

MEETING MINUTES
Finance Committee
Thursday, November 10, 2011

CALL TO ORDER

Time – 7:00 P.M.

Members in attendance: Chairman S. Jon Stumpf, Joanne Marden, Cindy Milne, Mark Merritt, Paul Fortier, Peggy Kruse, Greg Rigby and Dan Kowalski.

Also Present: Finance Director Donna Walsh, Andover Youth Foundation representative Diane Costagliola.

APPROVAL OF MINUTES

There was a discussion regarding adding changes to meeting minutes. It was agreed that any changes to minutes must first be circulated among Finance Committee members then brought to the Committee for approval. Joanne Marden moved and Greg Rigby seconded to approve the minutes of November 1, 2011 with amendments. The motion passed unanimously 8-0.

DEPARTMENT LIAISON UPDATES

Mr. Rigby reported that he thanked Memorial Hall Library Director Beth Mazin for sharing power with residents during the power outage over Halloween weekend. In addition, that the Library conversion was complete.

Mr. Rigby urged Committee members to view IT CIO Paul Puzzanghera's presentation stating that it was very informative with a focus on the Town's liability due to the outdated system currently in place.

Mr. Kowalski reported on School CIP issues. He noted that School Committee Chair Ann Gilbert had voiced concern about the fact that addressing building safety issues reduces funding for educational expenses.

At 7:50 P.M. power was lost in the conference room. The meeting was moved to the 3rd Floor Conference Room B.

DEBT SERVICE DISCUSSION

Mr. Stumpf distributed copies of a Health Insurance Metric chart. He noted that he created this metric as an aid for future years adding that Health Insurance costs are a \$20M budget item each year. Discussion followed regarding budget losses. It was noted that there was general consensus among the three boards that Health Insurance costs should be reviewed more frequently throughout the year. Ms. Marden suggested that the greatest cost to the Town is due to changes in membership. She added that Andover has seen very large supplemental appropriations. Ms. Walsh suggested following membership numbers of retirees as well as active employees for a more complete analysis.

There was a follow-up discussion regarding the Board of Selectmen's Annual Review Meeting held the previous evening. Committee members discussed a spreadsheet tool that was distributed which was created to aid taxpayers to better understand debt projections. Ms. Marden noted that this tool was not new and that the process was very technically complex. In addition, she stated that debt service had always been very carefully reviewed by the Town's professional management. Committee members agreed that it was the responsibility of the Boards to set policy and that the Finance Committee should review current policies on debt service levels.

Mr. Kowalski left the meeting prior to the Youth Foundation Youth Center discussion.

Ms. Costagliola informed Committee members that an agreement in principle had been given to the Board of Selectmen for their approval. The following concerns within the agreement were discussed:

- What happens if the Youth Center project goes over budget?
- Operating expenses
- Staffing levels
- Net affect on Town budget
- Future fundraising ability of the Youth Foundation

Mr. Rigby stated that he had suggested to Plant & Facilities Director Maria Maggio that maintenance costs be amortized for an actual operating budget number.

Ms. Costagliola reminded Committee members that the agreement protected the Town from spending more than the \$2M requested. Mr. Stumpf voiced concern that there would be no guarantee the Town would be required to provide just the \$2M citing the uniqueness of the project including both private and public funding. It was noted that the Town had funded similar projects in the past for approximately the same cost but that those projects did not include operating expenses. In response to an issue of concern raised by Ms. Kruse, Ms. Costagliola stated that it was never the intention of the Youth Foundation to fund the new Youth Center through debt exclusion.

Ms. Kruse and Ms. Milne both voiced concern over the proposed new Youth Center building not adequately serving as both Youth Center and Community Center to the residents of Andover. All were in agreement to hold on recommending a Finance Committee position on Article 3 until the agreement is finalized and reviewed by all Committee members.

NEXT MEETING

Wednesday, November 16, 2011
7:00 P.M.
2nd Floor Conference Room

ATTACHED DOCUMENTS

Health Insurance Metrics
Cormier Youth Center Construction Cost Estimate dated October 3, 2011

ADJOURNMENT – 10:10 P.M.

