

MINUTES

WATERTOWN TOWN COUNCIL REGULAR MEETING

WATERTOWN HIGH SCHOOL
LECTURE ROOM
MONDAY, May 3, 2010, 7:30 P.M.

PRESENT:

Elaine Adams
Katherine Duplissie
Linda Masayda
Raymond Primini, Chairman
Paul Rinaldi
Mary Ann Rosa, Vice Chairman
Thomas Winn

ABSENT:

Richard Fusco
Richard DiFederico

OTHERS PRESENT:

Chuck Frigon, Town Manager
Frank Nardelli, Assistant Town Manager/Finance Director

OTHERS ABSENT:

None

1. **Call Meeting to Order**

Mr. Primini, Chairman, Called the Regular Meeting to Order at 7:30PM.

2. **Roll Call**

Ms. King, Secretary, executed the Roll Call.

3. **Pledge of Allegiance**

Mr. Primini, Chairman, led the Pledge of Allegiance.

4. **Public Participation**

Robert LeBlanc – 78 Highland Avenue, Watertown

My question is has there been approval putting air conditioning in the gymnasium?
Could somebody answer me that question.

Mr. Primini: The questions are being asked by the Board of Education and we are waiting.

Mr. Frigon: My understanding the change order has been approved other than that I have no additional information on the air conditioning. We are working on series of questions that were presented to the Town Council at the last meeting and we expect to have answers to all of those questions at the next meeting.

Mr. LeBlanc: So I can't put in a complaint because you do not have the answer. I have 6 children, 10 grandchildren, and 3 great grandchildren; I do not want them paying taxes for the rest of their lives, we have to start cutting back somewhere. The air conditioner in the gymnasium overwhelms me and this is a little too much. If you have \$50,000.00 left give it to the food bank or give to the people that need it. When you put in a change order is it automatically approved by the State Board of Education? Can they turn it down? In a final audit can they turn it down? I was involved in some of the committees Polk School, 10 years after it was completed and the State Board of Education sent a letter to the Board of Education here in town and said we disallow two areas \$250,000.00 in one area and \$250,000.00 in another area and I would like to know how we paid for that. If you want a reference November 17th, 2003 town minutes. Where did this \$500,000.00 come from? If the state disallows it? We paid that money out, how do we retrieve it?

Ms. Adams: Was it the general fund, there was a town meeting and we were not happy.

Mr. Nardelli: That was under the old reimbursement process, say the town takes out a 20 year bond and the state reimburses us for the next 20 years and what the state did they reduced the amount of reimbursement to the town over the life of that bond. Which means the town portions increases so the town has to bond more and the state reimburses us less.

Mr. LeBlanc: So it is costing us \$500,000.00 more somewhere?

Mr. Nardelli: Yes through bonding, the state does not pay the town has to pay.

Mr. LeBlanc: On your agenda you want finalize things with a final audit and I could see \$200,000.00 under c on the roofs for the schools. We overpaid \$200,000.00 or the state gave \$200,000.00 too much. How do we pay that \$200,000.00? I would like to know how we pay that back? Article D on the back page, you want to make a final

audit of Swift Middle and John Trumbull School, the Board of Education took over that school in 2002 and now we are just going through an audit. There are so many articles that were put in as changes the state is not going to pay for. Everybody has that wish list they say we have one million dollars left, well let's buy this thing and let's do this thing that is not going to be approved. What is going to happen next year to our taxes and the year after and we have to pay for it somehow. If anybody is interested in a list, I will give them a list of the things that were wrong with John Trumbull School. The things those were incorrect and done by the contractors to give an example the square that runs along John Trumbull School and they put in a drain pipe from the roof and from the parking lot that runs to that swale that runs along Echo Lake Road and they put it at 90 degrees, we have a 100 year storm that blew that swale out and it cost \$75,000.00 to repair. Where did that money come from? They put it on the bond. Who is going to pay for that? I would like to know where all this money is coming from. I thank you for listening to me.

Mr. Primini: Asked if anyone else would like to speak at public participation.

Mr. Primini moved to close public participation.

5. **Chairman's Report**

We have a soldier from town and served as a member of the Fire Department and was injured in Afghanistan his name is Mark Generali, he is in Walter Reed Hospital and address is at the Fire House and is being moved to rehab right now if everybody can remember him in our thoughts and prayers.

Read two letters:

From: Lisa Carew, Recreation Director in regards to Falls Avenue Senior Center Deck Enclosure Donation, thanking Mr. Alan Hayes, owner of A & S Contractors, LLC and Mr. Andy Gionta owner of G & W Management, Inc. offering to build the roof enclosure over the deck.

