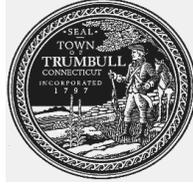


TOWN COUNCIL
Town of Trumbull
CONNECTICUT
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TOWN HALL
Trumbull

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FINANCE COMMITTEE
MINUTES
May 29, 2012

The Chair called the meeting to order at 7:36 p.m. All present joined in a moment of silence and the Pledge of Allegiance.

Present: Debra Lamberti, Chairman, Tony Scinto, Vice Chairman, Jane Deyoe, Mark LeClair, Vicki Tesoro, Gregg Basbagill.

Absent: Ann Marie Evangelista, Alternate and John DelVecchio, Jr., Alternate.

Also Present: Mr. Daniel Nelson, Chief of Staff, Carl A. Massaro, Jr., Town Council Chairman, Mr. Alfonso Barbarotta of AFB Construction Management, Owner's Representative for the Trumbull High School Building Committee, Mr. John Barbarotta of AFB Construction Management, Mr. James Nugent, Chairman of the Trumbull High School Building Committee, Chadwick Ciocci, Town Council member and Kristy Waizenegger Town Council member.

1. RESOLUTION TC24-42: Motion made by Mr. Basbagill, seconded by Ms. Tesoro to read the title and section 1 of the resolution and to waive the reading of the full resolution incorporating it into the minutes of this meeting. VOTE: Motion CARRIED unanimously.

RESOLUTION TC24-42: Moved by Mr. Scinto, seconded by Mr. LeClair.

RESOLUTION APPROPRIATING \$1,565,520 FOR THE TRUMBULL CAPITAL IMPROVEMENT PLAN 2012-2013 AND AUTHORIZING THE ISSUE OF \$1,565,520 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE (*Full Resolution Attached*)

- Mr. Nelson indicated that this was the final appropriation approved 5-0-1 at the May, 23 2012 BoF meeting. The sum total, \$1,565,520 represents \$956,520 for roadways and \$609,000 for fleet and equipment. Mr. Nelson indicated for Ms. Tesoro that he would try to ensure that the Director of Public Works be available for the full Town Council meeting and would relay any questions to the Director the committee had.
- Ms. Tesoro requested the following questions of the Director of Public Works:
 - How many miles of roads this paving plan makes up for this year?
 - How many miles of roads were paved last year?
 - Are all of the roads on the list going to be paved this year?
 - How much did the BoF authorize for paving last year?
 - How much was actually bonded for that authorization?

- How much was actually expended out of that?
- Mr. Nelson stated that he would get this information for the committee for the June 4, 2012 Town Council meeting.
- Mr. Basbagill stated that \$7.1 million was authorized last year. Mr. Nelson clarified that was the total amount, of that the \$7.1 million total \$3.5-\$4 million represented roadways.
- Ms. Tesoro indicated for the record that they are not in favor of bonding this and it should be in the operating budget.
- Mr. Steve Castro a former Town of Trumbull employee and current employee of the town of Westport was present and stated per GASBE instructions (GASBE 34/Maintenance and Repair) road paving is not a capital improvement. Trucks are capital items but they have never been bonded items. Mr. Castro spoke against the bonding of these items and how this affects the budget being flat. The Town should be purchasing one truck per year. There is no correlation of the life of an asset and if it should be bonded. The entire operating budget could be bonded and is allowed, but there would be no transparency.
- Mr. Basbagill stated that that a definitive vote could not be taken without the information requested, he noted that the bonding amount is less than last year's and will abstain, speaking in favor of these items being in the operating budget.
- Mr. Nelson indicated that the amount approved at the BoF was an extracted amount that represents the paving season and these vehicles. Mr. Nelson indicated for Ms. Tesoro that paving and fleet are only included in this bond authorization there were other items such as the salt shed etc. that the BoF held off on. Ms. Tesoro stated the paving amount is the full amount that will be paved this year.

VOTE: Motion CARRIED 4-0-2 (Abstention Basbagill and Tesoro)

2. RESOLUTION TC24-43: Motion made by Mr. Scinto, seconded by Mr. LeClair to read the title and section 1 of the resolution and to waive the reading of the full resolution incorporating it into the minutes of this meeting. VOTE: Motion CARRIED unanimously.

