

Finance Committee

Meeting Minutes

October 8, 2024

8:00 PM

Present: Jason Cole (Chair), Scott Sullivan (Vice Chair), Steve Noone, Adam Nolde, Roland Bourdon, Corinne Hogseth, Dave Wellinghoff (remote), Christi Andersen, Allison Jones, and Dr. Gang Chen

Mr. Cole called the meeting to order.

1. Citizen's Concerns

None

2. DPW Presentation

Mr. John Mangiaratti and Mr. Dean Charter presented. Due to most FinCom members attending the DPW presentation on September 26th, Mr. Mangiaratti and Mr. Charter would summarize the presentation then take questions.

Designs were recently sent to cost estimators, both the OPM and Architect; then will compare both.

Due to programmatic reasons along with the Select Board's top 5 goals, a decision was made to move the project forward at the 2025 Annual Town Meeting. This will be additional revenue through a debt exclusion vote at annual Town Meeting.

Current building is not adequate. The DPW is critical to public safety throughout the year, this is not optional.

Mr. Mangiaratti listened to the last FinCom meeting, where the DPW was discussed, took note of all FinCom's questions, drafted answers and distributed that Q&A document to FinCom. Also included cost estimate information. Have some price history to look at in order to make an informed decision. Timing is important. Understand FinCom doesn't want

to take on any new debt until other debt is retired. The town has about \$1.4m - \$1.5m falling off end of FY25.

Mr. Charter spoke about his related background and sees how the DPW building is getting progressively worse. A town can take on a major project once a decade. Mr. Charter spoke about his involvement in previous town capital projects.

Mr. Charter spoke of the inadequacy of indoor air quality and the size of the building in relation to the population of the town over the years. Compared this project to the growth needs of the Acton Memorial Library.

FinCom members asked questions:

Dr. Chen - strong case this project is needed. Can it be completed in stages?
Concerned about tax impact and possibly back-to-back overrides?
How does the town plan to communicate with the taxpayer?

Mr. Charter: Regarding impact on average tax bill, Mr. Mangiaratti put conceptualls together and sent it out earlier in the day. Feel better when cost estimate comes in. Right now, about \$300/year for average single family household.

Regarding convincing the public, Town Manager created a website page. Once estimate is received, more public presentations will be conducted along with an Acton TV taping.

If override fails, you figure out problems and come back the following year. Prices, though, keep on escalating.

Phasing construction - Select Board spoke about that concept last night. Because it is a new building, we can't phase over a 4-5 year period, but possibly a 2-year period. Phase-in approach would cost more money.

Mr. Mangiaratti: Pointed out question #10 - a \$40m project would cost \$2.4m annually. Borrow in chunks. Debt payments ramp up as well. \$14m, \$13m, \$13m each of the 3 years. First debt payment not due until the following fiscal year. \$135/year tax increase for the median condo and a little under \$300 for the average single family home. Will run numbers again after receiving cost estimate.

Mr. Nolde - What costs would be on the hook with contractual parties if the project doesn't pass at Town Meeting?

Mr. Mangiaratti: Weston and Sampson designer and PMA OPM have phased contracts. Plan to bring us to 60%. They wouldn't move forward until approved.

Ms. Jones - When will cost estimates be available?

Mr. Mangiaratti: 2 entities doing now, anticipate receiving end of October. DPW Building Committee meeting on the first of November to review the estimates, so shortly after that.

Main reason for an Override vote to support this initiative?

Mr. Mangiaratti - correct, debt exclusion vote for the construction of a DPW facility.

Mr. Noone - Concerned the project is already too long down the road for cost and environmental estimates. History goes back around 10 years for \$5m, then Town Manager's plan \$10m, then \$30m, now \$40m. Regarding the tax payer and ALG Plan, the Jr. and Sr. High School projects, people were told this is a temporary tax increase, but don't see it as temporary anymore. Tax payers have right to see their tax bills go down. Need to quantify the benefits, quantify storing vehicles outside, and quantify utility costs.

Regarding maintenance - how much per hour does our maintenance staff cost compared to private sector/contracted staff? Have use of 15% of floor space times 6,000 hours, take that into account. All electric vehicle fleet. What would that maintenance cost be?

Mr. Mangiaratti: The town presented a cost estimate 2 years ago and now updating that estimate.

Mr. Charter: mechanical/vehicle maintenance staff is 2 mechanics and a maintenance person maintaining over 100 vehicles. Some vehicles aren't maintained in-house. Problem when vehicle breaks down, send it out, and finding someone to fix the vehicle immediately. Putting something out in the private sector can get very expensive. Also, have to deal with public procurement issues and prevailing wage rates.

Mr. Sullivan - Project this size easy to come up with questions, impression of presentation was a best case scenario of a building. Don't believe town is converting all to electric trucks. Longer project timeline more expensive. Look at storage at the Concord Prison, 60 acres; this would allow to shorten the timeline if the town can find places to store things. \$300 net or gross?

Mr. Mangiaratti: Gross. Also, helpful feedback about seeking storage. Will look into that.

Mr. Charter: Some items will get stored in various locations, but places will also need to be ready-to-use. Regarding electric vehicles, tend to be skeptical, but make sure town provides the infrastructure. Mr. Sullivan responded that no one knows what an electric vehicle will need in 20 years. So, no matter, electrical outlets will have to be retrofitted.

Mr. Wellinghoff - 26,000 sq feet for fleet storage?

Mr. Mangiaratti: yes.

47,000 sq feet whole building?

Mr. Mangiaratti: yes

Mr. Wellinghoff commented some sections, like storage, square footage is less costly, that should be considered.

Ms. Hogseth - Don't want taxes to go up at all. Understand important of project. Want to see the \$295 cost to be offset by savings from the Schools. Part of the deal that got the override was supposed to show savings.

Mr. Bourdon - Any thought on storing equipment inside the Transfer Station building or other out buildings? Would like to see solar panels and geothermal. Concerned about a super-fund site. So, conduct environmental studies sooner than later.

Mr. Charter: Regarding environmental studies, where existing building is and the projected site is in the same location and never used as a super-fund site. Didn't build upon a land fill. Continuous monitoring of fuel tanks and the current importance of replacing the fuel tanks. Also, salt storage for about 50 years. Monitoring of water off-site and seen elevated levels of sodium, but that isn't considered a super-fund site.

Mr. Noone - He and Mr. Bourdon are concerned because of what happened with the Caouette property, thought the town was buying a farm, but back in the 1800's it was a leather tannery.

Ms. Andersen - Why does the project need to happen? In context of ALG plan and use of existing untaxed levy capacity.

Mr. Cole - Want to see adjust to a 1-year time frame, so there has to be room at other municipal sites. \$740/sq ft, is that amount used for everything such as workshops, storage, wash bays, etc...

Mr. Mangiaratti: that is an average sq footage cost

Mr. Cole - Regarding Senior Center, didn't have to pay prevailing wage because able to enter into a 10-year lease. Would like to see a full investigation on these same lines. We have empty spaces in town instead of building at the highest cost.

Mr. Cole - Discussed impact of debt override not happening in the first year of vote.

Mr. Mangiaratti: the plan is FY27

Mr. Cole - Remembers had to wait until February with the School.

Mr. Cole - Understand borrowing. Minuteman Technical HS ended up taking out 6-7 bonds. Incensed how project kept on increasing.

Mr. Mangiaratti: Work with financial team for best approach. Could be advantageous to borrow a different way.

Mr. Cole - Is this an "owner at risk" or "fixed bid" project?

Mr. Mangiaratti: Chapter 149, file sub-bids which are fixed costs.

Mr. Cole - So, Owner at risk?

Mr. Mangiaratti: The project has a 10% contingency

Mr. Cole - Own the risk of overruns?

Mr. Mangiaratti: Yes

Mr. Cole - Looked into this, owner at risk or absolute fixed bid. Only responsible for change orders/modification. Have we investigated this?

Mr. Mangiaratti: Yes, we have reviewed that and the most cost effective way of doing this project. Would not give a blank check to a contractor.

Mr. Nolde - Westford did fixed amount. Companies went bankrupt for example, so it saved Westford for that project.

Mr. Cole - Concerned question hasn't been answered, owner at risk or fixed bid?

Mr. Mangiaratti: Design it, bid it, build it, per Chapter 149

Mr. Cole - Does this limit our exposure?

Mr. Mangiaratti: Commented the conversation wasn't being productive at this point, would be happy to have a conversation offline.

Mr. Charter - This conversation is getting into the weeds. As John commented this is a Design/bid/built project. Ledge for example. Very frequently, deal with surface conditions, some unit prices will be included. We know how much per cubic yard for ledge. If exceeds that amount, pay the delta.

Ms. Andersen - if project changes from design/bid/build, would need to know that. How much ledge will we encounter?

Mr. Charter: Don't know all the answers. Can speak about mitigating asbestos and other environmental hazards.

Mr. Nolde - Asked Weston & Sampson about drilling, they will have answers in November.

Mr. Cole spoke about the ballot vote before town meeting is majority vote, so should be okay, but vote at Annual Town meeting regarding debt exclusion will require a 2/3 vote. Suggest quantify geothermal costs; show ROI. Also, 11/7 next DPW Building Committee meeting. FinCom is 11/5. ALG is tomorrow morning, 10/9. ALG standing policy any debt exclusion agreement end of October. Last year was Thanksgiving, so propose to do the same thing this year if dates stand? Can FinCom see numbers for their 11/5 meeting? Discussion ensued about pushing ALG with the "go/no-go" vote until November. Mr. Bourdon suggests using Stabilization funds for the project.

Mr. Charter - He and Mr. Mangiaratti spoke and feel comfortable sending estimates as soon as the town receives them.

Mr. Nolde - maximum amount on contingencies?

Mr. Mangiaratti: will check with the design team

Mr. Cole - Please make sure every square footage is analyzed as want versus need.

Ms. Andersen - Cost estimate isn't sufficient for her. Quantify how much this will save us.

3. Cost Cutting Initiative

Ms. Andersen reported out on this project. Town news flash to advertise this initiative. Don't give too much of a lead time. Crunched to get listening session in October. Would like to review draft language at their October 22nd meeting; she is unable to do this and asked for a volunteer to write it. Mr. Cole made the assignment to Mr. Jarboe and he will help Mr. Jarboe.

Discussion ensued about conducting the first listening session at a FinCom meeting time. All agreed using the November 19th FinCom meeting date as the first listening session. The meeting is at the Library on the 19th, but not sure it can be recorded. Mr. Martin suggested recording via Zoom. Mr. Cole will investigate other locations.

For the month of December, Ms. Andersen suggests using the COA space on a Tuesday evening. Most members agreed they can do that.

For the month of January, would like to wait to see how these first two (2) listening sessions go.

4. Finance Committee Business

Liaison Reports:

SCHOOL COMMITTEE - Ms. Andersen attended the first Elementary School Budget Task Force this morning 10/8. Staff, teachers and community members along with students attended. First of many over time to reach a broad discussion of cost-cutting ideas. The Consultant has performed a variety of similar projects across the U.S. Ways to do things more efficiently. The Consultant spoke about trade-offs. Another subject, Boxborough considering doing debt for Fire Station. Ms. Jones inquired if extended day is fully funded by the payers; that is Ms. Andersen's understanding. Mr. Bourdon asked if the Task Force is looking at School choice; yes, they are. Ms. Hogseth stated elementary children don't need Chromebooks.

Next Meeting Date:

October 22, 2024, 8:00pm

November 5, 2024, 7:30pm

November 19, 2024, time and location TBD.

Dr. Chen made motion to adjourn, Mr. Noone seconded. Unanimous vote

Documents and Exhibits Used During this Meeting