Town of Watertown Food Bank thanking Remote Automation Solutions a division of Emerson Process Management for their charitable contribution in the amount of \$4,000.00.

6. **Minutes**

(Mr. Winn, sec. Ms. Rosa) I move that we approve the minutes for Monday, April 19, 2010.

Mr. Primini asked if there were any corrections.

Ms. Adams had a couple of corrections:

Page 12 - the 2nd line it says:

I have always been serving on the School Board.
Correction: I have served on the School Board

Page 12 - the 14th line down it says:
Exception the school bonding projects...
Correction: Except the school bonding projects...

Page 12 – the 3rd paragraph – the second line it says:
you just can do that...
Correction: you just can't do that

Aye: 6 Abstain: 1

(Mr. Winn, sec. Ms. Rosa) I move that we accept the minutes with the corrections from the meeting of April 19, 2010.

Aye: 6 Abstain: 1

7. **Subcommittee Reports**

a. Business Development Subcommittee – Had meeting last week, Mr. Seacrist presented the flow charts for residential and commercial businesses to come to Watertown. Discussed market research proposal that is up to Town Council for medical and we are beyond the curve and we do not approve it.

8. **Town Manager's Report**

Police Department - The 3rd or last of our new hires at the Police Department has started the Academy on April 19th. The Police Department has managed their overtime very well and is close to budget.

The French Street Project - Has been bid and appropriated \$681,000.00 to that project. Cocchiola Paving was the low bidder at \$570,000.00.

Bunker Hill Extension - The contractor Cocchiola Paving is getting started that project the signs are out and you will see activity shortly.

Public Works Department – Sweeper is down and will be down for quite a while; they are doing their best to rebuild.

Sunnyside Avenue – The final designs have been submitted to the State and are on schedule with that project. If the state approves the designs we should be able to start the project in early spring or summer of 2011.

Sylvan Lake – Bid opening on water line extension was under budget and will start

shortly.

Ground Water Monitoring – Out to bid for the land fill, crack sealing, aggregate crushing and emergency disconnect between the Fire District and the Town of Watertown to get in place before we pave the road.

Mr. Rinaldi: The two new police officers are they replacements for people that have been promoted or retired. My question is that the Police Department has not grown.

Mr. Frigon: The Police Department has grown by two which were approved in last year's budget. Those two are presently in the academy and the one that just began the academy last week is a replacement for a retired officer.

9. **New Business**

- a. Consider appointments to boards and commissions.
1. Town Council Clerk – Susan King

(Mr. Winn, sec. Ms. Rosa) I move to nominate Susan King as Clerk of the Watertown Town Council.

Discussion: **Mr. Primini:** Susan King is replacing Lynn LaForme who took the promotion at the Public Works Department.

MOTION PASSED UNANIMOUSLY

- b. Consider a bid waiver for emergency repairs of the loader in the Public Works Department for work performed by Tyler Equipment Corporation, the local authorized Volvo equipment dealer for \$4,226.96.

(Mr. Winn, sec. Ms. Rosa) I move to approve a bid waiver for emergency repairs of the loader in the Public Works Department for work performed by Tyler Equipment Corporation, the local authorized Volvo equipment dealer for \$4, 229.96.

Discussion: none.

MOTION PASSED UNANIMOUSLY

- c. Consider authorizing the Town Manager to enter into an agreement with Blum Shapiro for professional accounting services in connection with the initial review of the following open school projects.

153-0025 Polk School – 5/17/1988 Renovation
153-0037 Baldwin School – 4/19/94 – Roof Replacement
153-0039 Hemingway Park School – 4/19/94 – Roof Replacement
153-0040 Swift Middle School – 4/19/94 – Oil Tank Replacement
153-0041 Griffin School 4/19/94 – Roof Replacement
153-0045 Fletcher W. Judson School – 6/26/01 – Roof Replacement
153-0046 Watertown High School – 6/26/01 – Roof Replacement
153-0047 Swift Middle School – 6/26/01 – Roof Replacement

(Mr. Winn, sec. Ms. Rosa) I move to authorizing the Town Manager to enter into an agreement with Blum Shapiro for professional accounting services in connection with the initial review of the following open school projects.

Fred Hughes – Blum Shapiro

I am a partner of Blum Shapiro your current auditing firm. I have over 20 year experience, the majority of that has been spent in the construction industry; the focus of that experience within the construction industry is my work with municipalities in regards to the school construction programs. They take various phases whether it is during the course of construction or what you have in front of you today, is assisting towns to get ready for the project close out audit. You can see from the two proposals one involves Swift Middle School and John Trumbull. Schools that started 10 to 15 years ago as well as the past couple months. The town has received 3 letters from state looking for money back on a couple of the other smaller projects.

