

Approved September 22, 2021

**Advisory Committee Meeting
Zoom Video Conference
Wednesday, September 8, 2021, 6:30 p.m.**

Those present from Advisory Committee included Neal Goins, Tom Cunningham, Jake Erhard, Patti Quigley, Shawn Baker, Jennifer Fallon, John Lanza, Jeff Levitan, Corinne Monahan, Doug Smith, Susan Clapham, Al Ferrer, Wendy Paul, Pete Pedersen, Madison Riley.

Neal Goins called the meeting to order at 6:30 pm.

6:30 p.m. Citizen Speak

There was no one present for Citizen Speak.

Drinking Water Borrowing (Article 6) – Department of Public Works

David Cohen, Director, Department of Public Works (DPW); Scott Bender, DPW Board; Jeff Wechsler, DPW Board were present to provide a background on Article 6, a borrowing authorization to obtain equipment for reducing PFAS levels in drinking water. An overview of PFAS and how it is regulated in Massachusetts was presented. MassDEP new drinking standards were implemented in April 2021. DPW presented the timeline of determining levels under the new standard, and actions taken following levels in Morses Pond exceeded the standard. Interim and long-term solutions were reviewed. This will be funded from the Water Enterprise Fund through borrowing. Water rates might increase next year as a result.

Questions

- Has the cause of the high levels been determined?
 - No, the cause has not yet been determined. Natick also had a high PFAS level in their Morses Pond location. There is something in that area of town impacting the pond. But right now we are focusing on treatment. At some point we will investigate the cause.
- Are new testing regulations expected each year?
 - We suspect that to be the case. For example, a PFAS 29 standard would expand testing to 29 chemicals instead of 6 (PFAS – 6)
- Based on the age of the treatment plants, could this problem get compounded as upgrades are done?
 - All three plants were built at the same time and it is nothing related to the plants. It is a hydro geology issue. The testing technology has changed and we are endeavoring for non-detect for all plants. We are moving in a proactive direction.
- Are there any insights on how the threshold number was arrived at by Massachusetts and how this compares to other states?
 - Places are tackling this in different ways. There is no common standard across states right now. The sense is that the EPA will step in at some point with a national standard. It is part political and part science issue.
- Is there any sense of when you will have harder and firmer numbers?
 - We will have firm numbers for STM.
- Will more work be done to see where PFAS came from once the interim solution is in place?
 - We plan to work with Natick who has higher numbers. It is in our plans to look at this. The aquifer to Morses Pond doesn't come from Natick. Some are looking at the legal aspect to determine the source or responsible party.

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- Will these solutions be able to adapt to potential future contaminants?
 - Yes, to some degree. The granulated activated carbon will do more than just PFAS. The interim solution is a combination of granulated activated carbon and ionized. This requires more maintenance and operating costs and is not as environmentally friendly, which is why it is not being considered for the long-term solution.
- Is this a supplemental to the Water Enterprise ATM articles?
 - Article 6 is to request authorization to borrow. Budget will reflect any operating cost increases related to these treatment solutions.

Citizen Petition (Article 11) – Rezone 307 and 309 Washington Street – David Himmelberger

David Himmelberger of Wilder, Shea & Himmelberger, representing the petitioners of Article 11, presented information related to the Citizen Petition. Request is to rezone two parcels of land currently owned by Universal Unitarian Church on Washington Street from General Residence to Business. Members from the Unitarian Church present were Kathy Coolidge, Chair of the Board of the Unitarian Church; Doug Poutasse, Board of the Unitarian Church; Tim Fulham, Church Clerk; and K.M. Mason, Pastor, Unitarian Church. The request to rezone derives from the church having a small building that is currently used as meeting space and church offices. The church would like to rent this small building to a professional office with limited business use as it would be used during the weekdays but not used during the weekend. We don't have use variances in the General Residence district. The only way the church can rent to a professional entity is if property is rezoned to Business. The church is across from the business district on Washington Street. The primary objective is to rezone the property at 307 Washington street but the church would also like to rezone the larger parcel at 309 Washington Street. Currently the church must go before the Zoning Board of Appeals to rent out the parking lot to the farmers market or to rent out parking spaces during the week. If the property is zoned Business it wouldn't need to do this. The church has no debt and has 150 congregation members. Its endowment is over \$1 million.

