn noted that, according to his research, the enrollment at the beginning of this project was around 1500-1525 students and that is the approximate enrollment at this time, yet the BOE had emphasized some urgency about the number of students at FLHS and increasing numbers for the near future.

Dr. Title stated that FLHS was running out of space especially in the science lab areas as the organization of schedules was being changed, as well as there being a new cafeteria schedule. All of these pending changes, coupled with the fact that the school had been overcrowded for years, necessitated the urgency expressed by the BOE.

Mr. Brown had some legal questions for Bond Counsel that included him asking:
-Is there an alternate to bond?
-What could have been done differently to avoid having this situation happen again in the future?
-Is it permissible for a building committee to spend money however they choose regardless of what the funds were appropriated for in the Bond Resolution?
Mr. Stafstrom stated that this was a unique situation funded on a feasibility study with 3 separate projects in one Bond Resolution. Mr. Stafstrom stated that, in his opinion, this should have been 3

separate projects with more definitive cost estimates. It was noted that part of the delay with the windows phase of this project was due to EPA procedures that needed to be procured before any work could be started.

Mr. Mitola arrived at the meeting at this time.

Mr. DeWitt expressed some of his concerns concerning Bond Resolutions:

- In his opinion, this should have been 3 Bonds and there should have been a lot more detail.
- The BOF has always been told that Bond Resolutions need to be more generic and less specific, but now it seems that the BOF is being told to include more details.
- This Building Committee, in comparison to the Penfield Building Committee, had the power to make the BOF aware of everything and, in his opinion, this didn't happen in as much detail as needed.
- Changing or manipulating building specs is a problem and should be brought before this body before being executed.

Mr. Becker noted that the BOF has continually requested that Bond Counsel be present at any Quarterly Review Meetings where Bond Resolutions are being discussed and/or reviewed and yet this only happens sporadically and usually with smaller items. So, is there something that the BOF can place in a Bond Resolution to require notifications?

Mr. Stafstrom stated that a Bond Resolution is not the proper place for that type of requirement and it is his sense that there is a reporting procedural issue involved that could be discussed at a BOF Quarterly Review Meeting.

In response to a question from the BOF if it is a Town Charter issue or a statutory issue that a Building Committee reports to the BOS, Mr. Stafstrom suggested the BOF contact the Town Attorney for further clarification. Mr. Stafstrom also suggested that it may be possible to go before the other Town bodies to create an ordinance that could handle this type of situation.

Mr. Walsh expressed some of his concerns regarding this Bond Resolution:

- The BOF did not act on this project as a feasibility study.
- The $11,630,000 in the original Bond Resolution was supposed to be the cost of the project.
- The FLHSBC has a responsibility to come back to the BOF when it was apparent the project was going to be significantly overspent (by $4.5M or 30%).
- The original documentation did not show a bump out, as it turned out as a bi-level, in the Ed specs.
- A $1.18M overrun was caused by the cafeteria portion/phase of the project according to the Construction Manager.
- The original design called for a one level area which would have provided handicap accessibility without expending extra funds and would not have necessitated a ramp to be used by handicapped students.

Mr. Dwyer stated that the Ed Specs were changed to do as many windows as could be done as possible with the remaining money in the Bond, but the Ed Specs for the actual windows has not been changed.

In response to a question from Mr. Walsh about how much money remains for the window phase of the project, Mr. Donald stated that there is $270K in the Contingency which would only allow for start-up and the remediation process. Mr. Donald further reported that the disadvantage of not doing the windows now would necessitate getting EPA approvals again beginning at Step #1. Mr. Morabito explained that the EPA process is very detailed and time-consuming and the EPA data is required to get any bid.

In response to a question from Mr. Walsh about what timing of deadlines to get the window work done has been initiated by the EPA, Mr. Morabito stated that as long as progress is being made, the EPA work doesn't expire, but, if the Town waits one or two years to do this portion of the project, costs would go up.

Mr. Morabito also noted that the EPA decision will allow for the PCBs on the upper levels to be encapsulated while the lower levels will have removal done on the PCB' in the windows. Mr. Morabito also informed the BOF that starting a new project sometime in the future, while not affecting the EPA portion, will change the State reimbursements which are presently locked in at 26%. Mr. Morabito also noted that the current bids will only be good for another month and then bids need to be redone if the project is not started until the Fall. Mr. Morabito explained that State reimbursements are based on the date the funding was approved and at this time the current reimbursement is at 25+%.

