

30TH BOARD OF REPRESENTATIVES CITY OF STAMFORD

President
MATTHEW QUINONES

Clerk of the Board
SUSAN NABEL

Majority Leader
RODNEY PRATT

Minority Leader
MARY L. FEDELI

MINUTES

President Quinones called the meeting to order at 7:44 p.m.

President Quinones read the call of the meeting: "I, Matthew Quinones, President of the 30th Board of Representatives of the City of Stamford, Connecticut, and pursuant to Section C2-10-4 of the Stamford Charter, hereby call a Special Meeting of said Board of Representatives at the following time and place:

Tuesday, January 14, 2020

7:30 p.m.

Legislative Chambers, 4th Floor
Government Center
888 Washington Boulevard
Stamford, CT 06904-2152

to consider and act upon the following:

1. [F30.273](#) REVIEW; Discussion of Stamford Public Schools Long-Term Facilities Plan.
01/03/20 – Submitted by Director Handler

Secondary Committee: Education Committee

2. [F30.274](#) ADDITIONAL APPROPRIATION (Capital Budget);
Not to Exceed \$250,000.00
Project 001213: BOE Long Term Facilities Implementation; Appropriation in the Amount not to Exceed \$250,000 for Professional Services in Support of Drafting, Evaluating and Managing Requests for Qualifications (RFQ) and Requests for Proposals (RFP) for Private Partners to Design, Construct and Manage Public School Facilities.
01/03/20 – Submitted by Director Handler
01/14/20 – To be Considered by Planning Board
01/14/20 – To be Considered by Board of Finance

Secondary Committee: Education Committee

3. [F30.275](#) ADDITIONAL APPROPRIATION (Operating Budget); Appropriation in the Amount not to Exceed \$750,000.00
\$750,000.00
\$750,000 for Preliminary Design, Engineering and Purchasing of Long Lead Construction Items for Educational Swing Space.
01/03/20 – Submitted by Director Handler
01/14/20 – To be Considered by Board of Finance

Secondary Committee: Education Committee

AGENDA

PLEDGE OF ALLEGIANCE TO THE FLAG: Led by President Matthew Quinones

ROLL CALL: There were 31 members present and 9 members absent or excused (Reps. Adams, Cottrell, Curtis, de la Cruz, DePina, Di Costanzo, Giordano, Graziosi, Jacobson, Lee, Liebson, Lion, Lutz, Mahoney, Matherne, McMullen, Miller, Moore, Morson, Nabel, Palomba, Patterson, Pendell, Pratt, Quinones, Roqueta, Sherwood, Summerville, Wallace, Watkins and Zelinsky were present; Reps. Aquila, Coleman, Fedeli, Figueroa, Florio, McGarry, Michelson, Saftic and Stella were absent or excused). [See Vote Record 2479](#). Rep. Stella arrived at 10:10 p.m.; Rep. Saftic arrived at 10:20 p.m.; Rep. McGarry arrived at 11:20 p.m.

Also present were Board of Finance members: Richard Freedman, Chair; Mary Lou Rinaldi, Vice Chair; Geoff Alswanger, Frank Cerasoli and Kieran Ryan; Planning Board members: Theresa Dell, Chair; Jay Tepper, Vice Chair; Michael Totilo, Claire Fishman, and Michael Buccino; Michael Handler, Director of Administration; and Tamu Lucero, Assistant Superintendent of Schools.

1. [F30.273](#) REVIEW; Discussion of Stamford Public Schools **HELD 29-3-1**
Long-Term Facilities Plan.
01/03/20 – Submitted by Director Handler

Secondary Committee: Education Committee

Mr. Handler and Dr. Lucero discussed the [proposed long-term facilities plan](#) with the members of the Planning Board, the Board of Finance and Board of Representatives. Items discussed and comments made include the following (for a comprehensive review of the discussion, please [review the videotape](#)):

- The need for input from the Planning Board and the Board of Education on any school relocation and the need for neighborhood schools
- The source of the financial calculations for the cost differential of traditional model vs. public/ private partnership
- The potential terms of the leases, including built-in rent escalation
- Whether having an outside manager would work better than having the City manage the buildings
- The need for constant oversight
- The need for a sinking fund for future capital improvements
- The need for input from the Teachers Union
- The time needed to prepare to design swing space
- Having members of the boards on the RFP/Q Committee
- Whether to proceed in order to get advice from a consultant in order to get a better handle on fiscal implications of public/private partnership
- The timeline in the presentation is wildly aggressive
- This is a plan for purposes of discussion, not the plan
- The need to protect against counterparty risks, such as fraud, bankruptcy, low quality of work, etc.
- The need to be able to use the properties for non-school purposes, e.g. cooling center, or purposes outside of school hours if they are not owned by the City
- The City's costs would be forecasted for the length of the lease