What I am proposing here is on the two bigger projects Swift Middle School and John Trumbull what I have done with other municipalities coming in and getting all the information together, preparing for when the state auditors do come in that there is not any missing information or if there is missing information the town is going in with their eyes open and they know what information is missing, what information is lacking. One being able to put yourself in the position to try to locate that information get the information needed before the auditors come in. The last thing you want to do is either get a letter in the mail or have the auditors look at the information at the end of the day saying a, b, c and d is missing and that translates to 2 million dollars of ineligible cost. It is a financial process, I am not an engineer, I am a CPA, so I am coming in and making sure that the supporting information, what the auditors are going to want to look is available, reconciles with the town system, reconciles between the town system and the change orders submitted to the state. All the change orders that were submitted to the contractors should have been submitted to the state for review and ultimate approval in regards to eligible and ineligible. So that is the process and at the end of the day is the end goal is to have the state accept the projects as complete with minimal as possible ineligible costs and more importantly missing information. The specific detail was contained on page 12 of the proposal I just a quick overview. The city of Hartford I helped them close out 35 projects and I have done similar work in Groton and Cromwell specifically in regards to assisting municipalities in the closing out of the projects. I actually worked with the Town of Watertown in regards to developing some financial procedures for the three recent projects Polk, Judson, and the High School. I am familiar with the town as well as the process.

Ms. Adams: You came before the council at one point, a policy regarding 85 million project and set something up.

Mr. Hughes: I get involved in various phases of the project, earlier with the Town of Watertown I got involved almost before the shovel hit the ground to make sure that there were processes and procedures in place to track all the paperwork with the end goal at the end of the project all the paperwork is where we think it is going to be. We assembled; we accumulated the information that we needed for the project close out during the course of the project, and making sure we know where that information resides at the end. Yes, I would say a couple years ago.

Ms. Rosa: I am new to this project obviously in approving this because my experience prior was on the Board of Education. I am overwhelmed by the fact that some of these are so old and I do not understand why that has occurred.

Mr. Hughes: I can't answer the specifics, all I can say you are not the only town that is being mailed letters looking for money or looking for project close outs.

Ms. Rosa: When a project closes out from your perspective, when it is done at public building and the town is advised that everything is completed at that end then what happens.

Mr. Hughes: No final paperwork can be submitted to the state until it has been officially accepted by the Board of Education. Once the Board of Education accepts the project as complete, then the municipality has one year to file the close out forms.

Ms. Rosa: I was on the Board of Education when some of these were completed and voted on. So why would they sit on our books now.

Mr. Hughes: Because the state has not completed its close out audit.

Ms. Rosa: Why? Are we talking the state has been inefficient in doing what they should do? Or have we been inefficient and not filing appropriate paperwork that we should have filed.

Mr. Hughes: I would say the first one. The state is back logged. Based on the information I see from the state system it looks they are ready to be audited.

Ms. Rosa: So the Board of Education did what they should do, we did what we should do, but the state has not done what they should do.

Mr. Hughes: The best I can tell from the information I see on the website yes.

Mr. Frigon: For Polk School originally back in 88 very unannounced to the town we had an auditor walk into the Annex and inform us that they were there some 11 or 12 years after the project was done to complete their final audit. This is why we are making every attempt we can to be very proactive

right now in getting Blum Shaprio to better understand what our liability is, with regard to any of these projects.

Ms. Rosa: That is why I wanted it on the record, that we had done each of the things that we suppose to have done and it was not our responsibility that these are still open.

Mr. Hughes: To follow up what Mr. Frigon had said, you are very proactive in the three most recent projects to make sure there are processes and everyone has a clear understanding. You folks continue to do what you are doing from a Town Council Board of Education stand point and then we stay on top of the state to make sure they should be doing as well.

Ms. Duplissie: Two of these buildings we do not own anymore are we still liable for them.

Mr. Hughes: They were some of the smaller ones and as you can tell there are two proposals; one is for the big one, Swift and Trumbull. The other one which includes 8 projects, per the state website there are in various forms of completion but they have not been accepted. What I suggested was seeing what it is going to take for the state to close them out and maybe it is as simple as saying we do not own them anymore. I suggested a meeting with the state between myself and the people at Bureau of School Facilities to try to get the bottom to say, we have these 8 projects what needs to get done. Then based on that we can come back and put an estimate together determine what needs to be done and wipe the slate clean.

