



## **FINANCIAL PLANNING COMMITTEE**

### **MEETING MINUTES**

Thursday, February 4, 2021

7:00 PM

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**MEMBERS PRESENT:** David DeVries, Chair  
Michael Hodge  
John Rapa  
Thomas Spataro

**MEMBERS ABSENT:** William Peterson, Jr.

At 7:00pm, Chairman DeVries stated that this Open Meeting of the Financial Planning Committee was being conducted remotely consistent with Governor Baker's Executive Order of March 12, 2020, due to the current State of Emergency in the Commonwealth due to the outbreak of the COVID-19 Virus.

Chairman DeVries added that in order to mitigate the transmission of the COVID-19 Virus, the Town has been advised and directed by the Commonwealth to suspend public gatherings, and as such, the Governor's Order suspended the requirement of the Open Meeting Law to have all meetings in a publicly accessible *physical* location.

Chairman DeVries noted that the Order allows public bodies to meet entirely remotely so long as reasonable public access is afforded so that the public can follow along with the deliberations of the meeting. He indicated the ways in which the public may view this meeting as listed on the posted agenda. He noted that this meeting will not feature Public Comment.

Chairman DeVries confirmed that the following members and persons anticipated on the agenda were remotely present and could be heard.

Financial Planning Committee

David DeVries, Chair  
Michael Hodge  
John Rapa  
Thomas Spataro

Town Staff

John Coderre, Town Administrator  
Scott Charpentier, DPW Director

### **APPROVAL OF MINUTES – MAY 27, 2020 REGULAR MEETING**

Mr. Spataro moved the Committee vote to approve the May 27, 2020 Meeting Minutes, Mr. Rapa seconded the motion; the roll call vote was taken as follows:

DeVries	"aye"	Rapa	"aye"
Hodge	"aye"	Spataro	"aye"

## REORGANIZATION – ELECTION OF OFFICERS

For the purposes of reorganization, Mr. DeVries turned the meeting over to Mr. Coderre. Mr. Coderre opened up nominations for Chair and Vice Chair.

Mr. Hodge moved the committee vote to nominate David DeVries as Chair; Mr. Rapa seconded the motion; the roll call vote was taken as follows:

DeVries	“aye”	Rapa	“aye”
Hodge	“aye”	Spataro	“aye”

Mr. DeVries moved the committee vote to nominate Mr. Hodge as Vice Chair; Mr. Spataro seconded the motion; the roll call vote was taken as follows:

DeVries	“aye”	Rapa	“aye”
Hodge	“aye”	Spataro	“aye”

Following the reorganization, Mr. DeVries took over as Chair and proceeded to take up the agenda items.

## UPDATE ON PRELIMINARY FREE CASH PLAN

Mr. Coderre presented a Preliminary FY2022 Free Cash Plan for consideration and use during the upcoming budget process. The FY2020 year-end Free Cash was certified at approximately \$1.98 million, which is significantly lower than the \$2.85 million from FY2019. The reduction is directly attributable to the economic impacts of the COVID-19 pandemic and resulting shutdown during the last four months of FY2020 (March to June 2020).

In anticipation of reduced FY2021 revenues, the Town delayed certain capital projects that would have normally been paid for using Free Cash. Instead, the Town increased the amount of Free Cash used in the operating budget from the policy target of \$500,000 to \$878,000; postponed the annual appropriation of \$200,000 to the Stabilization (rainy day) Fund; increased the Appropriated (Emergency) Reserve account from \$175,000 to \$375,000; and left \$888,662 in unappropriated Free Cash, instead of the standard \$500,000, as a hedge against any other potential unknowns.