Respectfully Submitted,
Carolyn Lynch
Recording Secretary

Town of Andover
 Health Insurance metrics – **FIRST READING**
 FYE 6/30/2012

6/30/2011
 actual YTD Jul-11

Participants

of individual participants - Town
 # of family participants - Town
 # of individual participants - School
 # of family participants - School

Total

Participants - Age

44 years old or younger
 45-54 years old
 55-64 years old
 65+ years old

Total

Premium contribution

Town appropriation/payment \$ 13,362,241 \$ 1,000,000
 Employee contribution

Total \$ 13,362,241 \$ 1,000,000

Losses - # of episodes

Asthma
 Coronary artery disease
 Chronic kidney and end-stage renal disease
 Diabetes
 Heart failure
 Chronic obstructive pulmonary disease
 Diverticulitis
 Malignant Neoplasm of the breast
 Depression
 All other

Total

Losses - total dollars

Asthma
 Coronary artery disease
 Chronic kidney and end-stage renal disease
 Diabetes
 Heart failure
 Chronic obstructive pulmonary disease
 Diverticulitis
 Malignant Neoplasm of the breast
 Depression
 All other

Total

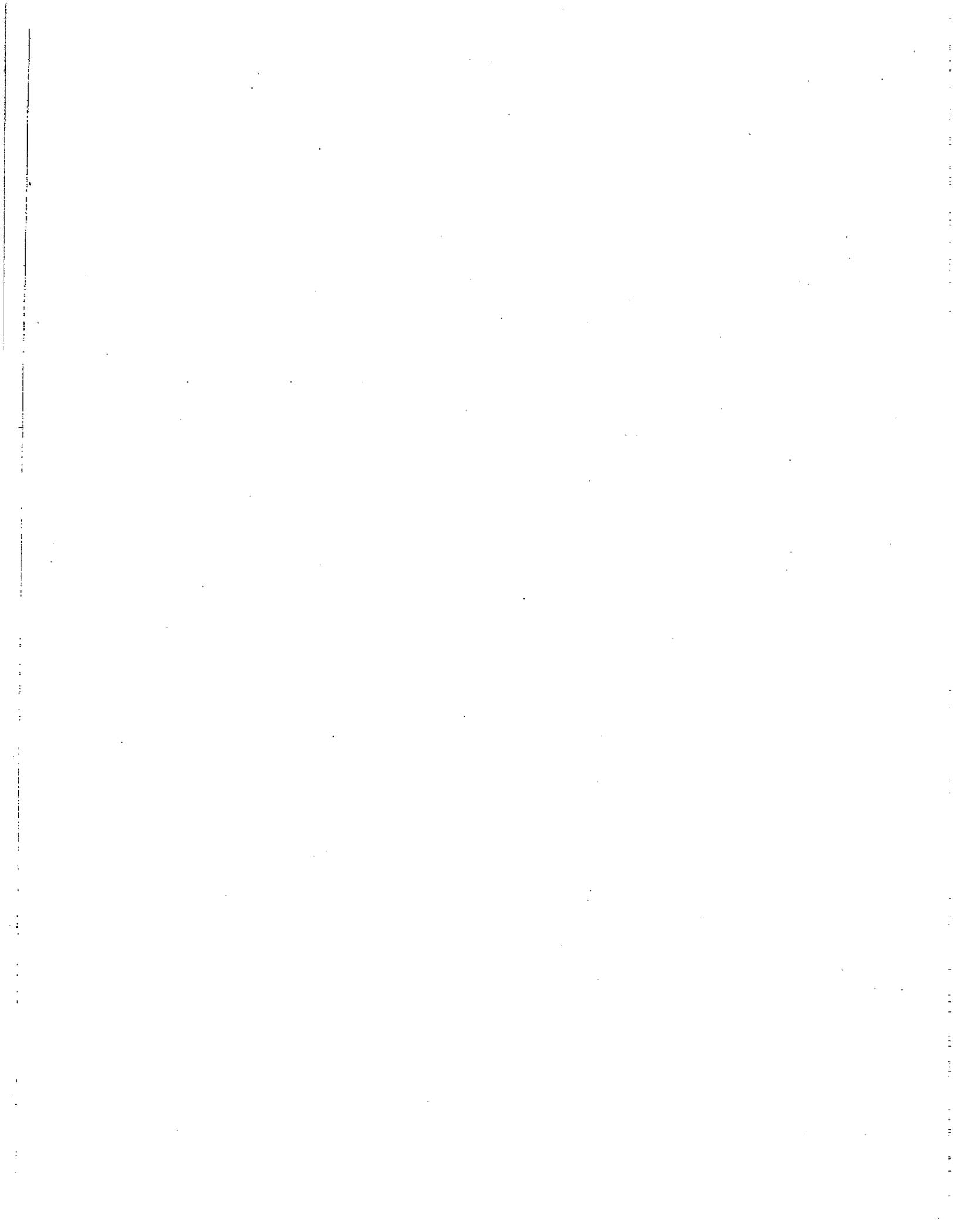
Losses - by dollar amount

Losses with amounts \$5,000 or less
 Losses with amounts \$5,001 and less than \$10,000
 Losses with amounts \$10,000 and less than \$20,000
 Losses with amounts \$20,000 and less than \$30,000
 Losses with amounts \$30,000 and less than \$40,000
 Losses with amounts \$40,000 and less than \$50,000
 Losses with amounts \$50,000 and less than \$75,000
 Losses with amounts \$75,000 and less than \$100,000
 Losses with amounts \$100,000 or more

