



**BOARD OF ALDERMAN  
SHELTON, CONNECTICUT  
FINANCE COMMITTEE  
SPECIAL MEETING  
MEETING MINTUES-JANUARY 3, 2012**

---

**Call to Order / Pledge of Allegiance**

Alderman Kudej, Chairman, called the Special Finance Committee meeting to order at approximately 5:21 p.m. All those present recited the Pledge of Allegiance.

**Roll Call**

Aldermanic President John F. Anglace, Jr. - present  
Alderman Anthony Simonetti – present  
Alderman Stan Kudej- present

**Administration**

Mayor Mark A. Lauretti- present

**Others in Attendance**

Lisa Low, Lisa Low & Associates

**AGENDA ITEMS**

**1. SOLE SOURCE RESOLUTION**

Anthony Simonetti moved to recommend to the Full Board to approve the following resolution:

Whereas, Section 7.14(c) of the Charter of the City of Shelton requires a Waiver of Bids, whenever the Purchasing Agent shall determine that bidding for any particular goods or services would be impractical, impossible or unwise; Whereas, the Purchasing Agent is then required to recommend to the Board of Aldermen that Bids be waived;

Whereas, the Purchasing Agent has found that on occasion a Waiver of Bids has been requested for the reason that the item to be purchased is only provided from one specific vendor, i.e. Sole Source;

## BOARD OF ALDERMAN

Whereas, the Purchasing Agent is required to request a Waiver of Bids when a product is only offered by "one vendor" or from a "Sole Source" and same is required to be acted upon by the Board of Aldermen;

Whereas, the Purchasing Agent and the Board of Aldermen agree that in those instances where a product or item is only offered by a "Sole Source", that a Waiver of Bids pursuant to said Charter is appropriate as bidding would be unwise, impractical or impossible.

Therefore, be it resolved by the Board of Aldermen of the City of Shelton that where the Purchasing Agent determines that any purchase of any item, service or combination of item or services which are only provided by a single vendor, i.e. "Sole Source", said bids shall be waived pursuant to the City of Shelton Charter 7.14 ( c).

Further, the Board of Aldermen hereby requires that the Purchasing Agent provide the Board of Aldermen, within thirty (30) days of any purchase pursuant to this Section, with a copy of the "Sole Source with Written Justification Form", a copy of which is attached hereto, seconded by Alderman Anglace.

Alderman Anglace explained, everybody has to understand what we are doing. We are giving the purchasing agent the right to declare when a bid will be waived because of a sole source vendor. So he won't have to come back to the Board of Alderman and waste everybody's time getting something that is obviously approved. I think this is a good thing to expedite business but on the other hand he will keep us apprised and aware by filling out this form and submitting it to us for our information. So I think it's a good move and I support it.

Alderman Simonetti replied, I agree with Alderman Anglace.

A voice vote was taken; all were in favor. Motion passed 3-0.

## 2. LISA LOW & ASSOCIATES AGREEMENT – WAIVER OF BIDDING PROCESS

Alderman Anglace moved that the contract between the City of Shelton and Lisa Low & Associates relative to Small Cities Block Grant Writing, Administration, and Project Management Services for Community Development projects as of April 1, 2011 be approved (subject to the following modifications, if any). Further authorize Mayor Mark A. Lauretti to sign any and all documents necessary to effectuate said agreement, seconded by Alderman Simonetti.

Alderman Simonetti questioned, can you explain to me subject to the following modifications if any? Where are the modifications?

## BOARD OF ALDERMAN

Alderman Anglace interjected, wait a minute. You see that's in parentheses if there are any so that's why we are going to discuss this. So there are questions that we have to answer here and then we will see if there are any modifications to the contract itself that we want to recommend. Lisa Low is here we want her to come to the table so that her comments can be on the record. The first thing I want to point out is that what we had originally received was a request for a waiver of bid. I want to make it clear that it wasn't necessary. If you look at the contract document you will see that a request for proposal process was followed and Lisa Low Associates was the successful proposal. So you don't need to waive proposal's you don't need to waive anything. The proper procedure was followed and that's where we are. The second point, I know the answer already I want to ask it for the record, are the consultants costs paid for by the grant or by the City? The answer is they are paid from the grant. The third point, the fee's, the contract calls for a 16% fee for administration and that comes to \$48,000 and a 9% fee for program costs. Is that program costs or project costs?

