

Oak Bluffs Community Preservation Committee meeting

November 7, 2011 at 7:00 p.m.

Oak Bluffs Town Hall lower level meeting room

Members present: Joan Hughes, chairman, Jevon Rego, Vice-chairman, Amy Billings, Stephen Durkee, James Westervelt, Charles Rock and newly appointed member-at-large Adam Wilson (former CPC administrator)

Also present: Kathy Burton, selectman, John Boardman and Bill Alwardt from FinCom

There was a brief discussion of appointment terms, that the selectmen should send a letter of reappointment but they don't. Jim questions staying on CPC if he leaves Planning Board which appointed him. Agreed he would stay on until official un-appointment. July is the appointment month. Information of who's on boards in town report but not always accurate.

SEAVIEW HERITAGE FINANCES: Kathy Burton arrived and gave a presentation of Seaview Heritage project finances broken down into Waban Park drainage (\$119,584), Civil War statue (\$9,216), Bath House and related site work (\$745,633). Bath House project paid a total of \$640,095 to Barbato Construction including \$11,803 for change orders. Amy said there were two more bills from the Parks Dept, which Kathy said would be dealt with later. Kathy said this was a lesson and would like to move forward with better accounting, etc. in the future. Adam remembered that the architectural estimate was about \$30K and found the amount paid to Mashek Maclean Architects of \$88,129 to be unbelievable. Kathy said since there was no project manager there on a regular basis, she thought MM was there to meet with construction company often. Adam questioned if they charged architectural fees per hour rather than project manager rates. Joan said someone should have looked a bills. Adam said they needed a clerk of the works.

Joan said the plans had been looked over by outside company who estimated entire project would cost \$460K, but six weeks later a contract was signed for \$628. She wondered that no one questioned this, and said we were in trouble from the day the contract was signed. She said that in Marshfield they hire someone, working under town administrator, to oversee contracts and projects, representing town interests. Kathy said she'd like to work with CPC to develop strategy for regular reporting to know things are on track. CPC does not plan to be clerk of works but keep accounting.

Jevon was frustrated on two points: the architectural fees – why were they so high when no structural work was done on project. Since MM has been involved in other town projects and will be again, he'd like to put them on notice that we're not happy. Also, why were the bath stalls, dryers, and fixtures not included in original contract (charged as extra to Millhensch for \$8,974). Kathy said she did call Stephanie Mashek who may have been surprised also. Joan said there was a certain amount of structural engineering done because of bank instability, but John Lolly engineered it for \$2,700. Jevon said he wasn't willing to chalk this up to lessons learned but would like to hear what MM has to say. Adam suggested that MM's reputation was on the line, so may have done more because no one else was managing the project.

CPC PROCEDURES for the future: Kathy said when she went to the FinCom they asked what the procedures were going forward, and said that was a goal to come up with. Amy said she thought the biggest question at town meeting would be "Who was writing the checks?" Kathy said she thought they relied on the town administrator. Jim asked what the process was for paying bills, and that a couple of people used to come in and cosign until Adam left and it fell on Michael Dutton, town administrator. Adam explained process before he left: Once the project approved, an account number was set up in accountant's office. Whoever was author of project would submit bills and he would draw up a payment voucher and cross reference it against the account. Job of administrator was to keep tabs with simple bookkeeping to keep track of what was being spent and that there was enough money. Jim said it was the town treasurer's

responsibility to cut checks. Adam said it was not the CPC's job to be responsible for the oversight of projects, but Jim brought up the DOR document that said the CPC is to be stewards of the money. Adam said that a simple spread sheet shows how much had been spent and how much left, and tracks when the project is finished. He said the town shouldn't go after projects this big with funding from three different sources unless someone is hired to be project director. Joan said if it's a big project people should come in to give regular accounting as it goes along.

Jevon said the CPC talked about a payment schedule and having a point person for each project. Adam suggested one CPC member be responsible for each project. Jim suggested those who get grants have scheduled times to come in to CPC to report. Kathy suggested once a quarter or so people should come to a selectmen's meeting to update.

Joan said CPC should vet projects more carefully in application project. Adam said this goes back to CPA language of what qualifies. Also one project shouldn't include so many unrelated parts like the Seaview Heritage with Bath House, the statue, and the drainage in Waban Park. Adam said projected completion dates are important. Discussion of wastewater leaching field in relation to unfinished baseball field project. Adam said he recalled that the wastewater commission said the money taken for initial clearing would be returned. Jevon recalled it being returned at 50%.

