

**BOARD OF FINANCE  
TOWN OF BRANFORD, BRANFORD, CONNECTICUT 06405**

JOSEPH W. MOONEY, CHAIRMAN

HARRY DiADAMO, JR.  
VICTOR J. CASSELLA  
ROBERT IMPERATO  
CHARLES F. SHELTON, JR.  
JEFFREY E. VAILETTE



EX-OFFICIO  
JAMES B. COSGROVE,  
First Selectman

CLERK  
LISA E. ARPIN, CMC CCTC  
Town Clerk

**BOARD OF FINANCE  
SPECIAL MEETING MINUTES  
June 15, 2021**

RECEIVED

JUN 24 REC'D

BRANFORD TOWN CLERK

Chairman Joseph Mooney called the special in-person meeting to order at 7:32 p.m. at Fire Headquarters. The meeting was also available for public viewing via BCTV/Comcast Channel 20 and Facebook Live.

The full board was present: Harry DiAdamo, Victor Cassella, Robert Imperato, Joseph Mooney, Charles Shelton, Jr., and Jeffrey Vailette. Also present were James Cosgrove, First Selectman; Jim Finch, Finance Director; Lisa Arpin, Town Clerk; RTM reps in attendance were Tricia Anderson, Peter Black, Tom Brockett, Don Conklin, Tracy Everson, Ray Ingraham, Ed Prete, Marc Riccio, Carolyn Sires, Jim Stepanek and Frank Twohill. Also in attendance were Laura Burban, Animal Shelter Director; John Hoefflerle, Town Engineer and Margaret Luberda, HR Director.

Public Comment: Chairman Mooney granted citizen comment to the following who voiced areas of concerns regarding the escalated costs of the animal shelter project. Wayne Cooke, resident, spoke in favor of the shelter renovation, but indicated the process as faulty. Resident John Hartwell gave comments on Jim Finch's funding pathway memo questioning additional borrowing and the details of the \$1,700,000 increase. Bob Regal, a resident and builder, reported experiencing an increase in building costs by over 50% on his last three projects. RTM District 6 rep Marc Riccio spoke requesting additional details on the project overruns.

- I. To hear an update on the Dan Cosgrove Animal Shelter renovation project appropriation request.

Chairman Mooney reminded the audience that the Board of Finance met on May 24<sup>th</sup> on the project but did not act on it due to the uncertainties on the scope and cost analysis of the project.

The Board heard the Construction Manager's description of the Dan Cosgrove Animal Shelter renovation project presented by Brian Baril, Director of Estimating and Wayne Czarnecki, Operations with Enterprise Builders. The presentation included an overview of the bidding and pricing process, the variance report, escalation costs and the construction documents as per the attached memo dated 6/15/2021. John Hoefflerle and Jamie Cosgrove offered input during the extensive Q & A period. Enterprise Builders will provide the Board with additional project breakdowns in an email tomorrow.

Finance Director Jim Finch reviewed his funding pathway memo handout of June 11, 2021 receiving thanks and "absolute confidence" from Chairman Mooney on Jim's skill on putting together this pathway. Mr. Finch confirmed \$700,000 in cash has been raised toward expenses, and he is not current on pledges as they are tracked by the campaign folks. Mr. DiAdamo asked for additional clarity on timelines/expiration of grants and foundations.

2. To consider and act on the following proposed resolution:

"RESOLUTION AMENDING A RESOLUTION APPROPRIATING \$2,895,000 FOR THE RENOVATION AND EXPANSION OF THE BRANFORD ANIMAL SHELTER AND AUTHORIZING THE ISSUE OF \$2,895,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE"

(The purpose of the amendment is to increase the appropriation and bond authorization from \$2,895,000 to \$4,595,000, and ratify, confirm and adopt all prior authorizations and resolutions in connection therewith).

and to recommend the resolution for adoption by the Representative Town Meeting

Chairman Mooney indicated general Board support on the item, and by motion from Mr. Imperato to defer action on this item, seconded by Mr. Cassella, to take no action this evening, pending addressing additional information at the June 28<sup>th</sup> meeting. All were in favor.

