

BOARD OF ESTIMATE & TAXATION MEETING ACTIONS

FEBRUARY 2, 2004

NORWALK, CONNECTICUT

REGULAR MEETING

CALL TO ORDER

PRESENT: Adam Farstrup, Chairman David Davidson
 Mayor Knopp Ron Coley
 Tim Buzzee Gregory Burnett
ABSENT: Randall Avery

Also present were Pam Stark, City Clerk, Tom Hamilton, Director of Finance, Ann Twomey, Director of Management and Budgets, Fred Gilden, Comptroller; Scott Binger, Asst Director of Management and Budgets; Betty Bondi, Registrar of Voters; Stuart Opdahl, Chief Operating Officer, BOE. Mr. Farstrup called the meeting to order at

7:35 pm.

APPROVAL OF THE MINUTES

** MR. DAVIDSON MOVED APPROVAL OF THE MINUTES OF JANUARY 12, 2004 AS AMENDED.

The following corrections were made:

Page one and throughout, correct the spelling of Vincent Grillo. Page one and throughout, correct the spelling of grand list (not grant). Page one, last paragraph, change million to \$10 billion.

Page two, in the third paragraph, strike customer service operation into. Next sentence strike the works civilization and combined and replace with consolidation of the dispatch unit.

Page seven, in the fifth paragraph under Oak Hills, strike \$113,000 and replace with \$16,000; in the next line strike over and replace with under. Page seven seventh paragraph under Oak Hills, Mr. Davidson's statement should reflect that he asked (Mr. Grillo) whether this was simply a clerical error.

Page ten, third paragraph from the bottom, strike loose and replace with lose.

Page eleven, in the motion to adjourn it should read MR. DAVIDSON MOVED TO ADJOURN THE REGULAR MEETING OF THE BOARD

**** MOTION PASSED UNANIMOUSLY.**

Mr. Farstrup suggested they take the agenda out of order to address Item 5 (Section C). He noted that Mr. Opdahl and Dr. Corda were present.

OTHER BUSINESS (SECTION C)

RESOLUTION: APPROPRIATING \$465,283 FOR THE BROOKSIDE CAPITAL PROJECT FOR THE BOARD OF ESTIMATE (AMENDMENT TO ORIGINAL REQUEST "RESOLUTION, APPROPRIATING \$688,230 FOR THE BROOKSIDE CAPITAL PROJECT FOR THE BOARD OF EDUCATION").

Mr. Farstrup asked Mr. Hamilton to present this with regard to the implications of the timeline of this approval. He noted that there had been questions about the costs of the overruns and if they should approve this item in terms of the city being responsible for them.

Mr. Hamilton commented that the request had been amended from last month's agenda based on updated information from the Board of Education. He said that he had spent a lot of time going over the financial aspects of the project with Board of Education staff including Alan Lo and the project manager, John Hawley from Gilbane. He said after these meetings he became convinced that they should proceed with the appropriation. Mr. Hamilton also pointed out that some of these issues would be discussed by the Norwalk Facilities Construction Commission (NFCC) and it would be done during executive session; he said if they wished to conduct conversations of the same nature tonight, he recommended that that also be done during executive session.

Mr. Farstrup said rather than discuss the specific causes and also because the NFCC would be discussing this he asked why this body should approve this and what delays would occur if they did not.

Mayor Knopp joined the meeting at 7:45 pm.

Mr. Opdahl stated that he wished to give a little history on the project noting that prior to Fusco there was another construction manager, Turner who had developed estimates on this project. He distributed a summary sheet going back to January 2002 explaining the Turner estimates and the three appropriations. At that time, Mr. Opdahl also noted, the guaranteed maximum price (GMP) of \$12,185,398 million was also established plus miscellaneous expenditures. He then distributed another summary sheet under the Fusco contract base with a new GMP of \$12,940,128.

Mr. Opdahl also handed out the complete list of change orders with regard to the overrun issues. He made specific mention to \$100,000 dealing with abatement issues, primarily asbestos behind walls and lead paint, \$230,000 of structural problems and a roofing problem costing about \$240,000 – these were problems all the way through the project. Mr. Opdahl stated that before the NFCC was in place these change orders were reviewed by the Brookside Adhoc Committee and the former Land Use Committee and they had all received their approval.

Mr. Farstrup said in terms of completing the project, he asked if it could be done without this appropriation.

Mr. Opdahl replied that there are five change orders going before the NFCC this week. He referred to the summary page, specifically to elements where they had not drawn down on the budget, for example FF&E, most of that has not come in yet. He said he could not stand there and say there were no funds to finish the project as they have almost half a million dollars that has been encumbered for FF&E.

