

Finance Committee Meeting

September 30, 2020 7:00 PM EST
Zoom Remote Meeting Platform
Millis, MA 02054

In Attendance:

Peter Berube, Vice Chairman
Doug Riley, Clerk
Cathy MacInnes
Shawn Power
Craig Schultze
Michael Guzinski, Town Administrator
Carol Johnston, Town Finance Director
Jonathan Barry, Capital Planning Committee Chairman
Wayne Klocko, Permanent Building Committee Chairman
James McKay, DPW Director
Diane Jurmain, Permanent Building Committee Member
John Larkin, Permanent Building Committee Member

Peter Berube called the Finance Committee Meeting to order at 7:03 PM.

Capital Planning Committee Report:

Jon Barry outlined the committee's overall approach in prioritizing the Capital Needs of the town and their recommendations for consideration at the November 2020 Town Meeting. The committee has had input from the Select Board, Town Administrator, School Department, Police, Fire and DPW Departments as well as other Town Department Heads. The committee's recommendations take in to account available funds for Capital Improvements and recognize that all requests are important. The committee has been working on a ten-year long-term plan for Capital Improvements in town. Some of these improvements include Senior Center Upgrades and significant improvements to the Middle/High School. It was noted that the Commonwealth of Massachusetts will fund the necessary repairs to the Dover Road Bridge alleviating the town of that expensive Capital improvement Project.

Ten items were considered and then further prioritized:

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| DPW: | Dump Truck | \$108,585.00 |
| Fire and Rescue: | SCBA Bottle Replacement | \$ 12,000.00 |
| Police: | Police Cruiser | \$ 53,610.00 |
| Fire and Rescue: | Turnout Gear Replacement | \$ 40,000.00 |
| DPW: | I/I Assessment | \$105,775.00 |
| School: | HVAC Repairs and Modifications | \$ 99,000.00 |
| Six Highest Priority Items: | | \$418,970.00 |

The School HVAC Repairs and Modifications is a placeholder; after a conversation with the School Department the total amount may be reduced and be funded by the CARES Act Grant. The DPW Items will be funded through Enterprise Funds except 25% of the Dump Truck which will be funded by General Funds. Cathy MacInnes is opposed to splitting the cost equally for this item; the General Fund is not absorbing the cost of this item as much as it should. Police and Fire Items will be funded through the General Fund. Peter Berube, member of the Capital Planning Committee, wanted to acknowledge that the two significant items, Senior Center and Middle/High School Renovation Projects will cost millions of dollars and will require a Town Meeting Vote for Borrowing. He thanked Jon Barry for all his hard work completing the Capital Planning Committee's Report. He also noted that a couple of items, Salary Study and Tree Maintenance, were presented to the committee but were not considered; they are not considered Capital Items. However, those items can be funded by Free Cash or through Operating Budgets. The Police Cruiser is part of the Chief's replacement schedule presented to the Capital Planning Committee

several years ago. The Police Department has established a leasing schedule for their fleet and this item falls inline with that schedule; 1/3 of the \$53,610.00 would be funded at the upcoming November Town Meeting.

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| Fire and Rescue: | Large Diameter Hose | \$ 15,000.00 |
| DPW: | Pickup Truck | \$ 44,022.00 |
| Two Medium Priority Items: | | \$ 59,022.00 |

Based on the committee's understanding of Free Cash available, the Fire and Rescue Hose, although not a significant amount of money, could be funded by Free Cash. Therefore, was recommended for appropriation.

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| Council on Aging: | Floor Replacement – Room #21 | \$ 8,000.00 |
| Building Department: | Filing System | \$ 7,373.00 |
| Two Lower Priority Items: | | \$ 15,573.00 |

These two items, although important, were prioritized lower due to funding.

