



Town of Medway
FINANCE COMMITTEE
155 Village Street
Medway MA 02053

Tel: (508) 533-3200
Fax: (508) 533-3201

January 14, 2015– 7:00 PM
Sanford Hall
155 Village Street

Present: Frank Rossi, Chairman; Chris Lagan, Vice-Chair (7:47 PM); Barry Schroeder, Clerk; Members: Rohith Ashok (7:42 PM); Todd Alessandri; Ellen Hillery; Meghan Hoffman; Jeff O'Neill.

Absent: Jim Sullivan.

Also Present: Michael Boynton, Town Administrator; Melanie Phillips, Finance Director; Carol Pratt, Town Accountant; Tom Holder, Director, Department of Public Services; Selectman Glenn Trindade (7:47 PM); Selectman Richard D'Innocenzo (8:04 PM).

Chairman Rossi called the meeting to order at 7:04 PM.

Water Accountability:

The Committee reviewed two documents reflecting water consumption.

Present: Tom Holder, Director, Department of Public Services.

Mr. Holder distributed two documents reflecting water consumption. He briefly reported on the production figures, which were originally reported at a loss of 24% in February 2014. There were no sizable leaks, but the water was going somewhere. They investigated the water tanks, calibrated the meters, found a couple illegal connections, and utilized other processes to locate the leaks. It was the leak survey that ultimately found where the water was going, revealing a broken pipe near a Verizon conduit near an interceptor, as well as a storm drainage outlet that empties into the Charles River. The water was making its way through the ground and into the storm drain. Some small leaks were also located. While this type of investigation is typically done on an annual basis, it makes sense to evaluate data more frequently to catch problems quicker. This process came at roughly a cost of \$400,000 to the Town. Discussion followed. Mr. Boynton reported that the Town has also received \$40,000 from a private company, Excelon, to use toward these repair costs.

McGovern School Windows:

The Committee reviewed a spreadsheet entitled "Total Project Budget", date 1/7/15, outlining relevant costs for the purchase and installation of replacement windows.

Mr. Boynton reported that the School Department has been working with an architect, and noted that this project is part of the MSBA accelerated repair program. Estimates have been reviewed by the architect. Total project cost is \$1.3 million, and estimated reimbursable amount is \$538,000. MSBA wants to see the project done in a timely fashion. We need to be able to award the contract in mid-March so that the work can begin as soon as the students are out of school. Design work could begin as soon as mid-February. We will authorize the full amount with a short-term Bond Anticipation Note. Discussion followed.

The windows are over 50 years old, some without screens so the windows cannot be opened to protect any students with bee sting allergies. The new windows will meet today's energy-efficient standards. As for asbestos, it is assumed that, for the purposes of preparing a bid, the windows/caulking contain asbestos.

Annual Town Meeting Warrant:

There was no background material.

Noting that the Finance Committee's next regular meeting is scheduled for February 11, Chairman Rossi asked the Town Administrator if the Annual Town Meeting Warrant will be available in time to review the articles. The Finance Committee is required to hold a public hearing on the financial articles, and would like to have adequate time to meet with department sponsoring articles. Discussion followed. Mr. Boynton will transmit the Warrant to Chairman Rossi when it is finalized.

Brief discussion followed on potential articles. It was noted that Veterans' Services has a projected shortfall of \$30,000 for this year. If it can be handled at Annual Town Meeting, it is not considered "unforeseen". As for the Health Trust Reimbursement Account, the initial deposit of \$60,000 has been nearly depleted. Mr. Boynton suggested an infusion of approximately \$25,000, which would be a transfer of health insurance surplus. It was noted that all Veterans' benefits reimbursements are reviewed and approved by various agencies before the reimbursement process is complete. Mr. Boynton added that the state is getting more actively involved in this process.

Equipment Barn – Department of Public Services:

Mr. Holder explained that the original plan was for a new barn complete with administrative office space, which now may be a barn with minimal office space. If the majority of the administrative offices are in a different location, the cost of the barn is significantly reduced. Mr. Boynton reported that the Board of Selectman has set a cap on what the cost should be, cautioning that the cap is not necessarily what the total cost will be in the end. There is a possibility that there is space for administrative offices in the middle school. Over the course of the last few months, the DPS needs have been re-examined and re-evaluated. If the matter goes to 2015 Annual Town Meeting, it is possible the proposed office space could be rehabilitated by the autumn. Easy access for the public would be available and it would not interfere with school security.

The DPS Barn would feature space for equipment, space for servicing equipment, space for supervisors, a meeting room, and storage space for supplies and material. A main focus of a new barn is to be able to store all equipment out of the elements to retain as long a life span as possible. Mr. Holder reported that soil borings and water testing were performed at the former landfill site. Not all the results are in but DPS will be meeting with DEP to review them. The existing building on the parcel cannot be rehabbed, but could be demolished and a new building constructed. Discussion followed on potential construction estimates. It was reiterated that the original estimates included administrative office space, which, if located elsewhere, brings the cost down significantly.

Ms. Phillips reported on debt service schedules as well as existing capital requests such as fire engines, small school projects, and the like. In every case, the Town would be able to finance the project without

debt exclusion, as a lot of existing debt will drop off in 2016. She estimated \$500,000 in debt service will fall off then, an amount that would be tethered to roughly \$5 million.

Brief discussion followed. Mr. Boynton theorized that there may not be any free cash that could be applied to this project. At this time, there is \$500,000 which could be used toward design costs.

At this time, Chairman Rossi asked Mr. Boynton for a brief report on the Charles River Pollution Control District update that was presented at the Selectmen's meeting on January 5. Brief discussion followed.

Meals Tax Proposal:

The Committee reviewed three documents providing information on the Meals Tax, surrounding towns that have accepted it, and anticipated revenues on a quarterly basis.

Mr. Boynton explained that the Board of Selectmen will have it on its agenda soon with the intent to take it to Annual Town Meeting. He clarified that a Town Meeting vote is required to move it forward. The state authorization must be accepted so that they begin collecting the tax. The estimate is that Medway will get \$140,000 over a three-month period. If passed at TM, the first payment would be in the fall. The vote has to be in two parts, because the deposit account cannot be earmarked in the same motion as the initial vote. It is hoped that the funds will help offset the Town's contributions to the OPEB account.

Mr. Lagan expressed concern that this \$140,000 is a small amount toward a huge liability of \$40 million necessary for the OPEB trust. Ms. Phillips responded that the DOR is more interested in seeing that the Town is putting money into the account on a regular basis, and this is a way to ensure regular contributions. This will also help to maintain the Town's bond rating. Discussion followed. It was suggested that, if this is approved, the Town itself could get more of a benefit as the OPEB contribution would be coming from a source other than the municipal budget. reduced. Once authorized, the appropriation would have to be renewed annually.

CPC Funding – Playgrounds:

Selectmen Glenn Trindade explained that CPC funds could be used to develop/upgrade playground space and equipment in Medway. He noted that some parents drive to Hopkinton to the EMC Park as there are age-appropriate playgrounds where children are separated by age and they are seeking play areas for younger children. He noted that he met with CPC, and information is being collected on equipment costs.

Another idea was to create a brand new playground at Idylbrook Field at an estimate cost of \$175,000. Another concept is that the playground could be in an area in the middle of all the fields, an area that is not currently being used. At this time, Choate Park is an infant/toddler park, while other parks are more suited to older children. Discussion followed on other locations, possible improvements to existing equipment, suitability for particular ages, and related topics. Selectman Trindade indicated that he is optimistic the matter can be ready for the 2015 Annual Town Meeting Warrant.

Municipal Finance 101 Workshop:

At this time, Mr. Boynton reported that he is trying to arrange for the Department of Revenue to come in to present a Municipal Finance 101 Workshop.

Annual Town Reports – Assignments:

For the benefit of new members, Mr. Rossi distributed copies of last year's reports. Responding to a question from Chairman Rossi, Mr. O'Neill explained that the reports are based on liaison assignments. Members typically take the previous report and update the numbers that might be included, as well as goals, purchases, etc. These reports are printed in the Annual Town Meeting booklet so are not due for a few weeks. Chairman Rossi urged members to begin working on them in the meantime.

Liaison Reports:

Mr. Ashok reported that there is a new Trustee for the Medway Public Library. He noted that the space formerly used by the Medway Players is now available, and it could be converted into a meeting room, craft room or printer room for the computers. Right now it is used for the book sale. Dehumidifiers are currently being used to help condition the space while improvements are being considered. They were not able to increase the hours yet, and the part-time director left for a position in Utah.

Ms. Hillery reported on the Community Preservation Committee, noting that the first meeting of the year was a dinner meeting at the Thayer Homestead with a presentation. Representatives from other towns with a Community Preservation Committee were present. The speaker presented ideas about potential uses as well as the things that funds are allowed to be used for by law. He suggested that permanent restrictions be placed on the properties acquired with CPC funds to protect them.

Mr. Schroeder reported that he has reached out to the Police and Fire Chiefs, and will get together with them in the coming weeks. He has not attended any meetings of the Health and Human Services groups since the last meeting.

Mr. Alessandri reported he will attend a meeting of the School Budget Advisory Group tomorrow night where a large part of the agenda will be focused on the search for a new school Superintendent.

Ms. Hoffman stated the Capital Improvement Planning Committee (CIPC) will be holding another meeting tomorrow night at which time they will hear from the Police Department, Fire Department, Planning Board and others with regard to their requests.

Approval of Minutes:

The Committee reviewed draft minutes from October 22, 2014.

Ms. Hoffman moved that the Finance Committee approve the minutes of October 22, 2014, as amended; Mr. Schroeder seconded. No discussion. VOTE: 8-0-0.

At 9:15 PM Mr. Jeff O'Neill moved to adjourn; Ms. Meghan Hoffman seconded. No discussion. VOTE: 8-0-0.

Respectfully submitted,
Jeanette Galliardt
Night Board Secretary