

# Town of Sandwich

THE OLDEST TOWN ON CAPE COD

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BOARD OF  
SELECTMEN

TOWN  
MANAGER

TEL: 508-888-4910 AND 508-888-5144  
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## BOARD OF SELECTMEN & FINANCE COMMITTEE AGENDA

June 1, 2021 – 6:00 P.M.  
Sandwich Town Hall – 130 Main Street

1. Convene Open Session in Auditorium
2. Pledge of Allegiance
3. 100 Route 6A Construction Project & Recommended Transfer of Funds in Accordance with M.G.L. c.44, §33B
4. Public Comment
5. Closing Remarks
6. Adjournment

**NEXT SELECTMEN MEETING:** 6/3/21

*Rivane M. Donnell 5/26/2021*

TOWN CLERK  
TOWN OF SANDWICH

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## 100 ROUTE 6A PROJECT OVERVIEW

June 1, 2021

1. Why We're All Here
2. Status of Project & Rough Completion Date
  - 75% Done with October/November Completion Timeframe
  - Perfect Timing & Construction Stage for Tonight's Decision
3. Tight Budget from Beginning
  - Accepted 2 Important Alternates = Courtyard & Window Wells
  - Some Costs Paid Internally Outside Project Budget (Paving, Professional Services)
4. Normal Volume of Change Orders
  - Very Reasonable % of Total Project Cost with Current Project Contingency < 3%
  - Industry Reality of Increasing Material Prices & Delayed Delivery Dates
  - Has Impacted Change Orders More than Base Bid Costs
  - Total Square Footage Cost < Current Residential Construction Costs
5. A Few Significant, Unforeseen Change Orders (Basement Sewer Ejection Pump, 1<sup>st</sup> Floor Leveling, Cupola, 1<sup>st</sup> Floor Gypsum Wall Board)
6. Overall Desire to Complete the Renovations Properly & Fully
  - One Chance to Do It Right
  - Piecemeal Approach Over Time will Cost Significantly More
7. Have a Solution that Will **NOT** Cost Anyone More Tax Money or Require Additional Appropriation
8. State Legal Ability to Transfer Funds Last 2 Months of Fiscal Year
  - Requires Selectmen Approval & Finance Committee Concurrence
  - Goal = Transfer Health Insurance Balance to Building Maintenance Capital Account
  - Allows Use for 100 Route 6A **AND** Other Building Maintenance & Repair Issues
9. Review Summary Document Explaining Recommendation
10. Questions?

**FY'21 Budget Transfer Request Recommendation - 100 Route 6A  
MGL Chapter 44, Section 33B**

**Efforts Needed to Properly Complete Work - 100 Route 6A**

Furnishings (total amount is \$175,000 with \$100,000 in project budget)	\$	75,000
Moving Cost	\$	30,000
Communications Cost	\$	75,000
Records Storage	\$	150,000
1st Floor Gypsum Wall Board Overage	\$	15,000
HVAC Duct Work & Heat Pump Replacements (12 of 17; 5 in Base Bid)	\$	150,000
Courtyard Exterior	\$	25,000
Cupola Repair & Staging	\$	50,000
Door Replacements	\$	40,000
Exterior Trim Replacements	\$	30,000
Boiler Room Sump Pump	\$	5,000
Additional Design Services	\$	40,000
Additional Contingency	\$	65,000
	\$	<b>750,000</b>

**FY'21 Health Insurance Budget Summary**

Group Health Insurance FY'21 End Balance - Estimated	\$	1,050,000
Amount of Requested Transfer	\$	<b>(750,000)</b>
Amount that Reverts to Free Cash at end of Fiscal Year - Estimated	\$	300,000

**Recent Square Footage Cost Comparisons**

100 Route 6A Renovations (with \$750,000 transfer)	\$	275
Sandwich Public Library Renovations (with \$1,750,000 in prior work)	\$	335
Marina Office & Garage (with decks & porches)	\$	460
Center for Active Living (reflects base bid & approved alternates)	\$	626
Public Safety Buildings Project	\$	725

**Proper Motions for FY'21 Transfer Approval**

**Board of Selectmen:** Move in accordance with M.G.L. c.44, §33B(b) to authorize the Town Manager to transfer \$750,000 from the FY'21 Health Insurance budget to the Town Facilities Department Repairs and Maintenance capital budget account.

