

**MINUTES
OF THE
FINANCE COMMITTEE**

**TUESDAY, SEPTEMBER 7, 2010
7:00 P.M.**

**SANDWICH TOWN HALL – CONFERENCE ROOM
34 QUAKER MEETINGHOUSE ROAD**

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Present: Glenn Pare', Bill Diederling, Paul Kilty, Ellen Yaffe, Courtney Bridge

Absent – John Vibberts, Paul Sylvia, Tom Hickey and Linda Bliss

Also Present: Town Manager George Dunham; Selectman Jim Pierce; Selectman Linell Grundman; Mike Baker and Don Leighton of the Capital Improvement Planning Committee; SCT

**ITEM #1**  
**CALL TO ORDER**

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

**ITEM #2**  
**REVIEW AND APPROVAL OF MINUTES**

Minutes of August 31, 2010-

**\*MOTION WAS MADE BY MS. YAFFE TO APPROVE THE MINUTES OF AUGUST 31, 2010 AS PRESENTED. SECONDED BY MR. DIEDERING. VOTE – UNANIMOUS MS. BRIDGE ABSTAINING.**

**ITEM #3**  
**TOWN MANAGER'S REPORT**

-Overview of FY'11 Cherry Sheet Receipts & Federal Grant for School Department (GHD Draft 9/7/2010)  
-Brief

**ITEM #4**  
**CAPITAL IMPROVEMENT PLANNING COMMITTEE**

Mr. Pare' noted that this is the presentation made to the Board of Selectmen at last Thursday night's meeting. Mr. Baker and Mr. Leighton of the Capital Improvement Planning Committee gave an overview of Capital Projects Request and the Final Report from RLB (Rider Levett Bucknall) dated February 5, 2010. Mr. Baker noted that Mr. Diederling tried to bring attention to this matter years ago and the Town did not pay enough attention. In the past we have not had any one on staff to be aware of the conditions of all the buildings. Years ago Ms. Grundman and Mr. Pannorfi of the Board of Selectmen started to bring attention to this issue. Mr. Ted Hamilton, the Town's Facilities Director and Mr. Skip Tetreault, School Maintenance Supervisor, were asked to prepare a list of things that had to be done to all the buildings. A cost estimating person was retained and asked to prepare a report...how much would it cost? According to the report it will cost \$26 + million. As a practical matter, this was not something we could ask the public for. The criteria the CIPC used to prioritize the list are 1) Is the building essential? 2) Safety & Code Issues 3) Structural / Functional Integrity 4) Do the recommended repairs reasonably extend the life of the building? Mr. Baker gave a detailed review of the Fire Dept. Headquarters; Fire Station #3 – Forestdale; Police Station; Jan Sebastian Drive Offices; Human Services Building (COA); DPW Building; Library; Forestdale & Oak Ridge Schools; Sandwich Hollows Golf Course. Offered information on Building Project list (Alternate); Recent Debt History & Impact of Recommendation; Total Exempt Debt Service. General discussion-

Ms. Bridge asked how insurance fall into this.

Mr. Baker – not sure.

Town Manager noted that typically we would submit a claim and the insurance company makes the determination.

Mr. Baker noted that the Committee has visited all the buildings. The number one priority in this town is for a public safety building. The CIPC would like to aggressively pursue building that building. In some cases, we don't know the extent of the damage.

Mr. Leighton reiterated that the Committee has in deed visited each of these buildings.

Mr. Baker – the CIPC is asking for a \$5.5 million debt exclusion for these projects. We have to be authorized to borrow the full amount even if we don't end up needing to use it all.

Town Manager gave an overview of the Sandwich Hollows Golf Club.

Mr. Baker noted that the Board of Selectmen is supportive of an initiative in this ball park. Using the Fire Dept. as an example, Mr. Baker noted that capital amount is no longer \$990,000.00. \$300,000 could be dropped out to expand the living quarters if we are going to support building a public safety building. Some inflation has been allowed and, due to the fact that the Town's Stabilization Fund is under a million dollars, we are hard pressed to respond to emergency issues. We cannot tap into the Stabilization Fund any more for an emergency. The CIPC feels there should be a reserve fund for the project which is also allowed for.

Ms. Yaffe – a contingency is added in.

Mr. Baker – there is a contingency allowance in each department.

Ms. Yaffe – that sort of weakens this.

Mr. Baker – the average cost for an average house hold would be about \$60 per year. Tax bills have gone down some \$225. With debt service going down we are using capital budget to subsidize the operating budget.

Mr. Pare' asked for an up date on the Wing School.

Town Manager – Assistant Town Manager Doug Lapp has been overseeing this. The Wing School project went out to bid. Six responses were received. Three or four respondents were interviewed. The goal is to have it done by the end of this year...we will have a report.

Mr. Baker – the CIPC was asked, looking forward, what is the next step? The first priority is a new public safety building; Wing School Study; housing for municipal employees. The CIPC would like to find a cost effective solution.

Questions-

Mr. Kilty - \$26 million dollars is the number from the final report and the CIPC came up with some different criteria and got the number down to \$5.5 million. What is the long term plan to deal with the \$26 million?

Mr. Baker – so much of what we would like to do depends on income. If we sell off some town land, if the State changes its funding policy. How we beyond our priority list depends on things that are beyond our control.

Ms. Yaffe offered that other towns look at what they can afford for capital and they keep it there...keeping their debt services at a certain level.

Mr. Diederling – maintaining a certain level would have been a good idea but doing it now it's going to have to be something that is phased in and we have to give a lot of thought as to how it will be phased in.

Mr. Baker – we do have the Local Comprehensive Plan but it does not have any ideas how to fund projects.

Mr. Pare', on the subject of Community Preservation Act funding, asked, if we dropped the percentage from 3% to 2% are we still in the CPA program?

Town Manger – yes, we just have less money. The only thing we are required to do is meet our obligations. Showed a brief presentation of the Town of Sandwich Estimate CPA calculations (7/14/2010)...comparative numbers dropping from 3% to 2%.

Mr. Diederling – we have no control of the match from the State.

Ms. Yaffe – we should look at what is the minimum we can live with from the State.

Mr. Diederling – out of CPA we already fund capital projects.

Mr. Baker – The Historic District Committee is concerned that some of the buildings they are concerned about are not on this list.

Discussion on the Sandwich Hollows Golf Course. Mr. Kilty noted that this is a capital request and an operating request for the support of this golf course. It is going to have to support itself or show some where in the future that it is going to be a support to the Town. We never got together and discussed the report on the golf course. Just bringing it up again for discussion.

Town Manager – a lot of things that were suggested in the golf report have already been done. The food and beverage contract will be going out to bid shortly.

Mr. Kilty – When asked when the Finance Committee will get the numbers on the golf course.

Town Manager mentioned that the Town Accountant has the numbers.

Regarding the Americans with Disabilities Act (ADA) requirements at the gold course, Mr. Diederling thought it was only on new buildings, not all buildings before the ADA codes were put in place.

Town Manager noted that, because the golf course is a town building, we are not exempt.

Mr. Diederling inquired, regarding the top floor of the facility, there are functions held there right now that brings in some revenue to the town but does the golf course use the top floor?

Town Manager- yes, there are golf tournaments and the town's Recreation Department also used it. The marketability of the building is probably not as big as some private buildings.

Mr. Diederling – The dollar amounts for the elevator and handicap bath rooms seem really high.

Town Manager – the same company that did the capital report did the Sandwich Hollows Golf Club report. The elevator and handicap bather rooms and hall will actually be an addition to the building.

Mr. Diederling noted that the company he works for had a freight elevator installed for \$25,000. How did we get from \$25,000 to \$300,000? Things most of these numbers seem high.

Mr. Baker – This company was hired because of their expertise in this area. Mr. Juros feels these estimates are right on the money.

Mr. Baker – this company comes will be credentialed. If we don't need to spend it we won't. If the money does not all get used for this project, it is dedicated money for capital.

Mr. Diederling inquired what the per square foot cost is of the work planned for Fire Station #3?

Town Manager offered that we previously spent more money on the Wing School and others were less. Costs included prevailing wages and any jobs over \$1 million you must have a project manager.

Mr. Pare' noted that these projects were estimated over a year ago and may not be done for another several years.

