

**APPROVED MINUTES OF BOARD OF FINANCE SPECIAL MEETING
WEDNESDAY, SEPTEMBER 28, 2011**

A special meeting of the Board of Finance was held on Wednesday, September 28, 2011 in the large conference room at Town Hall beginning at 8:15 a.m.

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

Members Absent: Dave Ulmer

Town Officials: Rudy Marconi, First Selectman, Kevin Redmond, Finance Director,

Selectmen: Di Masters, Maureen Kozlark

Planning & Zoning: John Katz

Board of

Education: John Palermo

A G E N D A

- Start Meeting
- Discussion / Vote regarding resolution to appropriate \$4,000,000 for the purchase of a portion of the Schlumberger property.
- Adjournment

Mr. Gomez called the meeting to order at 8:15 a.m.

Mr. Gomez noted that Board of Finance had requested information at its last regular meeting and asked town officials to address those points.

Mr. Marconi provided an overview of the proposed transaction, including the number and type of units proposed on the "Zemo" proposed property. Mr. Marconi noted there are a number of open items, including the final cut of the property and availability of sewer units. Mr. Marconi and Mr. Redmond proceeded to discuss

- (a) Estimate of Demolition Costs. These costs are estimated at \$6.36 per sf by the Town Engineer. Assuming demolition of approximately 100,000 sf would result in roughly \$650,000 in demolition costs.
- (b) Estimate of Carrying Costs. These costs are estimated at between \$3 and \$4 per sf by the Town Engineer. Assuming the remaining buildings total 20,000 sf, annual carrying costs would total \$60,000 to \$80,000 per year.

Mr. Heiser inquired how our estimate of carrying costs compared with Schlumberger's actual carrying costs. Ms. Bornstein noted that in addition to carrying costs, there would be annual debt service estimated at \$266,000 per year.

Mr. Marconi discussed the Tax Assessor's estimate of future revenues as a result of planned development. Ms. Price Sims questioned the timing of any future build out and the impact on revenues. Ms. Masters noted that there could also be future revenues related to the Philip Johnson building.

Ms. Bornstein inquired as to the environmental issues. Mr. Marconi outlined the extent of the environmental issues and that Schlumberger would be responsible as the "certifying" owner of the property. Mr. Heiser inquired about the beryllium found on the property.

Ms. Bornstein asked Mr. Marconi to outline "deal breakers" at this point in the negotiations. Mr. Marconi noted the following...(1) Ensuring that the environmental issues remain the responsibility of Schlumberger (2) Ensuring that any line cuts do not adversely effect the Town side of the proposed property, and (3) WPCA and any sewer issues.

Ms Price asked Mr. Katz for his views from a P&Z perspective. Mr. Katz noted that P&Z have had no meetings on the Schlumberger property and he only knew about the proposed transaction from what he heard in public meetings. He did, however, note that there has been an increase in demand for rental properties and he expressed concern that the property could eventually be developed under section 8-30g.

Some discussion ensued relating to the Town's vision for the property, assuming the two buildings (Phillip Johnson building and auditorium) remain and possible uses for the property, including possible municipal uses.

Mr. Gomez asked what the next steps would be if the BOF did not positively recommend moving forward. Mr. Marconi responded that it was both Bond and Town's counsel's opinion that we would need to hold a Town Meeting. Mr. Marconi outlined that the plan would be to hold a Public Hearing, then a Town Meeting, another Public Hearing and then a Referendum.

Mr. Heiser said that he is inclined to vote no because this transaction has not solidified yet. He also expressed concerns in committing \$4 million in the current debt environment. Mr. Gomez felt that the BOF was being brought in late in the process and that the BOF did not have enough information to opine on what is a speculative type hedge transaction. Ms. Bornstein stated that she is conceptually in agreement with the BOS on this issue but felt that it was being rushed and thinks the BOF needs to get more information and perform its proper due diligence first. Ms. Price Sims noted that she will abstain from any vote due to her position in her company, and in addition, she felt that she doesn't know enough about the proposed transaction.

Mr. Gomez made a motion to not recommend approval of the BOS proposal to move forward with the proposed transaction. The motion was seconded by Mr. Heiser. Further discussion ensued. Mr. Gomez made it clear that a vote of "Yes" would mean that the BOF is not recommending moving forward with the BOS proposal.

A vote was taken and Mr. Gomez, Ms. Bornstein and Mr. Heiser voted "Yes" to the motion. Ms. Price Sims abstained.

Vote: 3-0, with one abstain. Motion **APPROVED**

ADJOURNMENT

Mr. Heiser made, and Ms. Price Sims seconded a motion to adjourn the meeting at 9:35

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

Respectfully submitted,

Kevin Redmond
Director of Finance
September 29, 2011