

Minutes, October 9, 2019

## **FINANCE COMMITTEE**

### **Meeting, October 9, 2019**

A scheduled meeting convened at 7:00 p.m. in Room 5.

Members of the Committee in attendance: Mr. Creighton, Mr. Pratt, Mr. Oldeman, Ms. Mellish, Ms. Harrison, Mr. Weld and Mr. Even

Town Administrator, Mr. Federspiel, Finance Committee Clerk, Ms. Hunter, Chairman BOS, Mr. Boling, CPC Committee Members, Ms. Thorne and Mr. Burke

Mr. Creighton called the Finance Committee meeting to order.

**Review of Meeting Minutes** – There were no minutes to review.

#### **Review of Warrant Articles –**

Fall Town Meeting – Articles include CPA funding requests for Town Common Upgrades and Historic Museum, Compost Site and Funding, Engineering Request for Water Pipe Improvements and Conservation Land

#### **Town Common**

Mr. Burke stated CPC had previously approved \$15K to hire a Landscape Architect and \$100K was requested and approved at the 2019 spring Annual Town Meeting to complete the project initially designed by Mr. Wolf. Following presentations of the Town Common Upgrades; the Conservation Commission, Historic District Commission and Town Resident's recommended changes to the Project. Which now include pervious pavers, historically accurate lighting and additional landscaping. These changes and a 25% contingency resulted in additional expense. CPC is proposing an additional \$225K for funding Town Common Upgrades.

The project total is \$450K: of which \$115K was previously approved. The remaining \$335K will be covered by the additional \$225K CPC funds leaving \$110K for the Town to address. Mr. Federspiel proposes using \$37K from the Beaumont Fund and \$40K from funds set aside for Town Hall improvements which would be allocated to the ADA ramp. The remaining \$33K according to Mr. Federspiel is part of a very conservative 25% contingency estimated for the project which Mr. Federspiel believes would be better estimated at 12% to 15%.

Ms. Mellish asked if the project would be completed with the Veteran's Honor Roll? Mr. Federspiel stated the project would hopefully be completed in conjunction with the Veteran's Honor Roll or immediately after the Honor Roll Project. Preliminary work on the Honor Roll will start this fall and be completed in spring.

Mr. Creighton asked what the implications would be if the Town Common Upgrade sat for a year or two? He is concerned that the project came before Town Meeting for funding less than 6 months ago. Mr. Federspiel stated this is not the project that was presented at Annual Town Meeting. Mr. Weld stated the project has been fully vetted at meetings with the Conservation Commission, Historic District Commission and in public meetings with the BOS.

Mr. Creighton stated he is concerned the project timing does not appear to have taken a detailed and thoughtful path. Ms. Harrison stated that ship has sailed. We now have a plan and budget and it is not going to be less painful to explain now or in a year. Ms. Harrison recommends going forward and completing the project.

Mr. Burke and Mr. Pratt discussed the funding source stating 90% was coming from CPC funds. Mr. Oldeman would like to give the project final consideration once the bids are back. Bids are due on October 24, 2019.

Mr. Creighton asked about on going maintenance. Mr. Burke stated the pavers require vacuuming with a special vacuum, landscaping requires watering and the lawn will need to be cut and trimmed all things DPW is currently doing. A final decision will be made at a meeting prior to fall Town Meeting.

### **Historic Museum**

Mr. Burke stated the Historic Museum is requesting \$3K to plaster and repair water damage to the kitchen and back hall.

Ms. Mellish stated the Historic Museum is now open to Town residents and is hosting free events open to Town residents. Mr. Burke stated in the past CPC funds went to help fund a climate control system to maintain antiques in the Museum.

*Mr. Pratt moved to approve CPC funding of \$3K for the Historic Museum, Mr. Weld seconded the motion. The motion passed unanimously.*

### **Compost Facility**

Finance Committee concerns regarding proposed agreement with Black Earth:

- Lease agreement
- Profit sharing
- Town plan if Black Earth goes out of business. Ms. Harrison has recommended a Performance Bond.
- Moving forward the Town owns all fixed assets and Black Earth owns all mobile assets.

Mr. Federspiel stated the Town is currently saving \$20K working with Black Earth: \$10K in compost pick up and \$10K in labor (staffing at site). Mr. Federspiel stated the Town's cost for incinerating will be increasing 22% we are spending approximately \$200K and Waste Management costs will likely increase by 22% when the contract renews in 2021.

Mr. Pratt would like the emphasis to focus on lease payment and how the Town successfully negotiates a fair payment.

Mr. Even stated he found the Black Earth financial statements to lack clarity. He would like the document cleaned up. Mr. Even went on to state there are no comparisons, there is no alternative, composting is not currently required but likely will be, it is difficult to negotiate when there is no comparable, the Town can anticipate growth and profit sharing needs to be negotiated.

JRM runs Beverly's compost site at a charge of \$110K on 2 acres and the operation is pure grass no food scrapes. Mr. Federspiel indicated WM would charge the Town \$90-\$95K to do what Black Earth is charging the Town \$60K. Mr. Pratt stated what we want is an agreement with Black Earth at a fair price.

Mr. Creighton asked what is a fair deal? And would like for the Town's composting to be pick up for free. Ms. Mellish would like to define the lease on the land from a private entity and for the Town to define what it would cost for Black Earth to go elsewhere to lease land. Mr. Pratt concluded the Town receives free composting and some form of compensation site specific.

Mr. Creighton agrees with Ms. Harrison that the Town needs a performance bond in the event there is unfavorable impact on the site resulting in a multi-million dollar clean up. Ms. Harrison went on to reiterate her concerns: if things do not go right and amicably, if the business is sold what happens to the contractual agreement. Ms. Mellish would like the site to allow easy access for drop off and getting in and out – the current site is squeezing space as a result access and drop off areas are small.

Mr. Federspiel anticipates the contract with Black Earth will be finalized in January 2020 in order to begin construction in spring and meet the grant timeline.

*Mr. Weld moved to authorize the Board of Selectmen with a representative of the Finance Committee enter into long term lease and contract negotiations with Black Earth; Mr. Pratt seconded the motion. The motion passed unanimously.*

#### **Allocate \$200K for contingency and design**

Ms. Mellish asked how good the numbers at this point in time are? Mr. Federspiel stated we are at 25% of the design phase with estimated costs at \$940K; \$403K is grant funding, \$360K is Black Earth's commitment with \$177K remaining – the Town is responsible for design of the project as part of the grant agreement and has already paid \$36 of the \$75K allocated for design. The remaining \$102K is for additional design, engineering and construction.

The engineering contingency addresses construction issues unknown at this point. Mr. Weld recommended increasing the Town's share of construction costs to \$300K to avoid additional requests for funding due to the tight budget.

*Mr. Weld moved to approve \$300K allocated to construction costs for the new compost facility; Mr. Oldeman seconded the motion. The motion passed unanimously.*

### **Conservation Land 12-acre parcel in Western Woods**

The Board of Selectmen discussed the 12-acre parcel and decided to leave it open for decision at Town Meeting. If purchased as conservation land the parcel will be paid for with previously allocated CPC funds if purchase unrestricted the Town will need to appropriate \$80K for the land purchase. The final motion will specify the action needed.

The Finance Committee discussed using the parcel as a negotiating resource in lifting conservation restrictions in the Limited Commercial District. According to Mr. Boling current restrictions in the LCD make it almost impossible to develop. Although he believes the 12-acre parcel placed in conservation is a good idea.

Ms. Harrison asked if there was any reason the decision needed to be made right now and suggested putting off a decision until Annual Town Meeting. Mr. Creighton supported the possibility while discussions regarding the LCD took place over the winter. Mr. Oldeman suggested the reason for delaying the final decision was to allow for the Finance Committee to have more careful discussion regarding the acquisition of the 12-acre parcel.

*Mr. Weld moved the Finance Committee recommend the Board of Selectmen wait on the purchase of the 12-acre parcel in Western Woods for Annual Town Meeting in April 2020; Mr. Oldeman seconded the motion. The motion passed unanimously.*

### **Water Pipe Engineering Effort**

*Mr. Weld moved to support the request for \$55K for engineering/bidding services for next year's waterline project on Boardman Ave.; Ms. Harrison seconded the motion. The motion passed unanimously.*

**Review of FY 2020 Tax Rate and Recommendations** – Moved to second meeting in November.

**Discussion of Budget** – Moved to next meeting.

Ms. Mellish requested verbiage and numbers in the FY 21 budget be separated.

### **Reserve Fund Transfer –**

*Mr. Creighton moved to transfer \$3,544.00 to the insurance account to cover age discrimination deductible insurance charge; Mr. Pratt seconded the motion. The motion passed unanimously.*

### **Adjourn**

*Ms. Harrison moved to adjourn the meeting; Ms. Mellish seconded the motion. The motion passed unanimously.*

## **Meetings**

Joint Meeting with BOS, October 29, 2019

Finance Committee Meeting, November 13, 2019

DRAFT