Mr. Coderre stated that since the overall amount of available Free Cash is lower, less funds will be available to make pay-as-you-go capital investments in FY2022. The FY2020 year-end results and the proposed Preliminary FY2022 Free Cash Plan were reviewed as follows:

PROPOSED FY2022 FREE CASH PLAN			
Free Cash Certification as of 7/1/2020		1,980,662	100%
FY2021	Appropriated Reserve	-175,000	9%
FY2021	Operating Budget	-500,000	25%
FY2021	Stabilization Fund	0	0%
FY2021	Capital Projects	-805,662	41%
Available Free Cash after FY2022 Plan		500,000	25%

Based upon the \$1.98 million in available Free Cash , the Town will be able to maintain an appropriation to the Reserve Account, continue to contribute the policy-targeted amount into the FY2022 Operating Budget, and once again pay cash for a portion of upcoming capital needs.

The preliminary Free Cash Plan maintains the Town's financial reserves within the policy limits of 5-10% of the operating budget. Prior to the close of FY2020, the Town's reserves were at 8.9%, or \$5.9 million. After the close of FY2020 the July 1, 2020 reserves increased to approximately 10.3%. The plan as proposed would provide for the maintenance of financial reserves at approximately 8.2%, well within the policy target area.

During FY2021, the economic impacts of the COVID-19 pandemic required \$878,000 in one-time revenues to balance the operating budget. The use of additional one-time funds was done in accordance with the Free Cash Policy "to allow for fiscal flexibility" during the declared state of emergency. It is proposed that the use of Free Cash return to the \$500,000 level in FY2022 as widespread vaccinations are forecast to significantly improve economic conditions.

Mr. Coderre stated that the town is in good shape, and with the improving economy, he expects to return to the traditional free cash plan for FY2022.

Following his presentation, Mr. Coderre answered a couple of general questions from Committee members.

#### **DPW PROJECT UPDATE**

DPW Director Scott Charpentier reported the town's recent grant proposal for an ADA compliant hiking trail at the senior center was denied. He is going to resubmit a grant proposal for additional flashing beacon crosswalks at the recreational facilities throughout town and is hopeful this project will be approved in the next round. He added that he will be submitting a proposal to the Dam and Sea Wall Removal and Repair Grant Program for design and permitting for the removal of the Reservoir Dam.

Mr. Charpentier provided an update on the status of the Department project activities as follows:

#### **Pavement Management**

Roadway culvert failures over the past few years has required redirection of a large portion of the \$300,000 roadway maintenance operating budget toward replacing these culverts. The Fisher Street culvert was replaced in 2018 and the Rice Avenue culvert was replaced in 2019 each at a cost of approximately \$280,000.

The most recent update to the pavement management roadway surface rating (RSR), which incorporates work completed in 2020, shows the town wide RSR fell from 73.9 in 2019 to 73.5 in 2020.

Pavement management work the Town completed in the 2020 construction season included 2.6 miles in Mill and Overlay; 0.4 miles in Overlay; and 9.4 miles in Crack Fill.

### Melican Middle School Field Lighting

DPW tested the timber poles supporting the fields lights and found that some poles were exhibiting signs of rot and were subsequently removed. Replacement of the lights was funded through the Community Preservation Act at the 2018 and 2019 Annual Town Meetings (ATM) in the amounts of \$285,250 and \$290,770 respectively. Both the baseball field as well as two full size rectangular playing fields are illuminated. The project was bid, awarded and completed in the summer of 2020. The new lights are LED and controlled remotely through cellular communications.

### Multiple Culvert Replacements

Culverts under Ridge Road and Davis Avenue have deteriorated to the point of failure, and Lyman Street to near failure. Design and permitting was funded through the Chapter 90 process and roadway maintenance operating funds have been allocated to implement the physical replacement of these culverts. The culvert under Lyman Street was funded for replacement in the amount of \$76,100. Ridge Road and Davis Avenue culvert bid values were \$91,500 and \$107,000 respectively. Construction is expected to last through the summer of 2021 with a hopeful completion date by the start of the next school year.

### Assabet Playground Reconstruction

The Town successfully negotiated an agreement with the Massachusetts Architectural Access Board which allows the Town to implement accessibility improvements to the playground. The 2020 ATM funded this project by appropriation of \$102,775 from free cash and \$452,225 from the CPA reserves. The completed project will replace the Assabet Playground surface and equipment, resulting in a new and fully accessible play area. The project design is underway. Staff will work with local stakeholders to aid in further development of the design of this space. The project will be publicly bid in late spring and constructed during 2021.

