

**EAST LYME BOARD OF FINANCE
SPECIAL MEETING MINUTES
Monday, SEPTEMBER 14th, 2009**

Members In Attendance: Steve Larcen, Chairman
Jeff Langan, Secretary
John Birmingham
Jill Carini (by phone)
Bob Jones
Allan Taylor

Also In Attendance: Paul Formica, First Selectman
Attorney Edward O'Connell, Town Counsel
Jeff Alberti, Weston & Sampson Engineers
Mike Giannattasio, Public Works Director
Dave Putnam, Parks & Recreation Director
Anna Johnson, Finance Director

Absent: No One

A. Call Meeting to Order

Chairman Larcen called this Special Meeting of the East Lyme Board of Finance to order at 6:00 PM.

B. Pledge of Allegiance

The Pledge was observed.

Mr. Larcen noted that Ms. Carini would be present for the meeting this evening via tele-conferencing.

Mr. Taylor said that he would like it on the record that at the beginning of this Board serving that they all agreed to follow Roberts' Rules of Order and that Roberts' Rules does not have anything that allows for attending a meeting by phone. He said that as they agreed to follow Roberts' Rules that he thinks that they should do so.

Mr. Larcen said that Roberts' Rules is silent on this issue and as such does not say that it is not permissible however; the FOI rules do have a provision on tele-conferencing and allow it.

Mr. Jones asked why they would agree to follow Roberts' Rules and then not follow them and why there is nothing regarding tele-conferencing contained within them.

Mr. Larcen said that he would guess that tele-conferencing came in after the author had passed on.

Mr. Taylor said that they are not following Roberts' Rules as they agreed to do.

C. Delegations

Mr. Larcen called for delegations.

Bob Gadbois, 358 Boston Post Road said that he did go on the tour of the building and other areas and that he did see that Public Works and parks & Recreation need a better facility, however; he does not like taking this commercial building off of the tax rolls as there is very little commercial property in this Town and it helps with taxes. They have done this same thing with Liberty Way and he did not agree with that either. Also, Mr. Drabik owns similar buildings and he spoke at a meeting and said that this is not the proper building for what they want to do or their needs. He said that he does not care if this

property sits for 30 years empty as it will pay taxes and the amount of our commercial property in Town is very small and taxpayers need the break.

D. New Business

◆ Discussion and possible action to approve Appropriation and Bonding of \$2,900,000 for Acquisition of Properties and Renovations

Mr. Larcen asked if they wanted to make a motion or discuss first as he had sent questions that he wanted answers to.

Mr. Taylor said that he would make a motion for discussion.

****MOTION (1)**

Mr. Taylor moved to approve the appropriation and bonding of \$2,900,000 for acquisition of Properties and Renovations.

Mr. Jones seconded the motion.

Mr. Larcen asked Mr. Formica to say a few words.

Mr. Formica thanked Mr. Larcen for calling this Special Meeting and said that there is a real need for this building and that they have a unique opportunity now with the declining debt service, the cost of borrowing money being at an all time low and the operational savings that would be generated by this upgrade are optimal. Regarding the tax loss that was mentioned, he said that the two vacant lots and the lot with the building on it roughly generate \$25,000/year in taxes. Over 20 years that would be a tax loss of roughly \$500,000 but they would have \$1M in savings today over the \$4M cost of the upgrade to the old facility and the old facility may also provide some room for Care & Share who is looking for a building. This could be an item for future discussion. He then asked Mr. Giannattasio and Mr. Alberti to answer the questions that had been given to them. Some of the information follows.

Mr. Giannattasio said that he would answer the questions given to them by Mr. Larcen.

- Would they want to delete or defer the heavy duty lift they listed as needed.

Mr. Giannattasio said they would want to defer the light duty one at this time but not the others.

- What is the difference between the special and base models and the wash bay.

Mr. Giannattasio said that they had reduced the wash bay model down a bit for cost savings and that all of them are re-circulating and re-washing products and the only difference is a lower rate of re-circulation which would be fine for their use.

- Cost estimate for the additional side exit.

Mr. Giannattasio said that it is a simple install and that the paving would be done outside of this budget. There is a zero budget increase.

- Is the electric service supply to the building adequate for their intended use.

Mr. Giannattasio said that they have ample supply and that the previous use in the building apparently required a lot of electricity – more than they require. He added that they could see that an appropriately sized generator has been added to the budget.

- Different types of ventilation units/blowers were listed.

Mr. Giannattasio said that under the value engineering portion they have a heating and duct system with controlled dampers.

- The \$75,000 listed for the HVAC for the office area space seems rather high for that type of space.

Mr. Giannattasio said that it was just an estimate and that it would be vetted out at the final design and competitive bid process stage.

- Operating costs estimated at \$54,000

Mr. Giannattasio said that \$54,000 was an estimate of running this building and that another \$6000 would be added for the old building for a total of roughly \$60,000. If they take out the old Parks & Recreation building, print shop and sign shop they could reduce that figure by \$37,000 as the Parks & Recreation area would be demolished and the cost of utilities for part of the Roxbury Road facility would be covered by Care & Share for the area that they would be using. This would bring the figure down to around \$37,000 and the other benefits would be that it would increase worker morale, put the time clocks in one area for the workers and they would not have to put money into fixing the Parks & Recreation buildings.

Mr. Larcen said that in looking at the spreadsheet that was provided to them that he came up with \$23,000 with the subtraction of what would be the defunct buildings.

Mr. Taylor said that he agrees with Mr. Larcen that they are talking about \$23,000.

- When would the construction budget be required and what is the anticipated occupancy date were this project to go through.

Mr. Giannattasio said that he would anticipate that the design phase would be from October to December and that it would go out to bid in January and they would go from there. He would anticipate that they would be ready to occupy the building sometime in August of 2010.

- What are the Towns' plans on this project with respect to bidding and construction.

Mr. Giannattasio said that it would go out to bid but only after they have separated out the projects that they can have the employees do in-house. Then, it would go to Town Meeting and the bid design process and then out to bid.

Mr. Birmingham asked about the projection on the soft costs on the last page of the information and how low the \$279,939 could go.

Mr. Alberti said that some of the costs are for geo-tech, surveys, printing, ads for going out to bid and for legal and that it could potentially be less especially if the Town is doing some of the work as that would require less design work, ads, etc.

Mr. Jones asked about the \$15,000/month for six months for general project prep.

Mr. Alberti said that it is an average only.

Mr. Langan asked about the borings that had been mentioned regarding the concrete floor and when that would be done.

Mr. Alberti said that would have to be done sooner rather than later.

Mr. Langan asked if vehicles idling in the building would just 'exhaust' into the building air.

Mr. Giannattasio said that he believes that it would go into the building air except for the mechanics' area which has drops.

Mr. Langan asked Mr. Giannattasio about plans for the old Public Works building.

Mr. Giannattasio said that they would have an area for a repair bay and storage and that Water & sewer has some storage needs as does Parks & Recreation. Some trucks would also be stored there and the front office area and one bay could be changed over for Care & Share who would pay for their own utilities.

Mr. Langan said that he had noticed that there was no provision for the relocation of the salt shed.

Mr. Giannattasio said that would be done separately as they do not have a set time on when it has to be replaced although he does know that it is not within the next couple of years.

Mr. Langan asked about the vehicles having to run back and forth to the salt shed and for gas.

Mr. Giannattasio said that they do the gassing of the vehicles at the end of the day and that they also are usually traveling by that area at least once during the day as they cover the entire Town.

Mr. Langan said that sometimes I-95 has accidents that cause bad tie-ups and gridlock and asked Mr. Giannattasio if he sees that as an issue.

Mr. Giannattasio said no, as they are subject to them now and they go to provide aid for such accidents on I-95.

Mr. Larcen said that he wanted to be sure that he heard correctly that there are no immediate plans to move the salt shed.

Mr. Giannattasio said that was correct.

Mr. Taylor said that a very thorough study was done and that it answers a lot of questions. One of the key points is that the Town equipment that is stored outside takes longer to start up and get running and this wastes fuel. That fact alone is a good cost saving. Also, the life of the equipment is reduced because it is stored outside and that amounts to huge dollars and as that is not something that they are seeing in the study he feels confident that there are further savings that will become evident with this. It has also been shown that buying land and building a new building could cost \$9M and this is only \$2.9M. He said that all of this makes sense and added that an excellent job was done on the information gathering and presentation.

Mr. Jones noted that with Parks & Recreation going in the new building that they are saving as the lower level buildings and sign and print shop would require more in repair money.

Mr. Giannattasio said that the intent would be to demolish them.

Mr. Birmingham said that they had mentioned three options for the HVAC system and asked which was the cheaper.

Mr. Alberti said they would look for the most cost effective one and that they could put some of it on the mezzanine.

Mr. Jones commented that he is happy with the two acres of land adjoining this property and that it is part of the purchase price of \$2.9M.

Mr. Giannattasio said that it is not only part of the \$2.9M purchase price but it is located out of a residential area which is important.

Ms. Carini said that one of her biggest concerns is that with the gridlock that occurs with accidents on I-95 that they would not be able to get into the center of Town if I-95 closes down. It would lock them out of the rest of the Town, especially during storms.

Mr. Giannattasio said that they cover the entire Town each day and that they do not think of this area in terms of a 'center of the Town' concept as they travel way out past Flanders area covering the entire Town. There are also other ways to get here rather than just I-95 although when there is a serious accident, everything is in gridlock and no one moves.

Ms. Carini said that while she begs to differ with his opinion that she also understands that they are aware of what can and does happen.

Mr. Langan said that he is concerned with the aggregate debt service which was to go down by 12% and which with this would now only go down by 7%. He said that he thinks that when they add in the revenue losses from the taxes that would be lost and general tax loss that this would bring them to a non-prudent level. He feels that they have a responsibility to the taxpayers and is not comfortable with what the priorities might be in conjunction with the information that they received and the capital needs of the Town.

Mr. Formica said that they provided a detailed chart on all of the Town's possible projects and that it shows that the debt service line item will still go down with everything in it. He said that he thinks that this is a great project for the Town and if not now – then when?

Mr. Taylor noted for clarity that they have not as a Board voted on any of the other items and while the debt would to decrease at the 12% rate, it would still decrease by 7% so some of what they are able to do here for the Town is very much due to what they have been able to do by working with the First Selectman on the budget.

Mr. Larcen said that he thinks that the detail information that they received was responsive and that retaining expert input was well worth the cost. He added that what was important to him tonight was hearing that the project would be bid out in order to get the best possible savings for the taxpayers and that the salt shed project is not imminent. He said that Mr. Taylor is correct, they do not have other capital projects before them and also, in figuring this out, the cost is about \$78 per sq. ft. Although, at this time, he said that he is not so sure of how supportive he would be for other projects.

Mr. Larcen then asked that they amend the motion and second to reflect the resolution.

Mr. Taylor amended his Motion to read:

****MOTION (1) (Amended)**

Mr. Taylor moved that it be resolved that the resolution entitled "Resolution Appropriating \$2,900,000 for the Acquisition of Land in the Town of East Lyme and Authorizing the Issuance of \$2,900,000 Bonds of the Town to Meet Said Appropriation and Pending the Issuance Thereof the Making of Temporary Borrowings for Such Purpose", a copy of which is attached hereto, is hereby adopted and recommended for approval by the legal voters of the Town at Town Meeting.

Mr. Jones seconded the amended MOTION (1).

Mr. Larcen called for a vote on the amended motion.

Vote: 4 – 1 – 1. Motion passed.

Voted for: Mr. Larcen, Mr. Jones, Mr. Birmingham, Mr. Taylor

Voted Against: Mr. Langan

Abstained: Ms. Carini

Mr. Larcen declared the motion carried and the resolution adopted.

◆ **Discussion of Impact of Adopted State Budget on Town Budget**

Mr. Larcen noted that due to the time and another meeting scheduled for the room, that they would discuss this at their next meeting.

E. Public Discussion

Mr. Larcen called for Public Discussion.

Due to the time, there was none.

F. Board Comments

There were none.

G. Adjournment

****MOTION (2)**

Mr. Taylor moved to adjourn this Special Meeting of the East Lyme Board of Finance at 7:00 PM.

Mr. Jones seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary