MINUTES OF THE
FINANCE COMMITTEE
TUESDAY, JANUARY 14, 2020
7:00 P.M.
TOWN HALL MEETING ROOM
130 MAIN STREET, SANDWICH, MA

Present: Mark Snyder, Bob Guerin, Laura Wing, Nancy Crossman, James Pierce, James McCormick,

Absent: Matt Anderson, Gwenn Dyson and Victor Zukauskas

Also Present: Town Manager George Dunham, Finance Director William Jennings, Assistant Town Manager Heather Harper, Planning Director Ralph Vitacco, Keith MacDonald of the Stratford Capital Group (SCG), Selectman Robert George, Selectman Charles Holden, Karl Johansen, Tao Woolfe/Enterprise and SCTv.

ITEM #1
CALL TO ORDER & PLEDGE OF ALLEGIANCE

Meeting called to order at 7:00p.m.

Pledge of Allegiance

ITEM #2
PUBLIC FORUM

None

ITEM #3
REVIEW AND APPROVAL OF MINUTES

Minutes of November 12, 2019

*MOTION WAS MADE BY MR. PIERCE TO APPROVE THE MINUTES OF NOVEMBER 12, 2019 AS PRESENTED. SECONDED BY MS. CROSSMAN.

Discussion-
Ms. Wing amended the minutes to include wording on page 2 regarding the green community discussion…my main message was that working toward a green community would send a positive message to our young people that we care about their future.
Mr. McCormick amended the minutes to include wording on page 2 (Town Manager’s Report – Building disposition plan overview) a continued discussion on the disposition of certain other properties such as the current town hall and what will be done with it once the current offices vacate the building be included on a future agenda.
VOTE – UNANIMOUS AS AMENDED

ITEM #4
CORRESPONDENCE, STATEMENTS AND ANNOUNCEMENTS

None

ITEM #5
TOWN MANAGER REPORT

-FY’21 Budget – Budget Preparation Instructions from 12/5/19 Joint Budget Meeting; Initial Preparation Efforts; Update on Related Issues & 100 Route 6A Renovations-
Overview of proposed timeline for FY’21 Budget
Overview of FY’21 Budget – projected General Fund Revenues and Expenses – FY’21 – level funded at 3%
Assistant Town Manager Heather Harper, Finance Director/Treasurer/Collector Bill Jennings, Town Accountant Kathleen Barrette, Director of Assessing Ed Childs have been working with Town Manager
on the budget and it is about ready. Will present it to the Board of Selectmen at their meeting on January 30 and to the Finance Committee the following Tuesday, February 4.

Brief overview of the Capital Budget ($950,000), summary of retirement(funds being better invested). Health insurance through Mass Municipal Association (MMA) rates will be voted soon. Right now it is level funded. We may be able to bring it down a bit.

Mr. Pierce inquired, regarding the Capital Budget, what would be next on the list.

Mr. Dunham noted – OPEB – we are waiting to find out the number in the next month or so.

Mr. Pierce – have to question the wisdom of not using the OPEB money…like putting money in the coffee jar and hiding it in a hole in the back yard.

Mr. McCormick inquired about the two-person health plan.

Mr. Jennings responded noting that one hundred twelve people are on the two-party plan. Approximately $700,000 saved switching to MMA health insurance.

Mr. Guerin said adding funds to OPEB, addresses a large, unfunded liability and rating agencies have cautioned us not to ignore this liability. We should keep paying attention to OPEB and continue to place money “in the coffee jar”.

Mr. Dunham – thinking about getting a group together to discuss this…a way to get a better handle on it. It is easier to transfer out of OPEB than a 2/3rd vote at Town Meeting.

Mr. Jennings noted that it is better to do this by Standard & Poor’s.

Mr. Dunham noted that in mid-December we got revised cost estimate on 100 Route 6A. It looks like we are about $1.5 – 2m short. Has spoken with the Selectmen about this. This is not real bid numbers…only estimates. Meeting with the architect to reduce the scope of work. Looked at some work that could be done internally. Identified some work that could be removed from the work list when the bids come in if they are too high. Asked the architect what made the numbers go up. Noted that contractors don’t have to look for work as much as in the past; cost of the work goes up; some of the work that has to be done is more expensive than originally thought. We need one time funds for one time needs. Finance Director Bill Jennings has been good about looking into possibilities for this i.e. possible use of tax title money, health insurance savings.

