

# CAPITAL EXPENDITURES COMMITTEE

## TOWN OF LEXINGTON



### UPDATES TO & ERRATA IN THE REPORT TO THE 2018 ANNUAL TOWN MEETING (ATM)

(Released March 26, 2018)

**Released April 20, 2018**

**Submitted by:**

Charles Lamb, Chair

David G. Kanter, Vice-Chair & Clerk

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**This document provides updates to, and corrects two errors in, the Committee’s Report. The updates primarily reflect changes based on the Board of Selectmen positions and Committee deliberations, and votes by both of them, regarding Article 11 (Westview Cemetery Building Construction) and Article 22 (Visitors Center, Appropriate for Visitors Center—Construction/Bid Documents & Construction), that occurred after the publishing of that Report.**

Page 3:

a. Article 22:

- (1) **General Fund (Debt):** Change “\$4,500,000” to “\$4,375,000”.
- (2) **Total:** Change “\$4,700,000” to “\$4,575,000”.
- (3) **CEC Differences:** Change “\$200,000 (placekeeper)<sup>6</sup>” to “No position (3–3)<sup>6</sup>”.

**b. Public Facilities Department Sub-Totals:**

- (1) **General Fund (Debt):** Change “\$37,725,664” to “\$37,600,664”.
- (2) **Requests Total:** Change “\$39,656,602” to “\$39,531,602”.

Page 4:

a. Article 11: Replace in its entirety with:

11	Westview Cemetery Building Construction <sup>8</sup>							IP	
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**b. Public Works Department Sub-Totals:**

- (1) **General Fund (Debt):** Change “\$7,379,500” to “\$4,339,500”.
- (2) **Total:** Change “\$14,544,500” to “\$11,504,500”.

c Add missing Article 32 entry between Articles 31 & 35:

32	Amend General Bylaw Regarding Financial Committees (Citizens Article)							N/A	
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d Article 35: **CEC Differences:** Delete in its entirety.

**e Totals:**

- (1) **General Fund (Debt):** Change “\$47,331,464” to “\$44,166,464”.
- (2) **Totals:** Change “\$64,031,128” to “\$60,866,128”.

f. Footnotes:

- (1) 6: Delete the first sentence in its entirety.
- (2) 8: Change “will” to “would”.

Page 12:

a. Visitors Center:

- (1) Title: Append a footnote number “<sup>17</sup>”.
- (1) **FY2019 Recommended:** Change “\$4,700,000” to “\$4,575,000”.
- (2) **Non-TBD Totals:** Change “\$4,700,000” to “\$4,575,000”.

b. *Subtotal—Public Facilities:*

- (1) **FY2019 Recommended:** Change “\$39,656,602” to “\$39,531,602”.

(2) **Non-TBD Totals:** Change “\$79,839,764” to “\$79,714,764”.

Page 13: **Grand Total:**

- a. Change to “**Grand Totals**”.
- b. **FY2019 Recommended:** Change “\$61,006,402” to “\$60,881,402”.
- c. **Non-TBD Totals:** Change “\$177,036,887” to “\$176,911,887”.

Page 14: Footnotes

- a. 11: Change “a Design Development” to “completed Design Develop and its”.
- b. Add as a new, last, footnote: “<sup>17</sup>This Committee is evenly split (3–3) on whether to support any construction funding at this Annual Town Meeting (i.e., the \$4,375,000 included in the \$4,575,000), but has not yet taken a position on that same construction amount if it were to be presented at a fall 2017 Special Town Meeting; therefore, the total amount is shown as the FY2019 Recommended.”.

Page 43: Article 11:

- a. **Funds Requested:** Change “\$3,040,000” to “N/A”.
- b. **Funding Source:** In its entirety, change to “N/A”.
- c. **Committee Recommends:** Change “Disapproval (6–0)” to “Indefinite Postponement (6–0)”.

Page 58: Article 22:

- a. **Amount Requested:** Change “\$4,700,000” to “\$4,575,000”.
- b. **Funding Source:** Change “\$4,500,000” to “\$4,375,000”.
- c. **Committee Recommends:** Change “Approval (4–2)” to “No Position (3–3)”.

d. Committee Comments (beginning “Since the Brown Book...”): Replace in its entirety with:

Since the Brown Book was published, the Board of Selectmen (BoS) voted to include, in addition to the earlier planned request for \$200,000 for the construction/bid documents, an additional \$4,300,000 in construction funds—for a total of \$4,500,000. The staff then had a proposal to increase the construction funds to include an additional \$200,000 associated with the temporary facilities (yet to be determined) that would provide the Center’s services during the demolition of the current building and the construction of the new building—raising the total to \$4,700,000—the amount this Committee had supported (4–2) with the extra \$200,000 as a placekeeper to ensure there would be sufficient funds to achieve all the proposed objectives.

The staff subsequently provided to the BoS at its March 26, 2018, meeting a draft Motion with a revised proposal that reduces the additional funding related to the temporary facilities to \$75,000—revising the total to \$4,575,000. The BoS did not take a vote of its position on that Motion, but the majority would support the \$4,575,000 over the \$4,500,000. At this Committee’s meeting later that evening, after further deliberations, this Committee re-voted its position on including the construction funding (without regard to which final amount the BoS would support) and the result was 3–3; therefore, no position. At the BoS meeting on April 2, 2018, it voted to support this Article at \$4,575,000.

*Note: The following is based on the spoken report made by this Committee during the Town Meeting deliberation, April 2, 2018, on this Article.*

*This Committee unanimously supports an updated and expanded Visitors Center to provide enhanced services to Lexington’s growing visitor population. Further, we recognize the long planning and funding period that this project has endured. We accept that the program developed*

*by the Board of Selectmen and stakeholders is valid; however, those elements were not properly challenged during any value engineering that has occurred on this project. Such value engineering is essential to a final-cost evaluation. Further, no decision has been made on any of the five items totaling approximately \$200,000 that have been identified as savings before, or add alternates in, the bid—which would reduce the appropriation.*

*Previous funding brought the project to Design Development. The original intent of the Article 22 was to appropriate \$200,000 to carry through Bid Documents—which this Committee unanimously supports. The current Article 22 has expanded to include construction funding; hence the \$4,575,000 amount.*

*This proposed appropriation would be the fourth for this project—the most-significant factor for those members in favor of approval. However, we also note that the project size and scope has increased from an initial \$1,700,000 estimate for a renovation and expansion to that current request to finish funding a new—building project. While the multi-year timeline has contributed to that growth, a large share is due to a major growth in program requirements. Having a precise construction-cost estimate at construction/bid documents is a prudent choice—a significant factor for those members opposed to approval.*

*Waiting until the Fall to appropriate construction funds will not cost anything extra because the bidding, in either case, would not be until next spring and reduced contractor costs offset expected inflation. Proponents provided several non-financial reasons for funding construction now, but they were not convincing to our Committee.*

*The Town's Historic District Commission (HDC) has seen some of the current design and is aware of the future building's massing. It also knows that demolition of the current building—which is formally listed on the Historic Register—is implied by the new building design. However, those members against approval are concerned that the HDC has not formally, or informally, voted to approve the proposed new building or to demolish the current Visitors Center. The HDC, which has the final authority, has never been asked to take a formal stance on any of the elements of the project within its purview. The Battle Green area is especially sensitive, so it is troubling to approve construction funding before that Commission has voted its acceptance. Several years ago, the HDC said that the Hosmer House could not be torn down or even moved. Members opposed to this Article do not think that any construction appropriation—much less one of this magnitude—should be made without that Commission, if applicable, having granted approval.*

*Another factor for the members opposed is that debt-service modeling is now a de facto standard for large capital projects in the budget process. However, this project is being advanced without any such modeling in place, especially in light of the other capital projects that are on the five-year plan.*

*In the end, this Committee is evenly split on approval of construction funding under this Article.*

Page 60: Article 25:

a. Amount for Rescission: Change “\$552,798.50” to “\$425,482”.

b. Replace the text “At the time...borrowing authority:” and then just the table that follows (but not the text after the table) in their entirety with:

The following rescissions are being requested because those projects are completed without needing the remaining borrowing authority:

Unused Borrowing Authorizations to be Rescinded				
Purpose	Original Appropriation	Total Appropriation	Rescind	
			Amount	Percentage
DPW Equipment	2015 ATM, Article 11(b)	\$1,270,000	\$47,355	3.73%
Additional (Schools)Time Clock System Funds	2015 ATM, Article 16(c)	\$208,000	\$208,000	100.00%
High School Modular Classrooms	2015 STM 2, Article 6	\$350,000	\$22,000	6.29%
Munroe School Roof	2016 ATM, Article 15(h)	\$298,000	\$140,450	47.13%
Lexington High School Nurse Office	2017 ATM, Article 16(i)	\$320,100	\$7,677	2.40%
<b>Total</b>		\$2,446,100	\$425,482	

As it is unusual for a complete authority to be rescinded, the explanation for that happening with the “Additional (Schools) Time Clock System Funds” is those additional supplemental funds had been requested to ensure an award could be made based on earlier bids. However, these funds were not needed as upon rebidding the project an award could be, and was, made under the original appropriation as previously supplemented.

Page 63: Article 31:

a. Committee Recommends: Change “N/A” to “**Indefinite Postponement (6-0)**”.

b. Text following the quote: Change “At this time, there” to “There”.

Appendix B-1: Article 11:

a. **Town Request**: Change “\$3,040,000” to “IP”.

b. **Funding Source**: Delete in its entirety.

c. **CEC Difference**: Delete in its entirety.

Appendix B-2:

a. Article 22:

(1) **Town Request**: Change “\$4,700,000” with “\$4,575,000”.

(2) **Funding Source**: Change “\$4,500,000” with “\$4,375,000”.

(3) **CEC Difference**: Change “\$200,000 (placekeeper)<sup>†</sup>” to “**No Position (3-3)<sup>†</sup>**”.

b. Article 35; **CEC Difference**: Delete in its entirety.

c. **Total (does not include TBD)**: Correct “\$57,780,984” to “\$63,857,500” (which includes the update).

d. Footnote: Delete the first sentence in its entirety.