TOWN OF FAIRFIELD

2012-13 PROPOSED NON-RECURRING CAPITAL REQUESTS

February 16, 2012

Dear Board of Selectmen and Board of Finance Members,

It is my pleasure to present to you the Town's Non-recurring Capital Requests in this stand-alone document.

Non-recurring Capital as defined by the Town's "Policy on Bonding and Capital Purchasing" identify "certain types of capital expenditures (which) are appropriate for bonding..."

The Town's Non-recurring Capital totals $726,800 for 4 projects:

1.	DPW Underground Storage Tanks	$247,500
2.	Old Town Hall Emergency Generator	$102,300
3.	Fire Station #1 Tank Removal Added Cost	$272,000
4.	HSR Bunker/Tee Renovation	$105,000
	TOTAL	$726,800

Looking forward, and for information purposes only, we have included a proposal for the replacement of Fairfield Woods Library Roof. The replacement cost is not included in Non-recurring Capital at this time, until a decision has been made in regard to the Fairfield Woods Library building as a whole.

Furthermore, Non-recurring Capital requests are presented in a format based on the "14 Points" document required by the Board of Finance when considering requests for budget transfers.

I hope this information will be helpful as you consider these request.

Sincerely,

Michael C. Tetreau
First Selectman

DPW – Underground Storage Tanks $247,500

1. **Background** - DPW has been methodically removing, replacing and upgrading underground heating and fuel tanks based on state regulations.

   In order to avoid future problems with underground storage tanks, where possible we have switched to above ground tanks or switched to natural gas for heating fuel.

   The projects identified for this year includes tanks at the (a) DPW storage facility (b) Smith Richardson Club House and (c) Mill River sewage pumping station. The total estimated cost is $247.500.

2. **Purpose & Justification** – The purpose is to remove underground tanks that are not in compliance with state regulations and pose a threat to the environment if they leak.

   It is justified, because it is the environmentally correct course of action and also avoids future costs of mitigation and or fines which can easily exceed the cost of being proactive.

3. **Detailed Description of Proposal** – This request involves the following projects:

   (a) DPW Garage Facility – There are two buried 10,000 gallon tanks that are over 20 years old and must be removed and replaced. One contains diesel fuel and the other contains gasoline for DPW's fleet. We have pressure tested the existing tanks and they are not leaking. But, soil tests indicate that there is significant contamination of the surrounding soil which must be the result of leakage from the prior tanks. The following is a scope of the project and the estimated cost:

   (1) Tank removal and replacement
   - remove two 10,000 gallon tanks
   - backfill the excavated area and compact to grade
   - installation of electrical conduit
   - Install above ground storage tanks with a leak monitoring system, new fuel dispensers, employee card reader system, and canopy over fueling island

   Subtotal = $ 163,000

   (2) Independent Environmental Monitoring & Remediation – take additional core samples to determine the extent of contamination, install monitoring wells, prepare a remediation plan for the State DEEP, and prepare paperwork for closeout of project and registration of new facility.

   Subtotal = $ 20,000

   (3) Remediation – It is anticipated that because the contaminated soil is below the water table, the area can be remediated by injection of ORCs (Oxygen Release Compounds) into the soil. The ORCs add oxygen to the soil to facilitate the microbial action that reduces the volatile organic compounds.

   Subtotal = $ 30,000

Total DPW Garage $ 213,000

(b) Smith Richardson Club House – There is a 1,000 gallon underground heating oil tank that is over 20 years old and must be removed. The tank recently passed a pressure test so we have no reason to believe that it has leaked oil and therefore we

have not included any soil remediation.

We plan on removing the oil tank and replacing it with 2 smaller above ground tanks. The scope and cost estimate includes:

• Removal of old tank	=	$ 2,500
• Installation of 2 temporary above ground oil tanks	=	3,500
Smith Richardson total cost	=	**$ 6,000**

(c) Mill River Sewage Pump Station – There is a 550 gallon underground oil tank that is over 20 years old and must be removed. This tank provides fuel to the boiler that heats the building and to the generator for emergency power. Based on recent pressure testing, we don't anticipate any leakage or remediation. The scope and cost estimate includes:

• Remove old tank	=	$ 2,500
• Install new 550 gallon above ground tank with self containment	=	$ 20,000
• Install fencing & shrubs for screening	=	$ 6,000
Mill River Pump Station total cost	=	**$ 28,500**
Total all above tanks	=	**$247,500**

4. **Reliability of Estimated Costs** – On a scale of 0 to 10, I would estimate the reliability at 7 - 8. It is based on quotes and past experience with similar projects. I can't go higher with my reliability estimate because the projects still involve unknowns with respect to finding past oil spills and the resulting remediation.

5. **Increased Efficiency or Productivity** - New fuel dispensers and a new more advanced monitoring system will be installed at the DPW Garage that will allow us to better track the fuel consumption for each vehicle.

6. **Additional Long Range Costs** - There are slightly higher costs associated with maintaining more sophisticated monitoring systems but it is minimal less than $1,000 per year.

7. **Additional Use or Demand on Existing Facilities** Not Applicable

8. **Alternatives to this Request** – If we don't do these projects we take the risk that we will receive state fines because the work is scheduled to be done based on current regulations.

