



Town of Leicester  
**OFFICE OF THE TOWN ADMINISTRATOR**

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July 19, 2021

To: Select Board  
From: David Genereux, Town Administrator  
**RE: Town Maintenance/Becker acquisition override**

This memorandum serves as addition to the memorandum dated July 12, 2021 that discussed the debt exclusion proposed for the acquisition of the Becker College campus. As discussed at the last Select Board meeting, the purchase price of Becker's holdings in Leicester is \$17,830,000. The Board has decided that a debt exclusion of \$19,900,000 will be requested at an upcoming Town Meeting, which is expected to take place in mid-September. The reason for the difference in the requested exclusion amount and the purchase price is so the Town has the ability to fund anticipated acquisition and maintenance costs, as well as be able to pay for architectural, engineering, survey and/or feasibility studies to determine how best to use the campus going forward. Funding is also needed for repairs and improvements to the property as needed, as well as the purchase of additional vehicles and equipment for building and grounds maintenance, as needed by staff.

The Board anticipates a 20-year borrowing, with a forecast tax rate impact of \$1.12 per thousand dollars valuation. That translates into an annual \$290.75 on the average home, based on an assessed valuation of \$259,606.

The Board recognizes the fact that the Town cannot afford to operate a 28-acre campus with 19 buildings without requesting a proposition 2 ½ override to fund those operational and maintenance expenses. The Board has taken this opportunity to address longstanding requests by residents to put the Town in a better position to maintain its assets going forward.

The Board is seeking to use the funding from this override to create a Department of Public Works (DPW). This new town department would be arranged as follows:

- The Department would be headed by a newly created DPW Director position, would oversee all the Town's buildings and equipment, including the schools.
- There would be a roads and grounds division, headed by the Highway Superintendent, which would maintain town roads, drainage, fields, and parks.
- The Building Division would be responsible for all Town Buildings, including school buildings, headed by a Facilities Manager
- The department would have room for future expansion, in the case that the water and sewer districts are acquired by the Town, or should the Town be required to establish and fund stormwater utilities.

The Select Board then tasked the Town Administrator to create an override proposal that, in addition to the formation of the DPW, would provide personnel to maintain the Becker property, fund other campus operating expenses and create a maintenance fund for Town buildings and equipment. The financial parameters set by the Board regarding the override is that it be as low as possible, while accomplishing its goals, and that it be to a maximum of 2 million dollars.

The recommended override proposal is listed below:

Override Amount Description	Salary	Benefits	Contract Services	Total
<b>A. Core Personnel Costs</b>				
DPW Director	120,000	21,000		141,000
Building Supervisor	90,000	21,000		111,000
4 Grounds positions - Based on \$52,500 wage	210,000	84,000		294,000
<b>Subtotal: Core Personnel Services</b>	<b>420,000</b>	<b>126,000</b>		<b>546,000</b>
<b>B. Recommended Personnel Costs</b>				
3 interior building positions based on \$52,200 wage	156,600	63,000		219,600
<b>Subtotal: Personnel</b>	<b>156,600</b>	<b>63,000</b>		<b>219,600</b>
<b>C. Core Utilities/Contract Services</b>				
Utilities			150,000	150,000
Custodial			366,700	366,700
Insurance			52,000	52,000
<b>Subtotal: Core Utilities/Contract Services</b>			<b>568,700</b>	<b>568,700</b>
<b>D. Maintenance Funding</b>				
Contract Services - Carpentry/Plumbing/Electrical			150,000	150,000
Building Maintenance Funds- All Town Buildings			480,700	480,700
<b>Subtotal: Maintenance Funding</b>			<b>630,700</b>	<b>630,700</b>
<b>Subtotal: All Costs</b>	<b>576,600</b>	<b>189,000</b>	<b>1,199,400</b>	<b>1,965,000</b>
Less: School Contribution	(65,000)		(200,000)	(265,000)
<b>Override Amount</b>	<b>511,600</b>	<b>189,000</b>	<b>999,400</b>	<b>1,700,000</b>

This recommendation is the product of four different scenarios that were developed to better analyze the options available to meet the Board's objectives. In all cases, some sections of the analysis, once established, were not changed, as they would exist under any scenario:

Section A – Core Personnel Costs: These costs are for the salary and benefits of the new director, and the funding of salary/benefits of four groundskeepers to take care of the Becker campus grounds.

Section C – Core Utilities/Contract services costs associated with campus expenses. Property insurance is \$52,000 per year. Utilities are estimated at \$150,000. Custodial services costs are based on cleaning 5 buildings that would be used by the School Department, before any alterations.

The scenarios that were reviewed were as follows:

- Scenario 1: Hiring licensed tradespersons as employees with one general building position
- Scenario 2: Hiring 3 general building employees, with an allowance of 150,000 annually for licensed contractors
- Scenario 3: Contracting building maintenance services to current custodial services provider
- Scenario 4: Similar to #2, hiring 3 general building employees, plus 1 a full-time plumber, with a reduction in the contract services amount

The scenarios came in at different costs, but the overall difference between the lowest and highest propels was \$62,265. What is presented is Scenario #2. It allows for \$630,700 in building and equipment maintenance funds each year. The total cost of the plan is \$1,965,000, but it is reduced by \$265,000 in salaries and expenses from the School budget, leaving the requested amount at \$1,700,000. The Town will be responsible for all buildings and grounds maintenance, while the School will continue to maintain the custodial services.

The cost of the override in the first year is \$1.51, and it slowly climbs each year, from .04 cents per thousand valuation in the early years to .08 per year in 2052. The override, in the first year, would cost \$392.00 to the average home, valued at \$259,606.

Year 2 would be the first full year of debt service and the override, with costs as follows:

- The debt service is \$1.12 per thousand dollars valuation
- The override is \$1.55 per thousand dollars valuation
- Overall cost would be \$2.67 per thousand, or \$693.13 to the average home.

We would likely place as much of the override funding as possible into an annual warrant article to ensure that the override funding is properly segregated each year going forward. I would expect that Sections C and D of the table would be in the article, while Sections A and B would be in the DPW and employee benefits budgets.

**It is most important to note that both the debt exclusion and the override in order for the Town to acquire the Becker property. If the exclusion passes and the override fails, the Town must pass on purchasing the property, as there will be no funds to maintain it.**

These funding requests will require action both at a special town meeting, and a special election, which will be scheduled for September. This topic will be discussed through the remainder of the summer. There will also be “Open Houses” scheduled over the next two months to allow residents to tour the campus. The acquisition offers a unique opportunity for the Town to maintain its history, while offering new possibilities for development moving forward.

The fact sheet attached to this memorandum will be the new main page on the Becker page of the Town website. This memorandum will be included as well.

Please contact me with any questions.

**Becker Acquisition** – The Town expects to be requesting a debt exclusion and an override in September to fund the acquisition of the Becker College Campus. Please see information below:

**PROPERTY ACQUISITION (To be funded via debt exclusion)** – The Town has an exclusive agreement with Becker to hold the property until the Select Board can request the residents to approve funding to purchase the property. Details below:

**Purchase Price (Negotiated with Becker):** \$17,830,000 for all real estate and equipment owned by Becker within the Town.

**Borrowing Amount:** \$19,900,000, to be used for acquisition, legal & other closing costs, architect fees, feasibility study costs, surveying and subdivision, repairs and improvements to be made upon the property, and any equipment or vehicles required to more effectively manage the property.

**Cost of debt exclusion to property owners:** Forecast at \$1.12 per \$1,000 valuation. Cost to the average home, (which is valued at \$259,606 for FY 2021 is as follows:  $\$259,606/\$1000 = \$259.606 * 1.12 = \$290.75$

**Reasons for acquiring the properties:**

- To control development of a campus located in the most historic part of the Town
- To immediately expand sports activities with a lighted turf field, detach gymnasium and an additional practice field
- To allow for the development of a campus style school project
- To work with Mass Development and other state agencies to develop portions of the properties that the Town will not utilize
- To take advantage of purchasing a unique property that offers many possibilities at a bargain rate

**OPERATING COSTS (To be funded via Override)** – The Town will also be asked to fund the operating costs for the new campus via an annual adjust of the tax levy, better known as an override. The amount to be requested is still be calculated, but the funding is sought to:

- Create a Department of Public Works, overseen by a director, which will manage all town properties, including the schools
- To fund the staffing necessary to properly managed all town properties
- To create a maintenance budget for the purchase of supplies, and to engage tradesmen where necessary to maintain Town buildings and equipment
- To fund additional insurance, custodial and utility costs for the Becker campus
- Funds will be requested from the school budget to offset a portion of these costs

**Cost of override to property owners:**

- The cost of the override in the first year is \$1.51, and it slowly climbs each year, from .04 cents per thousand valuation in the early years to .08 per year in 2052.
- The override, in the first year, would cost \$392.00 to the average home, valued at \$259,606.
- Looking at year 2, which would be the first full year of debt service and the override, the override cost would be \$1.55 per thousand, or \$402.38 to the average home.
- Adding in the cost of the exclusion for year 2, at \$1.12 per thousand valuation, the combined cost of the override and the debt exclusion is \$2.67 per thousand valuation, or \$693.61 to the average home

We encourage residents with questions regarding the acquisition to contact the Town Administrator's office at (508) 892-7077 or [genereuxd@leicesterma.org](mailto:genereuxd@leicesterma.org)