### Melican Middle School Paving and Accessibility Improvements

Melican Middle School recently became the Town's combined polling place for elections, requiring wheelchair accessibility to the gymnasium for safe access and egress. The parking lot wearing surface exhibited distressed cracking and required crack sealing, surface sealant, and restriping. A project budget in the amount of \$100,000 was originally proposed but needed to be amended to accommodate a reduced free cash reserve due to the pandemic. The 2020 ATM funded this work with the understanding that Public Works would manage and assist with the project to lower the cost of the project by 50% with a final completed project cost of \$50,000. The Public Works Department prepared design drawings for cement concrete wheelchair ramps and secured pricing from a local contractor who was able to complete the work before the start of the school year. The parking lot work was awarded to the Town's annual paving contractor and completed without impact to school operations.

### Pickleball Courts

Several municipally owned locations were evaluated for construction of a pickleball court. The preferred location was determined to be at Ellsworth MacAfee park. An application to the Community Preservation Committee was presented and met with unanimous support of the Committee and received a very positive response from the community. The project will be included on the 2021 Annual Town Meeting warrant for funding approval.

**Water and Sewer Operations Building**

The 2020 ATM allocated \$900,000 for construction of a second operations building at the Water and Sewer Department. The construction contract has been awarded and the foundation is installed. The metal prefabricated building will be erected in late spring. The town is planning to team with Assabet Valley Regional Tech. during the next school year to supply the labor for all interior framing and finish work at no cost to the Town.

**Assabet Hill Water Tank Rehabilitation**

The 2020 ATM allocated \$725,000 toward construction of repairs and improvements to the Assabet Hill Water Storage Tank. The project design is complete and all required state permits have been issued. Work remaining is issuance of the bid package and performance of the construction phase during the fall of 2021.

**Incremental Sewer Pump Station Improvements**

In FY2019 an incremental pump station improvement operating budget line item was added in order to update the aging sewer pump stations through smaller and more systematic improvements as an alternative to full scale reconstruction. FY2021 funds are being utilized for improvements to the Wesson Terrace Pump Station that includes installation of the backup power generator and an automatic transfer switch. Future operational funds will be used to implement communication and alarm controls at this and other stations.

Following the DPW project update, Mr. Coderre provided a brief update on the White Cliffs project. He encouraged Committee members to review the completed Feasibility and Re-Use Assessment report located on the White Cliffs Committee webpage and to watch the December 18, 2021 meeting of the White Cliffs Building Committee to get a sense where the project stands. He noted that the Town will be engaging the assistance of a consultant to issue a Request for Proposals to solicit potential private sector partners to redevelop the facility. He thanked DPW Director Scott Charpentier for his help and assistance with this ongoing project.

**NEXT MEETING**

The Committee members agreed to set the meeting schedule as follows:

Tuesday 2/16/2021	Preliminary FY2022 Capital Budget; Police Department Capital Requests; Fire Department Capital Requests
Wednesday 2/24/2021	DPW Capital Requests, Water & Sewer Capital Requests; School Department Capital Requests
Tuesday 3/2/2021	Review CPC Project Requests; Final Review of FY2022 Capital Budget; Discussion of Financial Planning Committee Recommendations and Draft Report

**OTHER BUSINESS**

None.

**ADJOURNMENT**

Mr. Hodge moved the Committee vote to adjourn; Mr. Rapa seconded the motion; the roll call vote was taken as follows:

DeVries	“aye”	Rapa	“aye”
Hodge	“aye”	Spataro	“aye”

Meeting adjourned at 8:30 p.m.

Respectfully submitted,

John W. Coderre  
Town Administrator

**Documents used during meeting:**

1. February 4, 2021 Meeting Agenda
2. May 27, 2020 Meeting Minutes
3. Memo – Preliminary Free Cash Plan
4. DPW Project Update