Comments

- Concern was expressed as to what would happen if the church were to be dissolved.
 - Church bylaws require 4/5th of congregation approve this and the church could only be sold to another Unitarian church. This church is run locally and is not run by a larger institution. The church is a vibrant entity.
- Planning Board Chair, Catherine Johnson commented on behalf of the Planning Board. This is the first reveal to Planning and the Planning Board plans to hear this at their Public Hearing on September 13. There is a specific process for Citizen Petitions involved in the Zoning Bylaws. The Zoning Map is integrated into the Zoning Bylaw. Planning needs to look at this request with a larger lens and what it does to abutters and what it does to Wellesley Hills and what it does as precedent. Concern was expressed over the timing of this article.

Questions

- Would this be considered spot zoning - residential to business?
 - No, I don't think so. A description of the property heading west provided. A comment was made the town has done these types of rezoning on smaller land parcels in the past.
- A question was asked about the potential sale of the property and the protections.
 - The church can't go out and sell this property because under the church bylaws the church would need to dissolve itself by a 4/5th vote and then it must be only sold to another Universal Unitarian organization. It cannot be sold on the open market. In addition, it is a charitable entity and regulated by the Attorney General's office. When a charity sells an asset it can't distribute proceeds to the individuals of the organization.

- Who in congregation can vote?
 - Members who have joined organization and are approved by the trustees. Members who are in good standing are eligible to vote. The church did not know the church was in a General Residence zone and they assumed, since they were surrounded by businesses, that they were zoned Business as well. Other churches in town are located in Business zones. The Unitarian church pre-dates Wellesley and has been in use for 150 years. They are not going anywhere.
- Would the space be used for multiple businesses or single business?
 - A single practice plans to rent the space. There is ample parking on site. It is a for profit psychology practice.
- Are other churches in town renting to for profit groups?
 - The Congregational church is in Business district. But churches typically don't rent to for profit as it begins to affect tax status and they then declare income for taxes. Most churches don't have standalone spaces that are not attached to the church. This building has been used as meeting space and office space. The Unitarian church is the only church that has a standalone office building.
- 307 Washington Street is a small piece of property, what is the justification to include the larger piece of property at 309 Washington Street?
 - The rationale was that while we are at it why don't we also include 309 Washington Street because then the church wouldn't have to run to the Zoning Board to seek special permits for parking rental and rental of parking lot for a farmer's market. There may be a need to change something in zoning to allow for business use in general residence district.
- The Zoning Map was created when Zoning districts were created. Elm Bank was changed into a Conservation district. There is an overlay for historic districts.

Outdoor Dining (Article 9) – Planning Board/Select Board

The overview of the Outdoor Dining proposal was presented and reviewed by Amy Frigulietti, Assistant Executive Director. Planning Board members, Catherine Johnson, Chair; Kathleen Woodward, and Patti Mallet were present as was Don McCauley, Director of the Planning Department.

Questions

- Assuming the COVID pandemic ends, do you envision this to be permanent for restaurants?
 - Yes, this would be permanent. We would need to implement a special permit process to remove it.
- The outdoor dining is not allowed on the sidewalk and street but pictures showed outdoor dining on the sidewalk.
 - A sidewalk is 5 feet wide and if it is wider in front of a restaurant, then the space next to the restaurant is the private property of building owner.
- What are the snow plans for removal of snow and heating?
 - This is covered in the licensing agreement with the Select Board. There are no permanent structures, only planters and screening are allowed. All agreements with restaurants with outdoor seating on sidewalks needs to end by December 1 because of snow removal needs.
- This is a use that will be permitted in the district but oversight by police, fire, health, and executive director will continue. Executive Director's office ensures all other requirements are met.
- Zoning deals with land use, there are no dates in zoning bylaws.

