

TOWN OF GROTON FINANCE COMMITTEE

Minutes of Meeting Held January 3, 2013

Town Hall, 173 Main St., Groton, MA 7:00 p.m.

Present: R. Hargraves, M. Flynn, S. Webber, P. DiFranco, G. Green, J. Prager (Chair), P. DuFresne (Town Accountant, Recording),

Absent: J. Crowley

Guests: Mark Haddad (Town Manager), Fire Chief Joe Bosselait, Val Prest & Alex Woodle (Groton Lakes Association), David Pitkin (Groton Greenway Committee)

Documents available at the meeting: Special Town Meeting Warrant as of 12/28/2012
Fitch's Bridge Narrative Q & A
Central Fire Station Project Budget

Approval of Meeting Minutes –

On a motion by Mr. Webber, seconded by Mr. Prager, the Finance Committee voted unanimously to approve the meeting minutes of 9/18/2012. The Vote: 6-0-0

On a motion by Mr. Green, seconded by Mr. DiFranco, the Finance Committee voted to approve the meeting minutes of 10/15/12. The Vote: 5-0-1 (Mr. Webber abstained)

On a motion by Mr. Webber, seconded by Mr. Prager, the Finance Committee voted unanimously to approve the meeting minutes of 11/27/12. The Vote: 6-0-0

Fitch's Bridge Discussion – Mr. Pitkin explained that an opportunity now exists to provide a relatively low-cost solution for the bridge which will restore a resource for hikers, cyclists and equestrians while also fulfilling the recommendation of the Town's Master Plan. The intent of the Master Plan was to connect the trails network for the Town of Groton. While the project bids will not have been received until January 10th, the estimated cost to demolish the existing structure is \$234,000 and the estimate to demolish and rebuild is \$600,000. Mr. Hargraves wondered whether there would be a plan to mitigate the danger to trail users from fast-moving traffic on Pepperell Rd. Mr. Pitkin replied that no specific plan was being considered; however, although the sight lines are poor it is easy enough to hear oncoming traffic. Mr. Prager was concerned that the project as currently envisioned would not benefit a large enough percentage of the Town to consider funding it with taxpayer money. He felt it was an expensive solution for a recreational bridge. Mr. Pitkin said that on a recently conducted open space plan survey, a majority of the respondents indicated that they do in fact use the trail network in Groton. Mr. DiFranco suggested that the limited recreational use planned for the bridge would make it a good candidate for

CPC funding. Mr. Haddad cautioned that the balance in the CPA Unallocated Reserve would not be able to support a project of this magnitude. The Surrenden Farm debt, which will not expire for another 9 years, consumes all of the available debt capacity for the CPA Fund. Construction costs are likely to rise a good percentage if the bridge project is forced to wait that long. Mr. Prager suggested a hybrid funding plan, with CPC funding a portion and fundraising efforts supplying the remainder. He also wondered whether the project could be completed in phases, thereby spreading out the financing needs over several years. Mr. Pitkin felt that previous capital campaigns for this project have met with little success. He reminded the group that a substantial financial investment has been made by the Town to find a resolution for Fitch's Bridge. He felt it would be disappointing to see that go to waste if the project is abandoned at this point. *Mr. Pitkin left the meeting at this time (7:30 pm).* Mr. Haddad said that the Town currently has both the debt and levy capacity to fund this project. Mr. Flynn asked whether the Town Manager recommended moving forward with the project. Mr. Haddad replied that he sees his job as more about providing a way to accomplish the project and finding the appropriate funding mechanisms. The Finance Committee and the Board of Selectman are more properly tasked with making the political decision of whether to move forward or not. However, if pressed, he believes that the current structure should be demolished for safety reasons; the abutments have deteriorated to an extent that makes repair of the current structure impractical. Several members of the Finance Committee felt that the safety issue was a moot point, as people will find a way to jump into the river no matter what kind of structure is on site. Mr. Prager wondered whether CPC funds could be used for the demolition. Mr. Haddad did not think this would be an eligible use of those funds.

Central Fire Station Discussion – Mr. Haddad provided an update on the Central Fire Station project. He explained that the low bid received for construction services was \$5,939,000. With the addition of soft costs and contingency fees the total needed to bond the project was \$7,542,000. He reminded the group that the cost of purchasing the land (\$350,000) would be funded through taxation and a transfer from EMS receipts, and a proposed transfer of \$150,000 from Stabilization would fund the salary for the Clerk of the Works. He added that he had previously promised to have actual project costs available for the Finance Committee and Groton residents to deliberate on before Town Meeting rather than estimates. He was pleased to be able to deliver on that promise and to report that the Building Committee (and others involved) had done their utmost to provide a flawless process. Mr. Flynn was disappointed that the Finance Committee had never received the previously requested cost per square foot data for recently built fire stations in demographically similar towns. Mr. DiFranco agreed that comparable square foot information would be helpful, although some useful data can be gathered from the internet. Mr. Haddad explained that the architects were still working on collecting this data. Mr. Bosselait distributed a spreadsheet created by the Chelmsford Fire Chief compiling cost per square foot information for recently constructed fire stations. After the committee reviewed this spreadsheet, Mr. Webber felt that it was nice to have, but not particularly helpful. Groton had received 11 competitive bids for the project; if the bidding process were thrown out and repeated the costs would only increase. Mr. Green and Mr. Prager agreed that the "comparables" spreadsheet from Chelmsford was helpful if only to show that the bids received in Groton were within an acceptable range. Mr. Prager asked whether it was the bidder's obligation to bring the project in at cost. Mr. Haddad replied that the bidder would be held to the terms of the signed contract which of course would reflect the costs specified in the bid. He added that while new construction did not usually result in many unforeseen costs, there was a contingency of \$296,000 included. Mr. Haddad explained that while the low bidder does have a mixed reputation, he had worked successfully with this firm in the past. The second lowest bid was only slightly higher than the first at \$6,059,000; the contractor references would be available for review on Friday. Mr. DiFranco and Mr. Prager agreed that if it were necessary to disallow the lowest bid due to

poor contractor references, the second lowest bid was acceptable. Mr. Flynn expressed his frustration that the “comparable cost per square foot” data presented was inadequate and not normalized for Total Project Cost. The other members agreed that this data was somewhat lacking, but that the results of the bidding process seemed sufficient. Mr. Prager said that the Town now had a decent piece of land in a good location and a fair price for the construction. He felt that he could now support this project whether the lowest or the second lowest bidder were ultimately chosen. Waiting any longer would only increase the expense. The group decided to wait until Monday, after the contractor references were checked, before taking a final position on the project. Mr. Haddad took a moment to explain that the debt schedules he had been working with assumed annual payments of \$480,000 over a term of 22 years. He was pleased to say that there was \$500,000 set aside in the budget for this project which still allowed for half a million dollars remaining in unexpended tax capacity. He added that the estimates for replacing Fitch’s Bridge had come in somewhat higher than expected. If the Town were to move ahead with that project, the total bond to be obtained for both projects would be 8,200,000 resulting in annual debt service of approximately \$520,000. It would therefore be necessary to find another \$20,000 in the budget in order to remain \$500,000 under the levy limit.

The Finance Committee asked Chief Bosselait to explain the way in which the satellite fire stations were utilized. Chief Bosselait explained that 4 full time staffers were scheduled during the day: 2 were assigned to the ambulance and 2 were assigned to fire calls and inspection duties. Personnel were based in the center of Town as much as possible in order to decrease response time. Stations are checked each day and maintenance is performed on a rotating schedule throughout the week. Coverage is now provided 6:00 am to 6:00 pm, 7 days per week. Of the 1,100 – 1,200 calls per year, approximately 2/3 of them are medical calls. Mr. Hargraves asked whether all the firefighters are EMT trained. Chief Bosselait answered that all the full-timers are also EMT trained. He added that EMT’s require 4-6 months of training and firefighters require 6 months of training followed by 6 months of probation.

Mr. Haddad distributed Appendix A of the Special Town Meeting warrant entitled “Center Fire Station Project Budget.” He explained that a firm called Architectural Consulting Group would be providing an OPM and a Clerk of the Works during the course of the project, each to be paid \$150,000. The OPM (Owners Project Manager) was required by State law to be overseeing the work of the architects (Dore & Whittier). The Clerk of the Works, while not required by law, is onsite full time during the construction process and is therefore essential to ensuring that the project is brought in on time and within budgetary limitations. The Finance Committee briefly discussed the value of retaining both the OPM and the Clerk of the Works. Upon review of the Appendix A document, the Finance Committee suggested revisions that would more clearly show the total project costs along with the total to be bonded. Mr. Haddad agreed to make those changes and provide an amended copy for review in time for the public hearing on Monday, January 7th.

Lost Lake Sonar Treatment Discussion – Mr. Val Prest and Mr. Alex Woodle of the Groton Lakes Association provided an update on the proposal for eradicating the weeds on Lost Lake. They explained that they had received 3 responses to their Request for Proposals. The responding firms were ranked according to the technical merits of their proposals before the price proposals were opened. Aquatic Technologies offered the best proposal for the price: between \$64,500 and \$88,500. The relatively large range in this price proposal reflects some difference of opinion in the true size of the pond. Mr. Prest went on to say that the first treatment would cover the entire area (approximately 224 acres) at a cost of \$88,500, to be followed by spot treatments in subsequent years. These follow-up treatments would

be done as needed over a more limited area (perhaps 5 to 10 acres) at a cost of \$1,350 per acre. Mr. Haddad's funding proposal includes a transfer from Free Cash of \$95,000 (leaving a balance in Free Cash of approximately \$291,000). This transfer of \$95,000 would cover the cost of the initial treatment and provide a contingency for unexpected expenses. Follow-up spot treatments will be appropriated in subsequent years as needed. Mr. DiFranco wondered if the cost could be reduced if the lake was drawn down first. Mr. Prest agreed saying that the month of April was specifically chosen as the proper time to begin treatment as the lake level is relatively low at that time and the plants still quite small and vulnerable. The Finance Committee wondered whether the budget set aside for the Weed Harvester could be significantly reduced should this treatment prove successful. Mr. Woodle reminded the committee that the Weed Harvester is used in Baddacook Pond as well as Lost Lake; part of that budget must be maintained. Mr. DiFranco suggested it would be useful to analyze the way in which the Weed Harvester operations are budgeted in future years should the Sonar Treatment be approved at Town Meeting.

On a motion by Mr. Hargraves, seconded by Mr. Webber, the Finance Committee voted unanimously in support of the Sonar Treatment for Lost Lake as presented in the 1/26/13 Town Meeting Warrant as drafted on 12/28/12. The Vote: 6-0-0

On a motion by Mr. Webber, seconded by Mr. DiFranco, the Finance Committee voted in support of the Central Fire Station project as presented in the 1/26/13 Town Meeting Warrant as drafted on 12/28/12. The Vote: 4-1-1 (Mr. Flynn voted in opposition, Mr. Hargraves abstained)

Mr. Prager adjourned the meeting of the Finance Committee at 8:40 pm.

Respectfully submitted,

Patricia Dufresne, Recording Secretary