

Joint Meeting of the Canton Finance Committee
and Capital Planning Committee
Meeting Minutes
Tuesday, October 23, 2018

Minutes Voted on: 11/8/18
Vote: 6-0-2

Finance Committee Members Present:

Christos Arsondiadis, Rob Barker, Dan Cole, Emilio Mauro, Tim McKenna and Wai Wong.

Finance Committee Members Absent: Cynthia Holcombe, Barbara Saint André and Cindy Thomas.

Capital Planning Committee Members Present: David Clough, Dave Emhardt (Chairman), Stephanie Koke, Bob Panico (Vice Chairman), Walter Spiegel and Andrew Staiti.

Guests Present:

Charles Aspinwall, Town Administrator

Kathy Butters, Town Accountant

John Connolly, Board of Selectmen

Bob McCarthy, Chairman, Building Renovations Committee

Thomas Scarlata, Principal, BH+A (Bargmann Hendrie & Archetype, Inc.)

Jim Murgia, Finance Director

Ellen Jones, Finance Committee Secretary

Opening: A meeting of the Canton Finance Committee was called to order by Chairman Barker at 7:00 p.m. on Tuesday, October 23, 2018, in the Salah Meeting Room of Town Hall.

A. Approval of Agenda

Chairman Barker reviewed the items on the agenda, which included a discussion of renovations to the Metropolis Rink in preparation for the Special Town Meeting on December 12, 2018, status and history of the project, any proposals, FEMA contributions, the obligation of the Town regarding this project and the Finance Committee's decision recommendation regarding the project.

B. Announcements

There were no announcements made by the Chairman.

C. New Business

Chairman Barker welcomed Town Administrator Charlie Aspinwall. Mr. Barker also requested that any attendees wishing to comment on the project do so by identifying themselves and using a microphone in order for the viewing audience at home to hear the comments.

Metropolis Rink – Discussion with Architect, Owner's Project Manager (OPM) and Town Administrator

Mr. Aspinwall thanked the members of the Buildings Renovation Committee, other Town Officials as well as members of the community for attending the meeting.

Mr. Aspinwall offered the following comments regarding the status of the Rink project:

- Mr. Aspinwall provided to the Finance Committee a 2-page handout with an outline for the meeting as well as Rink Milestones (see meeting documents).

- The Rink collapsed in February of 2015.
- The Town has had several discussions with DCR (Department of Conservation and Recreation) since the collapse as to allowing the Town to extend the lease, what to do with the Rink, the lack of funding from the state towards the project and how the Town could proceed on its own.
- The Town hired an Owner's Project Manager in the summer of 2017 and hired an architect in the fall of 2017. The design process has continued since then.
- Discussions by the Town continued with FEMA (Federal Emergency Management Agency) and MEMA (Massachusetts Emergency Management Agency) during the summer of 2017.
- Mr. Aspinwall thanked Town Accountant Kathy Butters for the work that she has done on submissions to FEMA and MEMA.
- If the Town can prove that the costs to repair the rink exceed 50% of the costs to replace the rink, the Town could receive 75% of the replacement costs from FEMA not covered by insurance proceeds.
- The Board of Selectmen called for a Special Town Meeting for December 12, 2018.
- If the Town meets an insurance deadline of 2/28/19 and proves that progress has been made the Town could receive an additional \$1.0 million of holdback from the insurance company. Currently the Town has \$2.5 million of insurance funds on hand.
- Bid documents would be available mid-December with a bid date of January 23, 2019.

Tom Scarlata from Bargman Hendrie & Archetype, the architect for the Rink project, provided the following information to the Finance Committee members:

- The Town contracted with BH&A for the I & E Report (Investigation and Evaluation Report) and after review of the numbers were hired to do the final design on the project.
- Mr. Scarlata provided updated drawings of the Rink layout (see meeting documents).
- The plan is to rebuild the rink in the existing footprint due to constraints with the parking lot, wetlands and restrictions by the state.
- Improvements will be made to the building to meet code upgrades. Plumbing fixture count will be increased. By state mandate there must be provided secure changing areas for instances of mixed gender teams.
- Accessibility – Modifications will be made to accommodate door clearance issues. Exits must be made accessible.
- The mezzanine will be updated to make accessibility to it with an elevator and an improved stairwell.
- Rink access must be made low enough for proper accessibility.
- Dasher boards will be replaced with a new steel system as well as a fully netted rink with new scoreboards
- Exterior walls will be brought up to code and will be made more energy efficient.
- Where the trusses failed and the roof collapsed at the one end of the building, the architect has determined that the trusses were under designed for current loads. To repair the wood trusses would not have been cost effective. The execution of how the rink had been constructed with regard to the placement of bolts in certain areas or the lack of bolts in other areas caused overstressing.
- DCR is currently replacing slabs at most of their rinks. The replacement of the slab at the Metropolis Rink will add to the cost of the project.
- High efficiency chillers will be installed that will run simultaneously at the beginning of the season. The chillers will then modulate (one on or two on) and will cycle through.
- Building must be fully installed with sprinklers as per code.
- New voice-activated fire alarm system would be installed.
- After the architect met with FEMA at the end of August, they revisited the 50% of the replacement cost figure and are now over that 50% mark.
- A set of detailed drawings will be provided to the estimators mid-November at which time more accurate cost estimates will be available.
- Total constructions costs are estimated to be approximately \$9.9 million (not including soft construction costs).

In response to Mr. McKenna's question about the rink's pad, Mr. Scarlata stated that the pad is under the ice and that Canton's rink is a short ice with dimensions of 100' X 185 ' as compared to the standard size of 100' X 200'. The footprint of the existing rink along with adjacent wetlands restricts the rink's pad from being expanded.

In response to Mr. Wong's question about demolition costs, Mr. Scarlata stated that demolition costs are not allowed to be counted towards the FEMA reimbursement.

Mr. Aspinwall explained that while the current lease term expires on 6/29/30 the DCR would consider a total of 30-year lease term.

Mr. Mauro inquired as to when the Town would know about the commitment from FEMA. Ms. Butters explained that it could be within two weeks or sooner. Ms. Butters is confident that the answer will be positive. The Town will first make the expenditure and then can immediately apply for reimbursement.

Mr. Emhardt, Chairman of the Capital Planning Committee, raised concerns about the \$9.2 million project cost not including enough for contingency costs. If the total project cost was \$10 million instead of \$9.2 million then the 10% contingency cost that Capital Planning Committee typically looks for on projects would be \$1 million instead of \$696,000. He explained that the current contingency cost would be short by approximately \$300,000.

Mr. McCarthy, Chairman of the Buildings Renovation Committee, stated that they usually carry 15% of the total project cost for contingency costs.

Estimated completion time would be in the fall of 2020. Escalation costs of 4% per year are built into the construction costs.

In response to Mr. Cole's inquiry as to the efficiency and cost savings for the installation of new chillers, Mr. Scarlata stated that he has seen cost savings of approximately \$4,000 to \$5,000 per month at the Shea Rink with the rink operational from late August through the season. With regard to the rink revenue, traditionally the Rink has been a break even situation over the years.

In response to Mr. Panico's inquiry as to what would happen to the \$2.5 million that the Town has already received if the project were not to move forward, Mr. Murgia stated that the unspent insurance proceeds would be returned to the DCR. The Town would keep \$500,000 to be used for designer fees.

Mr. Murgia referred to meeting documents that addressed two scenarios with regard to either borrowing \$1,375,000 inside the levy with \$80,000 debt payments per year to be paid through the rink enterprise fund or a \$5.5 million debt exclusion that would be funded by the taxpayers.

Mr. Mauro inquired about whether there would be demand for multiple rinks in town, given the presence of the Canton Ice House and whether former users would return to the Metropolis Rink to improve its solvency once it reopened.

Mr. Porter, Chairman of the Board of Selectmen, spoke in favor of the rink and clarified that the Rink Enterprise Fund is not a moneymaker for the Town but that the rink is to provide services to the Town and to provide public good.

Mr. Connolly spoke in support of the new rink especially the need for ice time based on his discussion with various members of the hockey community specifically coaches from the high school league and Canton Youth Hockey.

Mr. Nick Maffeo, President of Canton Youth Hockey for the past seven years and coach for the Girls High School Hockey Team, spoke about the supply and demand of a new rink. He stated that he was privy to the finances of the rink and the renegotiation of the rink lease in 2005 resulted in a lease agreement that ballooned from a 4-page

document to an 80-page document. Mr. Maffeo urged the Finance Committee to forward this motion to Special Town Meeting. Mr. Maffeo praised the owners of the Ice House for them accommodating the needs of the various groups. He further stated that it had always been the business plan of the owners of the Ice House to build their rink even with the existing Metropolis Rink. Mr. Maffeo stated that the Canton Youth Hockey's budget increased by 50% after the collapse of the Metropolis Rink. He further stated that even though they utilize the Ice House for many of their Youth Hockey games they are still at a deficit for ice time.

Chairman Barker explained that because information is still pending with regard to FEMA reimbursement, the exact amount of the borrowing mentioned within the motion may have to be amended at Special Town Meeting, depending on whether it is borrowing inside the levy (\$1.4 million) or a debt exclusion override (\$5.5 million).

Mr. Murgia clarified for the members that even if the Town was aware today of the FEMA reimbursement of 75% of the cost for the difference between the project cost and what insurance is providing to the Town, Special Town Meeting would still have to approve the entire portion of borrowing. If Town Meeting approved \$8 million of debt and the Town only had to borrow \$2 million because the Town received FEMA reimbursement and additional proceeds from insurance, the Town could rescind the \$6 million of authorized but unissued debt at a subsequent Town Meeting. This rescinding of debt is similar to the process the Town follows when borrowing funds through the MSBA reimbursement process.

Chief Berkowitz complemented the Finance Committee and Capital Planning Committee for considering the addition of more funding for the request.

