



BOARD OF ALDERMEN
SHELTON, CONNECTICUT
REGULAR BOARD OF ALDERMEN MEETING
THURSDAY, MARCH 12, 2020

Call to Order/Pledge of Allegiance

Alderman Anglace called the regular meeting of the Board of Aldermen to order at 7:05 p.m. All those present stood and pledged allegiance to the Flag of the United States of America.

Roll Call

Alderman John F. Anglace, Jr., President- Present
Alderman Eric McPherson, Vice President- Present
Alderman Cris Balamaci- Present
Alderman David Gidwani- Present
Alderman Stanley Kudej- Present
Alderman Noreen McGorty- Present
Alderman Anthony Simonetti- Present
Alderman Bernie Simons- Present

Administration

Mayor Mark A. Lauretti (arrived at 7:20 p.m.)
Attorney Fran Teodosio, Corporation Counsel
Attorney Thomas Cotter, Assistant Corporation Counsel
Ray O'Leary, City Treasurer

Others in Attendance

Paul Gimmer, President of Shelton Economic Development Corporation (SEDC)
Dave Cappelletti, Clermont and Associates, LLC

PUBLIC PORTION

Alderman Anglace asked if anyone wished to address the Board.

Matt McGee, 312 Huntington Street

I am speaking today to bring to your attention one of the many effects of underfunding by this board has on our education system here in Shelton. Currently our Special Education pre-k program is out of compliance with state mandates. Talking to numerous parents who participate in this program in the past, it is nothing like it used to be. There used to be more than three teachers, more than 11 neurotypical peers and the program used to be five days a week, not four. Now with constant underfunding including a flat funded education budget last year, this program lacks the appeal it used to have, in turn the parents of typical peers have enrolled their kids elsewhere. The chronic underfunding of the education budget by this board has led to the introduction of tuition fees for neurotypical peers. The introduction of these fees, \$2,500 last year and \$2,000 this year, along with a reduction in staff and shortening the school week from five to four days has coincided with a drop in neurotypical co-peer enrollment. The ratio for how many neurotypical peers that we have in this program compared to how many kids we have with disabilities in this program is 5 to 1. Not only is this against the law, but it is also depriving kids with disabilities from learning and socializing with typical peers that's harming the overall quality of education they receive from the Shelton Public School System. Is this Board really content with this outcome? Is this what we strive for here in the City of Shelton? A pre-k program for Special Education students that is underfunded and thus understaffed and not attracting new enrollment for typical peers? We are standing up here today to implore you to support the Board of Education with their budget request which includes \$63,000 for a fourth pre-k teacher to decrease class sizes and \$120,000 to eliminate tuition fees for the Special Education pre-school program. Our total city budget last year was over \$127 million and according to the just released 2019 City Audit, that took a couple months extra to get out there, the surplus is almost \$3 million across three areas of city government: public safety, public works and general government. Surely, we can afford to do the bare minimum for our community's most vulnerable little kids. Thank you.

Rebecca Hurlbert, 10 Overlook Terrace

The pre-k program is out of compliance with state and federal laws. It is also affecting the lives and members of our communities. The pre-k program is a one-to-one program providing neurotypical kids and kids with intellectual and developmental issues in one classroom. There were 69 kids enrolled in the program this year and since class sizes were enormous for two teachers, the school system hired a third one. There are 60 students with intellectual issues eligible for the program next year. They are expecting an enrollment of 120 students overall. Doing the math it would be about 40 students per class if all 120 students enrolled and were split between the three. Adding a fourth teacher onto the pre-k team will help this program overall be more successful and help give the students a more enjoyable experience. Another issue damaging the program is the tuition fee for neurotypical kids. There is a \$2,000 fee to join the program. This year 11 out of 69 kids were neurotypical. Three years ago, the fee was put in place at \$2,500 with no notice but was changed in the 2019-2020 school year to \$2,000. Because of the costly fees for a program currently of low quality, it is currently not bringing in as much revenue as new parents aren't signing their kids up. We must end the fees and turn the program back to compliance. In conclusion, as a part for Shelton Students Fight for Change, I will not turn a blind eye to the distasteful actions made in the city. It is disappointing that I have to stand here and ask you to give help to the most vulnerable people which are the children. There should be no doubt that the interest of our most vulnerable children are being put first by the highest financial board in this town. Thank you.

Martina Pastore, 150 Yutaka Trail

I am here to talk about the preschool program that is currently out of compliance with state and federal laws. Out of 69 students, 58 have special needs which does not meet the required ratio for one-to-one. The neurotypical children in the program are required to pay \$2,000 a year. Due to only 11 children attending, it only brought in a very small amount of money to the Board of Education. The program is only active four days per week. Special needs children in the program and neurotypical children need to learn skills and gain life experience. Neurotypical children in the program also learn from special needs children that they need to respect other people's disabilities. The children in this program are going to be your future. They deserve to be

treated as a fair education is a priority. Special needs children have a right to an equal education to neurotypical children and should be treated as such. As a resident of Shelton, I would hope that the Board of Aldermen that represents us will provide the Board of Education with enough funding to cover the cost of another pre-k teacher in order to meet state and federal requirements. Thank you.

