



Finance Committee

March 16, 2021 2:00 p.m.

Virtual Meeting

Minutes

Pursuant to Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §18, this meeting of the Finance Committee is being conducted via remote participation.

Members participating remotely: De Angelis, Griesemer, Pam, Schoen, Steinberg Non-voting members: Hegner, Kubiak, Sheffler

Members absent: None

Others participating remotely: Town Municipal Advisor David Eisenthal, Colliers Project Manager George Barnes, Finance Director Sean Mangano, Comptroller Sonia Aldrich, Clerk of the Council Athena O'Keefe, Jones Library Trustees Alex Lefebvre and Robert Pam, Finegold Architects Jim Alexander, Ken Guyette, Doug Kelleher, Kent Faerber co-chair of the Friends of the Jones Library Committee, Aelan Tierney

1. Call to Order

Steinberg declared the presence of a quorum, called the meeting to order at 2:02 PM, and confirmed all members can hear and be heard

2. Jones Library, to review the financial elements of each option and provide that review to the Town Council for consideration at its meeting on Monday, April 5, 2021

Finance Director Sean Mangano and David Eisenthal spoke about the following:

- Debt schedules
- Expansion & renovation options factor CPA and historic tax credits
- CPA & tax credits not included in repair
- Projected debt service with two projected issuance dates

Schoen asked about repair phases done together - in one year, and assumptions about the financing rate for renovation/expansion option being aligned with the Jones expansion rate.

Eisenthal responded that there will not be a big difference in the borrowing amounts, financing would be similar. He said in general, timing and repayment structure would be a similar amount of borrowing and economic cost.

Hegner asked about the total debt service shown in option 2B, stating that it looks doubled. assumed 20 year borrowing period, He also asked if there are other options besides the 20-year borrowing period such as 25 or 30 years. Mangano responded that the 20-year option was more favorable and would look better in terms of debt obligation.

Griesemer asked if refinancing could be done at any time. Eisenthal responded that typically it is after the seventh anniversary in municipal bond market.

Schoen spoke about a third repair option to lower total cost of repaying debt. Members discussed completing all repairs at once rather than in two phases. Mangano agreed to include this.

Schoen asked about what contingency is built into the plans. Guyette said there is typically contingency that is carried in with the estimate which is included in the construction numbers at the top of the document. Guyette spoke about escalation, soft costs, and how the Town and MBLC considers those costs.

Members discussed LEED certification cost.

Guyette spoke about the final budget and grant award costs.

Schoen spoke about unexpected costs. She asked when the bid is higher than contingency allows, how can they be confident that something is not cut out that would give the expected 50-year lifespan. Schoen also asked about what can be given up without hurting the integrity of the building. Guyette replied and spoke about value-engineering projects and project estimates.

Steinberg opened the meeting to public comment.

Public Comments

Hilda Greenbaum asked if the total financing is \$19.5M. Eisenthal said that is correct.

Toni Cunningham asked if it is possible to apply the same premium assumption to repair as was applied to expansion to reduce the amount to be repaid? Eisenthal said it would not have a material effect on the fiscal impact and the result would not be very different.

Rudy Perkins asked if there were other things that needed to be added to get to the 34.4 EUI such as the VRF heating system. He asked what the cost of all the add-ons is and if it is included in the budget. Alexander said they were not in the 2016 budget but they were added to the revised budget in May 2020. Alexander said they did not specifically list out the cost of each addition because they were all included in the overall re-estimate.

Toni Cunningham asked about contingencies and soft cost, specifically if 6% is enough to cover overruns and unforeseen changes. Guyette said the 6% will be sufficient.

Hilda Greenbaum asked if they are committed to taking the lowest bid or can builders be vetted. Guyette said this project will go through a pre-qualification process for the contractors and subcontractors so they can disqualify a contractor if there is reason to do so. He said they will be on-site as much as possible and make sure they are keeping accurate tabs on the project.

3. Revised FY22 revenue and expense projections

Sean Mangano spoke about updated revenue and expense projections for FY22. He said they were able to get the operating budget increases up to 2.1% and some of the major components that shifted in a positive direction included new growth, the annual large motor vehicle excise tax, and cannabis revenue tax.

Schoen asked if the new information Mangano has on revenue make FY23 look better as well. Mangano said it does help FY23 because it raises the baseline.

4. Public Comment (In Agenda Item 2): None

5. Future meetings and FY22 budget calendar: No Action.

6. Topics not anticipated by the Chair 48 hours before the meeting: None

7. Adjourn

Steinberg declared the meeting adjourned at 4:14 PM

*To join the Council meeting via Zoom teleconferencing: Go to <https://amherstma.zoom.us/j/92128430882> To indicate you wish to make a comment click “raise hand”. To join the meeting via telephone: Call (312) 626-6799 or (646) 876-9923; Enter webinar ID when prompted: 921 2843 0882. When prompted to enter your participant number press #; To indicate you wish to make a comment, press *9 on your telephone.*

During the public comment period, the Chair will recognize members of the public. When called on, please identify yourself by stating your full name and address.

Record of Agenda Packet Materials and Documents Presented:

Finance Committee Agenda 03.16.2021
Financial Information Regarding the Proposed Library Expansion Project 2-22-21
Library Questions FC dates Consultants etc _as of 3-14-2021
QA For FinCom Draft 3-14-21