

# Employees Retirement Board

Seat	Name	Position	Party	Term Start	Term End
1	Mahoney, John B		U	11/12	11/17
2	Fagan, Kathryn F		R	11/13	11/18
3	Mullen, Geoffrey		R	11/14	11/19
4	Vahey, Brian P		R	11/10	11/15
5	[VACANT]		*	11/11	11/16
EMP1	Kiraly, Susan				
EMP2	Rubano, Ken				
EMPB OE	Byrnes, Nancy				
FSEL	Tetreau, Michael C				

Full	
Party	Count
N/A	4
Vacant	1
Republicans	3
Unaffiliated	1
Total Full	9

The Employees Retirement Board, which is comprised of the First Selectman, two town employees, a Board of Education employee and five volunteer residents, is responsible for the general management and direction of the pension fund for town employees and ensuring the effective operation of the retirement system.

11/30/2015 9:40:41 AM

## **Brian P. Vahey, Jr., CFA**

1625 Melville Ave, Fairfield, CT 06825  
bvahey@sbcglobal.net

Home (203) 371-6995  
Cell (203) 522-3038

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### **Work History**

#### ***Mesirow Financial Consulting*, New York, NY, Feb 2008- Present**

##### **Senior Vice President, Consultant**

- Working as the firm's chief expert on all types of investment esoterics, structured product vehicles and collateral
- Conducted collateral analysis and valuation for several CDO portfolios to aid indentured trustees with determining proper asset disposition
- Presented to the creditor committees for Lehman Brothers, General Growth Properties, Capmark, and TERI (student loan reinsurer) as a financial advisor candidate during the recent bankruptcy proceedings
- Conducted forensic accounting review as an expert for law firm pursuing insiders at an Alt-A mortgage originator
- Evaluated a Commercial Real Estate REIT and its \$4B in assets, including whole and mezzanine loans, CMBS, and CDO residuals, and negotiated a 35% recovery on an unsecured line for a bank group while avoiding bankruptcy.
- Aided an accounting firm and their bank client with large mortgage operation. Created modeling assumptions and verified LOCOM adjustments for mortgage portfolio assets consisting of Prime, Alt-A, and HELOC loans

#### ***King Street Capital Management, LLC*, New York, NY, May 2006- Nov 2007**

##### **Trader**

- Initiated MBS, ABS, CMBS strategy for \$9B hedge fund
- Traded in ABX, CMBX, single name CDS for subprime bonds, residual/equity pieces of mortgage securities, CDO equity, aircraft bonds, and distressed home equity ABS
- Developed loan level model for subprime and Alt-A loans to evaluate investments
- Focused strategy on shorting the market through 2006 into 2007 and created two bespoke credit portfolios to maximize short exposure for CDOs and subprime assets
- Conducted analysis on several firms in financial sectors including REITs, Thrifts, monolines and mortgage insurers
- Approximately \$10mm profit in 2006, ~\$100mm net P&L in 2007

#### ***GE Asset Management*, Stamford, CT, 2002- May 2006**

##### **Portfolio Manager**

- Co-managed \$30B structured product portfolio with two other team members
- Traded fixed and floating ABS, CMBS, and MBS, for multiple insurance, total return, and CDO portfolios
- Spearheaded first CDO for GEAM in November 2004: \$400mm *Summer Street I*. Oversaw credit, CDO structure, and trading. Launched additional \$1.6B in 2005
- Collaborated with total return portfolio management team on strategic and tactical trading strategies to create alpha for portfolio. Most funds managed were in 2<sup>nd</sup> quartile for peer group over three and one year horizons
- Supervised the development of the structured product credit research team. This included work on issuer and conduit due diligence efforts, underwriting, model development, and monthly surveillance of portfolio

#### ***GE Financial Assurance, GE Capital*, Seattle, WA, 1999-2002**

##### **Portfolio Manager / Black Belt (GE internal consultant and project manager)**

- Directly impacted the composition and performance of \$100B in fixed income insurance portfolios backing a variety of liabilities
- Coordinated and managed all variables impacting the portfolio and company including: GAAP/STAT/TAX issues, regulatory capital efficiency, ALM strategies, risk strategies, new product development, portfolio optimization, asset allocation strategies, cash flows, and new asset class introductions
- Directed investments in the following asset classes: treasuries, agencies, corporates, high yield, private placements, commercial real estate, structured products, municipals, emerging markets debt, loans, interest rate and credit synthetics, private equity, hedge funds, and equities
- Boosted company's net income by several million dollars, an approximate 1% increase, by creating a methodology for portfolio pricing versus a liability stream
- Expanded clients' investing universe by introducing high yield CMBS and Levered Loans
- Developed and executed an industry first by utilizing forward starting swaps to create a synthetic duration strategy for an \$8B long term care insurance portfolio

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***United Way***, Snohomish County, WA, fall 1998, Fundraising Campaign Executive

***United States Navy***, 1991-1998, Lt. Commander, Submarine Officer, senior management positions

- Ranked at top of peer group for all seven years
  - Leadership and performance acknowledged through awards and early promotion
- 

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Cell (203) 522-3038

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**Education & Affiliations**

***BS in Aerospace Engineering***, University of Notre Dame, Notre Dame, IN, 1991

***BS in Nuclear Engineering*** (Equivalency), US Navy's unaccredited nuclear training, 1992

***Six Sigma Qualified***, Master Black Belt, Board Certified Black Belt, GE Capital, 2001

***GE Finance Course***, Business planning, M&A, management and GAAP accounting

Member of Stamford and New York Society of Security Analysts

Charter Financial Analyst Charterholder

Member of Association of Insolvency and Restructuring Advisors

# Employees Retirement Board

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EMP2	Rubano, Ken				
EMPB OE	Byrnes, Nancy				
FSEL	Tetreau, Michael C				