**Finance Committee:** Move in accordance with M.G.L. c.44, §33B(b) to support the vote of the Board of Selectmen to transfer \$750,000 from the FY'21 Health Insurance budget to the Town Facilities Department Repairs and Maintenance capital budget account.

**Part I** ADMINISTRATION OF THE GOVERNMENT**Title VII** CITIES, TOWNS AND DISTRICTS**Chapter 44** MUNICIPAL FINANCE**Section 33B** TRANSFER OF APPROPRIATIONS;  
RESTRICTIONS

Section 33B. (a) On recommendation of the mayor, the city council may, by majority vote, transfer any amount appropriated for the use of any department to another appropriation for the same department. In addition, the city council may, by majority vote, on recommendation of the mayor, transfer within the last 2 months of any fiscal year, or during the first 15 days of the new fiscal year, to apply to the previous fiscal year, any amount appropriated, other than for the use of a municipal light department or a school department, to any other appropriation. Except as provided in the preceding sentence, no transfer shall be made of any amount appropriated for the use of any city department to the appropriation for any other department except by a 2/3 vote of the city council on recommendation of the mayor and with the written approval of the amount of the transfer by the department having control of the appropriation from which the transfer is proposed to be made. No transfer involving a municipal light department or a school department shall be made under the previous sentence without the approval of the

amount of the transfer by a vote of the municipal light department board or by a vote of the school committee, respectively.

(b) A town may, by majority vote at any meeting duly held, transfer any amount previously appropriated to any other use authorized by law. Alternatively, the selectmen, with the concurrence of the finance committee or other entity established under section 16 of chapter 39, may transfer within the last 2 months of any fiscal year, or during the first 15 days of the new fiscal year to apply to the previous fiscal year, any amount appropriated, other than for the use of a municipal light department or a school department, to any other appropriation.

(c) No approval other than that expressly provided in this section shall be required for any transfer under this section.



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## Municipal Modernization Signed into Law

Lieutenant Governor Karyn Polito

I hope this newsletter finds you well and you are enjoying the last few weeks of summer before we turn the page to fall.

I am writing to share some wonderful news! Just last week, our



### **Court Judgments (Sections 72-73)**

Amends MGL c. 44 sec. 31 to allow payment without appropriation of final court judgments and other final adjudicatory claims with municipal counsel certification. Currently, such payments over \$10,000 require the approval of the Director of Accounts. Further, they amend the statute to reflect the current operating environment where obligations to make immediate payments based on various legal claims now are just as likely to result from decisions of administrative agencies as from court judgments.

### **Emergency Spending (Section 71)**

Amends MGL c. 44 sec. 31 to provide for automatic approval of payment for liabilities incurred as a result of emergencies and disasters when the Governor declares a state of emergency.

### **Regional School District Transportation (Section 181)**

Amends MGL c. 71 sec. 16C to clarify that any funds to be reimbursed by the Commonwealth for regional school district transportation are subject to appropriation.

### **Revenue Cash Investment (Section 94)**

Amends current law to permit investment in certificates of deposit (CDs) for up to three years, an increase from the current, no-longer-than-one-year requirement. This change also addresses an ambiguity in the statute as to whether a one-year limit applies to these investments or solely to investments in United States treasury bonds. This gives treasurers more flexibility in investing short term for better rates.

### **Snow and Ice Deficit Spending (Section 74)**

Amends the snow and ice deficit spending statute, [MGL c. 44, sec. 31D](#), to let the local chief administrative officer (mayor, select board or other under charter) authorize deficit spending for snow and ice removal expenses. Current law requires prior approval of both the finance committee and select board in a town and city council in a city. Communities must still have appropriated at least the same amount as in the prior year to be able to deficit spend. This change will allow municipalities to address the need for spending authority in real time.

