

Executive Summary

Date: May 18, 2016
To: Sarah Seelye, RTM Moderator
From: Kate Clarke Buch, Town Administrator
RE: Special Appropriation – 35 Leroy/Mather Center Project

At the April 18, 2016 meeting of the RTM, I presented an overview of the 35 Leroy/Mather Center Project and the causes of the project overrun. I will briefly review that presentation in this executive summary, accompanying the request for a special appropriation to cover the overrun. The Dappleio default resulted in \$276,000 of additional spending on the 35 Leroy portion of the project. That portion of the project also had overruns for the architect, administrative costs and unanticipated expenses related to the elevator. During the Mather Center portion of the project, the unanticipated expenses included redesign of the HVAC system, hazardous material that was uncovered, unanticipated elevator repairs, replacement of an unstable wall and unanticipated fire alarm modifications. We were also required to keep outside professional staff on longer than anticipated to deal with these issues.

A portion of the overrun has been funded through a transfer from the General Fund Debt Service account. This account had a positive balance because the Town received a grant for the purchase of 35 Leroy, which was required to be used to pay the debt service. That transfer was approved by the Board of Finance on May 17, 2016 and is not required to come to the RTM. We are requesting that the balance of the overrun of \$749, 058.46 be funded through a combination of the grant that was received from the State for the renovations and from General Fund fund balance.

For Finance Dept Use Only

		Transfer #:	
Received:		Availability Verified:	
BOS Approval:		BOF Approval:	

SPECIAL APPROPRIATION

From: Kathleen Buch, Town Administrator

Date: April 1, 2016

Board of Education Central Office/Mather Community Center Building Project

The referenced project had an original appropriation of \$6,979,000. During the project a number of issues developed, causing a serious overrun. The first problem was the default of the general contractor and the bonding company. This resulted in additional costs as work was undone, sub-contractors refused to continue work unless they were paid for previously completed work. In addition to that, there were scope changes, understated budget amounts and additional fees to the architect and project manager. Further, there was unanticipated demolition and hazardous material abatement needed at the Mather Community Center site as well as a redesign of some electrical work. Again, some of the issues that needed to be addressed resulted in additional fees to the architect and project manager. We have also incurred, and continue to incur, fees to the architect and project manager to assist us in responding to lawsuits from the contractor on the Mather Center portion of the project and from the sub-contractors impacted by the default of the general contractor on the 35 Leroy portion of the project. Not included in this request is any funding for possible settlements related to the ongoing lawsuits.

RESOLVED:

That the following transfer of appropriations is approved for referral to the Board of Finance:

From: **To:**

Acct. Number	Account Name	Amount		Acct. Number	Account Name	Amount
31511993-43207	State Grant	181,363.46		31552013	Mather Center	749,058.46
10101011-49100	Fund Balance	567,695.00				
	TOTAL	749,058.46			TOTAL	749,058.46