RESOLUTION TC24-43: Moved by Mr. Basbagill, seconded by Mr. Scinto.

RESOLUTION AMENDING A RESOLUTION APPROPRIATING \$64,672,000 FOR THE COSTS ASSOCIATED WITH THE "RENOVATION AS NEW" AND EXPANSION OF TRUMBULL HIGH SCHOOL AND AUTHORIZING THE ISSUE OF \$64,672,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE (The purpose of the amendment is to increase the appropriation and bond authorization therein by \$4.0 million, from \$64.672 million to \$68.672 million, and to ratify, confirm and adopt all prior authorizations and bond resolutions in connection with the Project.) *(Full Resolution Attached)*

- In response to Mr. Scinto, Mr. A. Barbarotta stated O&G shows \$3.4 million in approved change orders while AFB Construction has to date \$2.4 million of actual approved change-orders. Mr. J. Barbarotta explained that O&G has place holders included in their number that AFB does not.
- Mr. Scinto questioned individual change orders, #'s 24 & #25 and technology. Mr. A. Barbarotta explained that the Anticipated Change Order list is made up of items that the committee has not approved yet. O&G has those items on the list, if not approved the money would stay in the contingency. Mr. A. Barbarotta explained that technology has been purchased throughout the project as each section was completed; the lockers were not

included in the bid and had been requested by the Athletic Director. Mr. Nugent stated that many items were purposely not included, (i.e. some of the doors), not all were replaced within the original budget; the professionals have since come to the committee with costs identified. The items listed are items that if the project has the money could be added back into the project, there are many items on that list such as hardware, doors, lockers, FF&E and terrazzo floors. Mr. A. Barbarotta explained item #29, asbestos abatement was an estimate, and by law if disturbed it has to be abated. The asbestos consultant by law has to be hired; the consultant monitors air exhausted from the containment area to make sure there is no airborne asbestos. These are state and federal requirements. The charger change order represents chargers for the laptops used for curriculum. Under the heading estimated pending change-orders, overtime from last year represents Time & Material tickets being held until verified that the work had taken place; they are still in the process of negotiating those numbers down.

- Mr. A. Barbarotta explained that the boiler room will be delayed until school ends in order to provide air conditioning to B-House, it had originally been scheduled to start in May, this will impact the special education rooms that are to go into the boiler room area. Mr. A. Barbarotta stated that the upper Media Center is currently being worked on and is moving quickly. The goal was to have everything completed this summer including the parking lot. Mr. A. Barbarotta agreed with Mr. Scinto the longer the project is, the more it will cost. In response to Ms. Lamberti, Mr. A. Barbarotta stated that everything went out to bid and are consulting with their attorney with regard to certain issues, they need to get this work done this summer. The school will be occupied and opened in the fall; all of the major elements will be completed. Unless a decision is made, the parking lot, concession stand and the terrazzo floors will not be done. B-House and the Media Center will be turned over in September all of the other major areas have been completed with only punch list items remaining.
- Mr. Basbagill stated that budget had been reduced \$4 million last year by a unanimous vote with the exception of one member. There was no reduction of the project's scope of the project; the reduction was to contain costs. Mr. A. Barbarotta stated that the initial \$68 million budget was developed by Bill Silver and was very close to the estimates. The project was bid and the construction portion came in at \$61 million, 5% was a reasonable contingency bringing the project to \$64.7 million. The project is being managed very tightly. There is still contingency money in the budget. The items the project does not have money for are the parking lot, concession stand and the grinding of the terrazzo floors. If the project was to get through the summer and be essentially completed, the exact contingencies and the anticipated scope items will be determined at the end of the summer. If the money is in place there is a good chance they could have all of the work done and be in the position to see how much they are going to get back. It is an unknown until the project is done and if they do not have the money the project will not be done. We will have better information in September where they are done with all of their change-orders with the exception of the major items.
- In response to Mr. Basbagill, Mr. Nugent stated it is possible that the project will come in less than \$68.7 million, but will only know the other unanticipated items that would require the use of the contingency until they start going behind the walls in B-House, which is why the attorney, architect and construction manager have advised that they can not let additional contracts go out with the amount of contingency currently on hand. Mr. Nugent indicated half of the cost for concession stand is the cost of the bathrooms, which is a substantial upgrade from what the school has had. Mr. A. Barbarotta stated the concession stand was in the original scope. The committee has voted to take his direction with regard to the parking lot;

