

Minutes of the Special Meeting of the Board of Finance

Town Hall – May 2, 2016

Members present: Justin Donnelly, Ryan Anderson, Chris Childs, Eric Harrington, Dr. Ann Huntington Mickelson and Brian Kost. Alternates present: Tracy Eccles, John Sullivan and J. Michael Stevens

Also present: Director of Finance Deborah Cerrato, Director of Economic Development Patrick McMahon, Town Engineer Gerry Turbet, Selectman Mel Chafetz, Chairman of Economic Development Commission (EDC) Howard Orr, Water Pollution Control Authority (WPCA) Business Manager Julie Nigro, WPCA Chief Operator Shane McCannon and WPCA Commission members Bruce Remington, Wally Rodger, Roger Ives, Charles Roumas, John P. Murphy, Janet Davis and Kris Barthelmess.

Chairman Donnelly called the meeting to order at 7:00 p.m.

Discussion and possible action regarding the Utility Expansion Project

Chairman Donnelly noted that there had been a meeting last Friday with the First Selectman, Chairman Donnelly, representatives of the WPCA and others. The WPCA was in attendance, tonight, to listen and possibly take action in response to the suggestion that they financially participate in the sewer portion of the project.

Director of Economic Development Patrick McMahon noted that the WPCA had a properly noticed meeting in case any action was needed. WPCA Commissioner Davis said that a Public Hearing would be needed for any proposed acquisition per State Statute.

Mr. McMahon introduced Joseph Cermola and Warren Baethge of Cardinal Engineering, the design firm on this project. He introduced and thanked Town Engineer Gerry Turbet for his efforts in moving the project forward. Mr. McMahon said that one of the criteria for business location decisions is the availability of utilities and the EDC identified the need to extend water and sewer down Route 75. The water line currently ends at the southern end of the Mach One Industrial Park. The sewer line ends on the northern portion of the town owned 63 acre property of which 20 acres is developable.

Mr. McMahon presented a timeline of activities to date in order to answer the question of why it took so long to do this project:

- Anchor Engineering completed a Feasibility Study in June 2009
- December 2009 the EDC asked Advisory Commission on Capital Expenditures (ACCE) for \$90k in design costs for FY10-11 which was not budgeted.
- January 2011 the EDC asked ACCE for \$90k in design costs for FY11-12 which was not funded
- January 2012 the EDC asked ACCE for \$90k in design costs for FY12-13 which was not funded
- In 2012 the EDC asked Representative Elaine O'Brien to seek state bond funding and she was able to secure \$980k in July of 2012
- During the remainder of 2012, state agencies reviewed requirements under the Connecticut Environmental Policy Act

- A Grant Agreement was executed in January 2013
- Development of design scope took place during the first half of 2013
- Design firm selection took place in the second half of 2013.
- During the first quarter 2014 a design contract with Cardinal Engineering was created
- Second through fourth quarters of 2014 the basic design was completed. An archeological study was required by the State Historic Preservation Office
- Due to Natural Diversity Database – The Department of Environmental Protection (DEEP) required a biological study that could not be conducted until the Spring of 2015
- January 2015 – Received Conservation Commission Approval
- April to July of 2015 was the bird survey. This triggered a more complicated Category 2 permit through the Army Corp of Engineers
- Second half of 2015 we determined what to bid out since there was not sufficient funding for the initial scope
- The project advertised in March 2016
- The bid Opening took place in April 2016
- Immediately approached the Board of Finance (BOF) and BOS for their approval for additional funding

In summary, the project was complicated by 1) multi-state agency review DECD, DEEP, DOT, State Historic Preservation Office; 2) Army Corp of Engineers Involvement; 3) Satisfying Connecticut Water Company Requirements; 4) conflicts with existing utilities of gas and electric; 5) state grant requirements related to design firm selection and contractor selection.

The lowest construction bid from Spazzarini in Enfield was \$888,310. A 10% contingency (\$88,831) was added. Construction inspection costs will be provided by Cardinal for \$90,000 bringing the project total to \$1,067,141. The Available balance in the grant is approximately \$880,000 leaving a deficit of \$187,141.

The Board of Selectmen (BOS) voted to recommend the project subject to approaching the WPCA for a possible contribution. About 40% of the project is sewer related.

Mr. McMahan offered possible funding sources such as using current year contingency funds or adding it to the 16-17 Annual budget. He noted that the grant budget period runs through December 31, 2016.

He finished his presentation by saying that the Town can recapture the extra costs through sale of portions of the Town owned land which will generate tax revenue.

Mr. Turbet said he agreed that this has been a difficult project due to interaction with many agencies.

Mr. Kost thanked Mr. McMahan for his thorough presentation. He asked Mr. Turbet if there was confidence in this estimated based on recent projects. Mr. Turbet responded that there are monies included in the estimate for issues that may be found. He said that coupled with the 10% contingency should be adequate. He noted that Cardinal will have a full time inspector on the project during the five months of construction. Connecticut Water will also perform periodic inspections.

Mr. Kost asked Director of Finance Cerrato how much was available in the current year contingency account to which she responded there was a balance of approximately \$267,000.

Mr. Kost made a motion to add \$188,000 to the 2016-17 capital budget and \$188,000 from the unassigned fund balance as the revenue source. The motion was seconded by Mr. Anderson. There would be no additional impact on the proposed mill rate.

Selectman Chafetz noted that the Board of Selectmen recommended the expenditure by unanimous vote. He said there is a Town Meeting tentatively scheduled for May 26th where this could be presented. It was noted that by adding the project to the annual budget, the Budget Town Meeting on May 11th would approve the expenditure and no additional meeting is required.

Chairman Donnelly called for the vote and the motion passed unanimously.

Chairman Donnelly asked if there was interest in asking the WPCA to contribute and the members decided it was not necessary.

Mr. Anderson made a motion to adjourn which was seconded by Dr. Mickelson. By unanimous vote the meeting was adjourned at 7:31 p.m.

Respectfully submitted,

Lisa Trase