Lisa Low replied, its program costs in the budget line item of documents.

Alderman Anglace questioned, what does the contract say? Is it referred to as project or program?

Lisa Low answered, let me just check it's in exhibit B, if you look at exhibit B last page of the contract on page numbered 6.

Alderman Anglace replied, ok its program costs.

Lisa Low explained, its 16% fee for administration and 9% fee for program costs.

Alderman Anglace commented, so the dollar figures come out to \$48,000 for administrative cost and \$27,000 for program costs.

Lisa Low added, that's exactly right.

Alderman Anglace explained, so that's a total of \$75,000. So out of the \$300,000 grant \$75,000 is going to go to Lisa Low & Associates for administration and program costs. Would you mind taking us through what types of issues are connected with administration and what types of issues are connected with program costs?

Lisa Low replied, for administration, first of all we write the application for the City. If and when it's awarded we prepare all the assistance agreement documents. Which, is a contract with the state and there is a 25 page main document with several accessory documents.

Alderman Simonetti interjected, for each grant?

Lisa Low answered, No, this is for the overall award which is for \$300,000.

Alderman Simonetti added, less the \$75,000

BOARD OF ALDERMAN

Lisa Low responded, yes with \$225,000 to give away.

Alderman Simonetti asked, so you have 20 people that get \$10,000 a piece.

Lisa Low added, actually its not to give away it's a loan. So it does come back to the City.

Alderman Simonetti asked, we are only going to get back \$225,000.

Lisa Low replied, Yes, that's correct.

Alderman Simonetti questioned, no interest? Or is there interest on it?

Lisa Low answered, there is interest on the program income once it comes back into the program. There will be interest on that. Once this current award is closed out...

Alderman Anglace interrupted, what I would like to do is follow through on the question that I had asked before. I want to go down the line and know what administration consists of and I want to go down the line and know what the programs consist of.

Lisa Low replied, our first step is to write the application upon award our next step is to fulfill the assistance agreements documents. Then we get that back to the state, get all the appropriate signatures, we keep a waiting list and we do that over the period while we are waiting to hear about the award. Then we publish in press release news about the award we also publish a notice to contractors to apply to the program to be beneficiaries of the program in that they can bid on the projects. We prepare application data and we prepare program guidelines. The City actually has a beautiful set of program guidelines that were developed probably fifteen years ago. We have gone through it and extensively modified it, not substantially but extensively in terms of the details. We solicit applications, we get applications and then we review them for eligibility. We correspond with everybody who applies whether or not they are allowed to participate in the program based on eligibility guidelines. We also keep the files and record of all of them. The key to the program is to keep the Housing records of everything you do because the state will audit it. At the end of each project we have a very thick notebook of documentation on each project. We do about 10 projects per grant. Meaning we go into ten different homes, ten different properties or mutli-family units. Once we review an application for eligibility we then setup the first site inspection. Moving over to program costs entails everything that happens in the field. We have a construction manager, he will go out and do a full inspection of the home and coordinate with the Fire Marshal and Building Inspector to make sure that these homes are in compliance with the local codes. Then the construction manager working in conjunction with your City officials and the homeowner will draw up a scope of work.

Alderman Anglace added, I'm sorry I didn't follow you. Now you're into program costs?

Lisa Low replied, I shifted over because when we first start out its all administrative costs for the first 6-9 months but once we get out into the field then you move into program

## BOARD OF ALDERMAN

costs. Not that we don't continue with administrative costs. If you want me to come back to program costs at the end I can do that too and I can finish all the various things we do for administration.

Alderman Anglace replied, I want to get an idea because many of us don't understand when we are looking at \$300,000 and \$75,000 of that goes to you we need to develop an understanding for that.