Eleven items were deferred:

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| DPW: | Stormwater Management Improvements: | \$588,881.00 |
| School: | Chromebook Replacement – Grade 9 | \$ 27,000.00 |
| School: | VOIP Switches and PA Network | \$ 6,000.00 |
| School: | Classroom Projectors | \$ 9,000.00 |
| School: | Skid Steer | \$ 45,000.00 |
| School: | Laptop Replacement – TV Production | \$ 6,975.00 |
| School: | Locker Replacement | \$ 20,000.00 |
| School: | Wireless Network | \$ 40,000.00 |
| School: | New School Bus Lease | \$ 35,000.00 |
| School: | Furniture | \$ 22,000.00 |
| Town Buildings: | VMB Fire Panel and Sensor Replacement | \$ 60,640.00 |
| Deferred Consideration: | | \$860,496.00 |

Some of these items were considered at the Spring 2020 Town Meeting however they are not the highest priorities for the departments at the present time. Consideration of each item will be addressed for the Spring 2021 Town Meeting.

Craig Schultze would like more information at a future date on how the Enterprise Fund allocation for vehicles is determined. Cathy MacInnes, recently nominated Finance Committee Member to Enterprise Fund Committee, stated the Select Board has not yet made appointments to the Enterprise Fund Committee. Mike Guzinski stated appointments will likely occur by the Select Board during the month of October.

The Capital Planning Committee's Final Report will be included in the Finance Committee's Report distributed to residents prior to the November Town Meeting. The committee has been meeting virtually and welcomes the community to join their meetings. The committee has two vacant positions at this time.

DPW Project Warrant Article and Update:

Wayne Klocko outlined the Permanent Building Committee's (PBC) request for a November Town Meeting Warrant Article to fund the DPW Building Project with an additional \$600,000.00 in order to proceed with the project. In the Spring of 2019, the project was estimated at \$3.9 million. That estimate was based on constructing two new buildings; a staff facility and a vehicle maintenance building. Originally, the staff facility was expected to be build offsite, prefab, in order to reduce the Prevailing Wage Requirements. After further discussion, the Architect recommended not following that route as the overall construction of the building, plumbing, HVAC systems etc. would not be

overseen by Town of Millis Inspectors. The decision to construct the building onsite resulted in a change of scope which significantly increased the cost of the project. The PBC, in an attempt to bring the project within the original budget, discussed value engineering as well as work for the project being done by existing qualified DPW Staff resulting in significant cost savings.

The project is expected to have three phases:

- Initial site work performed by the DPW Staff
- Contracted Work
- DPW Staff finalize the site work and finish work in the Staff Facility

With the above assumptions, the project went out to bid. The lowest bid was \$550,000.00 over the initial budget. There are two reasons why the bid results were so high:

- The bid document required the contractors to have a contingency for contaminated soil; this would provide insurances if contaminated soil was discovered. The construction of the Police Station unveiled soil contamination which resulted in significant costs to that project. Recent soil testing at the DPW site revealed there is no contamination at the present time. However, during the construction process if indeed contamination was detected, investigations of the contamination would be required. Therefore, the contingency is still necessary. It is unlikely the \$330,000.00 contingency would need to be utilized for the project.
- An additional \$220,000.00 for the project is due to the construction market during the COVID-19 Pandemic. Materials have increased in cost, specifically roofing and concrete.

The PBC then contemplated four options:

- (1) Request Additional Funding
- (2) Eliminate the Staff Facility
- (3) Eliminate the Vehicle Maintenance Building
- (4) Leave the DPW Facility in its current condition

Town Counsel advised that options 2 and 3 required a Town Meeting Vote, Redesign and additional Bids. However, it would not complete the project as originally intended. Option 4 would require the town to bring the facility up to code to meet OSHA requirements, estimated at \$290,000.00 and to lease trailers, a two-year lease estimated at \$245,000.00, for the Staff for health and safety reasons as well as CBA (Collective Bargaining Agreement) commitments.

The Select Board has determined there will be two November Town Meeting Warrant Articles for the project: (1) Additional Funding and (2) Leasing Trailers if the \$600,000.00 in additional funding for the project is not passed at Town Meeting.

Peter Berube requested further information on the nature of the work the DPW Staff will perform on the project. Jim McKay stated the DPW Staff has completed 85% of the initial site work. However, the site work has ceased until a decision is made in November. The Conservation Commission has been consulted; the site is close to wetlands. Diverting the DPW Staff from daily operational functions to perform site work for the project was alleviated by hiring a Summer Help Crew. The salary for one of the three Summer Help Crew Staff was paid directly from PBC funds for the project. Doug Riley inquired why the \$330,000.00 in additional funds is necessary if it is unlikely those funds will not be needed. Wayne Klocko noted that it is part of the contract and the town would be unable to enter into the contract without appropriating the funds. The contingencies included in the initial \$3.9 million project were put in place to cover change orders. The total cost of the project is estimated to be \$4,636,455.00. The PBC voted unanimously for Option 1 requesting a Warrant Article for \$600,000.00 in additional funding to complete the project as originally intended with adjustments made to the Roof Design and reduction to the School Bus Staffing Wing. The most prominent cost savings comes from the DPW Staff performing the initial and final site work and demolition of the existing offices to provide for additional storage for equipment and vehicles. Peter Berube thanked the members of the PBC for their attendance.

Certified Free Cash Update:

Free Cash was certified by the Department of Revenue as follows:

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| • General Fund: | \$653,839.00 |
| • Sewer Enterprise Fund: | \$649,999.00 |
| • Water Enterprise Fund: | \$880,065.00 |
| • Stormwater Enterprise Fund: | \$394,907.00 |

The General Fund Free Cash includes \$194,070.00 from Marijuana Host Community Agreement Impact Fees. The Enterprise Fund Free Cash amounts are cumulative Retained Earnings for project expenditures, Warrant Articles, etc. Unpaid Bills for the November Town Meeting funded from Free Cash total \$16,431.66, Must Fund Spring 2021 Town Meeting Warrant Articles total \$324,262.00, proposed Capital Items to be funded at the November Town Meeting from Free Cash total \$115,477.00.

Review November Town Meeting Draft Warrant Articles:

The Select Board will be reviewing and finalizing the November Town Meeting Warrant at their upcoming meeting on October 5, 2020.

Article #1 Unpaid Bills \$17,246.48:

- Free Cash \$16,431.66
- Sewer Enterprise Fund \$214.31
- Water Enterprise Fund \$600.51

Mike Guzinski acknowledged that there are more Unpaid Bills this year due to unusual circumstances; vendors not submitting invoices in a timely fashion.

Article #2 FY21 Operational Budget Adjustments \$483,556.00

- Restore FY20 Staff Hours and Library Expenses Effective December 1, 2020:

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| ○ General Government: | \$ 59,663.81 |
| ○ Public Safety: | \$ 7,698.25 |
| ○ Millis Schools: | \$173,132.17 |
| ○ Health and Human Services: | \$ 7,817.81 |
| ○ Culture and Recreation: | <u>\$ 9,303.84</u> |
| Total: | <u>\$257,615.89</u> |

- Recreation - Additional Funding: \$ 10,000.00
- IT Administration – Cyber Security Initiative: \$ 35,000.00
- Police Salaries – School Resource Officer: \$ 85,140.00
- Marijuana Stipends – Police CBA: \$ 10,800.00
- Fire Salaries – SAFER Grant Overtime: \$ 60,000.00
- Fire Expenses – Clothing Allowance: \$ 25,000.00

Funding for the School Resource Officer and Marijuana Stipends will come from Marijuana Impact HCA funds. Fire Salaries and Clothing Allowances will be funded by the Ambulance Revolving Fund. The Fire and Rescue Department has been awarded a 3 year fully funded SAFER Grant which includes the hiring of four additional Fire and Rescue Personnel with the exception of Clothing and Overtime costs. The Recreation Department has been hit hard by the COVID-19 Pandemic and while the department can hold virtual programs, the programs that typically generate revenues have been halted. At the request of the Acting IT Director, a \$35,000.00 Cyber Security Initiative is being requested for the protection of the Town's IT Infrastructure.

