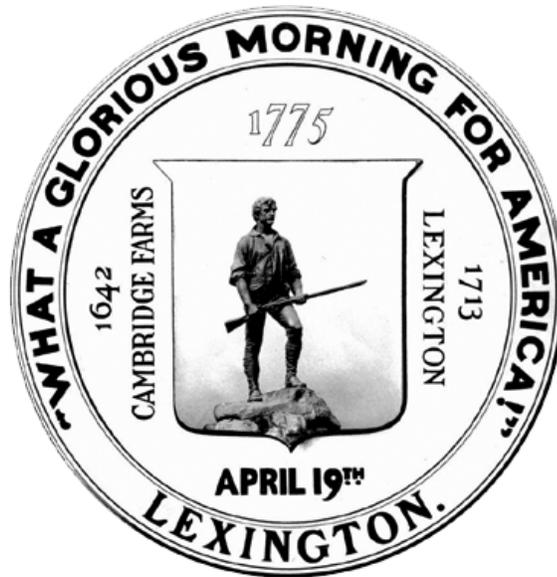


APPROPRIATION COMMITTEE TOWN OF LEXINGTON



REPORT TO THE MARCH 2014 SPECIAL TOWN MEETING

Released March 17, 2014

APPROPRIATION COMMITTEE MEMBERS

Glenn P. Parker, Chair • John Bartenstein, Vice Chair/Secretary
Robert N. Addelson (ex-officio; non-voting) • Robert Cohen • Mollie Garberg
Alan Levine • Susan McLeish • Eric Michelson • Richard Neumeier • Jonina Schonfeld

<h1>Contents</h1>

Contents.....i
Summary of Warrant Article Recommendations.....ii
Preface.....1
Warrant Article Analysis and Recommendations.....2
 Article 2: Cary Memorial Building Upgrades 2
 Article 3: Amend Article 5 of November 4, 2013 Special Town Meeting, Renovation to
 Community Center 3

Summary of Warrant Article Recommendations

Abbreviations: GF = General Fund; EF = Enterprise Fund; RF = Revolving Fund;
 CPA = Community Preservation Act Fund; BAN = Bond Anticipation Note;
 DSSF = Debt Service Stabilization Fund
An entry of IP for "Indefinitely Postpone" in the right-hand column merely signifies our expectation.

Ar- ticle	Title	Funds Requested	Funding Source	Committee Recommendation
2	Cary Memorial Building Upgrades	\$8,241,350 \$235,230 <u>\$200,820</u> \$8,677,400	CPA GF PEG Access	Approve (8-0)
3	Amend Article 5 of November 4, 2013 Special Town Meeting, Renovation to Community Center	\$5,817,184 <u>\$402,816</u> \$6,220,000	CPA GF	Approve (8-0)

Preface

This report for the March 2014 Special Town Meeting has been published in advance of the Committee's regular report to the Annual Town Meeting. This fulfills the Committee's goal of distributing our reports at least one week before the articles covered are to be taken up at Town Meeting.

This report is published and distributed to the members of Town Meeting as a printed document and as an electronic document via the Town website. During Town Meeting the Committee will also provide updated recommendations on appropriations, proposed amendments, and matters for which the Committee's formal position was not available at the time of publication.

The discussion for each article presents the prevailing view of the Committee, as well as any other considerations or cautions that we feel Town Meeting should be informed of. If one or more Committee members are strongly opposed to the majority position, we summarize the opposing perspective. Each Article discussion concludes with the most recent vote of the Committee prior to publication. The vote is summarized by the number of members in favor, followed by the number of members opposed, and lastly (when applicable) the number of members abstaining, e.g. "(6-2-1)" indicates six members in favor, two opposed, and one abstaining. It is not always possible to collect a complete vote for every article from nine voting members. In such instances, the total number of votes and abstentions published will be less than nine. For convenience, Committee votes are also summarized on the preceding pages.