Lisa Low added, Absolutely. It's a highly technical program with many rules and regulations that need to be followed. You have to follow the Department of Housing and Urban Development Guidelines and DECD Guidelines. With the Housing Rehab it's the intensive style of program within the DECD regulations. They allow 25% to go to administration and program costs. There is recognition that the amount of technical assistant you need to run the program is gigantic. We run the program soup to nuts and believe me it's a full time job. With the program costs, the construction manager goes out and does a full inspection of the site and works with the homeowner to come up with a scope of work. He creates a priority chart and they do as much as they can do with the limited amount of funds that they have. The first order of business is taking care of code compliance issues and then you can do other upgrades to the home. Basically you want to make those homes; safe, decent, and sanitary. So he creates; a scope of work, the specifications and takes it out to bid. Now we keep a running list of contractors, we include everyone that we can and we always advertise. We like to work with local contractors the more Shelton people we can work with the happier we are. So we review and characterize the contractors to make sure they are; eligible, licensed, have lead remediation certifications, have workmen's compensation and insurance. So we investigate each contractor as they come in. Then we prepare a set of bid documents that is at first called a project manual and we send it out to every contractor on our list. Then the contractors come in for a site walk at the location where the Housing Rehab is going to occur. It usually takes 2-3 hours to do a full site walk. If there is any need for addendums those are sent out afterwards or changes needed to the scope of work that happens as a result of the site walk that's sent in as well. So the project manager is in constant communication with the contractors to get the information out to them. When there is a date set for the bidding and you have a public bidding. In the City of Shelton we will need to work with your purchasing agent Mr. Sullivan to have that bid opening to occur unless we are granted a bid waiver.

Alderman Anglace questioned, when a client wants to avail themselves of monies under the grant to do a particular job in their house. You're saying you manage that project for them? Or does the homeowner manage it and spend the money?

Lisa Low replied, No they don't .

Alderman Anglace stated, Ok.

Lisa Low added, We do the whole project. We don't do the work but we hire contractors through public bidding to do the work and we manage it and oversee it. We provide the construction management and our project manager acts as an architect in developing the

## BOARD OF ALDERMAN

scope of work and specifications. He is a highly trained person and he also does the construction management. So he is on that site 2-4 times a week while the project is being done to make sure that the contractors are doing what they are supposed to be doing. If there is lead remediation that's required we get that contracted for and get that done as well. We have been working with Ansonia and the Naugatuck Valley Health District because they have the NauVEL Program where they got \$2.5 million to do lead remediation in the Valley. They have been collaborating with us and they have been taking care of the cost of the lead work in many of the homes and we would love to do that in Shelton as well. So that allows us to amplify what we can do because it gives us more money to do the projects.

Alderman Anglace asked, could you just run through some of the other expenses we would run into at the \$100 an hour?

Lisa Low answered, that's if you wanted me to do anything else. If you wanted me to write any kind of grant for your City I would be happy to do that. But that would be over and above what I'm doing with this program. So we developed this project manual, we put it out to bid, we go to public bid, and we open the bids, prepare contract documents and mortgage documents. We sit down and set a closing date with the homeowner and the contractor and we sign the contract document. We don't sign it and the City doesn't sign it. That's a document signed between the homeowner and the contractor because at that point the City is more hands off with the process. Then we sign mortgage documents with the homeowner, promissory note, a mortgage deed and a memorandum of agreement. We take them to your City Clerk and get them filed as a lien on the property because the City has got that money that is going to be coming back to them. So let's say we loan them \$25,000 to do their project that money is on a lien on the property and it's in the record as an asset to the City. Then under certain conditions; death of a homeowner, the homeowner refinances and transfer of title that money comes back to the City. It becomes part of a revolving loan so it gets loaned out to other homeowners. So once we sign all the contracts documents and mortgage documents we issue a notice to proceed to the contractor. The contractor is required to start work within 15 days and be done within 30 days unless we change those terms. During the course of the project our construction manager is there frequently and constantly on the phone with the contractors answering questions and helping do whatever they need to do. He also acts as a liaison with the homeowners. Then we sign off on applications for payment from the contractors if they want a progress payment or just final payment. Then we get that money from the State it goes into the project expenditures account which we have set up with Wells Fargo. We release the funds to the contractor and it goes out as a two party check. It goes first to the homeowner and then to the contractor.

Alderman Anglace added, you have a lot of hands on day to day operations. I think you have given me a good overview.