Craig Schultze voiced his concern with hiring four additional Firefighters, although he is not opposed to the idea, that puts the town in a position to fully fund those Firefighters after the three-year grant expires. Mike Guzinski noted that after the three years, Town Meeting would have to recommend appropriations to continue funding those positions. Planning for that impact has been considered and the majority of the cost will be absorbed through the Ambulance Revolving Fund and reduction in overtime. Carol Johnston is fully confident the Ambulance Revolving Fund Revenues will absorb the additional costs with tremendous growth in the Ambulance Revolving Fund over the last six months.

Article #3 Capital Items \$328,714.00

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| • Fire and Rescue: | Turnout Gear | \$ 43,330.00 |
| • Fire and Rescue: | SCBA Bottles | \$ 12,000.00 |
| • Fire and Rescue: | Fire Hose | \$ 15,000.00 |
| • DPW: | Pickup Truck | \$ 44,023.00 |
| • DPW: | Dump Truck | \$108,586.00 |
| • DPW: | I/I Study | \$105,775.00 |

Article #4 Police Cruiser Lease/Purchase \$18,000.00

Article #5 DPW Building Project – Additional Funding \$600,000.00

Article #6 DPW Lease of Temporary Office Facilities \$275,000.00

This article is only necessary if Article #5 fails at Town Meeting.

Article #7 Employee Wage/Salary Study \$15,000.00

This article will fund hiring an outside firm to review the Wage/Salary Structure of SEIU positions at the Town Hall as well as non-union and contracted staff. The town will be entering into CBA (Collective Bargaining Agreement) Negotiations with SEIU Members in January. The study is in preparation of those negotiations.

Article #8 Tree Maintenance \$40,000.00

There has been an ongoing need from tree trimming/removal throughout town. Those concerns were voiced at the Spring 2020 Town Meeting by the Millis Tree Warden. It was noted that Eversource, electricity provider for the town, has been working with the town to address some of the issues. The DPW's FY21 Tree Care Budget has already been expended; it was reduced from FY20.

Article #9 General Bylaw Change Date of Spring Annual Town Meeting

This article would change the Annual Spring Town Meeting to occur a week prior to the Annual Town Election. This change would allow the Select Board Members, who were instrumental in developing the Operational Budget for the next Fiscal Year as well as Warrant Article Recommendations, to participate in Town Meeting.

Article #10 Zoning Bylaw Change MCEOOD (Millis Center Economic Opportunity Overlay District)

This article was requested by the Planning Board. It was recommended a Planning Board Member be invited to an upcoming Finance Committee Meeting to further discuss the article's details.

The Proposed FY21 Budget Adjustment document provided by the Finance Director reflected a Balance in Revenues of \$199,525.00 which will be used to fund the Wage/Salary Study and Tree Removal articles as well as the additional funding for the Recreation Department and Cyber Security Initiative.

Old Business/New Business:

The November 2020 Town Meeting is scheduled for Saturday, November 7, 2020 at noon. It will take place at the Middle/High School parking lot outside the Gymnasium entrance. The location meets all the needs for parking, restroom availability and safety. The biggest concern is obviously the weather.

Peter Berube inquired about the status of the Sewer Connection Warrant Article proposed for the Spring 2020 Town Meeting which was deferred due to its controversial nature and the anticipated low attendance due to the COVID-19 Pandemic. Mike Guzinski stated that the article is still being considered for the Spring 2021 Town Meeting, at which time the Enterprise Fund Committee will have a recommendation on how to move forward regarding the town's sewer capacity.

Meeting Minutes Approval:

Craig Schultze made a motion to approve the September 16, 2020 Meeting Minutes; Shawn Power seconded. Roll Call Vote: Craig Schultze - aye, Shawn Power - aye, Doug Riley - aye, Cathy MacInnes - aye, Peter Berube – aye. Motion carries unanimously.

Adjourn:

Cathy MacInnes made a motion to adjourn the Finance Committee Meeting at 8:39 PM; Craig Schultze seconded. Vote: 5/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore