

**JOINT MEETING BETWEEN
DERBY BOARD OF ALDERMEN
AND
DERBY BOARD OF APPORTIONMENT AND TAXATION**

DERBY CITY HALL – JULY 12, 2006 - 7:00 P.M.

MINUTES

The Honorable Mayor Anthony Staffieri called the Joint Meeting between the Board of Aldermen and the Board of Apportionment & Taxation to order at 7:00 p.m. All rose and pledged allegiance to the flag.

Roll Call

Board of Aldermen

Present: Kenneth Hughes, Ron Sill, Anthony Szewczyk, Beverly Moran, James Benanto, Joseph Bomba, Kenneth Hughes, Dennis Devonshuk, Matthew DeBarbieri, Scott Boulton

Board of Apportionment & Taxation

Present: Henry J. Domurad, Jr., Carolyn Duhaime, Anthony J. DeFala, Jr., Martin C. Martino, Robert A. Cerritelli, Christopher Carloni, Robert J. Scarduzio, Jr., Robert Bell, Frank E. Lazowski, Sr.

Absent: Julia Romano

Also Present: The Honorable Mayor Anthony Staffieri
Philip Robertson, Chief Administrator
Keith A. McLiverty, City Treasurer
Leo Moscato, Jr., Chairman Derby Municipal Parking Division
Joseph Coppola, Corporation Counsel

PUBLIC PORTION

Dan Waleski, 21 Elm Street, Derby, CT – Both Boards and the Mayor have generated a lot of good will since you've been in office and I thought we could have a little fun with you Ladies & Gentlemen and I brought a little something to present to the Mayor and both boards it's a tool to scratch your heads to solve the enormities of the downtown project. On the opposite side there's a shoe horn to squeeze this ambitious and costly plan into small Derby. May I present it to the Mayor?

Mayor Staffieri – Thank you Mr. Waleski; we'll use it wisely. Anyone else from the public who would like to speak. Mr. Thomas.

Dominick Thomas, Esq. – Cohen & Thomas, 315 Main Street, Derby, CT (Representing John & Patty Allen, owners of Derby Jewelers) – I'm not sure if this is the appropriate

time to address or whether or not it relates to the agenda item. I would defer to whatever is appropriate.

Atty. Coppola – I'd say let it go and do it now.

Atty. Thomas – For the last twenty-four hours, thirty-six hours since I returned from my vacation I've been negotiating with representatives from the City and representatives of the developer concerning the issues that came up. I returned from vacation and was confronted with my partner showing me the headlines of Derby in an emergency situation. I was hopeful that we could have resolved this matter today but I did not get a response until I was driving home actually tonight – to rush home before I came back here – from the developer's attorney. That is one issue. The separate issue is the fact that the adjacent property owner to my client, who has been in ownership of the buildings for a number of years, has let those buildings fall into neglect. No one bothered to put tarp on them; no one bothered to go in there. For some reason the Derby Building Inspector never bothered to go after the owner and force them to keep the buildings up properly. To make sure that water didn't get in, to make sure they weren't rendered structurally unsound. And the buildings now at this point have become so structurally unsound that they are affecting the integrity of my client's building and my client's business and my client's inventory. You of course are the owner. The City of Derby has owned these buildings for a long time. And I have a business in downtown Derby and I've looked across the street at the ownership and I've watched these buildings that I went into as a kid deteriorate. When all you had to do was put tarps on them – go in there and take out what was rotten put some plywood, some 2x4's, 2x8's and it probably would have been structurally sound enough not to cause the problem that they're causing. What I'm asking you right now and I'm not addressing and I'm not going to address the board – I told Atty. Coppola about the issues of our negotiations – I was but we made some progress and I'm hoping that we can resolve it. We're very, very close. But with respect to the issues that have to be dealt with concerning the remediation and removal of the buildings and I stress this – I'm sure you've all read the reports – I've read it and it says J.D. after my name, not P.E. I'm not an engineer but I've done enough projects to know in reading it that there are areas of these other buildings that you can't even get into to remediate; and the engineers say that. As a result of which is the remediation may very well be dangerous to my client's building. I've been told that there may be issues of condemnation – shutting down my client, emergency orders getting out. I'm not going to get into that right now. I'm telling you if it happens my client expects the town, without litigation on our part, to pay for every single penny that he would have to spend, every single penny he will lose by interrupting his business. Because if the building falls down why you're remediating it, if the building falls down and my client's inventory – the jewelry and everything is destroyed – the City of Derby is going to pay. The same way your neighbor would pay if he neglected his tree and it rotted and it fell and fell through one of the rooms in your house. And he would have to pay, or his insurance would have to pay, to reconstruction of your house and to replace what you lost. In this case the individual around it is the City of Derby; the owner is the City of Derby. The neglect is obvious. And the fact of the matter is that for years it could have been prevented if somebody was willing to take the time, go in there, and do basic protection and

