

**Town Of Bedford
Finance Committee
March 10, 2016, 7:30PM
Selectmen's Meeting Room**

Members Present:

Ben Thomas, Paul Mortenson, David Powell, Elizabeth McClung, Richard Bowen, Stephen Steele, Karen Dunn, Richard Bowen, Stephen Carluccio, Thomas Busa.

Absent: None

Quorum: Yes

Others Present:

Finance Director: Victor Garofalo, Facilities Director: Tassir Alani, School Committee: Michael McAllister, Superintendent Sills, Town Manager: Richard Reed, Planning Board: Jeff Cohen, Selectmen: William Moonan, Margot Fleischman, Mark Siegenthaler, Mike Rosenberg. Bedford Citizen: Meredith McCullugh.

Proceedings:

Meeting called to order at 7:35 by Stephen Steele, Committee Chairman.

Motion: Movement by David Powell to approve meeting minutes of March 3, 2016, as amended.

Motion approved

7:0:1

Agenda Item A: Lane School Project Update ATM

Superintendent Sills presents a Power Point presentation and discusses updates to the Lane School Project

- Sills notes that the School Committee has expressed approval of the proposed plan.
 - Option 1B/1C totaling approx. \$3,560,000
 - Add-Alts totaling approx. \$510,000
- The presented options were determined by the present and future needs of the school, while taking variables into consideration such as plumbing, egress, and code. The options attempt to address the increase of students that the school is currently facing, as well as projected increases. Other factors include class size averages, guidelines, and requirements.
- The school sought proposals for an RFA feasibility study in January. The contract was awarded to TBS February 3rd. Sills expresses satisfaction with the company, noting they would like to continue working with them per the option created in their agreement. Sills informs that TBS should have a schematic design completed by March 18th.

- The selected Architects (TBA) have done an analysis called a “space mining study” in order to determine the potential usability of rooms. It was determined that the majority of rooms are being used to capacity and that more space is needed.
- The matter of parking and car flow is mentioned as another issue the school is contending with. This difficulty will be exacerbated with the projected spike in students. While it is not part of the current proposal, this project will need to be raised at a later date. The current architects have drafted options for a parking lot solution.
- Cost projections have increased. Additional expenses are partially due to satisfying class size guidelines while mitigating code issues, which proved difficult to work around. Considering the growing population, the goal is to eliminate the issue (lack of space) and not be faced with the same problem a few years after the renovation.
- Sills indicates that due to these additional costs, the project will require a debt exclusion vote in order to stay on track with the construction timeline. This will allow for work to be completed and will provide the space required to satisfy the projected needs of year 2017. Sills is requesting that the cost of construction documents (approximately 8% of the total) be segregated and voted separately. This would allow cash to be used moving the project forward after town meeting.
- Under those circumstances and in accordance with the RFQ, the Lane school could potentially use same architects for all necessary documents. This would eliminate the need to re-bid, allowing the project to get back on track.
- Sills suggests holding the debt exclusion vote on April 30th, which would allow a general contractor to be on site at the end of June. Sills acknowledges the tight timeline, reasoning that the fast-tracked timeline mitigates the cost of bringing modulars in.

The Committee deliberates, posing questions for clarification and vetting alternatives.

- Concerns include, the questioned necessity of a debt exclusion, feasibility of the proposed timeline, the high potential for mistakes, rushed and uninformed decisions as well as additional project costs and conservation breaches. Further concerns include potential repercussions to future town projects, fueled by rushed project planning in the present.
- It is recommended that the parking and office be included in the project, completing the facility in one step rather than needing to return to it in a few years.
- Garofalo advises that placing the premium into a capital stabilization fund to draw from every year is a feasible option. Also noting that a premium can only be applied back to a refund. This is not possible to do on a new project. It can be done to an exempt project however; it would require a subsequent town meeting. The premium would need to be voted in order to be applied.

Suggestions included:

- A gender-neutral bathroom to satisfy codes at a lower cost
- Collaboration between Lane and Davis to relocate certain programs for increased space utilization
- Relocation of the teacher lounge
- Reuse of modular between schools
- Permanent use of modular (purchasing modulares, as opposed to renting)
- Completing parking lot reconfiguration first in order to allow room for construction vehicles

These suggestions are addressed by Mr. Sills. Some are taken into consideration, others have been deemed inefficient or cost ineffective.

- In response to timeline, Sills informs that the estimated date for solid figures is March 18th. It is hoped that a planning manager will be integrated by July 1st.
- Sills states that the most immediate need is the reconfiguration of the computer lab bathroom and stairs (which are the accompanying code issues) that need to be finished by September 2017. The expense of one modular would be the repercussion to an extended timeline.
- Sills notes that there are unknown aspects that may arise to cause potential delays and cost increases. A geological study has not been completed at this time. It is possible that a ledge could be hit while in construction. If there are delays in the outdoor construction the school will have some flexibility.
- The board voices their preference for a more solid cost projection and stable timeline. Some committee members would be more comfortable voting this project at STM instead of ATM, allowing more time for education, firm numbers, and dates.
- Capital's decision may play a part in the opinion of the FinCom board as well. The consensus of the committee indicates that the majority would like to see this project within the tax levy, not processed as a debt exclusion.

Agenda Item B: Taissir Alani, Facilities Director- 20 Yr. Building Plan

Tassir Allani presents the building plan.

- It is clarified that the Power Point header on the projection screen is in reference to the base sq. footage of the high school before the proposed addition.

Agenda Item C: Model 3.1
Victor Garofalo presents model 3.1

- Garofalo explains that sewer revenue is coming in aligned with annual projections. The projection covers a 12-month period starting July 1st. However, revenues will be received in April, May and June. Under MA general law, revenues cannot be accounted for unless present. Garofalo reports that the number needed to be adjusted downwards, it was lowered further due to refunding. The number will be readjusted when the water and sewer rates are reviewed again during June or July.
- The debt stabilization fund total has been reduced. A portion of the money in the debt stabilization fund was used in the refunding of bonds.
- The health insurance budget has been reduced (pg. 5) a net offset and adjustment to the local receipts has been made by the same amount (shown, pg. 11.)
- Garofalo explains that prior to joining the GIC a Medicare reimbursement subsidy was being received for part D Medicare subscribers. The subsidy has continued to be received since joining the GIC. Due to changes within the GIC, as of January 1st their subscribers are enrolled by them. The change dictates that the subsidy will not be distributed anymore; the benefit is a reduction in rates. There could be further adjustments at the special town meeting once the final rates are received.
- The debt service has been adjusted according to the refunding that was done.
- The total surplus will be dependent upon final determinations, such as decisions regarding the Lane school. The Lane school totals will change depending on whether it is processed as exempt or non-exempt.
- Garofalo informs that the Lane school project will go to town meeting whether it is determined to be exempt or non-exempt. However, if it is determined as exempt and a premium were received, that premium could be applied to the cost at a special town meeting. If it were determined as non-exempt and a premium were received, we could appropriate this at STM to a Stabilization type fund.

Agenda Item D: *Old Business, New Business*

- It is agreed that in order for FinCom to do a successful job- everyone in the committee needs to be fully informed. The committee discusses a process in which materials that are not distributed before the agenda is created are not added to the agenda.
- There is some deliberation as to the best day to create a deadline for material. No absolute decision is made.
- The next FinCom meeting will occur on Thursday, March 17th.

Motion: Movement for adjournment made by Paul Mortonson

Motion approved

8:0:0

Adjournment at 10:43 governed by Stephen Steele, Committee Chairman.

Minutes submitted by Michelle Racette, Recording Secretary.