Mr. Davidson said in light of the plan to have the NFCC look at the extra expenses in executive session, he could see no urgency for this to be approved. He suggested they wait until they receive the results of the NFCC investigation. He said it was inappropriate to act while this is going on.

** MR. DAVIDSON MOVED TO TABLE THE ITEM UNTIL THE NEXT REGULAR MEETING.

Mayor Knopp said the decision whether to fund the project is really a separate issue from the decision whether to seek any legal remedies the city might find against any persons found liable. He said they are really separate issues and this is the kind of thing that could really take several months. The Mayor stated that he believed a forensic audit should be done to see if the city does have grounds. By approving this tonight would not prejudice their case.

Mr. Davidson said he understood the Mayor's comments but he believed that this Board should not be asked to approve something that is under investigation. He said since the City Council has gone ahead and approved a number of change orders in anticipation of the special appropriation, there is nothing lost by this Board having feed back from the NFCC discussions. Mr. Davidson stated that he wished to leave the motion to table on the floor for a vote.

There was some discussion about when the results of the NFCC meeting would be available.

Mr. Farstrup commented that he was not sure how it changes the outcome either way seeing as they have to bring this project to conclusion. By tabling this could mean that they unnecessarily delay the project.

Mr. Davidson said last month this Board was presented with a resolution for (approximately) \$688,000 and it was tabled because of this question; they now have a resolution for the same thing of (approximately) \$465,000. So the delay of one month in anticipation of some resolution of whether they have any “probable cause” is justified based on the last thirty days of result.

Mr. Opdahl said they had a detailed look at the change orders to see if some things were not encumbered; some things were not. This is the amount they can close the project out for as it is so close to being complete.

Mr. Farstrup asked Mr. Opdahl if he expected the number to change at this point. Mr. Opdahl replied that he did not; he did expect some revenue sources to come in from CL&P.

Mayor Knopp stated that it was unfortunate aspect but these disputes are often settled after the fact. He said were the city not to appropriate this money, there would be reasonable grounds for Fusco to not perform its remaining obligation under its contract. Fusco has been contracted to the FF&E and their obligation is based on the city’s obligation to perform. He concluded by saying that there would be nothing to gain by delaying this vote.

**** MOTION TO TABLE FAILED, ONE VOTE IN FAVOR (MR. DAVIDSON), FIVE VOTES OPPOSED (MR. FARSTRUP, MAYOR KNOPP, MR. BUZZEE, MR. COLEY, MR. BURNETT).**

Mayor Knopp asked Mr. Opdahl if saw any other changes to the GMP. Mr. Opdahl stated that he did not.

**** MAIN MOTION PASSED FIVE VOTES IN FAVOR, ONE VOTE OPPOSED (MR. DAVIDSON).**

SPECIAL APPROPRIATIONS AGENDA (SECTION A)

List of Resolutions – Advertised Items 1

RESOLVED, THAT A SUM NOT TO EXCEED \$33,545 BE AND THE SAME IS HEREBY TRANSFERRED FROM CONTINGENCY TO THE REGISTRAR OF VOTERS OFFICE TO PAY FOR THE 2004 DEMOCRAT PRESIDENTIAL PREFERENCE PRIMARY. (ACCOUNT NO. 01-1210-55130; 10-1210-541 AND 01-1220-5140)

Ms Twomey stated that Ms. Bondi was present to answer any questions and that all the information on this is included in the back up material.

Mr. Davidson asked how many polling places are there in the 140th District. Ms. Bondi replied that there are three.

Mr. Davidson said in the last primary, it cost the city just under \$70,000, he asked how does that relate to their request tonight.

Ms. Bondi said it is because there are more machines being delivered to more schools.

Ms. Bondi said she considered this to be a lot of money for a primary and suggested that they city could save money by doing the state primaries by absentee vote. Mayor Knopp said there has been a great voter turn out in Iowa and New Hampshire; he considered it to be a celebration of democracy and didn't see any problem in giving people the opportunity to vote on a primary election.

**** MAYOR KNOPP MOVED APPROVAL OF THE ITEM**

Mr. Hamilton said it was the recommendation of the finance department that the resolution be amended to \$32,445.