Lisa Low asked, now you feel that you can answer that question?

Alderman Simonetti asked, I was looking for those answers. When would the \$100 an hour come in?

BOARD OF ALDERMAN

Lisa Low explained, let's say the City wants and I know you do want it because I saw it in the paper, a Radio Communications System, I just got the biggest grant in the State for the Town of New Fairfield for a Radio Communications System.

Alderman Anglace stated, they already filed the grant application.

Lisa Low asked, who wrote it?

Alderman Anglace replied, Yes, one of our fireman.

Lisa Low added, Good for him. I hope they get it. Those can be very tough and very tricky. For example if you wanted FEMA money or Open Space money...

Alderman Anglace stated, this is separate and apart from this grant. Let's go back into the contract document. This contract document calls for the duration of this agreement shall be from April 15, 2011 through April 15, 2012. All these things you just described haven't even been started yet.

Lisa Low answered, under the procurement laws of DECD you have to do open procurement on a yearly basis or if you write the ad in such a way to make it every other year or it can be up to three years that you can advertise and run a contract for.

Mayor Mark A. Lauretti arrives

Alderman Anglace stated, the question I just asked her so you can get the background the duration of this agreement shall be from April 15, 2011 through April 15, 2012, she just described to us in detail all the project costs, administrative costs and program costs. The fact is that they are really getting in there with the homeowner and managing the project. If you want your house modified and you apply for this money, they apply for the grant, they get every approval and they manage the whole thing through until its completion and then get it paid for. They even manage the payment process.

Mayor Mark A. Lauretti replied, Right, I understood that part. The part that I didn't understand was the mechanics of how you got paid. When the contract says \$5,000 a month for one year it sounds like we are up fronting \$60,000 in the first year and I know that these projects aren't going to be completed in a year.

Lisa Low responded, basically we do try and complete them in a year. The application period is once a year. The period of the grant is two years. For example, we applied on behalf of the City of Shelton last year; we went out to procure for my services in March. Charlene put that ad out as a one year project. So it was awarded in April so you have one year tenure. But in fact the money isn't awarded until October and the money doesn't become available until February 1<sup>st</sup> so it's not there yet. We can be working on the projects and working for the City and we have been to prepare everything and get everything ready. Those projects probably won't go out to bid until March or April.

BOARD OF ALDERMAN

Alderman Anglace stated, the duration of this agreement can't be from April 15, 2011 to April 15, 2012.

Lisa Low agreed, it doesn't really make sense but I'll say this that you will be going out to bid again in March because a year will have been past. You will be selecting a new consultant and we are with you for the duration.

Alderman Anglace commented, if we go with you which, if we approve this contract then we want you to stay with that project and the management of that \$300,000 of which \$225,000 will be available for use in the community. You will manage that project through the completion not within the time frame of one year.

Lisa Low added, well completion has to be within two years although you can apply for an extension.

Alderman Anglace questioned, so you're saying the project will be completed?

Lisa Low answered, it makes more sense if this contract was written 2013. That will be fine with me because we will be done and audited by then. But my intention is to apply for another round of funding as of June 1<sup>st</sup> of this year. So that's how the cycle works.

Mayor Mark A. Lauretti replied, I'm not sure that I'm there. It's been my experience with these things drag out a long time. Now that may have been a reflection of...

Lisa Low added, your prior manager. We move them quickly.

Mayor Mark A. Lauretti continued, well you have too.

Lisa Low stated, in Ansonia we moved through 12 projects within the year and we are just closing out those now.

Alderman Anglace asked, we can expect that from this \$300,000 grant that you will take the \$75,000 to go to your costs as you have explained and the \$225,000 will go out and you will manage that through its completion? Then if there is another round of funding later on then we will have to enter into a similar agreement for the management of that? But we are not confined to a time frame you're going to management them through the completion?

Lisa Low answered, Yes, unless let's say theoretically you went out to bid again in March this year. Let's say you hire someone else and we are just at the beginning of these projects and you sign them on. We wouldn't want to be responsible for those projects through the end because it would be \$50,000 of work minimum and you would have someone else. So you want to stay with us until we at least get this one round through. So it does make more sense to shift that to 2013.

