

Capital Improvements Committee Meeting Minutes

First Floor Conference Room - Town Hall

One Avenue A, Turners Falls MA 01376

Wednesday, September 6, 2017

Meeting opened at Town Hall at 3:00 PM. Attendees included Capital Improvement Committee (CIC) members Fred Bowman, Greg Garrison, Bob Obear, and Steven Ellis. Also in attendance was DPW superintendent Tom Bergeron; Mike Langknecht, representing GMRSD; and Montague resident Josh Lively.

Introductions

- The committee recognized and welcomed Josh Lively, who has expressed interest in filling the CIC's vacant fifth seat. Mr. Lively is a local contractor and is attending today's meeting to share his interest and to observe the committee in its work.

Review and approval of minutes

- Mr. Garrison moved to approve the minutes of the CIC's August 16, 2017 meeting without revision. Mr. Bowman seconded. Motion passed 3-0 (Mr. Obear had not yet arrived).

Review and Adoption of Annual Schedule for CIC

- This item was brought forward from later in the meeting agenda while the committee waited for invited guests to arrive. The Board walked through the revised schedule (see below). Mr. Garrison moved that the CIC adopt the proposed schedule as presented. Mr. Obear seconded. Motion passed 3-0-1 with Mr. Ellis abstaining because he developed it.

The Town of Montague's Capital Improvements Committee (CIC) presents the following framework for its ongoing work. Precise dates for key milestones will be developed as they become apparent over the course of each fiscal year cycle. Note that as presented the scheduling framework begins with the start of each successive year's budget work in the fall. It may also be conceptualized as beginning with renewal of the 20 year capital plan each July.

October – December: CIC meets on site with selected department leaders at their facility/location to review major capital project or equipment needs. Note that capital requests—or at minimum, notice of intent to submit a capital request—are to be submitted on or before December 31.

Early January: CIC meets in joint session with the Finance Committee and Board of Selectmen to receive preliminary guidance relative to the resources expected to be available for capital projects in the upcoming fiscal year.

January – February: CIC meets with department leaders to discuss the specifics of their capital requests, review documentation framing the relative urgency of those requests, and any estimates received and submitted as part of the request. This activity may bleed into early March.

March: CIC meets to deliberate and finalize recommendations to the Finance Committee and meets in joint session with in joint session with the Finance Committee and Board of Selectmen to share the CIC report relative to those recommendations.

May – June: CIC meets to review the past year's process, consider possible improvements, and plan for the coming year.

July - August: The Town Administrator sends 20-year capital plan to department heads for review and refinement. An updated version of the Town's capital plan is prepared for CIC review and approval.

Late August – September: CIC considers any capital requests submitted for fall Special Town Meeting. These requests are generally expected to be holdover items from the previous fiscal year, but may in some instances be new, emergent priorities, which would require increased CIC attention.

Review of October 5 Special Town Meeting Capital Requests

- **Flail Mower.** Mr. Bergeron described the purpose of a flail mower as a vital tool for maintaining control of roadside vegetation growth. Present flail mower was purchased in 1997 and is at end of useful life. The boom on this flail has been repaired twice previously at a cost of about \$30,000 per replacement. Given its age and condition, it is not advisable to invest this much in the same repair, which is needed.

It is notable that the Town will actually have access to a second, new, flail mower in the coming year, through an Eversource group buying program, but that mower will be shared with several other communities and we will have use of it only for a few weeks each summer. After five years, it will become property of Montague. Do we need two? Our DPW had a worker running it for 3 solid months this summer – that’s what’s needed to keep up. When we have access to the second mower, it will allow the DPW to run two simultaneously, which will benefit workflow.

Cost of the flail estimated at \$116,459, with a five year lease rate of \$24,590. The tractor costs \$53,876 and the mower/machete costs \$62,582. We have been told that price, quoted last winter, will come down. If the article passes, the Town will initiate purchase late this calendar year so it is built and ready for deployment next spring. This purchase should have a life of 15+ years, especially with a second one coming to us in five years. We will try to trade in our old mower.