Acknowledgements

The content of this report, except where otherwise noted, was researched, written and edited by members of the Committee with support from Town staff. Our Committee has the pleasure and the privilege of working with Town Manager, Carl Valente; Assistant Town Manager for Finance, Rob Addelson; our Budget Officer, Theo Kalivas; the Capital Expenditures Committee; the Community Preservation Committee; the School Committee; the Superintendent of Schools, Dr. Paul Ash; the Assistant Superintendent for Finance and Operations, Mary Ellen Dunn; and the Board of Selectmen. We thank the municipal and school staff, Town officials, boards and volunteers who have contributed time and expertise to help us prepare this report.

Warrant Article Analysis and Recommendations

Article 2: Cary Memorial Building Upgrades	Funds Requested	Funding Source	Committee Recommendation
	\$8,241,350	CPA	Approve (8-0)
	\$235,230	GF	
	\$200,820	PEG Access	
	\$8,677,400		

The Cary Memorial Building was dedicated in 1928 and it has served Lexington for 86 years.

In 2010 Town Meeting appropriated under Article 8(i) \$60,000 in Community Preservation funds to perform a comprehensive review of building systems, building and life safety codes, and theatrical and functional capabilities. The evaluation concluded that improvements were needed in several areas:

- accessibility
- support spaces
- structural
- electrical
- mechanical
- plumbing
- stage
- acoustical
- audio visual improvements

The Board of Selectmen formed the ad-hoc Cary Memorial Building Program Committee (AhCMBPC), which reviewed the recommended scope of work and reported to the Selectmen on January 13, 2013. At the 2013 Annual Town Meeting, \$550,000 from the Community Preservation Fund was appropriated under Article 8(c) to continue the design process and begin the development of construction documents.

In June 2013, the Selectmen appointed the ad-hoc Cary Memorial Building Renovation Design Committee (AhCMBRDC) to oversee the design and construction documents and to oversee the implementation of the recommended design. The AhCMBRDC met monthly and on December 16, 2013 the Board of Selectmen supported the committee's recommendation of bringing the project to the Community Preservation Committee at a revised cost of \$8,677,400.

The intent of taking this up at a Special Town Meeting is to get this project out to bid by the end of March, 2014 and to commence work as soon as possible.

Money from the Community Preservation Fund (CPF) would be appropriated annually to cover the cost of debt service for a ten year period. The PEG Access funds would be accounted for in the FY2015 budget and the General Fund component would be from sources currently available for appropriation, i.e., unreserved fund balance (free cash).

Because it is clear that the building is in need of the recommended upgrades, and because the building will be heavily used by the community and will continue to be needed to host future events, the Committee concurs with the recommendations to move forward with this project.

The Committee recommends approval of this request (8-0).

Article 3: Amend Article 5 of November 4, 2013 Special Town Meeting, Renovation to Community Center	Funds Requested	Funding Source	Committee Recommendation
	5,817,184	CPA	
	<u>\$402,816</u>	GF	
	\$6,220,000		Approve (8-0)

Original Request

At the November 2013 Special Town Meeting under Article 5 “Appropriate For Renovations to Buildings to be Acquired at 39 Marrett Road”, the Town appropriated \$3,169,000 to pay for design and construction costs to renovate the buildings at 39 Marrett Road for use as a community center. Funds from the Community Preservation Fund (CPF) provided \$2,846,184 of that appropriation, and the remaining \$322,816 came from the General Fund. This amount was based on a “10% design estimate” for a project that would upgrade the building to be code-compliant, and that would make minimal renovations necessary to enable a functioning community center.

Since then, members of the Ad hoc Community Center Advisory Committee (AhCCAC), committee liaisons, and Town staff have familiarized themselves with the building, surveyed potential users, and visited other community centers in the region. They have all worked closely with an architectural firm to refine and extend the scope of work needed to create a community center that best meets the needs of the Town, and to finalize the construction documents needed to put the project out to bid.

While considering a range of development options, including the construction of a new gymnasium and/or multi-function room, the AhCCAC first designated a subset of key features to be implemented in “Phase 1”. The goal of Phase 1 was to quickly create a functioning community center that would serve adequately for two or three years, while leaving some important issues to be addressed in future construction phases.

