

Finance Committee Meeting Minutes-Joint Meeting with BOS

April 27, 2006

Approved June 27, 2007

Large Hearing Room-Dennis Town Hall

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Present: Chair James Plath, Ted Dumas, William Crowell, Michael Brennan, Peter McDowell and Brian Sullivan. Also present Town Administrator Robert Canevazzi, Assistant Town Administrator Sandra Fife, Selectmen Donald Trepte, Jane Otis, Charles Crowell, Paul McCormick and Sheryl McMahon. Also present, Recorder Peggie Hunter.

Absent: Robert Prall

Chair James Plath gave an update on the school issue. The D-Y School Committee has voted to transfer \$400,000.00 from the ED, contingent upon an agreement by the Town of Yarmouth. The Yarmouth Board of Selectmen voted unanimously to vote for the \$400,000.00 transfer. The Yarmouth Board of Selectmen did have a concern about Wayne Bergeron's Article 8 to see if the Town will vote to withdraw from the school district.

Wayne Bergeron spoke about Article 8. Mr. Bergeron discussed a compromise that if the article should pass, and should the parties fail to reach an agreement, that Mr. Bergeron's proposed article would not take effect until after August 15, 2006.

Chair James Plath commended Wayne Bergeron on this compromise.

Peter McDowell asked how this would be binding and Chair Plath said this is probably as binding as the agreement we have now. Mr. Plath said this is what we will defend, produce and sell as the best agreement for the two towns at Dennis Town Meeting. Peter McDowell said we will always have the Fall Meeting to revert to should the August 15, 2006 deadline not be met.

MOTION:

Peter McDowell moved and Ted Dumas seconded and the Committee voted 6-0-0:
The Finance Committee voted to reconsider previous recommendation for this article and should the parties fail to produce an agreement by August 15, 2006, the Dennis Town Clerk will be instructed to forward notice to the D-Y School Committee.

Article 51-Dennisport Septic Easement

Robert Canevazzi said the historical background from 1999 is in the packet. The Board of Selectmen, the Planning Board and the Board of Health approved this in 1999 and now the property owner needs an easement from the Town, which should have been done when this project was approved back in 1999. The easement is necessary to allow the property owner to maintain and access the system.

Dan Keefe, owner of the property in question, said the fact that the process was never completed came to his attention about a year ago.

Peter McDowell asked what would happen if the easement were granted and the septic overflows and leaks on Town property when Mr. Keefe no longer owns the property. Mr. McDowell asked if there was any document in place that secures that the people of Dennis are not responsible for that system. Mr. McDowell said that there should be something in place that assures the Town of Dennis is protected. Robert Canevazzi suggested a performance bond. Mr. McDowell asked if this can be done before Town Meeting.

Discussion ensued on this issue. Mr. Keefe said the property owner should maintain the septic system. Mr. McDowell is concerned about the system being on Town owned property.

Sheryl McMahon said if you review Article 51, it states that this easement will be granted on conditions determined by the Board of Selectmen in conjunction with the Health Department.

Mr. McDowell does not agree with this and believes that assurance is needed. Ms. McMahon said that the Selectmen could place bond conditions on Article 51.

Terry Hayes, Health Director, pointed out that as it stands legally, without the easement if the septic system fails, Mr. Keefe has no authority to make those repairs. If Mr. Keefe is granted the easement, this gives Mr. Keefe the authority to make those repairs. Donald Trepte said that we have an immediate problem, which is to complete the easement process begun in 1999. Mr. Trepte is not sure that refusing the easement at this time is the solution. Mr. McDowell said that the Town should find some appropriate way via dialogue with Town Counsel to protect the citizens of Dennis.

Ted Dumas said that gallons per day make no difference if it's used for commercial use or dwelling use. The system is well designed and should meet future requirements if housing is ever added on the property.

William Crowell said that this easement could still be tailored to protect the Town. What worries Mr. Crowell more is an injury taking place while an individual is repairing the system.

Chair Plath asked what Mr. Keefe suggested as an easement clause. Robert Canevazzi said that the wording of Article 51 indicates that any authorization to grant the easement would have to be subject to terms of the Board. A vote alone will not suffice, as the Board will have to establish terms.

Mr. Keefe said back in 1999, he was left with the impression that he had an easement, and that he never circumvented the process. Chair Plath said he doesn't mean to insinuate anything and would just like to fix the problem the right way.

Donald Trepte said that the intent of Article 51 is to grant an easement based on the conditions that the Board of Selectmen would bring forward. The Board will make every effort to protect the Town.

Mr. McDowell said that a pre-condition could be part of the motion through the advisement of Town Counsel. The document wouldn't have to be done by Town Meeting, but something appropriate would need to take place for consideration. Mr. Canevazzi said it could be done, but it might be rushed.