Ms. Masayda: Since the state has not completed their review especially on some of the older projects, my understanding is that they can still come back and say that a lot of our expenses were ineligible and we would be left holding the bag for expenses that right now we are thinking we are free and clear, we have budgeted that money and people are going to get a surprise to say we still have to put this money that we thought was covered.

Mr. Hughes: Most of the time when the state comes in a lot of times when they come up with additional ineligible costs it is more often than not due to missing information. If the process was handled correctly during the course of construction the original plans and design was reviewed and ineligible costs were identified then. Change orders were submitted, ineligible costs were identified then, normally the if the process was handled correctly during the course of construction, typically if the state were to turn around and say you own us another \$200,000.00 its more likely due to they did not have all the information they needed to satisfy the actual cost or they were changes orders that were not submitted. The short answer to your question is yes they could come back with their hand out.

Mr. Winn: Is the state now coming back with each separate school and saying we owe them specific monies.

Mr. Frigon: Right now you have in your packet on this first agenda item, where they are coming back to us with two projects specifically. The website is showing that 8 projects are still open. My and Mr. Nardelli concerns is with respect to Swift Middle School, Shawn Williams introduced some

special legislation and had it passed that allowed us to expand the scope of that project to include some interior ceiling work. We don't have the benefit of knowing the content of their audit. We do not know what they looked at and did not look at. What we are asking of Blum Shapiro is to meet with the state and to better understand the two that are here accumulative of \$59,022.00. The six of those might show up in the mail tomorrow, I do not know the answer to that.

Mr. Hughes: It could be as simple as they did not update the website. It could be a simple process to say that is was an oversight on their part and of the 8 projects you received the two letter the other six are done and it is just not updated on the website and I do not know the status of what they are still looking for in regards to the 8 projects.

Mr. Winn: We are in limbo with any kind of costs?

Ms. Duplissie: Shouldn't we have that audit.

Mr. Frigon: I did write for it as you see in the packet. It is not so much their unwillingness to share it with us. It is a very complex project to understand the state audit. I am sure if the state audit sends it to us it would be voluminous, again that is why we are asking Blum Shapiro to appear on our behalf with the state school facilities unit.

Ms. Rosa: What are we talking about as far as fees for your firm? Our motion is to consider authorizing the Town Manager enter into an agreement with you I do not see a dollar amounts.

Mr. Hughes: For the eight projects looking at the agenda what I am proposing is a fact finding mission, a meeting with the state not to exceed fee is \$1,500.00. It is impossible for me to quote anything until I know what the state is actually looking for. Once I have the ability to meet with the state, then I can come back and say of these 8 projects you need to do a, b and c and give a more concise and precise cost estimate.

Ms. Adams: I am looking at this second project the Watertown High School and I see they are asking for \$135,000.00 that appears to me to be 10 to 15% of the whole total project cost. Take 10 to 15% of 85 million and I would not like that number at all. I like the idea of the town taking the initiative to explore what are non liability is and who knows maybe you find something the other way that they have not paid us everything and maybe we will have something coming back and that would be part of your investigation?

Mr. Hughes: The final goal of the project acceptance, they determine the eligible cost if it is under the progress payment method. If earned \$100,000.00 in a given project they would hold 5% of that. So technically on all of these projects they are still withholding some of your money. So to the extend we come in and their no changes and worse case scenario you get back the money they are withholding.

Ms. Adams: I am definitely in favor of the town being proactive in getting these projects closed out.

Mr. Primini: Is there a statue of limitations on this?

Mr. Hughes: Based on what I have seen with other municipalities I would have to say no, but I cannot answer.

MOTION PASSED UNANIMOUSLY

153-0025 Polk School – 5/17/1988 Renovation
153-0037 Baldwin School – 4/19/94 – Roof Replacement
153-0039 Hemingway Park School – 4/19/94 – Roof Replacement
153-0040 Swift Middle School – 4/19/94 – Oil Tank Replacement
153-0041 Griffin School 4/19/94 – Roof Replacement
153-0045 Fletcher W. Judson School – 6/26/01 – Roof Replacement
153-0046 Watertown High School – 6/26/01 – Roof Replacement
153-0047 Swift Middle School – 6/26/01 – Roof Replacement

- d. Consider authorizing the Town Manger to enter into an agreement with Blum Shapiro for professional accounting services in connection with the review of financial activity related to the Swift Middle School and John Trumbull Primary School construction projects in preparation for the state close-out audit.

(Mr. Winn, sec. Ms. Rosa) I move to authorize the Town Manager to enter into an agreement with Blum Shapiro for professional accounting services in connection with the review of financial activity related to the Swift Middle School and John Trumbull Primary School construction projects in preparation for the state close-out audit.