- City repair or building of this many schools would overly increase the City's debt service
- Another option is to build a new school every 6 or 7 years
- The RFQ process is short
- How does this work with the prevailing wage law?
- Maintenance of schools has not been fully funded
- The use of prefabricated schools would be less expensive and less time consuming
- Using a consultant will enable the City to determine if this is a worthwhile plan, and allow a determination of the costs; they are envisioning the consultants to help the City get started on whether pursuing a public/private partnership makes sense
- Do maintenance costs make sense given costs of surrounding towns
- Cost of building a school might not need to be as expensive as Strawberry Hill
- The current feedback from the City's attorneys is that a sale/leaseback is necessary
- The consultant's recommendations and determinations should be brought back to the boards quickly
- The City would spend more than the private sector to achieve the same level of maintenance
- The cost assumptions assume no support from the State for the private/public partnership model and 28.6% reimbursement from the State for the traditional model
- Neighborhood schools are important
- This would be a vote to give up democratic control of buildings and exploit workers
- The City has failed to maintain building envelopes and mechanicals at the schools
- This may save taxpayers money and get students out of subpar schools

Rep. de la Cruz read the following statement into the record:

In my mind this proposal raises serious concerns.

These concerns fall in three areas:

- 1) Privatization of core government functions has a checkered history;
- 2) Embedded assumptions and lack of supporting information for the promises offered; and
- 3) The haste with which only one course of action is being pursued.

First, before we get into the details of the proposal itself, of which there are scant few, we should face the policy question whether government should privatize core responsibilities. In government, history suggests that the privatization of core functions leads to dismal results, such as the travesty of for profit prisons, failure of attempts to privatize public roads, and our own dismal experience at outsourcing the management of the schools employees that do the school maintenance. Some municipalities have tried public-private partnerships for building and maintaining schools to their eventual regret. The City of Alberta, for example, ended up buying back ten schools as they found it was cheaper to own than to lease. Other sorry examples abound.

The proposal before us essentially leads to for-profit public schools; there is an ironic contradiction built into this concept. It is bad enough that, through the mechanism of student debt, the nation turned the college student population into a profit center for the private sector, now we are entertaining turning school buildings into a profit center for the private sector.

However, were we somehow able to dismiss this foundational policy consideration, looking at the elements of the proposal raise other fundamental questions, which brings me to my second concern, embedded assumptions and lack of supporting information.

In considering the embedded assumptions, we must first start with the facts and numbers that we know. The City has a AAA bond rating, which means that it can raise funds at much lower costs than private entities, the proposal starts in a financial hole requiring very optimistic assumptions to dig out of. We have experience with such optimistic assumptions. When the Mill River Tax Incentive Financing District, or TIF, fell short of expectations, the City had to step in to replace that debt with its own bonds backed by its full faith and credit.

The promised 70% savings is a fantastic number, an extraordinary number, an unbelievable number. In science and engineering there is a proviso that an extraordinary claim requires extraordinary proof. No list of assumptions, data, and analysis to support this claim has been presented. No attempt to prove that the number is anywhere near correct. It seems to come out of a black box.

When embarking on any significant project, especially for a project with such profound implications, the first order of business is to secure consensus on the assumptions that will govern the structure and analysis of the project. No list of assumptions is supplied.

Similarly, on a project that involves a significant, complex legal commitment, consensus is first obtained on a terms sheet outlining the governing obligations, commitments, and remedies. Remedies are of particular importance here, given that the City surrenders ownership of the land and buildings, and is left with no bargaining power. The City and its students are essentially captive tenants. It is hard to imagine how a contract can be written to cover the many changing conditions that are certain to emerge over a 40 plus years span. One can anticipate repeated renegotiations and litigation, with the City having no real bargaining power.

Without a vetted list of assumptions and terms sheet, underlying data, and analysis, it is a bridge too far to develop confidence on the proposal.

The sale/lease back concept is appropriate for for-profit enterprises that can generate higher profits by investing in their core operations capital released by the sale and leaseback of non-core fixed assets. In government, sale and lease back (in this case 'give-away and lease back'), has no financial payback. The concept is simply not applicable in government.

The incentives push in the wrong direction. For profit enterprises will build the schools at the absolute minimum cost they can get away with, and it is simply highly unrealistic to expect that a for-profit enterprise will devote more than the absolute minimum funds for maintenance, let alone capital improvements, on an asset it will ultimately not own, as other municipalities have learned.

With all the above pushing against the project, no alternative course was examined, which brings me to my third area of concern, the haste with which this single option is being promoted. Haste makes waste.

There is at least one other option with the potential to build the schools much faster, without having to surrender City owned land, cheaper, and with considerably less risk. Prefabricated construction presents another option that must be considered. This technology is now being used beyond residential, for commercial, municipal, high-rise apartments and schools.