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- The restaurant task force has been in place for year and a half and various departments are represented and work together on this task force.

FY22 Budget Supplemental Appropriations (Article 7) – Select Board

Meghan Jop, Executive Director presented a PowerPoint describing the FY22 Budget Supplemental appropriation. Also in attendance was Tom Ulfelder, Chair, Select Board.

Motion 1 is for legal expenses due to on-going legal cases and COVID. Legal fees are anticipated to exceed the FY22 approved budget of \$350,000. Legal costs fluctuate year over year due to increased use of counsel, projects, and/or litigation. The Select Board is recommending a \$150,000 increase to \$500,000 and any unused funds would be returned at the close of FY22.

The legal costs for FY14-FY21 were presented. Anticipated cost drivers were reviewed and include litigation, civil rights, COVID-19, union matters, projects, and general matters.

Questions

- With legal work associated with projects Is there a fee to offset legal work associated with projects?
 - Depends on the projects. When we are negotiating, the cost is borne by the town.
- At what point do you consider bringing legal in-house as opposed to outsourcing.
 - We could do that but with in-house municipal counsel we would still need to seek experts and some type of outside counsel for issues general municipal needs. Outside counsel brings a deep bench of people who specialize in a variety of areas.
- A comment was made that litigation is more intense than it has been historically. Unexpected items have pushed us over the threshold.
- A question was asked if we manage legal costs by putting pressure on law firms to see if they can manage it or exploring alternative fee arrangements for fixed costs for services to smooth out the ups and downs of expenses.
 - We previously had fixed fees but determined that it is better to pay for work that is being done on a regular basis. The rates are very good \$150 to \$205 per hour depending on which counsel member we are working with.
- For expenses related to COVID are COVID funds used to relieve those expenses?
 - Last year we received CARES funds and small amount covered legal expenses. As we go through the budget process, we look at expenses that could be reimbursed.
- If most of the expenses were known back at ATM, can the two or three items, since the budget was set, be identified and what was the biggest surprise causing the need for more money?
 - The reason is the timing of the legal fee billing. The budget is set in January but we hadn't received bills for February through April. In addition, some claims are covered by insurance. The civil rights case is not covered by insurance.

Rescind or Transfer Debt (Article 8) – Select Board

The Select Board will consider deferring this article until Spring 2022 Annual Town Meeting at their Monday, September 13, 2021 meeting.

Right of First Refusal (Glen Grove) (Article 10)– Select Board

Meghan Jop, Executive Director presented a review of Article 10.

Questions

- If this new company defaults on the mortgage does this give the town or the housing authority the first option to buy the property?
 - If they default on the loan, then HUD would recoup all that is owed to them and then it goes to the town. Even if HUD were to sell to someone else, HUD would still need to keep it affordable. The property can never become market rate units.
 - The use of the proceeds is to be invested in the property and are not a dividend to the owner. The documentation must be approved by Mass Housing and is specific to improving on-site amenities.

Hunnewell/Hardy School Projects (Articles 2 and 3) – School Committee/PBC

Catherine Mirick, Chair, School Committee; Melissa Martin, School Committee, David Lussier, Superintendent, Wellesley Public Schools (WPS); Cynthia Mahr, Assistant Superintendent, WPS; and Tom Goemaat, Chair, Permanent Building Committee (PBC) were present to answer questions from last week and for additional follow-up.

The overall scope of the projects is related to the educational program which is then translated into the buildings. The space guidelines are from the state and are the fundamental building blocks used for both buildings. Even though Hardy is the only one in partnership with the MSBA, we are building both schools to the same standard.

All municipal projects including schools are transferred to PBC at beginning of schematic design stage.

Questions about the costs of proposed projects and value engineering were addressed by Tom Goemaat, Chair, PBC.