Why lease instead of buy? This approach is suggested primarily due to limited free cash and stabilization funds for this purpose, as well as uncertainty regarding the valuation settlement with First Light. We want to maintain flexibility and the sudden closure of Turners Falls Paper Co., which could have an impact on Town finances. Mr. Garrison moves to recommend the purchase or lease of the flail mower. Mr. Ellis seconds. Motion passed 4-0.

- **Underground Oil Storage Tanks (UST) at Hillcrest and Sheffield schools.** Mr. Bergeron explained that Mr. Abbondanzio had asked him to get estimates for removal and replacement of these tanks two years ago. Tighe and Bond provided a pro-bono estimate and the cost came to about \$579,000 (\$212,000 at Hillcrest; \$367,000 at Sheffield). The CIC considered this project last winter, but elected not to pursue it after learning that removal was not immediately required unless a tank connected to a generator. These tanks are not, therefore, required to be removed.

Mr. Bergeron would like the Town to remove to at least one of the two tanks this year. Mr. Garrison would like to know whether these buildings can convert to gas, avoiding the expense of an above ground oil storage tank and its substantial costs. Mr. Bergeron noted that there are two furnaces at Sheffield that can be run on gas or oil, but the district may be leery of conversion. He also noted that GMRSD facilities manager Jim Huber has a spare 10,000 gallon tank at TFHS that could be moved to Hillcrest. Mr Garrison and Mr. Obear expressed concern about investing in new infrastructure for a declining/outdated fuel source (oil). Mr. Bergeron noted the high price of propane. It may make sense to delay replacement of any active tank until moratorium is lifted.

Discussion focused on the options moving forward, the lack of gas lines to Hillcrest. Need better information regarding costs for converting to gas and running a propane system as a comparison figure. Mr. Garrison wants to see due diligence before making a decision and Mr. Langknecht agreed and felt the school committee would agree as well. This is not ready for a Town Meeting warrant. Mr. Ellis agreed to refer this question to the Energy Committee so we have additional information to support our thinking/decision making.

Update on DPW Building Committee Work and Next Steps

A review of recent drawings and cost estimates for the facility were shared with the CIC and members were allowed a chance to offer questions and observations. These most recent plans are subject to revision, but reflect a request of the DPW Facility Building Committee to the engineers to create a more economical building that would still meet community needs for the next 40+ years.

Mr. Bowman noted that the cost of a lift was removed from the cost estimate and Mr. Bergeron noted that we will in fact need a lift. Not everything on the list can be removed. Mr. Bowman stated his belief that we need to make this project happen now and it should include everything we need. Mr. Garrison noted that the CIC needs to make sure we are purchasing the right building, that it provides a safe and productive work environment.

Mr. Obear reflected on the costs per square foot and considers them outrageous. Office space is quoted at \$320/ft². Feels that what Tom wants is reasonable but the costs are not. We should look for a pre-manufactured building – fast to put in place and at lower cost. Mr. Ellis notes that he believes the committee reviewed this question and was told that this project could not make use of such a strategy, but will confirm with Walter Ramsey, who staffs the building committee. Recollection is that such approaches to avoiding prevailing wage are not viewed favorably by the state and that it was a non-starter. The committee looks forward to continuing updates.

Discussion of Capital Article Request Form

The group agrees that our currently used forms are not effective. Too much of the content is not relevant to most requests and with so much not of relevance, many departments haven't been filling them in completely. Talked about things we'd like to see in a form. Want to understand what is needed, why it is important, relative urgency, how long it will last, whether it carries other costs to the town, whether it can be funded through a means other than operating budget, and also see multiple quotes where possible. Steve will work on a draft for consideration by the committee.

Capital Planning Workbook

Everyone is encouraged to review and ask questions or share feedback with Mr. Ellis. Mr. Garrison noted that he has some thoughts on how to optimize it for Montague that he will share.

Meeting adjournment.

Meeting adjourned at 4:30pm. Moved by Mr. Garrison and seconded by Mr. Obear. Motion passed 4-0.

Next meeting date is to be determined.