

**TOWN COUNCIL
TOWN OF SOUTH WINDSOR**

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March 21, 2016

**TOWN COUNCIL – REGULAR MEETING
COUNCIL CHAMBERS – SOUTH WINDSOR TOWN HALL**

1. Call Meeting to Order

Mayor Delnicki called the Regular Meeting to order at 7:02 p.m.

4. Roll Call

Members Present: Mayor Thomas Delnicki
Deputy Mayor Carolyn Mirek
Councilor M. Saud Anwar
Councilor William Carroll
Councilor Edward Havens
Councilor Lisa Maneeley
Councilor Liz Pendleton
Councilor Matthew Riley
Councilor Janice Snyder

Also Present: Matthew B. Galligan, Town Manager
Keith Yagaloff, Town Attorney

Mayor Delnicki informed the Council and the public that Senator Larsen, Representative Aman and Representative Currey all are unavailable to make it to the meeting tonight. April 4, 2016 has been designated to have them come to the Council and discuss the crumbling foundation issue. Mayor Delnicki also stated that there are two public hearings scheduled for tonight at 8:00 p.m. and 8:30 p.m.

5. Public Input

Ms. Elizabeth McGuire, 89 Heritage Drive came before the Town Council explaining that at the previous meeting on March 7, 2016, Councilor Anwar was speaking and another member of the Council was making negative comments. No members should be allowed to make unsolicited comments when another member has the floor. This violates the rules that govern official meetings and is very disrespectful. Every member has the right to be heard and the Mayor has the responsibility to make sure that happens. Ms. McGuire urged the Council to make a decision on the establishment of a committee regarding the crumbling foundation issue.

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5. Public Input

Mr. Garvin Boudle, 130 Stonefield Trail informed the Council that his foundation was poured by JJ Motes. There are only three houses that do not have a damaged foundation. The cost to fix his foundation is \$150,000. This issue is going to have a huge impact on the tax base and the company, JJ Mottes, is still using the same mixture that was used on his foundation. A previous resolution was denied that would have required the producer of the foundation to be identified on a building permit when foundations are being poured. That was a great idea. The government needs to take this seriously and do something to help its residents.

Mr. Andy Paterna, 301 Strawberry Lane requested that the Council act on the resolution to help residents in Town with their crumbling foundations. Mr. Paterna informed the Council that the Town of South Windsor has been designated as having locally important farmland soils. The Mayor needs to sign the letter and sent it back to the State of Connecticut. This is a positive step moving forward in preserving farmland in South Windsor.

Mr. Bob Marigliani, 22 Evans Crossing stated that a resolution is a good first step and requested the Council to approve the resolution establishing a committee regarding the crumbling foundations.

Mr. Steve Albert, 233 Fairview Drive said he is in support of the resolution regarding the crumbling basements and hopes for the Council's support tonight. Mr. Albert requested that the Council look at a process for tax relief for residents that are affected by this issue as well as a process that will help residents go through the process of having additional review of the foundations.

Ms. Nancy Yario, 22 Andreis Trail explained that she has had this problem for a long time. It is frustrating when taxes are paid and government is not partisan for the residents of the Town. This is a huge issue that needs to be addressed.

Ms. Nancy Ainsworth, 96 Stonefield Trail stated that one thing that concerns her is that there are very few people registered with the State of Connecticut, Department of Consumer Protection. The questions asked are very detailed and in some cases very personal which may be one of the reasons so few people are

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5. Public Input

registering. The other item of concern is that individuals who are purchasing homes in South Windsor are not being informed about this crumbling foundation issue. If a committee is established, the committee should consider identifying all of the homes that are affected by this issue.

Mr. Gary Efronson, 17 Paper Chase explained that he has been dealing with this problem since 2005. He had had an expensive repair done through a Structural Engineer who is involved in commercial repairs of garages and bridges. The repair went well, but unfortunately the foundation still has this disease. It is hard to get the number of people affected by this because there are many people that do not want to come forward. This is a problem that is not going to get better and it has to be dealt with.

Deputy Mayor Mirek made a motion to suspend the rules in order to go to Item 13. H. on the agenda. Councilor Anwar seconded the motion; and it was approved, unanimously.

13. Unfinished Business

H. Resolution Establishing a Temporary Committee to Address the Disaster of Crumbling Foundations in South Windsor

WHEREAS, it is in the best interest of the Town of South Windsor and its citizens to actively address homes and foundation problems due to defective concrete; and

WHEREAS, it is the best interest of the Town and its citizens to work together to protect existing homes and homeowners and future homes and homeowners from the challenges caused by crumbling foundations and basements; and

WHEREAS, the challenges at the level of the local community in South Windsor are very substantial, there is an acute need to have a committee based in South Windsor to help identify the true impact of the collective effect to the Town and help in studying solutions to the disaster locally; and

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ITEM:

13. H. (Continued)

WHEREAS, it is determined that it is in the best interests of the Town that a temporary committee to address the disaster of crumbling foundations in South Windsor be formed pursuant to the following:

1. The committee shall consist of four (4) members who shall be appointed by the Town Council. One member shall be the Town Manager, who will serve as Chairperson of the committee. One member shall be the Mayor or his/her designee who shall serve as the Vice-Chairperson of the committee. One additional member of the Town Council shall serve as Secretary of the committee and shall be a Town Councilor not of the same political party as the Mayor. One member of the committee shall be a member of the community who has been impacted by the crumbling foundations. The Chairperson, Vice-Chairperson and Secretary shall be elected at the first meeting of the committee. The Town Attorney shall serve in an advisory capacity of the committee.
2. The committee shall appoint five additional members from the community who have been impacted by the crumbling foundations and basements, who shall serve as advisory members.
3. The committee shall utilize resources from Town Staff, under the direction of the Town Manager, as needed to accomplish the committee goals.
4. The committee shall be established for a period of three years from the date of the approval of this resolution, unless extended by the Town Council.
5. The committee shall have the following duties and responsibilities:
 - a. Lobby at the State and if needed, the Federal level, on behalf of the residents and business owners of the Town of South Windsor who have experienced financial losses due to crumbling foundations and basements.
 - b. Assist in educating South Windsor residents about the current status of the disaster within the Town of South Windsor.

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ITEM:

13. H. (Continued)

- c. Develop a plan to help prevent a similar disaster from occurring in the future.
 - d. Educate South Windsor residents about which methods are most effective in dealing with the foundation and basement issues, and about which methods are ineffective or less effective, as well as provide South Windsor residents with information to avoid businesses who are preying upon the victims of the disaster.
 - e. Identify appropriate Federal and State incentive and grant programs that provide opportunities for helping those affected by the disaster.
 - f. Develop a resource and support system with the Town to help those affected at the various levels of the impact of the disaster.
 - g. The committee shall serve in an advisory capacity only and its recommendations shall not bind the Town to take any specific action or require that it appropriate any funds.
6. All of the meetings and records of the committee shall be in compliance with applicable State Statutes, the Town Charter and Town Ordinances.
7. A status report shall be provided by the committee to the Town Council on a quarterly basis or as may be directed by the Town Council.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the South Windsor Town Council hereby establishes said Temporary Committee to address the disaster of crumbling foundations in South Windsor, provide advice to the Town Council regarding ways to address the challenges of the crumbling foundations and basements in South Windsor, and make recommendations in accordance with the duties and responsibilities set forth herein.

Was made by Councilor Anwar
Seconded by Mayor Delnicki

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ITEM:

13. H. (Continued)

Councilor Anwar explained that since the last meeting this resolution has been worked on collaboratively to establish a resolution that could be supported unanimously. This is the first step to address some of the problems. South Windsor may be the first Town to establish a committee for this issue and hopefully there will be similar efforts by other Towns that have been affected by this problem.

Councilor Maneeley explained to the public that this resolution was tabled at the last meeting, not to delay action, but in order to allow the Town Manager to provide input, allow the Town Manager to weigh in on the use of Town staff, allow the Town Attorney to inform Council members of any ramifications from the resolution; to allow all Council members to become familiar on all of the facts, to allow the gathering of more information including the names of those affected, allow the Connecticut State Legislators to vote on HB5522 which was approved, to provide education to the speakers, to question companies that say they can fix the crack just by filling them, and to discuss the pro's and con's and maybe a mass mailing to inform the homeowners what they should be looking for.

Mayor Delnicki stated that the whole Council is in favor of giving the residents the help that can be provided by the Town.

Councilor Pendleton apologized to homeowners with crumbling foundations who are sitting in the audience listening to the political posturing that is going on. This problem is about the homeowners and Councilor Pendleton said she would support this resolution for those that are affected by this issue.

Councilor Havens stated that the Town will do everything it can but the bottom line is who is going to pay for this problem. The homeowners should be reimbursed for this problem.

Mayor Delnicki called for a vote on the motion; it was approved, unanimously.

Deputy Mayor Mirek made a motion to suspend the rules in order to go to Item 13. F. on the agenda. Councilor Maneeley seconded the motion; and it was approved, unanimously.

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ITEM:

14. New Business (*Continued*)

Mayor Delnicki recused himself from this item.