Florian Hurlbert, 10 Overlook Terrace

This one-to-one pre-k program, sounds awesome. As a teen with autism, I would have loved to have this when I was 3 or 4-years-old. So, I want to remind people as to why these programs are so important and what kids are really getting out of them and why these programs are so important to be in compliance with the law. All the students are getting something out of this program. The neurotypical kids get experience and learn empathy getting to learn very early on about diversity and how important it is, it's fantastic. This will hopefully lead to them being more accepting as they grow older which will help them in every part of their life that involves interaction which is a majority of their life. The neurodivergent kids get a chance to develop social skills being around their neurotypical peers. One of the most common problems that affect neurodivergent kids is loneliness or lack of social interaction. This isn't just due to bullying or isolation by peers. A large part of it is struggling to define social interaction and relationships. Often times younger kids will be more anti-social only adding to the lack of understanding later in life. I struggle with this every day: trying to figure out who my friends are, whom my acquaintances are, what does it mean for somebody in between? This program gives very young kids a chance to start learning this concept and it somewhat forces them to interact with others, especially the neurotypical kids. This allows them to start dealing with this problem before they hit the socially confusing areas of middle school, high school and even the workplace and adulthood in general. That is why the program needs to be one-to-one and why the classrooms must be integrated but with the way the program is being funded the benefit to the kids is lost. Forcing neurotypical kids to pay tuition pushes away low-income families who could have benefitted from free pre-k and those kids could have gained valuable experience and it dissuades other families who could afford other programs that offer better conditions. The learning for the neurodivergent kids is lost without the neurotypical kids and the system is actively pushing them away. The program needs to be properly funded in order to keep it in

compliance to ensure these neurodivergent children are getting the care they are entitled to and the benefits they deserve from it. Thank you.

Mary Pavliouk, 67 New Street

Tonight, I would like to address the Board of Aldermen on behalf of the student body. In particular, the Shelton Students Fight for Change group. It has come to my attention recently, that state-mandated programs within our community are out of compliance with both state and federal law. It is my understanding that the responsibilities of this board include the budget approval. The program in question, the one-on-one preschool program is currently out of compliance with the law due to consistent underfunding of the education budget. Because of the chronic underfunding there has been a fee instituted for neurotypical children who wish to participate. This has discouraged most to attend and has turned the one-to-one program to one-to-five. This program has benefited special needs children with an educational learning environment that is vital to their education. This program has benefitted low income children who otherwise might not be placed in a pre-k classroom and who now are unable to benefit either. These children are between the ages of three and five and a critical developmental age group. It's absolutely abhorrent that no one on this board has recognized this issue which began two years prior to this date. I am not here to present to you a new solution to work around. There is only one course of action to take and we demand you put this program back into compliance. It is not only morally unjust to continue operating out of commission, but lawfully unjust to do so. What you are listening to now is not asking, it is demanding. Children in the pre-k program are eligible for IDEA protection. The individuals with disabilities (inaudible), to the maximum extent appropriate, children of disabilities including children in public or private institutions or other care facilities are educated with children who are non-disabled, special classes, separate schooling, or removal of children with disabilities from the regular educational environment occurs only at the nature or severity of the disability is such that education in regular classrooms for use of supplementary aide is in services can't be satisfactory. Due to the fee placed upon neurotypical children many have unenrolled. The classroom has failed to meet either of the guidelines in the IDEA act. We are currently operating in violation of federal guidelines. The LRE Act or the Least Restrictive Environment Act has been violated and has now been classified as restrictive. We are simply not meeting IDEA standards. We now also have the potential to fall into violation of

the Rehabilitation Act of 1979 particularly Code 505 for accessible public education provided by a program that is not barring state regulation. An out of commission program will directly violate the federal mandates that state such a program must be put in place. The Board of Education has unanimously voted to put the program back into compliance. They are asking for funds to hire a fourth pre-k teacher and to remove the fee neurotypical children must pay to participate in such a program. It is up to the Board of Aldermen to approve this year's budget. However, we will not stand to receive flat funding once more. Especially when such dire issues present themselves before us. There is no other solution now other than to fund the program. Countless other examples through the country, including in the State of Connecticut, aka Norwalk's case, challenging these laws is impossible. If this program is not put back into compliance, there will be consequences. It will cost us more to lawyer up, lose and spend to fix the program anyway than to just spend on it in the first place. We ask for two simple things, that the Board of Aldermen accept the Board of Education budget that allows for the hiring of a fourth pre-k teacher and that they accept a budget that allows to eliminate the fees for neurotypical kids to participate in the program. We refuse to stay silent any longer. Parents of typical children and children of intellectual disabilities alike have been voicing their concerns to no avail. This situation should not have gotten this out of hand to the point that high school students are coming before you on a Thursday night to ask that our programs remain legal. There is no excuse to explain away the fact that this program is out of compliance. This is a matter of educational rights and human rights. Each child is allowed an enriching education and an education that is at a bare minimum compliant with the law. By not addressing these issues you are restricting special needs students back into classrooms despite disagreement amongst educational professionals who have said that doing so is harmful for their development. By not addressing this issue you are snatching away a potential education from typical low-income students who could not otherwise afford to attend pre-k services. By not addressing this issue you are denying the children of this town the rights to an education that is enriching and promotes learning. Negligence is not an excuse to cheat children of intellectual and developmental disabilities in such a manner to make the effort to communicate, to branch out and to identify problems and take care to resolve them. The rights of the most vulnerable in our community should be protected not outweighed by other so-called important matters. This issue must be addressed as soon as possible and we demand you include an increase to our education budget within the shortest time frame possible. This is not a matter to cast away until

next year. This is a matter of now. I, along with the Shelton Students Fight for Change group do not stand for discrimination legal or illegal. We are deeply disappointed in our government officials for not addressing this issue and allowing it to fester and continuing to believe that we will not notice or care. We speak for those who cannot speak for there are dozens of children being deprived of a proper education for the dozens of parents whose concerns are not listened to. There is absolutely no reason an agenda should overrule a child's future. Thank you. Alderman Anglace asked if anyone else wished to address the Board, there being no one, he closed the Public Portion.

