

Capital Outlay Committee Meeting
Finance Commission Room
January 18, 2023, 6:30pm
MINUTES OF MEETING

Members Present: Myev Bodenhofer, Kevin Connolly, Vice Chair, Robert Donnelly, Anne Marie Mazzola, Gerry Miller, Ernie Paciorkowski, Sarah Sullivan

Ex-Officio Members Present: Clayton Cheever

Absent: Alex Haggerty, Meg LaMay, Tony Mazzucco, Tim McDonough

Guests present: John Cianciarulo, Michael Rosen, David Thompson

Meeting called to order by Vice Chair, Mr. Connolly at 6:30pm. Mr. Connolly asked for moment of silence for former chair Mr. McQuaid.

Election of New Chair:

Following the moment of silence Mr. Connolly asked for nominations for a new chair of the committee. Mrs. Bodenhofer nominated Mr. Donnelly and Mrs. Sullivan seconded the nomination. There was no discussion and the committee voted unanimously for Mr. Donnelly to be the chair. After accepting the chair position, Mr. Donnelly share a few thoughts about Mr. McQuaid and how he had steered the committee over the past year and Mr. Donnelly looked forward to continuing his work.

Approval of November 3, 2022 meeting minutes:

Mr. Connolly voted to accept the minutes as amended. Mrs. Bodenhofer seconded the motion and the COC approved unanimously.

Updates on approved FY23 projects:

Mr. Rosen provided update on the status of the FY23 projects as requested at the previous meeting. Mr. Rosen reported that many of the projects had started but quite a few are fair weather dependent and will not be started until spring. Mrs. Sullivan questioned some of the anticipated project completion dates as the studies are needed to forecast the projects that are projected to be on next year's capital plan. A fall completion date of a pool study, makes it difficult for the committee to approve a capital outlay plan for the next fiscal year that includes a project under study.

Mr. Paciorkowski asked Dr. Thomson for an update on the school projects and timeline. Dr. Thomson reported that all items are on schedule. Mrs. Mazzola reminded the committee that the committee will have to meet before spring town meeting to review school projects. Erate reimbursement cycle requires that school capital projects be approved at the spring town meeting to maximize the reimbursement.

Mr. Rosen and Ms. Carney explained from the procurement end of it, that the timing is very important and a number of departments need to work together to get things in order. The town needs to get the design completed, the request for bid out and returned before Town Meeting, but the bids are only held for 45 days given the supply chain issues and rapidly changing economic market conditions. It is important to make sure everything is in order so that once the approvals are through the work is ready to go as soon as possible, so the money can be borrowed, materials can be purchased and the work can begin.

Mr. Donnelly indicated that the process of updating is important and would like it to continue. It keeps the COC aware of project status and funding. The COC and Mr. Rosen agreed to continue this update process every two months.

Discussion of Capital Outlay Committee By-law and policy

Mr. Donnelly offered a couple of observations from the time he worked with Mrs. Haley while on the Finance Commission. They had prepared a presentation, that was shared with the COC, with some thoughts on what we might look at in establishing a policy for approval of capital outlay projects:

1. Policy could be enhanced by clarifying the roles of the School Committee, Board of Selectmen, and Finance Commission in approving the Capital Outlay Committee recommendations.
2. Section III of the policy which outlines the guidelines by which projects are evaluated could be more rigorous and an example of Arlington's was shared.

Mr. Paciorkowski reminded the COC that in years past there had been some pretty heated discussions about what the definition of "recurring" is, in relation to capital projects such as police cars and technology for the schools. Is "recurring" one year, two years or three years? Mrs. Mazzola reminded the COC that we had just had this discussion about the tasers for the police department. As they are replaced on a three-year cycle.

Mrs. Bodenhofer suggested that the COC also discuss the timing of the process. While the capital plan is approved in October, we still need to have conversations about the impact on the debt service as that is approved at Town Meeting in May. In addition, we need to set some parameters on the role and responsibility of the COC for capital items that have shifted to the operating budget.

Mr. Paciorkowski did not feel that the COC had to dig into the weeds of the operating budget, Mrs. Bodenhofer would agree but those are a part of the capital improvement plan that we approve yet are never discussed.

Mr. Connolly is concerned that if the items in the operating budget are dropped from plan they could get lost and they could be played with in operating budget reductions. He feels it is important to keep track even if in operating budget.

Mr. Miller stated that he tended to agree with Mr. Paciorkowski, given his experience of being on other side, if the department manager can do within their operating budget the COC should not be involved, the COC is for special projects.

Mr. Donnelly acknowledged that these are good conversations and that over the next few meetings these should continue. He agreed that a meeting should be set aside to discuss debt service. Mr. Paciorkowski then asked how the borrowing for the overrides is reported. Is it included in full debt service number or is it broken out? Mrs. Bodenhofer believes that the town submits a tax recap to state every year, debt exclusions are separated, all other debt service (excluding Norwood Light, Water) are lumped together.

Mr. Donnelly requested that Mr. Rosen forward the debt service policy to the COC. The COC was reminded that the current policy is that it cannot exceed 5% of the non-utility revenue.

Mrs. Bodenhofer volunteered to draft a red line of this policy with Mr. Donnelly and pass to Mrs. Mazzola for review as well. All three boards, School Committee, Board of Selectmen and Finance Commission must approve any change to the debt service policy.

Mrs. Mazzola then suggested that the COC also review the town bylaw as it seems to be outdated and the current practice does not align. In addition, it was suggest that the ex officio members be reviewed as that might need to be updated as well.

Mr. Donnelly will sit with Mr. Mazzucco to discuss the process of making changes to the bylaw.

Future meeting schedule and discussion topics:

The next COC meeting is scheduled for Thursday, February 9 @ 6:30pm. There will be further Discussion on the bylaws and policy.

The following COC meeting is scheduled for Tuesday, March 7 @ 6:30pm. The next review of the FY23 projects will be conducted along with a school project update.

Mr. Donnelly then asked if there was anything town management could do to help COC with information ahead of August? Mr. Rosen answered that the town departments really need those two months to prepare the plan. Mr. Donnelly thought that perhaps there could be a financial review and Mrs. Bodenhofer added that perhaps a discussion of how much we could afford could occur and also that there must be some projects that we know are going to happen and perhaps the COC could start by reviewing those first. The COC agreed that this year's process started too late and that approving the final plan two hours before the BOS received was not acceptable. Mrs. Carney reminded the COC that the town cannot get quotes too far ahead as they are only good for 45 days. Mrs. Sullivan asked if she had seen any stabilization in pricing and Mrs. Carney stated not only are supplies and vehicles very difficult but that design costs are also going through the roof, and they are currently adding a 25% contingency.

Mr. Connolly motioned to adjourn, and Mrs. Mazzola seconded. It was approved unanimously, and the meeting adjourned at 7:44pm.

Respectfully submitted,

Sarah Sullivan
Clerk, Capital Outlay Committee