   We also take the risk that the tanks will leak in the near future resulting in costly clean-up costs

9. **Safety & Loss Control** – We are preventing future losses related to fines or remediation

10. **Environmental Considerations** – Old buried tanks pose a threat to the environment because if they leak fuel it will contaminate the surrounding soil and ground water and has the potential to spread if the groundwater is moving.

Therefore it is prudent to remove these tanks in accordance with the state regulations.

11. **Insurance** – Contractors will be required to carry the necessary insurance prescribed by Purchasing to perform the work

12. **Financing** The request is to finance the projects from the 2012 Non-Recurring Capital Budget

13. **Other Considerations** – None

14. **Approvals**

Board of Selectmen	-	February 15, 2012
Board of Finance	-	February 16, 2012
RTM	-	February 27, 2012

Old Town Hall – Installation of Emergency Generator = $102,300

Background – A back-up emergency generator was installed at Independence Hall in 1990. It has been very beneficial to provide back-up power during severe storms and other power interruptions. It provides complete power to the building to insure that the computer systems are not interrupted and the employees can continue to work in the building, and provide services to the residents. The HVAC system runs normally so that the computer equipment does not overheat or the pipes freeze during an extended outage during very hot or cold periods.

It is desirable to provide the same back-up power for Old Town Hall for the same reasons.

1. **Purpose and Justification** – The purpose of the project is to provide back-up emergency power during power outages at Old Town Hall. It is justified because:
   - It will keep all the buildings systems running (lights, HVAC, computers, etc.
   - It will allow the employees to work and continue to provide services to our residents
   - If a long power outage were to occur during a very hot or cold period it would prevent potential damage to the building's infrastructure (frozen pipes, over heating of computer equipment, etc.

2. **Detailed Description of Proposal** – The project involves installing a 125kW natural gas fueled generator that will provide 100% back-up power for the operation of Old Town Hall.
   The project scope and cost estimates include:

• Natural gas fueled 125 kW generator	$ 60,000
• Excavation and pad, etc.	5,000
• Electrical work including automatic switch gear and wiring	19,000
• Crane to install unit	1,500
• Fence or other screening to meet HDC approval	7,500
Subtotal =	$ 93,000
Plus 10% contingency =	9,300
	$102,300

3. **Reliability of Cost Estimate** – On a scale of 0 to 10 I would rate the reliability of the estimate at 8.0 to 9.0.

4. **Increased Efficiency or Productivity** – There are approximately 35 employees that work at Old Town Hall. If there is a power outage and the building is closed, there is a loss of productivity for these 35 employees plus a significant inconvenience to the general public that needs to conduct business at various offices (Tax Collector, Assessor, Registrar of Voters, Town Clerk, Credit Union, Economic Development and Town Attorney).

5. **Additional Long Range Costs** – Maintenance and fuel for the generator estimated at less than $3,500 per year.

6. **Additional Use or Demand on Existing Facilities** – None Anticipated

7. **Alternatives to this Request** – If we do nothing we will close the building during extended power outages and lose the productivity of the building's employees and inconvenience the public. Furthermore we run the risk during an extended power outage during extreme heat or cold that damage could occur to the building from frozen

pipes, etc.

8. **Safety and Loss Control** – The generator prevents damage to the building's components (HVAC, pipes, computers etc.) during a long power outage during severe temperatures.

9. **Environmental Considerations** – New generators produce very little air pollution

   This generator will allow us to include this building in our ENERNOC Program where we deliberately take the building off of UI's power and run the generator to lessen the chance of system wide "brown outs" during high demand alerts from the Regional Power Grid. We obtain cash credits for participating in this program.

10. **Insurance** – The installation contractor will be required to carry the necessary insurance prescribed by the Purchasing Department.

11. **Financing** – Project will be bonded as part of the Non-Recurring Capital budget of 2013

12. **Other Considerations**: None

13. **Other Approvals**:

Board of Selectman	-	February 15, 2012
Board of Finance	-	February 16, 2012
RTM	-	February 27, 2012

DPW – Replacement of Underground Storage Tanks at Fire Station #1 – Cost Overrun $272,000

1. **Background** – DPW has been methodically removing, replacing and upgrading underground heating oil and vehicle fuel tanks based on state regulations.

   In the 2011 Capital Improvement Budget, $152,000 was appropriated for removal and replacement of underground storage tanks at Fire Station #1 ($100,000) on Reef Road and Fire Station #5 ($52,000) on Congress Street. The Fire Station #5 project cost $52,000 leaving a balance of $100,000 available for Station #1. There were two tanks removed at station #1. A 10,000 gallon diesel tank located in the parking lot that needed to be replaced with a new tank, a monitoring system and dispenser. The other tank was a previously abandoned 2,000 gallon heating oil tank located on the south side of the property.

   Unfortunately both tanks leaked previously and we needed to remediate the contaminated area in accordance with DEEP regulations. Approximately 1,650 tons or 1,100 yd^3 of soil had to be excavated, transported and incinerated at a DEP authorized facility in Waterbury CT. In addition a treatment system had to be installed to remove pollutants from the contaminated ground water. The total cost of the project was $372,000 less available funding of $100,000 equals a funding shortfall of $272,000 hence this request.