remediation to protect those buildings. When you determine what money you're going to pay, and I know there's another active tenant, but my tenant is right in the middle – my client is right in the middle – not tenant, owner – I ask you to keep that in mind. To remember that it's – it's not your fault – you may sit there and say it's the prior administration – whatever – you chose to run for office, you are the City of Derby. And you are the owners and I expect – I hope – that you would take this businessman whose family has been there and been in business for a very long time and treat him with the respect he deserves and make sure that this transition that he's going to have to go through – we know it – is as smooth as possible. Thank you for the opportunity to address you.

Mayor Staffieri – Thank you. Anyone else from the public.

Leo Moscato, 275 Main Street, 285 Main Street, 6 – 10 Elizabeth Street, 34 Lewis Street, Derby, CT – I just want to let you know that there's a majority of the public officials here tonight that were elected. I think you were elected 1.) to protect the people from harm, I believe the City had a room cave in that could have seriously injured or if not kill someone, we've already had a structure fall in the rear on First Street, which many of the merchants downtown still use as a public road. I believe you're here to actually protect the people. I believe you will protect them tonight to get these buildings down. Another thing even if the developer walked in here tonight and said no we're not going to take your bloody land, we don't want it anymore. It's still your obligation and your duty to take these buildings down as quickly and as safely as possible and to protect the people around them. And if not – if you cannot come to a conclusion tonight I would certainly hope that the Mayor have the power of the pen in some kind of executive motion or executive power to sign off and get this thing done. Thank you very much.

Mayor Staffieri – Thank you Mr. Moscato. Anyone else from the public?

Leo Moscato, Sr., Owner with my family of 275 Main Street, 285 Main Street, 6-10 Elizabeth Street, 34 Lewis Street, Derby, CT – As you know I opened up the Olde Birmingham back in 1980 and I put up with that mess across the street for many, many years. And as I travel through the State in my social life I used to be proud to say that I was from Derby; but lately I've been saying I from New Haven County because of the disgrace that we face with downtown Main Street. The buildings have been neglected by past elected officials, not necessarily this particular group, but I'm not pointing at anyone. They have been neglected completely and now they are in a stage of causing a hazard to the public. And as Leo stated it is my opinion as a business man downtown, which I own those buildings and I keep up my buildings right to the (inaudible) it is your responsibility all of you here to make sure that the public hazard is removed and it should be your first priority. And for the people that are involved such as Derby Jewelers and other people there I think they should be treated fair but first concern should be to get rid of the hazards that we have right now and protect the public safety. To keep Derby from further litigation and further liability. Thank you.
Mayor Staffieri – Thank you Mr. Moscato. Anyone else from the public.

