



Office of The
Community Preservation Committee
Town Hall, 10 Central Street, Manchester-by-the-Sea, MA 01944-1399

Meeting of the Community Preservation Committee
January 27, 2021 – 5:30 p.m. Via Zoom
<https://us06web.zoom.us/j/81966622351?pwd=S2YrcGJBdGFRNkNDUEhEcUxrSGJsUT09>
Meeting ID: 819 6662 2351 Passcode: 561857

Present: Chairman Jack Burke, Members Joan McDonald, Ron Mastrogiacomo, Sean Daly, Sara Oseasohn, Christopher Wood-Kelly, Mark Weld, Joe Sabella. Absent: John Kenney

Chairman Burke called the meeting to order virtually at 5:30 p.m.

Review and approve previous minutes
Deferred to next meeting

Discuss applications for Pine Street and Sweeney Park projects/Rotunda Restoration and Funding options

Mr. Burke made the following presentation:

Annual CPA income at 1.5% surcharge would be \$400,000. The State match last year was 44%. Annual CPA income at 3% surcharge would be \$800,000. The State could be up to 60%, not guaranteed, based on 3% surcharge towns getting additional funding.

The current cash balance available after funding approved at past meeting is believed to be \$869,000. This amount needs verification before allocating.

Cost of debt service. Assumptions: 2% interest for 15 yrs. Note: State match may not be anticipated to bond, only the surcharge.

The difference for each is based on optional amortization schedule.

For a \$1,000,000 bond it would be \$80,000 - \$90,000 per year.

For a \$1,500,000 bond it would be \$120,000 - \$135,000 per year.

For a \$1,800,000 bond it would be \$141,000 - \$156,000 per year.

For a \$2,800,000 bond it would be \$221,000 - \$246,000 per year.

Parks and Rec Project Applications are
Pine Street Field - \$800,000
Sweeney Park Project - \$1,500,000 - \$2,000,000
Total - \$2,300,000 - \$2,800,000

Options:

Option A: \$2.3 million - Paid fully bonded- \$184k- \$207k debt service for 15 yrs
Option B: \$2.3 million - Paid with \$500k CPA grant from FY23 and Bond of \$1.8 million=\$2.2 million would be \$141k -\$156k debt service for 15 yrs
Option C: \$2.8 million - Paid with \$500k CPA grant from FY23 and Bond of \$2.3 million would be \$184k- \$207K debt service per year.

Note: Debt service starts a year after it is approved.

Mr. Burke’s commented as follows: Based on the above, all would take a significant bite out of annual income for 15 years and effect future grants for 15 years. Only option B comes close to being feasible. He asked if it could work.

He said an important point to consider is that any bond issue over \$1million requires a two-thirds approval vote at the ballot after a simple majority vote approval at Town Meeting. Should the applicant consider phasing the projects seeking one bond at the spring town meeting for \$950,000 to fund Pine St without any additional CPA cash and another bond for a similar amount at the next years Town Meeting for Sweeney, CPA would then contribute \$700-\$800k. Assuming Pine Street Field cost \$800k, there would be \$150k remaining for Sweeney

Example: \$150k leftover
\$800k CPA grant
\$900k bond
TOTAL: \$1,850,000

He noted that the net result over two town meetings would be Pine Street Field fully funded FY23 at Spring 2022 Town Meeting, and Sweeney Park would be funded with \$1.85 million over two Town Meetings

CPA would pay debt service on \$1.85 million bond at \$145k-\$160k annual debt service after a cash grant of \$800k

Mr. Kelley asked why this is not dealt with in some sort of warrant article prepared to change the two-thirds vote.

Mr. Burke responded that the way to avoid a ballot is to do successive smaller amounts.

Parks and Rec Director Cheryl Marshall reported that all the numbers that Parks and Rec used are estimates right now. None of the numbers are exact.

Rotunda Restoration

Mr. Burke noted that the Rotunda has been damaged by a recent storm.

Harbormaster Bion Pike reported that it will be two or three years before the Rotunda structure will be condemned. The pilings were put in in the 1970s. The pilings that are still good can be wrapped to keep the worms out of them. He suggested that DPW Engineer Nat Desrossiers or DPW Director Chuck Dam be consulted and have a discussion with the engineer firm.

Mr. Weld said the Finance Committee will be reviewing all the budgets submitted. The Parks and Rec Department has a study in 2027. This cannot be called an emergency. The pilings are not anchored in solid ground. These things have been under discussion for years. Mr. Weld suggested getting the information from the engineering firm.

ROTUNDA \$5,000,000-?

Mr. Burke submitted the following for financing the Rotunda:

\$5,000,000 would not be possible at current CPA surcharge of 1.5%.

We would need to double the surcharge to 3% and bring surcharge to \$800k plus match estimated 40% = \$320k for a total of \$1,120,000 per year of anticipated income. The debt service for \$5,000,000 would be \$400k- \$450k per year for 15 years would require two-thirds vote at ballot. The Total Debt would be \$6.85 million with payments of \$545k-\$610k per year for 15 years.

In his memorandum to the Committee submitted earlier in the day, Mr. Burke noted Factors to consider:

- Surcharge increase requires votes (simple Majority at both) approvals at Town Meeting and at the ballot at town election. Bond over \$1 million needs two-thirds vote at ballot
- Funds from additional surcharge after approval are delayed 2 years from vote since surcharge would go into effect in FY 24 if voted in 2022 Town Meeting with extra match arriving in FY 25. The funds voted at April 2022 meeting are actually being collected through July 1, 2023.

Discussion ensued....

Mr. Mastrogiacomo said he likes the phased approach; start with small and work our way to the larger. He said he thinks it is a good idea to raise the surcharge in Phase II.

Ms. Oseasohn said phasing makes sense. We do not have all the information we need. With the rotunda it is early in the process. We need the information to bring it into the phased approach. We need to put together a good financial plan and a good communication plan. We need to do a lot of ground work to build support.

Mr. Sabella said the surcharge should move forward. The damage to the Rotunda with the impending storm this weekend. It should be looked at to see what the results are. He recommended moving forward in working on rebuilding the rotunda and go from there.

Ms. McDonald asked if we do not take on the Rotunda, who would?

Mr. Pike said there is a potential funding source in the Seaport Economic Council. They did the Masconomo Park Seawall, the Fisherman's Facility and Tucks Point Dock. The most they could get would be \$1,000,000. Grants have been written through the Harbor Department. The dates for submitting grant requests are May 1 and November 1. They are timely in their decisions. He described the application process as "one of the easiest". Apply for engineering and then apply for construction. The engineering process for the Rotunda would be 1 ½ years.

Mr. Daly recommended starting with the Pine Street Field funding.

Ms. Marshall said that the Pine Street Field engineering is scheduled to be ready in March. Sweeney Park has the same timeline.

Mr. Kelley said we don't have solid numbers in front of us. We need to get a ballot committee going to raise the surcharge.

Mr. Burke said it needs to be done. A phased approach would be better. The money from the CPA surcharge does not kick in until Fiscal 2024. We can't realistically expect to raise the surcharge to 3% and get a bond approved for \$7 million at this spring's town meeting. Will need support of Boards and to have public hearings. Move forward and ask for 3% surcharge.

Mr. Kelley said we will seriously consider trying to do the work but he wants to see a successful campaign to alter the two-thirds ballot.

Mr. Burke recommended bringing the surcharge to the Fall Town Meeting.

Ms. Oseasohn that makes sense to her. Not a simple process. Fall target seems more doable.

Regarding Pine and Sweeney Fields, Mr. Burke asked if there were any strong feelings. Would the Committee ask for one large bond to support both?

Mr. Daly recommended keeping the surcharge at 1 ½% and go to ballot for Parks and Rec.

Mr. Burke queried do we vote Sweeney with cash on hand and then both? Do we vote Pine and then Sweeney?

Mr. Mastrogiacomo if we pay cash will there be money for other projects/

Mr. Burke stated: "New funds to replenish CPA account are available July 1st 2023 (FY24) of approximately \$550k" These are funds we allocate to new applications received by 12/1/22, vet, and then bring before town meeting in spring 2023.

Mr. Weld suggested possibly accelerating the \$150k plus that is planned for 2027 Rotunda engineering study in order to get accurate estimates for bonding so FINCOM can look at total cost.

Mr. Burke said the Pine Street estimate is \$800,000. Sweeney numbers are all over the place.

Mr. Weld said take the \$150 that is 2027 in this year to complete engineering to consider a bond. The Finance Committee will look at the total cost. If you look at it in context of the five-year total plan there is a lot of money to be spent.

Mr. Weld said there are expenses for the Culvert, the DPW Building, the overall picture to the towns people and their overall leverage.

Mr. Mastrogiacomo said we do not have numbers. With money the way it is with the labor shortage and the supply shortage, the numbers may not be true.

Mr. Burke said we need to sit down with Town Administrator Federspiel and see what the Board of Selectmen would support: Pine Street Field; Rotunda; Sweeney Park

Mr. Kelley asked where is the estimate for the Fields.

Ms. Marshall said it is in the Athletic Fields Master Plan in her office.

Ms. Marshall suggested doing a Rotunda study with other than CPA funds.

Mr. Weld said we need funds to pay for the study. How would we accumulate the \$800,000 in the CPC?

Mr. Burke said we did not spend it all. The match was 16% one year and then rapidly went higher.

Mr. Kelley said the work on the Rotunda is not the Harbor Master, it is the Parks and Rec. We need to seriously consider an engineering study sooner rather than later.

Mr. Burke said he would talk with the Town Administrator about the Rotunda.

Mr. Weld said he would ask the Finance Committee if it will come from reserve or other sources.

Review previous votes to amend wording and allocate funding from new or existing funding where needed

Defer to next meeting

Surcharge increase discussion

Continue discussion next meeting

CPC 5-yr plan (Update any changes ?)

Defer to next meeting

Review ongoing project status

Defer to next meeting

CPC Meeting – January 27, 2022

Next Meetings

February 10 and February 24, 2022

Adjourn

There being no further business to come before the Committee, and upon motion made by Ms. Oseasohn and seconded by Ms. McDonald, by roll call vote with all members voting in the affirmative, it was voted to adjourn at 6:35 p.m.

Submitted,

Approved by the CPC on February 10, 2022

Helene Shaw-Kwasie, CPC Clerk