Chair Plath said that he has enough confidence and trust in the Board that they will make the appropriate conditions. William Crowell agrees with Chair Plath. Mr. McDowell said that if the Board of Selectmen addresses this, he will agree to the easement.

MOTION:

William Crowell moved and Ted Dumas seconded and Committee voted 6-0-0:

The Finance Committee voted to recommend Article 51 as printed.

Article 38-Board of Health Municipal Agreement

Robert Canevazzi gave the Committee a revised Mutual Aid Agreement and said that he took Counsel's advise and incorporated those changes made by Counsel.

Terry Hayes, Health Director, re-explained the process and the Finance Committee's concerns. Mr. Hayes said that Dennis is the only town on Cape Cod that has met all the deliverables except for this one.

Chair Plath said that previously, the Committee didn't have anything to look at and now they do. Ted Dumas said the holes have been filled in. Michael Brennan discussed Section 9 and referred to liability and said it was handled properly. There are 12 out of 15 towns on the Cape that will have this Board of Health Municipal Agreement on their Warrants.

MOTION:

Peter McDowell moved and Ted Dumas seconded and Committee voted 6-0-0:

The Finance Committee recommended adoption of Article 38 as amended.

Article 15-Police Station Construction

Police Chief Michael Whalen thanked the members of his Building Committee, Captain Monahan, Committee liaison, as well as the Police Department members and Police Department volunteers.

Bids were opened at 1PM today. The Police Station Design Committee received 5 general contractor bids. This Committee has hard costs as well as soft costs. The difference between the high and low bids is 3% or less than the \$200,000.00 which speaks volumes for the work that goes into this project. The low bidder is M. Spinelli &

Sons. Michael Brennan asked if we needed to accept the low bid. Chief Whalen said that if the lowest bidder is the acceptable bidder based on references, etc., we would accept the low bidder. The high bid was \$6,771,000.00 and the low bid was \$6,546,246.00. The final number consists of both hard and soft costs and totals 8.15 million.

Chief Whalen presented diagrams of the building, with its campus-like center, taking into consideration neighbors on Dolly Street. The Chief then presented the interior drawings of the building including both the first and second floors. The outside storage area is for car repairs and other storage needs. There isn't a basement, which helps to keep the total under the 8 million figure.

The budget for cost of construction is \$6,546,246.00. It looks like the county will work on installation of all of the communications equipment. This 8.15 million number includes the \$500,000.00 voted on at the last Town Meeting.

Assistant Town Administrator Sandra Fife handed out a packet to Committee containing numbers and graphs of fiscal impact for this building project. Treasurer Rick Buffington put these figures together. Mr. Buffington used 8 million rather than the total cost project of 8.15 million because he was given this estimate to work with prior to the bid opening. The various debt schedules were discussed; one at 20 years for 8 million dollars at 4.25%, one at 4.35% and one at 4.45%. The 8 million at 15 years with the various percentages was also included in this packet, as well as rates for a five-year period. The cosmetic costs were also explored. The Annex budget is also part of this packet. Ms. Fife also discussed the graphs in this packet.

The D-Y renovation debt and SBA reimbursement were then discussed. The Police Station debt doesn't kick in until 2008.

Michael Brennan complimented the Chief and his Committee on all of their hard work. Mr. Brennan had a couple of numbers he wanted to throw into the mix. There are a lot of things out there that need to be replaced. Mr. Brennan said that there is at least 27 million dollars needed for future funding projects. Mr. Brennan said that if the Town votes for a new Police Station, we'd also need to vote the 2.15 million for the renovation of the Annex. Mr. Brennan would have liked to see a renovation project of the present Station, with perhaps a wing added on it, rather than a new building.

Peter McDowell also complimented the Chief on his presentation and had some questions on the Chief's numbers. Some numbers have shifted from soft costs to hard costs. Mr. McDowell questioned if the Town should go out to bond issue early where rates are increasing every day. Ms. Fife said she was not sure if Rick Buffington investigated this possibility. Mr. McDowell said the 4.25% for 20 years is what we might expect.

The costs associated with the renovation of the present Police Station for the Town Annex offices were then discussed.

Mr. McDowell said that this whole project becomes a \$10,650,00.00 transaction. Chief Whalen said to bear in mind the sale of the present Annex of just under \$500,000.00, will help to offset the project cost.

William Crowell commended the Chief on his hard work but said that he is concerned by the fact that a renovation should have been considered and wondered what the maintenance costs for this building are. Chief Whalen said that the present building is so well constructed that the savings of \$250,000.00 will be increased with the first round of demolition. Chief Whalen also thanked former Police Chief John Symington for all the consideration he put into this new construction. With 21,000 square feet to maintain, there will be some maintenance contracts, including the utilization of natural gas and efficient electricity systems. Bob Mahoney will be a resource in this area.

Chair Plath asked about the \$500,000.00 amount. Sandra Fife said that it was borrowed and will need to be repaid in November of 2006. Peter McDowell asked about expenses of bond issues. Ms. Fife and the Committee then discussed this. Mr. Canevazzi said that the bond cost would be included in the 8.15 million.

MOTION:

Peter McDowell moved and Brian Sullivan seconded and Committee voted 5-1-0: (MB)
The Finance Committee recommended the adoption of Article 15 for the amount of \$8.15 million dollars.

(Committee took a five-minute break.)

(Committee returned from their five-minute break.)

Article 30-Naushon Road Affordable Housing

Robert Canevazzi detailed the Article and said that this is a small way for the Town to take an initiative in the affordable housing market.

Michael Brennan asked if this was the best way to utilize this property. Maybe there is a better way to distribute this money for affordable housing. Nancy Davison said that Joe Valle, who is a builder with 30 years of experience on the Cape, might have some insight into this project. Ms. Davison showed the Committee photos of the property.

Ms. Davison said the Town has received two responses from two developers. The Affordable Housing Partnership felt that it would be a good idea to set this house aside for a Town of Dennis municipal employee. This property would be determined affordable in perpetuity, with a Town of Dennis municipal employee always having

preference. The total household income would be \$40,000.00-\$57,000.00 in order to qualify.

Joe Valle spoke about the lot and possible building options and explained the National Industry Standards for cost and profit targets and looked at the market rate of \$300,000.00 vs. an affordable rate of \$150,000.00 with a \$10,000.00 rate profit cost to the builder. The lot value is assessed at \$127,000.00.

Ted Dumas said he'd like to see the land go back onto the tax rolls.

Ms. Davison said it is of more value to the Town to have the property set aside for a Town municipal employee in perpetuity than putting it on the housing rolls.

Mr. McDowell discussed real property disposition. Mr. McDowell wanted to know if an appraisal has been done on this property. Mr. McDowell said it might be better to dispose of this property in such a way that more than one person derives benefit from it.

Chair Plath asked the Board of Selectmen how they felt and what is the time frame they have in mind. Chair Trepte said it is one small step that would offer affordable housing to a Town municipal employee in perpetuity.

Robert Canevazzi said that there are two proposals in hand and that if Town Meeting votes this Article, this process will move right along. Sheryl McMahan said that she would have no objection to putting a limit on the time frame. Ms. McMahan would like to see this apply to the housing rolls, but will not stand in the way of the project for a municipal employee.

Michael Brennan asked what if the municipal employee decided to work for another town. Nancy Davison said that there would be an affordable housing restriction applied to this home in perpetuity and that if this home is sold, the property would go to another Town of Dennis municipal employee. Ms. Davison said we could limit this to a Dennis resident and not necessarily a Town of Dennis municipal employee.

Mr. McDowell said the assessed value is actually \$260,800.00. Mr. McDowell asked what the Town paid for the taking of this property. Paul McCormick said that he looks at this as a gift.

MOTION:

William Crowell moved and Peter McDowell seconded and Committee voted 3-3-0: (Ted Dumas, Michael Brennan and James Plath)

The Finance Committee, due to a tie to not recommend this Article, had a non-vote.

MOTION:

Michael Brennan moved and Ted Dumas seconded and Committee voted 3-3-0: (Brian Sullivan, William Crowell and Peter McDowell)

The Finance Committee, due to a tie not to recommend this Article, had a non-vote.

MOTION:

Peter McDowell moved to recommend this back to the Selectmen and William Crowell seconded.

No vote was taken on this motion.

MOTION:

William Crowell moved and Ted Dumas seconded and Committee voted 6-0-0:

The Finance Committee voted to table this Article until Town Meeting.

Article 33-Demolition Delay By-Law

Nancy Thacher Reid said that her Committee did not understand that the Finance Committee meant for them to include all the deliberation as part of the 12 months. Ms. Thacher's Committee changed the time frame from 18 months to 12 months as was understood to be the Finance Committee's request.

Chair Plath, Michael Brennan and William Crowell agreed with Ms. Reid.

Brian Florence, Building Commissioner, apologized for bringing up these issues at the 11th hour. Mr. Florence discussed how this By-law would impact the Building Department and that if the Finance Committee wants us to do a job; you need to give us the tools to do our job. Mr. Florence clarified that the Town already has a Town Demolition By-law. With existing By-law, Mr. Florence can grant an extension. Mr. Florence discussed several other sections. Mr. Florence objected to several sections, which included the involvement of his staff. Mr. Florence said that there is a lot more time under the existing By-law than there is under the Demolition By-law. There is the potential for legal fees, liability and an increase in Departmental staff and dueling enforcement categories.

