

DRAFT
Special Meeting
MONROE BOARD OF FINANCE
Monroe, Connecticut

June 26, 2012

Present: Chairman Mark Reed
Vice-Chairman Michael Manjos
Board Member Chris Baudouin
Board Member Scott Ownes
Board Member Ted Quinlan

Also present: First Selectman Steve Vavrick
Finance Director Carl Tomchik
Treasurer Ron Bunovsky, Jr.
Heidi Meade

Absent: Board Member John Ostaszewski
Tax Collector Manny Cambra

CALL TO ORDER-*Chairman Reed* called the meeting to order at 7:30 p.m.

EXECUTIVE SESSION-There was none at tonight's meeting.

FIRST SELECTMAN'S COMMUNICATIONS-*First Selectman Vavrek* presented a proposed plan for Chalk Hill later in the meeting.

NEW BUSINESS

Motion to Amend the Agenda

Motion: (M. Reed)

To amend the agenda by moving New Business items d and e to the beginning of the discussion

Second: (M. Manjos)

Discussion: None

Motion passed 4 (Reed, Manjos, Baudouin, Quinlan)-0 (Board Member Ownes was not present for the vote)

Police Renovation Update-*J.P. Sredzinski*, chairman of the Building Committee updated the board members on the status of the Police Department renovations. He stated that he and the committee members (*Elizabeth Edgerton, Ron Villani, Gary Scrofani, Dave York, Ray Giovanni* and *Kathy Dilks-Anderson*), have been meeting since October 2011. *Mr. Sredzinski* stated that they committee received approvals from the Historic District, the Architectural Review Board as well as Planning and Zoning. Of the 25-30 bids they received, 3 were within their budget and they selected Dolphin Construction whose bid was approximately \$100,000 under their budget. He

continued that the committee went through the Clerk of the Works interview process and *Frank Bent* was hired for the position. *Mr. Sredzinski* added that demolition is underway, the foundation has been poured; “there have been very few obstacles and any problems that have come up have been addressed.” He stated that two large pits were discovered containing stumps and boulders, both had to be excavated and the work has begun. *Chairman Reed* asked *Mr. Sredzinski* why the Tower Dispatch Communications was an additional anticipated expense and not part of the initial budget. *Mr. Sredzinski* replied that it was not technically part of the project and *Mr. Tomchik* added that it was not part of the construction and that it was originally part of the entire budget; the only thing that had changed was the schedule of values. *Mr. Sredzinski* offered to provide the board with a quarterly report, *Chairman Reed* said that during the planning and zoning process, they received feedback from the town engineer and land use on several items to be addressed including a possible landscape plan, new parking area, a different driveway concept, new lighting and the most significant, drainage. *Mr. Sredzinski* added that the committee went through the same process as a private business would be and there was no municipal exemption. He continued that the committee developed three options and the one they are requesting the board to approve was option 2 in the amount of \$96,800. He said that this option moved the storm water retention and detention and that as a condition of the Planning and Zoning application, the town had to have this done within 5 years. *Mr. Sredzinski* continued that due to lack of funds, the committee had to prioritize the work to be done rather than having every item addressed; he reiterated the \$96,800 change order was still under the original number they budgeted. *Board Member Quinlan* stated that there was a \$100,000 omission in the project and he asked why drainage usage was not taken under consideration earlier. *Mr. Sredzinski* responded that the project has been sitting since 2002 and since the plans were drawn up, the codes have changed and there have been modifications. *Vice-Chairman Manjos* added that this issue would usually come up to Planning and Zoning at the same time it was being worked on but there was a 10 year gap from when the proposal first went through Planning and Zoning and today. *Chairman Reed* asked about using a contingency fund and *Mr. Sredzinski* replied that they requested the change order as it was too early in the project to know whether a contingency would be necessary for other aspects of the project at a later date and as they were under budget, the board would not be approving any additional costs to the project. The board made a motion to approve the \$96,800 change order.

Motion to Approve Change Order

Motion: (M. Manjos)

To approve the Change Order for the Police Department Renovations

Second: (C. Baudouin)

Discussion: None

Motion passed 4 (Reed, Manjos, Baudouin, Quinlan)-0 (Board Member Ownes was not present for the vote)

Chalk Hill Revenue and Expenses/Chalk Hill Plan-The board members received a summary of the revenue and expenses for Chalk Hill. The cost to hibernate the building was approximately \$246,000 and the cost to keep the building open in 2012-2013 was \$375,000. Several of the board members questioned the increase in operating expenses from hibernation mode to keeping the building open. *Mr. Arndt* responded that the Board of Education tried to cover as much of the costs until they turned the building over to the town and added that they didn’t know if the building

would be kept open this year so the expenses were lower. *Chairman Reed* asked if the expenses could be reduced to \$9,000 as they still don't know if the building would remain open; he stressed the need for the board to have accurate numbers. *Vice-Chairman Manjos* said that he went through the numbers and the board discussed where they thought there could be adjustments. They reduced contracted services and heating costs due to the projected gallons needed and the set price of \$3.05 a gallon. *Chairman Reed* asked *Mr. Arndt* about the site cleaning expenses for Year One of hibernation; *Mr. Arndt* replied that there \$2000 for phones to have "better communication with system analysis" and \$53,000 for a louver system to put in the existing windows rather than keeping the building's existing internal ventilation system running. *Chairman Reed* asked if it the cost would be lower if the windows were manually cracked open as the building would be checked by maintenance. He asked if there was any further detail on the \$53,000 cost as it was a significant number. *Chairman Reed* asked the board members if they felt that draining the building systems and shutting it down was an option to consider; they estimated a cost of \$1.5 to \$2.5 million to demolish Chalk Hill and it was agreed that "letting the building die" would be delaying the inevitable. They discussed the projected revenue and *Chairman Reed* asked *First Selectman Vavrek* how the figure of \$20,000 from the daycare was determined; *First Selectman Vavrek* said that the revenue from the daycare was reduced due to a change in the estimated rental rate per square feet; the original projection was made at \$18.00 a square foot and it was determined that a range of \$12-14.00 per square foot was a more realistic number. Also, the daycare would remain in their existing space rather using more rooms as initially projected. *Chairman Reed* asked if the \$45,000 for teen night was a gross number, *Kelly Plunkett* replied that it was though she said that they would need to reduce it to \$20,000 as they would need to find someone to manage the program; presently, it was volunteer based. There was a brief discussion on the revenue generated by the Parks and Recreation basketball program; it was estimated that the revenue would be \$70,000 if Chalk Hill remained open and the town would lose \$50,000 if it were closed. *Board Member Quinlan* asked *Mr. Kimball* what contingency he would suggest for either keeping the building open or in a state of hibernation; *Mr. Kimball* responded that he felt a contingency of 5-10% was sufficient.

First Selectman Vavrek said that he was encouraged that there were many realistic options to keep Chalk Hill open and continue to provide for some of the public services such as Parks and Recreation, IT and EMS. He continued that developer *John Kimball* has come forward to recommend a public/private partnership to operate a multi-faceted community center. *First Selectman Vavrek* stated he is committed to keeping the building open for 12 months while the public/private partnership is being developed. He added that he will put out an RFP for proposals for additional uses for the building and will incorporate the feedback he receives from the community. Planning and Zoning has scheduled a joint hearing on capital planning on July 16th and the meeting will provide the town boards the opportunity to share their goals and proposals for the use of Chalk Hill. *First Selectman Vavrek* continued that he has instructed the Department of Public Works to finalize the 2012-2013 budget by keeping Parks and Recreation and the daycare in the facility though other users may need to cease using the building to keep expenses as low as possible. His recommendation to Town Council will be to allow the selected proposer (it will be an open bid process) to develop a plan, identify the needs, get the necessary approvals through established town policies/procedures and get financial backing from the town to convert Chalk Hill into a community center. *First Selectman Vavrek* stressed that all boards will need to participate in the process to make this proposal successful.

Chairman Reed requested that the RFPs be received by August 1st. *Board Member Baudouin* said that he was not familiar with *Mr. Kimball's* proposed plan, *Mr. Kimball* spoke in generalities as there will be an RFP issued though he said that part of the proposal was to take the revenue the town was going to use to hibernate as an offset, leave Parks and Recreation, the daycare and EMS and augment the revenue side with different programs they would charge a use fee for. The town would put up the \$150,000 and the selected bidder would manage the building and run additional programs, *Mr. Kimball* stressed that he was in favor of it going through the RFP process and that it provided a level playing field. *Vice-Chairman Manjos* said that they will need to have a letter of intent prior to going to Planning and Zoning, *Board Member Quinlan* stated that he felt that they should consult with legal counsel regarding the proposed timeline.

Legal Fees-*Board Member Quinlan* asked about the legal fees which far exceed the budgeted amount; it was noted that the legal fees are largely the result of old Planning and Zoning cases some dating back to 2004. *Chairman Reed* noted that it is difficult to anticipate those kind of expenditures as they “linger forever.” *Board Member Baudouin* asked if there was a summary of the status of the cases; the response was that there was not and all that could be said was whether the case was still open. *Board Member Quinlan* expressed concern about not having enough in the budget for next year and he wanted to know how legal cases were managed. *Mr. Zini* replied that the First Selectman ultimately decides to hire for a case and the commission only makes a recommendation when special counsel is needed. He added that the current commission (and the previous one) has not instituted any litigation, they have responded to litigation. *Mr. Zini* continued that special counsel does not represent the commission on every case; *Board Member Quinlan* stated that 30 of the 35 pending cases were handled by Pullman and Comley. When asked when the “bloodletting” was going to stop, *Mr. Zini* replied that the commission would like them all to end and that they were not looking to spend money but it needs to be realized that the town needs to defend itself against legal action when it relates to zoning issues. *Mr. Zini* added that the commission has recently closed four pending cases and in addition, the town will be receiving credit from an insurance carrier reimbursement for legal fees. *Chairman Reed* asked why that amount had not been accounted for, *Mr. Tomchik* and *Ms. Meade* both stated that they had not been notified of the credit; *Mr. Zini* stated that the town attorney, *Jack Fracassini*, had documented it. *Chairman Reed* requested that *First Selectman Vavrek* for a status of the cases and their projected costs. *Ms. Meade* noted that the town has received invoices from Pullman and Comley through March and through February from *Mr. Fracassini*.

Appointment of actuaries for the Town Pension Plan-*Mr. Tomchik* provided the board members with references for the firm of Hooker & Holcomb

Motion to Appoint

Motion: (M. Manjos)

To appoint Hooker & Holcomb as actuaries

Second: (T. Quinlan)

Discussion: None

Motion passed 4 (Reed, Manjos, Baudouin, Quinlan)-1 (Board Member Ownes abstained from the vote)

Motion to Adjourn

Motion: (T. Quinlan)

Motion to adjourn the meeting at 9:30 p.m.

Second: (C. Baudouin)

Discussion: None

Motion passed 5-0

Respectfully submitted,

Diane Behringer
Board of Finance Clerk