F. Resolution Regarding Metropolitan District Commission (MDC) and Concerns of South Windsor Community

WHEREAS, water is vital to our existence and that of plants, animals and our environment; and

WHEREAS, we are fortunate that in our State we have access to safe and clean drinking water and sanitation; and

WHEREAS, our water sources are subject to pollution from industrial, agricultural, sewage and storm water runoff; and

WHEREAS, there are significant costs incurred in maintaining adequate supplies of safe and clean drinking water, which costs are borne by customers; and South Windsor residents have been obligated by water companies to pay not only for the cost of safe water, but also for the cost of maintaining the water supply infrastructure; and

WHEREAS, there are approximately 1,800 South Windsor homes which depend upon Metropolitan District Commission (MDC) for their water; and MDC imposes a "surcharge" which had increased manifold over the past few years, and municipalities have engaged in litigation against MDC to ensure that such surcharges are reasonable; and

WHEREAS, MDC customer fees should be directed at ensuring a reliable source of clean water and stable water delivery infrastructure; and

WHEREAS, MDC has announced a plan to sell water to Niagara Bottling, at a discounted rate; and to divert valuable water supplies paid for by MDC customers to this bottling business venture which will be subsidized by MDC customers; and

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ITEM:

13. F. (Continued)

WHEREAS, MDC's business venture with Niagara Bottling includes the construction of a 443,0000 square-foot water bottling plant in Bloomfield and the diversion of up to 1.8 million gallons of water per day; and

WHEREAS, MDC has a legal obligation to put its customers needs first and foremost, rather than its desire to sell customer subsidized water to a private business

NOW, THEREFORE, BE IT RESOLVED that the South Windsor Town Council, on behalf of its MDC water customers, directs the Town Manager to contact the MDC Board urging them to develop a priority plan for customers in a situation of drought, where the residential customers are given priority over any for-profit venture, and the cost of water to any for-profit entity should not be less than what is being charged to the South Windsor residents; and

BE IT FURTHER RESOLVED that the South Windsor Town Council, on behalf of the MDC water customers, directs the Town Manager to contact the Governor and State Elected Officials to seek legislation prohibiting MDC from diverting customer subsidized water to a private business; prohibit MDC from depleting valuable water resources; ensure that MDC meets its customer obligations to ensure safe and clean drinking water; and maintain the water supply infrastructure.

Was made by Councilor Anwar
Seconded by Councilor Havens

Councilor Maneeley raised a point of order stating that Item 13. E. needed to be voted on prior to further action on Item 13. F.

- E. Resolution Removing from the Table a Resolution Regarding Metropolitan District Commission (MDC) and Concerns of the South Windsor Community (*Resolution Tabled at the March 7, 2016 Regular Meeting*)**

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ITEM:

13. E. (Continued)

BE IT RESOLVED that the South Windsor Town Council hereby removes from the table a resolution regarding Metropolitan District Commission (MDC) and concerns of the South Windsor community.

Was made by Councilor Maneeley
Seconded by Councilor Snyder
The motion was approved, unanimously

Council members resumed with Item 13. F.

There were presentations from experts from the MDC, questions from Council members and lengthy discussions held regarding Item 13. E.

At 8:00 p.m. Deputy Mayor Mirek recessed the Regular Meeting in order to hold a public hearing. The Regular Meeting reconvened at 8:09 p.m.

At 8:30 p.m. Deputy Mayor Mirek recessed the Regular Meeting in order to hold a public hearing. The Regular Meeting reconvened at 8:39 p.m.

Councilor Anwar felt that these discussions have met the concerns that this resolution would have addressed and he withdrew this resolution.

6. Environmental Health & Safety Message

Mayor Delnicki informed the public that the Town does not have any concerns about lead in the drinking water at the schools.

Councilor Anwar stated that there is part of South Windsor where there is a very high lead levels in water. Councilor Anwar then stated that anxiety and mold are two of the health issues associated with the crumbling foundation issue.

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7. Adoption of Minutes of Previous Meetings

BE IT RESOLVED that the South Windsor Town Council hereby approves the Minutes of the following Town Council Meetings: Public Hearing Minutes of March 7, 2016; Special Meeting Minutes of March 16, 2016; and Regular Meeting Minutes of March 7, 2016.

Was made by Councilor Deputy Mayor Mirek
Seconded by Councilor Maneeley
The motion was approved, unanimously

Verbatim Minutes were requested for the Regular Meeting Minutes of March 7, 2016 regarding the crumbling foundation issue.

8. Public Petitions

None

9. Communications from Officers and Boards Directly Responsible to Council

None

10. Reports from Standing Committees

None

11. Reports of Temporary Committees

None

12. Consent Agenda

Councilor Carroll and Councilor Pendleton made a motion to approve Agenda Items 13. A. through 13. D. as the Consent Agenda. Councilor Anwar seconded the motion; and it was approved, unanimously.

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ITEM:

14. New Business (Continued)

*** A. Resolution Reappointing Peter DeMallie (U) to the Central Regional (Tourism) District**

BE IT RESOLVED that the South Windsor Town Council hereby reappoints Peter DeMallie (U) to the Central Regional (Tourism) District for a term ending September 1, 2018.

(Approved by Consent Agenda)

*** B. Resolution Appointing Teri Parrott (R) to the Demolition Delay Committee**

BE IT RESOLVED that the South Windsor Town Council hereby appoints Teri Parrott (R) to the Demolition Delay Committee for a term ending December 31, 2016 to fill the unexpired term of Lavina Wilson.

(Approved by Consent Agenda)

*** C. Resolution Appointing Kathy Hale (D) to the Mass Transit and Highway Advisory Commission**

BE IT RESOLVED that the South Windsor Town Council hereby appoints Kathy Hale (D) to the Mass Transit and Highway Advisory Commission for a term ending November 30, 2017 to fill the unexpired term of Mary Justine Hockenberry.

(Approved by Consent Agenda)

*** D. Resolution Appointing David Starr (D) an Alternate to the Economic Development Commission**

BE IT RESOLVED that the South Windsor Town Council hereby appoints David Starr (D) an Alternate to the Economic Development Commission for a term ending November 30, 2019 to fill the expired term of Mary Justine Hockenberry.

(Approved by Consent Agenda)

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ITEM:

14. New Business

- A. Discussion Item: Crumbling Foundations (State Senator Tim Larson, State Representative Bill Aman and State Representative Jeff Currey to be present) (*requested by Councilor Anwar and Mayor Delnicki*)**

Mayor Delnicki informed the Council that State Senator Tim Larson, State Representative Bill Aman and State Representative Jeff Currey could not make this meeting tonight. They will be coming to the April 4, 2016 Town Council meeting.

- B. Resolution Approving Participation in CREC Captive Insurance Program**

WHEREAS, the Town of South Windsor maintains a self-insurance program for health insurance coverage of Town of South Windsor employees and South Windsor Board of Education employees; and

WHEREAS, it is determined that it is in the interests of the Town of South Windsor and the South Windsor Board of Education to procure a stop loss policy to mitigate the Town of South Windsor and South Windsor Board of Education's exposure to large loss claims, and that savings maybe achieved by procuring such stop loss coverage through its membership in a new Connecticut-domiciled captive insurer to be created by the Capitol Region Education Council (CREC) and a number of other participating municipal entities

NOW, THEREFORE, BE IT RESOLVED that the South Windsor Town Council hereby approves the procurement of a stop loss policy to mitigate the Town of South Windsor and South Windsor Board of Education's exposure to large loss claims through a new Connecticut-domiciled captive insurer to be created by the Capitol Region Education Council (CREC) (the "Captive"); and

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ITEM:

14. B. (Continued)

BE IT FURTHER RESOLVED that Matthew B. Galligan, Town Manager is authorized to take any and all actions necessary or desirable to procure the insurance as described above.

Was made by Councilor Riley
Seconded by Councilor Anwar

Mr. Galligan explained that this is something that 19 Towns will be involved in of regionally purchasing captive stop loss insurance. A lot of the Town's have self insured programs so all these Town's have to go out and buy stop loss insurance. Some of the stop loss insurance is very high and at the same time it is hard to purchase as an individual. It was found that when you combine insurance policies and looked at the claims, the policy and premium is approximately \$9 million dollars on 19 Towns and the claims are about \$2.5 to \$3 million dollars. Towns are overpaying on the captive stop loss insurance so the idea was to try to get this up and running by July. After the first year there would be approximately \$150,000 savings that would be saved by each Town. A grant was applied for through CRCOG. If other Town's would like to participate they would join at a different rate. Mr. Galligan stated he feels this is a great program and is something South Windsor should do.

Councilor Riley stated he would support this resolution. This type of arrangement could really benefit the Town, but there are instances where this type of arrangement has gone bad. Can the Town's look to limit participation? Mr. Galligan explained that the number can be limited. The Town's would have to be evaluated before they are allowed to participate.

Councilor Anwar questioned how much would be saved? Mr. Galligan stated that on an average it is \$160,000 per Town but it will be based upon the number of employees and the number of people in the program. This year it will be level funded if the grant is not received but will see a savings the following year.

Councilor Anwar asked if there is an understanding of the risk. Mr. Galligan explained that any Town that wanted to be involved had been evaluated so the risk is understood.

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ITEM:

14. B. (Continued)

Councilor Anwar informed the Council that he would be supporting this resolution because he feels this will benefit South Windsor taxpayers.

Answering questions from Mayor Delnicki, Mr. Galligan explained that the Captive Board would leave that savings in an account to build up the account to make sure that when the budget comes in those savings are used to offset the cost that come in the future. Right now the Town's involved have a population of 15,000 to 40,000.

Mayor Delnicki stated he feels it is a great idea and is in support of it.

Mayor Delnicki called for a vote on the motion; it was approved, unanimously.

C. Resolution Setting a Time and Place for a Public Hearing to Receive Citizen Input on the Appropriation of \$164,726.66 of LoCIP Funds for the EOC/Town Hall Annex

BE IT RESOLVED that the South Windsor Town Council hereby sets **Monday, April 4, 2016 at 8:00 p.m.**, in the Council Chambers of the South Windsor Town Hall, 1540 Sullivan Avenue, South Windsor, Connecticut as the time and place for a Public Hearing to receive citizen input on the appropriation of \$164,726.66 of LoCIP funds for the security systems and construction of the driveway and sidewalks at the EOC/Town Hall Annex.

Was made by Councilor Pendleton

Seconded by Councilor Anwar

The motion was approved, unanimously

D. Resolution Authorizing Town Manager, Matthew B. Galligan to Amend and Update the Management Defined Contribution Plan and Library Defined Contribution Plan

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ITEM:

14. D. (Continued)

BE IT RESOLVED that the South Windsor Town Council hereby authorizes Town Manager, Matthew B. Galligan to amend and update the Management Defined Contribution Plan and Library Defined Contribution Plan to reflect a retirement age of 60 rather than 62.

Was made by Councilor Snyder
Seconded by Councilor Anwar

Mr. Galligan explained that the Town's 401 plan says when you become 59 ½ you can retire and get your money. The Library's plan said retirement age is 62 so they could not get their money. So the Town is taking the age from 62 to 60 to match all of the other plans in the Town. It will not increase any cost to the taxpayers because the plan is a 401 which is the employee's money.

Councilor Riley stated he would support this because there is no incremental cost to the taxpayer.

Mayor Delnicki called for a vote on the motion; it was approved, unanimously.

E. Resolution Approving a Refund of Taxes to Seventeen (17) South Windsor Taxpayers

BE IT RESOLVED that the South Windsor Town Council hereby approves a refund of property taxes to seventeen (17) South Windsor Taxpayers, the total of said refund being \$2,926.55 and as more fully described on attached **Exhibit A.**

Was made by Councilor Anwar
Seconded by Councilor Pendleton
The motion was approved, unanimously

F. Discussion Item: Ordinance Providing for Preference to Town Based Bidders (requested by Mayor Delnicki)

Mayor Delnicki explained that he attempted to get an Ordinance passed back in 2006 but at the time there was not enough support of the Council. Mayor

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ITEM:

14. F. (Continued)

Delnicki stated he wanted to bring this forward again to see if there is support of the Council. The Town has the Town businesses paying taxes and there are few times that Town businesses win a bid. There have been opinions by Town Attorney Guliano and Halloran & Sage, both felt the Town could have a Bid Preference Ordinance. Murtha Cullina stated the Town could not have a Bid Preference Ordinance. Mayor Delnicki requested that the current Town Attorney reviewed this issue and has given the opinion that the Town can do a Bid Preference Ordinance. There are other Town such as Rocky Hill, Stonington, Old Saybrook, Wethersfield, Sprague, Seymour, New Haven, West Haven, North Haven, Hamden, Bridgeport, Farmington, Middletown, Norwich, Windham, Canton, Waterbury, Winchester, Wallingford, Bristol, New London, Hartford, Tolland, and Monroe that have Bid Preference Ordinances. This will not cost the taxpayers anything. Conceptually looking at a 3% difference for a preference. Mayor Delnicki questioned Council members if they would be in support of the creation of a Bid Preference Ordinance.

Deputy Mayor Mirek said that she really likes this idea because South Windsor is a business friendly community. Individuals who have businesses here will be more passionate about getting a job in South Windsor.

Councilor Anwar questioned if there are State restrictions around this? Town Attorney Yagaloff explained that the Charter has created some complexities. Town Attorney Yagaloff stated that he believes the Town is able to create an Ordinance that would allow the Town to bid through the State bidding process and the Regional bidding process and not have to do the publication in the local newspaper. If the Town Council would like to pursue that, a legal opinion could be written. In regards to the local preference, Town Attorney Yagaloff also believes the Town could do that even though the Charter requires lowest responsible bidder. It has been interpreted that the bidding process is for the benefit of the Town, not the bidder and the Town has the right to impose some modifications of that concept of lowest responsible bidder so long as it does not involve issues of fraud. The purpose is to protect the process from fraud and abuse but the purpose of the Ordinance is not to protect the bidders, it is to protect the municipality. So if the municipality feels that local preference is an advantage and the municipality

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ITEM:

14. F. (Continued)

wants that, they can do that so long as the mechanism does not invite fraud or undue influences. The Ordinance would have to match the Charter and comply with State law. The successful Ordinances are less than 5% and a number of Town's are doing it at 3%. The local bidder has to match the lowest bid, they don't get the 3% adjustment but the local preference is something that is permitted. Town Attorney summed his comments up by saying, it is his opinion that the local preference is permissible under the Town's Charter and under the State Statute and that the Town can also bid in a separate Ordinance through Regional and State bidding. There is no statutory restriction for local preference.

Mr. Galligan stated that the Town had been using State bids for years. The Town saves time and money if the State bids are used. The Town gets very excited when a local bidder is used for a project. Do not want local bidders to stop bidding because they don't think they will get a bid. Mr. Galligan said he would not have a problem with this as long as it is done by Ordinance, it is transparent and it is in the bid document of what the requirements are. It would be a benefit to the Town to have these Ordinances.

Councilor Anwar felt that the unintended consequences should be explored. Mr. Galligan explained that when bids go out, it is an open public document and the Town Council does not control the bids, Town staff does. There are a lot of Town's doing this now and they are getting the bids. Mr. Galligan stated that he feels the 3% range is fine.

Town Attorney Yagaloff stated that South Windsor requires sealed bids and it is the lowest responsible bidder. The business that is bidding has to be qualified for the job. If the Ordinance is written correctly, there is no opportunity for fraud or abuse of the bidding process. Mr. Galligan explained that just because a local bidder comes within 3% does not mean they will get the bid unless they are qualified.

Councilor Anwar said after getting the various answers he has received, he would be open to looking at this.

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14. F. (Continued)

Mayor Delnicki informed the Council that Rocky Hill actually has the Ordinance in their bid document.

Councilor Maneeley questioned if the Town received three bids that are all local that are in the 3% range, how would a certain business be chosen? Town Attorney Yagaloff explained that as long as they are responsible bidders, it would be the lowest bid.

Mayor Delnicki questioned Councilor Maneeley if she would be receptive to this idea? Councilor Maneeley stated she would.

Councilor Riley stated he is receptive to this idea because he likes the idea of supporting the businesses in the community who are paying taxes particularly since other Town's are already doing this. Councilor Riley questioned how the Town would establish what businesses are local? Town Attorney Yagaloff stated he would look at other Town's definition, but would revise it for South Windsor's use.

Answering questions from Councilor Carroll, Mr. Galligan explained that the State goes out and does Statewide bids on certain products. The Town will go through that and know that some of the products are not offered by local bidders so the State process could be used. There would be one Ordinance to do the Regional aspect and another Ordinance to do Preference Bidding.

Councilor Carroll requested that if the Town uses an outside contractor to do a project, outside contractors should be aware of the local preference bidding. Town Attorney Yagaloff explained that they would still have to use the Town's Charter and Ordinance.

Councilor Carroll stated he would support the Ordinance.

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14. F. (Continued)

Councilor Pendleton stated that she is shocked that this is even up for discussion. The Mayor has stated in the past that he does not like to create Ordinances. Councilor Pendleton questioned if this could be done through a policy? Town Attorney Yagaloff explained that the Charter says that the bidding process shall be made by Ordinance. If this process was done by a policy, the Town would be open to fraud.

Councilor Pendleton requested that before bringing anything forward for a vote, the Town Attorney should review the various communities that already have an Ordinance in place along with the Town's Charter to make sure the Ordinance is specific to South Windsor.

Councilor Snyder felt that this is a great idea and she would support it. If there are State monies involved in any of the RFP's or contracts, the State does not allow preference for bidding. Town Attorney explained that if the Town participates in a State bid then the Town is obligated to use the State bidding process, not the Town's Ordinance. Councilor Snyder said the Town should be able to use State bids which will save the Town time and money. Councilor Snyder stated she would like to see both Ordinances drafted.

Councilor Anwar questioned when would the Town use the State process and when would the Town use the Local Preference? Town Attorney explained that there will be one Ordinance that will allow the Town to utilize the State Bidding Process or the Regional Process. The other Ordinance will be a Local Preference Ordinance. If there is a local bidder that sells salt, they usually go to the State Bidding process. The Town can not use the Local Preference Ordinance when bidding through the State. The Town would use the State Bidding Ordinance. The bidding processes are for the benefit of the Town, not the bidders so the Town can choose to use the State bidding process if that is a benefit to the Town. By resolution the Town Council could direct the Town Manager what to bid through the State process and what to bid through the Town process.

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14. F. (Continued)

Mr. Galligan explained that when the Town looks at bids, there is no company in South Windsor that can supply gasoline and diesel so that would be something that the Town would look at the State process for. When looking at road construction or landscaping projects, those type of projects would be put out to bid and use the Local Preference.

Mayor Delnicki stated he is not looking to micro manage the Town Manager. It should be his decision which process the Town should use for each item or project. There seems to be consensus for the Town Attorney to draft both Ordinances and bring them back to the Council for review.

G. Discussion Item: Virtual Net Metering Project *(requested by Town Manager, Matthew B. Galligan)*

Mr. Galligan explained that the Town has looked at this previously. The company that the Town is looking at has one or two solar farms where they are supplying energy credits to a couple of Towns. They would give the Town 85% of the credits with no escalation clause. There is a third solar farm being constructed in East Windsor. Mr. Galligan explained that this type of project would allow the Town to reduce the overall cost of energy.

Mr. Wagner, Chairperson of the Energy Committee made a statement regarding Virtual Net Metering for the Town of South Windsor, as shown in attached **Exhibit B**). Mr. Wagner explained further that it would cost the Town between \$5,000 to \$10,000 to have an RFP prepared. There is real savings involved which could be between \$50,000 to \$60,000 per year. Mr. Wagner encouraged the Town Council to get involved in this process. The Energy Committee has not heard about this project yet but in the past has expressed interest.

Mr. Galligan stated that this proposal was much better then proposals he had seen in the past. There would be no commitments at this time but putting an RFP out would allow the Town the ability to review this project. Mr. Wagner added that there are other Town's that are reviewing this.

(Discussion Continued on Next Page)

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14. G. (Continued)

Mayor Delnicki stated that all of the leg work has been done and questioned what would be the purpose of an RFP. Mr. Galligan explained that due to the Charter he would be more comfortable doing an RFP because it would be more transparent. The Town Attorney could review this to see if an RFP is necessary. Mayor Delnicki stated he would like an opinion on this.

After reviewing the process of the project and having various questions answered, Councilor Riley stated he felt it would be something worth pursuing. This project does not have development risk to get it up and running, on-going performance risk, maintenance risk or capital expenditures risk.

Councilor Pendleton questioned why South Windsor can not build a solar farm facility on Town owned property? Mr. Wagner explained that there is nothing that could prevent the Town from doing a project on Town owned property if the State reauthorizes the program on a Town site. Right now this seems to be the best opportunity to use something that somebody has shovel ready. Part of the cost is leasing the right to use the land.

Councilor Pendleton explained that her concern is that if South Windsor does choose to do this project in East Windsor, can South Windsor get out of this project down the road if something better comes along? Mr. Wagner stated no because South Windsor would sign a 20 year contract. Mr. Galligan stated that if something came up the Town could lease property and put the savings towards the Board of Education accounts.

Councilor Pendleton asked if the cost to go out to RFP is \$5,000 to \$10,000. Mr. Galligan explained that it is through Attorney Mondschein but the Town could shop around for a better price.

Councilor Pendleton questioned if the savings to the Town would be \$1.5 million dollars? Mr. Wagner explained that the savings would be \$1.5 million dollars over 20 years.

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14. G. (Continued)

Council members discussed the accounts that would benefit from this endeavor. Mr. Wagner said there are ten accounts that would absorb this. Councilor Pendleton said she would support this and felt this would nice for the Town to do a project like this in Town in the future.

Answering further questions, Mr. Wagner explained that the credit is based on Kwh and is running around 15¢. As the portion of the transmission distribution decreases over the first three years there will be a period of time where 85% is less than 12¢ a Kwh so we probably will be paying 12¢ a Kwh for three years and then assuming the rates continue to go up, the Town would go back to paying 85%. If South Winsor is not careful about which accounts are used, South Windsor could end up owing the company the credit for things we did not get a credit for. Mr. Galligan stated that Clay Major and Patrick Hankard would have to keep an eye on the accounts and if they needed to change something that would have to be done.

Councilor Carroll suggested that VMP be used if it produces enough electricity during the summer months when the schools are shut down.

Mr. Wagner stated he would email the list to the Council to show what is being used.

Councilor Anwar voiced support for this project which will save money for the taxpayers.

Councilor Riley asked if the transmission and distribution is where the 80/60 is being applied. Mr. Wagner answered yes. Councilor Riley then questioned if the generation escalation is 2%? Mr. Wagner said he believed it is 2%.

Town Attorney Yagaloff suggested that the Town use an RFP that has been utilized by another Town. The real issue is to review the contracts to make sure the Town will not get hurt. All of the risk and liability is going to be determined by the contracts. If you want to waive competitive bidding just to see what it is going to look like you could do that. If you want to use an RFP,

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14. G. (Continued)

the Town could use one that has been used for other communities. There is a cost for the review of the contracts to make sure the risk and liabilities are accurate for South Windsor. The Town could limit the cost by limiting the scope of the review to the highly specialized information.

Mr. Wagner felt that out of fairness to other bidders an RFP may want to be considered.

Mayor Delnicki stated that there seems to be consensus to move forward with reviewing a project like this. The only thing being questioned is if the Town will go forward with an RFP.

15. Passage of Ordinance

None

16. Communications and Reports from Town Manager

Mr. Galligan informed the Council that he would be testifying on March 22, 2016 on the 2 ½% cap.

17. Public Input

None

18. Communications and Petitions from Council

Deputy Mayor Mirek thanked and congratulated the South Windsor Police Department, especially Corporal Ron Littell for efforts made with fund raising for Special Olympics Connecticut.

Without having unanimous consent of the Council to extend the meeting past 11:00 p.m., the meeting adjourned.

