PENFIELD PAVILION QUESTIONS

1. **PUBLIC SENTIMENT – What do the residents of Fairfield want on Penfield Beach – A large pavilion with banquet hall, a smaller pavilion without a banquet hall, or just basic facilities like restrooms, showers and a concession stand?**

- Based on ~300 e-mails and comments at two public meetings, the overwhelming majority do not want a large pavilion with a banquet hall.
- In what remains a difficult economic environment with declining real median household income, and with the State facing serious fiscal challenges, perhaps the public is correct in believing that it is not appropriate to spend $6 million on a beach pavilion.
- If there is any doubt about what the people want, why not hold a referendum?
- If we are going to triple the number banquet-hall events in two pavilions on Penfield Beach from >1,000 to >2,750, don't the residents in the Penfield Beach neighborhood have a right to be heard on how that might affect their safety and quality of life?

2. **OPPORTUNITY COST – What is the best use of the taxpayers' money (~$2 million) that will be spent to build a second banquet hall on Penfield Beach?**

- What is the opportunity cost of spending money on a beach pavilion at a time when the Town faces ~$150 million in essential capital spending over the next ten years?
- Is a second banquet hall on the same beach really the best use of the $2 million it will cost?

3. **FLOOD AND EROSION CONTROL – How can we approve a project on Penfield Beach until we understand how it may affect or be affected by the Flood and Erosion Control Board's master plan for that beach?**

- The FECB's plan for Penfield Beach has not yet been presented to the BOS, let alone evaluated by other Town bodies.
- Instead of consulting directly with the FECB regarding the proposed project, the BOS relied on the non-expert assurances of the Director of Public Works.
- Since a new pavilion will not be completed in time for the 2015 summer season, why not consider the FECB's plan for Penfield Beach before we approve a $6 million project?

4. **FUNDING RISKS – Is the BOF comfortable with the projections of non-Town funding from FEMA and a Community Development Block Grant?**

- What are the risks that FEMA reimbursements will be lower than expected?
- What are the risks that the State will not be able to provide the expected $500,000 CDBG?

5. **FUNDING COSTS – Is the BOF satisfied that everyone understands the that $1.75 million in insurance proceeds is not free money and that it should be treated no differently than any other "new" funds required for this project?**

- Because there are no restrictions whatsoever on the use of the $1.75 million in insurance proceeds, this money is no different than any other funds used by the Town to fund its capital expenditures.

- Moreover, because the Town will have to raise $1.75 million more in the future to pay for other capital expenditures, the assumed debt service cost should recognize that future interest rates are likely to be significantly higher than they are today.

6. **REVENUES AND EXPENSES – Is the BOF satisfied that the projections of future "profits" from this project are reasonable and prudent?**

- Will a second banquet hall on the same beach really generate $175,000 in incremental revenues? And with no adverse effect on revenues from Durrell Pavilion?
- Is it reasonable to attribute revenues from Changing Rooms, Concessions and Parking to this project given that they could be generated without a building large pavilion with a banquet hall?
- Is it reasonable to assume that the expenses of operating a second banquet hall will increase only 18% (from $77,500 to $91,167) when usage of the banquet hall rises 133% (from $75,000 to $175,000)? For example, Electric costs will rise only 4% (from $12,500 to $13,005)?
- Have all the relevant costs be included in the analysis? Where are such costs as: an allocation of management time for the banquet hall business, on-site supervisory time, marketing costs, utilities other than electricity like water, increased demands on police and fire, etc.?
- Is there a comprehensive P&L statement for Durrell Pavilion that should be considered?

7. **COST OF SMALLER PAVILION – Why does the PBC presume that the construction cost of a smaller pavilion would be 50% higher per square foot ($353 versus $236) than that of large pavilion, even though it would avoid the ~$700,000 cost of moving the West Wing to and from the parking lot?**

- Using a more reasonable estimate, the cost of the larger pavilion is at least $2 million more (not $1 million more).

8. **ACCOUNTABILITY – Is the BOF satisfied that someone is actually responsible and accountable for this project? If so, who is that person?**

- The problem with this and other public projects relative to how they would be managed in the private sector is that no one "owns" them in terms of full and ultimate responsibility and accountability. In the case of Penfield Pavilion, fingers are being pointed by the participants in every possible direction, including the current PBC, the past PBC, the architect, the engineer, the FEMA consultant, FEMA itself, the construction manager, the Parks & Rec Director, the Parks & Rec Commission, the current DPW Director, the past DPW Director, the Finance Department, the CFO, the Flood and Erosion Control Board, the Board of Selectman and the First Selectman.
- Some seem to think that we should simply accept the recommendation of the PBC, but its chairman quite reasonably states that many key considerations (beyond the costs and benefits of various construction options) are beyond the PBC's scope, including program objectives, any net income projections from the facility, financing costs and opportunity costs.
- How can the BOF approve a $6 million project without knowing who is in charge of it?

9. **FREE LUNCH? – As the Town's financial authority, it would be helpful if the BOF would remind everyone that money from FEMA and from a State CDBG is not free – it is merely taxpayer money coming out of a different taxpayer pocket.**

Bud Morten