Alderman McPherson MOVED to add to the agenda the following the items:

9 – FINANCIAL BUSINESS – NEW

**9.8 FUNDING FOR A NEW 4 WD PICKUP TRUCK FOR HIGHWAYS & BRIDGES
DEPARTMENT**

**9.9 WAIVER OF BIDS FOR FUEL OIL FOR CITYWIDE USE (HEATING OIL, UNLEADED
GASOLINE, DIESEL AND NATURAL GAS, PROPANE & ELECTRICTY GENERATION)**

Seconded by Alderman Simonetti.

.A voice vote was taken and the MOTION PASSED unanimously.

MINUTES FOR APPROVAL

Alderman McPherson MOVED to waive the reading and approve the following meeting minutes:

1. REGULAR FULL BOARD MEETING – FEBRUARY 13, 2020

SECONDED by Alderman Simonetti.

A voice vote was taken and the MOTION PASSED unanimously.

5.1 FINANCE COMMITTEE

5.1.1 NO ITEMS

5.2 PUBLIC HEALTH & SAFETY COMMITTEE

5.2.1 NO ITEMS

5.3 STREET COMMITTEE

5.3.1 NO ITEMS

REPORT OF THE MAYOR

NO REPORT

Mayor Mark A. Laretti arrived and assumed control of the meeting.

REPORT OF THE PRESIDENT

The Mayor has not set a date for his budget presentation. It has to be done before March 22nd. When he does, we will pass out to each of you a copy of his budget. You will also receive a thumb drive containing the budget and departmental backup data. I hope this is more convenient that what was done in prior years. It may be easier to use.

6 – LEGAL REPORT

6.1 CORPORATION COUNSEL BILLING

Alderman Anglace MOVED to authorize a total payment of \$1,622.50 to Corporation Counsel Teodosio Stanek, LLC, for services rendered per statements dated March 2, 2020, with funds to come from the following Legal Services Accounts:

Professional Services -	001-1900-411.30-01	\$
Legal Fees	- 001-1900-411.30-03	\$1,622.50
Foreclosure Fees	- 001-1900-411.50-01	\$
Court Costs	- 001-1900-411.80.84	\$

SECONDED Alderman McGorty.

A voice vote was taken and the MOTION PASSED unanimously.

6.2 ASSISTANT CORPORATION COUNSEL BILLING

Alderman Anglace MOVED to authorize a total payment of \$1,782 to Assistant Corporation Counsel Thomas Galvin Cotter for services rendered per statement dated March 4, 2020, with funds to come from the following Legal Services Accounts:

Professional Services 001-1900-411.30-01	\$
Legal Fees 001-1900-411.30-03	\$1,782
Foreclosure Fees 001-1900-411.50-01	\$
Miscellaneous Services 001-1900-411.80-03	\$
Court Costs 001-1900-411.80-84	\$

SECONDED Alderman Balamaci.

A voice vote was taken and the MOTION PASSED unanimously.

7- LEGISLATIVE – OLD

7.1 ITEMS FROM PUBLIC HEARING

7.1 A. NO ITEMS

8 – FINANCIAL BUSINESS – OLD

8.1 NO ITEMS

9 – FINANCIAL BUSINESS – NEW

9.1 MARCH STATUTORY REFUNDS

Alderman Anglace MOVED that the report of the Tax Collector relative to the refund of taxes for a total amount of \$8,541.41 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 Alderman Simons.

A voice vote was taken and the MOTION PASSED unanimously.

9.2 FUNDING FOR SIGNS AND STREET LAMP INFRASTRUCTURE IN THE DOWNTOWN AREA

Alderman Anglace MOVED to appropriate an amount of \$10,000 for signs and street lamp infrastructure in the downtown area with funding to come from Contingency General Account #001-9900-900.99-00.

SECONDED Alderman McGorty.

Alderman Anglace: As of February 13th, the Contingency Account had \$93,306 so there is plenty of money.

Mayor Lauretti: On a more important note, there is a renewed interest by the business community to put signs on some of the many, many, city lots identified as areas for parking and that they are free and available for merchants and businesses alike. With that dollar amount there are also some improvements that need to be made in some of these parking lots, there is not a lot, but there is some. There is some street lighting that needs to be replaced in some of the lots. Some of you may remember a couple years back we went to an LED light that we did along the Riverwalk and down by the Veterans Memorial. We are going to follow through with that theme as opposed to the old lamps which we did about 18 years ago. I don't know what it's going to cost. I put out \$10,000 but that is just an estimate to get us started because we want to get this in motion for the season, which is now, St. Patty's Day kicks off the downtown season and in many locations across the country.

A voice vote was taken and the MOTION PASSED unanimously.

9.3 THE CITY OF SHELTON SMALL CITIES PROGRAM RESOLUTION

Alderman Anglace MOVED to approve the following resolution:

*RESOLUTION TO COORDINATE
PAYMENT OF SMALL CITIES
GRANT CONTRACTORS*

Whereas on March 8, 2018 the City of Shelton Board of Aldermen passed a resolution authorizing application for an \$800,000.00 grant which was available under the Connecticut Small Cities Community Development Block Grant Program; and

Whereas the State of Connecticut did provide such grant of \$800,000.00 to the City of Shelton; and

Whereas the City of Shelton is currently under contract with third party vendors to effectuate remedial projects allowed under the grant program; and

Whereas the protocol to obtain payment from the State of Connecticut for the third-party vendors is lengthy; and

Whereas, when the State of Connecticut does make such payment, it is made to the City of Shelton; and

Whereas it is in the best interests of the City of Shelton to effect timely payment to said third party vendors;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF ALDERMEN

1. That it authorize payment from the General Fund of duly approved invoices of third party vendors who have provided service and product to the City of Shelton under the terms and conditions of contracts allowed under the Connecticut Small Cities Community Development Block Grant Program, PROVIDED THAT (1) such payment is allowed by the State of Connecticut and (2) such payment is fully reimbursed to the City of Shelton by the State of Connecticut with funds earmarked for the \$800,000.00 Small Cities

Community Development Block Grant.

