

## Message from the Mayor: Fix it First Part I

This has been some fall season. I remember in years past, that the Columbus Day weekend was always a good time to drive the back roads of Western Massachusetts to check out nature's brilliant foliage display. This year, the entire Columbus Day weekend was great for driving, but there was no foliage to be seen. I recently read an article in which scientists were discussing whether or not this delay in the foliage season could be attributed to global warming. It was quite a good read and I tend to agree with one unnamed ecologist who described fall as an enigma. So my advice would be to stop analyzing the "what if's" and simply sit back and enjoy what nature has in store for us.

I've titled this message, "Fix it First - Part I." In the upcoming series of articles I will share with you my efforts to repair the city's buildings. Along with this discussion, I will provide to you my plans for financing these repairs. Let's be clear here, our options are few and our needs are many. And for the record, there is not a "do-nothing" option on the table. And I assure you, I have no appetite to spend your money on a new city hall.

I have always been an advocate of good maintenance for buildings, cars and other equipment that I have owned for that matter. In your own life, you know that if you take care of things they last longer. As a for instance, I have, through diligent maintenance of my own vehicles consistently achieved total mileage of over 150,000 before a trade in with very little repair costs. In fact, the 2000 Chevrolet truck I drive now, will reach 200,000 miles this month and I have changed the brakes a few times, 4 tire changes and recently had to have the front bearings replaced along with two sets of spark plugs and regular oil and filter changes. That's it.

Upon arrival in the mayor's office, I set out to understand what the facilities needs were system wide. This was no easy task. The past history of the city was to repair on an as needed basis and avoid the big repairs. Typically as minor annual repairs were needed, each department would pay for those from their individual budget. As a for instance, last year the police department made some upgrades to their air conditioning system at the station. These upgrades were paid for within the budget that was appropriated for them that fiscal year. The total cost was in excess of \$40,000.00.

Additionally we do routine boiler, building and other mechanical system repairs through the city and the school system within the annual appropriations for each department. On occasion, an emergency happens, like a few years ago when the ceiling gave way in the city council chambers. That problem, the result of deferred exterior maintenance, manifested itself by causing the carrying beam to slip off its foundation in the attic. And there was a time when the school department had a robust maintenance department and over the last decade or so, that department has been decimated by budget cuts. So it would be inaccurate to say I haven't put maintenance money in our budget. In fact, we have had a much more robust maintenance program since I have been mayor than in many years.

So what's the plan? In 2010, I commissioned a municipal building feasibility study by BH&A, Inc., from Boston. Their mission was to provide to me a building condition evaluation and a 5 year program to restore the buildings based on current building codes and our needs. They delivered the report earlier this year and now in late 2011 we are beginning to implement their recommendations. You can see the report at the link below:

<http://www.cityofwestfield.org/wp-content/uploads/2011/09/Feasibility-Study-110910.pdf>

The first step, city hall needs to have significant exterior repair work done. It can no longer wait and in fact, it is completely irresponsible as an elected official to ignore the situation any longer. With every day that passes, we allow the damage to grow exponentially. My job is to propose to the council what I think we need. It's their job to take a vote on that proposal. To date, the chairman of the subcommittee in which the repair bond sits has yet to call a meeting so that information in a public forum can be shared with other members of the council. We will likely need to restrict access to certain areas due to significant damage and the recommendation that a snow load would cause great collapse hazard in these areas.

On the school side of the city, the Massachusetts School Building Authority completed a thorough needs assessment of our buildings last year. As a result we were invited into the Green Repair Program.

[http://www.massschoolbuildings.org/building/prerequisites/green\\_repair\\_SOIs](http://www.massschoolbuildings.org/building/prerequisites/green_repair_SOIs)

This year we started the first of two years of massive repairs to our school buildings. New roofs were put on Southampton Road and Highland Elementary Schools. Next year, even more roofs, windows and boilers will be installed. We get reimbursed at a rate of approximately 62% for this work. So this is a great opportunity to get this work done at an affordable rate. We also have been approved for a new school building and we have plans for a new senior center. In the coming days all of the financial details on the cost and projected debt load will be shared with the city council. Additionally, we will be consolidating the school department upon opening of the new school and I believe we will see great savings when that happens which then can be applied to financing the repair work. By the end of next week, I will have answers to all of those questions.

On a larger scale there are a number of "debt" items of interest to people. There is OPEB debt or Other Post Employment Benefits debt.

[http://www.mass.gov/Ador/docs/dls/mdmstuf/Technical\\_Assistance/Best\\_Practices/opeb.pdf](http://www.mass.gov/Ador/docs/dls/mdmstuf/Technical_Assistance/Best_Practices/opeb.pdf)

In the Spring of 2012, the city will hire a company to conduct an actuarial study of our current OPEB liability. I have asked that this study break out the debt based on revenue generating departments and the debt burden to the general budget. In the end, the study will provide us with the liability associated with the Gas and Electric, Water and Sewer and Waste Water and Storm Water Departments. Each of those departments will then be required to make some level of contribution to offset their portions of the debt. There will also be a number assigned to the rest of city employees that will need to be paid through the general budget. I anticipate in my fiscal year 2013 budget we will make our first payment towards this liability. It is important to note, that these benefits the employees have, have been gained through decades of collective bargaining contracts. I cannot simply not pay them and any reductions would need to be bargained out with the unions.

Other debt includes that associated with health insurance, retirement and long term general obligation debt. I will discuss our long term general obligation debt briefly first. As we are still calculating the total of proposed bonds, I will provide a total debt number in a later issue. What I can say now is that the city has historically managed this debt payment between 5-7 million dollars per year. This debt represents principal and interest. In FY 09 (7,050,498) FY 10 (6,023,929) FY 11 (5,940,850) FY 12 (6,674,850) FY 13 (6,256,375). And in fact, if we did no further borrowing 81% of our principal GO debt would be retired in 10 years. Standard and Poors considers our GO debt as low and rapidly declining. That is good news. <http://www.cityofwestfield.org/wp-content/uploads/2011/06/SP-Credit-Report-2011.pdf>

Additionally we have also recently entered into a contract with Siemens Corporation to evaluate our energy consumption citywide. This study will then allow us to consider energy savings improvements. These improvements can be used to offset the cost of repairs. The theory being if you save \$100 dollars from your

heating bill you can then use that \$100 dollars to make a repair. That is only an example. A preliminary estimate I received last year indicated that we could achieve significant savings that would allow us to transfer money paid to the G&E to needed repairs. The consultant indicated our savings capacity could finance potentially 10 million dollars in repair work. The state requires that the vendor guarantee the savings.

[http://www.mass.gov/?pageID=eoeeterminal&L=3&LO=Home&L1=Energy%2C+Utilities+%26+Clean+Technologies&L2=Green+Communities&sid=Eoeea&b=terminalcontent&f=doer\\_green\\_communities\\_gc-ems&csid=Eoeea](http://www.mass.gov/?pageID=eoeeterminal&L=3&LO=Home&L1=Energy%2C+Utilities+%26+Clean+Technologies&L2=Green+Communities&sid=Eoeea&b=terminalcontent&f=doer_green_communities_gc-ems&csid=Eoeea)

As always if you have any questions call or email me at 413.572.6201 or [mayor@cityofwestfield.org](mailto:mayor@cityofwestfield.org).

Respectfully,

Dan Knapik, Mayor