

Special Meeting Minutes
February 24, 2010
**“Request for \$400,000 Gas Line Project Special Appropriation- Review
Period”**

A special meeting of the Board of Finance was held on Wednesday, February 24, 2010 in the Large Conference room in Town Hall at 12:00 PM.

Members On-Site: Jill Bornstein (Vice-Chairwoman), Margaret Price Sims, David Ulmer

Members Calling-in: Peter Gomez (Chairman), Marty Heiser

In Attendance: Kevin Redmond, Joe Mortis. (schools facilities Mgr.), Paul Hendrickson (schools Business Mgr.), Rudy Marconi, Charlie Fisher, Debra Low, John Palermo (Call-In), Irene Burges, & Paul Sutherland.

12:00 – Mr. Gomez Calls meeting to Order.

Review of “New Information” with Joe Mortis and Paul Hendrickson – Overview of Project Cost and Timeline:

- Additional \$70,000 to hookup ERMS and VPES from ‘meter’ to necessary equipment including boiler and appliances in kitchen.
- ERMS estimated hookup cost is \$38,000 and VPES estimated hookup cost is \$32,000. Hookup has not been put out to bid.
- New Estimated annual savings is now calculated at \$38,000 factoring heating, water heating, and kitchen appliances at both schools.
- Joe Mortis estimated a 30-day hookup process for each school; from the time the meter/gas line are installed at the schools to the time the switch is made. Estimated 30 days without heat or hot water.

Mr. Heiser asked what the new payback period is compared to the projected two year payback stated in the Ridgefield Press:

- Estimated 8 to 9 years based on new findings.

Mr. Gomez commented that we needed to take a look at a BAN/Bond vs. paying for the project with cash-on-hand.

- John Palermo stated that we needed to look at ‘best practices’.

Ms. Bornstein asked about the “comfort level” of the project costing \$400,000:

- Rudy Marconi: “Yankee Gas numbers are solid.”
- Charlie Fisher: “Construction costs are not solid” and have not been put out to bid.

- It was also determined that the additional hookup cost \$70,000 need to be added to the \$400,000 project total bringing the new total to \$470,000. This changed the 'payback' period to 11 – 12 years.

Mr. Gomez asked about the vendor relationship with Yankee Gas and possible contractual gas purchases:

- Charlie Fisher: The BoE had to buy a minimum amount Gas from Yankee Gas for 15 years at "supplier's" price.

Ms. Price Sims asked about the prospect of closing VPES and the possible impact to the payback down the road:

- Irene Burgess: "If I was a betting person I would bet that VPES would not be closed".
- John Palermo: "Unlikely VPES will be closed"
- Charlie Fisher: "Still need to heat the building if it is not being used by the BoE".

Ms. Bornstein and Mr. Ulmer both asked for a clarification of the "timeline" for both Yankee Gas and hookup:

- Yankee Gas' part of the project will take 6 weeks to bring the Gas Main from Main Street, down Market Street, and across to ERMS.
- Charlie Fisher wants to go out to bid on construction work in 6 to 7 weeks if the project is approved now, resulting in the project starting in late April.
- Rudy Marconi stated that the work at the schools cannot begin until the Gas Line is at the school and the meter must be put in place by Yankee Gas resulting in a 10 – 12 week project.
- Mr. Gomez stated that Town can legally go out to bid now on the construction of the project
- The BoE also need to look at purchasing additional fuel if the project is delayed because their recent purchase of fuel will cover usage until December 1, 2010.
- Charlie Fisher and Rudy Marconi both acknowledged that the project could be completed by August 30th if the referendum passes on May 11th, provided that the bid process is complete.

Mr. Gomez stated that he is "Pro Gas" but did not feel that this project is worthy of a special appropriation. He views a special appropriation should used for public safety issues such as if a town bridge or roadway were to collapse or if the Town needs to buy a new fire truck or ambulance should one unexpectedly breakdown. He also stated a preference for a referendum which would enable more of the electorate to vote on the matter versus a special town meeting. Other factors cited were that no cost savings would be realized prior to September 2010 and a need for the First Selectman to confirm particulars of the gas project (i.e. payback period, etc) and thereafter 'make the case' to Ridgefielders.

Ms. Bornstein stated that positive outcome on a referendum vote on May 15, 2010 means that Yankee Gas can be funded prior to July 1st – the project can still start in May by being initially funded by cash on hand which would be replaced by a BAN or bonding . This was confirmed by inquiry made of bond counsel and the Town Controller by Mr. Ulmer, on behalf of the BoF, earlier in the week. A summary of the legal opinion was read to those in attendance by Mr. Gomez.

Rudy Marconi stated that he ‘wants to start sooner rather than later’.

MOTION (12:53 PM)

A motion was made by Mr. Heiser to “Move to approve \$470,000 for the Gas Project to come from authorized issuing of Bonds”.

NO SECOND

A new motion was made my Mr. Gomez and seconded by Mr. Heiser to “Issue put before us for \$470,000 for a new Gas Line to service ERMS and VPES be put toward on May 11, 2010 with public referendum as a separate question.”

DISCUSSION:

Mr. Ulmer: Supports the project and stated that it needs to be done, however, it need to go to the full Town for a vote, This project needs to be fully vetted and the BoS needs to sell it to the town. Additionally, this is a bondable project.

Ms Bornstein: Would support a Special Appropriation if the project had the projected 2-year payback, but because the payback is longer it needs to go to vote as a referendum.

Ms. Price Sims: Agrees with both Mr. Ulmer and Ms. Bornstein, and also believes in the importance sustainable energy solutions for the Town.

VOTE: 5 -0 APPROVED

AJOURNMENT:

A motion was made by Mr. Gomez and Seconded by Mr. Ulmer to adjourn the meeting at 1:07 PM

VOTE: 5-0 APPROVED