SECONDED Alderman McGorty.

A voice vote was taken and the MOTION PASSED unanimously.

9.4 FUNDING FOR IMPROVEMENTS ON CITY-OWNED PROPERTY - 27 AND 35 OLD TOWN ROAD

Alderman Anglace MOVED to appropriate an amount of \$15,000 for improvements to city-owned property at 27 and 35 Old Town Road with funding to come from aldermanic bonding pursuant to Section 7.16 of the City Charter.

SECONDED Alderman McPherson.

Mayor Lauretti: For the benefit of the Board I am passing out some photos that were taken by Public Works employees. Some of you may remember that years back we bought this property as part of an open space purchase. On the property were some structures, there's an old chicken farm, the individual who lived there, we made a deal with the property owner that he would have life use of the house and we agreed to that. This is about a 15-acre piece off of Buddington Road. So, we saved that piece of property for that neighborhood up there, just saying, for Save Our Shelton. I passed out the pictures because I want you to see what we are doing. The person who owned the property, who lived in that house, passed away and the property is now vacant. Behind the passing of this individual is quite a cleanup. Over the last couple of months, I have utilized the Highways & Bridges and Parks & Recreation workers to go up there and start cleaning up. There are a lot of buildings that are in disrepair as you can see by the pictures. There is a lot of debris that just needs to be thrown away. We have containers and containers of debris that had been separated for recycling purposes and are going to the transfer station to be disposed of and we will clean the property up. The money that I ask for is just the beginning. There are some buildings that need to be knocked down because they are in disrepair. They should not stay there. There is a house on the property that is still habitable but is going to require a lot of work much like the Hurd property on Perry Hill. Some of you may remember this, the Hurd property we spent a significant amount of money. We do have two

apartments in that property that are going to be put to lease, I think on April 1st. I think we are that close. We will do the same with this property unless someone has another idea that they want to knock it down or sell it or whatever it may be but to be able to rent it and get a good rental income from these properties there are a lot of things that need to be done. We have been doing all the work inhouse. I know I said a lot there but there are a lot of moving parts. Anybody have any questions?

Alderman Gidwani: Is there an estimated time on how long after we clean up the property?

Mayor Lauretti: Well, I will probably be back next month asking for more money. The remediation of the house is significant. Some rooms have to be gutted and then you have to put it all back. There is electrical work to be done. There is plumbing upgrades.

In any event, we are not a profit center, but we have these properties that we own, and many of them have been bought through the purchase of open space. So, we should rehab these homes and regenerate our costs back for the rehab and we will.

A voice vote was taken and the MOTION PASSED unanimously.

9.5 FUNDING FOR A NEW POOL PUMP AT THE COMMUNITY CENTER

Alderman Anglace MOVED, per the recommendation of the Purchasing Agent, to waive the bidding process for the purchase and installation of a new pump for the pool at the Community Center with funding in an amount of \$30,230 to come from aldermanic bonding pursuant to Section 7.16 of the City Charter.

Seconded by Alderman McPherson.

Alderman Anglace: I would just like to point out that much of this work has already been bid under the bidding process that the Maintenance Department goes through at the beginning of the year. They put out to bid for electrical work and plumbing work and much of it has been done under that. The big expense has been the cost of the pump and the piping. They put the new pump and new piping in, so we said let's waive them and give it a clean bill of health to go

ahead and go forward and not have to worry about it. But most of the expenses have been already bid.

Mayor Lauretti: If my memory is correct, I think that pump was in the neighborhood of 28 years old. We got our money's worth.

A voice vote was taken and the MOTION PASSED unanimously.

9.6 FUNDING FOR ADDITIONAL SERVICE FEES FOR BIRDSEYE ROAD

WATER MAIN EXTENSION PROJECT PHASE II

Alderman Anglace MOVED to appropriate an amount of \$14,025 for additional fees which include Inspection, Flushing, Sampling & Engineering Services completed by Aquarion Water Company for the Birdseye Road Water Main Extension Project Phase II with funding to come from aldermanic bonding pursuant to Section 7.16 of the City Charter.

SECONDED Alderman McPherson.

Alderman Anglace: We approved the original project and these are the costs in excess of what we approved.

Mayor Lauretti: The project had been done about a year ago. You remember that this is a water main extension on Birdseye Road. There was a dispute between the City and Aquarion regarding the Inspection Fees associated with the project. Aquarion wanted to charge us \$47,000 just to do Inspection. Once we received the bill, the City Engineer and myself sat down to discuss why it was so high just to have someone sit there and inspect. On the majority of these projects Aquarion hires their own inspection company. We have no control over who the inspector is or what the rates are. They are governed by PURA which is a state agency. With that said, good luck, the bill came in at \$47,000 and we said we were not paying. It's about a year and change dispute and we finally settled at \$14,000 because some of the time spent by the inspector sitting up there watching us blast the road was unnecessary and uncalled for. If they allowed us to have our own inspectors on the job, we never would have allowed that to occur. You can't have 30 days of a guy just sitting up there in his car while we are blasting rock in the road to create a trench to put the pipe in because he is not looking at anything. We made

that abundantly clear to Aquarion. As you know these utilities are a real challenge to deal with. I highlighted for you a couple months ago what I went through with U.I. down on Canal Street. I think we now have a fair number that is representative of what we should pay.

Alderman Anglace: I think the point that needs to be stressed is that the City is not paying for this. The City is approving this money into the total cost of the project but the total cost of the project, every penny of it is being paid by the people who are receiving the water and they all understand that. Right?

Mayor Lauretti: No, I think we have to pay a small share. There is a third here that we pay with these water main installations. The majority is borne by the property owner.

Alderman Simonetti: So, you just saved the property owners quite a bit of money.

Mayor Lauretti: I saved everybody money. I saved all the taxpayer's money.

A voice vote was taken and the MOTION PASSED unanimously.

9.7 267 CANAL STREET (FORMER STAR PIN FACTORY)

PURCHASE PROPOSAL

Alderman Anglace MOVED, per the recommendation of the three-member SEDC review committee, to approve the proposal submitted by Primrose Companies to purchase and develop the former Star Pin Factory property located at 267 Canal Street. Further authorize Mayor Mark A. Lauretti to execute any and all documents necessary to effectuate the same.

SECONDED Alderman McPherson.

Mayor Lauretti: Paul Grimmer, President of Shelton Economic Development Corporation, is here to give you a review on the project. Another complicated and challenging project to say the least. Paul is going to give you an outline of the process we went through to make this selection.

Paul Grimmer: The SEDC was asked to review the two proposals received by the City for the sale of Star Pin Factory. We received two. One from Winn Development of Boston, Massachusetts and one from Primrose Companies. A committee of three individuals were

selected, one from our executive committee and two individuals from the overall board. The committee reviewed the proposals, interviewed each of the firms, and then recommended a preferred developer. We reviewed a few different things. We reviewed the proposals based on capacity to get the job done, purchase price, estimate of annual taxes, the ability to meet certain zoning requirements such as parking, and overall rate of return into the City of Shelton. The first group that we interviewed was Winn Development Companies. They were amazing to talk to. They have over 100,000 residential units spread across 22 states. They had more than enough capacity to do the work. The problem for Winn Development was that's really where the advantages stopped. The purchase price they offered the City of Shelton was \$1 versus Primrose's offer to pay all of the back taxes that the city lost when they took it over through foreclosure. Winn Development was asking for tax abatements on the property. Their estimated annual taxes received was approximately \$90,000 a year. Over the next ten years they were looking for tax abatements. The estimated taxes for Primrose was a \$192,000 a year. The ability to meet parking regulations, Winn Development indicated they could provide 71 spaces for a development of 78 units. Anybody who knows even a little bit of zoning knows that that wasn't going to work. They also were requiring the city purchase the property across the street which is basically a parking lot for their use of parking. That's part of where they came up with the 71 units. Primrose, who has been around a long time, had a lot more oars in the water. They had offered to purchase the property next door owned by Better Packages which is currently a Brownfield Remediation Site and is being managed by a private developer. With that Primrose has the ability to provide 128 parking spaces. The total return was pretty stark. Over 10 years the City of Shelton should expect to receive about \$381,000 from Winn Development. With Primrose, with everything factored in, they are closer to \$1.6 million based upon my calculations. Over the course of 20 years, the variance gets wider. Primrose is approximately \$4.4 million and Winn Development was \$1.2, almost \$1.3 million. Other items such as scheduling of the work, receipts from fees and permits, and the numbers of units constructed were pretty even. Primrose is planning on constructing 77 units of housing and Winn Development offered 78 units. With all of that said, the committee felt it was obvious and recommended to the Mayor and to the city to bring on Primrose as the preferred developer for this particular site. Does anybody have any further questions?

Alderman Anglace: Are these apartments or are they condos?

Paul Grimmer: They would be apartments.

Alderman Anglace: It's not a mixed-use development, it's just residential?

Paul Grimmer: It's just residential. The first floor of part of the building can't be utilized as residential because they are within the flood zone. They will be common space areas. Maybe offices, gymnasium, self-storage, that sort of stuff.

Mayor Lauretti: It should also be noted that the Primrose proposal is market rate units as opposed to affordable. Winn's proposal was contingent upon a lot of grants coming from the state, and tax credits from the city which we don't do. In any event, the project is a challenge. The site is not in good shape. Things could happen, the roof could cave in, it's the state's desire, the State Office of Historic Preservation, to have the building preserved so Primrose and I will meet with the state to talk about an influx of state grant monies that could help with the restoration. It's a challenge. The building is extremely contaminated. The bottom floors I should say are extremely contaminated. You may remember that we did receive some money from the state and federal government to do the cleanup to the tune of almost \$1 million and we are doing that cleanup now. This is pretty much like we have done with all those properties on Canal Street, we are returning them back to their useful life to generate tax dollars. They have been vacant for the last 20-30 years, and 40 years in some cases, with these properties with no money and then in a couple years they will be generating significant taxes.

Alderman Anglace: So, really what we are doing is authorizing you to proceed and then we can expect the details and you will come up with a contract and come back to us?

Mayor Lauretti: No, we have a contract in place. There is a purchase price that's established. The purchase price is \$500,000. We were looking for authorization to move forward and I am going to try to pull together the pieces with the state.

Alderman Anglace: Well the motion doesn't reference anything to the contract.

Mayor Lauretti: I know there was a contract that went with the RFP which is our standard contract that will reflect the same contract that we approved last month when we sold the former Axton Cross site. If the motion needs to be revised then perhaps Fran you can offer a revision to it.

Alderman Simonetti: Do you know if they are going to be single, two bedroom, what size are they going to be?

Paul Grimmer: I believe from the site plan they were single bedrooms and studios.

Mayor Lauretti: I think it should reference the purchase price. By the way the back taxes on this property is in the area of \$600,000.

Alderman Gidwani: Mr. Mayor, is Primrose the same builder who wanted to build affordable housing in Huntington Center?

Mayor Lauretti: No, he didn't want to build affordable housing, he was forced to come with that proposal to get the Planning & Zoning Commission to understand that 16 units up there is better than 85 and I must say they did come to their senses. Primrose is not the only developer who does that courtesy of state law.

