

TOWN OF GROTON FINANCE COMMITTEE Regular Session

*Monday, April 29, 2019, 5:30 p.m.
Middle School Cafeteria
344 Main St. Groton, MA*

Present for Finance Committee: G. Green (Chair), B. Robertson (Vice Chair), Art Prest, S. Whitefield, D. Manugian, L. Leonard, C. Doody

Absent: None

Also Present: P. Dufresne (Town Accountant/Recording Secretary), J. Anderson, M. Haddad (Town Manager), M. Gerath (Library Trustee), D. Zeiler (Library Trustee), J. Allen (Library Trustee), N. Wilder (Library Trustee), V. Abraham (Library Director)

Documents available at the meeting: FY20 FinCom Budget Presentation
DPW/Library Project Bid & Budget Summary

Mr. Green called the regular session of the Finance Committee to order at 5:35 p.m.

Positions to be taken on Warrant Articles:

Article 8: Library Roof \$1,131,041 – M. Haddad explained that this article will be voted after CPC motion 12D, as the amount to be bonded will depend on passage of the CPC funding. Without CPC funding, the project total would increase to \$1,431,602. A 15% contingency has been added to the project and debt service is estimated at \$82k per year with an impact of \$.05 on the tax rate. Mr. Prest asked if the OPM could be shared with the DPW project in an effort to reduce costs. Mr. Haddad replied that this would be possible provided both projects are funded, at which time he would negotiate with the OPM for a more appropriate fee. Mr. Gerath noted that due to the high cost of the bids received, several alternatives were dropped (masonry, windows and sealant work). These items (estimated at \$400k) are not as pressing as the roof and gutter improvements, but will still need to be addressed in the next few years. Mr. Haddad pointed out that there was a great deal of variability among the bids received. Also, there was a small bid pool as this is a difficult project.

On a motion by Mr. Robertson, seconded by Ms. Leonard, the Finance Committee voted unanimously to recommend support of Article 8 to Town Meeting (Library Roof Project \$1,131,041). The Vote: 7-0-0

Article 7: DPW Facility Upgrade \$4,620,250 – Mr. Manugian said that the Building Committee had succeeded in providing real costs to Town Meeting. The committee determined that any renovations must meet health and safety needs, correct code violations and improve accessibility. The costs for

achieving these goals turned out to be significant. The project bid documents consisted of a base bid for the main administration building plus two add alternates (vehicle storage building with and without a mezzanine). The committee ultimately voted to support the base bid plus the vehicle storage building (alternate 1), but dropped the mezzanine (alternate 2). The project budget includes \$2.7 million for the main building renovation, \$1.6 million for the vehicle storage building, a construction contingency of \$220k, and OPM/Construction oversight of \$195k. This amount (\$4.8 million) will be reduced by \$200k for an upgrade to the generator to be paid for by GELD. GELD has been looking for a place to site such a generator that can be used to reduce the electric draw during peak times, thereby earning a payback after about three years. It will also be used as a backup for the DPW facility. Mr. Haddad explained that Town Counsel specifically drafted the wording of this article in order to match the language used on the ballot. Therefore, Town Meeting will be asked to authorize the project at \$4.6 million, which can be amended downward based on the debate that ensues. The FinCom discussed the fact that installation of the mandated washing bay will lead to the loss of several vehicle parking spaces. Mr. Prest asked whether an analysis had been done to determine whether the useful life of the vehicles will increase with indoor parking. Mr. Haddad said inside storage should reduce capital costs over time, but there are no hard numbers available to support this assumption.

Mr. Green asked what alternatives the Building Committee had explored. Mr. Manugian replied (speaking as an individual) that the goal was to have costs in hand in time for Town Meeting, placing a priority on schedule. This being a strong economic market, the bids came in high. That said, there were opportunities to provide feedback to the architect (who was responsive) and to scale back some of the work that was deemed could be performed by the DPW. Finally, the Committee also worked with the architect regarding materials choices. The FinCom discussed alternative solutions for the Wash Bay and the impact of inclement weather on vehicles that are stored outside in the winter. Mr. Haddad said that the project had received a decent number of bids which were all within about \$300k of each other. Additionally, the low bidder has an excellent DCAMM rating. Mr. Green said he is still not convinced that this is the right project at the right price. Mr. Robertson felt comfortable with the main building upgrade, but is less sure about the vehicle storage solution. Mr. Haddad reminded the FinCom that the current facility was built in 1989 for \$650k after receiving a low bid of \$1.2 million. The Department outgrew that facility immediately. He would therefore recommend against repeating that mistake. Mr. Manugian explained that the vehicle storage space is a tall, pre-fabricated steel building that requires additional reinforcement for structural stability (which impacts cost). In response to a question from Mr. Green, Mr. Haddad pointed out that the only site issue was relocating the septic system. Ms. Anderson, speaking as a taxpayer would prefer to finish the entire project now, as construction costs will likely increase over time. Mr. Manugian said he would reluctantly support the entire project as listed in the warrant.

On a motion by Mr. Prest, seconded by Mr. Manugian, the Finance Committee voted in the majority to recommend support of Article 7 to Town Meeting (DPW Facility Upgrade \$4,620,250). The Vote: 5-2-0 (Mr. Green and Mr. Doody voted against)

Approval of Minutes:

On a motion by Mr. Robertson, seconded by Mr. Manugian, the Finance Committee voted in the majority to approve and release the meeting minutes of March 18th, 2019 as drafted. The Vote: 6-0-1

On a motion by Mr. Robertson, seconded by Mr. Manugian, the Finance Committee voted in the majority to approve and release the meeting minutes of March 22nd, 2019 as drafted. The Vote: 5-0-2

Finance Committee FY20 Budget Presentation: The group briefly reviewed the presentation slides and discussed how members would respond to questions from the floor relevant to the various motions. Mr. Robertson offered to speak regarding the Finance Committee's position on the Ticket Tax should questions arise. He noted that the main problem with this proposal was a lack of clarity and a need for additional discussion.

Mr. Prest changed his position regarding Article 14 (Operational Funding for Prescott School) from "deferred" to "against".

Mr. Green officially adjourned the regular session of the Finance Committee at 6:45 p.m.; the members relocated to the PAC for the 2019 Spring Town Meeting beginning at 7:00 p.m.

Respectfully submitted,

Patricia Dufresne, Recording Secretary