Nancy Thacher Reid said that Town Counsel has reviewed this By-law and has based this By-law on the MA Historical Commission model. There are 86 towns in MA that have very similar by-laws and that only the demolition of buildings 75 years or older come under this By-law. Mr. Florence should speak to Town Counsel as many of these recommendations came from Town Counsel.

Mr. McDowell and Chair Plath both agreed that this might be delayed until a future Town Meeting. Donald Trepte said that after listening to Brian Florence, he has great reservations about moving along with Article 33. Mr. Canevazzi said that he and the Board couldn't in good consciousness, go forward with this Article.

MOTION:

William Crowell moved and Peter McDowell seconded and Committee voted 6-0-0:

The Finance Committee voted recommendation to refer Article 33 back to the Historical Commission.

Reserve Fund Transfer

Building Commissioner Brian Florence discussed this Reserve Fund Transfer for \$700.00 for repairs for the Department's 1998 Ford Explorer.

MOTION:

Peter McDowell moved and Brian Sullivan seconded and Committee voted 6-0-0:

The Finance Committee voted the \$700.00 Reserve Fund Transfer for the Building Department's 1998 Ford Explorer.

Article 23-Budget Supplements

Chair Plath said that the Finance Committee still had questions for the Fire Department regarding the \$200,000.00 overtime line item.

Chief Mark Dellner ran down the \$200,000.00. There was a typo on the previous memo that Chief Dellner corrected. Brush fires, summer leave and other miscellaneous factors that may come up, incur overtime, which is an estimate. Chief said the overtime has gone down even with the 5% pay increase. The Chief said the Department is looking a lot better than we did in mid-March. Chief Dellner recommended keeping this overtime at \$200,000.00 in the hopes that he would be coming back with a surplus. Chief Dellner said his Department did ask for \$750,000.00 as part of his budget. Any surplus could be transferred into the Reserve Fund. Suggestions for reducing this amount were discussed including legislation regarding transfers. Sheryl McMahon suggested inter-fund transfers with utilities, as she considers this to be a real issue.

MOTION:

Peter McDowell moved and Michael Brennan seconded and Committee voted 6-0-0:

The Finance Committee as it relates to Article 23, voted to recommend a transfer of \$502,659.00 from Free Cash to supplement the FY '06 line item appropriation in Article 4 of the May 3, 2005 Annual Town Meeting.

Article 10-Cape Cod Tech Budget

MOTION:

Michael Brennan moved and Peter McDowell seconded and Committee voted 6-0-0

The Finance Committee voted approval for the annual school budget for Cape Cod Tech proposed budget of \$11,086,903.00 and to raise and appropriate from Dennis, 1,167,049.00 for the purpose of this Article.

Article 6-D-Y Agreement Language Change

Robert Canevazzi spoke about Article 6. This Article institutes generic language for the

regional school district. Peter McDowell wondered if there was any sunset provision to this and Robert Canevazzi said that no there was none.

MOTION:

Michael Brennan moved and Ted Dumas seconded and Committee voted 6-0-0:

The Finance Committee voted to recommend Article 6 as written.

Article 7-D-Y Budget

MOTION:

William Crowell moved and Ted Dumas seconded and Committee voted 6-0-0:

The Finance Committee voted to recommend Article 7 as presented.

Article 3-Liability with Mass Highway

MOTION:

William Crowell moved and Peter McDowell seconded and Committee voted 6-0-0:

The Finance Committee voted to recommend Article 3 as printed in the Warrant.

Article 31

Sheryl McMahan spoke to this Article and Article 32 and the creation of an affordable housing trust fund. The revision provides a by-law to expand and to name the Board of Trustees. This legislation is still pending and State Rep. Turner is pushing to get this legislation through.

Article 31 would be the alternate to Article 32, should Article 32 not pass. Ms. McMahan recommended postponing Article 32. Discussion ensued regarding both Articles 31 and 32. The ability to maintain control was brought up by Donald Trepte and he proposed an amendment to Section 3 establishing percentage limits.

MOTION:

Sheryl McMahan moved and Paul McCormick seconded and the Board of Selectmen voted 3-0-0:

The Board of Selectmen voted approval of Article 31, Section 3 by including a limitation by Board of Selectmen on an annual basis not to exceed 20% of fund balance as of July 1 of the fiscal year.

MOTION:

William Crowell moved and Ted Dumas seconded and the Committee voted 6-0-0:

The Finance Committee voted recommendation of Article 31 as amended.

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MOTION

Peter McDowell moved and William Crowell seconded and the Committee voted 6-0-0:

The Finance Committee voted recommendation of indefinite postponement of Article 32.

MOTION:

The Finance Committee voted to adjourn at 11:31PM.

MOTION:

Due to the fact that this meeting started out as a joint meeting with the Finance Committee and the Board of Selectmen, the Board of Selectmen voted to adjourn at 11:31PM.