Charles questioned if the Community Preservation Coalition could contract to set up accounting procedures, and pull these ideas together. Adam said they are advocacy group but could refer us to another town. Adam said he would contact Coalition's Stuart Saginor.

Jevon said town meeting may have questions about Leonardo baseball park. Kathy said the estimate was rejected because it was too much money. Jevon said it might be part of people's perceptions that the funds are not being stewarded carefully. Jevon said CPC has been referring body, but now inclined to become more active on stewarding money. Amy said there should be a project time limit. Joan said if an initial project contract comes in over the allotted money, it should be sent back to the drawing board.

There was discussion of Bradley Square. Adam said Island Housing Foundation tried to get all \$400K up front but there weren't even building permits yet. IHF was to fundraise the rest of the funds. Adam and Steve agreed to pay soft costs for putting project together when it was still a viable project. Jevon remembered giving MV Museum \$25K was for archiving Denniston family artifacts that had been stored in a trailer on the property. Adam said the money went to the MV Museum through the IHF. Amy said there was nothing left in the trailer but broken chairs and similar things. Adam said the museum took the stuff that had to do with the church.

Jevon asked if Joan was prepared to stand up at town meeting and speak. Joan said she was prepared to say Seaview Heritage went over budget through no fault of the CPC, no malfeasance of any kind, but it won't happen again. Amy said people will want to know who was writing checks. Joan said we had a lack of personnel at the top overseeing project. Jevon said in future won't rely just on one person and will be more directly involved from the beginning. Kathy said selectmen will also. Joan said the real problem was the contract was signed for \$160K more than was in the pot. A "perfect storm" happened with CPC administrator gone, town administrator leaving, no accountant, and the applicant on the way out, too. Steve said a former member brought up issues with this project, but when he checked with Michael and Cindy, he was assured everything was OK. He said he didn't believe it was devious. Regarding Mashek Maclean, Jevon said he would draft a letter with CPC's concerns and send to committee for review.

Joan said this meeting was to deal with town meeting articles and setting up a way to pay bills. There is a folder full of new applications but she wanted to wait until she had correct accounting to look at them. CPC definitely has \$486,695 for this year: \$323,367 from town revenue and state match of \$163,328. At town meeting \$342,131 will be returned from Bradley Square. If approved, \$75K will go to Seaview Heritage bills, from historic preservation. Not all money is accounted for yet; some bills were not paid from correct account after the system fell apart late last spring. Jevon said there should be 24-30K set aside for administrative expenses since none

were spent in past year. Joan said she didn't want to give out numbers until "forensic accounting" had taken place, but there will probably be at least \$750K to give out. Adam mentioned the interest component from hanging onto so much money. Adam said some money in CPA account is allocated, and not part of the equation unless it's voted to rescind it. Joan said last year not all the money was allocated. Margaret has sent out letters asking status of projects.

Jevon asked what Margaret needs. She said a chair and file cabinet. Joan will order a recording machine. Travis has ordered a new computer as the present one is too old. Joan said now have a comfortable office sharing with Liz. Discussion of CPC copy machine being used by all town employees, showing wear.

Jevon asked that CPC come up with policies at next meeting, before looking into new applications, with regard to CPC's role in following the money. The level of involvement would influence the questions asked to applicants. Joan suggested more complex projects be broken down to components in a second interview, how planning to spend the money, and what the time frame is. Everything needs to go out to bid, except one, so can ask how they're going to put together a RFP or RFQ. Steve suggested having standard questions to every applicant. Jevon added, based on the extent CPC is to shepherd the project. He said he wasn't interested in being a volunteer in charge of a project. Jim suggested awarded project applicants be told they will be expected to report back with progress within certain time frames. Margaret could send a reminder every third or fourth month.

Charles said the applications ask serious questions but some applicants just give general info. Jevon said before checks are written there needs to be a cohesive plan, before it goes to town meeting. Joan said at the next meeting they'd decide on projects and send a letter. All projects chosen go to town attorney to see if it's likely anyone would sue. Jevon wanted FinCom's approval for all projects.

Oct. 17, 2011 Minutes Approved with Adam abstaining.

Agreed to 3 signatures on bills after making sure they're not over budget, keeping all info in a project notebook and doing monthly accounting with Cindy.