Discussion: **Ms. Adams:** Where are the dollars coming from to pay for this initial run through?

Mr. Nardelli: That would have come out of contingency out of the general fund.

Ms. Adams: Do we need to do that tonight?

Mr. Nardelli: That is not to exceed figures so we need to wait until he meets with the state and comes back. We do not have a dollar amount at this point.

MOTION PASSED UNANIMOUSLY

- e. Consider a resolution authorizing the transfer of funds between line items.

(Mr. Winn, sec. Ms. Rosa) I move to approve the resolution authorizing the transfer of funds between line items.

RESOLUTION

WHEREAS, expenses in the 2009-10 fiscal year require the transfer of funds:

NOW THEREFORE BE IT RESOLVED, by vote of the Watertown Town Council, that the following actions are taken relative to the transfer of funds.

GENERAL FUND – PUBLIC WORKS

AMOUNT: \$3,990 NO: 1
FROM: \$2,990 010-50318-031-0000 – Maintenance Land & Building
\$1,000 010-50526-031-2206 – Master Storm Drainage
TO: 010-50318-025-0000 – Maintenance Not Buildings
REASON: For tree removal on upper Sunnyside Ave. to facilitate utility pole relocation for proposed roadway reconstruction.

WATER AND SEWER DEPARTMENT – SEWER OPERATIONS

AMOUNT: \$2,100 NO: 2
FROM: 015-50334-074-0158 – Legal Services
TO: 015-50326-074-0000 - Telephone
REASON: Service lines at new pump stations.

WATER AND SEWER DEPARTMENT – WATER OPERATIONS

AMOUNT: \$3,660 NO: 3
FROM: 017-50334-075-0158 – Legal Services
TO: 017-50318-075-0369 – Lab Samples
REASON: Sample testing for the EPA/DPH. Initial distribution system monitoring plan.

WATER AND SEWER DEPARTMENT – WATER OPERATIONS

AMOUNT: \$1,400 NO: 4
FROM: 017-50334-075-0158 – Legal Services
TO: 017-50323-075-0000 – Utilities - Electric
REASON: Rise in consumer utility rates

WATER AND SEWER DEPARTMENT – SEWER OPERATIONS

AMOUNT: \$6,080 NO: 5
FROM: 015-50334-074-0158 – Legal Services
TO: 015-50323-074-0000 – Utilities - Electric
REASON: Additional funds needed.

WATER AND SEWER DEPARTMENT – SEWER CAPITAL

AMOUNT: \$8,000 NO: 6
FROM: 016-50529-076-2459 – Sewer & MH Rehab.
TO: 016-50529-076-2073 – Sts Tnpk Ejector System
REASON: Additional work required at Straits Turnpike ejector station.

Dated at Watertown, Connecticut this 3rd day of May 2010.

Raymond F. Primini, Chairman
Watertown Town Council

Discussion: **Ms. Masayda:** The general fund the public works can someone explain that one. I was under the impression that Sunnyside Avenue project a lot of that was state funded.

Mr. Frigon: This is not part of the project; it was for tree removal to facilitate it. We the town not part of the grant, are still responsible for some of the work. You find that in this year's budget and in next year's budget there are dollar amounts that are identified and it is not a great deal. This particular tree needed to come down and needed to come down immediately. The good news in that is that the money that they are taking the \$2,900.00 that is all being arrived from efficiencies, that money was budgeted for guard rails along Davis Street Extension and our welders were able to make guardrails instead and that is where most of the money is coming from.

MOTION PASSED UNANIMOUSLY

10. Public Participation

Elizabeth Wasiutynski: – 514 Sylvan Lake Road

I would like to address item 9C. I have a great deal of respect for Blum Shapiro, the Board of Education has a CFO? Would the CFO as part of their job description making sure that these audits are conducted?

Mr. Frigon: This is well beyond and the experience and expertise and the knowledge of the financial people we hire this is extraordinarily in depth when they go into what is reimbursable and what is not and why it is and why it is not. It is not something we do ordinarily. We have suggested and voted on was to have a firm to come in who has the experience and the knowledge and background and has staff that can go in and make sure that the project audit and that we manage our liability once again. The Business Manager is what term is used at the Board of Education this is not their expertise and it could take an incredible amount of time.

Ms. Rosa: Said it is not their responsibility. The financial part of the building and those projects comes back to the town offices.

Ms. Wasiutynski: I am surprised that you all have been surprised. There were letters from the state saying that there have been several projects which have not been closed out. A former member of the Board of Education speaks to the fact that "*I did not know*

this was not closed out?. Isn't that usual that when state money comes into town there has to be some sort of statement from the state funding agency that the project has been done to satisfaction.

Mr. Frigon: Speaking for my self I am not surprised that these projects are not closed out. The state can take up to 20 years and sometimes even longer to close out some of these projects. The fact that they are not closed out does not surprise me. Once again what were recommending here is that we more or less force these close outs. What we are suggesting is that we go in and we meet with the state and manage the closure of this project. It is not the fact that there not audited that surprises us what is taking us back is that we owe \$200,000.00 on a project that has been closed out in 2001. This is what we are trying to manage we do not want to get another 6 of these letters in the mail over the next 6 weeks.

Ms. Wasiutynski: The staff both at the Department of Education and the Town Manger's office cannot speak with the state directly. I think there tremendous amount of expertise in order to finish the project and what I was hearing tonight there are also unanswered questions, some of those questions are as simple as did you update a website.

Mr. Frigon: If we were to isolate one of those particular projects or two or perhaps even half of them that may very well be the case. I can tell you included in what their looking at is what is in front of you tonight. I have written to the state and I have objected to the form to which they presented us with this liability and I have asked for further explanation. I have received some explanation but no where near enough.

Judy Wick – 110 Northfield Road

I just learned tonight that going back to the air conditioning at the high school that any change order needs to be approved by the state before it goes through. So if we can add to those questions that you are answering and getting answers to find out if the state has approved that change order that went through for the air conditioning for the high school gymnasium.

David Minnich

Mr. Nardelli what is the impact on fund balance of the general fund regarding these projects we are speaking about this evening?

Mr. Nardelli: When you say the financial impact the ones the ones we received the letters on.

Mr. Minnich: I am well aware that the state takes significant amount of time to review the audit and I am also aware we have no control when the state does an audit. Every one of these dollars we have audited, and the auditors have audited and you have reported it as such. What then becomes the impact from us of what we are doing, is

what is potentially the receivables that we have from the state if there are any coming from this because of 5% they withheld and also as the Town Manager reported the potential \$200,000.00 liability for ineligible expenses. I am further aware from this process that at the time the Public Buildings Committee approves the change orders, there maybe some time before the state approves it and indeed that particular time is not what I am focusing on. What I am focusing on is that there is a point in time to which it is the responsibility of the finance director but particularly the auditors in town in doing their audit, which obviously they would be contacting the state and as part of their standard procedures get from the state for each of these projects what is the amount that the state is withholding. In the case of this \$200,000.00 because it is so long ago should not now be a surprise to the town but should be then accounts receivable in case of the money coming back or a case of potential liability. Both of which receivable and the liability have impact on the fund balance. My point in all of this to be real direct, other than the recent projects that we are currently doing none of this should be surprise if indeed the audit that we done for ourselves as we require every year had reflected those things which are receivables and liabilities to which we are not going to be getting a final review by the state. So I do not understand what the surprise on the impact of the fund balance is.

Mr. Nardelli: That part is not correct; when we do a normal audit with auditors, say it is authorized for a million. If it is 60, 40 the town bonds 40%, 60% comes from the state. As long as we stay within the authorization and we get audited and the numbers are spent for the project we are fine. The problem start when state comes in eventually and says wait a minute some of that million dollars is not eligible for that particular project. It is an ineligible cost. So now the state's 60% drops down and now the town is going to be on the look for that. We do not know what is eligible and ineligible until the state comes in at the end and tells us that. As long as we stay within the authorization, yes we do and we are bonding what we are supposing to, yes we are. What is eligible and what is not eligible, have change orders been approved by the state, all that comes in when the state finally comes in and does their audit. We do not know that until the state comes in and does an audit. Some of these old projects that we getting letters on they have been closed out and we may have to take the money out of the fund balance the old projects to pay for that or if there is some bonding eligibility left the town picks that up for bonding but we do not know all of that until Mr. Hughes go through all of the numbers.

For example Swift, Swift is holding back 5% of the cost and right now we have a million dollar ban out on Swift. 5% of Swift cost would pay off the ban if we get the money from Swift. Mr. Hughes will not know that until he goes through the audit for Swift, so potentially the state can come in and say 5% receivable you had set up coming on Swift you have too many ineligible costs you are not getting that money then I am going to turn around have to bond a million dollars the is currently banned.

Mr. Minnich: I do understand that, and here real clearly is the concern. That at the

time the public buildings committee approves the change order, which they have authority to approve the change order within the appropriation that the town has made at town referendum. That change order then goes to the state for approval; my question is why not the town administration has contacted the state, because they can give a determination as to the eligibility, it is not a final number. Because these projects have been done so very long why doesn't the town know from the state what is to be received by the town and potentially have an un audited number, \$200,00.00 seems like a lot of money an un audited number of what should be payable to the town.