Presentation of Phase 1 to the Board of Selectmen

Following the November appropriation, the AhCCAC made a recommendation to the Board of Selectmen with a plan for Phase 1 that would require approximately \$4.9 million, an increase of \$1.7 million above the original appropriation.

The Board of Selectmen responded with two requests. First, the Board asked the AhCCAC to revisit the layout of the largest meeting area on the first floor to allow for a more practical room shape with a higher seating capacity. This change was anticipated to require significant new structural engineering work to support additional weight while also removing some load-bearing walls.

The Board of Selectmen also noted that, with many urgent capital needs facing the Town in the coming decade, the chances of town funding for significant construction at the community center after this initial phase seemed unlikely. Thus, they asked the AhCCAC to consider what additional scope should be incorporated assuming that the Town would fund no additional construction in the foreseeable future.

This triggered a significant change in the mindset of the AhCCAC. Their initial concept, which drove many initial architectural and programming decisions in the original November request, was a multi-phase plan with at least two significant construction phases, each funded by separate appropriations from the Town. The AhCCAC has now reconsidered its requirements in light of the need to complete all construction in a single phase, creating a community center that can serve the Town with limited disruptions for many years.

Changes for a Single Construction Phase

Based on advice from the architectural firm, the AhCCAC determined that upgrading the HVAC system was a critical need for the building. Doing so will bring the air circulation into compliance with recog-

nized national standards for public buildings, and will eliminate the reliance on open windows as the only source of fresh air. This will make the building more comfortable and more energy-efficient.

Two options for the HVAC upgrade were considered, (1) augmenting the existing system and (2) installing a completely new system. When all the life cycle costs of each option were taken into account, the payback period for a completely new system was still well over 20 years, so the choice was made to augment the existing system with the understanding that some older equipment would need to be replaced in a 6 to 10 year time frame.

The AhCCAC also explored two options for a permanent on-site electrical generator to be used in the event of power failures. Estimates from an engineering firm showed that the cost of a permanently installed generator would be prohibitive. A third option would prepare the wiring in the building for use with a portable generator (not included in the cost) that could provide emergency power when/if needed. The cost of this option is not yet known, but it is assumed to be much less than the first two options, and may be incorporated into the project if it is deemed practical by the AhCCAC.

The AhCCAC inquired about whether the quality of insulation in the building should be improved. The results of an analysis by their engineering firm indicated that the building already has satisfactory insulation and that there would be no practical benefit to improving it.

The architects and engineers working with the AhCCAC have since revised the design as requested and delivered a new estimate for the construction that includes the structural changes to the large meeting room, and upgrades to the HVAC system.

There were a few other updates to the proposed budget:

- The cost of relocating Town offices into the building was not included in the original request. The updated request now includes \$50,000 for this purpose.
- The allocation for Furniture, Fixtures and Equipment (FF&E) was increased from \$75,000 to \$125,000 after determining that furniture left by the previous owners was not suitable for use in the Community Center.
- The addition of new HVAC equipment increased the cost of commissioning the building from \$15,000 to \$50,000.
- Repairs to the building envelope for damage that was found after the closing.
- \$100,000 for the construction of a new sidewalk has been added. *Due to an issue with the scope of the STM warrant article, this component of the request will be voted under Article 8(a) of the 2014 Annual Town Meeting instead.*

Conclusion

The final design and construction cost for this proposal is \$6,320,000, the sum of \$6,220,000 requested under this Article and \$100,000 requested under Article 8(a) of the Annual Town Meeting. The total amount is approximately \$3.2 million more than the \$3.1 million appropriation approved at the November 2013 Special Town Meeting. Most of the additional request is eligible for CPA funding, except for office relocation costs and the additional FF&E. The Appropriation Committee considers this to be a good plan for a completed community center with no additional construction phases in the foreseeable future. The study used to evaluate the financial feasibility of the community center construction allowed for a total cost of \$9.5 million, and the Committee is satisfied that this project is well within the capacity of the Community Preservation Fund.

The Committee would like to acknowledge the extraordinary commitment shown by the members of the AhCCAC, committee liaisons, and the many members of Town staff who have worked together over the last few months to arrive at this goal.

The Committee recommends approval of this request (8-0).