3. The Board heard a request from Town Clerk Lisa Arpin pursuant to Section 42-1 of the Code for a positive recommendation to the Board of Selectmen regarding approval of a five-year contract renewal with Cott Systems for the Resolution3 Land Records Management System software. It includes a one-time fee of \$1,280 to embark on eRecording, or acceptance of land records for recording via electronic delivery. Cott is holding their pricing at \$1,020 per month for five years. Additional costs for index verification and microfilming of approximately \$5,500 per year are consistent with prior years, and was budgeted for in FY22. The public availability of Branford's online land records produces revenue to the Town, and in essence, the portal more than self-funds the cost of the annual Cott contract.

**Resolved:** That the Board of Finance recommends that the Board of Selectman approve a five-year contract with Cott Systems.

Mr. Vailette made a motion to approve the resolution, seconded by Mr. Cassella. The vote was unanimous.

4. Adjournment: By motion from Mr. DiAdamo, seconded by Mr. Vailette, the meeting adjourned at 9:08 p.m.

Dated this 24<sup>th</sup> day of June, 2021

  
Lisa E. Arpin, CMC  
Clerk, Board of Finance



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JUN 15 REC'D  
BRANFORD TOWN CLERK

June 15, 2021

Mr. Joe Mooney  
Chairman – Board of Finance  
Town of Branford  
1019 Main Street  
Branford, CT 06405

RE: Dan Cosgrove Animal Shelter – Board of Finance Meeting – June 15, 2021

Dear Mr. Mooney,

Thank you for the opportunity to present and discuss the current status of the Dan Cosgrove Animal Shelter with you and the Board of Finance on June 15, 2021.

We have designed this response to specifically speak to three main points:

1. A description of the process utilized to establish the current construction costs, including the prior budget iterations prepared by Enterprise Builders, Inc., and the budget established before Enterprise Builders was hired as Construction Manager.
2. A general overview of the current construction material cost environment, including escalation.
3. Comments on the sustainability component of the project with regards to construction cost, and to other similar projects.

#### Pricing Process

Enterprise Builders was notified on February 16, 2021 of the intent of the Town of Branford to award us the contract for Construction Management. We were then provided 70% complete construction documents dated February 19, 2021, which were analyzed and used to produce our initial budget #1 on March 10, 2021.

This budget was established using our estimating methodology, which focuses on engagement with key subcontractors to vet the drawings and produce responsible construction budget estimates for construction. These estimates are used in comparison with quantity takeoffs of the construction documents, which are costed against our historical data. The subcontractors' budgets are challenged (or verified) with our historical data, which is then holistically represented to the Owner as the budget price.

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Enterprise's initial 3/10/2021 budget was established as \$3,557,100 for construction costs only, based on the 70% documents. Understanding that this value was higher than the Owner's target construction cost budget, a series of cost reduction options (which we refer to as Value Engineering) were produced concurrent with this budget. These values were reviewed for viability with the Owner and design team, and ultimately entered into a revised budget with what's known as "Accepted VE."

The final construction documents were then completed by the design team and issued to subcontractors for bidding on Thursday, April 22nd, 2021. The invitation to bid was published via our iSqFt. Bid management software, in addition to advertisements on the Town website, and the Department of Administrative Services website. Bids were originally due on Thursday, May 13<sup>th</sup>, 2021; this date was changed via Addendum #1 until Monday, May 17<sup>th</sup>, 2021 at 1:30 PM, at which time the bids were publicly opened. Bidders were directed to hold their pricing for 90 days.

The apparent low bid values were then entered into a 100% Draft Guaranteed Maximum Price which was forwarded on May 19, 2021. Please see attached Exhibit A for the bid results.

We have prepared the attached Comparison Report (Exhibit B) comparing the following (4) budgets, including the Owner's soft cost budgets, for comparison:

- The original appropriation budget dated 3/5/2021
- Enterprise Builders, Inc.'s 70% CD budget dated 3/10/2021
- Enterprise Builders, Inc.'s 70% CD budget with accepted VE dated 3/31/2021
- Enterprise Builders, Inc.'s 100% CD draft GMP dated 5/10/2021

#### Construction Material Cost Environment and Escalation

In order to establish a baseline expectation for escalation, one method to calculate escalation is using a 25-year Cost Escalation Matrix from Design Construction Data ([www.dcd.com/cost-index](http://www.dcd.com/cost-index)), an industry standard, which establishes escalation factors from a start and end date. See table below.

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# 25-Year Cost Escalation Index Table

Year	Use this index table along with the regional modifiers to customize case study costs to a projected date and location.											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1999	266	267	268	269	270	271	272	274	274	275	276	276
2000	277	278	280	282	284	285	286	287	288	288	288	288
2001	289	290	292	294	296	297	298	299	299	300	300	300
2002	299	300	302	304	306	307	308	309	309	311	311	311
2003	311	312	314	316	318	320	321	320	322	324	325	325
2004	326	327	329	331	335	337	337	338	339	340	340	340
2005	356	357	357	358	360	361	360	365	368	370	371	376
2006	385	386	386	387	387	389	390	391	392	395	395	396
2007	400	401	402	401	402	405	410	415	415	420	421	422
2008	425	427	427	427	428	430	432	434	434	436	437	439
2009	440	442	442	443	444	446	447	449	449	450	451	453
2010	455	458	458	460	461	462	463	463	465	465	466	466
2011	467	467	467	471	472	473	473	475	476	476	476	477
2012	477	477	477	481	482	483	483	485	489	489	489	490
2013	490	490	490	494	495	496	496	498	498	499	499	499
2014	499	500	501	502	503	504	504	507	511	513	513	513
2015	515	517	518	519	521	522	524	525	527	528	528	528
2016	533	536	541	542	545	546	547	548	548	551	551	551
2017	554	558	561	563	564	566	569	571	574	576	576	576
2018	575	578	580	582	584	585	588	589	593	595	595	595
2019	597	600	603	604	605	608	610	612	614	615	617	618
2020	620	621	622	623	624	625	626	627	628	629	631	633
2021	634	636	637	639	641	642	643	645	647	649	651	653
2022	654	656	658	660	662	664	665	667	669	670	672	674
2023	675	677	679	681	683	685	687	689	691	693	695	697
2024	698	700	702	704	706	708	710	712	714	716	718	720
2025	721	724	726	727	728	730	732	734	736	738	740	742

Select a Design Cost Data case study file, which is similar to a project you have in mind, for a "base." Using the index table, find the "base" index number. Determine a target date for which your project will go out to bid (or the average month of the construction period, for a target date" if it is to be negotiated), and find the index number. Divide the "target" index number by the "base" index number to get a "multiplier." Multiply the cost per square foot by the multiplier to determine the updated cost per square foot. Multiply the updated cost per square foot by the total square feet of your project to get an updated estimated cost. (Use the regional modifier guide on the reverse of this card to determine the cost variations due to area differences.)

Based on this chart, in the case of the Dan Cosgrove Animal Facility, in a normal construction market, we would typically expect the following percentage of escalation between September 2020 and July of 2021:

- September 2020 (Appropriation) Value – In Yellow: 628
- July 2021 (100% Construction Document Bid) Value – In Green: 643
- Difference: 15
- Percentage: 2.38%

We are currently seeing a significant level of labor and material escalation across all trades on all of our projects which far exceed 2.38%. Please refer to the attached Exhibit C, which is a select list of material cost increase notifications that we have seen from September 2020 until today, including the following:

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- Lumber and Plywood – 135%
- Windows and Patio Doors – 5-10%
- Steel joists and steel deck 10%
- Drywall Increases 20%
- Metal Studs 10%
- Pre-hung doors 5-7%
- Insulation 8-12%
- Wood door frames 12%

On (3) other recent projects where GMP's have been established against a fall 2020 budget, we have seen a range of overall project cost increases between 12-15%.

Sustainability and Construction Cost

On this project we would identify the mechanical system (Division 15), and the insulation package (Division 7) as the items which are most impacted by the project's focus on sustainability. Division 16 (solar panels) also have a cost impact, but are not included within the GMP pricing as they are being provided by others.

There is a small premium for the systems selected under these two divisions; the specified mechanical system, priced at \$344,000 by the apparent low bidder, has an approximate premium of 8%, or \$28,000, over a "standard" design.

In Division 7, the insulation package includes spray foam insulation, which is an approximate 20% premium over a standard insulation package that would meet the Connecticut Energy Code. The apparent low bidder with complete scope has priced the insulation package at \$80,500, which results in a premium of approximately \$16,000.

Please feel free to contact me with any questions.

Sincerely,



Brian P. Baril, AIA  
 Director of Estimating  
 Enterprise Builders, Inc.

cc: File  
 Joe Sepot, Sepot Architects  
 Keith Czarnecki, Enterprise Builders, Inc.  
 Wayne Czarnecki, Enterprise Builders, Inc.

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**Variance Report**  
**Dan Cosgrove Animal Shelt**

Item	Description	Total		
		Amount		
		7868 - Dan Cosgrove Animal Shelter - GMP Draft - 2021-05-19 - Comparison	7868 - Dan Cosgrove Animal Shelter - Original Appropriation Budget - 2021-03-05	Variance
1000	GENERAL CONDITIONS	272,039	511,624	(239,585)
2000	SITWORK	519,333	208,135	311,199
3000	CONCRETE	116,050	107,656	8,394
4000	MASONRY	81,000		81,000
5000	STEEL	25,000		25,000
6000	WOOD & PLASTICS	371,001	179,426	191,574
7000	THERMAL,MOISTURE PROTECTN	557,500		557,500
8000	DOORS & WINDOWS	195,075	129,187	65,888
9000	FINISHES	278,015	287,082	(9,067)
10000	SPECIALTIES	16,725	7,177	9,548
11000	EQUIPMENT	446		446
12000	FURNISHINGS	5,480		5,480
13000	SPECIAL CONSTRUCTION		150,718	(150,718)
15000	MECHANICAL	582,699	214,737	367,962
16000	ELECTRICAL	262,700	147,130	115,571
Total		3,283,063	1,942,871	1,340,191

Item	Description	Total		Variance
		Amount		
		7868 - Dan Cosgrove Animal Shelter - GMP Draft - 2021-05-19 - Comparison	7868 - Dan Cosgrove Animal Shelter - Original Appropriation Budget - 2021-03-05	

### Estimate Totals

Labor	136,663	10,481	126,182
Material	3,240	890	2,350
Subcontract	2,988,537	1,416,019	1,572,518
Equipment	2,392	0	2,392
Other	152,230	515,481	(363,251)
	<u>3,283,062</u>	<u>1,942,871</u>	<u>1,340,191</u>
Building Permit	563*	0*	563
Fire Marshal Permit	0	0	0
Est Contingency (div 02 - 16)	316,979	178,033*	138,946
Escalation	0*	0*	0
Additional Liability Ins - NIC	0	0	0
Builders Risk Insurance -NIC	0	4,500	(4,500)
EBI Standard Insurance	16,415*	0*	16,415
Performance & Payment Bond	31,616	24,000	7,616
OH&P	151,365	67,746	83,619
	<u>3,800,000</u>	<u>2,217,150</u>	<u>1,582,850</u>
Sales Tax - Exempt	0	0	0
	<u>3,800,000</u>	<u>2,217,150</u>	<u>1,582,850</u>
Owner's Contingency	380,000	189,500	190,500
FF&E	150,000	125,000	25,000
IT	70,000	70,000	0
Architect Fees	90,000	90,000	0
Civil Engineering Fees	23,000	23,000	0
Energy Engineering	6,000	3,000	3,000
Testing and Inspections	10,000	10,000	0
Builder's Risk Insurance	5,000	5,000	0
Utilities	1,500	1,500	0
Advertising/Printing	500	500	0
	<u>4,536,000</u>	<u>2,734,650</u>	<u>1,801,350</u>
Bond Issuance Costs/Misc	59,000	65,600	(6,600)
Construction Contingency	0	94,750	(94,750)
	<u>4,595,000</u>	<u>2,895,000</u>	<u>1,700,000</u>



Variance Report  
 Dan Cosgrove Animal Shelt

Item	Description	Total		
		Amount		Variance
		7868 - Dan	7868 - Dan	
		Cosgrove Animal	Cosgrove Animal	
		Shelter - GMP	Shelter - Original	
		Draft - 2021-05-19	Appropriation	
		- Comparison	Budget -	
			2021-03-05	
	<b>Total</b>	<b>4,595,000</b>	<b>2,895,000</b>	<b>1,700,000</b>

Dan Cosgrove Animal Shelt

Item	Description	Total Amount			
		7868 - Dan Cosgrove Animal Shelter - Original Appropriation Budget - 2021-03-05	7868 - Dan Cosgrove Animal Shelter - Budget 70% Drawings - 2021-03-10 - Comparison	7868 - Dan Cosgrove Animal Shelter - Budget 70% Drawings - Accepted VE - Rev. #2 - 2021-03-31 - Comparison	7868 - Dan Cosgrove Animal Shelter - GMP Draft - 2021-05-19 - Comparison
1000	GENERAL CONDITIONS	511,624	272,039	272,039	272,039
2000	SITework	208,135	787,205	694,335	519,333
3000	CONCRETE	107,656	85,000	85,000	116,050
4000	MASONRY		89,900	94,750	81,000
5000	STEEL		13,460	13,460	25,000
6000	WOOD & PLASTICS	179,426	316,002	269,002	371,001
7000	THERMAL/MOISTURE PROTECTN		296,978	296,978	557,500
8000	DOORS & WINDOWS	129,187	229,740	217,440	195,075
9000	FINISHES	287,082	242,250	247,250	278,015
10000	SPECIALTIES	7,177	20,843	20,843	16,725
11000	EQUIPMENT		6,551	6,551	446
12000	FURNISHINGS		4,722	4,722	5,480
13000	SPECIAL CONSTRUCTION	150,718	698,400	601,900	582,699
15000	MECHANICAL	214,737	304,500	293,000	262,700
16000	ELECTRICAL	147,130			
Total		1,942,871	3,367,590	3,117,270	3,283,063

Item	Description	Total Amount		
		7868 - Dan Cosgrove Animal Shelter - Original Appropriation Budget - 2021-03-05	7868 - Dan Cosgrove Animal Shelter - Budget 70% Drawings - 2021-03-10 - Comparison	7868 - Dan Cosgrove Animal Shelter - GMP Draft - 2021-05-19 - Comparison
Labor		10,481	47,756	136,663
Material		890	3,060	3,240
Subcontract		1,416,019	2,775,664	2,988,537
Equipment		0	0	2,392
Other		515,481	290,789	152,230
		<b>1,942,871</b>	<b>3,367,589</b>	<b>3,283,062</b>
<b>Estimate Totals</b>				
Building Permit		544*	507*	563*
Fire Marshal Permit				
Est Contingency (div 02 - 16)		178,033*	142,262*	316,979
Escalation				
Additional Liability Ins - NIC				
Builders Risk Insurance -NIC		4,500		
EBI Standard Insurance		24,000	28,950	31,616
Performance & Payment Bond		67,746	137,691	151,365
OH&P		2,217,150	3,442,265	3,800,000
Sales Tax - Exempt		2,217,150	3,442,265	3,800,000
Owner's Contingency		189,500	189,500	380,000
FF&E		125,000	125,000	150,000
IT		70,000	70,000	70,000

Item	Description	Total Amount			
		7868 - Dan Cosgrove Animal Shelter - Original Appropriation Budget - 2021-03-05	7868 - Dan Cosgrove Animal Shelter - Budget 70% Drawings - 2021-03-10 - Comparison	7868 - Dan Cosgrove Animal Shelter - Budget 70% Drawings - Accepted VE - Rev. #2 - 2021-03-31 - Comparison	7868 - Dan Cosgrove Animal Shelter - GMP Draft - 2021-05-19 - Comparison
	Architect Fees	90,000	90,000	90,000	90,000
	Civil Engineering Fees	23,000	23,000	23,000	23,000
	Energy Engineering	3,000	3,000	3,000	6,000
	Testing and Inspections	10,000	10,000	10,000	10,000
	Builder's Risk Insurance	5,000	5,000	5,000	5,000
	Utilities	1,500	1,500	1,500	1,500
	Advertising/Printing	500	500	500	500
	Category Subtotal	<b>2,734,650</b>	<b>4,074,600</b>	<b>3,959,765</b>	<b>4,536,000</b>
	Bond Issuance Costs/Misc	517,500	517,500	517,500	736,000
	Construction Contingency	65,600	65,600	65,600	59,000
		94,750	96,250	94,750	
	Category Subtotal	<b>2,895,000</b>	<b>4,236,450</b>	<b>4,120,115</b>	<b>4,595,000</b>
		160,350	160,350	160,350	59,000
	<b>Total</b>	<b>2,895,000</b>	<b>4,236,450</b>	<b>4,120,115</b>	<b>4,595,000</b>