Mr. Nardelli: Asked Mr. Hughes does the state okay these change orders as they go along and the state is going to tell us what they are going to reimburse and not reimburse as we go along.

Mr. Hughes: As these projects continue through the course of construction, yes the HVAC guys submit the change order, you authorize the change order with trade contractor, and then there is a specific state required change order that you submit to the state. If that change order with contractor for a contractor is \$10,000.00 working with your construction whether it is construction rep you determine okay state we saying we obligated ourselves to this \$10,000.00 change order and we think \$9,000.00 is eligible and \$1,000.00 is ineligible that information is put on the state change order form that gets sent to the Bureau of School Facilities, George Semanak, and his group will review that and will come back with a letter and say we agree with you, we disagree with you and if we disagree with this is why. They have a running log of eligible and ineligible change orders during the course of the project. Not having the specifics on the letters that were received I do not know if that is the case, I would tend to believe that is not. During the course of construction, we know what is eligible and what is not eligible, I think it is more of the fact that they did not have all the information they were looking for. During the course of it they know how much of the change orders are eligible and ineligible

Mr. Nardelli: That is submitted by an EDO....

Mr. Hughes: An EDO42 CO.

Mr. Nardelli: Said that is all submitted by the Board of Education. Then we get reimbursed as we go along based on that information submitted.

Mr. Hughes: Yes, every time you do a reimbursement request Paige Farman and her group looks and say, here are the change orders that have been approved of the change orders this is what is eligible, this is not eligible. To the extend it not ineligible then the reimbursement request is reduced accordingly.

Mr. Minnich: My final comment on this matter all what you said is indeed my understanding of this as well, which says when somebody from the town or the

auditors should be matching up the EDO42CO with what we have here in terms of change orders that Public Buildings Committee has approved and see whatever is identified as ineligible cost should then be appropriately reflected which my whole beginning statement is should be reflected in the fund balance. The only exception to that is when the state at the conclusion of the project and audit, this \$200,000.00 if it is ineligible we should have know that. Not now but back then appropriately reflected it in the fund balance. There should be no surprises in our fund balance.

Mr. Hughes: If it related to change orders, if it is due to the fact they do not have the most recent contract for requisition. If you got these letters in the mail the state never came out and looked at anything. They are utilizing information that they have at hand. It could be the fact that they do not have the most recent final contract or acquisition that the total paid was \$150,000.00 they only have 120 so that is \$30,000.00 of the potential amount.

Mr. Frigon: We are all on the same page, that the project was completed in 2001 and we submitted for reimbursement and the state paid us. They are now asking for reimbursement so that is a surprise. They thought it was reimbursable too to the point where they paid us. So we are all on the same page, no surprises, everything looks wonderful, we submitted the right forms, now they are saying we have to reimburse them for overpayments.

Mr. Minnich: If they are changing their minds other communities have gone to state legislature and to get a correction to what the state has said is ineligible.

Mr. Frigon: Precisely what we want to explore.

Al Mickel – 95 Woodvine Avenue

There are a lot of questions and answers going on tonight. I learned the answer you get depends on what question you ask. I have looked at the questions that are going to put from the Town Council to the Building Committee. That was done on February 1st of this year and it was - I make the motion that we charge the Public Building Committee with the conversion of Hemingway Park School to town offices, very easy question. What does the Building Committee do with it? On their regular meeting of February 17th they have on item 1f, the correspondence from the Town Council motion sheet dated February 1st, charges the Town Council - I make the motion that we charge the Public Building Committees through the conversion of Hemingway Park School to town offices. Then I went to the Public Building Committee and see how they answered this question. On March 17th they picked it up and there was a lot of discussion going on and very little that had to do with Hemingway Park School. At that meeting the Chairman, Ray Primini was there they did a lot of honest and open talk about the old town hall but not the conversion to the new one. On April 21st of the Public Building Committee they had item 1f it has an update. This meeting was held in the Swift in some construction trailer somewhere. Then I go over to the Planning and

Zoning minutes of the same night April 21st, and they added Robert Porter as Chairman of the Public Building Committee on that and the reason for consolidation of Watertown's municipal buildings. A little different from what the first charge was. The last thing I pick up is the answer to Mr. Porter from the Planning and Zoning. It is dated the same night as the meeting. It was asked and answered at the same night, fairly efficient. Several things that I have read in here, the question that is stated here, you request information about the consolidation of town buildings that are discussed in the Plan of Conservation. The question changes a little bit more. So I went to the 2007 Plan of Conservation and in it Hemingway Park School should be used as the town hall. So the answer to the February 1st question should have been very simple sure it is okay. But instead we have 3 pages worth of answers all from the same night all coming from the Planning and Zoning Commission which is way over board. Some information is good and some I would question. But it is coming from Planning and Zoning and not what you asked in the first place, the Building Commission. My point is I do not think the question is answered yet.