### **Year-End Transfers (Sections 75-76)**

Amends MGL c. 44 sec. 33B to eliminate the limits on types and amounts of appropriation transfers that can be made by the select board with finance committee approval at end of year. This allows end-of-fiscal-year transfers from health insurance, debt service or other unclassified/non-departmental line item appropriations and eliminates a cap of 3% on the amount that may be transferred from any department (school and light department line items remain exempt from this procedure). Eliminating the cap on transfers will provide for greater flexibility in avoiding deficits and precludes the need for additional town meetings by July 15 for minor transfers.

# **An Act to Modernize Municipal Finance and Government**

## **Section by Section Summary of Final Bill to Be Signed on August 9, 2016**

**Local Agricultural Commissions (1, 23, 215, 243)** – These sections authorize a municipality to establish a municipal agricultural commission to promote and develop the agricultural resources of the municipality.

**Municipal Procurement 1 (2-4, 6-12)** – These sections amend the “horizontal” construction procurement statute, c. 30, § 39M, to increase the dollar threshold for contracts requiring less-than-full competitive bidding from \$10K to \$50K. They also make procurement methods consistent with other construction and municipal procurement statutes by adding a “middle tier” of contracts valued at between \$10K-\$50K, for which public entities may either give public notification of the contract or use OSD statewide contracts or other “blanket” contracts to solicit a minimum of three bids. Finally, these sections make conforming changes to dollar thresholds for existing exemptions under c. 30, § 39M, and the municipal procurement statute, c. 30B.

**Exemptions from Uniform Procurement (5)** – This section removes the existing exemption from the municipal procurement statute, c. 30B, for contracts for bank services that are subject to the maintenance of a compensating balance. The exemption for bank services subject to a compensating balance is removed because municipalities are otherwise subject to c. 30B rules for other types of banking services. This is also consistent with loosening state oversight of such agreements, as described in sections 87-90.

**Civil Service Exams for Police Officers and Firefighters (13)** – This section allows an applicant who has reached 19 years of age while serving on active military duty, who was not 19 on or before the date of an original examination, to be eligible for any subsequent make up examination that is offered. No person is eligible for original appointment to the position of police officer in a city or town until that person has reached the age of 21.

**Retiree Health Cost Sharing (14, 251)** – This section repeals the requirement in c. 32B, § 9A½ that a municipality be reimbursed in full, in the event a retired municipal employee or beneficiary receives healthcare premium contributions under circumstances in which a portion of the retiree’s creditable service is attributable to service in another municipality. This legislation was enacted in 2010 with municipal support, but has proven to be unworkable in practice.

**OPEB Trust Fund (15, 238)** – These sections permit governmental units – defined broadly to include any political subdivision of the Commonwealth and housing authorities, redevelopment authorities, regional councils of government, regional school districts and educational collaboratives – to establish an OPEB trust fund that complies with the legal requirements for trusts and with GASB. This change is necessary to clarify current language, which only authorizes a reserve/stabilization fund for retiree health insurance purposes. These sections also



**Lease Purchase (69)** – Establishes a procedure governing the use of tax-exempt lease-purchase financing agreements (TELPs) by municipal departments and allows borrowing to pay off a TELP if it would result in interest savings.

**Eliminate Debt Report (70)** – Eliminates the requirement that the municipal treasurer notify the director of accounts when a payment is made. This eliminates the need to notify of duplicative information, as the annual year-end statement of indebtedness shows changes in debt levels over the course of the year.

**Emergency Spending (71)** – Amends current law to provide for automatic approval of payment for liabilities incurred as a result of emergencies and disasters, when the Governor declares a state of emergency.

**Court Judgments (72-73)** – Amends current law to allow payment without appropriation of final court judgments and other final adjudicatory claims with municipal counsel certification. Currently, such payments over \$10K, require the approval of the director of accounts. Further, amends the statute to reflect the current operating environment where obligations to make immediate payments based on various legal claims now are just as likely to result from decisions of administrative agencies rather than just court judgments.