Full	
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11/30/2015 9:40:41 AM



## Town of Fairfield

Office of the First Selectman  
725 Old Post Road  
Fairfield, CT 06824

### BOARDS AND COMMISSIONS QUESTIONNAIRE

*To be considered for appointment to a Board or Commission please fill out this form, save a copy and email the saved copy, along with a copy of your resume, to the First Selectman's office at [firstselectmanffld@town.fairfield.ct.us](mailto:firstselectmanffld@town.fairfield.ct.us). Please note that your resume and completed questionnaire are public documents. If you have any questions please contact the First Selectman's Office at 203-256-3030 or [firstselectmanffld@town.fairfield.ct.us](mailto:firstselectmanffld@town.fairfield.ct.us).*

Board/Commission: **Employees Retirement Board**  
Date: **October 28, 2015**

Name: **Scott Pollack**  
Address: **543 Wormwood Rd, Fairfield CT 06824**

email: **scottp401@gmail.com**  
home phone: **(203) 256-1051**  
work phone: **(203) 635-8135**  
cell phone: **(917) 584-7985**

Party: **Unaffiliated**

1. How did you learn about this position? **I was approached about the position by the Board Chairman, Brian Vahey.**
2. Why are you interested in serving and how can you contribute to this board / commission? **I have a 20 year career in commercial real estate lending and investment management, a portion of which was spent managing investments on behalf of state and municipal pension funds. I have been interested in becoming more actively involved in the community and now that I am working locally, I feel that I have the availability to serve on this board.**
3. Have you attended any meetings or reviewed past minutes / agendas? If yes, please specify.  
**Yes. I attended the meeting of the Joint Retirement Investment Board on October 28, 2015. I have reviewed the meeting minutes for 2015.**
4. Have you spoken with the chair, any members, or the appropriate Department Head? **Yes. I have spoken with Brian Vahey.**
5. Have you read the written description of the board's role? **Yes.**
6. Do you have any potential conflict of interest? **No.**

7. Do you know the time, date and location of meetings and will you be able to attend and fulfill the obligations of the position? **Yes.**
8. Participation requires that you are registered voter in the town of Fairfield. Additionally, the town charter requires that party balance be maintained on all boards/commissions. Are you registered to vote and what is your party affiliation? **I am registered to vote in Fairfield. I am not affiliated with either party.**
9. Please use this space to ask any questions you may have or to provide additional information you'd like to share. **Please see my resume for additional background information. All of my questions have been answered by Brian Vahey. I would like to review a copy of the D&O Insurance Policy.**

## **SCOTT POLLACK**

543 Wormwood Road

Fairfield, CT 06824

Cell: (917) 584-7985

[scott401@gmail.com](mailto:scott401@gmail.com)

### **QUALIFICATIONS SUMMARY**

Commercial real estate investment professional with broad-based experience investing across all portions of the capital structure and a track record of delivering value to investor clients through creative transaction structuring, disciplined credit analysis, decisive decision making and proactive management.

### **EXPERIENCE**

#### **PENFIELD PROPERTY COMPANY LLC**

Fairfield, CT

##### **Principal**

2012-Present

Founded a commercial real estate management and consulting company focused on development, acquisitions, distressed debt opportunities and asset management. Most recently Penfield completed a three and a half year consulting assignment in which it provided development, financial and management services to Glimcher Capital Group LLC during its development of an outdoor shopping mall in Las Vegas, NV.

#### **TANNERY BROOK PARTNERS, LLC**

New York, NY

##### **Director**

2011

Underwrote over \$300 million of CRE loans for a fledgling CMBS program. Marketed and pitched entity-level investment opportunities to private equity, institutional and high net worth investors including co-investment in an operating company, a programmatic lending venture and a tax lien fund. Solicited debt and/or equity capital to fund the acquisition of a portfolio of office/flex properties, the development of a net leased office building, and the sale/leaseback of a portfolio of industrial properties for a manufacturing company.

#### **CWCAPITAL INVESTMENTS, LLC**

New York, NY

##### **Vice President**

2009-2010

Created and executed the business plans on behalf of a separate account client for the work-out/divestiture of an \$850 million portfolio of distressed commercial real estate debt. Managed the dissolution of a matured \$212 million mezzanine fund and the resolution of the remaining sub/non-performing loans. Developed the strategic plan for a 530,000 sf REO office property including recapitalization, the formulation and implementation of the leasing and capital plan and the evaluation of alternative exit strategies.

#### **MMA REALTY CAPITAL, LLC**

New York, NY

##### **Director/Fund Manager**

2005-2008

Managed a \$235 million, commingled, subordinate debt fund including the initial acquisition/financing of a \$400 million investment portfolio, ongoing portfolio monitoring/investor reporting and the eventual fund liquidation, generating a return to investors in excess of target. Assumed management of two sub-performing high yield pension fund client portfolios totaling over \$350 million in assets and worked-out non-performing loans totaling over \$100 million.

#### **MONY LIFE INSURANCE COMPANY**

New York, NY

##### **Director, Real Estate Investment Management**

1999-2005

##### **Analyst, Real Estate Investment Management**

1997-1999

Managed annual loan transaction volume of +/- \$200 million with responsibility for structuring/pricing, committee presentation, document negotiation and closing. Developed the business plan for entry into the B-note market resulting in the creation of a program which provided incremental yield to the general account and ultimately led to the formation of a \$235 million third-party fund. Asset managed a \$500

million investment portfolio including a \$10 million ground-up supermarket development, a 70,000 sf office expansion and leasing of over 200,000 sf

**CUSHMAN & WAKEFIELD, INC.**

New York, NY

**Senior Financial Accountant, Asset Services**

1994-1997

Prepared annual budgets and monthly operating reports for a portfolio of Manhattan office buildings presenting financial results to the owners' representatives at monthly management meetings. Assisted senior management in the preparation of four successful proposals for the contracts to manage commercial office properties in New York City.

**EDUCATION**

**NEW YORK UNIVERSITY**

New York, NY

**Leonard N. Stern School of Business**

Master of Business Administration (Major in Finance), September 1999

**WITTENBERG UNIVERSITY**

Springfield, OH

Bachelor of Arts, Business Administration, June 1992

**OTHER**

Thirteen year resident of Fairfield with two children in Fairfield Public School System. Partner in Harry's Wine & Liquor, Fairfield, CT.



**A RESOLUTION AMENDING AND RESTATING A RESOLUTION ADOPTED BY THE REPRESENTATIVE TOWN MEETING ON FEBRUARY 3, 2015 ENTITLED “A RESOLUTION APPROPRIATING \$6,028,709 FOR COSTS ASSOCIATED WITH THE REPAIR AND RESTORATION OF PENFIELD PAVILION AND AUTHORIZING THE USE OF \$1,750,000 OF INSURANCE PROCEEDS TO FUND SUCH APPROPRIATION AND THE ISSUANCE OF BONDS TO FUND THE PORTION OF SUCH APPROPRIATION NOT FUNDED BY INSURANCE PROCEEDS” TO INCREASE THE APPROPRIATION TO 7,446,999 AND BOND AUTHORIZATION TO \$5,696,999.**

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**Whereas**, the Representative Town Meeting on February 3, 2015 , adopted a resolution entitled “**A RESOLUTION APPROPRIATING \$6,028,709 FOR COSTS ASSOCIATED WITH THE REPAIR AND RESTORATION OF PENFIELD PAVILION AND AUTHORIZING THE USE OF \$1,750,000 OF INSURANCE PROCEEDS TO FUND SUCH APPROPRIATION AND THE ISSUANCE OF BONDS TO FUND THE PORTION OF SUCH APPROPRIATION NOT FUNDED BY INSURANCE PROCEEDS**” (the “Original Resolution”); and

**Whereas**, it is the purpose of this resolution to increase the amount of the appropriation authorized under the Original Resolution by \$1,418,290 to \$7,446,999 and to increase the amount of the bond authorization under the Original Resolution by an equal amount to \$5,696,999.

**Therefore, it is resolved that the Original Resolution is amended and restated to read as follows:**

**A RESOLUTION APPROPRIATING \$7,446,999 FOR COSTS ASSOCIATED WITH THE REPAIR AND RESTORATION OF PENFIELD PAVILION AND AUTHORIZING THE USE OF \$1,750,000 OF INSURANCE PROCEEDS TO FUND SUCH APPROPRIATION AND THE ISSUANCE OF BONDS TO FUND THE PORTION OF SUCH APPROPRIATION NOT FUNDED BY INSURANCE PROCEEDS**

**Resolved:**

1. As recommended by the Penfield Building Committee, the Board of Finance and the Board of Selectmen, the Town of Fairfield hereby appropriates the sum of Seven Million Four Hundred Forty-six Thousand Nine Hundred Ninety-nine and 00/100 (\$7,446,999) Dollars to fund costs associated with the repair and restoration of Penfield Pavilion, including the West Wing and East Wing, temporary relocation of the West Wing, construction of new pile supporting foundation for the facility to meet FEMA standards, structural other repairs to the West Wing, reconstruction of East Wing,

construction and design of new decks, ramps and stairs and site improvements which shall include maintaining a finish grade of +12 feet from the Durrell Pavilion to Richards Beach (the "Project"), inclusive of design and engineering fees, professional fees, construction and oversight costs and financing.

2. \$1,750,000.00 of such \$7,446,999 appropriation will be funded by funds recovered by the Town from insurance on Penfield Pavilion for damages caused by Super Storm Sandy.
3. To finance such remaining appropriation, and as recommended by the Board of Finance and the Board of Selectmen, the Town of Fairfield shall borrow a sum not to exceed Five Million Six Hundred Ninety-six Thousand Nine Hundred Ninety-nine and 00/100 (\$5,696,999) Dollars and issue bonds/bond anticipation notes for such indebtedness under its corporate name and seal and upon the full faith and credit of the Town in an amount not to exceed said sum for the purpose of financing the remaining appropriation for the Project.
4. The Board of Selectmen, the Treasurer and the Fiscal Officer of the Town are hereby appointed a committee (the "Committee") with full power and authority to cause said bonds to be sold, issued and delivered; to determine their form and terms, including provision for redemption prior to maturity; to determine the aggregate principal amount thereof within the amount hereby authorized and the denominations and maturities thereof; to fix the time of issue of each series thereof and the rate or rates of interest thereon as herein provided; to determine whether the interest rate on any series will be fixed or variable and to determine the method by which the variable rate will be determined, the terms of conversion, if any, from one interest rate mode to another or from fixed to variable; to set whatever other terms of the bonds they deem necessary, desirable or appropriate; to designate the bank or trust company to certify the issuance thereof and to act as transfer agent, paying agent and as registrar for the bonds, and to designate bond counsel. The Committee shall have all appropriate powers under the Connecticut General Statutes, including Chapter 748 (Registered Public Obligations Act), and Chapter 109 (Municipal Bond Issues) to issue, sell and deliver the bonds and, further, shall have full power and authority to do all that is required under the Internal Revenue Code of 1986, as amended, and under rules of the Securities and Exchange Commission, and other applicable laws and regulations of the United States, to provide for issuance of the bonds in tax exempt form and to meet all requirements which are or may become necessary in and subsequent to the issuance and delivery of the bonds in order that the interest on the bonds be and remain exempt from Federal income taxes, including, without limitation, to covenant and agree to restriction on investment yield of bond proceeds, rebate of arbitrage earnings, expenditure of proceeds within required time limitations, the filing of information reports as and when required, and the execution of Continuing Disclosure Agreements for the benefit of the holders of the bonds and notes.

5. The First Selectman and Treasurer or Fiscal Officer, on behalf of the Town, shall execute and deliver such bond purchase agreements, reimbursement agreements, line of credit agreement, credit facilities, remarketing agreement, standby marketing agreements, bond purchase agreement, standby bond purchase agreements, and any other commercially necessary or appropriate agreements which the Committee determines are necessary, appropriate or desirable in connection with or incidental to the sale and issuance of bonds, and if the Committee determines that it is necessary, appropriate, or desirable, the obligations under such agreements shall be secured by the Town's full faith and credit.
6. The bonds may be designated "Public Improvement Bonds," series of the year of their issuance and may be issued in one or more series, and may be consolidated as part of the same issue with other bonds of the Town; shall be in serial form maturing in not more than twenty (20) annual installments of principal, the first installment to mature not later than three (3) years from the date of issue and the last installment to mature not later than twenty (20) years therefrom. The bonds may be sold at an aggregate sales price of not less than par and accrued interest at public sale upon invitation for bids to the responsible bidder submitting the bid resulting in the lowest true interest cost to the Town, provided that nothing herein shall prevent the Town from rejecting all bids submitted in response to any one invitation for bids and the right to so reject all bids is hereby reserved, and further provided that the Committee may sell the bonds on a negotiated basis, as provided by statute. Interest on the bonds shall be payable semi-annually or annually. The bonds shall be signed on behalf of the Town by at least a majority of the Board of Selectmen and the Treasurer, and shall bear the seal of the Town. The signing, sealing and certification of the bonds may be by facsimile as provided by statute.
7. The Committee is further authorized to make temporary borrowings as authorized by the General Statutes and to issue temporary notes of the Town in anticipation of the receipt of proceeds from the sale of the bonds to be issued pursuant to this resolution. Such notes shall be issued and renewed at such time and with such maturities, requirements and limitations as provided by the Connecticut General Statutes. Notes evidencing such borrowings shall be signed by the First Selectman and Treasurer or Fiscal Officer, have the seal of the Town affixed, which signing and sealing may be by facsimile as provided by statute, be certified by and payable at a bank or trust company incorporated under the laws of this or any other state, or of the United States, be approved as to their legality by bond counsel, and may be consolidated with the issuance of other Town bond anticipation notes. The Committee shall determine the date, maturity, interest rates, form and manner of sale, including negotiated sale, and other details of said notes consistent with the provisions of this resolution and the General Statutes and shall have all powers and authority as set forth above in connection with the issuance of bonds and especially with respect to compliance with the requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder in order to obtain and maintain issuance of the notes in tax exempt form.

8. Pursuant to Section 1.150-2, as amended, of the Federal Income Tax Regulations the Town hereby declares its official intent to reimburse expenditures (if any) paid for the Project from its General or Capital Funds, such reimbursement to be made from the proceeds of the sale of bonds and notes authorized herein and in accordance with the time limitations and other requirements of said regulations.
9. The First Selectman and Fiscal Officer are hereby authorized, on behalf of the Town, to enter into agreements or otherwise covenant for the benefit of bondholders to provide information on an annual or other periodic basis to the Municipal Securities Rulemaking Board (the "MSRB") and to provide notices to the MSRB of material events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds and notes authorized by this resolution.
10. The Committee is hereby authorized to take all action necessary and proper for the sale, issuance and delivery of the bonds and notes in accordance with the provisions of the Connecticut General Statutes and the laws of the United States.
11. The First Selectman and other Town officials are authorized to seek grants and other contributions for the costs of the Project. Any such grants or other contribution received prior to the issuance of the Bonds authorized herein shall be applied to the costs of the Project or to pay at maturity the principal of any outstanding bond anticipation notes issued pursuant to this Resolution and shall reduce the amount of the Bonds that can be issued pursuant to this Resolution. If such grants and other contributions are received after the issuance of the Bonds, they shall be applied to pay the Bonds or as otherwise authorized by the Board of Selectmen, Board of Finance and Representative Town Meeting provided such application does not adversely affect the tax exempt status of the Bonds.

Penfield Building Committee  
Penfield Pavilion Repair Project  
Project Update and Funding Presentation  
Board of Finance Meeting – December 1, 2015

PRESENTATION AGENDA

- Project status update – see Exhibit A. (Jim Bradley)
- Revised Project Budget and Approved Guaranteed Maximum Price (GMP) – see Exhibit B. (Jim Bradley)
- Request for additional funds. (Jim Bradley)
- Current status of FEMA project review and anticipated reimbursement. (Bob Mayer)
- Presentation of Bond Resolution. (Bob Mayer)

## EXHIBIT A

Penfield Pavilion Project  
Proposed Budget and Funding Increase  
Board of Finance Presentation December 1, 2015  
Prepared November 16, 2015

### Presentation outline:

- Project funding was approved for Penfield repair Option 7A based on preliminary drawings and a preliminary construction cost estimate as prepared by the project construction manager.
- During the design phase a series of project cost estimates were prepared and updated by the project construction manager.
- As the design was finalized over the next four months the project scope and estimated cost increased. The Building Committee, project architect and construction manager took steps (“value engineering”) to reduce the cost of construction. Project contingency was also reduced.
- The project went out to public bid assuming several “alternate add” options (reductions in project scope and cost to be added back at a later date). The alternate add items were important but not critical to project program or performance. The alternate adds would be added back to the project on a prioritized basis depending on availability of funding and contingency as the project progressed.
- The results of the public bidding phase significantly exceeded (approximately \$1.2 mil) the original authorized funding amount. The major budget line item overrun issues were general trades (exterior and interior carpentry), electrical, mechanical and building moving.
- The Building Committee responded to the bid results in two ways. The project construction manager and Town Purchasing were requested to clarify and rebid certain portions of the project and the project architect was directed to develop preliminary design options that would reduce project scope and cost. Five cost saving redesign options and preliminary cost estimates were provided.
- The Building Committee elected to pursue a cost reduction redesign option that eliminated the lockers (East Wing) and added additional restrooms. The preliminary cost estimate for that redesign option was \$6,330,262, exceeding the original funding authorization.

- As the Building Committee attempted to resolve project cost issues the Committee members learned that the FEMA reimbursement criteria had been clarified.
- The clarification of the FEMA reimbursement criteria (the “50% rule” and Project Worksheet reimbursement assumptions) confirmed up to 75% reimbursement of project actual costs for the repair of the original facility (both East and West wings).
- Based on the FEMA reimbursement clarifications the Building Committee returned to and refocused on the original project, Option 7A, that included the lockers (East Wing).
- On October 22, 2015 the Building Committee received, reviewed and approved a Guaranteed Maximum Price (GMP) proposal from the project construction manager. The project GMP forms the basis for the current request for additional funds, is based on the confirmed and reconciled public bids and has been reviewed by Purchasing and the Town Attorney and approved by the Board of Selectmen.
- The Building Committee plans to proceed with the original project as previously approved by the BOS, BOF and RTM and is recommending an increase in funding of \$1,418,290. The project scope, cost and contingency increases are described by **EXHIBIT B** attached.

## EXHIBIT B

Penfield Pavilion Project  
Proposed Budget and Funding Increase  
Board of Finance Presentation, December 1, 2015  
Prepared November 16, 2015

### Project Cost Summary:

Original Project (Option 7A) Budget and Funding Appropriation: \$6,028,709

Proposed new project budget: \$7,446,999

Budget variance and request for additional funding: \$1,418,290

### Budget variance detail:

- \$838,189: Increase due to results of public bidding phase and State DAS requirement to use the second bidder for the general trades bid package.
- \$187,142: Increase in total project contingency from \$453,511 to \$640,653 (10% of Cost of Construction).
- \$95,168: Increase due to adding back certain scope items (site, landscape, porch roof, etc.) that were assumed to be optional “alternate adds” during original bid phase.
- \$134,000: Increase due to revised quote for builders risk insurance.
- \$76,500: Increase due to required resubmission of proposals for project oversight and FEMA cost management function and inclusion as an Owner’s cost in lieu of future use of project contingency.
- \$48,000: Increase in CM fee, general liability insurance and bond costs due to increase in the value of construction.
- \$15,000: Increase in design costs based on value engineering efforts and redesign schemes 1-6.
- \$24,291: Estimated increase in preconstruction costs related to value engineering options, managing rebidding of certain bid packages, resolution of general trades qualified bidders and estimating West Wing “total replacement” option.

Total projected cost project increases as described above: \$1,418,290



**From:** Michelangelo, Joseph  
**Subject:** Penfield Pavilion Parking Lot  
**Date:** December 8, 2015 at 9:20:23 AM EST  
**To:** 'Dru Georgiadis'  
**Cc:** "Jim Bradley, "Lombardo, Gerald"

Hi Dru:

I gave you an incorrect answer to your question at last night's RTM Committee meeting:

The pervious paver grids will be removed by Public Works and salvaged and stored. However, they will not be re-installed in the parking lot as part of this project. The design plan call for re-grading the parking lot so that it has better pitch from the building, towards Fairfield Beach Road to the north. In the area along the south side of the Fairfield Beach Road, there will be rain gardens constructed that will serve the same infiltration function as the open pavers did. This will also allow for a break in the asphalt between the road and the parking lot, both from a drainage and aesthetic viewpoint. The Penfield lot will be reconstructed using conventional asphalt paving, as in the end the committee felt this best served the function of the building, as evening guests are often in dress shoes.

The pavers that are salvaged will most likely be used in another Town lot somewhere. Open pavers are a great idea, but the main Penfield lot may not have been the best place for them.

I will be in CPR training most of the day, but should be back at my desk at around 3:30 if you have any questions.

Joe

**Joseph Michelangelo, P.E.**  
**Director of Public Works**  
**Town of Fairfield**  
**725 Old Post Road**  
**Fairfield, CT 06824**

[203 256-3010](tel:2032563010) -o  
[203 767-4876](tel:2037674876) -c

*"Improved Project"*  
*Scenario*

**Town of Fairfield**

**Penfield Pavilion**

**Estimated FEMA Reimbursement Calculation \***

**December 1, 2015**

**(In Thousands)**

Total Project Cost	\$	7,447
Less: Insurance Recovery (Incl. Deductible)		(2,250)
Plus: FEMA Credit Toward Deductible		1
Less: Estimated Ineligible Costs		<u>(1,157)</u>
		4,041
FEMA Reimbursement Rate		<u>75%</u>
FEMA Reimbursement	\$	<u><u>3,031</u></u>

**Estimated Town Funding For Project \***

**December 1, 2015**

**(In Thousands)**

Total Project Cost	\$	7,447
Less: FEMA Reimbursement		(3,031)
Less: CDBG Funds #1		(500)
Less: CDBG Funds #2		<u>(225)</u>
Total Town Project Cost		3,691
Less: Insurance Recovery		<u>(1,750)</u>
Net Town Funding Required	\$	<u><u>1,941</u></u>

*\* Assuming total project cost expended equals total amount authorized less estimated ineligible costs shown above and all reimbursements are received at the maximum amount.*



**Town of Fairfield  
Penfield Pavilion  
Estimated FEMA Reimbursement Calculation \*  
December 1, 2015  
(In Thousands)**

Total Project Cost	\$	7,447
Less: Insurance Recovery (Incl. Deductible)		(2,250)
Plus: FEMA Credit Toward Deductible		1
Less: Estimated Ineligible Costs		<u>(300)</u>
		4,898
FEMA Reimbursement Rate		<u>75%</u>
FEMA Reimbursement	\$	<u><u>3,674</u></u>

**Estimated Town Funding For Project \*  
December 1, 2015  
(In Thousands)**

Total Project Cost	\$	7,447
Less: FEMA Reimbursement		(3,674)
Less: CDBG Funds #1		(500)
Less: CDBG Funds #2		<u>(225)</u>
Total Town Project Cost		3,049
Less: Insurance Recovery		<u>(1,750)</u>
Net Town Funding Required	\$	<u><u>1,299</u></u>

*\* Assuming total project cost expended equals total amount authorized less estimated ineligible costs shown above and all reimbursements are received at the maximum amount.*

**Town of Fairfield****Penfield Pavilion****Estimated FEMA Reimbursement Calculation for Full Replacement Option\*****December 1, 2015****(In Thousands)**

Total Project Cost	\$	7,447
Less: Insurance Recovery (Incl. Deductible)		(2,250)
Plus: FEMA Credit Toward Deductible		1
Less: Estimated Ineligible Costs		<u>(300)</u>
		4,898
FEMA Reimbursement Rate		<u>75%</u>
FEMA Reimbursement	\$	<u><u>3,674</u></u>

**Estimated Town Funding For Project \*****December 1, 2015****(In Thousands)**

Total Project Cost	\$	7,447
Less: FEMA Reimbursement		(3,674)
Less: CDBG Funds #1		(500)
Less: CDBG Funds #2		<u>(225)</u>
Total Town Project Cost		3,049
Less: Insurance Recovery		<u>(1,750)</u>
Net Town Funding Required	\$	<u><u>1,299</u></u>

**\* Assuming total project cost expended equals total amount authorized less estimated ineligible costs shown above and all reimbursements are received at the maximum amount.**

**Town of Fairfield**  
**Penfield Pavilion**  
**Estimated FEMA Reimbursement Calculation - Improved Project Option\***  
**December 1, 2015**  
**(In Thousands)**

FEMA PW	\$	6,590
Less: Insurance Recovery (Incl. Deductible)		(2,250)
		<hr/> 4,340
FEMA Reimbursement Rate		<hr/> 75%
FEMA Reimbursement	\$	<hr/> <hr/> 3,255

**Estimated Town Funding For Project \***  
**December 1, 2015**  
**(In Thousands)**

Total Project Cost	\$	7,447
Less: FEMA Reimbursement		(3,255)
Less: CDBG Funds #1		(500)
Less: CDBG Funds #2		<hr/> (225)
Total Town Project Cost		3,467
Less: Insurance Recovery		<hr/> (1,750)
Net Town Funding Required	\$	<hr/> <hr/> 1,717

***\* Assumes \$6,590M of eligible costs and all reimbursements are received at the maximum amount.***

From: **James Bradley**

Date: Thu, Dec 10, 2015 at 4:13 PM

Subject: Penfield Building Committee - RTM Member Response

To: Pamela Iacono

Cc: Mayer, Robert, Robert Bellitto Jr, Andrew Graceffa

Pam: In response to the question regarding the smaller repair project: The Building Committee considered a smaller project that eliminated the east (locker) wing resulting in an estimated project cost of \$5,473,738. Elimination of the east wing will have a negative impact on the FEMA criteria and reimbursement formula.

Please let me know if you require any additional information

Jim Bradley, Chair

Penfield Building Committee

## **PENFIELD PAVILION OPTION 7 AND 7a COMPARATIVE ANALYSIS**

### **INDEX**

- p. 1 Schedule of Total Revenue and Debt Issued
- p. 2 Schedule of Estimated FEMA reimbursement and Town Funding
- p. 3 Schedule of Revenue and Expense Assumptions
- p. 4 Comparative Schedule of Estimated General Fund Revenue and Expense- First Twenty Years of Operation
- p. 5 Comparative Schedule of Estimated General Fund Revenue and Expense- Twenty-First Year of Operation
- p. 6 Comparative Schedule of Estimated General Fund Revenue and Expense- First Thirty Years of Operation

# UPDATED DECEMBER 2015

## Town of Fairfield Penfield Pavilion I Debt Issued (In Thousands)

Completion Year: 2011  
Construction Cost To Date: \$4,933 (1)

<u>Date</u>	<u>Debt Issued</u>	<u>Total P &amp; I (2) Debt Service</u>	<u>Outstanding Balance (2) @ 12/1/2015</u>
July 2007	\$485	\$598	\$103
July 2009	175	215	117
July 2011	3,080	3,962	3,326
Totals	<u><u>\$3,740</u></u>	<u><u>\$4,775</u></u>	<u><u>\$3,546</u></u>

**(1) Paid for as follows:**

Debt Issued	\$3,740
Park and Rec Trust	250
STEAP Grant 2008	400
UI	35
STEAP Grant 2016	319
To Be Bonded	189 *
Total Construction Cost	<u><u>\$4,933</u></u>

\* Projected Debt

**(2) Adjusted for Bond Premium Proceeds**



# UPDATED DECEMBER 2015

## Town of Fairfield Penfield Pavilion I Options - Original Building Repair and/or Improve

Reflects new project costs

<u>OPTION 7</u>	
<i>Repair &amp; Elevate Without Lockers</i> 13,971 square feet	
<u>FEMA Reimbursement Calculation</u>	
Total Project Cost	\$5,473,738
Less: Insurance Recovery Funds Including Deductible	(2,250,000)
Plus: FEMA Credit Toward Deductible	1,000
Less: Ineligible Costs	(300,000)
Net Facility Cost for FEMA Reimbursement Calculation	<u>\$2,924,738</u>
FEMA Reimbursement @ 75%	\$2,193,554
<u>Town Funding for Project</u>	
Total Project Cost	\$5,473,738
Less: FEMA Reimbursement @ 75%	(2,193,554)
Less: CDBG Funds #1	(500,000)
Less: CDBG Funds #2	(225,000)
Total Town Project Cost	2,555,185
Less: Insurance Recovery Funds Net Deductible	(1,750,000)
Net Town Funding for Project	<u>\$805,185</u>

<u>OPTION 7A</u>	
<i>Repair &amp; Elevate With Lockers</i>	
<u>FEMA Reimbursement Calculation</u>	
Total Project Cost	\$7,447,000
Less: Insurance Recovery Funds Including Deductible	(2,250,000)
Plus: FEMA Credit Toward Deductible	1,000
Less: Ineligible Costs	(300,000)
Net Facility Cost for FEMA Reimbursement Calculation	<u>\$4,898,000</u>
FEMA Reimbursement @ 75%	\$3,673,500
<u>Town Funding for Project</u>	
Total Project Cost	\$7,447,000
Less: FEMA Reimbursement @ 75%	(3,673,500)
Less: CDBG Funds #1	(500,000)
Less: CDBG Funds #2	(225,000)
Total Town Project Cost	3,048,500
Less: Insurance Recovery Funds Net Deductible	(1,750,000)
Net Town Funding for Project	<u>\$1,298,500</u>

Town of Fairfield  
 Penfield Pavilion I  
 Revenue & Expense Assumptions  
 Options 7 & 7A

Reflects new rates and expenses

Option 7				
	Year 1	Year 2	Year 3	
<b>Revenue</b>				
Rental Penfield 1	\$89,000	\$175,000	\$208,000	
Changing Rooms	0	0	0	
Concession Fee	47,000	48,400	49,900	
Parking Revenue	50,000	60,000	60,000	
<b>Total Revenue</b>	<b>\$186,000</b>	<b>\$283,400</b>	<b>\$317,900</b>	
<b>Expenses</b>				
Salary/Wages	\$41,849	\$49,758	\$52,992	
Operations	15,000	15,500	16,000	
Flood Insurance	1,200	1,224	1,248	
Electric	12,500	12,750	13,005	
Marketing	4,000	4,080	4,162	
Heat	8,000	8,160	8,323	
	<b>\$82,549</b>	<b>\$91,472</b>	<b>\$95,731</b>	

Option 7A				
	Year 1	Year 2	Year 3	
<b>Revenue</b>				
Rental Penfield 1	\$89,000	\$175,000	\$208,000	
Changing Rooms	52,000	52,000	52,000	
Concession Fee	47,000	48,400	49,900	
Parking Revenue	50,000	60,000	60,000	
<b>Total Revenue</b>	<b>\$238,000</b>	<b>\$335,400</b>	<b>\$369,900</b>	
<b>Expenses</b>				
Salary/Wages	\$49,220	\$56,012	\$62,016	
Operations	15,000	15,500	16,000	
Flood Insurance	1,200	1,224	1,248	
Electric	12,500	12,750	13,005	
Marketing	4,000	4,080	4,162	
Heat	8,000	8,160	8,323	
	<b>\$89,920</b>	<b>\$97,726</b>	<b>\$104,755</b>	

Note: Revenue and Expense amounts for years 4 through 30 are increased 2% per year.

**Town of Fairfield  
Comparative Schedule of Estimated General Fund Revenue and Expense  
First Twenty Years of Operation  
Penfield Pavilion I**

	<u>Option 7</u> Repair & Elevate Without lockers	(1)	<u>Option 7A</u> Repair & Elevate With Lockers	(1)
<b>Revenue</b>				
Rental Penfield 1	\$4,717,761		\$4,717,761	
Changing Rooms	\$0		\$1,217,440	
Concession Fee	\$1,163,874		\$1,163,874	
Parking Revenue	\$1,394,739		\$1,394,739	
	<u>7,276,374</u>		<u>8,493,814</u>	
<b>Operational Expenses</b>				
Salary/ Wages	1,226,288		1,433,138	
Operations	373,097		373,097	
Flood Insurance	29,157		29,157	
Electric	303,717		303,717	
Marketing	97,189		97,189	
Heat	194,379		194,379	
	<u>2,223,828</u>		<u>2,430,677</u>	
<b>Surplus From Operations</b>	<u>5,052,546</u>		<u>6,063,137</u>	
<b>Debt Service</b>				
Debt Service - New Facility	1,052,000	(2)	1,696,350	(3)
<b>Insurance Recovery</b>				
Insurance Recovery Surplus	0		0	
Interest Income on Ins. Recovery Surplus	0		0	
	<u>0</u>		<u>0</u>	
<b>Total Surplus From Operations</b>	<u>4,000,546</u>		<u>4,366,787</u>	
Cost of Capital - Insurance Recovery Funds	2,301,250	(4)	2,301,250	(4)
<b>Grand Total Surplus From Operations</b>	<u><u>\$1,699,296</u></u>		<u><u>\$2,065,537</u></u>	

(1) See Revenue and Expense Assumptions for detail. Revenue & Expense increased 2% per year for years 4 through 20.

(2) Represents debt service of \$800,000 for facility at 3%.

(3) Represents debt service of \$1,290,000 for facility at 3%.

(4) Represents proforma debt service at 3% of insurance recovery funds used to execute option indicated as follows:

Options 7, 7A: \$1,750,000

**UPDATED DECEMBER 2015**

**Town of Fairfield  
Comparative Schedule of Estimated General Fund Revenue and Expense  
Twenty-First Year of Operation  
Penfield Pavilion I**

	<b><u>Option 7</u></b> Repair & Elevate Without lockers	<b><u>Option 7A</u></b> Repair & Elevate With Lockers
<b>Revenue</b>		
Rental Penfield 1	\$297,075	\$297,075
Changing Rooms	\$0	\$74,269
Concession Fee	\$71,269	\$71,269
Parking Revenue	\$85,695	\$85,695
	<u>454,039</u>	<u>528,308</u>
<b>Operational Expenses</b>		
Salary/ Wages	75,686	88,574
Operations	22,852	22,852
Flood Insurance	1,783	1,783
Electric	18,574	18,574
Marketing	5,944	5,944
Heat	11,888	11,888
	<u>136,726</u>	<u>149,615</u>
<b>Surplus From Operations</b>	<u>317,313</u>	<u>378,693</u>
Interest Income on Ins. Recovery Surplus	0	0
	<u>0</u>	<u>0</u>
<b>Grand Total Surplus From Operations</b>	<u><u>\$317,313</u></u>	<u><u>\$378,693</u></u>