Mr. Minnich: At the night of our Planning and Zoning Commission meeting, subsequent to that meeting we went to the Public Buildings Committee and gave them our report which you all received a copy of. In the issue of the 8-23 review to which Mr. Porter requested we have for the Public Buildings Committee the issue of the new town hall is not just that building, it has implications as I mentioned in the letter to all the other buildings to which we talked about and we all need to be addressed. If there any confusion with that it is the fact that the matter and question which was asked and we understood was not simply the new town hall, all the implications of the other buildings that are affected by that policy that you will arrive at and do with all the other buildings.

Mr. Mickel: Again the answer is simpler than that; in the plan of development item e says the evaluation of the best use of all obsolete municipal buildings and school facilities, if no use is identified for the property is should be disposed of in the best economic advantage to the town. Baldwin School should be used for housing; I think that is what the plan is. Hemingway Park School should be used for the town hall, combining all municipal and school administrative offices in one building. That is a straight forward answer. The Munson House should be our purposes consistent with Munson House deed of restrictions. The Town Hall and the Town Annex should be used for private sector offices. This is from the plan of development it is one paragraph, very simple.

Mr. Minnich: I do not think you fully appreciate what 8-23 review. An 8-23 review you take the current plan of development that has been approve and then make your review as to how that is updated. Obviously 2007 things have changed since then on that issue and so this is an updated review. The plan of development is updated and there is a formal process by which under state law under 8-23 that a commission goes through. That was done to answer the question. What he is reading is wording from the

plan of development, the letter you got and the work that the Planning and Zoning Commission has done was putting in terms of today's statement.

Mr. Mickel: What the Commission has done, the commission reviewed and updated the plan of development in one day, he was asked on the 21st and he was answered on the 21st. It did not seem like a lot of work went into it.

Ms. Adams: We need a copy of the letter of what Public Buildings asked Planning and Zoning for? That would clear everything up.

Mr. Rinaldi: It seems that Hemingway Park School has gone to Wetlands, P & Z, Public Buildings Commission, when do we plan on having an referendum to see if the taxpayers want the town hall.

Mr. Primini: The process was if we can use for a town hall that should be coming up pretty soon, as soon as we get all this in place.

Ms. Wasiutynski: Mr. Chairman, through you Ms. Rosa made a comment that the Business Manager does not have in his or her job description the answers or the following up of items for the audit. May I ask as a citizen then what the Business Manager's job description state is and to whom does the Business Manager does the business manager report.

Ms. Rosa: The responsibilities of that office have been changed since I served on the Board of Education. So exactly what the individual's job responsibilities are now I would not begin to state, I am not on the Board of Education. At the time I did serve they oversaw the functioning of the buildings, supervised the maintenance departments, and supervised all of the non certified staff, worked with the finance officer or physical control officer on the budgeting or the financing of the maintenance of the buildings. There was never a time when that individual did paperwork for the state, filling out documents for refunds and that kind of thing. That was usually was done by the physical control officer and had to do with reimbursement for students and that type of funding. It is my understanding that all of the financial building projects and improvement projects that required town bonding money was always done through the Town General Government and the Town Finance Officer and never through the Board of Ed.

Ms. Wasiutynski: You must understand my confusion. Certainly the budget is a big issue in town right now. Who all is responsible for the education budget preparing it, explaining it, who refers to whom, what does the Board of Education do.

Ms. Rosa: The Superintendent presents it to the Town Council for approval. First to the Board of Education they approve the final numbers for the school department and then they bring to the council for the final number.

Ms. Wasiutynski: Who is the chief honcho in terms of physical responsibility within the Department of Education?

Ms. Rosa: The Superintendent

Ms. Wasiutynski: The Superintendent is not trained as a financial officer, who is the trained financial officer within the Board of Education.

Mr. Primini: This is public participation, it should be answer and question.

Ms. Wasiutynski: I will call then.

Mr. Primini: asked if anyone would like to speak at public participation.

11. Adjournment

Motion: (Mr. Rinaldi, sec. Ms. Rosa) to Adjourn the Regular Meeting.

Discussion: None

MOTION PASSED UNANIMOUSLY

Respectfully submitted,

Raymond F. Primini, Chairman
Watertown Town Council

Approved: _____
Susan King, Clerk