Representative Lutz introduced this alternative months ago and Representative Lee has just compiled extensive documentation supporting the feasibility of prefabricated construction of schools; the kind of supporting documentation I would have expected with the privatization proposal. Kudos to Representative Lee for having devoted so much of his personal time to this effort. I have firsthand experience, having myself built a multi-family dwelling with prefabrication. The advantages are remarkable. Drastically reduced

project time, lower liability and workmen compensation insurance costs, no contending with the vagaries of weather, defective or delayed materials, etc. After the foundation and underground utilities were in place, the crane and modules arrived around 7 one morning and by 5 that afternoon there was a weather tight two family home on the site. After a couple of weeks of minor interior trim work, installation of appliances and mechanicals, and City inspections, the units were ready for occupancy. The end product was stronger and of higher quality since the modules have to survive the rigors of transportation and crane handling.

I agree entirely that we must take bold steps with our schools. I do not agree that we should only have one option or nothing at all on the table.

A motion to table Item No. 1 was made, seconded and approved by a vote of 29-3-1 (Reps. Adams, Curtis, DePina, Di Costanzo, Giordano, Lee, Liebson, Lion, Lutz, Mahoney, Matherne, McGarry, McMullen, Miller, Moore, Morson, Nabel, Palomba, Patterson, Pendell, Pratt, Quinones, Roqueta, Saftic, Sherwood, Stella, Wallace, Watkins and Zelinsky in favor; Reps. Cottrell, de la Cruz, Graziosi opposed; Rep. Summerville abstaining). [See Vote Record 2480](#).

2. F30.274 Not to Exceed \$250,000.00	ADDITIONAL APPROPRIATION (Capital Budget); Project 001213: BOE Long Term Facilities Implementation; Appropriation in the Amount not to Exceed \$250,000 for Professional Services in Support of Drafting, Evaluating and Managing Requests for Qualifications (RFQ) and Requests for Proposals (RFP) for Private Partners to Design, Construct and Manage Public School Facilities. 01/03/20 – Submitted by Director Handler 01/14/20 – To be Considered by Planning Board 01/14/20 – To be Considered by Board of Finance	HELD 25-3-6
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Secondary Committee: Education Committee

A motion by the Planning Board to hold this item was made, seconded and approved by unanimous vote.

A motion by the Board of Finance to approve this item received a vote of 3-1-1.

A motion to hold Item No. 2 was made, seconded and approved by a vote of 25-3-6 (Reps. Adams, Curtis, de la Cruz, Di Costanzo, Giordano, Graziosi, Jacobson, Lee, Liebson, Lion, Lutz, McGarry, McMullen, Miller, Moore, Morson, Nabel, Patterson, Quinones, Saftic, Sherwood, Stella, Wallace, Watkins and Zelinsky in favor; Reps. Cottrell, Mahoney and Pratt, opposed; Rep. DePina, Matherne, Palomba, Pendell, Roqueta and Summerville abstaining). [See Vote Record 2481](#).

3. F30.275 Not to Exceed \$750,000.00	ADDITIONAL APPROPRIATION (Operating Budget); Appropriation in the Amount not to Exceed \$750,000 for Preliminary Design, Engineering and Purchasing of Long Lead Construction Items for Educational Swing Space. 01/03/20 – Submitted by Director Handler 01/14/20 – To be Considered by Board of Finance	HELD 21-10-1
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Secondary Committee: Education Committee

A motion to hold Item No. 2 was made and seconded. After discussion, a motion to move the question was made, seconded and approved by a vote of 24-10-0 (Reps. Adams, Curtis, de la Cruz, DePina, Giordano, Graziosi, Lee, Liebson, Lion, Mahoney, Moore, Morson, Nabel, Patterson, Pendell, Pratt, Quinones, Saftic, Sherwood, Stella, Summerville, Wallace, Watkins and Zelinsky in favor; Reps. Cottrell, Di Costanzo, Jacobson, Lutz, Matherne, McGarry, McMullen, Miller, Palomba and Roqueta opposed). [See Vote Record 2482](#). The original motion to hold was approved by a vote of 21-10-1 (Reps. Adams, Cottrell, Curtis, de la Cruz, Di Costanzo, Giordano, Graziosi, Lee, Liebson, Lutz, Matherne, McGarry, Miller, Moore, Patterson, Pendell, Pratt, Saftic, Sherwood, Stella and Zelinsky in favor; Reps. DePina, Lion, Mahoney, McMullen, Morson, Nabel, Palomba, Quinones, Roqueta and Wallace opposed; Rep. Summerville abstaining). [See Vote Record 2483](#).

President Quinones adjourned the meeting at 12:13 a.m.

This meeting is on [video](#)