Carl Yacobacci, 10 Lombardi Drive, Derby, CT – I was at the Redevelopment meeting last night and heard the figures that were poured over as the asbestos removal could possibly be \$120,000 and the buildings coming down is about \$1 million and if it has to be a “Hot” demolition as they said it could be three to four times that cost – the \$3 to \$4 million dollar range. I know that's what we're here to discuss tonight. I was just wondering if that part of the demolition even if Derby had to pay for it up front is reimbursable by the developer through the PDA that was signed because I know that the town was going to take buildings down where all the expense was getting reimbursed. So even if we have to do whatever we have to do to raise the money is that money then reimbursable at some point in time in the future by the developer?

Mayor Staffieri – Should we answer that now or later? I know that it is a topic that will be answered.

Mr. Yacobacci – If we do it later that's fine.

Mayor Staffieri – Anyone else from the public.

Leo Moscato, Jr. – I respect Carl Yacobacci and what he had to say. Like I said if he were to walk in here tomorrow and say we don't want this property anymore I really don't think the people of Derby right now care if we're going to be reimbursed \$1 million from a developer that's going to come in here or not.

Mr. Yacobacci – That's true. I agree with you.

Mr. Moscato, Jr. – The question is okay – but if there's a danger – whether the developer comes here or ten developers come here the properties need to come down. Thank you.

Mr. Yacobacci – I agree with that.

Bill Steeves, 3 McConney Grove, Derby, CT – Do those buildings have insurance on them? Can they be insured? I'm not even sure if they're insured.

Mayor Staffieri – We have... Mr. McLiverty.

Keith A. McLiverty, City Treasurer – We have insurance on the City buildings.

Mr. Steeves – How about owners of the buildings – do insurance companies actually insure those?

COULD NOT DISTINGUISH ANSWER.

Hearing no one else from the public wishing to address the Board of Aldermen and the Board of Apportionment & Taxation members...

PUBLIC PORTION CLOSED

**DISCUSSION OF CURRENT ENGINEERING REPORT ON THE STRUCTURE AND STABILITY
FINDINGS OF THE SOUTHSIDE OF MAIN STREET – “CURRENTLY THE REDEVELOPMENT ZONE” –
POTENTIAL ASBESTOS HAZARD WITH IMMEDIATE ACTION TO BE TAKEN**

Mayor Staffieri – I would like to read off the chronology of events that have taken place:

June 10, 2006 – Wooden frame addition on 210-218 Main Street collapses.

June 16, 2006 – State Building Inspector, Christopher Laux, inspects the site and submits report. Report requires immediate removal of remaining wooden frame structure at 210-218 Main Street. State Building Inspector also requires the City to engage the services of a structural engineer to evaluate the structural stability of the masonry portions of the wall. (Certified Letter from Christopher Laux to City of Derby Building Official David L. Kopjanski.) **Attached to minutes of meeting.** State Building Inspector also requires the City to engage the services of a structural engineer to evaluate the structural stability of the masonry portions of the City-owned buildings.

June 17, 2006 – Mayor contracts with C&L to remove the wooden frame addition.

June 18, 2006 – Mayor retains Engineering Firm, DESIMONE Consulting Engineers, PLLC from New York City and other parts of the country to evaluate the structural stability of the City-owned properties.

June 27, 2006 – Mayor retains Advanced Environmental Redevelopment to evaluate asbestos within the City-owned properties and to establish estimates of removal and demolition.

July 7, 2006 – Mayor receives report from DESIMONE.

July 7, 2006 – Mayor calls for emergency meeting of the Board of Aldermen and the Board of Apportionment & Taxation.

July 7, 2006 – Mayor calls for the State Building Inspector to arrange a meeting with DESIMONE and the Mayor on Tuesday, July 11, 2006.

July 7, 2006 – Mayor orders the sidewalk closed in front of those structures in the DESIMONE report. Bricks loose with the potential of falling and creating a hazard and liability to the City with the main emphasis on safety – public safety.

Mayor Staffieri – Also I submitted a report regarding Governor Rell issuing a hurricane warning submitted by the National Weather Forecast that this year they're expecting a bad hurricane season, where they basically tell us to "batten down the hatches." So I wanted to put everything on notice. You also have the DESIMONE Engineering report naming all the different properties. Then after yesterday's meeting with the State Building Inspector reviewing the report and reviewing the conversation and also having a conversation with the City Building Inspector, he's on vacation but he left us his cell

number, which the State Building Inspector and us communicated back and forth on a plan that we had to implement. Basically the State Building Inspector if you read this gives us five days to get started. He doesn't want and the City Building Inspector does not want it to be like a City or State or Federal job that we'll get to it and it might be three years down the road. This is to signify the importance of the potential hazard that we have. And it's dated July 11, 2006 on the bottom part, so everything is in motion. We have gotten what we need to do. We have two options – demolish “Hot” or demolish “Not Hot.” Demolishing “Hot” is just knocking down the buildings and then the demolition material gets carted away to Ohio or Pennsylvania where they sort out the asbestos, lead, or other contaminants. That cost is not the way we want to go because it is the more expensive cost – roughly \$3 million to \$4 million and it will not be reimbursable by the contractor. Because under the PDA it states in the PDA that “the contractor will reimburse the City of all reasonable costs.” Atty. Coppola, our corporation counsel, has the PDA here and he can read off to you. So if we do it that way it will be the most expensive way. We do it by remediating first, which we have an estimated cost of \$120,000 to \$150,000 – if we do it that way, plus the demolition roughly comes out to a little better than \$1 million. So what needs to get done quickly, which the Building Inspector has given us time, is roughly 30-45 days to remediate and then demolish afterwards.

Mr. Carloni – What are the timeframes for both projects. Just ripping them down that would take how long and going through all the buildings for everything how long?

Mayor Staffieri – To remediate would take 30 to 45 days. Then after remediation happens then it will be time to demolish. Since we've gotten only one estimate for the demolition part, which is the most expensive we would like to get a couple more proposals. Even though the people that we had gotten the cost from is the one that the developer has brought in past for the demolition to rectify the demolition – the remediation from the past administration – again the developer is going to be paying that dollar. So I'm sure he's not going to look to inflate the cost – he wants someone that he can trust – so he submitted their names.

Mr. Carloni – How long is going to take down the buildings – from the time that we say its okay?

Atty. Coppola – Tonight's meeting is for remediation only. We have some work to do about demolition. Tonight is just for asbestos and contaminants remediation. We don't have time to go out to bid.

Board of Apportionment & Taxation Member – Is the developer offering partial reimbursement if demo “Hot?”

Mayor Staffieri – No. He will only pay back if we do things at a reasonable cost. If we do things in the right frame of business. In the right frame of business you remediate first. If any business was going to knock down a building they would go in and remediate then demolish. But if we choose not to do it that way then we're not going to get the full reimbursement back.

Mr. DeFala – In these forty-five days are we going to be able to relocate the businesses that are occupying the buildings?

Mayor Staffieri – After forty-five days then we will – hopefully they have been given notice, they have a copy of every report; nothing is being held back from them. They have the DESIMONE report, the State Building Inspector's first and second reports – nothing is being held back. They've been advised about what they need to do and that's all that we can really do.

Mr. Sill – As it stands right now we don't know if they can remediate at all or do we know if they can remediate at least half?

Mayor Staffieri – They can remediate most – I believe. There are some parts that are rotted really bad. The remediation company that went in there and the DESIMONE Engineers that you can see it's very obvious it's rotted and falling – and there'll be another situation. It's all in due time. And the day could happen – an event like today where we had the heavy rain, luckily we didn't get any of the wind. It might happen tomorrow or next week...

Mr. Sill – So we begin remediation and let them do as much as they possibly can.

Mayor Staffieri – Correct – under strict orders that they cannot go into any unsafe areas. And the business owner – it's his liability – so I'm sure he's not going to send his men into danger.

