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City of Stamford

BOARD OF FINANCE

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June 25, 2014

REPORT OF A SPECIAL MEETING OF THE BOARD OF FINANCE

Attendees: Board of Finance Chairman John J. Louizos, Vice Chair Mary Lou Rinaldi, Members Gerald Bosak, Jr., Dudley N. Williams, Richard Freedman and Sal Gabriele. Also present were Mayor David R. Martin, Dir. Of Administration Michael Handler, OPM Director Jim Hricay,

Pursuant to Sec. 6-20-2 of the City of Stamford Charter, Chairman John J. Louizos and Vice-Chair Mary Lou Rinaldi called a special meeting of the Board of Finance for the specific purpose of:

AGENDA

Supplemental Capital Appropriation- Strawberry Hill Avenue School Construction Project

Item 1	Request for Approval of Supplemental Capital Appropriation in the amount of $55M for the planning, designing, construction and furnishing & equipping of a public school at 200 Strawberry Hill Avenue, Stamford, Connecticut.		**Approved**
	Action Requested:	Supplemental Capital Appropriation	**4-2-0**
	Amount:	$55M	**Motion by**
	Fund/Budget:	Capital: Bonding	**D. Williams**
	Submitted by:	Mayor David Martin	**Seconded**
	Video: 00:05	The Mayor asked for this appropriation to construct and outfit a new public elementary school at 200 Strawberry Hill Avenue. Chairman Louizos asked the Education Committee for their input regarding this request, noting that this Committee met last evening on this matter. Committee Chairman Williams shared that Superintendent Hamilton provided a presentation to review Stamford Schools projected enrollment and capacity which demonstrated that enrollment was expected to exceed capacity system wide; thus necessitating a new elementary school for a long term solution, and he was persuaded that there was a bona fide need for more space. He added that applications were to be made for both a local and inter-district magnet school ,with deadlines of June 30, 2014 to receive funding for 2015. Mr. Gabriele said that he was unconvinced that more space was needed; expressing concerns about over-expanding as well as the ongoing operating costs of a new school. Chairman Louizos also shared a letter received from the Mayor on this item, which stressed that while grant requirements	**R. Freedman**

	expedited this request, the Mayor would not pursue the construction of any project on the Strawberry Hill site without prior approval of the 3 required Boards (attached). Ms. Rinaldi asked about the wording of this request; which Mr. Handler replied that it was written to satisfy the grant application. Ms. Rinaldi stated that she was in favor of supporting this appropriation request for an inter-district school only, and it should not be construed that the next option was automatic or viable. There was consensus shared by this Board that they were in support of a school, but at this point due to the significant advantage of greater Grant funds available for constructing an inter-district magnet school as opposed to a local school, that the inter-district school was what they were now supporting. Mr. Williams then made a motion to approve this appropriation, understanding that funding for both types of schools was requested, but that if the Board- preferred magnet school funding was rejected, there was no automatic approval of a local school. Mr. Freedman, who seconded the motion to approve, added that if a local school was going to be pursued, the process would have to re-start, with the BOE coming back with a significant amount of information to make a case for this alternative. Chairman Louizos asked that the Board consider this appropriation and the bond resolution (Item # 2) together. The Board then agreed, by a vote of 4-2-0, with Messrs. Gabriele & Bosak dissenting, to approve these items.	

Approval of Bond Resolution

Item 2	Request for Approval of Resolution to Amend the Capital Budget for Fiscal Year 2014-2015 By Adding an Appropriation of $55,000,000 for the Construction of an Elementary School at 200 Strawberry Hill Avenue, Stamford, Connecticut and Authorizing $55,000,000 of General Obligation Bonds of the City to meet said Appropriation.		**Approved**
	Action Requested:	Bond Resolution Approval	**4-2-0**
	Amount:	$55M	**Motion by**
	Fund/Budget:	Capital- Bonding	**D. Williams**
	Submitted by:	Jim Hricay, Director of OPM	**Seconded**
	Video: 00:27	This resolution was sought to approve the use of bond proceeds for the construction & outfitting of the new Strawberry Hill Avenue Elementary School (Item # 1 above). Chairman Louizos asked that the Board consider this resolution along with the related appropriation (Item # 1) together. The Board agreed, by a vote of 4-2-0, with Messrs. Gabriele & Bosak dissenting, to approve these items.	**R. Freedman**

Approval of Additional Appropriation

Item 3	Request for Approval of Additional Appropriation in the amount of $2,096,528 to insure year end revised budget meets end of year projected spending for FY 2013-14.		**Approved**
	Action Requested:	Additional Appropriation	**5-1-0**
	Amount:	$2,096,528	**Motion by**
	Fund/Budget:	Additional Revenues	**R. Freedman**
	Submitted by:	Michael Handler, Director of Administration	**Seconded**
	Video: 00:28	OPM Director Hricay shared that he took responsibility for the late communication regarding the projected year end forecast which pointed to deficits in the accounts that this revised appropriation sought to address. Chairman Louizos alerted the Members to the fact that all department's	**D. Williams**

