

Revised
Minutes: Joint Meeting of Advisory Committee, Library Trustees and
Library Building Committee
November 14, 2018

Present: LBC: Mark Brown, Roger Demler, Chris Kenney, Richard Littlefield, Alexis Madison, Adam Page, Heather Willis, Libby Yon
LT: Mary Moore, Brian Connolly, Bruce Eckman, Chris Kenney, Jim Murphy, Hank Rauch, Kristiina Alma, Lisa Schwartz
Advisory: Steve Leahy, Susan Aharonian, Peter Gallitano, Dhruv Kaushal, Jane Materazzo, Jeff Waldron

1. The Advisory Committee, the Library Trustees, and the Library Building Committee were called to order at 7:05 pm.

Steve Leahy (chair, Advisory) welcomed everyone to the Advisory Committee meeting and stated that the meeting was a public meeting, not a Public Hearing; as such the Advisory Committee would listen to reports on the Library building project and ask questions, but would not make any decisions or take any votes.

2. Report on the Library Building Project

Mary Moore (chair, Library Trustees) introduced the members of the Trustees and the Library Building Committee and gave a comprehensive update on the Library Building Project. Mary focused on the lack of progress, the cost over-runs, and the most recent steps taken to address these issues. The building is not yet weather-tight and completion is now expected in April 2019, 15 months behind schedule; the estimated cost increase is 25%, \$2.2m. In September the Library Trustees, the Library Building Committee, the Select Board, and Town Counsel met with the general contractor (Five Star Building Corporation), the architect (Beacon Architectural Associates), and the owner's project manager (Design Technique Inc); although assurances of improved progress were given there was no significant improvement in the progress of construction.

In October the Library Trustees and the Library Building Committee notified the contractor's surety company (Travelers) of the lack of progress. The surety company met with representatives from the contractor, the Town, the LBC and Town Counsel. Based on discussions at the meeting, the surety company has given the contractor additional time to show progress before intervening in the management of the project.

Mary distributed the latest draft of FAQs (reviewed by Town Counsel) to the Advisory Committee and asked for their feedback, prior to the December 11 public information forum on the Library building project.

Chris Kenney (LT and LBC) reviewed the projected cost increases. Owner requested changes include improved site access, tree removal, additional parking, and an emergency generator to be shared by Town Hall and the Library. Errors and omissions by the design team (architects and engineers) account for about 60% of the change orders. The costs associate with designer errors and omissions are well above the industry "standard of care" of 3.5-5% of construction budget.

The contingency budget has been spent, although as the project is only 55% complete. Professional fees for construction management and administration, storage fees, and rent are ongoing costs directly related to the extended schedule. Legal fees will be needed at the end of the project to recover costs and pursue liquidated damages. Chris outlined the design and submission errors that resulted in the Department of Environmental Protection issuing a “cease and desist” order in August 2017, prohibiting construction in the 100 foot area around the municipal well. The cease and desist order was lifted in August 2018, after extensive design changes were made to the site plan and the required submissions were made.

3. Advisory Committee Questions

Advisory Committee members asked a wide range of questions:

additional project contingency - \$200,000 on \$2.2m (not yet added to the project budget)

project construction schedule - based on the \$3m that remains a mid- spring completion is expected

problem with the skylights – frames do not align visually, no installer available

approval of change orders by the LBC and the LT, beyond the approved budget – positive legal opinion received

path forward and timeline of surety company – the surety company holds a \$6.5m construction bond and after touring the building with their risk assessor, Town Counsel, and chair of LBC will decide whether to change contractor; because changing contractor adds considerable delay, motivating contractor to complete the project is more likely

qualifications of Town Counsel – law firm of Koppelman and Paige, specialist in real estate and construction, reports to the Select Board

Five Star Building Corporation – selected as the lowest responsible bidder and satisfactory DCAM ratings (MA public construction requirements); ongoing organizational and staffing problems (turnover in management, supervisors, subcontractors); similar problems on other projects (Uxbridge, Mass Port)

interior work – mechanical infrastructure is nearing completion but until building envelope (roof, walls, windows) is complete, moisture and low temperature preclude completing interior work

best case/worst case scenario – occupancy in May versus additional delay, up to a year, and additional costs, if contractor is replaced

design issues – design is done and has been reviewed and approved by Building Inspector, outstanding significant design issues are resolved, design team has caught up with contractor requests for information and change orders; not advisable to change design team

potential cost savings – extensive “value engineering” occurred at beginning of project; savings from reduced operational costs at Community Center; most of project is “bought out” so that any credits given would be at a greatly reduced rate; additional fundraising planned post- completion

Town building committee – no town building committee exists, however participation of Sean Killeen (CM&D Director) and Chris Canney (Building Inspector) has been of great value to the Library building project

financing – Town Treasurer and Finance Director explained that 1) financing \$2.2m over 30 years will add \$152,000 to the town debt in the first year, and this amount will be reduced by \$5,000 every year; 2) every \$12,000 borrowed adds \$0.01 to the tax rate; 3) the \$2.2m increase will cost \$88 per household per year. The Library Trustees contribute \$42,000 per year from endowment funds to the operating budget of the Library and estimate that \$200,000 to \$300,000 from endowment funds could be used for capital improvements.

The Library's operating costs at the Community Center are lower, and unspent funds will be applied to other costs.

liquidated damages – contract provides \$1,000 per day for liquidated damages, however the DEP's cease and desist order complicates the determination of "delay"

purpose of 12/11 meeting – the Select Board, on the advice of Town Counsel and Bond Counsel, cancelled a Special Town Meeting to authorize additional funds (estimated \$2.2m) for the Library building project and proposed a public information forum. The Select Board, the Library Trustees, the Library Building Committee, and the Advisory Committee will report on the Library project, the delay and the increased costs, the plan to complete the renovation and expansion, the proposals for additional funding, the consequences of not appropriating additional funds, and will answer questions.

4. Public Comment

Zach Spillman asked several questions:

how much money has been spent to date – \$5.8m

what is the total spending anticipated – \$10.8m estimated (does not include recovery of costs at the end of the project)

how much money is the Town authorized to spend on the Library building project – Town Counsel's and Bond Counsel's opinions concurred that the vote at the 2015 ATM approved a borrowing of \$7.4m for the Library renovation and expansion, contingent upon receiving a \$3.6m MBLC construction grant, \$2.8m from private donations, and \$1m appropriation from the Town

without an explicit vote of Town Meeting, can the Town appropriate more than \$1m for the Library project – the 2015 ATM vote to borrow \$7.4m includes authorization to spend \$7.4m

5. The meeting was adjourned at 8:25 pm.

Respectfully submitted,

Libby Yon