Mr. DeFala – What about the asbestos that's in the structurally unsound areas? Are we going to have to send that to Pennsylvania?

Mayor Staffieri – They will have to send a portion of it. But at least it will be a significantly small portion.

Mr. DeFala – So it's worth to safely say that roughly 80% could be remediated? Is there any idea how much?

Mayor Staffieri – A larger portion will be able to be remediated with speaking with the contractors.

Mr. McLiverty – Abated.

Mayor Staffieri – Abated.

Mr. Cerritelli – Mr. Mayor where's the developer on this thing? Why are we paying this \$150,000? I don't understand. What's his name – Ceruzzi?

Mayor Staffieri – No – Stoneridge and Ceruzzi – Derby LLC Partners.

Mr. Cerritelli – You know this past June he was supposed to come up with \$15,000 that we covered him for over a year ago. And he couldn't come up with \$15,000. I don't even know if he paid that back. Do you remember that Keith.

Mr. McLiverty – We received the last check from them in the amount of \$87,500 on July 3, 2006.

Mayor Staffieri – We've gotten four payments of \$87,500.00.

Mr. Cerritelli – Why are we the middle man? If he's the developer why do the taxpayers have to come up with this money?

Atty. Coppola – Let me explain what it is. The City owns the buildings; it's the City's problem. We just happen to have an agreement with the developer that when certain items are done we can transfer Title to that property to the developer. The transfer price will include what our costs are for demolition. It wasn't anticipated that we had to demolish these buildings. So it's not fair to say it's the developer's problem, it's our problem. We just happen to have an agreement with somebody that's going to relieve that financial problem at some point down the road. The agreement has dates – the date is December 31, 2006 and we can hopefully meet that date but there's other factors that come into play. So it's really the City's problem; it's not the developer's problem.

Mr. Cerritelli – (Inaudible.) It had to be the Garofalo Administration that signed a deal like that.

Ms. Duhaime – This is actually a question for corporation counsel on the compliance. On the certified mail letter from the State of Connecticut the very last paragraph on the first page “the Town must engage the services of a structural engineer licensed to practice in the State of Connecticut...” with the letter from DESIMONE that has various offices throughout the United States do we know if Engineer Hayda is licensed to practice in the State of Connecticut?

Mayor Staffieri – Yes. They also have an office in New Haven. New York, Miami, San Francisco, New Haven, and Las Vegas.

Ms. Duhaime – Do we know if the person who wrote this is – because it didn't say which office; I'm hoping New Haven.

Atty. Coppola – I haven't seen a license that has his name on it. I can only assume. I don't know.

Ms. Duhaime – I just want to make sure we're in compliance.

Atty. Coppola – Well he was with us and the State Building Inspector when we had the meeting.

Mr. DeFala – As of right now the figures that were just stated were roughly \$1 million - \$1.5 million for the demolition after you know the asbestos is removed, correct?

Mayor Staffieri – Total.

Mr. DeFala – Now does that include the portions of the building that might have to go to Pennsylvania? The portions of the building that might have to go to those special dump sites?

Mayor Staffieri – That estimate was in there also.

Atty. Coppola – No. We have to clarify that.

Mr. DeFala – Because I mean that could turn into you know if those parts of the building aren't included that \$1.5 million could easily turn into \$2 million if we have to send them to these special dump sites.

Mr. Domurad – We're not voting on \$1.5 million, we're only voting on \$150,000.

Mr. DeFala – I understand that – but I thought we were voting on it to move the asbestos and then demo the buildings or just demo the buildings all at once. And if the demolition after we remove the hazardous material is still going to cost us \$2 million because we have to – you know what I mean? I'm just saying I was wondering if that was taken into consideration.

Mayor Staffieri – It's whether you're taking away 50 pounds of garbage or you're taking away 1,000 pounds of garbage. You're going to have a smaller portion to send out to Ohio or Pennsylvania – whatever it is. No matter what there's going to be a portion that's going to have to be...

Mr. DeFala – I'm just trying to estimate how significant of a portion it is. Because it seems to me that the cost to send it to those facilities is a great cost. Obviously you know to send all the rubbish from these buildings to those facilities is going to cost the town.

Mayor Staffieri – The majority of the rubbish will not be sent there because it will be able to be remediated.

Mr. Domurad – Which you won't know until you go in there.

Mr. DeFala – That's what I mean. There are structures across the street that are deemed structurally unsound. And these people aren't going to go in and do their hazardous material – they're not going to be able to due that due to the liability. So what happens if they go in there and the head of their job or their foreman says we talked about this but this structure doesn't seem sound so we're not going to send our people in there? And that turns into another (inaudible.)

Mayor Staffieri – He's already gone through the building. He's already gone through the building and most of the building they can go into.

Mr. Szewczyk – I see something – there's different ways to demolish a building. I doubt that we're going to implode these things. But depending on what process they use it's possible, I'm not saying its going to happen but there's a chance, they can start from the top and carefully work their way down. And once they get to the parts that are still contaminated it's possible with the upper dangerous portion removed they could remove that without it ending up being a "dirty" demolition. I'm not saying it's going to happen, but it's possible.

Mayor Staffieri – Unfortunately for us we're stuck between a rock and a hard place. Something has to be done and the longer it waits – first of all we can't wait – we're under State Order with a fine and someone going to jail if we don't act on it. It's not going to be me.

Mrs. Moran – These buildings have been here forever. And I remember growing up being told that the bottom half of the buildings is the support for Rt. 34. Has that been investigated?

Mayor Staffieri – The walls are basically – the foundation walls are basically in good shape. It's the wood that's been rotted away. As you all know 23-24 years ago I had a business right across the way, part of the building that's falling apart. I worried a lot about what was underneath me. Because I went through that cellar once and I said I would not go through that cellar again and I never did. You know the City is getting the blame right now for not taking care of the properties. But it was also started by the property owners. I know the building that I was in was neglected by the property owners. And we know other buildings that are already down were neglected by the property owners.

Mrs. Moran – But I'm just – the State Building Inspector looked at this and said nothing is going to happen to Rt. 34 when we start this?

Mayor Staffieri – Yeah. Well that was the engineers – and that's what part of the demolition is that they have to berm up to help hold. Again that's part of the demolition.

Mr. Hughes – Mr. Mayor on the estimate from AER they listed properties that are included in the abatement cost and they have property #226 listed and then below that in the paragraph it says "currently 226 and 252 -254 Main Street properties will not be included." Could we just make sure that when they came up with the price for abatement they didn't include 226 in the initial price?

Mayor Staffieri – Sure. We'll have to get more accurate detailed costs. We're in a position that the State Building Inspector and City Building Inspector are telling us...

Mr. Hughes – In one paragraph it says the price is for the construction listed below where it lists 226.

Mayor Staffieri – Will not be included in the review.

Mr. Hughes – I just want to make sure we're not getting charged.

Atty. Coppola – It's a good question.

Mr. Martino – If we acquire those buildings we would have to remediate those also.

Mr. Hughes – But they're not ours yet.

Mr. Martino – I understand that. But we would have to remediate those buildings also, correct?

Mr. Hughes – But they're starting the remediation on Monday.

Mayor Staffieri – When the time comes for those buildings yeah they would have to be remediated and knocked down. Eventually that would be at an additional cost. This is not counting those two buildings. The cost is only for the existing buildings that we own now.

Mr. Devonshuk – Just a clarification – the cost that you said can be whittled into the price that's turned over to the developer how much of what we're doing now gets reimbursed? I assume the "Hot" approach would not be reimbursable. Is that what you're saying?

Atty. Coppola – Right.

Mr. Devonshuk – So we're saying what we're going endeavoring here may in fact be allowed to be reimbursable.

Atty. Coppola – Are you talking about tonight – the \$150,000? It ultimately will be in the price of the property being transferred to the developer.

Mayor Staffieri – We're acting in the prudent way.

Mr. McLiverty – (Passed out a Fund Balance Summary as of 7/11/06 and reviewed for the boards) All this is is this is a summary of the Fund Balance as of today. Some people had concerns saying where are you going to get the money – how are you going to pay for this? Well the Fund Balance is considered a "Rainy Day Fund." If you take a look out the window it's raining right now. So if I walk you through it the ending of the Fund Balance in FY'05 is \$3.6 million. The Tax Board made an appropriation of \$1,069,000 during FY'05-'06. Therefore you have an undesignated or available Fund Balance of \$2.5 million. The Rating Agencies prefer Fund Balance to be between 5% to 7% range for undesignated. We're at 7.34%. All you're voting on tonight is a bid waiver

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to proceed with the abatement at a not to exceed price of \$150,000.00. Understanding as any of you may that when you get into projects like this the quote may be \$124,000 but there may be change orders that make it go to \$150,000. And since you need unanimous approval for the bid waiver, that's why both boards are meeting, we said ask for the \$150,000. The \$150,000 is only voted on, the transfer, by the Tax Board. The bid waiver is being voted on by both boards. So let's say the approve the bid waiver for \$150,000 for the abatement of the buildings the City owns and the Tax Board makes that transfer, that puts your Fund Balance at \$2.4 million undesignated, which puts you at the 6.91%. My point and what I'm trying to demonstrate here is that there's adequate funds in our "Rainy Day Fund" to cover the \$150,000.00. The balance of that is just - \$1 million was thrown around as a potential number for the demolition. I just wanted to give you a perspective if you did that you go below the 4%, but if you get reimbursed by the developer you're back to 6.9%. Now understanding the reimbursement from the developer, as corporate counsel had mentioned, is contingent upon a lot of actions on the City's behalf. So if you just focus at the \$150,000 because you're going to have to come back once the abatement is done and then get some more definitive numbers on the demolition - to vote on the demolition and how you're going to proceed with that. So I would stop at the \$2.4 million for now because that's all you're doing tonight but keep the balance and the rest of it in your mind just so you understand that we have enough money in the Fund Balance, the "Rainy Day Fund" for the City to do tonight's action as well as getting to some of the action that may be required after the abatement. Now keeping in mind that these numbers do not include the ending balance for FY'05-'06. Remember that we ended fiscal year on June 30th. So if you have surplus in revenue and surplus in expenditures that will only drive your \$3.6 million up.

Mr. Domurad – Plus the 2006-2007 allocation for Capital.

Mr. McLiverty – Which is \$495,000 – so rather than throwing what are potential ins and outs I did the most conservative approach and said we know we have \$3.6 million irrelevant of how we end FY'06 – that's an audited number. So that's just to show you and people at ease that we have money in the "Rainy Day Fund", the Fund Balance, to take care of your action tonight without any concern – at least on my behalf. We're still in the range of acceptable Fund Balance reserves for the Rating Agencies. Thank you Mr. Mayor.

Mayor Staffieri – Thank you Mr. McLiverty. Mr. Hughes would like to make a motion.

BOARD OF ALDERMEN - VOTE

A MOTION was made by Mr. Hughes with a second by Mr. DeBarbieri to waive the bid process and accept the quote from AER (Advanced Environmental Redevelopment, LLC) in the amount not to exceed \$150,000.00.

