

Town of Boxborough



Finance Committee

FinCom Meeting Minutes for: Tuesday, August 23, 2016, 7:30 PM.
Venue: Morse-Hilberg Room, Boxborough Town Hall.

Attendees:

FinCom:

1. Ted Kail
2. Dilip Subramanyam
3. John Rosamond
4. Gary Kushner
5. Steve Ballard

Absent: Thomas Begin, Amy Burke

Public Attendance: Selina Shaw, Town Administrator

The meeting was called to order by Ted at 7:35 PM.

Town Hall-Capital Outlay Reserve Fund Transfer:

Selina gave the Committee a brief history of the project for replacement of the town hall's exterior front stairs and railing, in an effort to explain the reserve fund transfer of \$14,000.00 now requested to cover the additional amount that would be necessary to cover the lowest bid that has come in for the stairs.

The town had appropriated \$45,000.00 total, from CPA Historical Resources (\$10K for fiscal year 2016 and \$35K for fiscal year 2017) for the demolition and reconstruction of the stairs (\$40,000.00) and the railing (\$5,000.00). When the town went out to bid for the stairs (the railing was not part of the project that was bid), the lowest bid, from Cali Corp., came in at \$59,000.00, which is \$14,000.00 more than had been appropriated for both the stairs and railing. The reason the cost was so much higher than initially estimated is primarily because of labor, including the cost of much stonework which will require two stonemasons and a laborer, and insurance costs that were not accurately accounted for in the initial appropriation. Although there was a 10 percent contingency figure built in, it probably should have been higher, perhaps as high as 30 percent, as some members suggested.

Selina reported that our new building inspector Gerry has continued where outgoing building inspector Dave Lindberg left off, with soft quotes, when he came on board in January. BoS had made the decision the stairs would be granite and fieldstone. Dave had found that the stairs were in a state of continuing deterioration and believed their replacement had become a safety issue. Selina

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reported the low bid that came in comes in highly recommended as a contractor who has done good work; we know we have a good contractor and should not delay further.

Many members then posed a number of questions and brainstormed several ideas in an effort to see if and how we might avoid having to approve this reserve fund transfer, to which Selina, and others, responded, as described below.

Dilip questioned whether this was a proper use of a reserve fund transfer, as it appears we may have simply underestimated the amount of the expense after choosing the most expensive option (granite), Selina explained that we did not exceed the original scope of the project as we went to town originally with a proposal for granite. Questioned as to whether one of the other, less expensive options, such as brick, as opposed to granite, could not be substituted now, Selina explained that to do that, we would have to start over again from the beginning.

Dilip stated his additional worry that the \$14K will still not be enough, and that the town will come back again for even more money. On the other hand, Dilip argued, if something happens after work is started, and that leads to a reasonable problem that was unforeseen, then *that* would in fact be an appropriate time for a request for a reserve fund transfer, whereas it is unclear that the current request is appropriate. This case called to mind what happened at Steele Farm, but not exactly the same, as in that other case, the town came back a few times for more funds after they were already in process (because of rotting, etc.). Dilip said that was in fact a classic case for reserve fund transfers based on unanticipated and unforeseeable costs. But here, it appears we instead underestimated the cost initially, as we should have had a bigger contingency than the 10 percent that was built in here, particularly for historical work. So this, said Dilip, does not appear to be the best use of the reserve fund transfer procedure, given that these extra expenses really could have and should have been foreseen.

On the issue of how urgent this project is, several members pointed out that the stairs are only used up to five or six times a year for official town purposes. To that point, Selina and others responded that there are actually many other occasions when the steps are used by children, and that these additional and rather frequent uses of the stairs underscore the true safety issue here.

Gary questioned whether we might be able to do this in two stages - granite now, as the first step, and then fieldstone as the second step (the railing) - so that we could save the \$14K reserve funds now. The stonemasons, needed for the second step, are a big part of the extra cost. Selina responded that we cannot do that, because we would then be changing the terms of engagement, as that was not what was bid on, and would thus have to re-bid to do it in two stages.

Several members discussed the alternative of going back to the Community Preservation Committee for funds and/or calling a special town meeting. John suggested we could go back to CPC for \$25K, and if they say no, we could still go back to town meeting, which we could do in February in a special town meeting. This approach would have the possible benefit of saving the town money if we could

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use CPA funds, by temporarily fixing the problem now, and then getting the job fully completed later with CPA funds.

These ideas brought the discussion back to the central issue of safety, for many, including Gary. Selina also strongly expressed her belief that such a further delay would be unwise, for the reasons she stated in her initial presentation, and because of the uncertainty of the CPC's approving more funds, thus necessitating a special town meeting and further delays.

After a straw poll was taken, indicating that most were leaning in favor of approval, Dilip moved to approve the request, John seconded, and after final discussion centering around the liability and safety issues, the Committee voted unanimously, 5-0, to approve the reserve fund request, as indicated in the table below.

Several members stated we need to think about these kinds of issues before our next BLF meeting, and that we should discuss these issues with BoS and have them instruct department heads on appropriate uses of Reserve Fund Transfers.

Dilip moved, and John seconded, a motion to adjourn, which was approved unanimously. Meeting adjourned at 9:07 PM.

Respectfully submitted,
Steve Ballard, FinCom Secretary
September 17th 2016

NOTE: The RFT table below includes the reserve fund transfer that was voted by BoS on August 8, 2016 and FinCom on August 23, 2016. This will be formally recorded in the minutes of those meetings.

Reserve Fund Transfers:

Item	Date	Cost	Left in Reserve	Reason
Initial reserve	7/01/16		\$185,000.00	Initial amount from article 5
192- Town Hall- Capital Outlay	8/8/16	\$14,000	\$171,000.00	Town Hall, Front Exterior Stairs