Mr. Dwyer explained that the BOE Capital Plan has already been updated with the windows portion of the project to allow for additional money for other projects that are planned to be done. Mr. Walsh asked why the original architect who designed the conceptual plans was not invited back to bid. Mr. Donald informed the BOF that the BOE decided it would give him an undue advantage to be one of the 4 firms to present to the BOE. Mr. Walsh suggested that the BOF form a committee to decide the rules about what is expected from all building committees in relation to reporting procedures to the BOF.

PUBLIC COMMENT:
Dru Georgiadis of 321 Puritan Road said all of her children have gone through town schools. She wants the windows in the current project.The BOF needs to consider the human costs as well as the dollar costs. She also said the HVAC is horrible in those rooms affected by the old windows.

Suzanne Miska of 123 Ryegate Road appreciates what has been built so far and stated that the windows have been an issue for years. She asked if the project was over budget in 2014 how was it put out to bid? She said the process is obviously flawed.

Christine Vitale of 254 Verna Hill Road said her child is enjoying her lunch period. She appreciates what has been done. She said some rooms are over 90 degrees all the time and asked the BOF to please approve this request tonight so the work can be finished.

Mrs. LeClerc wanted the public to know that the BOF, in 2013, approved to have all of this work done and this is the first time the BOF has had a request for more money so it is not the fault of the BOF that the completion of this project is beyond the proposed finish time.

Mr. Flynn noted that he will vote for this item tonight, but he still has concerns about what has been learned because of this project. Mr. Flynn also noted that he will approve the suggestion to have a BOF liaison on every building committee and to also consider forming the Committee suggested by Mr. Walsh.

Mr. DeWitt volunteered to be the Chair of the new Committee should it become a reality. Mrs. LeClerc requested that page 11 of the FLHSBC Power point Presentation detailing all financial costs be attached to the end of the Bond Resolution and the minutes. In response to a question from the BOF, Mr. Donald assured the BOF that the other 2 phases of this project are complete.

Mr. DeWitt moved and Mr. Stone seconded to amend the proposed Bond Resolution being considered as Item #1 on tonight's agenda to read in the paragraph with the 3rd Whereas, the final dollar amount should be $15,537,674, not $15,124,301 as stated.
Motion carried unanimously.

On a motion from the Board, "A Resolution Amending and Restating a Resolution Adopted by the Representative Town Meeting on June 24, 2013 Entitled 'A Resolution Appropriating $11,630,000 for the Costs Associated with the Expansion and Renovation of Fairfield Ludlowe High School and Authorizing the Issuance of Bonds to Finance such Appropriation to Increase the Amount of the Appropriation and Bond Authorization by $3,907,674," resulting in a total dollar amount of $15,537,674, was carried unanimously.

On a motion made by Mr. Stone and seconded by Mr. DeWitt the meeting was adjourned at 9:50 p.m.

Respectfully submitted,

Deborah J. Garavel
Recording Secretary

# Funding Request

| | Projected Phase 3 Budget |
|---|---|
| | a |
| **Construction Costs** | |
| Gilbane - GMP Phase 3 | $3,147,206 |
| Gilbane - deduct for Phase 3 window shop drawings | -$11,750 |
| Gilbane GMP Estimated Adjustment for escalation | $192,602 |
| | |
| **Total Construction Costs** | **$3,328,058** |
| | |
| **A&E Services** | |
| PEA - Architect & Engineering Service Phase 3 | $175,929 |
| PEA (credit protion expended to date) | -$123,150 |
| PEA -Reimbursables | $20,000 |
| PEA Estimated Escalation | $18,033 |
| | |
| **Total A & E Services** | **$90,812** |
| | |
| **Owner's Consultant Fees** | |
| Environmental Specialist (Woodard & Curran) | $161,000 |
| W&C Estimated Escalation | $5,000 |
| Builder Risk | $8,485 |
| State Building Education Fee | $952 |
| Special Inspector (Special Testing Labs) | $5,000 |
| | |
| **Total Owner's Consultant's Fees** | **$180,437** |
| | |
| **City Professional Fees** | |
| City Financial Services (Town of Fairfield) | $1,621 |
| City Secretarial Services (Town of Fairfield - FLHS Bldg Comm.) | $1,512 |
| Bond Counsel Fees (Town of Fairfield) | $20,614 |
| | |
| **Total City Professional Fees** | **$23,747** |
| | |
| **Contingency** | |
| 15% Contingency | $543,458 |
| | |
| **Total Contingency** | **$543,458** |
| | |
| **Grand Total - Phase 3** | **$4,166,512** |
| *less uncommitted funds from previous approved funding* | -$258,838 |

| | |
|---|---|
| **Grand Total**<br>**Supplemental Funding Request for Phase 3** | **$3,907,674** |