Respectfully submitted,

Deborah W. Reid
Deborah W. Reid, Clerk of the Council

TAX REFUNDS

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Exhibit A

Case, Betsylynn 656 Chapel Road South Windsor, CT (Sold 5/15) 14-503662	24.48	Cross, Peter S 1909 W.39 th Street, Apartment B Austin, TX 78731 (Out of state registration TX 5/15) MV14-504977	71.99
Ellison, Shawn 23 Amato Dr, Apt. C South Windsor, CT (Sold 8/13) 13-506997	111.15	Landry, Chris M 3 Arrowwood Circle South Windsor, CT (Overpayment) MV14-513149	10.60
Marrero, Yajairo 22 Nancy Drive South Windsor, CT 06074-4246 (Total loss 8/14) MV13-515002	89.13	Nissan, Infiniti LT Tax Operations, P.O. Box 650214 Dallas, TX 75265-0214 (New owner 12/14) MV14-516815	196.95
Nissan, Infiniti LT Tax Operations, P.O. Box 650214 Dallas, TX 75265-0214 (New owner 12/14) MV14-516918	356.63	Nissan, Infiniti LT Tax Operations, P.O. Box 650214 Dallas, TX 75265-0214 (New owner 12/14) MV14-516757	389.88
Nissan, Infiniti LT Tax Operations, P.O. Box 650214 Dallas, TX 75265-0214 (Turned in lease 8/14) MV14-516882	464.79	Nissan, Infiniti LT Tax Operations, P.O. Box 650214 Dallas, TX 75265-0214 (Sold 12/14) MV14-516748	395.73
Nissan, Infiniti LT Tax Operations, P.O. Box 650214 Dallas, TX 75265-0214 (Sold 3/15) MV14-516841	217.05	Pichette, Robert W 352 Beelzebub Road South Windsor, CT 06074 (Replaced 11/14) MV14-518387	79.66
Rodriguez, Robinson A 430 Chapel Road, #016 South Windsor, CT (Sold 5/15) 14-519796	22.65	Simmons, Scott C 26 Sycamore Road South Windsor, CT 06074 (Correction veteran exemption) RE14-9157	109.62
Spiegel, Lawrence & Linda 23 Northview Drive South Windsor, CT (Paid in Waterbury) 14-521957	118.39	Vault Trust 9401 James Avenue S140 Bloomington, MI 55431 (Turned in 2/15) MV14-523921	240.44
Cross, Peter S 1909 W.39 th Street, Apartment B Austin, TX 78731 (Sold 4/15) MV14-504976	27.41		

Mrs. Bonnie F. Rabin, Collector of Revenue Total Refunds: \$2,926.55 Date: 3/21/2016

Statement Regarding Virtual Net Metering (VNM) for the Town of South Windsor

March 21, 2016

Stephen Wagner to the South Windsor Town Council

Virtual Net Metering is a program established by legislatures in Connecticut and other states to

1. Encourage development of large, renewable energy projects,
2. Take advantage of Federal tax credits – currently 30% of installation costs,
3. Provide cost savings to participating municipalities.

Let me try to explain how the program would work for South Windsor, as simply as possible:

1. A company installs a solar project on a municipal, commercial or agricultural site in Eversource's Connecticut territory.
 - a. Typical projects would generate between 2,000,000 and 4,000,000 kWh per year.
 - b. The project does not have to be located in South Windsor or be connected to a Town facility. This is the "Virtual" part of virtual net metering.
2. A municipality, South Windsor in this case, agrees to participate as an off-taker for a certain number of kWh per year.
3. Eversource pays the Town for the electricity the project generates at the retail rate that applies to small businesses and municipal buildings. This is the R30 rate.
 - a. The payment is in the form of monetary credits to offset each month's Eversource electric bill.
 - b. The credits are calculated to include all of the generation costs and a portion of the transmission and distribution charges on Rate 30.
 - c. The credits can be applied to up to 5 or up to 10 Town accounts depending on where the solar project is located.
 - d. South Windsor can easily absorb 4,000,000 kWh's worth of credits and still leave room for energy efficiency improvements and solar installations connected to Town facilities.
 - e. Credits which exceed a given month's bill can be applied to a later month within an annual cycle. This is what is meant by "Net metering."
 - f. The Town continues to buy generation services from its chosen supplier, currently TransCanada.
4. The Town receives a separate bill from the installer at a negotiated rate for the use of the credits.

Exhibit B

- a. Different installers could offer different deals. This could be a fixed rate with escalation or a percentage of the Eversource rate or some other arrangement and is one of several reasons for needing an RFP.
- b. The savings to the Town are the difference between the Eversource credit and the installer's bill.
- c. The installer needs this payment to cover financing, maintenance and operating costs and of course, profit.
- d. If the Town cannot use the contracted kWh in a year, then the Town is on the hook for that amount.
- e. If the project does not generate the contracted quantity of electricity, say due to weather conditions or equipment failures, the Town only pays for what it did produce.

I have spoken to Mike Gantick, the Director of Public works. Unlike a solar installation at a Town facility, a VNM project will have minimal impact on his staff due to its simplicity and lack of direct project management involvement.

To protect the utility, the state has limited the number of VNM projects. Few openings remain.

At least one installer has a project, but we are not the only town they have approached. An RFP would establish whether there are others.

The previous council invited Attorney Brad Mondschein to address this concept on October 19, 2015. At that time we deferred asking him to prepare an RFP. I encourage the current Council to authorize the Town Manager to have an RFP prepared as soon as possible.