Alderman Gidwani: So, this is the property that we are talking about that was in the news regarding Primrose and the gentlemen who owns a restaurant in Stratford?

Mayor Lauretti: No. Separate property.

Fran Teodosio: Move per the recommendation of the three member SEDC review committee to approve this proposal submitted by Primrose Companies to purchase and develop the former Star Pin property located at 267 Canal Street for \$500,000. Further authorize Mayor Mark A.

Lauretti to execute any and all documents including standard city contract in the amount of \$500,000 for the Canal Street property and all other necessary documents to effectuate same.

Alderman McPherson: So moved.

Alderman Simonetti: Seconded.

Mayor Lauretti: So, the motion is made by Alderman McPherson and seconded by Alderman Simonetti.

Alderman Anglace: It should be noted that motion that I read into the record is deleted and your motion supersedes mine.

A voice vote was taken and the MOTION PASSED unanimously.

**9.8 FUNDING FOR A NEW 4 WD PICKUP TRUCK FOR HIGHWAYS & BRIDGES
DEPARTMENT**

Alderman Anglace MOVED to appropriate an amount of \$35,506 for the purchase of a new 4-WD pickup truck for the Highways & Bridges Department with funding to come from aldermanic bonding pursuant to Section 7.16 of the City Charter.

SECONDED Alderman McPherson.

A voice vote was taken and the MOTION PASSED unanimously.

**9.9 WAIVER OF BIDS FOR FUEL OIL FOR CITYWIDE USE
(HEATING OIL, UNLEADED GASOLINE, DIESEL AND
NATURAL GAS, PROPANE & ELECTRICITY GENERATION)**

Alderman Anglace MOVED, per the recommendation of the Purchasing Agent, to waive the bids for the purchase of fuel oil for citywide use (heating oil, unleaded gasoline, diesel and natural gas, propane & electricity generation).

SECONDED Alderman McPherson.

Mayor Lauretti: Because of what's transpiring in the country and in the world with the virus and earlier this week, Saudi Arabia and the Russians, are at loggerheads with oil production so the oil market has fallen through the floor. Consequently, if we lock in on prices tomorrow, as an example, the propane that we will buy for school buses will save an amount equal to or better than \$100,000 in the Board of Education budget as opposed to what they paid this year. One hundred thousand dollars is a significant number.

Alderman Anglace: That can't be. That's impossible because we flat fund them!

Alderman Gidwani: But Mr. Mayor, the market is falling. Why are we locking in right now when the market keeps falling?

Mayor Lauretti: Because the old saying that "Pigs get fat, hogs get slaughtered." If you don't think we should take \$100,000 savings and if you have a crystal ball that will guarantee me that, then we will wait. It's on you though.

Alderman Anglace: The process works on the basis that the offering company calls us and gives us their proposal and we have two hours to decide yes or no. Then the offer is off the table. That's the way it is.

Alderman Gidwani: As of this evening, Saudi Arabia came out and said we are going to have an all-out oil fight with Russia. So, what does that mean, that the price is going to go lower.

Mayor Lauretti: The fight started on Monday.

Alderman Gidwani: It's going to go on.

Mayor Lauretti: Well, I don't know how much lower it's going to go but like I said, if you have a crystal ball and you want me to wait and you can guarantee it, then I'm in. Then it's going to be on you.

Alderman Gidwani: I think it's going to go down but if you want to lock it in, lock it in.

Mayor Lauretti: No, because people like you want to come back and criticize me later that I could have done better. I know how this game works.

Alderman Gidwani: If I want to criticize you, I will criticize you right now.

Mayor Lauretti: I don't have a crystal ball and neither do the critics.

Alderman Gidwani: And I think it's going to go lower.

Mayor Lauretti: Okay.

Alderman Anglace: You think we should hold off?

Alderman Gidwani: No, you've got to listen to him.

Alderman Anglace: No, we are asking your opinion.

Alderman Gidwani: I think it's going to go lower.

Alderman Anglace: Do you think we should hold off?

Alderman Gidwani: I think it's going to go lower. The Dow is going to go down to 18,000.

Mayor Lauretti: The Dow and the dollar market are two different paths.

Alderman Anglace: Dave, what we are talking about here is to waive the bids and what we are trying to do is to put the administration in the position that when these offers are made they can use their best judgement to decide whether or not to accept the offers and as I said, there is a very narrow window to decide. All we are saying in our motion is we will waive the bid and give them the opportunity to use their best judgement to decide each on its own merit.

A voice vote was taken and the MOTION PASSED 7-1 (Gidwani opposed).

10 – LEGISLATIVE – NEW

10.1 ITEMS TO PUBLIC HEARING

10.1 A. NO ITEMS

**10.2 RESOLUTION SUPPORTING THE REGIONAL PERFORMANCE
INCENTIVE PROGRAM GRANT FOR A REGIONAL OPEN SPACE
INVENTORY AND A STATEWIDE MUNICIPAL BOUNDARY
SURVEY**

Alderman Anglace MOVED to approve the following resolution:

WHEREAS, the City of Shelton, as a member of the Naugatuck Valley Council of Governments (NVCOG), wishes to support the request of the NVCOG to apply for the Regional Performance Incentive Program Grant,

Now, Therefore, the Board does hereby adopt a resolution to endorse the Naugatuck Valley Council of Government’s proposal for a Regional Open Space Inventory and a Statewide Municipal Boundary Survey (Class D) Update.

Alderman Anglace: This was proposed about a year ago and it just never came to fruition but every municipality in the Naugatuck Valley Council of Governments District has got to pass this resolution in order to apply to the State. We are just one of many communities that are doing this.

A voice vote was taken and the MOTION PASSED unanimously.