April 6, 2016

# Fairfield Fire Department

**Denis McCarthy**
***Fire Chief***

**140 Reef Road**
**Fairfield, CT 06824-5997**

**(203) 254-4713**
**Fax (203) 254-4724**
***dmccarthy@fairfieldct.org***


To: Town of Fairfield Board of Finance
c/o Mr. Robert Mayer, CFO
725 Old Post Road
Fairfield, CT 06824
From: Chief Denis McCarthy
Re: Contingency Transfer Request
Date: June 3, 2016

**Request**

On behalf of the Fairfield Fire Department, I am seeking transfer of Contingency Account funds to the Fire Department for emergency repairs to Engine 5 /LSN11. These emergency repairs will create a shortfall in the department's maintenance account. The projected cost of the repairs is $94,938.25 and is outlined below in the attached proposal from Pierce Manufacturing. We request authorization of up for an additional 10% in contingency for other repairs that may be warranted while the vehicle is in the factory, totaling a sum of $98,387.10. One very clear need that is included in the estimate is to have the bumper cut down to shorten the overall length in order to allow the vehicle to fit in the Southport Station. Other unanticipated repairs may become obvious and necessary while the truck is dismantled.

1. **Background**

Corrosion Causes Engine5/LSN 11 to be placed "out of service."

In September of 2015 significant corrosion was discovered on the frame rails of Engine 5/LSN 11. The corrosion was hidden behind wiring harnesses and was not visible during normal inspection but was discovered as part of major maintenance. The maintenance division took the vehicle out to clean and fully evaluated the corrosion. In January it was determined by an external consultant evaluation that the corrosion has eaten away a significant amount of frame rail thickness and as a result the vehicle was removed from service. A request was made for a manufacturer's representative to examine the vehicle and make a recommendation. In January 2016 Pierce examined the vehicle and confirmed our findings. Pierce made it clear that the vehicle should not be put back into emergency service. The corrosion is at a critical point on the

frame where the suspension is connected. Repair options such as 'sleeving' the frame or welding additional support would not be appropriate given the stresses the suspension places on the frame at this point of contact.

Overview of corrosion problem.

The Town of Fairfield and State of Connecticut use a variety of road treatments in the winter. These include salt brine, sodium chloride, magnesium chloride, and calcium chloride. The many benefits of these treatments on the road surfaces have been described by public work agencies to include faster storm clean up, no sand to sweep in the spring, storm drains require less cleaning, and overall a reduction in winter snow removal costs. There is no doubt that these same products that are providing a level of benefits to municipalities in reduced road maintenance costs are also accelerating the rusting of fire apparatus creating increased maintenance costs and potentially reducing the lifecycle of our fire apparatus.

These corrosive road products attack numerous components on our fire apparatus. These include frame rails, cross members, air tanks, fuel tanks, battery boxes, brake components, and electrical systems. All of our apparatus bodies are either stainless steel or aluminum, so while the apparatus appears to be in great shape, the undercarriage has a much different picture.

Complicating the problem is that the new road treatment products adhere to the apparatus very well, and continue to pull moisture out of the atmosphere, which dampen the area and continue the corrosive action. These chemical are hygroscopic, which means they will absorb moisture from any source, specifically the air. The molecular sizes of these products are smaller than standard salt, allowing them to get into cracks and chips. The new chemicals have higher surface tension than standard salt, which means they are more difficult to wash off.

This problem has become so large that the trucking industry has set up a Corrosion Control Action Committee. Numerous other Fire Departments in the State are wrestling with this challenge as well. Locally the Wilton Fire Department had a 2007 Engine with serious undercarriage rust problems that required extensive repairs.

The Fairfield Fire Department is moving forward with increased inspection of apparatus undercarriage and frame rails and has adopted a program of regularly cleaning these areas. We are studying the issue in order to keep up with industry-accepted methods of proactively dealing with the problem.

## 2. Purpose and Justification

Engine #5/LSN 11 is a Pierce Fire Apparatus Pumper. It has been assigned to the Greenfield Hill Station #5 since it was purchased new in 2004. Its Lifetime Service Number is LSN 11. The LSN number allows us to track the vehicle regardless of which station it is assigned to or whatever vehicle/station number it carries. At 12 years the apparatus replacement plan would normally transition a vehicle to reserve status. However due to LSN 11's relatively low mileage;

75,000 miles, solid drive train, pump and motor, the apparatus will be relocated to Southport Station #4. It is expected that LSN 11 will continue to serve as a front line apparatus for five additional years at Station #4 and continue in reserve status for an additional seven years. The total expected life of this vehicle will be twelve years at Station #5, five years at Station #4 and seven years as a reserve for a total service life of 24 years.

