October 26, 2018

To Town Meeting Members:

This is the Informational “Yellow Sheet” for the Special Town Meeting #1. We have split the articles before Town Meeting into two separate Warrants, with the Electric Light Department’s new Operations Center being the primary issue in this first Special. The reason is timing: we opened bids on this project on October 22nd, so that the costs we will bring before you would be as accurate as possible. However, State procurement law allows only a 30-day window to evaluate the bids and to make an award, so that if you approve this project, we can dissolve this first Special and avoid running into any time constraints if debate on the other articles were to stretch into the following week.

The Selectmen support both of these articles.

**Article 1. Corrective Language for Prior Borrowing Authorizations**

This article has been submitted at the request of the Treasurer. It requests that you authorize the use of any bond premiums received for the Capital Outlay borrowing authorizations approved at the 2018 Annual Town Meeting last May (for the F.Y. 2019 budget) to offset project costs and to reduce the amounts to be borrowed.

The authorization to reduce the amount of a borrowing by the amount of any bond premium received must be contained in a vote of Town Meeting, in compliance with a new provision governing borrowings by cities and towns that became effective on November 7, 2016. Regulations governing implementation of this provision were not adopted until after last year’s Annual Town Meeting Warrant had been signed.

The mechanics work as follows: if, for example, $1 million is authorized to be borrowed for a project, and a bond premium of $10,000 is received when the bonds are actually issued, the final amount of the borrowing would be reduced to $990,000. The premium could also be used to offset project costs along with the amount borrowed.

The borrowing articles and motions voted at the May Town Meeting did not include the required language. The specific borrowings were for the purchase of new Fire and DPW equipment; a new HVAC “chiller” at the Library; Chrome Books for the School Department, and Broadband network equipment.
The required language will appear in any borrowing authorizations brought before this and future town meetings (including the motion for the next article).

Article 2. New Light & Broadband Operations Center

This article seeks your authorization to borrow up to $12,500,000 and to reauthorize $700,000 from a previous Light Department borrowing to renovate 136 Access Road into a new Light and Broadband Operations Center. Together, they add to $13,200,000.

Costs: The total construction cost is $13,200,000. This includes construction, furnishings and equipment, and contingencies.

Financing will come from two categories of funds:

1. $12,500,000 to be borrowed
2. $700,000 to be transferred from unspent proceeds from a prior Light Dept. bond issue for replacement of Transmission Lines (now complete)
   $13,200,000 Total

In addition, Engineering and Design and other “soft costs” totaling $1,117,000 were previously funded through the Light Department’s Depreciation account.

This Project will be paid for through electric rates and not from taxation or “free cash” or other Town surplus. There will not be any adverse impact on Town or School budgets, nor will it be necessary to raise Electric Rates because of this project.

History and Process:

In November, 2016 the Board of Selectmen, acting in their capacity as Electric Light Commissioners, recommended to the Special Town Meeting that the Town purchase the vacant building and property at 136 Access Road from the Boston Public Library, specifically for Electric Light Department purposes. The cost was $2,500,000, all of which came from Light Department depreciation funds. It has been obvious for many years that the existing Light Department headquarters at 206 Central St., which dates to the 1920’s, is totally inadequate for a modern utility. The Selectmen made it clear that the property was being acquired specifically for use as a new Light Department headquarters. Town Meeting approved the purchase unanimously.

The Light Department, with the approval of the Board of Selectmen (again, acting in their capacity as Electric Light Commissioners), subsequently hired Weston & Sampson to complete a conceptual design, and Compass Project Management as the Owners Project Manager (OPM). After completion of the Conceptual Design process and review by the Light Commissioners, the Light Department team was authorized to proceed to the Schematic Design Phase, in order to develop detailed plans and specifications to allow the project to proceed to bid. At this stage, innumerable revisions were made to reduce costs to keep the project budget reasonable.
The final project has been designed to be functional for Light Department operations and nothing more, at the lowest cost possible. The design team included only what was absolutely needed, in line with the Town’s “No more, No Less than Needed” philosophy. An example of our value engineering philosophy was the removal of a vehicle wash bay so we would not duplicate what is available at the DPW facility. Another example: the original design had eight overhead garage doors that through redesign were ultimately reduced to four (the Department has 10 bucket trucks, 3 digger/derrick trucks and several smaller utility vehicles).

The Project was put out to public bid in September. The filed Sub-Contract bids (13 specialties with 41 bids received) were opened on October 9th, and General Contract bids were opened on October 22nd. Five General Contract bids were received, with the lowest price bid coming in at $11,217,000. The architect (Weston & Sampson) and our Owner’s Project Manager (Compass Project Management) are both pleased with the results, and both are familiar with the low bidder whom they have worked with on other projects. The total project cost (which includes “soft costs” such as architectural design, OPM, etc.) is $14,317,000, which is actually $85,229 less than the Design estimate. We consider this remarkable, considering the state of the current construction market in the Boston area.

Need:

The Light Department was established in 1907. The current building was built in the 1920’s for a population base of perhaps 7,000 people. Although the number of customers served by the Department, the size of its staff, and the complexity of the infrastructure and of the industry itself have all increased dramatically over the years, but the Department is still housed in the same almost century-old building. There are significantly more regulations and requirements the electric and Broadband Departments need to follow. The existing facilities no longer allow us to meet these requirements and codes. The building at 136 Access Road was purchased two years ago with the intention of creating a Light Department Operations Center which will provide superior service to the Town for at least the next 50 years.

The existing structure, containing some 58,000 sq. ft., is being extensively renovated. Some of the highlights and benefits of the proposed new facility:

- The Department is desperately in need of a central, heated indoor garage for their high value fleet of trucks and equipment (the vehicles are valued conservatively at $3,315,000), stock and materials. The proper storage and care of these items is critical to meeting our goal to provide safe, reliable service at a reasonable price while striving to reduce outage times for our customers to a minimum. The new facility will also help the Department comply with new safety regulations imposed by OSHA on Municipal Electric Systems (almost impossible to achieve in our current facility), and at the same time dramatically improve the operational efficiency of the Department.
• **Vehicle Reliability and Longevity:** The Department has never had a garage facility to keep its vehicles under cover (and we will be the last municipal light department in the State to build one!). Having a garage will reduce the cost of maintenance of the vehicle fleet: currently our vehicles are all stored outdoors and are exposed to extreme weather conditions. In winter, our Line Crews are required to warm the trucks and clear snow and ice off the rear storage areas and buckets before responding to problems, not only delaying response time but creating additional hazards for our personnel as they access the buckets. Also, these bucket trucks use complex hydraulic systems to operate their booms and many of the high-voltage line tools; they should not be stored outside.

• **Operational Efficiencies:** Our existing operation is spread out over three different sites (Station #353 at Chapel and Washington Streets, Station #244 on Short Street and Station #31 at 206 Central Street). The new facility will centralize operations and move all of our vehicles and equipment and most of our stock to a single location.

• **Materials Storage:** Most of our transformers and reels of cable, currently stored outdoors, will be moved under cover, where they will be protected from the weather. Other tools and supplies will be also consolidated in the new facility, allowing modern inventory controls to be implemented.

• **Line Crews:** Our Line Crews are housed in a small brick facility in the rear of the 206 Central St. building. They are crammed in next to tools, stock and supplies. These crews are frequently required to remain on-premises during storms, often for extended periods of time, so that they are immediately available to respond to an outage. The crew quarters are a substandard by almost every measure and should not be tolerated.

• **Office Staff:** The original Light Department structure was never meant to house clerical and billing staff; it was retro-fitted in the 1960’s when the billing functions were moved to the second floor from the Town Hall. Our Broadband staff was shoe-horned into the same space in the 1990’s. Our customer service staff work areas are very close to each other. There is not space to set up a proper work environment, and there is almost no privacy for either staff or customers – essential when discussing sensitive billing issues. The new facility will house our Customer Service staff on the first floor, in a space outfitted to accommodate the infrastructure required by modern technology.

• **Administration & Engineering:** The new layout includes expanded quarters for Supervisory and Engineering staff and – for the first time – an Emergency Operations Center that qualifies as a true EOC, and a separate room for training (particularly mandatory safety training for our Operating Personnel).

• **Code and Regulatory Compliance:** The existing building obviously dates from a different era. It suffices to say that none of today’s safety codes and regulations existed a century ago.

Please see the attached handout for additional information, and please call the Light Department if you have any questions about this proposal.
Although relocation of the Light Department is in our view absolutely necessary, the existing building at 206 Central St. will not become completely surplus. Certain electrical and cable equipment are located in or adjacent to the building and are simply not feasible to relocate. In addition, the Town’s Fire Alarm system is housed in a small structure attached to the main building, and the Broadband System’s main antenna (“Simulsat”) is located at the rear of the lot. However, most of the structure, including the offices, will become surplus and will become available for other uses. In addition, the 5,000 square-foot steel building located at the transformer yard at Chapel and Washington Streets will also become surplus and will be available for other Town uses (storage for a proposed Town/School facilities department, for example).

The Norwood Light & Broadband Department is one of the Town’s “Crown Jewels”. It has provided unparalleled service at substantial savings to both our rate-payers and our tax-payers for over 100 years. It is time to bring the facilities they work in into the modern era.

We as both the Board of Selectmen and as Electric Light Commissioners believe that they deserve No Less! We unanimously ask for your support at this Town Meeting.

BOARD OF SELECTMEN

Thomas F. Maloney, Chairman
Helen Abdallah Donohue
William J. Plasko
Paul A. Bishop
Allan D. Howard