

Members Present: John E. Arnold, Chair, Ed Behn, Bill Linnane, Jo Lown (7:15 p.m.), Jim Tepper, Kathy Rosenblum Senie, J. J. Malone, Lisa Blazejewski. Absent: Peter Allen.

At 7:00 p.m. Mr. Arnold called the meeting to order in the Selectmen's Meeting Room.

Call to Order/Open Forum

There were no requests to address the Committee.

Preparation for FY2013 Annual Town Meeting

Discussion/Deliberation of Warrant Articles

Linda Swadel (Chief Assessor)

Linda Swadel appeared before the Committee to discuss the Assessor's budget and article, and to give the latest assessment estimate update. Mr. Behn pointed out that additional revenues had been gained due to the change in the valuation of utilities last year.

Article 17. Triennial Revaluation. Ms. Swadel explained that every three years the Department of Revenue requires this revaluation. The physical inspection is done in-house, with some work contracted out, such as running the reports.

Assessment estimate. Ms. Swadel noted that the timing was a bit early for best estimates, especially with Town Meeting moved up to March. New growth, originally estimated at \$500,000, has been bumped to \$1.1 million, giving an estimated total valuation of \$3,173,584,000. Ms. Swadel noted that the commercial and industrial valuations are essentially flat, with the average Single Family Home valued at \$406,500. Mr. Behn pointed out that, given these numbers, the increase in the tax rate would be about 2.5% if the Annual Town Meeting articles are acted upon based on the current Town Manager recommendations. He added that, given the large borrowings the Town is now considering in the Special Town Meeting, the borrowing effects should be taken into account as well – even though they will be realized in future years. Ms. Swadel has discussed with Town Manager Jim Malloy freeing up Overlay Account funds.

Regarding **Article 29**, Ms. Swadel clarified that current use is the only consideration when property is being assessed, not potential use. She felt the article would allow the filling up of empty spaces in the downtown area, which is a good thing.

Municipal Building Committee (MBC) to discuss proposals and articles for STM

Mr. John R. Arnold, MBC Chair, and Town Manager Jim Malloy appeared before the Committee to discuss the STM articles. MBC members George Barrette, Bob Brown, and Calvin Lawrence were also present. Mr. Malloy explained that the architect had conducted an extensive space needs analysis. The renovations would provide a net gain of 38,000 sq. ft. of usable space. A structural analysis of the fire station has revealed that the original structure, as well as the additions to it which rely for stability on that original structure, cannot be renovated to meet current building code. Mr. Malloy pointed out that the new building would be one-story, reducing costs and saving valuable space otherwise dedicated to stairwells and elevators, and would include training facilities, offices, and conference rooms, as well as housing fire trucks and emergency vehicles.

Regarding the proposed Recreation Center, Mr. Malloy explained that the need had arisen to address the loss of the basketball court due to the renovations to the Forbes Building. The Council on Aging had also requested an expansion of the Senior Center to meet their increased needs. The solution to both issues would be the new Recreation Center, located near the Senior Center and used by seniors during the day, and in the afternoon and evenings by youth recreation leagues.

Mr. Malloy presented a summary slide presentation for the Committee (incorporating aspects of the full presentations of the Committee and the Architect shown at the 2/28 Selectmen's meeting) outlining details of the proposal, with charts showing hard and soft costs and contingencies for all proposed buildings. Using a chart showing General Fund Debt allocation (80% for schools and just 2.4% for town buildings), Mr. Malloy noted that if the town had been maintaining and updating its buildings all along, these ratios would be in better balance. He added that these buildings now need to be re-purposed. As an example, he noted that Forbes building rooms which were originally designed in 1920 as classrooms did not meet the needs of offices in 2012. Mr. Malloy felt the town should move ahead on these projects now because as the economy improves and interest rates and building costs rise, the project will only become more and more expensive.

Mr. Behn asked about 25-year rather than 20-year funding on the project, to decrease the effect on the average family tax bill. Mr. Malloy pointed out that more interest would be paid that way, and that borrowing terms are dictated by statute, but he would look into it. Mr. Malloy noted that some debt servicing reductions would have taken place (i.e., some debt projects being paid off) before this project's debt servicing kicks in, and felt the town's debt servicing had been kept to manageable levels. He added that the project addresses all of the town's needs for a very long time. In answer to Mr. Malone's query, Mr. Malloy said that custodial and electrical costs would probably increase due to the new buildings (but the buildings would also be more energy efficient). Ms. Rosenblum Senie expressed concern about the planned investment in Town Hall and the Forbes Municipal Building, given their age and structural deficiencies, and asked whether the MBC thought the refurbishing of these buildings would adequately address the town's needs over the long term. She pointed out that unexpected costs tend to arise with the renovation of old buildings, and questioned whether the renovations themselves might prove to be insufficient. Mr. Malloy felt the \$6 million contingency included in the cost estimate was sufficient to deal with any issues. He noted that a temporary borrow would be issued for each phase of the work, with a permanent borrowing issued when all work is completed.

Ms. Lown asked why this article could not wait until fall Town Meeting, with bid in hand and more accurate numbers. Mr. Malloy explained that he was trying to avoid multiple Town Meeting article votes and multiple debt exclusion votes, with complications resulting if some parts pass and others do not. Ms. Lown wanted to know the overall impact on the 5-year projection of this project, plus the Assabet and Gibbons school renovations. Mr. Malloy pointed out that the Gibbons project debt isn't expected to begin until year 5 of the current projection and is not included in that 5-year forecast. Ms. Blazejewski added that the Forbes/Town Hall/ Fire Station project wasn't included in this projection, but would begin impacting in FY15. Ms. Lown's concern was that at some point, all these projects would begin impacting taxpayers, perhaps all at once.

Mr. Arnold asked Mr. Malloy if the impact of any borrowing could be reduced by borrowing earlier if interest rates start rising earlier than expected. Mr. Malloy indicated that several bonds could be issued for the same project as a way of addressing rising interest rates. Regarding the free cash approved for the repair of the Forbes Building roof, Mr. Malloy explained that the borrowing could be reduced by that amount, or it could be closed out for use on other projects. Mr. Behn noted that with a current excess levy of \$1.7 million, the fire station project could fit within the excess levy limit without needing a debt exclusion. Mr. Malloy had spoken with Bond Counsel and it would be legally possible to split the debt exclusion, although administratively it would be problematic.

Recreation Center discussion

Frank Desiata, Recreation Director, appeared before the Committee to discuss the proposed Recreation Center. He explained that the Recreation Department has been including a gym on its Capital Expenditures Request for the last 20 years, making do in the meantime with the facilities at its disposal. The Forbes Gym is the only facility whose scheduling is controlled by the Recreation Department, and is used 7 days a week for ¼ of the department's programs. Other gyms in town are used, but availability is limited. When using

school gyms on weekends, the department must pay custodial costs, which this year totals approximately \$15,000. Without the Forbes Gym, these costs would rise. Mr. Desiata noted that 5,000 kids a year are involved in the department's programs, which provide a real service to the town. He noted the traffic concerns at the Senior Center location but felt the advantage to the seniors outweighed those concerns. He added that the new gym would allow the department to double or triple the number of games available for recreation programs, and would allow the possible addition of volleyball and other activities which, at present, are not possible.

Mr. George Barrette, as a member of the Council on Aging, noted that many classes held in the dining room of the Senior Center, sometimes interfering with other activities, could be moved to the new Recreation Center since the design also includes a classroom space. He added that the Senior Center parking lot which is already slated for expansion could also serve the new facility. There was some discussion of whether this parking lot, along with the spaces in the Rogers recreation area, would provide sufficient capacity. Mr. Linnane pointed out the value to the community of the Recreation Department's programs in providing activities for young people. Mr. Malloy will discuss traffic concerns with Town Planner Jim Robbins.

Town Hall discussion

There was some discussion of how town offices would be accommodated during the renovations. Mr. Malloy noted that the relocation of the 911 dispatching service would require careful planning. He explained that funds have been budgeted for replacing all furnishings, but whatever is in good condition would be re-used. Mr. Malloy will ask if any possible asbestos issues are provided for in the estimate but expects that they could be accommodated in the projects' contingency budgets. He did not anticipate any major expansion or contraction of town offices that would impact the space needs of departments that are addressed in the renovations.

Forbes Building discussion

There was some discussion of how the Police Department has been coping with the limited space at their disposal. Ms. Lown asked if departments had been asked to trim their space requests to "need to have" limits. Mr. Malloy explained that a combination of individual departmental needs and national standards were used when the space needs analysis was conducted. There was discussion of parking needs; some parking will be freed up when the Recreation Department moves out of the Forbes Building to its new facility. The Building Committee believes that the existing Forbes parking lot and Town Hall parking lots provide sufficient space for those buildings and that the new parking lot created after the current Fire Station is demolished will provide sufficient parking for the Fire/EMT department. Mr. Linnane noted that if this project doesn't go ahead, the town will still pay millions patching up these buildings piecemeal. Mr. Malloy added that any repairs of that sort would be a temporary fix, and would be throwing money away. In any case, the Fire Station cannot be renovated without triggering compliance with the current building code.

Fire Station discussion

Mr. Lawrence noted that construction costs had been lowered by moving to a single-floor design. Mr. Malloy added that the original estimate was \$44-46 million, but costs had been gradually reduced. He felt the single-floor design was more efficient. Ms. Lown noted that, when it is said that the current Fire Station is not suitable for renovation, the report states that is only not suitable for renovation as a Class 4 (public safety) structure which leaves open the possibility that the current Fire Station could, perhaps, be retained and renovated for other uses.

Mr. Linnane felt the Municipal Building Committee was well-rounded, with members with experience in the construction industry, and from the police and fire departments and the community, and praised their efforts. Mr. Behn noted that, if approved, this project would affect the town for some time to come, especially if state land is developed and a new school becomes necessary. Mr. Malloy indicated that the town is currently negotiating with the state to acquire the land. The state is attempting to structure the arrangement to split the

profit of the development 50/50 with the town, and hopes this arrangement will serve as a model for future land dispositions. Mr. Arnold noted that the Finance Committee would like to make sure the town can bear the load of these projects. There was some discussion of whether some parts of the project could be separated out from the debt exclusion. Mr. Malloy will look into the various permutations.

Mr. Behn noted the positive news that, aside from these projects, the town is seeing a tax increase of 2.5%, the lowest in a number of years. Mr. Arnold felt that rather than rushing to include these projects in the Committee's booklet, the week prior to Town Meeting could be used to prepare a separate handout. Mr. Tepper felt details on exactly what funds would be needed if the town buildings were simply repaired would be helpful, to provide a baseline with which to compare this project's costs. Mr. Malloy explained that the town's electricity costs were expected to decrease from 12 to 7 cents a kilowatt hour after the current electricity contract expires this fiscal year, which would provide a savings equal to half of what the debt servicing would cost for this project. Also, in FY14 there will be an opportunity for health insurance costs to be reduced. Between electricity and health insurance savings, Mr. Malloy believes the entire debt service of these projects could be covered. There was some discussion of what would be done if Articles 1 & 2 fail. Mr. Arnold noted that there is a public meeting at the Forbes Building next Thursday regarding this project.

Mr. Arnold presented the Police Department's request for a Reserve Fund Transfer of \$2,175 for Fitness for Duty evaluations. Mr. Malloy noted that the Police Department was willing to pay the bill and request a transfer if there is any shortfall at the end of the year, but had wanted to give the Finance Committee early notice of this possibility. Mr. Linnane moves to approve the request for transfer from the Reserve Fund in the amount of \$2,175 to Account 12103-5236 for contractual services. The vote to approve the transfer request is 3 in favor, 5 opposed (Malone, Lown, Rosenblum Senie, Blazejewski, Tepper), with 8 being present. The motion fails. Mr. Arnold noted that the motion failed because of the timing, not the substance, of the request and invited Mr. Malloy or Chief Gordon to re-submit the request at the end of the fiscal year if the Police expense budget has insufficient funds to cover it.

Chairman, Committee Liaison, and Department Liaison Reports

Mr. Arnold noted a letter he received from a voter (Calvin Lawrence) at Tuesday's Selectmen's meeting regarding Articles 22 and 23 and provided copies to Committee members. He reminded members of the free meetings in May organized by the Massachusetts Municipal Association dealing with aspects of OPEB (Other Post Employment Benefits).

Comments and Concerns of Committee Members

Mr. Linnane noted that he was contacted by a frequent Town Meeting voter indicating he was having difficulty knowing which articles were being requested for raise and appropriate vs. transfer vs. borrowing. Mr. Linnane advised the voter that the Committee's Report and Recommendations will include information about this and will be available on the Town's web site before Town Meeting.

Adjournment

Mr. Behn moved to adjourn the meeting at 10:45 p.m. Vote to adjourn was 8 in favor, with 8 being present.

Document List

2012 ATM Motions Final.
AFC Dept Meetings Budgets ATM FY13 spreadsheet.
ATM Breakdown FY13 spreadsheet.
Budget Summary spreadsheet.
Copy of Budget Summary spreadsheet.
Copy of Building Department spreadsheet.
Copy of Insurance (2) spreadsheet.
Fire Structure BVH.

Westborough Advisory Finance Committee minutes
March 1, 2012

FY13 ATM School Budget Book Draft.

Rev and Exp 2-29-12 spreadsheet.

STM 3-17-12 Motions.

STM 3-17-12 Warrant.

Warrant Article Summary ATM FY13.

Warrant Article Summary ATM FY13.

Updates, Building & Grounds and Public Library Budgets.

Letter from Cal Lawrence, resident, regarding Articles 22 & 23.

Request for Transfer from Reserve Fund from Police Department.