

**UNAPPROVED MINUTES OF BOARD OF FINANCE SPECIAL MEETING
FRIDAY, OCTOBER 28, 2011**

A special meeting of the Board of Finance was held on Friday, October 28, 2011 in the large conference room at Town Hall beginning at 8:00 a.m.

Members Present: Jill Bornstein, Vice Chairman, David Ulmer, Margaret Price Sims and Marty Heiser (via dial-in)

Members Absent: Peter Gomez, Chairman

Town Officials: Rudy Marconi, First Selectman, Kevin Redmond, Finance Director, Al Garzi, Tax Assessor

A G E N D A

- Start Meeting
- Discussion / Vote regarding resolution to appropriate \$7,000,000 for the purchase of a portion of the Schlumberger property.
- Adjournment

Ms. Bornstein called the meeting to order at 8:04 a.m.

Ms. Bornstein requested that Mr. Marconi provide an update on the proposed transaction. Mr. Marconi discussed the Letter of Intent (LOI) between the Town and Schlumberger and a potential purchase of the Corporate Parcel, which includes the Phillip Johnson building, Library and auditorium. The potential purchaser of the Corporate Parcel has indicated that they would not be operating as a 501C (3). Mr. Marconi further discussed plans for the ten acre Residential Parcel.

Ms. Bornstein inquired about the environmental issues related to each parcel. Mr. Marconi outlined the issues related to each parcel and noted that the five acre parcel is not subject to DEEP environmental review because it is not considered an "establishment".

Ms. Bornstein questioned whether the Town should require an escrow from Schlumberger to protect the Town and ensure that Schlumberger completes the environmental remediation, and on a timely basis. Mr. Marconi responded that an escrow has not been discussed at this point, primarily because it is Schlumberger's legal liability to remediate the property. Mr. Marconi noted that he would raise the issue with our attorney's.

Ms. Price Sims inquired as to whether the Board of Selectmen has reviewed the draft Purchase and Sale agreement. Mr. Marconi responded that the Board of Selectmen has received the draft agreement.

Ms. Bornstein inquired about any Schlumberger documents related to any environmental testing. Mr. Marconi responded that the Town has received some of those documents and that more are forthcoming. Mr. Marconi noted that the Town will engage our own environmental testing company and will begin sampling the water tables shortly. Ms. Bornstein inquired as to whether these environmental testing documents would be considered public documents and subject to FOI. Mr. Marconi believes that these documents would be subject to FOI.

Ms. Bornstein inquired about the costs for building demolition and whether the \$1 million allocated would be sufficient. Mr. Marconi felt that it would be sufficient. Mr. Ulmer asked how long it would take Schlumberger to remediate the environmental issues. Mr. Marconi said that Schlumberger estimates two to three years but can't control how long it takes the DEEP to officially declare the property clean. Mr. Heiser inquired about the environmental issues, specifically as it relates to the five acre parcel. Mr. Heiser noted that once you enter into the ownership of a property, you become part of that chain of ownership and can be potentially responsible for future exposure.

Ms. Bornstein asked about the Town's plan in the event that the prospective buyer of the Corporate Parcel backs out. Mr. Marconi responded that it could be used for other corporate development or even for potential future Town use. Ms. Price Sims inquired as to the future tax revenues if the Corporate and Residential parcels were built out. Mr. Garzi estimated that such revenues would be between \$500 and \$600 thousand per year.

Mr. Heiser discussed projects in which other towns have attempted development and that these projects have become "albatrosses" for those towns. Mr. Ulmer inquired of the specifics if Schlumberger were to land bank the property. Discussion ensued between Mr. Ulmer, Ms. Price Sims, Mr. Marconi and Mr. Garzi as to whether the property would qualify for land banking under the state statute 490. Mr. Ulmer inquired as to the strength of a deed restriction versus the state 830-g statutes. Mr. Marconi responded that there is no precedent for 830-g overriding deed restrictions.

Ms. Bornstein made the following motion -

The Board of Finance supports the purchase and recommends that the Board of Selectmen add an escrow into the Purchase and Sale Agreement as it relates to the environmental clean-up process to protect the Town.

A vote was taken and Ms. Bornstein, Mr. Ulmer and Ms. Price Sims voted "Yes" and Mr. Heiser voted "No" to the motion.

Vote: 3-1. Motion **APPROVED**

ADJOURNMENT

Mr. Ulmer made, and Ms. Price Sims seconded a motion to adjourn the meeting at 8:50 a.m.

Vote: 4-0. Motion **APPROVED**.

Respectfully submitted,

Kevin Redmond
Director of Finance
October 28, 2011