

**Town of Hull
Building Committee Meeting
Tuesday, June 25, 2013**

In attendance:

Cathy Bowes/Committee Member	Jim Tobin/Committee Member
Paul Dunphy/Committee Member	Dave Walsh/Committee Member
Phil Lemnios/Committee Member	Debbe Bennett/Support Staff
Jay Meschino/Committee Member	Marcia Bohinc/Town Accountant
John Reilly/Committee Member	Patrick Finn/Support Staff
Kevin Richardson/Comm. Member	Matt Gillis/Support Staff
Dr. John Silva/Committee Member	Tom Gould

Absent:

Bill Dwyer/Committee Member
Charlie Ryder/Committee Member
Kathleen Tyrell/Committee Member

The Building Committee meeting was held at Town Hall in the Selectmen's Meeting Room and the meeting was called to order by John Reilly at 7:35pm.

1. **Call to Order:** John Reilly stated this meeting is being video recorded and broadcast. If anyone else is recording this meeting, please identify yourself so that I may make an announcement." No one identified but it was noted Roger Jackson from the Hull Times was here for a picture.
2. **Approval of Agenda.** The agenda was approved without exception.
3. **Approval of April 7, 2010 minutes:** *Phil Lemnios made a motion to approve the April 7, 2010 minutes. Paul Dunphy seconded the motion. All approved.*
4. **Chairman Reilly opening remarks:** John Reilly stated some members wanted an update on where we stand on financial matters and bonding capability and also want to know about any action taken by the financial subcommittee since the last meeting and hopefully when we have done that, we can adjourn for the last time. The final report to Town Meeting has been prepared. He stated Marcia Bohinc, the Town Accountant, is here to provide some bonding history.
5. **Financial Update**
 - a. **Town Accountant Bohinc – Bonding History:**

High School: Marcia Bohinc distributed a 3-page handout. She stated she wanted to start with the high school because it is the cleanest. She noted the layout of all three pages is the same. The original budget was \$20M and at

that time, the SBA reimbursement was done after the project was completed. That's important to note because we had to borrow money to do the full project, we issued the full \$20M between temporary and permanent bonding. In 2006, the MSBA completed the audit and provided reimbursement for construction and interest. At the time, we had to fully borrow the money so the MSBA paid the interest charge. The reimbursement was just over \$13M which was applied to the total project cost of \$19,863,397. Two bonds were issued - in 2005 one for over \$5M and we finished bonding in 2011 with \$909,000. To start the project there were two other funds, one was the HRA donation (\$28,089) and there was money from the general fund (\$38,333) and an additional general fund subsidy of \$585 was used to close out the project. The total funding was \$19,863,397 and there is nothing left.

Phil Lemnios reiterated that when we started the school building project with the MSBA, the program was that communities would front all of the money and apply for reimbursement after the project was complete. They recommended a room to keep the project documents in so the audit would go smoothly. The reimbursement rate on all projects was 71%. He stated one question someone is bound to ask is, what happened to the \$136,603. Marcia Bohinc said because we had to either temporarily or permanently bond the \$20M, we took the remaining \$136,603 and paid off the rest of the temporary bonding so there was no money left. Phil Lemnios noted some people were wondering if there was money left. The audit was done by the MSBA to verify all expenses associated with the project. Paul Dunphy asked if we are still paying down debt. Marcia Bohinc said yes, as we close FY13, for the high school project, including principle and interest, we have an outstanding debt of just over \$5M. Both of those issues will be paid off in FY26 and are part of a debt exclusion. John Reilly said so our share of what's left on the high school project is just over \$5M. Phil Lemnios stated the cost of the high school was \$20M but the cost to Hull tax payers was \$6.2M and the balance was picked up by all the other taxpayers in the Commonwealth just as Hull taxpayers have been picking up the cost of other school projects across the State for many years. Cathy Bowes asked about the contingency fund. Does it play into this at all and does it cover any litigation? Phil Lemnios stated the litigation of the roof was a combination of insurance and contract and it was all worked out. We had Bob Garrity working on behalf of the Town and he did so successfully. The total project cost of \$19M includes any contingency. Marcia Bohinc said the MSBA audit was done in 2006 but we didn't do our final bonding until 2011 because there were still some expenditures associated with the roof and litigation and we wanted to capture all those costs before we did the final bonding. That is why we were able to close it cleanly. Paul Finn said it sounds like the Town voted on \$20M and we had \$136,000 left over to spend on paying down the debt. Marcia Bohinc said yes in a way. There are

two types of debt - temporary and permanent. When you start a project you don't know how much it will cost in the end and you don't want the expensive permanent debt so you start out with temporary debt. We did not borrow the \$136,000 and paid off temporary debt and only financed the true cost. Pat Finn asked if any expenditures after the 2006 MSBA audit will need to be audited. Marcia Bohinc said they were audited as part of the town's year end audit, not by the MSBA. In addition, all expenditures did come before this board and were approved.