the parking lot needs to be rebid and expects the cost to be favorable. O&G is cautious and has shown a \$400,000 savings, the Director of Public Works thought it would be a greater savings. Mr. A. Barbarotta believes the parking lot will be done at some point.

- In response to Ms. Tesoro, Mr. A. Barbarotta does not believe the project would lose the state reimbursement if they wait until next summer to pave the parking lot. If the \$4 million is not restored it will delay the parking lot, concession stand and terrazzo floors. Mr. Nugent explained the \$3.7 million number is for anticipated scope revisions, without a commitment from the Town they will not proceed or award a contract on those items. Mr. Jenkins clarified the more they are delayed the greater the reduction of the probability of not getting done. Mr. Nugent stated that they can award a contract on anything that is included in the anticipated scope revision category without a bonding commitment. Mr. A. Barbarotta confirmed for Ms. Tesoro as the Owner's Rep had presented the numbers to the Town Council last year based on his opinion that the project could be done within that budget number of \$61 million plus 5% contingency. The committee's position is that they would need the \$3.7 million to be able to commit to everything on the list. He would expect the paving/sidewalk number to reduce. It is his job to get the number reduced; the fact that it is being carried at \$2.1 million is more money in that single line item than they need. They are all trying to get the job done and get the number reduced. The Building Committee is being frugal and is making the tough decisions. They need to get the project done. There is money out there that they are going to talk about in litigation, but can use that money until it has been received. If the project is delayed it will cost more money.
- Mr. Jenkins indicated for Ms. Tesoro that it was ambitious a year ago to think they could reduce the project by \$4 million. It did show on paper that it was probable but did not have two (2) summers' work completed, monetarily they will spend \$40 million of the \$64 million of each of the three (3) summer months of each year. Anticipated costs come up all of the time, the efficiencies are not what they could be, but there is no other time to get that work done. They have stumbled a bit in the last month and half trying to decide whether they will do a parking lot, concession, terrazzo floors or not. He spoke in favor of funding the project properly which comes out to \$3.7 million.
- Mr. Scinto stated he is concerned with the amount of change-orders at \$5 million. Mr. A. Barbarotta stated that the state says 5% is a good percentage for change orders. They are fighting to stay at 5%, this committee is obligated and determined to keep the costs down, and the committee will make the right decisions whether they have the money or not, hopefully whatever they get there will be contingencies left. None of them can commit to that until they get through the B-House work. Pages 4&5 represent many place holder items others are items that will not be done. Mr. Scinto voiced his concern for the change-order percentage amount.
- Mr. A. Barbarotta stated that the concession stand was in the scope of the project because the Town Council was convinced of the stand and put a cap of \$500,000. The direction was given to the architect and they designed something that cost more than the \$500,000. The number needs to be reduced. They fight to reduce every change-order and confirmed for Mr. LeClair if there was \$3 million authorized they could proceed with the parking lot.
- Mr. Basbagill stated that the last Town Council decided on this project and the scope of the project, several Town Council wanted the concession stand. All agreed they did not want an \$800,000 concession stand.
- Ms. Waizenegger does support a concession stand; everything costs more when the state is involved. The goal would be to find out what could they get for \$500,000 with one or two bathrooms.

Moved by Mr. LeClair, seconded by Ms. Deyoe to amend the increased amount to \$67,672 million.

