

Capital Improvements/Finance Committee Meeting
April 17, 2012

Present: Capital Improvements Planning Committee - Tom Clark, Carolyn Shores Ness, David Rohr, Bill Cummings, Bernie Kubiak

Senior Center – A request has been made for \$10,000 to do a building assessment. Second floor is not accessible and neither is the basement. Mr. Cummings questioned whether this committee is advocating upgrading the building. He wasn't sure the design of the building would work for seniors. **After discussion a motion was made by Carolyn Ness, seconded, and voted (3-1) to recommend \$6,000 be set aside for a study.** Without information it would be difficult to make decisions on the future of the building.

Historic Commission – The cemetery project was begun last year with the use of CPA funds to restore one cemetery. The request this year is for another \$25,000 to restore another cemetery. Mr. Cummings would like to meet again with the Historic Commission to learn more; Mr. Clark said he would go along with the request this year, but he, too, wishes to have a better understanding of where this project is going. **A motion was made by Ms. Ness, seconded by Mr. Rohr, and unanimously voted to recommend the request.**

Mr. Clark reported that Mr. Patterson, the Highway Superintendent, has requested that the purchase of **the brush cutter** be deferred until 2014. **A motion was made, seconded, and unanimously voted to recommend deferring the purchase.** The capital improvement recommendation will be adjusted accordingly.

At this point the Garage Committee joined the meeting. (Ralph Healy, John Paciorek, Vern Harrington, Bill McGoldrick, Shawn Patterson)

Ralph Healy gave a brief presentation to explain the work of the garage committee: reasons why a new facility is needed, why the choice of site at the Oxford property, etc. There have been no real active offers on the property. A nice facility, replacing the existing structure, could enhance the appeal of the property. He talked about the information learned in researching possible building designs, such as the various types of roof that could be used and what appeared to be the better choice. He pointed out the Town has a moral obligation to provide its employees with a safe place to work.

Mr. Paciorek contributed that this is the time to build this building; the Town is now financially in a good position to do this, having as much as a million and a half available in the Stabilization Fund. Mr. Kubiak added that at the end of FY'13 the Frontier project will be paid off; which means that \$.16 on the tax rate will drop off. He presented detailed costs as received from the estimators.

Mr. Patterson continued the discussion by presenting the work he has done with Mike Lawrence, the principal architect. He said in reviewing the estimated costs, he and Mr. Lawrence sharpened their pencils and found many areas where costs were out of line. Site costs, which include

excavation for a foundation and utilities, drainage, and roadway development were reduced substantially from the estimate.

Tom Clark said he is bothered that putting the highway building on the Oxford site is a change of use from that cited for purchasing the property. He was reminded that there is still acreage available for intended development. He thought the site was a perfect place for senior housing, noting the proximity to town services. He asked if the Oxford committee had been consulted. Ms. Ness said, speaking as a member of that committee, it was interested in seeing that development of the property was moving forward by getting rid of the old garage. Al Olmstead, Finance Committee chair, who had joined the discussion thought it was important to have comment from the Oxford committee. Ms. Ness suggested a meeting of the Oxford committee be pulled together to formally to make a recommendation.

As additional Finance Committee members began arriving the discussion continued.(Carol Moro, Mark Russo) They were asked if they had questions. Mr. Patterson was ready to go down the list of items to give anyone who had questions a chance to ask them.

Mr.Rohr had to leave for another meeting. Before leaving he expressed his opinion that the site chosen is a good one, especially since there is room for expansion in the future. Since the Capital Improvements Planning Committee wasn't ready to vote, the suggestion was made that when it was, someone would get Mr. Rohr.

Mr. Olmstead said the current economy is much the same as it was when the elementary school was built. The bids came in much lower than expected. Members of the garage committee agreed with this assessment.

Mr. Patterson proceeded to review the items on the list, entertaining questions as he went along. A number of questions centered around the handling of the water in the wash bay and the purchasing and storage of fuel. Mr. Patterson explained the difference between a fuel island and a fuel vault. A fuel island is an underground storage tank with an automated fuel delivery system. The vault is above ground with a spill containment moat around it. The price difference is \$250,000. The group was briefly sidetracked by a discussion about purchasing of fuels when someone mentioned that the Police department sometimes purchases fuel at Cumberland Farms.

Discussion turned to the soft costs. Note was made that architectural fees generally run 10% of construction costs. There is an escalation clause of 2%. In addition to the Contractor bid, there will be bidding for an OPM (Owners Project Manager) who manages the books, and a Clerk of the Works, who is on the job site daily. Mr. Kubiak explained that the bids go to the lowest responsible bidder, which means that the lowest bidder is not always awarded the project. Bidders must be certified by DCAM (Division of Capital Assets Management).

Questions were asked and discussed relating to the hiring of the architectural firm. This was done some time ago using the required bidding process. HKT got the bid The bid fee is \$450,000, however, the actual amount will be 10% of whatever the cost turns out to be. At this time the expected project cost is \$5.9 million. The recommendation for paying is to take \$1.5 million from stabilization and borrow 4.5 million. Borrowing won't occur until bids are known.

There currently is a loan on the Oxford property (\$1.5 m). One option, which is favored at this time is to roll that balance into the bond that will be issued for the garage project. Funding for repayment will continue to be as is currently done - paying the property portion out of operating costs. The balance will be paid as a debt exclusion. There are other options, which the Treasurer is researching. If desired, Unibank is willing to meet to discuss them. In the end, the Board of Selectmen will make a decision on what is included in the bond.

Mr. Russo said he felt like he was being asked to make an important decision in a short amount of time, and that how much would have to be borrowed was an important consideration. He felt that there would be other increases in the town's budget that would increase the tax rate more than the projected \$143.00 - \$159.00 for an average home. He was concerned that all avenues of solving the need for a new building have been explored. Mr. Healy assured him that his committee has done that.

Mr. Olmstead was more comfortable leaving a larger amount in stabilization. Mr. Kubiak reminded that the intent of having a stabilization fund is to set aside money so that when a capital project is needed there won't be a huge spike in the tax rate.

Mr. Kubiak said the two numbers needed for Town Meeting are: 1) how much to take from stabilization, and 2) how much to borrow.

Mr. Paciorek asked if the Town was making any money on the funds in the Stabilization Fund now. He then told how the fund had been built up in several ways, including a large infusion from closing of the dump. **He then made a motion, that was seconded, that \$1.5 million be taken from Stabilization for the project. The motion failed in a vote of 2 in favor, 3 against.**

Tom Clark made a motion, that was seconded, that one million dollars be taken from Stabilization. This motion passed (4-0-1). A 2/3rds vote is needed to use Stabilization Funds. The project will be voted as a debt exemption article, which means that when the project is paid for, the increase on the tax rate will drop off.

Mr. Olmstead voiced concerns about the need for storage of vehicles inside. This was briefly addressed by Mr. Healy. Ms. Ness suggested that he review the information from the Town of Lexington showing savings by reducing wear and tear on vehicles that are stored inside, as opposed to vehicles sitting outside in the elements. Mr. Olmstead said he would.

The Capital Improvements Planning Committee was ready to take a vote, so Mr. Rohr was summoned. **The motion made by Mr. Clark, and seconded by Ms. Ness, was to recommend the article to construct a new department of public works building at a cost not to exceed \$5.9 million.** During discussion the request was made that the existing Garage Committee be active in following this project to conclusion. **The vote was unanimous.**

The Finance Committee in **a motion made by Mr. Paciorek, seconded by Mr. Clark, voted to support the department of public works project at a cost not to exceed \$5.9 million. The vote was (3-1-1)**

Mr. Kubiak advised the Finance Committee that the Board of Selectmen has made four changes to the budget. He asked if the committee wished to consider them tonight or meet next week. The committee decided that since it was late and the “dogs have already gone to bed,” it would meet next Tuesday at 6:pm.

Following an expression of thanks to the committees for their support by Mr. Healy, speaking on behalf of the garage committee, the meeting adjourned.

Respectfully submitted,
Priscilla Phelps