We are working on processing of issuing an RFP for the Forestdale Fire Station.

We are not issuing debt.

Offered approximate time table for construction bidding.

A special town meeting is being scheduled for March 23. We would have hard bid number for the special town meeting. Selectmen are going ahead with the plan.

Mr. McCormick asked how many more projects are there that have to be put out to bid?

Mr. Dunham - the boardwalk, the library and the senior center project. The longer we wait, the more expensive the jobs become. There are some efficiencies that can come but we just have to get there.

Mr. Guerin – we need to be looking at lessons learned specific to this due diligence failure. There should be accountability for missing some more obvious things like HVAC etc. that should be rather easy to spot before the purchase. Would like to see a report that identifies what we’ll do differently next time.

Mr. Dunham – In the past we have had detailed work done and not been about to get the job done. Assistant Town Manager, Heather Harper, reminds him that it is still cheaper than doing new construction.

-Follow-up from Finance Committee Inquiry on Average Tax Bill History-

Mr. Snyder suggested that tax rates and tax bills will be talked about later.

-Director of Planning & Development Ralph Vitacco, Assistant Town Manager Heather Harper, and Keith MacDonald of Stratford Capital Group (SCG) – Henry T. Wing School Disposition Request for Proposals-

Ms. Harper gave a brief overview of the possible reuse of the Wing School. You have responsible developers and you have a responsible development team. A possible response to the goals set by the town and provide a thought process to keep the building in a way everyone will appreciate. There is an
ongoing cost to maintain the building. Currently the School Administration offices and the Cape Cod Collaborative are in the building now.

Mr. Vitacco noted that in 2016 the Board of Selectmen did a survey...nearly 70% of respondents said tear down all of the Wing School or all but the original. In 2015 that price was $3.8m...today the price is $4.5m. In November 2017 we did an overlay showing uses. Similar to uses in the ‘village’. An RFP was put out by the Planning Department. Contacted developers and others who had done things with schools in the same way. In August we put the RFP out. Response from Cape Cod Collaborative and one from one other. An internal review team was put together including Charles Holden, Susan James, Robert Jensen, Tobin Wirt, Heather Harper and Ed Childs. We need to determine the best value to the town. Provide affordable housing to the town. Affordable housing to seniors. In addition to affordable housing, we preserve the 1927 building and release the burden of the annual maintenance of the building. If this goes through, we don’t have the expense any longer and put the building back on tax payer roles. We are looking at the Community Preservation Act (CPA) contribution etc. We feel it is a good thing for the town.

Ms. Harper – Phase #1 is the demolition of part of the building. The gym will remain. Many people provided feed-back...internally and the school department. Subsidy must be in the first phase and cannot be spread out over the whole project.

Mr. Snyder – The Community Preservation Commission (CPC)…there are questions about the maps and the parking lot…not in the picture. Questions on use of the CPC funds. Doesn’t think we should be taking CPC money for demolition.

Mr. MacDonald – we will not get any CPC money unless we close.

Questions on the project raised by Mr. McCormick were discussed.

Mr. MacDonald noted that the town will benefit from affordable housing. The building (with the exception of the 1927 section) will be demolished and that will be a benefit to the town.

Mr. Vitacco reiterated that it costs approximately $200,000 to maintain now and this project will put the property back on the tax rolls.

Mr. MacDonald noted that he had personal involvement with the Cody School project in Bourne which was a similar project.

Mr. Guerin – this is an obvious ‘no brainer’ (for CPA funding)...this meets multiple goals, including, historic preservation, maintaining open public space and creating affordable housing plus the project also generates some new tax revenue.

Mr. Pierce, regarding the use of CPA funds...as Mr. Guerin noted, we have a company with a proven track record for this project.

Ms. Crossman – Would any CPA money have to be bonded?

Ms. Harper – yes, the whole amount will be bonded.

Ms. Crossman – what is the reality of Phase III of the water?

Mr. Vitacco – about five plus years we should be pretty far down the path by then.