	Directors or their designee was here tonight to answer the Boards questions about their part of this appropriation. OPM Director Hricay then summarized the 4th quarter projections. He advised that this report projected an overall year end surplus of approximately $2.9M inclusive of this appropriation request of $2.1M. This is due to projected revenues of $5.8M in excess of what was originally anticipated. Referring to the timing and dollar amounts of the overages requested, Ms. Rinaldi stated that Managers were here to manage, and should adhere to the Charter with respect to exceeding appropriations, referring to Charter Section C8-30-13: Appropriations Not to be Exceeded; stating that the proper sequence of securing the Chairman's approval for an emergency expenditure was not right. She stated that the late timing of this request, which handcuffed the Board, should never happen again. Chairman Louizos stated for the record that he authorized this emergency for public safety expenses; and understood that it was until such time that the Board could act on the request at this meeting. Mr. Williams stated that he found the lack of alerting the Board to the shortfalls in a more timely manner was troubling; stating that advising the Board of a complication in adhering to the budget should also be brought to their attention. Mr. Freedman stated that; the fact that the process to obtain this appropriation was less than optimal obscured what he suggested was unrealistic budgeting; also pointing to the need for Administration to alert the Board that something is awry. Mr. Gabriele demanded the timing of when Administration was made aware of these overages, pointing to Police overtime. Police Lt. Duckworth stated that these overtime costs were incurred in June. Director of Administration Handler added that he wanted to make it clear that these expenditures were in fact projections, and contrary to what was reported in the paper, the funds were not yet spent. Director of Legal Affairs Emmett, in response to the claims that Charter Section C8-30-13 was violated, referred to an opinion on this matter from a previous Corporation Counsel. She advised that the function of the Board of Finance was first to eliminate wasteful or extravagant expenditures; and to pay current expenditures with current income. She advised that the opinion also stated that the Board of Finance had broad, but not unlimited power with respect to appropriations, and that the Board did not function in a vacuum to dictate appropriations which may serve to undo an overall goal that the City sought to accomplish. She concluded that since the City had revenue reserves for this expenditure, and that the expenditures were appropriate, that Section C8-30-13 of the Charter was not violated. Chairman Louizos, pointing to the fact that this item was well contemplated, suggested that there were "take a ways" which included coming to the Board with any anomalies; using the Boards Committees for guidance, and reporting monthly on items as needed. On a motion by Mr. Freedman, which was seconded by Mr. Williams, the Board then acted by a vote of 5-1-0; with Mr. Gabriele dissenting, to approve this appropriation.	

On a motion by Mr. Freedman, which was seconded by Mr. Bosak, the Board then agreed by unanimous vote to adjourn the meeting at 7:13 PM.

Lorraine C. Gilden

Lorraine C. Gilden
Clerk of the Board

DAVID R. MARTIN
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June 23, 2014

Mr. John Louizos
Chairman, Board of Finance

Randall M. Skigen, Esq.
President, Board of Representatives

Ms. Theresa Dell, Chair
Planning Board

Dear Messrs. Louizos and Skigen and Ms. Dell:

Re: Concerns Regarding Bond Issuance for Use of 200 Strawberry Hill Avenue

As you know, over the past several weeks, I and members of my Administration have had several discussions with members of elected and appointed boards concerning the authorization for the City to issue up to $55 million in bonding for school construction. In order to apply for state reimbursement for the costs of land acquisition and school construction, we will have to submit our application by this year's June 30 deadline. This has required us to expedite the typical process, despite not having full details of the scope of need and proposed use from the Board of Education.

I write with full knowledge and appreciation that the Board of Finance, Board of Representatives and Planning Board will have the opportunity to make a final determination on the school project at a later date. The requirement that our boards approve all RFP contracts over $100,000, provide final authorization for the full cost of the project (following our receipt of State grant funding), and approve the issuance of bonds (BOF) all present opportunities for the boards to make a final determination on the use of the property at 200 Strawberry Hill Avenue.

Finally, as I have publicly stated, the City will not pursue the construction of a school building – or any other capital project - without the approval of the Board of Finance, Board of Representatives, and Planning Board. Following the Board of Education's presentations, should the Administration wish to proceed with the site's use as a school, I will seek the approval of a resolution from your boards that will allow your members to indicate such support for the project.

Thank you for your patience and cooperation with this process. The purchase of the property at 200 Strawberry Hill is a historic and strategic opportunity for the City pf Stamford, and we should all be proud that we were able to secure it.

Sincerely,

David R. Martin
Mayor