

BLOOMFIELD TOWN COUNCIL

FINANCE SUBCOMMITTEE

There was a regular meeting of the above referenced subcommittee held on Monday, June 17, 2013 at 5:30 p.m. in Conference Room #5, Bloomfield Town Hall, 800 Bloomfield Avenue, Bloomfield, CT.

Committee members present were: Deputy Mayor Hypolite, Councilors DeLorenzo, Merritt and Rivers

Also present were: William Hogan, Director of Finance, Philip K. Schenck, Jr., Town Manager and India Rodgers, Clerk of Council.

The meeting was called to order at 5:40 p.m.

Consider and Take Action Regarding Emergency Generators at Laurel and Metacomet Elementary Schools

Mr. William Hogan, Director of Finance presented an outline of the funding status for the town wide school renovations.

Deputy Mayor Hypolite addressed issues of the school bonding budget, respective to projected projects.

Councilor Rivers gave a brief background history of the bonding budget, school population and non-reimbursable rates. The initial reimbursable rate was 49%; however after several factors regarding school population and non-reimbursable items, the rate is now 29.85%. Items were included in the initial package were all reimbursable by the State of Connecticut – Department of Education.

The following figures below represent the current cost projections for the school renovation project:

- 49.64% initial state reimbursement
- \$94,000,000 budget for renovation project (referendum to voters)
- \$9,000,000 under budget (balance) – authorized
- \$25,000,000 state progress payments thus far

- 30% reimbursement rate to date

The committee discussed enrollment figures and non-reimbursable items may be key factors in the actual state reimbursement rate.

Councilor Rivers informed the committee that if the generators were not purchased from the school bonding funds and considered to be a supplemental add-on project, they would not be reimbursable. Generators purchased from the Board of Education's operational budget are also considered non-reimbursable.

The Finance Department would not recommend bonding for these generators. The amount of purchase at approximately \$170,000 would not be cost effective. The source of funding should not be an issue with reimbursement.

Councilor Merritt questioned the need to have generators installed at both elementary schools.

Deputy Mayor Hypolite stated that the school renovation project is beyond the anticipated spending cap, any additional new projects will add to the increasing debt service.

Deputy Mayor Hypolite requested clarification of the actual funding source. He inquired about the cost of approving the generators for school bonding funds or utilizing operating budget funding from the Board of Education. Mr. Hogan will send correspondence to Chris Leone, Chief Operating Officer for the Board of Education.

Mr. Hogan stated that the funds would be borrowed for the initial expenditure of \$170,000, then wait for subsequent reimbursement.

Mr. Hogan also stated that there may a possibility that the Town will owe funds to the State of Connecticut due to retainage percentage once closeout process begins.

Overall, there is currently an \$18,000,000 gap between the initial bond request and actual state payments due to the reduced reimbursement rate.

Mr. Philip Schenck, Jr., Interim Town Manager will inquire about the overall status of the project and process for closeout to include:

- State Retainage rate
- Ineligibles contributing to the decrease reimbursable rate
- Analysis to determine the rate
- Filing closing paperwork with the State of Connecticut

It was moved by Deputy Mayor Hypolite, seconded by Councilor Rivers and voted unanimously to direct Philip Schenck, Jr., Interim Town Manager to draft a letter of correspondence to the Board of Education requesting a project status update.

Councilor Rivers encouraged Mayor Schulman to disband school building committees once the closeout process has been completed.

OTHER BUSINESS

Councilor Merritt inquired about the process in applying for a Small Cities Grant.

The Bloomfield Early Learning Center (BELC) has received the Small Cities Grant since 1992 to cover building cost maintenance and repairs.

Deputy Mayor Hypolite clarified the resolution for the Child Day Care Program that was recently approved and adopted by the Council to allocate to BELC. An additional \$500,000 was added to the original grant amount due to initial issues with consolidation.

ADJOURNMENT

It was moved by Councilor Rivers, seconded by Councilor DeLorenzo and voted unanimously to adjourn the meeting at 6:25 p.m.