- Mr. LeClair explained raising the appropriation \$3 million instead of the \$4 million. The resolution section amended would read as: authorization therein by \$3.0 million, from \$64.672 million to \$67.672 million... This would take the \$700,000 that is not needed and removes the possibility of building a \$774,000 concession stand which is problematic for everyone. Mr. LeClair clarified that everywhere the \$68.672 million appears in the resolution would read as \$67.682 million.
- Ms. Tesoro would be comfortable with that compromise.
- Mr. Nugent cautioned whether the concession stand can be built for that amount remains to be seen after it is redesigned once again and bids come in. Mr. A. Barbarotta stated the architect has been charged. At the end of the process there is a negotiation of what they should give back, (errors and omissions).
- Mr. Basbagill suggested an amendment changing the amount to \$769,000 the total of the items combined, in lieu of dropping it b \$1 million.

Mr. LeClair accepted the friendly amendment made by Mr. Basbagill to change the amended amount to \$67,902 million from the earlier amendment of \$67.682 million.

- Mr. LeClair clarified that wherever the \$68.672 million appears in the resolution would now read as \$67,902 million.

- Mr. LeClair called the question was called. VOTE: Carried unanimously.

VOTE: Motion to amend CARRIED 4-1-1 (Against: Lamberti) (Abstention: Scinto)

VOTE: Motion CARRIED as amended 4-2 (Against: Lamberti and Scinto).

There being no further business to discuss the Finance Committee adjourned by unanimous consent at 8:57 p.m.

Respectfully Submitted,

Margaret D. Mastroni, Town Council Clerk

RESOLUTION APPROPRIATING \$1,565,520 FOR THE TRUMBULL CAPITAL IMPROVEMENT PLAN 2012-2013 AND AUTHORIZING THE ISSUE OF \$1,565,520 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

Section 1. The sum of \$1,565,520 is appropriated for the planning, acquisition and construction of the Town of Trumbull Capital Improvement Plan 2012-2013, as adopted and amended by the Town Council from time to time, and consisting of: (i) Roadway reconstruction and improvement; (ii) Fleet and equipment, and for appurtenances, equipment and services related thereto, or so much thereof as may be accomplished within such appropriation, including administrative, advertising, printing, legal and financing costs to the extent paid therefrom, said appropriation to be in addition to all prior appropriations for said purpose. The Town Council may by resolution transfer funding herein authorized among projects within the 2012-2013 CIP.

Section 2. To meet said appropriation \$1,565,520 bonds of the Town or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the twentieth year after their date. Said bonds may be issued in one or more series as determined by the First Selectman and the Town Treasurer (hereafter the Town Officials), and the amount of bonds of each series to be issued shall be fixed by the Town Officials. Said bonds shall be issued in the amount not be less than an amount which will provide funds sufficient with other funds available for such purpose to pay the principal of and the interest on all temporary borrowings in anticipation of the receipt of the proceeds of said bonds outstanding at the time of the issuance thereof, and to pay for the administrative, printing and legal costs of issuing the bonds. Capital project revenues, including bid premiums and investment income derived from investment of bond proceeds (and net investment income derived from note proceeds) are authorized to be credited by the Director of Finance to the project account and expended to pay project expenses customarily paid therefrom. The remaining appropriation and bond authorization shall be reduced by the amount of capital project revenues so credited. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, or, be combined with other bonds of the Town and such combined issue shall be in the denomination per aggregate maturity of \$1,000 or a whole multiple thereof, be issued in bearer form or in fully registered form, be executed in the name and on behalf of the Town by the manual or facsimile signatures of the Town Officials, bear the Town seal or a facsimile thereof, be certified by a bank or trust company designated by the Town Officials, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by the Town Officials, and be approved as to their legality by Joseph Fasi LLC, of Hartford. They shall bear such rate or rates of interest as shall be determined by the Town Officials. The bonds shall be general obligations of the Town and each of the bonds shall recite that every requirement of law relating to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon. The aggregate principal amount of the bonds to be issued, the annual installments of principal, redemption provisions, if any, the date, time of issue and sale and other

terms, details and particulars of such bonds, shall be determined by the Town Officials, in accordance with the General Statutes of the State of Connecticut, as amended.

Section 3. Said bonds shall be sold by the Town Officials, in a competitive offering or by negotiation, in their discretion. If sold at competitive offering, the bonds shall be sold upon sealed proposals, auction, or similar competitive process at not less than par and accrued interest on the basis of the lowest net or true interest cost to the Town. A notice of sale or a summary thereof describing the bonds and setting forth the terms and conditions of the sale shall be published at least five days in advance of the sale in a recognized publication carrying municipal bond notices and devoted primarily to financial news and the subject of state and municipal bonds. If the bonds are sold by negotiation, the provisions of purchase agreement shall be subject to approval of the Town Council.

Section 4. The Town Officials, are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes evidencing such borrowings shall be executed in the name and on behalf of the Town by the manual or facsimile signatures of the Town Officials, bear the Town seal or a facsimile thereof, be payable at a bank or trust company designated by the Town Officials, be approved as to their legality by Joseph Fasi LLC, of Hartford, and be certified by a bank or trust company designated by the Town Officials, pursuant to Section 7-373 of the General Statutes of Connecticut, as amended. They shall be issued with maturity dates which comply with the provisions of the General Statutes governing the issuance of such notes, as the same may be amended from time to time. The notes shall be general obligations of the Town and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with, that such note is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon. The net interest cost on such notes, including renewals thereof, and the expense of preparing, issuing and marketing them, to the extent paid from the proceeds of such renewals or said bonds, shall be included as a cost of the project. Upon the sale of said bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on any such notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 5. Resolution of Official Intent to Reimburse Expenditures with Borrowings. The Town (the "Issuer") hereby expresses its official intent pursuant to §1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty days prior to and after the date of passage of this ordinance in the maximum amount and for the capital project defined in Section 1 with the proceeds of bonds, notes, or other obligations ("Bonds") authorized to be issued by the Issuer. The Bonds shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the project, or such later date the Regulations may authorize. The Issuer hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Director of Finance or his designee is authorized to pay project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this declaration.

Section 6. The Town Officials, are hereby authorized to exercise all powers conferred by section 3-20e of the general statutes with respect to secondary market disclosure and to provide annual information and notices of material events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds and notes authorized by this ordinance.

Section 7. It is hereby found and determined that it is in public interest to issue all, or a portion of, the Bonds, Notes or other obligations of the Town as qualified private activity bonds, or with interest that is includable in gross income of the holders thereof for purposes of federal income taxation. The Town Officials are hereby authorized to issue and utilize without further approval any financing alternative currently or hereafter available to municipal governments pursuant to law including but not limited to any "tax credit bonds" or "Build America Bonds" including Direct Payment and Tax Credit versions.

RESOLUTION AMENDING A RESOLUTION APPROPRIATING \$64,672,000 FOR THE COSTS ASSOCIATED WITH THE “RENOVATION AS NEW” AND EXPANSION OF TRUMBULL HIGH SCHOOL AND AUTHORIZING THE ISSUE OF \$64,672,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

Section 1. The Town Council of the Town of Trumbull has to date adopted various bond authorizing resolutions (the “Prior Resolutions”) , including but not limited to on May 7, 2007, to finance the planning, acquisition and construction of improvements to Trumbull High School, including a resolution adopted on June 6, 2011, entitled “Resolution Appropriating \$64,672,000 For The Costs Associated With The “Renovation As New” And Expansion Of Trumbull High School And Authorizing The Issue Of \$64,672,000 Bonds Of The Town To Meet Said Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose” which Prior Resolutions are hereby ratified, confirmed and adopted, herein. The June 6, 2011, Prior Resolution is hereby amended by increasing the appropriation and bond issuance authorization therein by \$4 million, from \$64,672,000 to \$68,672,000 as follows:

Section 2. The title of the Resolution is amended to read as follows:

RESOLUTION APPROPRIATING \$68,672,000 FOR THE COSTS ASSOCIATED WITH THE “RENOVATION AS NEW” AND EXPANSION OF TRUMBULL HIGH SCHOOL AND AUTHORIZING THE ISSUE OF \$68,672,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

Section 3. The amount \$68,672,000 is substituted for the amount \$64,672,000 wherever \$68,672,000 appears in the Prior Resolution and as amended on June 6, 2011.