- How much did PBC value engineer out of the project?
 - The history of the job was reviewed. Preference is given to value design and approaching the design with a discipline. The feasibility budget was \$ 45.6 million; schematic design budget was \$47.46 million. We needed to decide which budget to use and we didn't want to target anything higher than the feasibility budget. At the end of the schematic design, we value designed and took \$3.5 million out of the project. This is a cooperative process. Design development was \$45.04 million. At design development another \$1.6 million was taken out and we were at \$43.4 million. At 50% construction documents we were at \$44.4 million and still in good shape in terms of target. We took at another \$170,000 out. And we were trending about \$780,000 below target. However, the post COVID world has lots of issues with supply chain and product. The big market surprise was primarily steel related. The project is on the street and we shall see what happens.
- What costs could we have taken out that haven't taken out and why haven't we taken it out?
 - PBC is diligent in balancing costs, durability, quality, aesthetics, and energy efficiency. There isn't a list of \$500,000 that we didn't take out. There is a point that we could build a cinder block school. Could we take a million out of the school? Yes but it won't be a school Wellesley wants. PBC makes a judgement call in conjunction with the proponent. The number one consideration is the program and decisions are made for a variety of reasons.
- Why should we do these schools at the same time and not stagger or delay projects?
 - It would mean we would education some of our youngest learners in outdated spaces that don't meet educational programs. It would add significantly to the projects if delayed.

4% annual escalation in cost of construction. Hardy would be \$1.8 million per year. Could be an additional \$22.8 million for the town if Hardy is delayed 5 years and without MSBA reimbursement. Hunnewell would be \$1.5 million per year for a delay of 5 years – \$7.5 million. For Hunnewell there could be additional costs for re-permitting and there could be code changes. Design should still be good.

- In addition, Hardy, Hunnewell and Upham have been limping along with support from FMD. The cost of continuing to maintain those facilities is unknown. Interest rates are currently very low. We don't know what it will be 5 years from now or further down the road. The plan developed over the past 15 years relies on rebuilding two schools.
- The Advisory tour of the HHU schools is scheduled for September 13 at 3:30 p.m.

Sheryl Strother, Finance Director presented a HHU financing PowerPoint showing financial modeling and borrowing to make it as affordable as possible.

Questions

- The context of delaying was provided but enrollment is still not known. The premise offered is that we could fit all programming into 5 schools but the District does not believe that to be possible. Programming for special needs and regular education program – doesn't fit in 5 schools across the town. Operating experience – working with experts who have built many schools. Not concerned that this won't work as expected.
- The chart for additional comparables for building costs shows more central district type schools and not a neighborhood school concept. What are those costs and can they be compared to the costs we are looking at?
 - Comparable neighborhood type schools were reviewed along with their costs which were adjusted by escalating them to current cost of construction. This resulted in costs in the mid-\$400s range. There were likely a number of factors we don't know that likely influenced the cost. For example, we don't know how big the sites are – there are Hardy costs related to the site; we don't know how tall the buildings are; code has changed since 2015-16 schools built; we don't know if these buildings are net zero or all electric or what they are doing for sustainability. In long run, we save money with sustainability features but in the short run it costs more to build sustainable buildings. If Hardy is not a MSBA project, then wouldn't have to follow MSBA space guidelines.
- Regarding cash flow scenarios, what is the notional amount of the total incremental borrowing for these projects that the town would incur? Looking for the total debt versus the debt servicing costs that were previously presented.
 - For 2023, the exempt existing debt is in the \$9 million vicinity and goes down to \$5 million in FY30. New exempt debt starts at \$6 million and goes to \$8 million. It is the blend of two – starts high at \$15 or \$16 million and then it starts tailing down. Ten years from now we are where we were.
- What is the peak amount of new debt issued for these two projects?
 - Borrow Hunnewell in two pieces and Hardy in three pieces. We will reevaluate as go along.
- Is it a total \$110 million borrowing?
 - Yes
- Would loan be on a 25-year term?
 - Level principal and yes 25-year term
- Is interest rate locked for 25-year term?
 - Yes, unless we re-finance. The reasurer has flexibility but wants to run off town cash flow. We want to borrow as few times as possible as those costs can be significant.

