Town of Newbury
Finance Committee Monthly Meeting
Town Hall – 12 Kent Way
Tuesday November 5, 2019 at 7:00 p.m.

Excused:
In Attendance: Tracy Blais; Bob Connors

Meeting opened at 7:00 p.m.

1. Call to Order
2. Minutes –
   a. June 4, 2019 – Mr. Case made the first motion to approve the minutes and Mr. Howard made the second. Five members voted in favor; Mr. Ali and Mr. Yesair recused themselves as they were not present at the meeting.
   b. July 15, 2019 – Mr. Jespersen stated that this meeting had been cancelled.
   c. October 1, 2019 – Mr. Myette made the first motion to approve the minutes and Ms. Allen made the second. Four members voted in favor; Mr. Yesair, Mr. Case, and Mr. Howard recused themselves as they were not present at the meeting.
3. Special Town Meeting planning –
   a. Reports - Chairman Jespersen stated that two reports would be made at the Special Town Meeting, one from the Finance Committee, which he would make, and one from the Building Committee, which Mr. Connors would make. Mr. Connors suggested the Finance Committee make their report first and stressed the importance of reminding the townspeople of all the good news like the bond rating.
   b. Capital Planning – Chairman Jespersen informed the Committee that there were some items on the Warrant that still need to be voted on by Capital Planning. He planned to call a meeting half an hour before the Special Town Meeting in order for the Capital Planning Committee to make a report to the Finance Committee regarding those items.
4. Review and discuss Special Town Meeting Warrant:

   **ARTICLE 2.** To see if the Town will appropriate the sum of $1,730,000.00 or any other amount, to pay additional costs of completing the Police Station Project; to determine whether this amount should be raised by transfer from available funds, borrowing or otherwise, or to take any other action relative thereto.

   **Discussion:** Chairman Jespersen noted that the article was recommended by the Board of Selectmen. Ms. Blais stated that the proposal that was approved by the Board of Selectmen was for additional borrowing under the same terms, with the intent of preserving the AAA bond rating and maintaining adequate reserves. Mr. Case asked how much that would make the project overall, and Mr. Connors replied $8.3 million. Mr. Connors added that the thought process was that with the Town’s excess levy capacity, they don’t have to go back for override. Mr. Case clarified that the requested $1.73 million will not increase resident’s tax bills. Ms. Allen stated that needed to be explained at Town Meeting. The Committee discussed the details of presenting the article at Town Meeting. After Mr. Connors made the Building Committee presentation, Mr. Case made a motion to recommend the article and Mr. Ali made the second. Mr. Case asked what would happen if the Article doesn’t pass, and Ms. Blais replied that then the Town
can’t execute a contract and would need to start over. The Committee took a vote; all members voted in favor of recommending the Article. (7-0-0)

**ARTICLE 3.** To see if the Town will vote to appropriate the premium paid to the Town upon the sale of bonds dated October 3, 2019 for the purpose of designing, constructing and originally equipping a new police station and remodeling, reconstructing and making extraordinary repairs to Town Hall, which bonds are the subject of a Proposition 2 ½ debt exclusion, to pay costs of the project being financed by such bonds or notes and to reduce the amount authorized to be borrowed for such project, but not yet issued by the Town, by the same amount, or to take any other action relative thereto.

**Discussion:** Ms. Blais explained that the Town was paid a premium as a part of the bond sale, and in order for the Town to apply the $45,000 against the debt service, it requires a vote at Town Meeting.

Mr. Howard made the first motion to recommended the Article and Mr. Case made the second. All in favor. (7-0-0)

**ARTICLE 4.** To see if the Town will vote to transfer the sum of $1,000,000.00, or any other sum, from Free Cash to the Police Station/Town Hall Project Account, or act in relation thereto.

**Discussion:** Ms. Blais explained that over the last two years of Town Meetings, if account balances were available, they were swept into this account. Now that the police station is underway, the money will go towards the Town Hall. Mr. Myette asked whether the transfer would affect the bond rating and Ms. Blais replied that it wouldn’t, as it is consistent with the Town’s policy, free cash will remain at a level amount. She added that the recent land auction brought in around $800 thousand, of which about $500 thousand will close out to free cash June 30th, plus the usual unexpended appropriation balances which will be added to free cash at the end of the fiscal year. The Committee voted whether to recommend the article, all voted in favor (7-0-0).