Memorial School: Marcia Bohinc stated this process was the same as the high school project in that we had to front all costs and the MSBA looked at all of the expenditures and did the reimbursement for construction and interest costs. The project was different because the authorization for Memorial was done with the Jacobs project. The Memorial School and Jacobs School together have an authorization of close to \$40M. The Memorial had an original budget just shy of \$12M and revised it with the additional clock tower work for a total cost of \$12,170,344 which was slightly above the \$12,092,000 revised budget. We had MSBA reimbursement of almost \$9M and two bonds were issued in 2005 (\$2,649,000) and in 2008 (\$502,000) with the same initial general fund and HRA donations to start the project with a final general fund transfer of \$303. The total project funding was \$12,170,344 and this project was closed. Both of the bonds will be paid in FY26. The first bond of \$2.6M has \$2M remaining for principle and interest and on the second one, we have \$457,000 remaining for a total of just under \$2.5M. Dr. Silva said, when we funded the Memorial School there was a different law in place with the MSBA and the method of reimbursement. He asked how that affected us. Marcia Bohinc said that was the Jacobs, the last school. Memorial School and the high school were the same and we had to fully fund both and when the projects were complete and we went to the MSBA and Debbe Bennett handled most of the audit when they looked at the files to verify each expenditure. When they were satisfied, we received the reimburse. With this school they paid \$900,000 in interest since we had to borrow up front.

Jacobs School: Marcia Bohinc stated with the Jacobs project, the MSBA had a pay-as-you-go program in place. The State recognized they did not want to pay all those interest charges and it was easier on them since there was less to audit with each monthly submission. The project budget was \$27,620,000 and the total project cost was \$26,803,273. In September/October 2006, we began submitting monthly packets to the MSBA of all costs to date and they reviewed it and reimbursed us 75% of those monthly costs. We were then able to use that money all along as we were funding the project for cash flow so we had to borrow less. That is why at Town Meeting we were able to rescind about \$7M in outstanding debt since we did not have to temporarily

borrow money while waiting for reimbursement. From November 2006 through February 2008, we received reimbursement every month and the MSBA held back 25% of that until the final audit was done in April 2009. In total we received over \$14M for the Jacobs School, which was 71% of the cost of the approved square footage.

Marcia Bohinc said there were four bonds issued for the Jacobs School. The first in 2005 (\$1,010,000) when the other schools were issued, which will be paid off in FY26 and it has \$770,000 remaining. The second was issued in 2008 (\$4,000,000) with a payoff in FY29 and with principle and interest. There is \$4.3M remaining on that. In 2009 we finished up the project with another \$3,450,000 bond due in FY28 and that has a balance of \$3.7M with principle and interest. David Walsh asked why the bond is due in FY28. Marcia Bohinc said you can only borrow for a certain number of years, combined temporary and permanent bond, so if the temporary bond is for 10 years, the permanent is for 10 years. She added we did go to Special Town Meeting in 2007/2008 for a new authorization and it is her thought that it was new money we had available that we temporary borrowed and we had to go out an extra year. Marcia Bohinc said it was just the timing of the temporary money and when we went to market. Marcia Bohinc said there was also a MSBA bond. As you may remember, there was a pool of money for then-current projects, which was a 2% loan. We applied for it and received \$4M and it had a 30-year duration with a FY33 payoff and we have \$4.1M left. All tolled, on the Jacobs School we have \$12.9M to go. The total funding for the project was \$26,869,985 with a remaining \$66,712 balance. She said the reason we left some money behind was because there were still some remaining punch list items identified and other projects like the playground, front steps and litigation to finish up. They wanted to have some money available to handle those. Since that time, we have completed those projects and settled litigation where money was spent on attorney's fees. We have \$66,000 left but that money is not available to use. We cannot use that for repairs or as part of the budget -- it has to be used for a project you can bond for the same amount of time. David Walsh asked when the money became unavailable for doing work on the schools and said he did not know there was an issue with the stairs. John Reilly stated there was a settling of the stairs that had to be repaired. Phil Lemnios stated Truglia did the repair work where the bricks sank on the landing and stairs. He added the issue was discussed with the committee and they gave the sub committee authorization up to \$10,000 or \$15,000 to make corrections. David Walsh said the authorization was up to \$15,000 provided they came back to the committee. Marcia Bohinc said the last spending was May 2012 and she has a list of vendors paid since July 2010 which has a value of \$77,000. David Walsh said he thought when we got the packet it would have included a balance sheet of what was spent

since our last meeting. He has been asking what is going on with the committee for over 3 years. He said he doesn't know what has been spent and none of us have been afforded an e-mail on what was spent on the school. At the last meeting, he believes there was \$580,000 in the contingency budget and he would like to see what was spent. John Reilly said as a member of the sub committee there was nothing spent that wasn't authorized by this committee. David Walsh asked if anything has been spent out of the contingency since our last meeting three years ago. Phil Lemnios said at our last meeting the full committee gave the sub committee authorization to take care of some of the things mentioned in the minutes. Phil Lemnios told David Walsh that if he has a direct question, all he has to do is come to the office and ask it. He said if we knew you wanted that information this evening we could have brought it. As a matter of fact, based on the innuendo and insinuations he's making tonight, what we ought to do is call another meeting and bring the full tally and audit by the MSBA. He noted it is available upstairs and at the School Department and then come with your questions. David Walsh said he has asked questions of this committee. Phil Lemnios said his recommendation is for David and any other member interested, to make an appointment with Debbe to go to the School Department and review the audit books and pose specific questions in writing to the staff members so we can call another meeting to address them in a public format. David Walsh said you're leaving some of the language out. The authorization was given provided they went back to the full committee. Phil Lemnios said that is factually incorrect. He said there were a series of small projects that came before the full committee, for instance the front steps. Phil said since Mr. Walsh is throwing it out there with a huge question mark over it, he asked him or any other committee member who has a question about the expenditure stream, to go look at the audit which is available for anyone to look at, formulate their questions so the staff has time to address those questions and we can even bring in an independent auditor and call another meeting. He said they are good questions but Mr. Walsh seems to be under the impression there was a pot of money spent on non-school related items. David Walsh said he has served on this committee for years and has not been notified in over three years – that is his gripe. Phil Lemnios said other than mentioning that to other committee members in a causal fashion, how are we to know you have that gripe.

Paul Dunphy said we last met three years ago and last year he asked Phil about the draft put together for the annual report. Phil indicated to him that we would see it at the last Town Meeting. He said he understands Dave's frustration. In terms of the home team, it was an outstanding group of people taking care of the day-to-day business and he doesn't have any problem with that. He said he would like everyone to calm down because he doesn't think

there is anything funny going on at all. Marcia Bohinc said regarding Mr. Walsh's comment about the \$500,000+ in contingency, what we didn't get to was the last page. The last number on the page is the budget to actual of what was not funded which is \$750,000. If we had funded everything that would be extra – the project came in under budget and a lot of the contingency was not spent and we did not fund that \$750,000.

Jay Meschino said he has a question about the total amount of debt. The town is obligated for about \$20M and it roughly extends through FY26 with some through FY33. He asked for a summary of that total and what our annual obligation is. He said it might be good to state it publicly. Marcia Bohinc said the total debt on all three schools is \$20,378,000 remaining. The earliest portion will be paid in FY26 and the last piece going to FY33. Annually we are at about \$1.7M for the school portion of the debt. She stated that number is off the top of her head but she can confirm that.

Jim Tobin asked what the remaining \$66,000 could be used for. Marcia Bohinc responded another building project that you can borrow for the same amount of time. It can't be used for day-to-day expenses even if on the buildings, it's not allowed under the bond issue. Jim Tobin asked about a maintenance audit. Marcia Bohinc said she doesn't believe so.

Dr. Silva asked if part of this was on a debt exclusion. Marcia Bohinc said yes, the high school was. Dr. Silva said when that is paid in FY26 it will no longer have an affect on the tax rate. Marcia Bohinc said that is correct.

David Walsh asked if the \$66,000 is actual money. Marcia Bohinc said it is cash in the bank. David Walsh asked if it can be used for paying down the debt. Marcia Bohinc said no. Phil Lemnios said it can only be used for something of a similar nature and similar terms.

Pat Finn said in the last meeting minutes there is a motion authorizing the sub committee to work with the highway director to repave Harborview Road, not to exceed \$50,000. He asked if we paid that money to the DPW and if not, can we. Marcia Bohinc said although the committee did approve this, they went to bond counsel and they said no and they have the final say if we want to keep our bonds pure and the tax structure where it is. She said there was no money from this project used on paving Harborview Road. In 2010 they requested Chapter 90 money for the road and the project came in at \$187,000.

Jay Meschino said it sounds like the remaining \$66,000, which is real money, is trapped. Is it in an escrow or something with interest so 10 years from now it could be used for another project? Phil Lemnios said it is a segregated

amount and trackable and it is not earning interest beyond the value of the bond's interest because that would be arbitrage, which we can't do. Until we find a use for it consistent with the bond authorization, it will sit there. Eventually the \$66,000 will be available at the end of FY26 for any use. David Walsh asked if there is a town facility that is in need of work in the neighborhood of \$70,000. Phil Lemnios said when you look at MGL, it has to be very precise. Ultimately we will find a use for these funds. The reality is it is a fairly precise bond authorization.

Matt Gillis said he would be happy do so some research. He has some experience with building projects and can do some research to see if the idea of a feasibility study/maintenance plan would be in accordance with the spirit and premise of the bond language. Paul Dunphy said that was exactly what he was going to ask Matt to comment on -- to see if he had any ideas on how the money could be used. Paul said technology is moving so quickly they may need an upgrade to the building management system or in terms of efficiency. Paul Dunphy said on page 2 of the report to the people, it says we commissioned a life cycle cost study. He asked Matt Gillis if he has seen that. Matt Gillis said no he has not. Paul Dunphy said he needs to take that tool and work it into what we were just talking about and come back to us with what you might need. Paul Dunphy said the Jacobs School was commissioned and they did a thorough evaluation of replacement costs and shelf life. He suggested Matt Gillis make himself familiar with it and come back and talk about this \$66,000. Matt Gillis said that is something that is in the spirit. Years ago when the SBA was under the Department of Education, they gave extra incentive points for having commissioning and project management done, so that sounds like it would probably pass with bond council. At this point it would be re-commissioning of the high school and middle school which would be beneficial so we can find areas for improvement rather than when things start to break down. Paul Dunphy said that would lead us to another meeting before we disband. John Reilly asked how much time he would need. Matt Gillis said he would be able to have answers by September. Phil Lemnios said the Jacobs and high school should have had maintenance manuals, Memorial may not have. He asked if Matt Gillis has seen those manuals. Matt Gillis said he hadn't but has had discussions with Gerry Soucy, our employee who sort of re-commissioned the buildings from the mechanical side, not electrical. He noted it is working because he can see a decrease in energy consumption over the last three years since we hired him. So we are moving in the right direction but we could benefit from having a formal study done and it might be a nice way to close out the project. Phil Lemnios asked him to also look at the key maintenance issues. Do we know those things are happening? Matt Gillis said yes, for the most part they are. Phil Lemnios asked can we look at logs of when things are

being done so when we look at the manuals we can see if things were done when they were suppose to. Phil Lemnios said he would be interested in knowing if you have been following the operations and maintenance plans from the beginning and how do we verify that. Matt Gillis said he doesn't have the answer from the beginning of any records of maintenance plans but we do have current records. Phil Lemnios said he wants to get a sense of if the department has been following the maintenance plan and if not, why. Paul Dunphy noted we have until May before we have to disband the Committee so he doesn't want to pressure Mr. Gillis who just walked into this and got blind sided by this tonight. He said he would like to see the superintendent here to answer questions as well. Phil Lemnios said towards the end of the project, we hired the commissioning agent to go through all of the equipment installed and verified it had been installed and balanced according to the specs so we knew it was at optimal operating condition for the school. The second component of the commissioning was that the buildings were more complex, the maintenance staff would need a game plan on how to maintain the systems whether quarterly, yearly, etc. This report would help people follow that plan. Phil said it is not unique in school departments that typically maintenance is the step child to any budget because you can cut maintenance without cutting a service. Phil Lemnios said the reason he wants a backwards look is to see if we adopted the system that was provided. If we haven't, we haven't. We have to know that (or not) for the next audit by a commissioning agent and how do we keep it going forward.

Dr. Silva asked where we were on the agenda. John Reilly suggested we finish up on the financial aspect. The total cost was about \$60M and the total cost borrowed was about \$20M. Marcia Bohinc said we owe \$20M and we borrowed slightly more than that but she could not find the exact number. Pat Finn thanked Marcia Bohinc for providing the three sheets and said he likes the bottom line - - the \$750,000 that we did not have to spend on the Jacobs and the high school \$136,000 we did not have to spend and it looks like the Memorial School was over by \$70,000. Pat Finn said we did not spend money we did not have to. Marcia found the total borrowing amount, which was \$21,837,160 for all three schools. Jim Tobin said in anticipation of not being able to spend the \$66,000, he is hoping this committee, before disbanded, will recommend to the School Committee or Board of Selectmen to put an article in the next town meeting for the money to do this commissioning. John Reilly asked Matt Gillis to run it by bond council prior to the September meeting.

- b. **School Business Manager Gillis – Payments since last SBC Meeting:** Matt Gillis distributed a list of all expenditures since the last meeting. He noted all the items that were discussed at the April 7 meeting are noted there. All other

expenses are legal fees or settlements costs to bring the project to a close. We settled with TLT and Brait Brothers. The Jacobs entry masonry work was completed and it totaled \$89,000. John Reilly noted the settlement with Brait Brothers was charged to the Jacobs School. Marcia Bohinc said we could do that because the original authorization was for both schools and since the Memorial project was closed at that point, it had to be charged that way. Phil Lemnios said the only sub committee action is noted here. Paul Dunphy noted some line items have a star and asked why. Debbe Bennett noted those costs were reduced from the final payment to TLT. Paul Dunphy said the biggest threat to the school is the rubber roof system and a number of line items on the spreadsheet are related to leak testing. He asked if all those leaks have been addressed. Matt Gillis said these projects have corrected the problem with the water coming up into the elevator shaft. We still have some roof leaks from time to time and we still have water damage with the other elevator this past winter and have filed an insurance claim. His plan is to have a knowledgeable roofer do an analysis and maybe an infrared scan at night. Most of the leaks are typically at the flashing or penetrations. You don't always have to pay for that type of service if you have a good roofer. Paul Dunphy asked about the leak testing done by Gale Associates and asked if it has all been taken care of. Matt Gillis said he has not seen them but he has talked to Tom Gould and for the most part it is cured although we still have problems with the elevator shaft near the principal side from time to time. That will be an ongoing problem but the rest have been cured. David Walsh asked if there is still water in the elevator. Matt Gillis said not from the floor. He added the February storm caused damage and we had to file an insurance claim and it has been temporarily repaired but not as good as we want it to be. David Walsh asked if any of this is warranty related. Phil Lemnios said there were a series of tests done under the direction of the architect and project manager because they were concerned about a northeast driven storm. Ultimately the Building Committee took substantial completion of the building and that's one of the reasons why TLT's final payment was negotiated down. Kevin Richardson asked if the money we expended was deducted from the TLT payment. Phil Lemnios stated the negotiation was based in part on the fact the Town was not satisfied with some of their work and they did not get the \$44,000 they originally asked. We took that money and had contractors make the repairs. Kevin Richardson noted the total of the asterisk items closely accounts for the difference between the original requested amount and the amount paid.

Pat Finn said on page 5 of the April 7, 2010 minutes it says "Paul Dunphy said don't wait on the elevator penthouse vent. He said they are retrofitted by a lot of owners. Paul Dunphy suggested bringing in a tin knocker and having them put a cap on it. He said that does not go back to design." Pat Finn asked

if that was ever done. Matt Gillis said he would have to get back to him on exactly how it was corrected. David Walsh said any problems that occur now and any money spent to rectify it has to come from somewhere. Phil Lemnios said that would be a maintenance issue. Paul Dunphy said if it is a design issue, you need to fix it. Jay Meschino said he took a picture of it. It is not fixed, it's covered with a blue tarp. Phil Lemnios said that was the result of the recent problem but the question is, was any modification done previously. As he recalls Ai3 came to us with suggested modifications. John Reilly said the problem is; what may work in other towns, may not work here because of the high winds.

Phil Lemnios said he wanted to recap. He first he apologized to David Walsh for his earlier animation. He said his concern was to get a status of the money. He hopes this, as well as Marcia's presentation, gives him the sense that the total available funds to expend at the end of the project was about \$160,000 or so. \$89,000 of it is displayed here and \$66,000 is the remaining balance that has a constraint on it. David Walsh said the issue has always been that for three years he has asked elected officials about the status and no one gets back to him. His concern is he has been on the committee and is kept in the dark. Phil Lemnios said that was not the intent.

Dr. Silva said he has an item under the final town meeting report, or new business. He is sitting on the capital planning committee and they are looking at the Town infrastructure. He believes there should be discussions between the School Committee and the Town in terms of the Memorial School being an alternate facility. He read in the paper recently that Randolph School Committee recently declared two schools excess. The School Building Committee wanted to offer some recommendations for the use of the schools. Dr. Silva asked Phil if he is aware of this. Phil Lemnios said there is a process. The schools are under the control of the local School Committee who has to make a determination about the space requirements and usage of the buildings and they are the only entity who can make a determination regarding the use of its buildings. Once a School Committee declares it surplus, it is returned to the town's general building stock. Dr. Silva asked Phil if he has had discussions with the School Department about the middle school being a possible site for a Town Hall or library in light of the drastically reduced school population. He also asked if this committee has any play in it. Phil Lemnios said the idea of reutilization of Memorial School for Town Hall or the library has been floating around for three years or so. The School Department did a study on what it would take to consolidate programs and studies. The Capital Committee discussed it as recently as a month ago. The only way it can be addressed in a serious manner is with the School Department's participation. The decision points they have to look at

are how it would affect programs - educationally and operationally. What happens with buses, principals, and grade level requirements such as laboratories. Phil Lemnios said he believes the feasibility study addressed some of these points. That is the discussion and the 800lb gorilla in the room. The capital committee, to redo Town Hall is going to be looking at a very substantial bond issue. So people in Town will ask if there is any way to avoid it, so the differential can be applied to repairing roads, sea wall, etc. The operational budgetary growth going forward for FY15, FY16 and FY17 needs to be limited to 2.5 - 3.0% because everything else has to go to capital. Our seawalls are at a critical failure state, some buildings are in true jeopardy and our roadway system is atrocious. We have delayed these repairs over the last 4 years or so due to the general state of the budget. The focus had been on the schools due to the outstanding reimbursement rate at the time. You won't find another community that will be able to do all three schools now like we were able to do then. The real budgetary push over the next 3 or 4 years will be relatively stable operationally and the balance has to go to capital. He said the Fire and Police Department's are telling him they can't drive down Samoset or Manomet at any speed now without risking damage to their equipment. Jim Tobin asked when the feasibility study was done. Cathy Bowes said about 3 years ago. Kevin Richardson said there were two of them done. Jim Tobin asked if the capital planning committee will be able to review it. Phil Lemnios said it is a public record. Jim Tobin said he wonders why the Town Manager and capital planning committee haven't seen it. Phil Lemnios said to be fair to the School Department, the emphasis of the capital planning committee has been to catalogue the capital needs and then begin to prioritize them. The next phase may include getting that report. Cathy Bowes said she had a problem finding the capital planning meetings posted. She asked if there is a set day of the month they are held. Phil Lemnios said the last meeting was held in April. Cathy Bowes asked if those minutes are posted. Phil Lemnios said he would ask that they be posted and there will be a meeting during the summer. Cathy Bowes said there isn't a drop down for the committee on the town website. Phil Lemnios said he would take a look at the website.

Kevin Richardson asked Marcia if an analysis could be done for a debt exclusion on all the remaining school debt and what that would free up for capital. Phil Lemnios said Memorial has a value of about 250 per year and the Jacobs School value is \$1.1. Phil Lemnios said you can seek to exclude the \$1.35M balance of the debt outstanding on Memorial School and Jacobs School and put it outside the existing tax levy. Kevin Richardson said it is something to talk about and use that to fund capital.

6. **Final Town Meeting Report Review for May 2014:** Paul Dunphy noted from the final report “The schools will demand serious attention to operation and maintenance. We have had preliminary discussions about maintenance of schools and town buildings. The citizens of the town must demand that our schools be maintained in a proper fashion. Roles and responsibilities need to be defined and a new facilities management group must be developed to support all town owned buildings.” Paul Dunphy said he wants to drive that point home based on the photo Jay brought in of a leak in an elevator shaft with tarps on it. He said maintenance always plays second fiddle. These are brand new schools covered with a tarp. He said he would not vote for another school building project based on that. Pat Finn said he appreciates Mr. Dunphy’s input and agrees with it. In the minutes from the last meeting, there was a discussion about a line item in the budget for maintenance of all town buildings. He asked if that is the baby step you want to take with the school department. The Superintendent, at a previous meeting, was very interested in the idea of combining the maintenance of all town buildings. Phil Lemnios said there are a series of cities and towns that have attempted a consolidate maintenance departments and some that have succeeded. Matt Gillis said in Milton they consolidated their maintenance. The town did not have a facilities department and they had six schools that were done between 1999 and 2007 under the SBA program. They hired a school facilities director to oversee the schools and a few staff who would go from school to school while the custodians remained in the buildings. One school maintenance person and the school’s full time HVAC person branched out into the town buildings. Matt Gillis noted Ed Reform says the Principals or Superintendent have the final say over hiring in their buildings. He stated it is hard to iron out but it can work. Some places have tried it and it didn’t work out but it can if you have a can-do attitude. John Reilly said this discussion goes back to when Paula Delaney was here and we had an agreement in plan. However, we got hit with an insurance increase before town meeting and the economy tanked, so we had to scrap it. Dr. Silva said many years ago there was a motion brought before School Committee that the maintenance of all school buildings would be put under a town maintenance manager but the intention was to put a separate line item in the town budget that would deal with maintenance of all town buildings.

David Walsh said that has been brought up at these meetings before. David Walsh said even before a shovel went in the ground during one of the Saturday meetings held at the high school with Dr. Reynolds, he suggested they pick a figure for maintenance and put it into a separate maintenance account that could only be used for maintenance. They balked at that – they are never going to do that. Phil Lemnios said the reality is that in 2004 there was a \$3M loss in revenue and there was a vote to go forward with the Jacobs School without a funding source. The Town Manager at the time should have recognized the significance of that event. We did Memorial within the existing tax rate. At the time of the high school project, the cost parameters had changed. We went to Town Meeting to see if the Town wanted to do

a debt exclusion. That same vote should have occurred before the Jacobs project. It still would have been a good argument since the economy was in good shape and reimbursement was 70 cents on the dollar. Phil Lemnios said we should be putting money aside, 25-50 cents per square foot, beyond what you put into regular maintenance since all of the systems have an overhaul cycle. Beginning in 2008 there was a freefall in the budget in general and the emphasis was to maintain services. We are getting to the cycle where, if we are willing to have some discipline, that we will have resources available to address some of the things we are talking about. The stabilization fund has to be built back up and we have some heavy lifting to do in a budgetary sense. The reasonable expectation for the next few years operationally will be in the 2-3% range if we are going to attack capital items in town. Putting in place a consolidated maintenance department or a maintenance plan that defines what should be allocated and what should be spent is not an impossible order. Cathy Bowes asked under Matt Gillis L if we established a separate line item, could any funds remain at the end of the fiscal year or does it have to be turned over to free cash. Phil Lemnios said it depends on how it was established. You could make a good faith estimate of what you don't need in May/June and transfer that balance to stabilization by Town Meeting action. And you can make that decision right up to the night of Town Meeting. Whatever is left can be transferred to the stabilization fund which requires a 2/3 vote to spend anything out of. You could come up with a mechanism to prevent the balance from clearing free cash. You can even segregate your stabilization into sub accounts for a specified purpose. Cathy Bowes asked what is required to put that in place. Phil Lemnios said the mechanism is straight forward – you need an agreement to the concept and to get the School Department to say okay this is what is spent on maintenance each year and some sub set of that would go into a town-wide account. It could include everything from toilet paper to major repairs or you could say everything with a value of \$5,000 or more and establish an account that addressed only the larger issues. Cathy Bowes asked what the best way to go about it is. Phil Lemnios said it begins with the construction of the budget at the Selectmen and School Committee level. Once those bodies say yes, staff would meet to flush out the policy.

John Reilly noted the next meeting would be held on Tuesday, September 24. John Reilly noted Matt Gillis provided a breakdown of expenses tonight and asked David Walsh if he is satisfied. David Walsh said he was. ***Paul Dunphy made a motion to adjourn the meeting. Cathy Bowes seconded the motion. All approved.*** The meeting adjourned at 9:23pm.

Respectfully submitted,

Debbe Bennett
Recording Secretary