

Finance Committee Meeting

October 11, 2023 7:00 PM EST
Veterans Memorial Building – Room #229
900 Main Street Millis, MA 02054

Committee Members In Attendance:

Pete Berube, Chair
Jodie Garzon, Vice Chair
Peter Underhill, Clerk
Joyce Boiardi
Michael Krone
Jonathan Loer
Cathy MacInnes
Jen Zarutskie

Invited Guest in Attendance:

Michael Guzinski, Town Administrator
Carol Johnston, Finance Director
James McKay, DPW Director

Pete Berube called the Finance Committee Meeting to order at 7:00 PM.

DPW Capital Item Requests:

Jim McKay presented three DPW Capital Item Requests:

- 2024 Chevrolet Pick Up Truck - \$84,906.00
 - This will replace a 2011 Van with over 100,000 miles.
 - The vehicle is used daily by the Water and Sewer Staff.
 - Funding will be split equally between Water and Sewer Enterprise Reserves.
- Well #3 PFAS Treatment Facility - \$7,100,000.00
 - The facility will be 2,900 square feet and will treat the water with GAC (Granular Activated Carbon) for removal of PFAS.
 - An EPA Grant for \$3.5 million has been secured and will be used to offset the construction costs.
 - The project will go out to bid in January 2024.
 - The D'Angelis, Wells #1 & 2, PFAS Treatment Facility is online and PFAS test results are "no detection".
 - The three wells will supply PFAS free water to the distribution system.
- 2023 Vactor Truck - \$573,560.00
 - The truck would be used to clean the 1,128 catch basins throughout town, approximately 100 require the use of a Vactor Truck. The life span of the vehicle is 15 – 20 years.
 - Currently the cleaning is outsourced.
 - The EPA has implemented stricter Stormwater Regulations.
 - The vehicle will assist DPW Staff during emergency water main breaks, culvert maintenance and maintaining 20 Storm Chamber/Cultec Systems, some located at the School and Police Station.
 - The cost will be split as follows:
 - Stormwater Enterprise Borrowing \$430,169.71
 - Water Enterprise Borrowing \$ 47,796.63
 - Sewer Enterprise Borrowing \$ 47,796.63
 - General Fund Borrowing \$ 47,796.63
 - Operation of the vehicle requires a "Tanker" endorsement license; three DPW Staff are certified.
 - The vehicle will be used at least once a week and will be housed in the DPW Garage or Wash bay.

November 6, 2023 Town Meeting Warrant Article Discussion:

Mike Guzinski made the committee aware that the November Town Meeting Warrant Articles are unchanged and will be discussed at the Select Board Meeting on October 12, 2023; funding amounts will be determined at that time.

Carol Johnston outlined the 12 Warrant Articles:

Article #1 Unpaid Bills

- This is a semi-annual article to pay bills from previous Fiscal Years that were received after the close of the Fiscal Year.

Article #2 FY24 Operational Budgets Adjustment

- This article will fund HCA (Host Community Agreement) Impact Fee positions and programs. HCA, \$400,365.00, and OPIOD Mitigation Funds, \$44,209.00, are included in the Free Cash total. The Town Administrator's Office has removed \$9,200.00 from its request to fund HCA Administrative Support. The HCA will expire in FY25.

Article #3 Capital Items

- This article will fund the following:
 - Fire and Rescue Radios/Antenna \$ 89,373.00
 - The tower is owned by a private company, Wireless Edge Towers II, LLC, and will be located on Norfolk Road. The town has entered into a lease agreement which allows space for two antennas on the tower. However, the town must provide the equipment. Wireless Edge Towers II, LLC will install the antennas and pay \$30,000.00 in lease payments annually.
 - VMB and Fire HVAC Repairs \$ 75,000.00
 - DPW Pickup Truck \$ 84,906.00
 - Library Phase II Lighting Replacement \$110,000.00

Article #4 PFAS Treatment Plant at Well #3 Borrowing Authorization

- This article authorizes borrowing from the Water Enterprise Fund for the construction of the facility.
- The authorization will be the total amount of the facility, but the costs will be partially offset by a grant.

Article #5 Road and Sidewalk Construction, Design and Repair

- This article would be funded by Free Cash and will supplement the Chapter 90 Funds the town receives from the Commonwealth for road maintenance.

Article #6 Vactor Truck Borrowing Authorization

- This article would authorize borrowing to purchase the truck and will be funded by the Enterprise Funds and General Fund.

Article #7 Bus Lease Borrowing Authorization

- This article authorizes the School Department to increase the lease for School Busses by \$136,100.00.

Article #8 OPEB (Other Post Employment Benefits) Actuarial Study

- This article is a required study which will be funded by Free Cash in the amount of \$7,800.00.

Article #9 Special Education Fund

- The fund was established at the May 2023 Town Meeting, this article would appropriate \$320,784.00 or 2% of Required Net School Spending. DESE (Department of Elementary and Secondary Education), determines the amount. Any spending out of the fund would require School Committee and Select Board approval.

Article #10 Chapter 41 Section 111F Injury Leave Indemnity Fund

- This article would appropriate \$300,000.00 from Free Cash to the fund. The fund was established at the November 2021 Town Meeting and \$300,000.00 was appropriated at the November 2022 Town Meeting. The fund is used for Police and Fire and Rescue Personnel out on injury. The fund's balance is approximately \$144,000.00. Currently, there are three staff members out on injury and their salaries total \$273,000.00. The town is required to pay 100% of their Base Salary. The town is self-insured and pays approximately \$180,000.00 in Workers Comp Insurance.

Article #11 OPEB Trust Fund

- This article would appropriate \$50,000.00 from Free Cash to the fund.

Article #12 Stabilization Fund

- This article would appropriate \$700,000.00 from Free Cash to the fund. Of the \$700,000.00, \$400,000.00 is replenishing the funds appropriated at the May 2023 for the School Deficit.

The committee assigned the above articles to the members. Members will write a synopsis of each article which will be included in the Finance Committee Report. The articles will be presented to the November Town Meeting by the member assigned.

Jodie Garzon summarized an analysis of Free Cash, remaining Unrestricted Free Cash for the Spring Town Meeting is reasonable. The town changed the Operating Budget to include must-fund items; School Bus and Computer Leases, Police Cruiser Lease, etc. The Free Cash position is much better than originally expected, enabling funding of the SPED Fund, OPEB Trust Fund, Stabilization Fund and appropriating funds for Road Improvements.

Minority and Majority Reports:

The reports were in Draft form and were read verbatim by Pete Berube and Peter Underhill. Since then, the final version has been received:

On 24 October 2023, there will be two ballot votes on measures relating to the Tri-County Vocational Technical High School (TCVTHS).

BACKGROUND: Millis is one of 11 communities which send students who opt to pursue vocational education to the facility located in Franklin. Millis incurs a financial obligation for each student who attends TCVTHS.

The TCVTHS needs major repairs, upgrades, and investment in order to sustain its operation. TCVTHS entered the Massachusetts School Building Authority (MSBA) process for state-subsidized renovation or replacement. The TCVTHS School Committee subsequently evaluated options for the required work and selected a total replacement project valued at approximately \$286 million.

Under state law (MGL Chapter 71 Section 16(n)) approval of the project will be decided via a district-wide ballot needing a simple majority of the towns' aggregate ballot count to pass. Each of the 11 towns will simultaneously vote for 8 hours on October 24th from 12pm to 8pm. This issue is presented to Millis voters as the "Authorization Question". If the project passes the district-wide vote, TCVTHS will then be authorized to secure funding via a 30-year bond and proceed with detailed design documents and eventual construction.

Under state law, costs associated with repair or replacement of the school are to be divided amongst the participating communities on a prorated share, based on the respective town's student population at TCVTHS. Millis' historic student population at TCVTHS has ranged from about 35-60 students annually, or approximately 3.5 to 6% of total population. Millis' calculated share of the estimated annual obligation for the construction is \$482,371/year for 30 years. As Millis does not have available operating budget capacity to cover this obligation, a debt exclusion/operational override will be required. Approval for this override is presented on a second ballot as the "Debt Exclusion Question".

Given that Millis' TCVTHS student population varies from year to year, Millis taxpayer burden for the project will range from \$135 to \$214/year for the average assessed home value (\$510,856).

On 27 September, the Millis Finance Committee voted in a split count of 5 to 4 **not in favor** of the TCVTHS project. The Finance Committee voted 8-1 **in favor** of the local debt exclusion, in the event the district-wide vote approves the project.

MAJORITY OPINION:

It is strongly felt that adding to the Millis taxpayer burden for the TCVTHS project will come to the detriment of the Millis Public School district. There are 3 potential overrides forecast in the next several years. Those being (listed in anticipated chronological order):

1. TCVTHS construction (Millis estimated share \$482,371/yr @ \$135-214/yr for avg. assessed home value)
2. Millis Public School SPED funding shortfall (\$900K) and sunseting of marijuana retail sales host community impact funding (\$400K) (\$255-373/yr for avg. assessed home value)
3. Millis High School renovate/repair add/alter project (\$35-50 million) (\$292-398/yr for avg. assessed home value)

The above **potential** overrides, if passed, would add \$682 to \$985/yr tax burden at the average assessed home value. We simply cannot recommend approval of every project as presented. Tough choices must be made in line with sensible priorities.

In the case of the TCVTHS project, we object to the following:

1. The project was not designed with cost burden in mind. The project includes tens of millions of dollars in athletic fields and other MSBA non-reimbursable costs.
2. Community engagement was insufficient from project onset. The towns did not have adequate opportunity to participate in development, nor selection of project concepts or schematic designs.
3. The MSBA reimbursement cost calculation is inadequate. Vocational Technical high schools are much more expensive than traditional schools. Thus, the reimbursement formulas must be modified to boost state aid.
4. While TCVTHS markets itself as an alternative to the traditional college prep education, it duplicates much of what Millis HS already provides (including college prep and "AP" courses) thus putting itself in direct competition for limited resources.

Further increasing Millis' already high tax rate, without investing in our district facilities, does not attract new residents or growth to the community. Rather it could have the opposite effect; driving families away from Millis due to lack of affordability and/or a dilapidating middle and high school. Given the fiscal constraints, it is more prudent for Millis to invest in the school that supports nearly all of its middle and high school students.

A district-wide "No" vote on the project ballot could have the effect of delaying the Tri-County Vocational Technical High School project's implementation and force reconsideration of the plan.

The following Finance Committee members recommend a "No" vote on the proposed replacement plan for the Tri-County Vocational Technical High School.

Peter Berube

Michael Krone

Jonathan Loer

Sara Reyes

Jen Zarutskie

MINORITY OPINION:

Our recommendation for a “yes” vote on the Tri-County school replacement plan is based on the hard construction numbers.

1. The cost of replacing the school, after reimbursement by the state, is \$200 million.
2. The cost to renovate the existing Tri-county building instead of replacing it is estimated to be \$180 million.
3. For 10% more, Tri-County students will have a brand-new school rather than a renovated one with a substantially shorter usable lifespan than the new construction.

The renovation work will most likely be more expensive than the estimates due to additional issues that will become apparent when the work commences. Older buildings such as the existing Tri-County school will most likely need remediation of harmful materials used in construction and will lead to additional expenses. Also, renovating the school while the students are occupying it for classes will be highly disruptive to the classroom and hands-on training happening throughout the school year. Finally, the nature of technical school training has changed greatly since the building was designed and built, a renovation will not be the best usage of space for that training due to reusing the existing structure rather than designing and building a new building to train students to current standards.

Many of the objections raised about this project were about the process involved in choosing the design of the new school, the method of authorizing the building of the new school, and the level of reimbursement by the state. While we share those concerns and agree they should be addressed with the state, it will not have an impact on the plan in front of us now.

A “No” vote will result in either a plan being presented to us using the same policies and processes in place now, a new construction plan that will not include reimbursement from the state due to the delay, or massive renovations to the Tri-County school building that Millis will be obligated to pay for under the existing apportionment with Tri-County.

The following Finance Committee members recommend a “Yes” vote on the proposed replacement plan for the Tri-County Vocational Technical High School.

Joyce Boiardi

Jodie Garzon

Cathy MacInnes

Peter Underhill

The intent of the reports is to bring awareness to the community on the subject. Pete Berube thanked the members for their input and noted there has always been a spirit of collaboration amongst the committee. He encouraged the members to watch and or attend the Select Board Meeting on October 12, 2023; the committee will be making their Final Recommendations at their October 18, 2023 Meeting.

Bills Payable - Postponed

Finance Committee Meeting Minutes Approval:

Jodie Garzon made a motion to approve the October 4, 2023 Finance Committee Meeting Minutes as written; Joyce Boiardi seconded. Vote: 7/0 1 Abstained. Motion carries.

Adjourn Meeting:

Jodie Garzon made a motion to adjourn the Finance Committee Meeting at 8:15 PM; Jen Zarutskie seconded. Vote: 9/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore