



Natick Finance Committee

Pursuant to Chapter 40, Section 3 of the Town of Natick By-Laws, I attest that the attached copy is the approved copy of the minutes for the following meeting:

Town of Natick Finance Committee

Meeting Date: April 24, 2017

The minutes were approved through the following action:

Motion:	Approval (as amended)
Made by:	Cathi Collins
Seconded by:	Patrick Hayes
Vote:	8 - 3 - 0
Date:	4/26/18

Respectfully submitted,

Bruce Evans

Clerk

Natick Finance Committee

NATICK FINANCE COMMITTEE MEETING MINUTES

April 24, 2018, 6pm

Natick High School

15 West Street Natick, MA 01760

Room 103, First Floor

This meeting has been properly posted as required by law.

MEMBERS PRESENT:

Patrick Hayes, Chairperson
Cathleen Collins, Vice-Chairman
Bruce Evans, Clerk
David Coffey, Member
Michael Linehan, Member (arrived 6:25 pm)
Robert McCauley, Member
Philip Rooney, Member
Jim A. Scurlock, Member
Linda Wollschlager, Member
Jerry Pierce, Member
Dirk Coburn, Member

MEMBERS ABSENT:

Kristine Van Amsterdam, Member
Cathy Coughlin, Member
David Gallo, Member
Daniel Sullivan, Member

OTHERS PRESENT:

John Ciccariello, Chairman, West Natick Fire Station Building Committee
Bill Chenard, Acting Town Administrator
Melissa Malone, Incoming Town Administrator
Amy Mistrot, Chairperson, Natick Board of Selectmen
Josh Ostroff, Cochituate Rail Trail

AGENDA:

1. Public Concerns/ Comments
2. Meeting Minutes a. Meeting Minutes - Review & Approve Outstanding Minutes from March 8, 13, 15, 20, 22 & 29
3. New Business

- a. Briefing with the Town Moderator: Communications in the Public Domain
- 4. 2018 Spring Annual Town Meeting Warrant Articles - Public Hearing
 - a) Article 14 - Motion C: Capital Improvements/West Natick Fire Station Building Project
 - b) Reconsideration of Article 14 to add a Motion F: Camp Arrowhead Repairs
 - c) Reconsideration of Article 24 - Acquisition of Mechanic Street
 - d) Reconsideration of Article 26 - Cochituate Rail Trail Right of Way Acquisition

CALL TO ORDER

Meeting called to order at 6:00 p.m. by Chairman, Patrick Hayes. Note that this was a joint meeting with the Board of Selectmen (actions taken by the BOS are not included in these minutes, only comments in response to Finance Committee questions).

ANNOUNCEMENTS/CITIZENS CONCERNS:

Briefing with the Town Moderator: Communications in the Public Domain

Frank Foss, Town Moderator

I want to share some events that have happened multiple times during the past year where I've received communications and calls from people who said that some Finance Committee members are making comments unbecoming of the Finance Committee. Further, these comments are being made on social media. I won't specify names, but there are some elected officials or part of multi-member boards that have said that I don't want those things said about my board or committee and I want you to tell that person to recuse themselves. Others have requested that I not re-appoint "that person" again because they did something on social media. There have been other times where I've seen the social media posts and they have been really rude and obnoxious. I thought long and hard about this and recalled a circumstance when I was first appointed Moderator where I was asked to remove someone by a Town Administrator. I told that Town Administrator that the only way that I'm going to remove anyone is if they commit a felony. I am not going to take something that they have a right to do (communicate their opinion on social media as a reason to remove the person from the Committee). Rather, I'm going to have a polite conversation with them and tell them I've reached my limit and they need to stop doing that because, as the appointing authority, I may not re-appoint them. I caution you that when you go on social media, you represent the Finance Committee and you should demonstrate integrity and accountability. Every time someone goes over the edge takes away from that. You're part of a group that must continue to have integrity.

MOTION

Open the Natick Finance Committee 2018 Spring Annual Town Meeting Warrant Articles – Public Hearing

Moved/Motioned by:	Ms. Collins
Seconded by:	Mr. Coffey
Motions or Debates:	None.
Vote:	10-0-0

Article 14 - Motion C: Capital Improvements/West Natick Fire Station Building Project

Mr. Ciccariello: Following our discussion with the BOS where they stated that the Building Committee should re-assess the proposed design of the fire station and balance the requirements against the costs, rather than simply cutting costs to achieve an approximately \$11 million budget. Mr. Ciccariello noted that the Building Committee had begun work in 2008 and the building climate had changed considerably since that time. He stated that \$1.2 million had already been appropriated for design development (DD). The Committee re-examined the design and opted not to include a community room, but added back a fire truck bay and increased dorm space for the firefighters. By

mid-July, Design Development will be completed and the Building Committee will have a good idea of the project cost.

Mr. Hayes: The Chairman of the BOS, the Chairman of the West Natick Fire Station Building Committee has prepared a memo that will be distributed to Town Meeting tonight and describes the timeline for decisions and actions associated with the West Natick Fire Station Building project. In mid-July, the Building Committee expects the architects to have design development information with specific designs so that we can lock in a projected budget. In the July/August timeframe, the BOS and Town Administrator will come together on a funding approach. In August, if there is going to be something along the lines of a debt exclusion question, the BOS will need to sponsor a warrant article and get a debt exclusion ballot initiative to the voters in November. In September/October, there will be Finance Committee hearings and Finance Committee will provide a recommendation to Fall Town Meeting, which will commence in October. That is why we're recommending referral to the BOS, West Natick Fire Station Building Committee, and Town Administrator. We do not yet know what will be coming back to us in the fall. It could be an advisory report or it could be one or more articles for the Finance Committee and Town Meeting to consider.

Mr. Evans acknowledged that the design development timeline looks good and asked whether this delay would affect the town's ability to go out to bid.

Mr. Ciccariello: The schedule right now is to have the construction bid documents ready for December 2018, and put it out for bid in December since contractors are looking to line up work for the spring.

Mr. Coburn: My questions pertain to financing – what are our intentions?

Mr. Chenard: Let me hypothetically say that this project costs \$15 million. It is far less expensive to borrow \$15 million once than to borrow \$15 million in total, two hundred times. Aside from the debt exclusion question, it's less costly for the town to borrow the \$15 million in total. Debt service for borrowing to meet other smaller requirements needlessly incurs fees that raise the overall cost of borrowing to the town. The town has done a significant amount of analysis of our debt schedules (Mr. Townsend and Mr. O'Brien) to determine how to finance this project at the least cost to the taxpayer. The Financial Planning Committee will be meeting to discuss financing options during May and June and decide the mechanism by mid-July and lock in the budget. The BOS will analyze whether / how much of a debt exclusion is required. Then, there will be an article that will be put on Fall Town Meeting warrant. If approved by Town Meeting, the intention is to go out to bid in December, and then commence the project in the spring.

Mr. Coffey: If a debt exclusion becomes necessary, what's the timing of that?

Mr. Chenard: It depends on timing in concert with the Building Committee. If we have the design and costs tied up on August 1, we can put a debt exclusion vote on a November ballot. The September primary ballot was considered, but ruled out because turnout for the primaries is typically very low and it's important that this information get out to the voters and inform their voting and participation.

Ms. Mistrot: One of the significant challenges with this project is shifting the narrative associated with this project. The average taxpayer, even those paying close attention to this conversation, this project was intended to be funded internally with no additional cost to the taxpayer. Now, we're talking about a more expensive project that may require a debt exclusion. There's a lot of information that we need to provide to the community to get them comfortable with this project and its financing.

Mr. Rooney: Should the Finance Committee have a say in the recommended financing approach?

Mr. Hayes: Town Administration will work with the BOS to get this to a point where they can collaborate with the Finance Committee. I don't believe it's appropriate for us to pre-judge the financing approach.

Ms Mistrot: Given the joint meeting that we had a couple of weeks ago on the collaboration among the multiple stakeholders, we agreed that this was productive and that we would like to do at least one more meeting of that nature and the financing approach might be discussed in the context of that meeting.

Mr. Scurlock: Is this something that we will likely have multiple bidders on?

Mr. Ciccariello: Under Massachusetts Procurement Law, once a project is over \$10 million, you have to "pre-qualify" bidders. Certain sub-trades also have to be file because they are over \$25,000 and the general contractor has to be pre-qualified. The pre-qualification process for contractors and sub-contractors enables the town to "pre-qualify" contractors / subs prior to receiving bids. Thus, the town is able to eliminate lower qualified bidders prior to the bidding phase. Qualified bidders are then sent the bidding documentation and the project team (architectural team, project management team, members of the Building Committee) review the application and a scoring system is applied to the responses. They must meet a minimum score to qualify for the project. If not, they are disqualified. In cases where you know that a contractor is not a qualified contractor, this enables you to eliminate that contractor if there is no appeal process.

Mr. Scurlock: I'm trying to get an idea of the number of contractors or sub-contractors required for a project like this.

Mr. Ciccariello: Typically 8-10 contractors and sub-contractors. The project is managed by the Owner's Project Manager, a firm hired to oversee the day-to-day project management.

Mr. McCauley: Following up on the financing question, is a partial debt exclusion under consideration?

Mr. Chenard: Ultimately, the goal is to use the lowest cost financing for this project to reduce the impact on the taxpayer. If that means that we use all debt exclusion for this project and use the CSF for other projects, that's what the answer. If the data shows that doing a partial debt exclusion lowers the cost to the taxpayer, that's what we'll do. If it shows us that we don't need to do a debt exclusion, that's what we'll do. Early on, debt exclusion looks like it will yield the least cost.

Mr. Ciccariello noted that this is a good time of year to go out to bid because contractors are looking to line up their projects at that point. The Finance Committee may meet in July to discuss the financing.

Mr McCauley asked about the financing methods. Free Cash, capital stabilization fund, debt exclusion . Mr. Chenard stated that he hopes to finance the West Natick Fire Station at the least cost possible to the taxpayer. Debt Exclusion provides a lower overall cost to the taxpayer for a larger project because the finance fees are for one project only. If the Capital Stabilization Fund is used to fund this project, this raises the cost to taxpayers because other capital projects must be financed and each of those projects must be funded and incur fees. In short, Capital Stabilization Fund is better used on smaller projects so that larger financing fees and interest aren't required.

A member suggested that community education regarding the financing is essential for this project. BOS and Mr. Chenard agreed to do so.

MOTION

Move to refer the subject matter of Article 14 Motion C West Natick Fire Station Capital Improvement project to the Board of Selectmen, Town Administrator, and the West Natick Fire Station Building Committee for further study, with the intent to provide a report back to the 2018 Fall Annual Town Meeting, including but not limited to requests for further borrowing authorization from any source allowed under Chapter 44, Sections 7 and 8 or other applicable law.

Moved/Motioned by:	Mr. Hayes
Seconded by:	Mr. Evans
Motions or Debates:	<p>Mr. Hayes: As Vice-Chair of the Building Committee, I strongly recommend referral so that we can move forward with a great plan for a very needed fire station.</p> <p>Mr. Evans: My questions and concerns have been discussed as well as those of other members. I'm thankful that this will not delay getting this out to bid because that could raise costs significantly.</p> <p>Mr. Coffey: I'd like to thank the BOS for working with the Finance Committee on this issue. I recognize that there was some tension, and am pleased with the progress that we have made with these collaborative discussions. Communication about this project is essential to secure buy-in from citizens who will be going through "debt-exclusion shock" having just approved a debt exclusion for Kennedy Middle School. There is certainly a big need for a new West Natick fire station with all the development on that side of town.</p>
Vote:	11-0-0

Ms. Mistrot introduced Ms. Melissa Malone, the incoming Town Administrator is joining us tonight in large part to hear the discussion on this project. Ms. Malone said that she will officially start on June 1, 2018 and that she is very excited about this job and came down to Natick this past weekend for Earth Day.

Reconsideration of Article 14 to add Motion F: Camp Arrowhead Repairs

Mr. Hayes: Note that if we vote to open for Article 14 for re-consideration, this means that Articles 14A, 14B, 14D, and 14E are also open for re-consideration or re-affirmation of our previous vote for Favorable Action.

Mr. Chenard: This motion is required to fund the repairs to Camp Arrowhead, in the amount of \$255,000, from the Capital Stabilization Fund. The insurance adjuster stated that they would pay \$187,000 and change. They gave the town a check in that amount. We estimate that the insurer will provide an additional \$43,000 once we go out to bid. We went out to bid in February and received no acceptable bids. We re-bid this project last week and received two acceptable bids that met the legal requirements – one was \$560,000 and the other was \$1.3 million. We’ve spoken with several contractors subsequently and identified another bidder who came in at just under \$330,000. When we did the demolition work, we found things that will raise the rebuilding cost beyond the \$330,000 amount. Because the amount exceeds \$150,000, we need Town Meeting authorization to spend this money. We also need to complete this work by mid-July 2018 or we will lose that additional insurance funding. So, the only way to avoid this is to request this appropriation from Town Meeting to complete this work, then go to the Insurance Company after the work is completed and show the actual bids and get the additional reimbursement. It will not automatically drop to Free Cash because it will be received after the FY closes. However, we can clear that up subsequently.

Here’s how we get to the \$255,000.

Insurance Proceeds	\$187,193.82
	(Already appropriated by Town Meeting for this project)
Property Restoration	\$ 4,034.93
Architect, Engineering, Admin. Cost	\$ 24,810.00
Fire Damage Demolition	\$ 31,524.00

We’re estimating that, since we have a low bid in the \$330,000 range, including asbestos abatement. With a bond security, that is \$350,000, plus a contingency of \$32,000. We subtract the \$187,193.82 (from insurance proceeds) and this leaves us with \$255,275. This gets rounded down to \$255,000. Insert info from Bill Chenard.

Questions:

Mr. Coburn: Do we have to re-affirm Motions A, B, D, and E also?

Mr. Hayes: Yes. When we are done with Motion F, we will then vote to re-affirm our votes on Motions A, B, D, and E from the March 6, 2018 meeting.

MOTION

Reconsider Article 14

Moved/Motioned by:	Ms. Collins
Seconded by:	Mr. Linehan
Motions or Debates:	None.
Vote:	11-0-0

Questions:

Mr. Rooney: Were we under-insured on this property?

Mr. Chenard: No – the policy that we have ensures 100% replacement cost. We review our insurance costs annually and review every building value with our insurer.

Ms. Wollschlager: Are we getting an additional \$47,000 from the insurer?

Mr. Chenard: Their estimate was an additional \$43,000 from their original estimate. The \$42,000 is a hold-back by the insurance company until the work is completed and we have all the invoices to present. We anticipate that we will receive more than that \$43,000 figure. We’re hoping that the net cost to the town will be zero. We may pay a little on our own because of requests that some advisory committees, i.e., Conservation Commission have requested.

Mr. Scurlock: Similar to my question on the fire station, Will this project require multiple contractors?

Mr. Chenard: We have spoken with three contractors and are confident that the bidder who submitted the \$330,000 bid will meet our needs and be selected.

Comments from the Public

Mr. Ciccariello: I’ve been working as a volunteer on this project for 1.5 years with Mr. Chenard. This is a project that means so much to the community. The kids who attend Camp Arrowhead really value this experience so I hope that you support this project.

MOTION

Favorable Action on Article 14 Motion F as printed in Supplement #2, page 8.

“Move that the Town vote to appropriate the sum of 255,000 to be expended under the direction of the Town Administrator for the purpose of repairing, equipping, and furnishing Camp Arrowhead, raised from the Capital Stabilization Fund.

Moved/Motioned by:	Ms. Collins
Seconded by:	Mr. Coffey
Motions or Debates:	Ms. Collins: It’s an important part of the fabric of the town and we need to restore it after this fire. The Administration has represented that they will try to get 100% reimbursement. Even if we have to pick up a little of it, I’m okay with that, Mr. Coffey: I agree with Mr. Ciccariello. There should be no delay in getting this work completed as soon as possible.
Vote:	11-0-0

MOTION

Re-affirm Favorable Action on Article 14 Motion A

Moved/Motioned by:	Ms. Collins
Seconded by:	Mr. Coffey
Motions or Debates:	None.
Vote:	11-0-0

MOTION

Re-affirm Favorable Action on Article 14 Motion B

Moved/Motioned by:	Mr. Coburn
Seconded by:	Mr. Evans
Motions or Debates:	None.
Vote:	11-0-0

MOTION

Re-affirm Favorable Action on Article 14 Motion D

Moved/Motioned by:	Mr. Coburn
Seconded by:	Mr. Evans
Motions or Debates:	None.
Vote:	11-0-0

MOTION

Re-affirm Favorable Action on Article 14 Motion E

Moved/Motioned by:	Mr. Coburn
Seconded by:	Mr. Evans
Motions or Debates:	None.
Vote:	11-0-0

Reconsideration of Article 24 - Acquisition of Mechanic Street

Mr. Ostroff: Articles 24 and 26 were placed on the Spring Town Meeting warrant, but we requested delayed consideration to allow the BOS to obtain information (property valuation) to understand the funds needed to obtain the properties. Article 24 allows the BOS to allow public access to Mechanic Street (part of Mechanic St. is private way, the other part is a public way). This article refers to the acquisition of the private way parts of Mechanic Street. This is a developing story – we anticipate a meeting in Executive Session on Thursday night where we will hear the results of an appraisal and discuss strategic approaches to the acquisition of Mechanic Street. I would urge reconsideration so that this confidential information may be provided to the Finance Committee.

The purpose of Article 26 is to acquire temporary and permanent easements to enable the construction of the Cochituate Rail Trail (CRT). These easements total a few thousand sq. ft., and allow us to move equipment, dirt, re-locate utility poles. Here again, we're on a tight timetable. We needed to wait until the design engineer completed their 75% design before we could move forward with this. Unfortunately, this work was completed after the Spring Town Meeting warrant was closed. MassDOT gave us the go-ahead to contact property owners to conduct appraisals and do the necessary work to obtain these easements. This is a federally funded project, is on the Transportation Improvement Program (TIP) and is approved the Metropolitan Planning Office (MPO). There's a set of exacting requirements that we must meet in order to get this funding. Mark Coviello is project manager for these interactions with MassDOT and he and Mr. Errickson are working with the property owners to discuss these easements. We expect to have the appraisals by the Thursday meeting. However, we will not know for a few weeks which properties will be donated and which properties will need to be acquired. The requested construction bid for the CRT is scheduled to be advertised on August 18, 2018. It is critically important that we complete this project before the end of the Federal FY in September 2018. If we do not, we leave a \$12 million hole in the MassDOT budget. A MassDOT person who has worked on this project will be here on Thursday to answer any questions. We are asking for reconsideration of Article 26 as well.

Ms. Mistrot asked for confirmation that the appraisals would be ready by Thursday. Mr. Errickson confirmed that they would be available Thursday and would ensure that they were delivered on Thursday.

Mr. Hayes said that the Finance Committee presently has recommended No Action on Articles 24 and 26. A Town Meeting member could make a positive motion to present to Town Meeting. Procedurally, in my opinion, there's no difference between "No Action" and "No Recommendation" since a Town Meeting member could make a positive motion. So, there's no risk in voting reconsideration.

Mr. Linehan asked how many of these easements were temporary vs. permanent. Mr. Ostroff replied that 11 are temporary and 14 are permanent easements. There are no residential sections where easements will be required for the CRT.

Mr. Hayes stated that he will make a determination of whether a question pertains to matters that must be maintained in Executive Session and will cut off that questioning for that reason.

Ms. Collins: This question starts off going to you as Chairman and then possibly goes to others. With respect to the email that we received on this topic the other day.

Copy of email cited by Ms. Collins:

- From a procedural approach (Mr. Hayes) asked the sponsors to request No Action and allowed them the opportunity to return and seek reconsideration (without prejudice, as it were) when they felt they had all the materials required to move forward.
- Both sponsors believe there is a strong chance they will be ready to initiate discussions with the committee on Tuesday, April 24.

- Materials from the sponsors are expected to be received by end of day tomorrow (Friday, April 20) and will be forwarded to all members as received.
- Members should review and send any questions back to me only, by the end of the weekend so the sponsors have time to prepare responses in advance of Tuesday's meeting
- On Tuesday we will enter into the public hearing, provided all materials such as appraisals, motions for funding request, Questionnaire submission have been made available in time for members to review. If in the Chair's opinion that isn't the case we may choose to delay to a meeting at a later date.

Ms Collins: My question is whether you, as Chairman, believe that we have all the information to deliberate on Articles 24 and 26.

Mr. Hayes: In the case of Article 24, we have the materials that most members have indicated they are seeking. With respect to Article 26, the members heard that we do not yet have the appraisals for Article 26 and expect to have them Thursday April 26. Based on the opinion given to me by Town Counsel, that although the appraisals and some other information will be shared with the Finance Committee, the Finance Committee may not retain copies of this material until such time as they are released from the BOS Executive Session. They will be collected by the Chair and will not be distributed by email or other communication.

Ms. Collins: You stated that all materials such as appraisals, motions for funding request, Questionnaire submission would be available in time for Finance Committee members to review. All I have seen are the questionnaires. I've never seen an appraisal less than 50 pages long. What happened to our 48-hour notice, so that we would have ample time to review this. I would urge members of this committee not to vote for reconsideration until we have an opportunity to review these materials, at whatever rate.

Mr. Hayes: This committee can make its decision on reconsideration using that 48-hour window. That's your prerogative as members. Procedurally, when I asked the sponsors whether to make a recommendation of "No Action", it was recognized that it was going to be very close to the start of Town Meeting. I'm not suggesting that they are absolved from the 48 hour window. With respect to appraisals, it wasn't until Town Counsel opined that we could not distribute appraisals while those appraisals were still in Executive Session at the BOS. This occurred after I sent the email. Members can vote as they wish; but I don't believe that we're setting a precedent regarding 48 hours' notice.

Ms. Collins: For the BOS Chair, are Articles 24 and 26 both in Executive Session?

Ms. Mistrot: They have not been discussed in Executive Session yet, because they were not posted on the BOS agenda. Our intention is to take them up on Thursday April 26 in joint session BOS and Finance Committee, with the benefit of the speakers who have been invited to that meeting.

Ms. Collins: If we meet in Executive Session on Thursday April 26 or Tuesday May 1, what are the Chair's thoughts about providing guidance to Town Meeting members.

Mr. Hayes: I will check with the Moderator to see how he would like to handle this and get back to the Finance Committee and BOS. Ms. Mistrot added that she spoke with the Moderator today and updated him on where the BOS are today and where we expect to be in the near future, identified the variables and told him that I'd keep him informed about this process and whether any of these variables change. Given the complexity of the appraisals that we're going to receive Thursday, I asked for a summary overview so that we didn't have to dig through every page of each appraisal to get the information we needed since timing is very tight, so the ability to quickly absorb this information is vital.

If members aren't ready to vote for reconsideration now, we will open Thursday's meeting in public session and vote for reconsideration at that point. We would then go into executive session if we vote favorably for reconsideration. If we vote against reconsideration, we will not enter executive session. For tonight, we are out of time since we must go to Town Meeting and as soon as the motion(s) for reconsideration are made, we will need to debate them. For that reason, I would like to pause the public hearing at this point on Thursday April 26.

Approval of Meeting Minutes

March 8 Meeting Minutes:

Ms. Collins moved approval, seconded by Mr. Hayes, voted 11.0.0

March 13 Meeting Minutes:

Ms. Collins moved approval, seconded by Mr. Hayes, voted 11.0.0

March 15 Meeting Minutes:

Ms. Collins moved approval, seconded by Mr. Hayes, voted 11.0.0

March 20 Meeting Minutes:

Ms. Collins moved approval, seconded by Mr. Hayes, voted 11.0.0

March 22 Meeting Minutes:

Ms. Collins moved approval, seconded by Mr. Hayes, voted 11.0.0

March 29 Meeting Minutes:

Ms. Collins moved approval, seconded by Mr. Hayes, voted 11.0.0

MOTION

Move to close the 2018 Spring Annual Town Meeting Warrant Articles – Public Hearing

Moved/Motioned by:	Mr. Coburn
Seconded by:	Ms. Collins
Motions or Debates:	None.
Vote:	11-0-0

ADJOURN

MOTION

Motion to adjourn.

Moved/Motioned by:	Mr. Coburn
Seconded by:	Ms. Collins
Motions or Debates:	None.
Vote	11-0-0

Meeting adjourned at 7:24 p.m.