

Finance Committee Meeting
January 11, 2016
Thayer Memorial Library – Dexter Room
6:00 pm

Present: Jay Riley (JR), Susan Thompson (ST), Michelle Vasquez (MV), David DiTullio (DD), Cheryl Gariepy (CG) Town Finance Director

1. JR Made a Motion to Call the Meeting to Order at 6:03 pm, DD 2nd, Vote 4 Yes, 0 No
2. JR Made a Motion for Approval of the Minutes from 12/14/15, DD 2nd, Vote 4 Yes, 0 No
3. Town Administrator, Ryan McNutt
 - a. Facilities – Would like to setup a separate budget for Capital Repairs. \$50k was previously allocated at Town Meeting. In addition \$30k was received from insurance proceeds. Current amount spent on Capital Repairs this fiscal year is \$64,700.
 - i. Roof Repair on Thayer Memorial Library – A design flaw was identified upon recent inspection which will require \$30k in repairs.
 - ii. Boiler System for Thayer Memorial Library – Existing system is old/obsolete. The cost to replace the system is estimated at \$29,700.
 - iii. Police Station – Freezing pipes, heating system not functioning properly, pipe burst. Will investigate issues (repairs, mold remediation) and will go to bid.
 - b. Facilities Issues for FY18/19
 - i. Lancaster South Fire Station – Heating system needs to be upgraded. Gas line is available for tie in.
 - ii. Lancaster Community Center – Additional repairs to the electrical and heating systems.
 - iii. Town Hall – Heating system is old and failing and will need to be addressed. Replacement costs are estimated between \$25k-\$40k.
 - c. Prescott Building Project
 - i. Project was originally appropriated \$3.2m at Town Meeting
 - ii. Current cost estimate is \$3.9m which includes additional “soft costs” and “asbestos abatements”. The remaining deficit is currently projected to be \$1.143m. The current cost estimate includes complete building renovation, 100% new systems, moving all Town Offices to Prescott and a 3rd floor museum. An “Option C” which includes a first floor fit out for Town Offices, basement mechanical and elevator space only final fit out. No build outs on other floors. This cost is projected at \$3.11m leaving a deficit of \$349k.
 - iii. Increase in costs are due to a number of factors:
 1. Relocating Town Offices. However borrowing costs were lower due to having municipal offices moved into Prescott versus outside sources having offices in Prescott.
 2. Changes in Building Code
 3. Delay in construction so increase in costs/inflation
 4. 10% Owner Contingency to cover cost overruns, changes that were not included in original cost (change orders) and escalating costs for when a project does not start on time.
 5. An additional bond will need to be voted and approved at Town Meeting to cover additional costs
4. New Minuteman Regional Agreement
 - a. Capital assessments to the Towns who are members of Minuteman Regional High School District will be calculated as follows under the new agreement:
 - i. 50% based on Student Population, 1% Flat Fee and 49% based on the “Town’s Ability to Pay”. Under this new agreement the Town of Lancaster could see savings of \$80k.

- ii. The State will cover 40-44% of the capital assessment
- b. The new agreement would allow a Town to withdraw with a 2/3 majority vote.
- c. The Lancaster Town representative to Minuteman Regional, Jennifer Leone, stated that this new agreement should be approved by the Town at Special Town Meeting on 2/8/16
- 5. Next Meetings
 - a. 1/25/16 6:00 pm Joint Meeting with Board of Selectmen
 - b. 2/9/16 6:15 pm with Special Town Meeting at 7pm
- 6. Other Business
 - a. Cathy Their of School Committee sent rough #'s to JR but stated she expects them to go down
- 7. JR Made a Motion to Adjourn 7:41 pm– 2nd by MV, Vote 4 Yes, 0 No