**** MR. FARSTRUP MOVED APPROVAL OF THE RESOLUTION WITH THE AMENDED AMOUNT OF \$32,445.**

**** MOTION PASSED FIVE VOTES IN FAVOR, ONE ABSTENTION (MR. COLEY).**

ADDITIONAL INFORMATION (SECTION D)

Oak Hills Park FY 2005 Preliminary Budget

Mr. Farstrup stated that they have received further information from Mr. Grillo regarding the discussions during their last meeting.

Mr. Davidson stated that they had received a list of emergencies and a number of them appeared to be normal operating items, for example transfer to cover winter expenses and greens damage.

Mr. Farstrup noted that Mr. Grillo said some of the charges were due to the very heavy winter.

Mr. Davidson asked for somebody to look into this to see if these were appropriate charges against the reserve that is deemed for emergencies. He added that they should be very sensitive to this since that reserve has a specific purpose.

Mr. Hamilton stated that they would look into this.

Status of Snow Removal

During the last meeting, Mr. Davidson stated that they had discussed that the street repair and maintenance overtime were out of line and had exceeded their budget for the year.

He said now they have two problems, natural snow and overtime. He asked for someone to look at this so they are not surprised and so that the snow problem is properly segregated from any other problem.

Ms. Twomey said she did not get to the DPW overtime and she would have the report in time for the next meeting.

Report on Capital Projects

Mr. Farstrup noted that Mr. Davidson had made mention of several projects during the last meeting.

Mr. Binger stated that he has been looking into the projects mentioned by Mr. Davidson, two of them are already complete and the remaining balances can be returned.

Mr. Hamilton indicated that Mr. Binger is going through all of the outstanding capital projects and he is approximately three quarters of the way through. When he is done they will be able to close out all of those projects that are complete.

Mr. Davidson asked if this would be complete prior to making their decision on the capital budget, especially with regard to the three projects he had raised previously.

Mr. Hamilton said there could be a distinction that will require further follow up from the comptroller and that would be the way the projects are closed out. He explained each process.

Report on Special Funds

Mr. Davidson said he question related to the current balances. He asked if there was any way they could use these funds to reduce operating expenses or capital expenditure within the realm of the restrictions on the funds.

Mr. Hamilton replied that it depended on the type of expenditure and what restrictions were established when the funds were created.

Mr. Davidson made specific reference to street openings and fee in lieu of parking asking if these would be available for the DPW.

Mr. Gildea went through the figures.

Mr. Hamilton said his recollection of the ordinance was that the funds are designed to patch up streets from utility cuts.

Mr. Gildea commented that no expenditures had been made this year.

Mr. Davidson said they could not go over every account this evening, he said his point was that they had to determine if funds are available to reduce operating funds or capital projects. He added that he would appreciate it if these could be reviewed.

Fire/Police Overtime

Mayor Knopp indicated that they had had meetings on police and fire overtime in the last two weeks.

Mr. Davidson said that during their budget discussions last year they found that they didn't need training overtime and that area was cut. He suggested an intensive review of the police department so they can find some credibility. Mr. Davidson referred to line 32.

With regard to department 22, Mr. Davidson said at the end of October they were informed that this department would be short by \$262,000, at the end of November in favor \$152,000 and now at the end of December they will be short by \$122,000. He said this is a wide variation and questions the credibility of the overtime report.

Ms. Twomey reported that the November figures were incorrect as they were based on the revised personnel roster, therefore the salary account was much higher.

Mayor Knopp commented that there were also a higher than expected number of retirements in the patrol.

Board of Education

Mr. Farstrup referred to the memo in the packet dated January 14, 2004 from Dr. Corda.

Mr. Davidson referred to the \$70 million and asked for a status of the report from Gilbane review.

Mayor Knopp stated that the report would be complete in March.

Mr. Davidson asked if the report would be available prior to the capital budget discussion.

Mayor Knopp said they would have it before the adoption of the budget.

There was some discussion regarding the dates of adoption for the capital budget.

Mr. Davidson requested a report on the current fiscal year report and a final report on 2002/03. Ms. Twomey went through the report explaining the major changes.

Mr. Farstrup noted that the audit committee met where they received the auditor's report and also sent out an RFP for next year.

EXECUTIVE SESSION

**** MR. DAVIDSON MOVED TO GO INTO EXECUTIVE SESSION TO DISCUSS CONTINGENCY AND THE RESERVE FOR ENCUMBRANCES.**

**** MOTION PASSED UNANIMOUSLY.**

Members of the Board of Estimate and Taxation and members of the Finance Department went into executive session at 8:35 pm.

**** MOTION TO ADJOURNED PASSED UNANIMOUSLY**

Respectfully submitted,

Kate Kye

Telesco Secretarial Services

