

## Call to Order

### Roll Call

Chair Moffitt called the meeting to order at 7:00p.m and initiated roll call. Through video conferencing mode, present were Chairperson Eugenie Moffitt-Y, Andrew Betts-Y, Mary Ellen Logee-Y, Paul Monticciolo-Y, Kevin O'Handley-Y, Linn Anderson-Y, John Barry-Y, Spiro Christopoulos-Y and Paul Russo-Y. Also present were Town Manager, Assistant Town Manager Patrick Lawlor, Tom Urbelis, Town Counsel and Finance Director Donna Walsh. The meeting was videotaped and live cablecast.

### Review Warrant Articles – Town Manager

The Town Manager reported that the Select Board had opened the warrant, made changes to the Land Acquisition article and removed the Shawsheen School transfer article.

### Article 7 – Unfunded Pension Liability – Town Manager

The Town Manager reported as a result of positive resident feedback from his public outreach virtual forums, changes had been made to the Integrated Financing Plan as follows (see attached PowerPoint presentation on Modifications to the Plan) for detailed information:

- a) Fund 75% of the unfunded liability through pension obligation bond - approximately. \$120Million for 18 years.
- b) Fund 25% of unfunded liability through separate funding schedule – approximately \$40Million..
- c) Establish reserve fund for contributions from active employees and the General Fund to offset losses and/or reconcile new unfunded liability.
- d) Factors contributing to plan changes:
  - community input, anticipated valuation and updated projections
- e) Breakdown of liabilities, revenues and reserves reflecting the new funding schedule.
- f) Illustration of integrated plan on average annual tax bill, broken down by pension obligation debt, west el debt and total to finance the plan.
- g) Funding the pension system includes pension reform.

Discussion ensued with the following highlights:

- a) Employee contributions had been negotiated through collective bargaining units with two remaining units to be negotiated.
- b) Positive impact of the Retirement Board's decision to vote pension reform.
- c) Overall decrease in demand on the operating budget.
- d) Value of the reserve fund to draw upon if needed without increasing any aspect of operating budget.
- e) Non-advisability of ongoing investment of reserve funds.
- f) Reserve funds monitored by Finance Director.
- g) At end of funding cycle remaining reserve may be used for early retirement of debt service.
- h) Recommendation of annual actuarial valuation rather than bi-annual (cost \$30K.)
- i) Exempt debt offset more than balance needed to pay for debt reverts to reserve fund.

Members of the committee also provided their feedback on the overall plan as follows:

- a) Mitigation of overall taxes year over year.

- b) Positive pension reform important aspect.
- c) Balance of 75/25 split responsive to taxpayer concerns.
- d) 100% funding, however, would take advantage of borrowing at historic low rates.
- e) “Skin in the game” reflected in employee contributions.
- f) Likelihood of meeting 6.25% discount rate resulting from pension reform.
- g) Annual review as a result of actuarial valuation monitors performance for determination of appropriating more to general fund, use free cash, etc.

**Article 20 – Andover High School Design – Mr. Johnson**

Mr. Johnson made a presentation on the above article with highlights as follows (see attached PowerPoint slide deck for more detailed information):

- a) Warrant would authorize re-appropriating \$1.2M from remaining funds of the Bancroft School project to review the design of a new AHS.
- b) High school originally designed for grades 10-12 and 1,200 students.
- c) In 1983 Collins Center was added and in 1995 renovations made to accommodate grades 9-12. AHS currently has 1,800 students in a school designed for 1,500 students.
- d) Current capacity based upon MSBA standards at 1,400 students.
- e) Nine statements of interest were not approved by MSBA.
- f) Collins Center and field house figured into total square footage for reconfiguration into academic space.
- g) Cost of construction increase approximately 5%/year.
- h) Resubmission of statement of interest to MSBA due June 25.
- i) Whether rejected or accepted, this article would provide funds to continue site work.

Discussion ensued on the following highlights:

- a) 2019 site environmental work not obsolete.
- b) Financial impact of current articles including West El project will be a heavy load on taxpayer.
- c) Community awareness of need for high school project and will make decision.
- d) Further demographic study needed in light of post-pandemic learning environment.
- e) Design work will be applicable to whether project is MSBA funded or town funded.
- f) Work done in advance reduces time for actual construction and the cost thereof.
- g) Potentially reconfiguring class demographics: grades 7, 8 and 9 middle school; move grade 6 to elementary school.
- h) Use of \$1.2M for other school projects.
- i) Debt service will continue to be paid until it has been outstanding for ten years as there are lots of restrictions on the debt service.

Resident Coffey emailed the meeting and urged the committee to not move ahead on this project without MSBA approval.

**Vote on Article 20 – Andover High School Design**

Upon motion duly made by Ms. Anderson and seconded by Mr. Monticciolo, it was voted to recommend disapproval of the above article. Chairperson Eugenie Moffitt-Y, Andrew Betts-N, Mary Ellen Logee-Y, Paul Monticciolo-Y, Kevin O’Handley-N, Linn Anderson-Y, John Barry-N, Spiro Christopoulos-Y and Paul Russo-Y. Motion passed 6-3.

**Article 35 – Land Acquisition – Town Manager**

The Town Manager introduced Paul Materazzo, Director of Land Use and Planning and Tom Urbelis, Town Counsel, who have been involved in the project.

The Town Manager summarized the proposed acquisition of 138 and 140 Chandler Rd. (see attached PowerPoint slide deck):

- a) Acquisition property owned by Park Family Trust consisting of two parcels, including a parcel across Rte 93.
- b) Strategic acquisition of 44.41 acres of land abutting town-owned conservation land and AVIS-owned land, presenting continuity along corridor on both sides.
- c) Over 500 parcels available for purchase are not usable, such as traffic islands, corners of intersections, etc.
- d) 6 parcels of 40+ acres, 11 parcels 20+ acres and 35 parcels of 5-19+ acres are school-owned land, owned by the water commission or are adjacent to town water supply. In many cases, the lots are unbuildable or in middle of subdivision and part of past subdivision approval.
- e) There is no equivalent parcel available for future use.

The Town Manager summarized the funding plan: Total \$4,025,000 comprised of \$3,925,000 land cost and \$100,000 associated costs to develop the property. Budgetary decisions have allowed for this acquisition under CIP guidelines of 5.72%. The average tax bill impact in FY2023 is \$15.75 if funded fully from debt service.

As a result of community feedback, potential future uses would be as multi-purpose athletic fields, walking trail, dog park, community farm/garden, playground and picnic areas. CDM Smith was contracted to appraise the site, which determined a clean site with respect to soil contamination. The goal is to take advantage of an historic opportunity to acquire 44+ acres. There is significant opportunity for partnership with different organizations, leverage of different grants, etc.

Discussion ensued on the possibility of reducing the borrowing with Free Cash up to 50%.

- a) If \$2M in free cash is used, the tax impact reduces to \$7.50 and \$1M to \$10.75 tax impact.
- b) If \$1M is used we would be within the range of use of Free Cash (3-7%).

Discussion also ensued on the parcel across Rte 93. Although unbuildable and assessed at \$10K, the Town Manager said it was still advisable to purchase the land.

Mr. Materazzo noted that the land that is usable, and represents the greater part of the 4.41 acres, is currently zoned as a residential C and limited as to what can be done from a density standpoint. As a result of an appraisal completed in 2010, there was a potential of development of 12 residential homes and an attached multi-family cluster development. A potential tax yield was established at \$200K, and an attached 36-unit cluster development just under \$450K. Discussion ensued including the following highlights:

- a) The impact on traffic density would be minimal.
- b) Disbursement of use of fields across different parcels may be an option but would not afford the amenity that a multi-purpose recreation complex would afford.

- c) Also maintenance of such fields from a public safety point of view is better achieved in a clustered environment.
- d) The field study revealed not many good options for publicly accessible land.
- e) Confidence in CDM Smith's survey findings of a clean site.
- f) Possibility of exposure if developer purchased property and unforeseen problem arises.
- g) First year of debt service for a 30-year borrowing is 2023 and the \$15.75 would apply to the highest year of debt service.

#### Vote on Article 35 – Land Acquisition

Upon motion duly made by Ms. Anderson and seconded by Mr. Russo, it was unanimously voted to recommend approval of Article 35 as printed in the warrant. Chairperson Eugenie Moffitt-Y, Andrew Betts-Y, Mary Ellen Logee-Y, Paul Monticciolo-Y, Kevin O'Handley-Y, Linn Anderson-Y, John Barry-Y, Spiro Christopulos-Y and Paul Russo-Y. Motion passed 9-0.

#### Article 6E – Unexpended Appropriations

Ms. Walsh noted that this article is expected to be withdrawn.

#### FinCom Report

Mr. Russo noted the Retirement Board is meeting tomorrow and will update the pension obligation information as needed.

#### Approval of Minutes – April 21, 2021

Upon motion duly made by Mr. O'Handley and seconded by Mr. Christopulos, the minutes from April 21, 2021 were approved. Chairperson Eugenie Moffitt-Y, Andrew Betts-Y, Mary Ellen Logee-Y, Paul Monticciolo-Y, Kevin O'Handley-Y, Linn Anderson-Y, John Barry-Y, Spiro Christopulos-Y and Paul Russo-Y. Motion passed 9-0.

#### May Meetings

May 12 – Prepare for Town Meeting and speaker assignments

May 26 – Formation of new transition subcommittee

June 5 – Town Meeting

June 9 – FinCom

June 23 - FinCom

**Adjournment**

Upon motion duly made by Mr. Christopulos and seconded by Mr. Monticciolo, it was unanimously voted to adjourn. Chairperson Eugenie Moffitt-Y, Andrew Betts-Y, Mary Ellen Logee-Y, Paul Monticciolo-Y, Kevin O'Handley-Y, Linn Anderson-Y, John Barry-Y, Spiro Christopulos-Y and Paul Russo-Y. Motion passed 9-0. The meeting adjourned at 9:05PM.

Respectfully submitted,

Christine Martin Barraford  
Recording Secretary

*Attachments:*

*Minutes of Meeting April 21, 2021*

*Land Acquisition Presentations*

*AHS Presentation*