11 - EXECUTIVE SESSION

11.1 A. REQUEST TO MOVE TO EXECUTIVE SESSION

Alderman Anglace MOVED to go into executive session at 7:55 p.m. and asked Corporation Counsel and Assistant Corporation Counsel to be included.

SECONDED by Alderman McPherson.

A voice vote was taken and the MOTION PASSED unanimously.

Alderman Anglace MOVED to reconvene at 8:00 p.m. and noted that there were no votes were taken in executive session.

SECONDED by Alderman McGorty.

A voice vote was taken and the MOTION PASSED unanimously.

11.1 DAVID MOORE WORKER'S COMPENSATION

Alderman Anglace MOVED to approve the recommendation of Assistant Corporation Counsel regarding David Moore Worker's Compensation as discussed in Executive Session.

SECONDED Alderman Balamaci.

A voice vote was taken and the motion passed unanimously.

Mayor Lauretti and Alderman Gidwani departed the meeting at 8 p.m.

MISCELLANEOUS

CITY AUDIT PRESENTATION

David Cappelletti, Clermont & Associates, LLC.

I believe everyone has their audit book in front of them. I will do a brief summary of the financial statements and then I'll probably just take some questions from the board if anyone has any questions or specific concerns.

Alderman Anglace: Before you get started, is there a management letter?

Dave Cappelletti: There should be.

Alderman Anglace: Is it a separate letter or is it part of the audit book?

Dave Cappelletti: There should be two books.

Alderman Anglace: We have only received one book.

Dave Cappelletti: Okay, so I will go through that other other book with you while I work through the financial statements and I'll make sure that you all get one from the Finance Department. I am going to concentrate on the exhibits right now and we will run through the summary of your financial statements and if you have any questions we will move forward. I would like to start on page 7 and 8 and that is really your financial statements to your governmental activities.

Alderman Anglace: If you don't mind as we go through, if we interject with questions for clarification?

Dave Cappelletti: Absolutely.

Alderman Anglace: Some of the things with your language and our language may be different.

Dave Cappelletti: It usually is. Yes. So, the basic financial statements comprise of major funds with your general funds with your operations and your capital projects which are your long-term contracts and then other governmental funds which are made up of small programs that the city runs. The first one, the general fund, which is the one we will concentrate on, if you can see in Exhibit B, you had a net change in fund balance of negative \$6.5 million. The cause of this was a combination of how the Special Education Grant was recorded two years in a row. Basically, I brought your attention to that last year at the time that my audit was presented and that it needed to be corrected for the second year.

Alderman Anglace: Dave, what page are you on?

Dave Cappelletti: Page 8 and if we look down on the bottom of the first column, you are going to see, I will just go down to the total revenues collected on a modified accrual basis, so, basically that means we would recognize revenue when the funds are available for current liabilities. So, you get a \$139 million there and your expenditures of a \$142 million with an operating deficit of \$2.6 million. A portion of that is that the City of Shelton spent fund balance to balance out their budget, a portion of it, and a portion of that is because how the Special Revenue Grant was recognized after it was presented in the audit last year.

Alderman Anglace: So, in effect that \$2.6 million deficit, you wrote off \$3.1 million?

Dave Cappelletti: No, below there you are going to see a transfer to other funds and a portion of that \$4.9 million is the write off of special revenue funds, of special education grants and just to remind everyone...

Alderman Anglace: So, the issue that we raised several months back and voted on as you recall, maybe it was as long as a year ago, we said that this was a serious event, it happened three years in a row and it amounted to \$3.1 million, it has taken shape and written off and so in last year's management it shows \$2.6 million operating deficit because you wrote it off. So, we are taking the hit all in one year?

Dave Cappelletti: Exactly, yes.

Alderman Anglace: The fact of the matter is that regardless of how you look at it, the fact that we initiated a lawsuit to bring the Board of Education to the table, they don't have any money to give us. So, we are not going to expect any money back.

Dave Cappelletti: Exactly. In 2018, we kept it as a receivable from the Board of Education, but again the money is not available for current resources, and also doesn't have the ability to pay it back, that receivable. So, this year the auditor made an adjustment to zero out that receivable and that would hit the General Fund balance.

Alderman Anglace: The general fund, the deficit, is not a reflection of poor management, it's more a reflection of the difficulties of not communicating properly and I think the evidence of that is the fact that three years in a row, not only was it not picked up in the audit but it was initiated and done wrong, and indicating to the State that both sides were expecting to get the Education Cost Sharing money. Not only did we spend it thinking it was coming back to us, but Board of Education spent it at the same time causing a deficit.

Dave Cappelletti: Yes. Three years in a row. Hopefully after last year that this year it's corrected.

Alderman Anglace: So, you think it's been straightened out?

Dave Cappelletti: Yes.

Alderman Anglace: I will tell you that on behalf of the Board, the Finance Committee has had meetings with Rick Belden and there is a day and night difference between his predecessors and their management of the books of the Board of Education and what's currently being done. In fact, the whole system is transitioning from what was a difficult book to understand to one where we are going to be seeing reporting in a similar format that the City uses and it's going to be not only hard copy but it's going to be online and you can go back in each account and as Rick describes it that we are going to be able to see the details in-depth. That is a major step forward. We take the hit, okay we are over the hump, but a lot of positive things came about as a result of the transition and mistakes.

Dave Cappelletti: Like I said, that left us with a fund balance of \$84,000 which as far of the percentage of your total appropriations is almost completed. We are still carrying that finding and I just wanted to show you that on pages 75 and 76, and just to follow up with what's being said is that this is something we were taking care of during the last six months of 2019, and one of the findings last year now that we are carrying that finding through is that the Board of Education tends to make expenses over their revenues outside of the general fund and so here we are looking at some special revenue funds that are still part of the finding and to bring your attention to the School Lunch Program and the School Rental Program. They are spending \$246,000 of the School Lunch Program over the revenues, and over in the School Rental Program we are

taking another deficit hit of \$118,000. As the City of Shelton and the Board of Education work together to clean this up there was still a little bit of a deficit at the end of year end where the way these funds are supposed to work is it's supposed to be zeroing out at the end. Basically, that the revenue should be equal to the expenses or at least expect a receivable to cover up any excess cost. Basically, that's what the finding was in the management letter that you don't have in front of you. We did ask the Board of Education to have a corrective action plan which was provided to us and then submitted to the State of Connecticut.

Alderman Anglace: There were several meetings with the City Treasurer and the Finance Committee of the Board of Aldermen and the Finance Director of the Board of Education where these three accounts were discussed in detail and we've worked toward the resolution of the issue because they appeared in your audits over several years as a deficit.

Dave Cappelletti: Yes, so basically with these small funds you can have some income some years and some deficits in other years but we don't like to see a trend in one direction for long periods of time. These are some of the funds that consistently had losses over several years and they continue to do so or at least they have at the end of 2019.

Alderman Anglace: I don't want to monopolize the discussion, but I would like you to elaborate a little bit on Pine Rock Park Funds on page 71 and 72. These funds have been on the books for quite a while. Pine Rock Park Funds have \$294,000 in it. The Special Revenue Fund was put in place by CRRRA which has a new name of MIRA, but it was earmarked specifically for the purpose of making improvements to Pine Rock Park and was done so with the Pine Rock Park Improvement Fund which is only \$21,000. We've made some improvements there but I think what we have to try to do with this fund is, well you just can't let money sit there idle. We need to see if we can motivate the people in Pine Rock Park to see what their needs are pertaining to roads, sidewalks or something like that. The purpose of the fund exclusively limited to improvements in Pine Rock Park and the effort that we made some years ago was to propose sidewalks from Pine Rock Park all the way up Long Hill Avenue, and the association at the time voted against it because they felt the money was being used outside of Pine Rock Park. The limits of Pine Rock Park stopped at Ojibwa and these sidewalks were going up the street beyond that but Cris and I will reach out to them. As part of the fund the two aldermen in their ward,

nothing can be approved or spent without the approval the aldermen in their ward. I think it behooves us, once again, to try and see what their needs are down there and see what we can do to utilize that money because otherwise we can put it back into the city coffers but I know people aren't going to like that.

Dave Cappelletti: Just to continue on that, the non-major governmental funds, because people tend not to look at them because they are outside of the General Fund, but you can see two things when we look at these pages here, as you go through and look at the Revenue Items with no expenses, or the ones that only have interest, that's money that hasn't been moved in a long time. There might be some assets that are available for either that specific use or maybe take a look to see what we can do but they are idled assets. The second thing we like to take a look at is the last number on the bottom page is the fund balance to see if there are any negative numbers to be corrected or if there is money growing in one direction. Like I said again, in the non-major programs we like them to always approach zero as far as the money being spent accordingly. As you look through the report if you have any questions please let me know. These are a bunch of programs that have been idle.

Alderman Anglace: Please look on page 99 which deals with the schedule of debt limitations and it shows under the school construction grants receivable and under schools it doesn't show anything receivable, but I understand that we have as much as \$5.1 million that is receivable from the State of Connecticut and has not come in because the Board of Education has not filed the necessary paperwork to the State to refund the money despite numerous reminders. How come it's not showing in there?

Dave Cappelletti: Just to back up a little bit, under the modified accrual basis of accounting we only recognize assets and revenues when they are received within a reasonable amount of time, usually between 60 and 90 days after year end. Since the funds are not being received it would normally be called a receivable, so that is why they are not included in the general fund balance. The general fund balance, although it says \$89,000, you do have the potential for it to be larger. It's just that there are receivables that we are not allowed to record under governmental auditing standards. If you look at Schedule 14, there is an old, well it's not old but it's used, but it's the schedule of debt limitations. I will just go back 20 years ago or so; the state had a School

Construction Program. How that worked years ago, what they wanted the school to do is to go and bond for the program and then as the bond is paid the state would reimburse them for a portion of that payment. Over the years, the state realized that it was very expensive to do. It took a lot of expenses to collect and keep track of all the towns and all the school districts' bonding, so nowadays when we do School Construction Programs, they are no longer bonded and reimbursed, they just give you the money. They basically said you go out and bond and when the bond is due, we will pay for that bond. To answer your question, that is that line. How much school construction do you have outstanding and then how much will the state reimburse? Nowadays they aren't reimbursing those anymore.

Alderman Anglace: Dave, our City Treasurer, Ray O'Leary is here tonight, and I believe he has some questions.

Ray O'Leary: I already asked them to Dave and part of mine were in the findings and we don't have the findings. My questions were around the \$2.6 million and Dave explained it to me on how we got from 2018 through 2019 and to 2020 and how the deficit accumulated. He did explain it and I also need to look at the findings.

Alderman Anglace: You have no further questions?

Ray O'Leary: No. I think we are okay. My questions will be in the findings.

Alderman Anglace asked if any members of the Board or members of the public had any questions for Mr. Cappelletti. There being no further questions he thanked Mr. Cappelletti for attending and giving his report.

ADJOURNMENT

Alderman Anglace MOVED to adjourn the Regular Board of Aldermen meeting.

SECONDED by Alderman Balamaci.

A voice vote was taken and the motion passed unanimously.

Meeting adjourned at 8:20 p.m.

Respectfully Submitted

Theresa Adcox

Theresa Adcox

Board of Aldermen Clerk

DATE APPROVED _____ BY: _____

Mayor Mark A. Laretti