Mayor Mark A. Lauretti asked, the State pays you?

BOARD OF ALDERMAN

Lisa Low replied, No, you pay us but the money is through the state but you sign the checks.

Mayor Mark A. Lauretti stated, but they don't give us a lump sum of \$300,000. They allow you to draw it down?

Lisa Low replied, No, this is the part of administration that we didn't get to talk about. We do all the requests for payment from the State. So we do the drawdowns from the State. On a monthly basis you will get from us a request for a drawdown and what you're going to see monthly in there is an invoice from my company for running the program. As we do projects and as we sign contracts that day that's when you can request funds to pay for that project. The money will come into the City and its put in an escarole account and held in escarole until such time as we are ready to pay the contractor. With the invoice from my company, that money comes in from the State and is sent to the town and then the town sends it to us. It will never be out of the pocket of the town it comes straight from the grant.

Alderman Anglace added, another thing not added in this contract is that we require a non-collusion agreement and counsel will take that up with you.

Alderman Kudej asked, so 25% of the money will be sent to you. But what is the 10% of the grant award?

Lisa Low answered, that's if you're not doing a housing rehabilitation.

Alderman Kudej questioned, so the 10% has nothing to do with this program?

Lisa Low replied, No it doesn't. The 10% is for a different type of grant.

Alderman Kudej stated, well then technically speaking this 10% line shouldn't be in this contract.

Lisa Low answered, this is just a standard fee sheet.

Alderman Kudej asked, how about the \$100 per hour where does that come in?

Alderman Anglace added, I think the thing causing confusion here is paragraph one of the agreement it says the agreement is made between parties for you to serve as a grant writer, grant administrator and to provide project management services for the City of Shelton for small cities grant applications and implementation. In exhibit B there is reference to other costs. So those other costs do not pertain to this agreement.

Lisa Low replied, if you look under paragraph two the first whereas, it says community development projects.

Alderman Anglace clarified, so what your trying to do is just explain upfront what your costs would be if we incurred those services.

BOARD OF ALDERMAN

Lisa Low replied, Correct.

Alderman Anglace moved to amend the motion to change item number 3 the duration of this agreement shall be from April 15, 2011 through April 15, 2012 to April 15, 2013 as the duration of the agreement, seconded by Alderman Simonetti. A voice vote was taken; all were in favor. Motion passed 3-0.

### 3. JANUARY STATUTORY REFUNDS

Anthony Simonetti moved to recommend to the Full Board that the report of the Tax Collector relative to the refund of taxes for a total amount of \$28,476.37 be approved and that the Finance Director be directed to make payments in accordance with the certified list received from the tax collector with funds to come from the Statutory Refunds Account 001-0000-311.13.00, seconded by Alderman Anglace. A voice vote was taken; all were in favor. Motion passed 3-0.

### 4. FUNDING FOR IRRIGATION SERVICES FOR LONG HILL ALL PURPOSE FIELD -LOCIP

Anthony Simonetti moved to recommend to the Full Board to add irrigation services for Long Hill All Purpose Field to the Capital Improvement Plan with funding in the amount of \$6,480 to come from LOCIP, seconded by Alderman Anglace. A voice vote was taken; all were in favor. Motion passed 3-0.

### 5. FUNDING FOR NIKE SITE LITTLE LEAGUE BACKSTOP - LOCIP

Anthony Simonetti moved to recommend to the Full Board to add the backstop for the Nike Site Little League Baseball Field to the Capital Improvement Plan with funding in the amount of \$2,400 to come from LOCIP, seconded by Alderman Anglace.

Mayor Mark A. Lauretti asked, why are they doing that? What is wrong with the backstop?

Alderman Anglace explained, the letter said it's due to the October snow storm damages.

A voice vote was taken; all were in favor. Motion passed 3-0.

### Adjournment

Alderman Anglace moved to adjourn the Special Finance Committee meeting; seconded by Stan Kudej. A voice vote was taken and the motion passed 3-0.

BOARD OF ALDERMAN

The meeting adjourned approximately 6:05pm.

Respectfully Submitted;

Melissa Anglace  
Clerk