**Town of Fairfield  
Comparative Schedule of Estimated General Fund Revenue and Expense  
First Thirty Years of Operation  
Penfield Pavilion I**

	<u>Option 7</u> Repair & Elevate Without lockers	(1)	<u>Option 7A</u> Repair & Elevate With Lockers	(1)
<b>Revenue</b>				
Rental Penfield 1	\$7,970,652		\$7,970,652	
Changing Rooms	\$0		\$2,030,663	
Concession Fee	\$1,944,255		\$1,944,255	
Parking Revenue	\$2,333,073		\$2,333,073	
	<u>12,247,980</u>		<u>14,278,643</u>	
<b>Operational Expenses</b>				
Salary/ Wages	2,055,025		2,403,000	
Operations	623,319		623,319	
Flood Insurance	48,682		48,682	
Electric	507,101		507,101	
Marketing	162,272		162,272	
Heat	324,545		324,545	
	<u>3,720,944</u>		<u>4,068,919</u>	
<b>Surplus From Operations</b>	<u>8,527,036</u>		<u>10,209,724</u>	
<b>Debt Service</b>				
Debt Service - New Facility	1,052,000	(2)	1,696,350	(3)
<b>Insurance Recovery</b>				
Insurance Recovery Surplus	0		0	
Interest Income on Ins. Recovery Surplus	0		0	
	<u>0</u>		<u>0</u>	
<b>Total Surplus From Operations</b>	<u>7,475,036</u>		<u>8,513,374</u>	
Cost of Capital - Insurance Recovery Funds	2,301,250	(4)	2,301,250	(4)
<b>Grand Total Surplus From Operations</b>	<u><u>\$5,173,786</u></u>		<u><u>\$6,212,124</u></u>	

(1) See Revenue and Expense Assumptions for detail. Revenue & Expense increased 2% per year for years 4 through 30.

(2) Represents debt service of \$570,000 for facility at 3%.

(3) Represents debt service of \$940,000 for facility at 3%.

(4) Represents proforma debt service at 3% of insurance recovery funds used to execute option indicated as follows:

Options 7, 7A: \$1,750,000

Option 8: \$3,300

**Town of Fairfield**  
**Original - Penfield Pavilion - Phase I and II**  
**Revenue and Expenditures**  
**as of 12/11/2015**  
**(In Thousands)**

**REVENUES:**

Debt Issued - 2007	\$485
Park and Recreation Trust - 2007	250
UI Grant - 2008	35
STEAP Grant - 2008	400
Debt Issued - 2009	175
Debt Issued - 2011	3,080
STEAP Grant - 2016	319
<b>TOTAL REVENUES</b>	<b>4,744</b>

**EXPENDITURES:**

Phase I (East Wing) - 2007 through 2010	1,151
Phase II - 2010 through Present	3,782
<b>TOTAL EXPENDITURES</b>	<b>4,933</b>
<b>NET:</b>	<b>(\$189)</b>

**Town of Fairfield**  
**Post Storm Sandy - Penfield Pavilion**  
**Revenue and Expenditures**  
**as of 12/11/2015**  
**(In Thousands)**

**REVENUES:**

Bond Authorization - 2013	\$1,000 (Penfield Pavilion Repair Portion of \$5,155,700 Bond Authorization)
Bond Authorization - 2015	6,029
<b>TOTAL REVENUES</b>	<b>7,029</b>

**EXPENDITURES:**

Penfield Pavilion Repairs	379
All Other - Penfield Expenses	158
Direct Administrative Cost	226
<b>TOTAL EXPENDITURES</b>	<b>763</b>
<b>NET:</b>	<b>6,266</b>

**PROJECTED CONTINGENCY AVAILABLE FOR FY16**  
**as of 12/14/2015**

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(Thousands)

FY16 Contingency Balance		\$1,409
Less:		
Contract Reserve	(891)	
IT Reserve	(134)	
Reserve for End of Year Variance projected by 1st Quarter Analysis	<u>(212)</u>	
		<u>(1,237)</u>
<b>Projected Contingency Available for FY16</b>		<b><u>\$172</u></b>

From: **James Bradley**

Date: Mon, Dec 14, 2015 at 2:30 PM

Subject: Re: Penfield Response to Rep. Way

To: Pamela Iacono, Moderator

Pam: In response to the inquiry by Representative Way: The **PBC** total design, engineering and preconstruction costs to date are \$379,436. The total can be subdivided as follows: Design and engineering: \$232,797; Preconstruction services: \$146,639.

Design and engineering to date represent 3.5 % of total construction costs and preconstruction services to date represent 2.2% of total construction costs.

1. Preconstruction services include cost estimating, including various design options, constructability reviews, developing and estimating various cost savings options, scheduling, bid preparation and preconstruction phase management. The scope of services is normally provided by a construction manager who has been selected to manage the whole project.

2. The typical design cost for **all new** construction, as percentage of construction cost, is 8%-10%. A **repair/reconstruction** project like Penfield will likely have a very wide range of design and engineering expenses very much dependent on the scope (extent of repair/reconstruction) of the project, given the Penfield issues 5% to 8% would not be uncommon for total design, engineering and design sub consultants costs.

3. The typical preconstruction cost can run 1% to 2.0% of total construction cost. The preconstruction costs to date are higher than normal. They have been influenced by estimating requirements (various options), redesign required by selection of Option 7A in lieu of Option 7 recommended by the Committee, a longer time duration than normal, accommodation of FEMA requirements and estimating various redesign options after public bidding in an attempt to reduce the project cost.

I hope this information is helpful.

Jim Bradley  
Chairman, PBC