ROLL CALL VOTE

Mr. Szewczyk – YES
Mr. DeBarbieri – YES
Mrs. Moran – YES
Mr. Benanto – YES
Mr. Devonshuk – YES
Mr. Sill – YES
Mr. Bomba – YES
Mr. Hughes – YES
Mr. Boulton – YES

ALL MEMBERS PRESENT - MOTION CARRIED UNANIMOUSLY

BOARD OF APPORTIONMENT & TAXATION - VOTE

A MOTION was made by Mr. Martino with a second by Mr. Cerritelli to waive the bidding process for the asbestos abatement for the south side of Main Street per the AER (Advanced Environmental Redevelopment, LLC) letter dated June 29, 2006.

ROLL CALL VOTE

Mr. Domurad – YES
Ms. Duhaime – YES
Mr. DeFala – NO
Mr. Martino – YES
Mr. Cerritelli – YES
Mr. Carloni – YES
Mr. Scarduzio – YES
Mr. Bell – YES
Mr. Lazowski – YES

Mr. Domurad said he made an error and Roberts Rules of Order were not followed. Once a motion is made and seconded a discussion period must be offered. He noted that the discussion was not called for due to the final vote. There is a motion by Mr. Martino and a second by Mr. Cerritelli. A discussion period was offered:

DISCUSSION ON MOTION

Mr. DeFala – Is this \$150,000 going to be reimbursed?

Atty. Coppola – City costs associated with the demolition...

Mr. DeFala – I was under the impression that it wasn't going to get reimbursed.

Atty. Coppola – Demolition of the project – when the Preferred Development Agreement was completed with the Preferred Development Contractor or Developer as part of the reimbursement costs the \$150,000 will be included. If the buildings come down “Hot” anything over and above that will not be reimbursed.

Mr. DeFala – I was under the impression that the \$150,000 wasn't going to be reimbursed.

Atty. Coppola – If you're talking now...

Mr. DeFala – I'm not talking about right now. I'm talking about the end.

Atty. Coppola – Ultimately when we sell the property to the developer under that agreement it is a part of the purchase price.

Mr. Martino – Because it is a reasonable cost associated with the demolition. Before they can demolish it on their own they would have to abate it; so therefore it is a reasonable cost. Having the building come down "Hot" is not a reasonable cost.

Mr. Domurad – One thing that I want to ask, and it was pointed out by Corporation Counsel, the report was provided by AER, LLC; however the work will be done by AIG, Incorporated.

FRIENDLY AMENDMENT TO MOTION

Made by Mr. Martino, Second by Mr. Cerritelli to note on the motion that the report was provided by AER, LLC and the work will be done by AIG, Incorporated.

ROLL CALL VOTE

Mr. Domurad – YES
Ms. Duhaime – YES
Mr. DeFala – YES
Mr. Martino – YES
Mr. Cerritelli – YES
Mr. Carloni – YES
Mr. Scarduzio – YES
Mr. Bell – YES
Mr. Lazowski – YES

MOTION CARRIED UNANIMOUSLY

It was noted that Ms. Romano was excused from the meeting this evening. She will be contacted to submit her vote in writing by Friday, July 14, 2006.

FRIENDLY AMENDMENT TO MOTION PREVIOUSLY MADE BY BOARD OF ALDERMEN

Made by Mr. Hughes, Second by Mrs. Moran to note on the motion that the report was provided by AER, LLC and the work will be done by AIG, Incorporated.

ROLL CALL VOTE

Mr. Szewczyk – YES
Mr. DeBarbieri – YES
Mrs. Moran – YES
Mr. Benanto – YES
Mr. Devonshuk – YES
Mr. Sill – YES
Mr. Bomba – YES
Mr. Hughes – YES
Mr. Boulton – YES

ALL MEMBERS PRESENT - MOTION CARRIED UNANIMOUSLY

ADJOURNMENT

A MOTION was made by Mr. Sill with a second by Mr. Hughes to adjourn the meeting at 7:55 p.m. **Motion carried.**

Respectfully submitted,

Patricia Finn
Recording Secretary

/paf
Attachment

A TAPE RECORDING OF THIS MEETING IS ON FILE IN THE TOWN & CITY CLERK'S OFFICE