In summary – Chairman Barker summarized the Special Town Meeting Rink Article as follows:

- Chairman Barker thanked the many boards and committees for their considerable hard work that has gone into this project.
- He stated that the reason for acting on the rink project now is because of the deadline for acting on the insurance funds with a deadline is in February of 2019 and the renegotiation of the lease terms.
- The Committee needed to consider \$7.5 million of borrowing to cover that part which is not covered by the \$2.5 million on insurance proceeds which will be resolved depending upon the outcome of the FEMA reimbursement, which could be in place prior to Town Meeting.
- The net cost to the Town could be \$1.4 million, if FEMA reimbursement is 75%. The Town could pay for the \$1.4 million cost out of the Rink Enterprise Fund, assuming an \$80,000 average annual debt service payment, which would be paid out of the Rink Enterprise Fund.
- If FEMA decides not to fund 75% reimbursement, the Town would have to borrow \$5.5 million with the approval of Town Meeting and a debt exclusion override.
- The Rink has always operated in the black and the \$80,000 per year annual debt payment would not be excessive or burdensome to the Rink Enterprise fund.
- The final number for the Committee to consider is the final number to have a sufficient contingency.

A motion made by Mr. Emhardt that the Capital Planning Committee session that commenced at 7:00 p.m. be adjourned at 8:17 p.m. was seconded by Ms. Koke. Vote: 4-0-0.

A motion made by Mr. McKenna to support \$7.8 million of borrowing (\$7.5 million plus \$300,000 extra for contingency costs) for reconstruction of the Metropolis Rink was seconded by Mr. Wong. Vote: 6-0-0.

Special Town Meeting - Article 1 Motion 1 – A motion made by Mr. McKenna to adopt the rules to govern town meeting as written in the warrant was seconded by Mr. Wong. Vote: 6-0-0.

Article 1 Motion 2 – A motion made by Mr. McKenna to approve the motion as written in the warrant to allow certain individuals to participate in Special Town Meeting was seconded by Mr. Wong. Vote: 6-0-0.

D. Other Business/Open Issues

ATFC (Association of Town Finance Committees) Annual Meeting, Saturday, November 3, Devons Common Center – Dan Cole, Emilio Mauro and Jim Murgia would be attending the ATFC on November 3rd.

E. Approval of Minutes

A motion made by Mr. Mauro to approve the minutes for August 1, 2018, as written was seconded by Mr. McKenna. Vote: 6-0-0.

F. Next Meeting Date: The next meeting date would be determined in the near future. A future meeting date for the Finance Committee may be held prior to the Special Town Meeting (STM) on December 12 to discuss any last minute items such as amended motions prior to the STM.

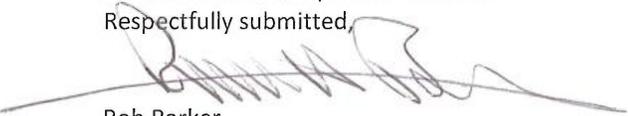
Mr. Mauro volunteered to write the discussion for the Rink article for Finance Committee's Recommendations to Special Town Meeting.

Mr. Mauro reminded members that a Master Plan Steering Committee Public Workshop would take place on Thursday, October 25th in the Community Meeting Room of the Canton Public Library.

Mr. Wong confirmed that the Finance Committee would receive FEMA updates as soon as they became available.

Adjournment: A motion made by Mr. McKenna to adjourn the meeting at 8:35 p.m. was seconded by Ms. Wong. Vote: 6-0-0.

Minutes reviewed by: Emilio Mauro
Respectfully submitted,



Rob Barker
Chairman, Canton Finance Committee

**Canton Finance Committee Meeting
Tuesday, October 23, 2018
Meeting Documents**

Please note: These meeting documents may also be found on the Town's website under the Posted Minutes section (Laser Fiche).

Some of the budget or Annual Town Meeting documents referred to in meetings may be found on the Finance Committee page of the Town's website.

Agenda dated October 23, 2018. (1 page).

Town Presentation/Metropolis Rink Milestones, prepared by Charlie Aspinwall, Town Administrator (2 pages).

Recommendations of the Finance Committee to Special Town Meeting – Draft (8 pages).

Email from Charlie Aspinwall to the Board of Selectmen dated October 11, 2018 regarding Rink Layout (3 pages).

Metropolis Rink Renovation/Restoration Investigation and Evaluation Report dated May 9, 2018 (4 pages).

Scope of Work – FEMA Reimbursement from Bargmann Hendrie & Archetype, Inc. dated October 11, 2018 (13 pages).

Debt Projection - \$1,375,000 Borrowed for Rink Over 30 Years, prepared by Jim Murgia, Finance Director, dated 10/17/18 (1 page).

Debt Exclusion \$5.5 million Rink Project, prepared by Jim Murgia, Finance Director, dated 10/17/18 (1 page).

Current Debt Exclusions, prepared by Jim Murgia, Finance Director, dated 10/22/2018 (1 page).

5-year Plan (2020-2024) Capital Capacity Planned Use, prepared by Jim Murgia, Finance Director (1 page).

Draft minutes for the Finance Committee meeting of August 1, 2018 (5 pages).

Revised Rink Layout provided by Architect Bargmann Hendrie & Archetype (5 pages).