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Town Meeting doesn't structure the debt. The treasurer does this according to the law and the best circumstances when we go out to the market.

- It is a risk we are taking in committing to spend a lot of money now and borrowing in future time in unpredictable environment.
 - If take all risk off table, it may introduce arbitrage risk. This could occur, for example, if borrow all up front and can't use funds in two years. All circumstances are evaluated and best decision is made at that time.
- Was the upshot that this is the best we can do given the scope PBC was handed or is it the best we can do for any school we designed at this time? Were constraints given to PBC?
 - Constraints start with the size of school - the square footage of the school. Not PBC's role to say gym can't be that big or neighborhood area between classrooms doesn't need to be there. These things are outside of PBC's role. PBC looks at materials and systems and things that drive up costs – glass, finishes. A lot of value engineering was done on the site. Constraints around the program which drive the size of the school.
- Have we considered a prefab approach to the same space?
 - Modularity has not been considered. We don't know how to build in a modular manner and create the necessary spaces like cafeterias and gyms.
- Could we have reduced costs from the beginning?
 - Schools determine what is the best program to educate students and that translates into a building. Unless there is a change in the program it's hard to change the building. We have not heard of modularity for schools as there are the unique spaces that can't be modularized. The feasibility was completed by the School Building Committee (SBC) which included members of PBC, SB, community members, and others. Throughout that process the feasibility of building an add/reno and building new at both sites were examined. The sites drove a lot of the overview of the schools. Both sites had constraints.

Liaison Reports

Schools/Jenn - School started last Wednesday. The district is working with the state for on-site symptomatic testing. The district voted to approve Star Academy since the state does not license schools.

Minutes Approval

Patti Quigley made and Doug Smith seconded a motion to approve the August 25, 2021 minutes.

Correction: Add Al Ferrer to votes for Adjourn and minutes approval.

Roll call vote

Jennifer Fallon – yes
John Lanza – yes
Corinne Monahan - yes
Patti Quigley – yes
Tom Cunningham -yes
Jake Erhard – yes
Jeff Levitan – abstain
Doug Smith – yes
Susan Clapham - yes
Al Ferrer - yes
Wendy Paul - yes

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Pete Pedersen - yes
Madison Riley – abstain
Shawn Baker – yes

August 25, 2021 minutes were approved 12- 0.

Administrative items

- Liaison write ups for STM Advisory Report should be completed soon
- Meeting on September 22nd is the Public Hearing and Public Hearing is to listen only – no comments or questions
- There is no meeting next week.
- Format for article write-ups will be sent out
- Citizen Petition will need to be scheduled in for timing.
- Voting meeting is the Saturday following the Public Hearing at 9 a.m.
 - Several members indicated conflicts with the Saturday, September 25 voting meeting
- Liaisons are responsible for getting presentations by close of business on the Monday before Advisory’s meetings

9:46 p.m. Adjourn

Corinne Monahan made and Jenn Fallon seconded a motion to adjourn.

Roll call vote

Jennifer Fallon – yes
John Lanza – yes
Corinne Monahan - yes
Patti Quigley – yes
Tom Cunningham -yes
Jake Erhard – yes
Jeff Levitan – yes
Doug Smith – yes
Susan Clapham - yes
Al Ferrer - yes
Wendy Paul - yes
Pete Pedersen - yes
Madison Riley – yes
Shawn Baker – yes

Meeting was adjourned at 14 to 0.

Documents/Presentations Reviewed during the meeting

<https://www.wellesleyma.gov/DocumentCenter/Index/1283>

- PFAS Update – DPW
- Glen Grove documents
- Glen Grove letter
- Article 10 – Glen Grove presentation
- Outdoor Dining Power Point
- Planning Articles – STM 2021

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- Planning Board letter
- Zoning Map
- HHU Financing
- Article 7 – FY22 Supplemental