2. **Purpose and Justification** – The purpose of this request to cover the cost overrun in the Fire Station #1 project of $272,000.
   It is justified because of the unanticipated and extensive mitigation efforts required because the tanks were previously leaking and contaminated the immediate soil and groundwater.

3. **Detailed Description of Proposal**

   1. The original Purchase Order in the amount of $94,000 for the Fire Station #1 project included the following work.
      - Removal of a 10,000 gallon diesel fuel tank buried in the parking lot
      - Removal of a 2,000 gallon abandoned oil tank on the south side of the property
      - Installation of a 10,000 gallon double walled diesel tank
      - Installation of a new fuel dispenser
      - Fuel leak monitoring system
      - Card reader system for employee's access and monitoring of fuel consumption for each vehicle.
      - Site work including backfilling to grade, installation of electrical conduits, drainage pipes, etc.

   2. Remediation - When oil was discovered below both tanks. We worked with DEP and our site monitor to do the following:
      - excavate 1,100 yd^3 of contaminated soil and deliver it at to a certified disposal site.
      - installation of a ground water treatment system to treat the contaminated groundwater. This system includes wells and a piping system that extracts the ground water and pumps it through a filtration

system to remove the pollutants from the ground water before it is discharged to the sanitary sewer system
Cost of remediation = $229,000

3. Cost of Project Monitoring – We hired a firm familiar with this type of remediation to do the following work:
   - Install test borings around the site to determine the potential extent of the contamination
   - frequent testing of soil and water samples to determine what soil was contaminated and needed to be sent off-site to the state certified disposal facility
   - Communication with DEEP to develop an ongoing plan to properly mitigate the contamination including the treatment system for the groundwater treatment
   - On site monitoring of the contractor's work to confirm that his quantities were correct and his procedures complied with DEEP regulations.
   - Satisfying DEEP's reporting requirements.

   The cost of the Project Monitoring = **$49,000**
   (this includes $15,000 for independent lab testing)

4. Recap of overage:

Original Purchase Order for Project	=	$ 94,000
Unanticipated Remediation Cost (2 above)	=	229,000
Unanticipated Project Monitoring Costs (3 above)	=	49,000
Sub-Total	=	$372,000
Less Original Appropriation	=	(100,000)
Cost Overrun	=	$272,000

4. **Reliability of Estimated Costs** On a scale of 0 to 10 the reliability is 10 because the numbers are based on actual invoices.

5. **Increased Efficiency or Productivity** - The new fuel dispenser requires an employee access cards for security and will track the fuel consumption for each vehicle.

6. **Additional Long Range Costs** – Because the previous fuel spill entered the groundwater a temporary treatment system had to be installed to treat the groundwater to meet DEEP standards. This system costs approximately $12,000/month to rent and operate. It is anticipated to run 1 to 3 months or $12,000 to $36,000, which will be paid from the DPW Operating budget.

7. **Additional Use or Demand on Existing Facility** – Not Applicable

8. **Alternatives to this Request** – None, the work has been completed.

9. **Safety & Loss Control** – All work was done in accordance with state and OSHA regulations.
   Removal of the contaminated soil and treatment of the ground water eliminates any future liability associated with the pollutants migrating on to adjacent private property.

10. **Environmental Considerations** – When the tanks were removed and the oil contaminated soil was discovered the state regulations required us to notify DEEP and work with them to develop and execute a plan to remove the contaminated soil and treat the contaminated groundwater to minimize future migration of the pollutants into uncontaminated areas.

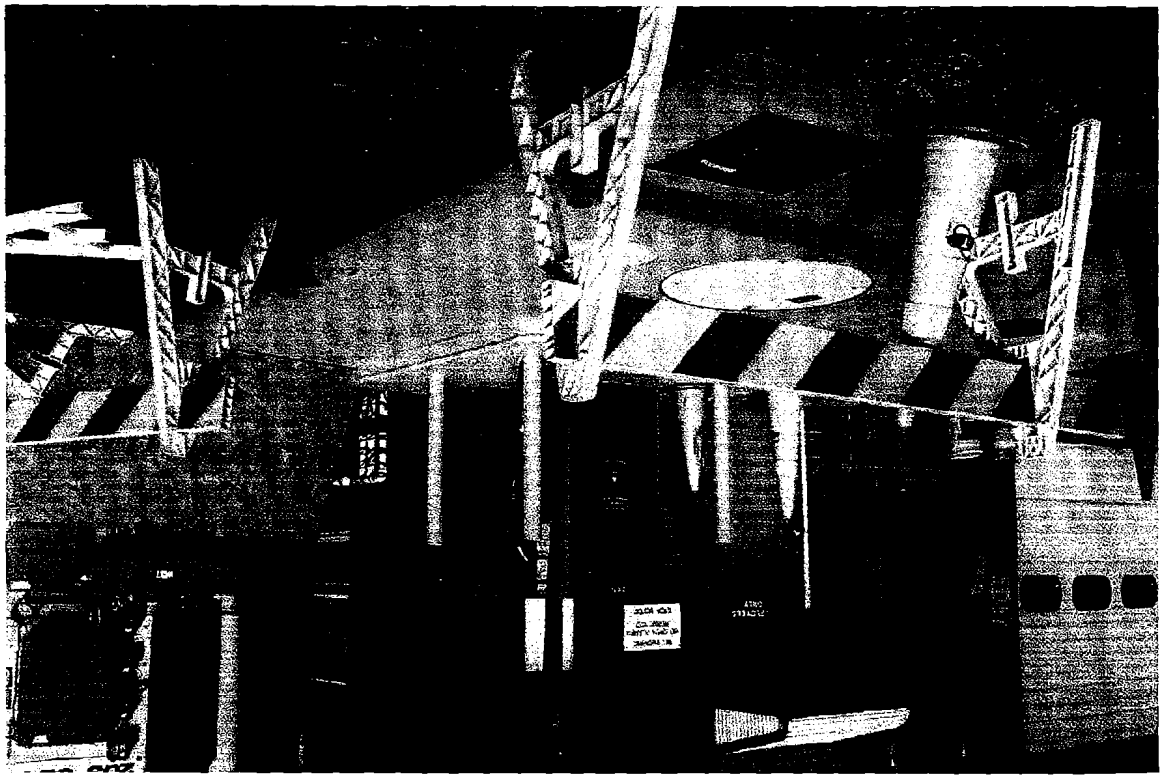
11. **Insurance** – Contractor was required to carry the insurance prescribed by our Purchasing Department.

12. **Financing** – The overage will be funded from the Non Recurring Capital Projects fund.

13. **Other Considerations** – None

14. **Other Approvals**

Board of Selectman	-	2/15/2012
Board of Finance	-	2/16/2012
RTM	-	2/17/2012



Bunker/Tee Renovation $105,000

1. **Background:**
   In 2010 the Golf Commission presented a 10 year master improvement and financial plan for H. Smith Richardson Golf Course, to the First Selectman and the Board of Finance. This plan was accepted and implementation started FY 2011. The plan calls for a $1.0MM reinvestment in the golf course infrastructure. The plan spreads the necessary projects over ten year period, prioritizing improvements and targeting an expenditure level of roughly $100k each year. This is a continuation of this plan with a request of $105,000 to continue the improvements to the course.

2. **Purpose & Justification:**
   In the upcoming year, we will be renovating seven bunkers, and two tee boxes. Many of the golf course bunkers are in very poor condition and are in need of renovation. The majority of the bunkers do not drain properly, hold storm water for days, are lacking sufficient sand, and are misshapen from years of wear and tear.
   In addition, several tee boxes need to be refurbished and / or enlarged. The USGA suggest that tee boxes should be at least 100 square feet for every 1,000 rounds and twice that for tees where irons are used. At H. Smith Richardson, with 40,000 to 45,000 rounds per year several of our tee boxes are too small and can not be adequately maintained as a result of the excess wear and tear.

3. **Detailed Description of Proposal**
Seven bunkers will be rebuilt and reshaped, which includes removal existing sand, reshape, carve out edges and base, compact reshape bunker, add new sand and compact replace soil and or sod It also entails installing four inch drainage pipe and 3/8" stone. Two tee boxes will be expanded and leveled, which includes irrigation changes, topsoil and sod.
The cost breakdown is as follows

Bunkers

12,500sq ft x $2.55 =	$31,875.00 Labor
1,250 ft x $13.75 =	17,187.50 Labor to install drainage
1250 ft of pipe x$2.56/ft =	3,200.00
315 tons of bunker sand x $48.50 =	15,277.50
6000 sq ft sod .30/sqft =	1,800.00
Contingency	2100.00
	$ 71,440.00

Tee boxes 11,040 sq ft

144 hrs x $95.00 per hr =	$13,680.00 labor
250yds topsoil x $24 =	6000.00
11,000 sq ft sod x .50 =	5,500.00 bent grass
5500 sq ft sod x .30 =	1,650.00 fescue / rye mix
Irrigation changes =	5,000.00
Contingency	1,730.00
	$33,560.00

Total Project Cost **$105,000.00**

4. **Reliability of Estimated Cost**
The cost estimate is made up of known prices for materials and labor and machine based on current bid.

5. **Increase Efficiency or Productivity**
These terms don't directly apply to this type of project but there are advantages. With these improvements it is expected that additional revenues would be generated as more rounds are to be expected as the golfing community realizes the improved conditions.

6. **Additional Long Range Costs**
There will be none except for the regular daily maintenance during the golf season, as the improvements being made will last 20 years.

7. **Additional Use or Demand on Existing Facilities**
We do expect additional use with these improvements however we do not anticipate additional burdens on the existing facilities as a result.

8. **Alternatives to this request**
   The alternative discussed was to try and do the work with our present work force; however we do not have the manpower or the expertise to do handle these large projects and still maintain the daily maintenance of the golf course. Should these improvements not be made we will see a reduction in revenue as golfers will play at courses with better conditions.

9. **Safety & loss Control**
   The proposed renovations will make the playing of golf a safer environment. With the existing conditions of the bunkers there is a very good possibility of the golfer being injured by hitting rocks due to the wash out conditions. With the tee boxes we would be leveling the surface preventing someone from twisting or breaking an ankle.
10. **Environmental Considerations**
    The conservation commission has approved all the drainage aspects associated with the renovations of the bunkers.

11. **Insurance**
    Contractor will be required to carry insurance coverage.

12. **Financing**
    Short term anticipation note (BAN's) not to exceed 5 yrs.

13. **Other Considerations**
    None

14. **Other Approvals**
    Board of Selectman
    Board of Finance
    RTM

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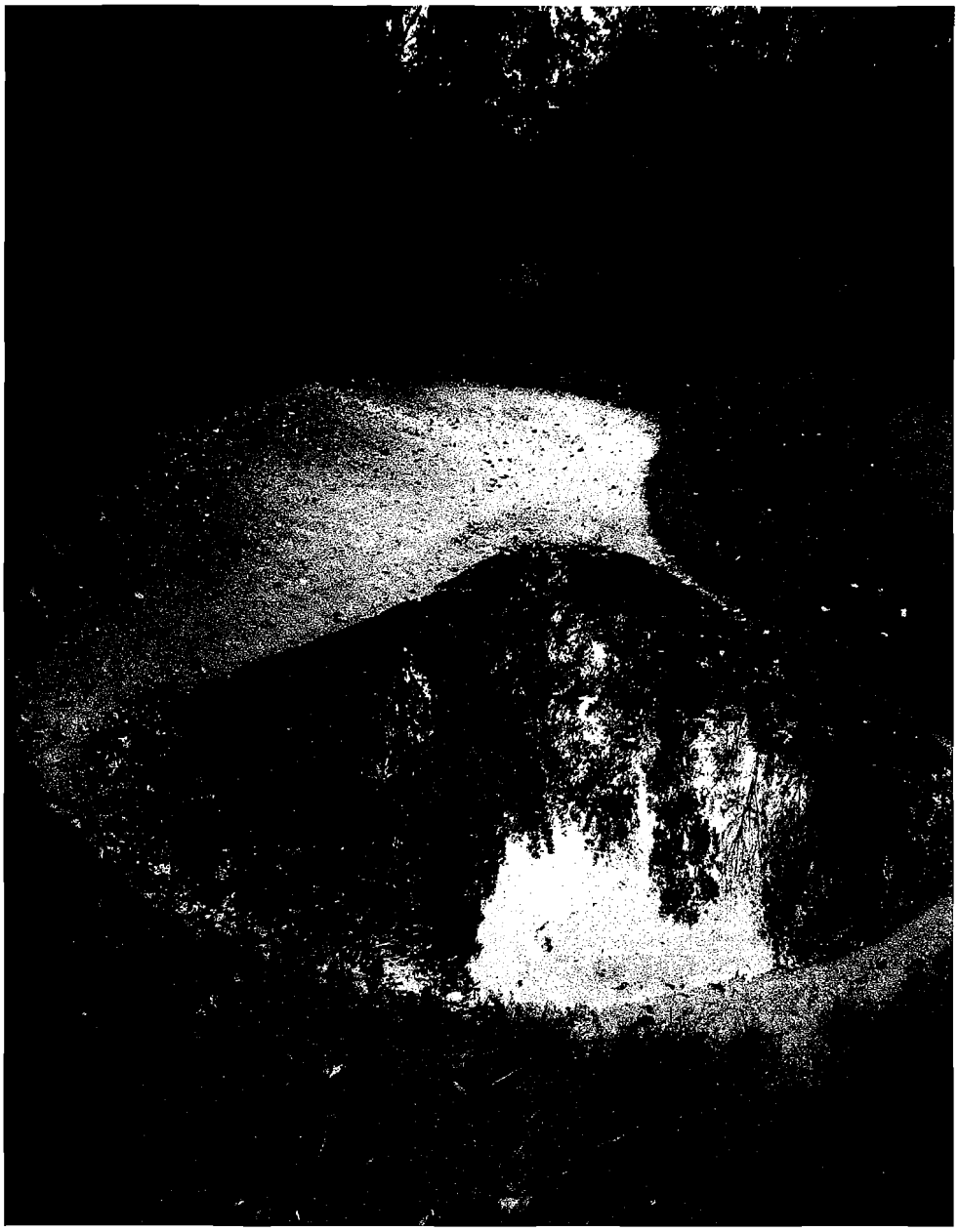

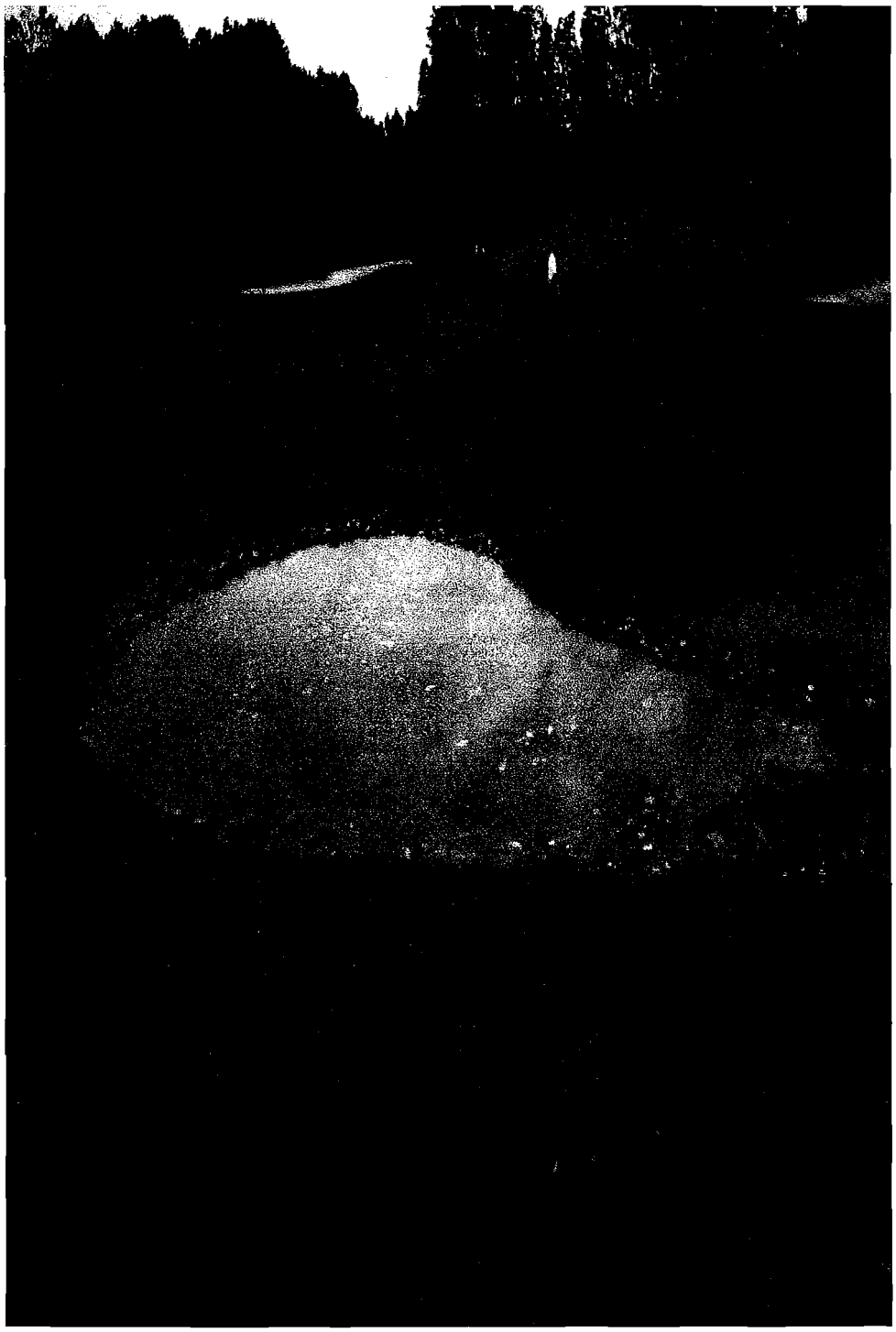

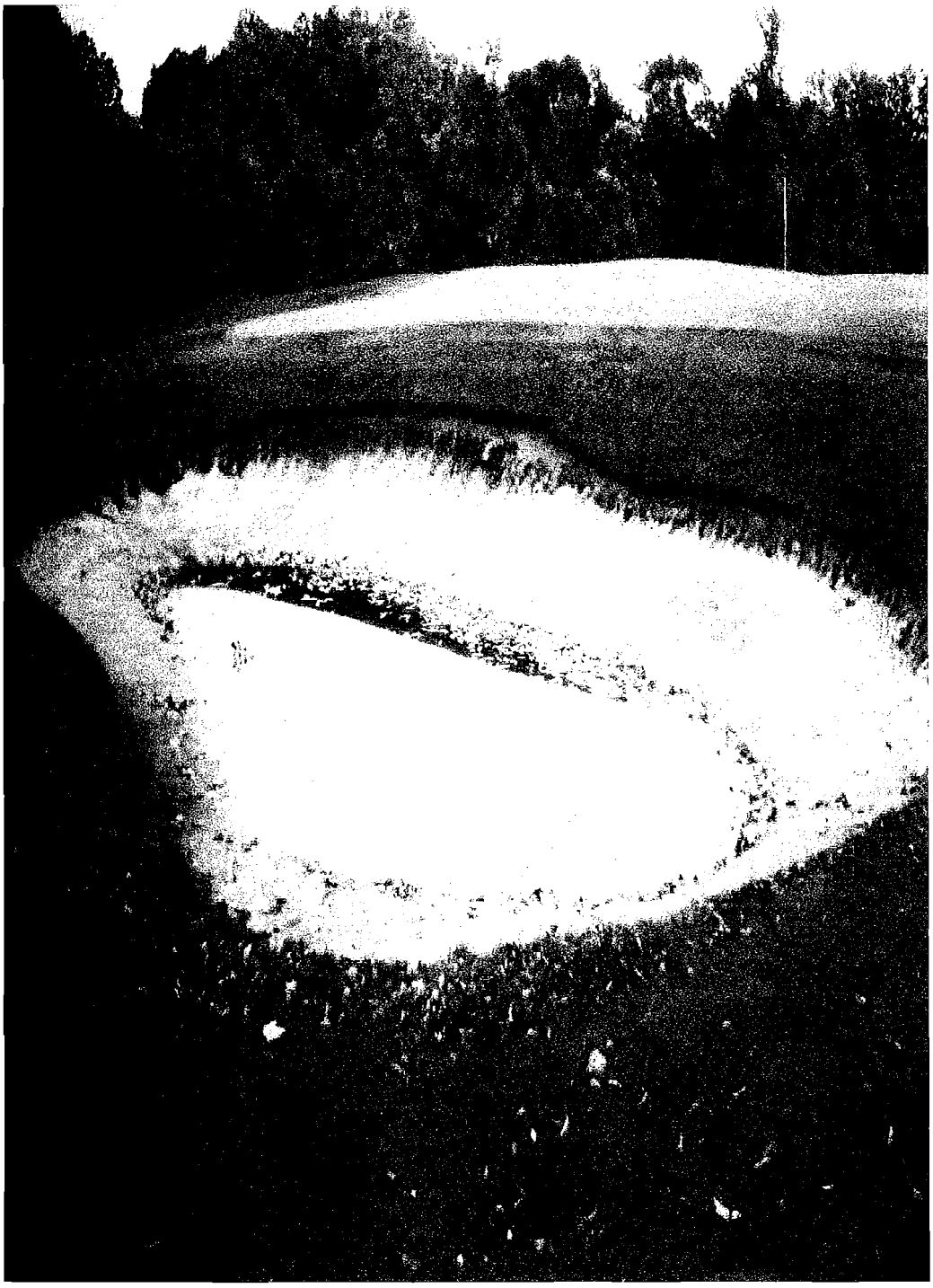

FOR INFORMATION ONLY
NOT INCLUDED IN NON-RECURRING CAPITAL REQUEST

Fairfield Woods Library Roof Replacement = $252,000

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1. **Background** – The membrane roof on the Fairfield Woods Library is in very poor condition with frequent leaks. The 20 year warranty on the roof expired in 2009. An infrared scanning was done on the roof in 2006 and the wet areas were repaired. In 2009 – 10 membrane material was put over the seams.

   A recent infrared scan indicated numerous wet areas under the membrane. Visual inspections indicate sources of leaks where the membrane meets the roof drains and where the mechanical fasteners for the insulation are protruding through the membrane.

   Although rehabilitation is scheduled for this building in the future, it still seems prudent to replace this membrane to prevent further damage to the building including the tectum underlayment. It is possible that the new roof can be incorporated into the rehabilitation of the building.

2. **Purpose and Justification** – The purpose is to replace the membrane roof that is out of warranty and in very poor condition and leaking. Even though the building is scheduled for a rehabilitation it is justified to prevent further damage to the building especially the tectum underlayment.

3. **Detailed Description of Proposal** – The project involves removing the old membrane roof and insulation and replacing the tectum underlayment where necessary and installing a new membrane roof with tapered insulation. The estimated cost is $252,000 (12,000 ft^2 x $ 21/ft^2 = $252,000).

4. **Reliability of Cost Estimate** – Based on a scale of 0 to 10 I would rate the reliability of the estimate at 8.0. Our estimate is based on recent bids for membrane roofs.

5. **Increased Efficiency or Productivity** – The new insulation that will be installed as part of the roofing system will decrease heat loss during the winter and heat gain during the summer. This decreases HVAC costs.

6. **Additional Long Range Costs** – No significant costs

7. **Additional Use or Demand on Existing Facilities** – None anticipated.

8. **Alternatives to this Request** – We could continue to patch the membrane but we can't reasonably guarantee that we will be successful in stopping current and future leaks and continued damage to the building.

9. **Safety & Loss Control** – Replacing the leaking membrane roof will decrease future potential damage to the building.

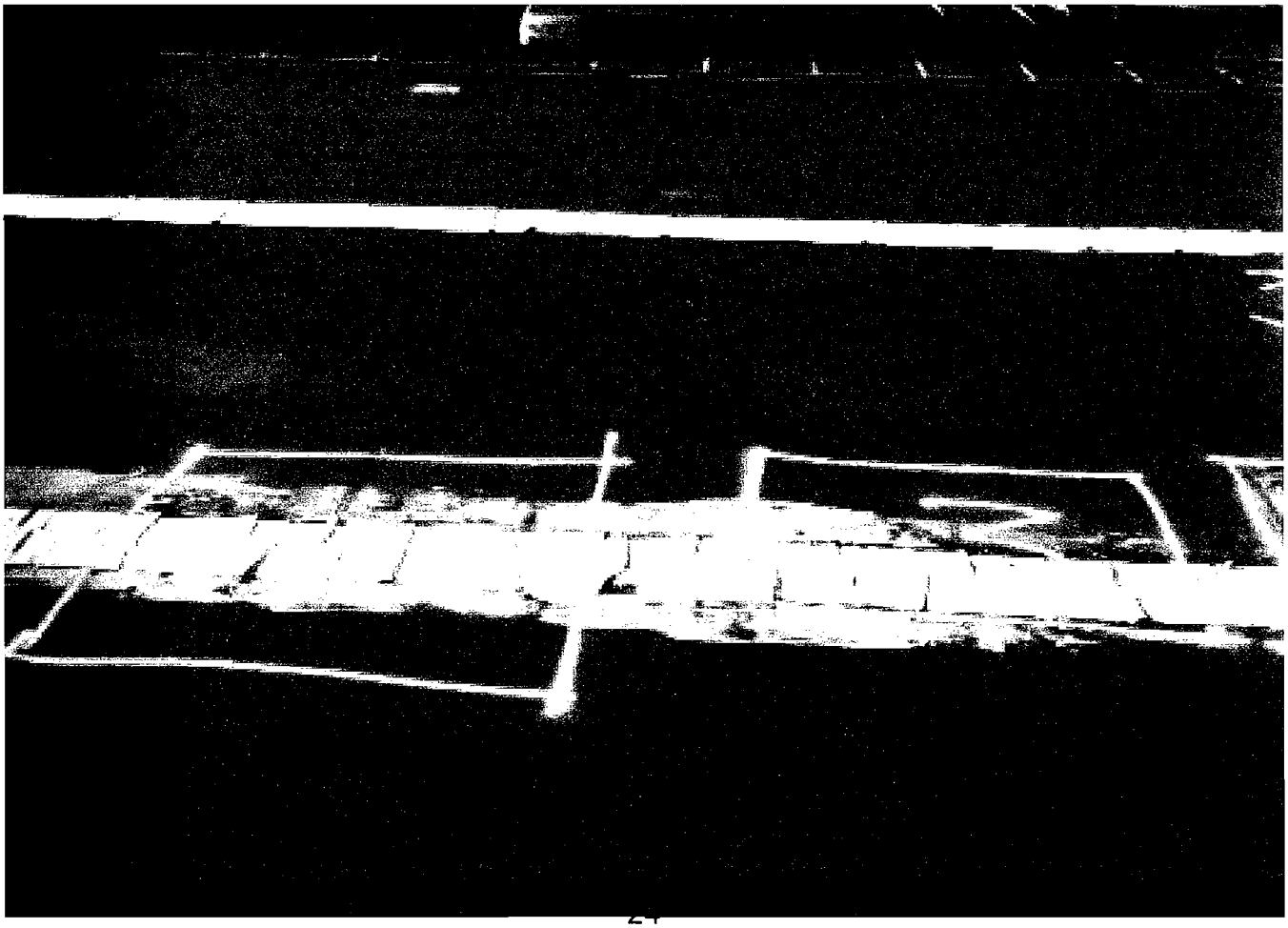
10. **Environmental Conditions** – The new insulation will reduce energy costs slightly.

11. **Insurance** – Contractors will be required to carry the insurances prescribed by our Purchasing Department.

12. **Financing** – The $252,000 request will be bonded as part of the 2013 Non-Recurring Capital Project

13. **Other Approvals**:

Board of Selectman	-	February 15, 2012
Board of Finance	-	February 16, 2012
RTM	-	February 27, 2012



Appendix

Town of Fairfield
Policy on Bonding and Capital Purchasing

Date: April 5, 2011

Certain types of capital expenditures are appropriate for bonding and other significant expenditures are not appropriate for bonding and should be part of annual operating budgets. The purpose of this policy is to outline the guidelines for bonding of capital items and the terms of bonding for allowable expenditures. The Board of Finance, at its sole discretion, may consider unique circumstances when determining the eligibility of proposed capital expenditures under this policy.

1. Capital expenditures may be proposed by departments or the First Selectman during the annual budget process or throughout the year, as required.
2. Funding for all capital expenditures and all associated bonding resolutions must be proposed concurrently and submitted for approval to all required town bodies.
3. Funding for capital non-recurring projects may only be expended for the purposes described within the budget and bond appropriation resolution.
4. Unspent funds shall be unencumbered and closed out within three years of such projects being completed under budget or if a project is determined to be unnecessary or not feasible.
5. Capital expenditures may include capital assets to be acquired or built by the town, capital maintenance improvements, repairs to town or school facilities, and replacement and/or renovation of obsolete assets or assets whose useful life has been exceeded.
6. The minimum expenditure spending level to be voted on by the Board of Finance is $100,000.
7. The following list represents the recommended bonding period for capital expenditures:
    a. 20 years — Buildings and infrastructure projects
    b. 10 years — Equipment and certain non-recurring vehicles (1)
    c. 3 years — Allowable hardware and software (2)
    d. Variable — Roofs and other similar projects. Bonding term shall be equal to the lesser of the item's useful life or the warranty of the capital expenditure
8. Items that do not qualify for bonding:
    a. Any annual recurring items such as police cars, road repair (3), technology (hardware and software), repairs and maintenance, pension funding and normal operating expenses.
9. Technology Bonding. All technology spending must be expensed through annual budgets, with the exception of hardware and software directly associated with the expansion of current classroom space or town owned property. Technology for replacement space or temporary space additions do not qualify for bonding and must be funded through the annual budget or the appropriate town funding process. In the case where the bonding of technology is allowed in new space areas, the technology expenditures will be separated from the building project and bonded over its useful life.

The Board of Finance will consider large system-wide software implementation projects (i.e. enterprise-wide software projects, MUNIS) and specific technology infrastructure projects with useful lives of over 7 years for bonding/capitalization.

(1) Examples: Fire trucks, unusual heavy equipment over $100,000
(2) Per item 7, technology directly associated with newly built space
(3) Current road repair project approved in 2010 is exempt from this list