Mr. Diederling – we do need to spend more money on this but thinks it may be better and more productive to break this out into bite size pieces so we are not building in so many soft costs.

Mr. Baker - would not presume to second guess these numbers. To pick this report apart would not be a productive exercise.

It was noted that this would be approximately \$15 per quarter to the average tax payer for capital.

Ms. Yaffe mentioned that she wants to see the projects done all at once. It is totally transparent. It is a comparatively small cost to residential tax payers. Is willing to support this.

Mr. Diederling noted that this is competing with other needs that are dire needs. Has a real problem with this going on the ballot just months prior to an operational override. We don't know yet what is going to happen with our public safety staffing, etc., but now is the worse time to try to correct it all. The voters want to make an informed decision and feels we don't have all the information yet. The amount is too big and at the same time you have all the operational issues.

Mr. Pare' - the CIPC found the right consultants, they did a fine job getting it down to \$5.5 million from approximately \$26,000 million. The voters will decide if they want a debt exclusion. We should just move forward on this.

Mr. Diederling offered that there probably won't be a good time but there is going to be a better time.

Mr. Pare' – it is demolition by neglect.

Mr. Diederling – We are looking at deep cuts in public safety and schools. Would like to get that house in order first.

Mr. Baker – If there looked like a better time, we could postpone this. The same structural deficit we have had ten years ago...nothing has changed. Everything is predictable. Five years from now we will be in much the same situation as we are in today but the buildings will have deteriorated.

MR. Pare' – With delays, we could have serious insurance issues like Ms. Bridge mentioned earlier.

Mr. Kilty – Structural deficit is \$1.1 million. We are supposed to be looking out for the best interest of the tax payers. It is important to maintain our assets. It has been too long. It is fine to do right now.

Ms. Yaffe – we don't have a hard fix on the numbers. What would it be possible to look at it out for a longer amount of time? Looking for tight numbers. What would an override mean to each tax bill?

Mr. Pare' – let's keep the discussion about things in the report, not the funding.

Mr. Diederling, on the topic of the structural deficit, is not comfortable voting for any override until we get the structural deficit resolved. We have been talking about this for years and nothing has changed. Take the last four years...how much money have we taken from stabilization and spent it on operating budgets rather than building maintenance?

Town Manager – The way to solve the structural deficit, we would have to cut 1/3 of our employees. We do need a certain number of employees. We have taken a lot of money off the health insurance. We have been hammered by state aid. We have taken a lot of steps for the structural deficit. We will have to cut staff if we don't get an override.

Mr. Baker offered that 30 percent of personnel cuts is the only way to balance the structural deficit.

Mr. Pare' noted that we have an on going operating deficit. We are underfunding as apposed to over spending.

Mr. Baker – we just want the chance to put this to the people and let them decide.  
In response to an inquiry from Ms. Bridge it was noted that RLB, the company that did the town buildings report, is out of Boston.  
Mr. Pare’ thanked Mr. Baker and Mr. Leighton for their presentation.  
Ms. Bridge suggested that a company on cape should be asked for examples to see how the costs come out. This report appears to be a little bit general and a little bit padded.  
Town Manager – We paid these consultants over \$30,000 to look at all our buildings.  
Ms. Bridge agrees these things should be done...just thinks they should be done very smartly.  
Town Manager noted that some of them might be done together. The schools will probably be done separately.  
Mr. Diederling noted that the school committee has gone over the FY’10 analysis. It is all done

**ITEM #5**

**OTHER**

The next meeting will be Tuesday, September 21, 2011 – Public forum meeting, location to be determined.

**ITEM #6**

**ADJOURNMENT**

**8:43 p.m.**

**\*MOTION TO ADJOURN WAS MADE BY MS. YAFFE. SECONDED BY MR. DIEDERING. VOTE – UNANIMOUS.**

Respectfully Submitted,

Diane M. Hanelt  
Secretary

Approved:\_\_\_\_\_

List of Documents:

FY’11 Cherry Sheet Receipts & Federal Grant for School Department

Capital Projects Request – Packet of Information

Final Report – Capital Project Cost Planning, February 5, 2010 RLB/Rider Levett Bucknall