**Snow and Ice Removal (74)** – Eliminates prior approval for deficit spending for snow and ice removal by the council/selectboard; and alternatively, requires only that the chief administrative office of the municipality authorize deficit spending.

**Year End Transfers (75-76)** – These sections eliminate the limits on types and amounts of appropriation transfers that can be made by the selectmen with finance committee approval at end of year. This would allow end-of-fiscal-year transfers from health insurance, debt service or other unclassified/non-departmental line item appropriation and eliminate a cap of 3% on the amount that may be transferred from any department (school and light department line items remain exempt from this procedure). Eliminating the cap on transfers will provide for greater flexibility in avoiding deficits and eliminate the need for additional town meetings by July 15 for minor transfers.

**Director of Accounts Powers (77-83, 182)** – These sections make several updates to statutes governing municipal audit and accounting systems to reflect the current focus of state oversight on establishing uniform accounting and reporting standards, ensuring periodic audits and instituting best practices based on end of year reports, local management reviews and DLS reviews of cities, towns and special purpose districts. These changes are made through repealing or amending a number of statutes that have not been updated in years and still reflect the original mission of the Bureau of Accounts to install accounting systems, conduct financial and forensic audits and investigations of cities, towns and districts.

I move that [name of board member], and if (s)he is unavailable or unable, [name of back up board member], be designated to approve all bills, drafts, orders and payrolls not otherwise presented for approval at a posted meeting to the full board; provided, however, that if such bills, drafts, orders and payrolls are approved by [name of board member] or [name of back up board member], each shall make available to the board, at the first meeting following such action, a record of such actions, and further, to ask [name of board chair and/or staff person] to include on the notice for each meeting of the board an item for such purposes.

**Expenditures Without Prior Appropriation (G.L. c.44, §31)** – The Act amends this statute in several ways. Prior to the Act, the statute allowed expenditures without appropriation in the event of a major disaster threatening the public health or safety only upon declaration by a two-thirds vote of a city council or a majority vote of a full board of selectmen. The Act added to that list a declaration by the Governor of a State of Emergency.

The statute was further amended to clarify the circumstances under which “final judgments” may be paid without appropriation after the setting of the tax rate. Now, the statute provides that such payments may be made for “final judgments, awards or payments ordered or approved by a state or federal court or adjudicatory agency” only “upon certification by the city solicitor or town council that no appeal can or will be taken and as required by municipal charter, ordinance or by-law”.

**Snow and Ice Deficit (G.L. c.44, §31D)** – As amended, the statute now provides that snow and ice deficit spending may occur with the approval of only the “chief administrative officer”, which term is defined in G.L. c.4, §7 as the mayor, board of selectmen, or other chief administrative officer as defined by charter or special act.

**Year-End Transfers (G.L. c.44, §33B)** – The Act amends this statute to delete the 3% cap on transfers between departments, and implicitly removes restrictions on transfers from “non-departmental line items” such as appropriations for health insurance and debt service.

**Other Post Employment Benefits Fund (“OPEB”) (G.L. c.32B, §20)** – The statute was revised to create a local acceptance OPEB Fund that complies with requirements established by the Governmental Accounting Standards Board and the IRS. The statutory definition of “political subdivision” has been expanded to include housing and redevelopment authorities, regional councils of government, and regional schools districts. Political subdivisions that have already accepted the statute must re-accept in order for the revised version to be applicable. The statute will also apply, upon acceptance, to any political subdivision that has created an OPEB fund created by special act. Care should be taken, however, in accepting or re-accepting this provision if a municipality has already filed a declaration of trust in connection with its G.L. c.32B, §20 OPEB fund.

To accept the statute, the warrant article may take a form similar to the following:

To see if the Town will vote to accept the provisions of G.L. c.32B, §20 to create an Other Post Employment Benefits Fund for the current and future liabilities of the Town for group health insurance benefits for retirees and their dependents, which fund may be expended by a 2/3 vote of Town Meeting and designate a trustee or trustees, and further, to direct that such trustee or trustees adopt and file a declaration of trust and take all other actions as required by said section, or take any other action related thereto.