Mr. MacDonald noted that we can always add on to a waste water facility.

Mr. Pierce – did you have to deal with the Cape Cod Commission with the projects in Bourne and Yarmouth?

Mr. MacDonald – yes.

Mr. Vitacco offered that the Cape Cod Commission is excited about this project.

Ms. Wing had a few questions about the housing units...there was a brief discussion.

Ms. Wing noted that she would like to see the affordable housing spread out in different areas in the town. Will people have access to yards? Will people with dogs be allowed? Do people stay once they are there? Mr. MacDonald – yes, people stay...and there are supportive services offered.

*MOTION WAS MADE BY MR. GUERIN TO ENDORSE THE CONCEPT OF THE PROPOSAL AS PRESENTED AND TO ENCOURAGE THE COMMUNITY PRESERVATION COMMITTEE TO ALSO ENDORSE. SECONDED BY MR. MCCORMICK*

Further discussion--
Ms. Crossman asked when the company would take possession of the land?
Mr. MacDonal – the same time as we get a funding source for Phase I.
Ms. Crossman asked about part of the parking lot at the ‘Little Red School House’.
Mr. MacDonal – that is not included.

VOTE – MR. SNYDER, AYE; MR. GUERIN, AYE; MS. CROSSMAN, AYE; MR. PIERCE, AYE
AND MR. MCCORMICK, AYE
MS. WING - ABSTAINING

Mr. Dunham noted that there will be a forum on the Wing School project on Wednesday the 15th at 5:30p
in the basement of the Library. Ms. Harper, Mr. Vitacco and their group will be there.
Mr. Dunham expressed concerned about what happens if we don’t sell the building, if the Senior Center
gets built, the School Central Office moves into the Human Services Building and I get the keys to the
Wing School back...what will it look like in ten years? Until all the financial issues are clarified it will be
at least two years from now. Mr. MacDonal may have mentioned this but, to be clear, until all financing
is received...likely two years before the property changes hands or any money.
Mr. McCormick noted that the school gets all the Collaborative money.
Mr. Dunham believes that the lease with the Collaborative is $50,000 in rent and up to $50,000 for
utilities. There are also some issues with the federal laws and working through that. Noted that it is at
least a year out.

ITEM #6
OLD BUSINESS

Future Meetings & Draft Schedule-
Mr. Guerin...will the February meeting kick off the budget discussions in earnest?
Mr. Dunham – yes, do you need any changes to the budget binders
Mr. Guerin – as presented in the past is fine.
Mr. McCormick – we need the school department binders.

ITEM #7
NEW BUSINESS

Liaison Reports-
Mr. McCormick- Attended two School Committee meetings. Impressed from a non-financial point of view. From a
financial aspect, asked the Superintendent to submit and she has not yet. Some of the wording is different and I
want to understand financial terms to fully understand the school department budget.
Ms. Crossman – Capital Improvement Planning Committee – hope they will meet before our next meeting.

ITEM #10
ADJOURNMENT

8:25 p.m. *MOTION TO ADJOURN WAS MADE BY MR. GUERIN. SECONDED BY MR PIERCE
VOTE – UNANIMOUS.

Respectfully Submitted,

Diane M. Hanelt
Secretary

Approved: 1/4/2020

Supporting Documents:
-Proposed Timeline for FY’21 Budget – GHD Draft 10/29/19
-FY’21 Budget - GHD Projected Draft – 1/7/2020
-Town of Sandwich, Town Offices Study @ 100 Route 6A, Preliminary Project Budget – Courtyard (no
addition) 12/19/2018
-E-Mail from Mr. Dunham to Mr. Guerin (12/3/2019 re Agenda Packet 12.5.2019)
- Letter from HT Wing School Review Team to BOS (Planning & Dev. Ltr head) November 4, 2019
- Application for CPA Funding for HT Wing School (Keith MacDonald – SCG Development Partners, LLC) – including sketches, maps and other support information
- Proposed Upcoming Finance Committee Meetings (GHD Draft – 1/2/20)
- Response to 10/16/19 Question – Henry T. Wing School Residences (Submitted by SCG Development)
- Henry T. Wing Residences Phase 1, 2, 3