Of course apparatus conditions change over time and maintenance costs will factor into the service life considerations. For example a blown motor or transmission in the later years would most likely shorten the service life as the expense to keep the vehicle in service for one to four years would not justify that expense.

Test results

Manufacturers' specified frame rail thickness: 0.375"

Manufacturers' acceptable minimum thickness: 0.253"

Measured thickness of LSN 11: 0.170"

## 3. Detailed Description of Proposal

LSN 11 will be shipped by flatbed to Pierce Manufacturing. Pierce will remove the two frame rails and replace with 'ECoated' (corrosion protection) frame rails. The vehicle will be driven back to Fairfield, Connecticut and will undergo an inspection and acceptance testing before final payment is made.

## 4. Reliability of Cost Estimate

Apparatus was inspected by manufacturer and estimate of work to be performed was transmitted. They have executed this type of repair work previously and have confidence that the estimate is appropriate.

## 5. Increased Efficiency and Productivity

This request increases efficiency and productivity by extending the life of a Capital Asset in a manner consistent with making the best use of funds.

## 6. Additional Long-Range Costs

None.

## 7. Additional Use or Demand on Existing Facilities

No additional burdens will be placed upon existing facilities, service labor, or utilities. The existing facilities are adequate to support the completed apparatus. In fact, once the apparatus' bumper is shortened, it will fit within Station 4. There are no newer apparatus in the fleet that can fit within this antiquated fire station.

## 8. Alternates to this Request

As stated above, Pierce made it clear that the vehicle should not be put back into emergency service. The corrosion is at a critical point on the frame where the suspension is connected. Repair options such as 'sleeving' the frame or welding additional support would not be appropriate given the stresses the suspension places on the frame at this point of contact.

## 9. Safety and Loss Control

As Stated above, the current fire apparatus is out of compliance with manufacturer's and NFPA standards for fire apparatus. These repairs will ensure that LSN 11 remains a safe apparatus and will serve the department well over the next 12 years as a reserve truck.

## 10. Environmental Considerations

No adverse environmental impacts.

## 11. Insurance

Without this work, the apparatus is unsafe and uninsurable.

## 12. Financing

No outside assistance available.

## 13. Other Considerations

None.

## 14. Other Approvals

None

Costs for Aprl 26 Presidential Preference Primary

| | | | |
|---|---|---|---|
| 51050 | Overtime Full time Secretary | 2,253.47 | Overtime occurred for pay periods ending 4/14 16 through 5/05 |
| 51070 | Seasonal | 29,859.50 | Seasonal poll workers for April 26 Primary (Both Political parties) |
| 53200 | Fees and Professional services | 1,395 | 1,395 *New* LHS, Voting scanner machine memory card programming |
| 56100 | Printing, Binding,Photo | 3,725 | 3,725 *New* Adkins Printing, Printing/coding of ballots. |
| | Total for primary | 37,232.97 | |

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May 31, 2016

Mr. Robert Mayer
Chief Fiscal Officer
Town of Fairfield
725 Old Post Road
Fairfield, CT 06824

***Re: The Town of Fairfield Employees' Retirement System***

Dear Bob:

Per the Town's request, I have reviewed the following proposed plan change to section 3.9 of the Town of Fairfield Employees' Retirement System Rules and Regulations:

**3.9 Pensioners Returning to Town Employment.**

Except as provided below, a Pensioner who returns to Town employment shall not be entitled to his retirement benefits for any month during which he is in such employment, The retirement benefit shall be resumed effective on the first of the month following termination of such employment. A Pensioner may continue to receive his retirement benefits while employed by the Town on a part-time or temporary basis in a position other than the position the Pensioner held as a full-time employee up to 988 hours in any calendar year. No additional benefits shall be accrued by the Pensioner for such periods of employment. If a Pensioner continues to be employed by the Town after 988 hours of employment in a calendar year, he will not be entitled to his retirement benefits beginning in the first month after the 988 hours is completed.

The proposed change to the Town of Fairfield Employees' Retirement System Rules and Regulations has no impact on the calculation of existing participants' benefits. As a result, the plan change described above and to be included in an amendment to the Town of Fairfield Employees' Retirement System Rules and Regulations would not change the calculation of the plan's actuarial accrued liability or the related Actuarially Determined Contribution (ADC). As a result, there is no actuarial cost impact related to adopting an amendment that includes this proposed plan change.

Please call if you have any questions or need additional information.

Sincerely,

Timothy A. Ryor, FSPA, FCA, MAAA, EA
Senior Vice President and Consulting Actuary

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