The Committee then discussed the merits of amending the motion at the Town Meeting, creating an account just for the Town Hall project so as to avoid any confusion while the Police Station project is ongoing, especially with the Article appropriating an additional $1.7 million for the Police Station.
ARTICLE 5. To see if the Town will vote to raise and appropriate or transfer from available funds, a sum of money to be added to or to adjust the following amounts voted under Article 4 (the general budget) of the April 23, 2019 Annual Town Meeting:

<table>
<thead>
<tr>
<th>Dept.</th>
<th>Account</th>
<th>Original Appropriation</th>
<th>Adjusted Appropriation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>IT Program Service Exp</td>
<td>46,000.00</td>
<td>48,500.00</td>
<td>2,500.00</td>
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<tr>
<td></td>
<td>Town Clerk Expenses</td>
<td>7,800.00</td>
<td>10,800.00</td>
<td>3,000.00</td>
</tr>
<tr>
<td></td>
<td>Planning Salary &amp; Wages</td>
<td>82,655.00</td>
<td>105,655.00</td>
<td>23,000.00</td>
</tr>
<tr>
<td>Parking Clerk</td>
<td>Parking Clerk Expenses</td>
<td>7,000.00</td>
<td>4,000.00</td>
<td>(3,000.00)</td>
</tr>
<tr>
<td>Library</td>
<td>Library Expenses</td>
<td>78,265.00</td>
<td>88,165.00</td>
<td>9,900.00</td>
</tr>
<tr>
<td>Debt Service</td>
<td>Long Term Debt Principal</td>
<td>980,845.00</td>
<td>1,010,845.00</td>
<td>30,000.00</td>
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<tr>
<td></td>
<td>Long Term Debt Interest</td>
<td>88,995.00</td>
<td>239,560.80</td>
<td>150,566.00</td>
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</tbody>
</table>

Discussion: Ms. Blais reviewed and explained the changes in the expenses. Mr. Myette made the first motion to recommend the article and Mr. Ali made the second. All voted in favor (7-0-0).

ARTICLE 6. To see if the Town will vote to authorize the payment of the following Fiscal Year 2019 bills, said sums to be taken from Free Cash; or take any other action in relation thereto.

Staples $211.31

Discussion: Ms. Blais explained that while the Town makes an effort to pay bills by July 15th, this bill from Fiscal Year 2019 slipped through. Mr. Myette made the first motion to recommend the article and Mr. Howard made the second. All in favor (7-0-0).

Ms. Blais added that it requires a 9/10ths vote as it is a previous fiscal year item.

ARTICLE 7. To see if the Town will vote to transfer the sum of $42,000.00 or any other sum, from Free Cash Account, to purchase an administrative cruiser for the Police Department; or take any other action in relation thereto.
Discussion: Chairman Jespersen noted that it’s not on the regular schedule for marked cruisers as this is an unmarked cruiser. Ms. Blais noted it is to replace a 2013 Police Interceptor with 160,000 miles, which will likely be placed on an auction website for municipal equipment. Mr. Ali asked who uses the vehicle and Ms. Blais replied it’s the Chief’s vehicle. Mr. Howard made the first motion to recommend the article and Mr. Case made the second. All in favor (7-0-0)

ARTICLE 8. To see if the Town will vote to transfer the sum of $50,000.00 or any other sum, from the Ambulance Enterprise Free Cash Account, to purchase a power load stretcher system; or take any other action in relation thereto.

Discussion: Chairman Jespersen stated that this article still needs to come before the Capital Planning Committee, so he will not be asked the Finance Committee for its recommendation until they meet immediately prior to the Special Town Meeting. Chairman Jespersen explained that when it was previously brought to Capital Planning, it was not recommended by the Committee and the Chief was going to seek a grant for the system, but did not get the grant, and so the Chief is asking for it again.

ARTICLE 9. To see if the Town will vote to transfer the sum of $150.00, or any other sum, from the Receipts Reserved Fire Alarm Account, to repair the fire alarm system; or take any other action in relation thereto.

Discussion: Mr. Case made the first motion to recommend the Article and Mr. Ali made the second. All in favor (7-0-0).

ARTICLE 10. To see if the Town will vote to transfer the sum of $220,000.00, or any other sum, from Free Cash to repair/renovate 31 Plum Island Blvd for the purpose of providing seasonal restroom facilities and a Police Department annex; or take any other action in relation thereto.

Discussion: Ms. Blais reviewed the history of the project, explaining that when the Town voted to purchase the property, the Town immediately hired a designer and got the plans and were ready to go out to bid. The Town expected to receive a $350,000 grant, but was only awarded $40,000, which has to be spent by June 30th. The DPW will do a lot of the work, other than the plumbing and electrical work. Mr. Howard suggested approaching Whittier for some of the work. Mr. Case made the first motion to recommend the Article and Mr. Ali made the second. All in favor (7-0-0).

ARTICLE 11. To see if the Town will vote to transfer or appropriate the sum of $137,000.00, or any other sum, from the Receipts Reserved Cable Television PEG Access Special Revenue Fund, for the support of PEG access service equipment and programming; or take any other action in relation thereto.

Discussion: Ms. Blais explained that the equipment is outdated and some of the operating systems aren’t supported anymore. They had wanted to wait until the Town Hall had moved back, but the technical issues have become problematic and the Board of Selectmen decided new equipment is needed now. Mr. Case asked how much is currently in the account, and Ms. Blais replied about $600,000. Mr. Case made the first motion to recommend the article and Mr. Myette made the second. All in favor (7-0-0).

ARTICLE 12. To see if the Town will vote to sell a parcel of land off Orchard Street, containing approximately 7.4 acres, and shown on Assessors’ Map R39 as Lot 5 which was acquired by the Town of Newbury through the issuance of a foreclosure judgment by the Massachusetts Land Court on September 26, 2016 for unpaid real estate taxes, as allowed by and in compliance with M.G.L. Chapter 30B, Sections 1 and 16, and to authorize the Board of Selectmen to enter into any and all documents required to effectuate said sale; or take any other action relative thereto.
Discussion: Mr. Ali asked why this wasn’t included in the land auction. Ms. Blais replied that it was, but it didn’t sell, and Fish and Wildlife approached the Town to purchase it. Mr. Case made the first motion to recommend the Article and Mr. Howard made the second. All in favor (7-0-0)

ARTICLE 13. To see if the Town will vote to amend the Town of Newbury General Bylaws for the purpose of correcting typographical errors, adding or deleting punctuation, and adding or deleting non-substantive text as noted.

Discussion: Mr. Jespersen noted that it is just cleaning up typos and scriveners’ errors. Ms. Blais explained that it is the first part of a 3 part review of the Town’s Bylaws. An attorney taking part in the senior rebate program has undertaken the review. At a future Town Meeting they will address those Bylaws that conflict with each other.

5. Building Committee Report –
   a. Mr. Connors meeting tomorrow night before BOS. still dealing with low bidder and second low bidder. Mr. Connors reviewed a draft memorandum to the Board of Selectmen from the Building Committee, which identifies the low bidder, B.C Construction, as the responsible bidder and it would be the Building Committee’s recommendation to the Board of Selectmen that the town moves forward with them. Mr. Connors then reviewed the bids received and the bid process, as well as the alternate bid items and overall project cost. He stated the total for the project, including contingencies, comes in at just under 8.3 million. He then summarized some of the references for BC Construction, which were not flawless, and stated that despite that fact, Vertek recommended going with BC Construction. Mr. Connors then directed the Finance Committee to the sheet containing the figures should the second low bidder be chosen. He informed the Committee that the deadline to award the contract is 30 days from October 11, which amounts to about 45 calendar days. Mr. Connors reviewed the remaining contents of the Building Committee report with the Finance Committee, and his plans for the presentation for the Town Meeting. Mr. Myette asked Mr. Connors for an explanation as to why the cost increased. Mr. Connors reviewed the history of the town’s votes regarding the cost of the project, and explained that since the Town voted on $6.5 million, the cost per square foot and labor costs have increased.

6. Capital Planning Report - Chairman Jespersen stated they would be having a short meeting on the upcoming Thursday, and would be discussing the AV equipment update as well as the stretcher request.

7. Next Meeting – The Finance Committee will convene at 6:30 prior to the Special Town Meeting to review the Capital Planning Committee’s votes.

Mr. Case made a motion to adjourn and Mr. Howard made a second motion. All in favor.

Meeting adjourned at 8:15 PM.

Respectfully submitted,

Jennifer Goodwin