Total

Monthly editorial

- 1) Is current year appropriation amt sufficient ?
- 2) High cost claims comments



**CORMIER YOUTH CENTER
CONSTRUCTION COST ESTIMATE
OCTOBER 3, 2011**

Division 2:	Site Work	\$356,000.00
Division 3:	Concrete	\$307,000.00
Division 5:	Steel & Metals	\$480,000.00
Division 6:	Carpentry & Walls	\$890,000.00
Division 7:	Roofing & Flashing	\$130,000.00
Division 8:	Doors, Windows, Glass	\$125,000.00
Division 9:	Finishes & Special Construction	\$194,000.00
Division 10, 11, 12:	Furnishings & Equipment	\$40,000.00
Division 13:	Elevator & Enclosures	\$30,000.00
Division 14a:	Plumbing	\$132,000.00
Division 14b:	Sprinkler	\$100,000.00
Division 15:	HVAC	\$242,000.00
Division 16:	Electric & Fire Alarm	\$330,000.00
General Conditions (8%):	.....	\$269,000.00
General Contractor Overhead & Profit (4%):	.....	\$142,500.00
PRELIMINARY TOTAL CONSTRUCTION ESTIMATE	.....	\$3,767,500.00
Proposed soft cost to add to project	.....	\$275,000.00
Architectural/Engineering	.....	\$56,000.00
Owners Representative	.....	\$4,092,500.00
Total Project Budget	.....	\$4,092,500.00

Contingency (10%):

10/3/11

DIVISION 2: SITE WORK

Excavation & Backfilling	Loam removal and demolition	\$18,000.00
	Fill & Gravel	\$20,000.00
	Machine & Labor	\$14,000.00
	Building excavation & backfill	\$5,000.00
	Finish grading	\$14,000.00
	Paving & Curbing	\$65,000.00
	Concrete Sidewalks	\$20,000.00
	Site Improvements	\$25,000.00
	Sewer, gas, water, & drainage	\$125,000.00
	Landscaping, loam, seed, etc.	\$40,000.00
	Miscellaneous	\$10,000.00

Total Site Work **\$356,000.00**
(8% Construction)

10/3/11

DIVISION 3: CONCRETE

Concrete

Foundation walls = 780 LF @ 8' high = 300 yd	
Interior walls = 200 LF @ 4' high = 50 yd	
Footings = 50 yd	
Total 400 yd in place =	\$40,000.00
Formwork & pouring concrete	\$12,000.00
Anchors & bolts in place	\$3,000.00
Reinforcing steel (24 tons @ \$1500/ton)	\$36,000.00
Additives, sealers, etc.	\$25,000.00
Foundation insulation (3000 SF)	\$10,000.00
Interior slabs 25,000 SF x 4	\$90,000.00
Lebor to finish	\$28,000.00
Slab reinforcing	\$15,000.00
Exterior stairs & rails	\$20,000.00
Misc. pumping of concrete	\$18,000.00
Contingency	\$10,000.00
Total Concrete	\$307,000.00
	(7% Construction)

10/3/11

DIVISION 5: STRUCTURAL STEEL & MISCELLANEOUS METAL

Structural Steel & Miscellaneous Metal

Beams & columns 125 tons @ \$2400/ton erected with equipment	\$300,000.00
Metal decking, welding	\$60,000.00
Misc. canopy in place	\$20,000.00
Ornamental iron, two stairways, rails, ladders, etc.	\$80,000.00
Misc., bracing, & contingency	\$480,000.00
Total Metals	\$480,000.00
	(11% Construction)

10/3/11

DIVISION 6: CARPENTRY

Carpentry

- Exterior walls @ \$38/SF x 18,300 SF\$695,000.00
- 8" metal stud @ 20 gauge @ \$10
- dense glass sheathing @ \$3
- 60% metal insulated panel
- 40% brick combined @ \$15
- 6" Fiberglass insulation @ \$3
- interior wall finish \$4
- miscellaneous & contingency @ \$3
- Interior walls @ \$38/SF x 18,300 SF\$1,05,000.00
- average room @ 14' high
- EVANASTUM walls @ 28' high
- performance wall @ 17' high
- Roughing (blocking & bracing)\$25,000.00
- Finish carpentry at first floor interior.....\$30,000.00
- reception, bathroom counters,
- food prep area, stage and dressing, etc.
- Exterior fascias, canopy, windows.....\$35,000.00

Total Carpentry.....\$990,000.00
(20% Construction)

10/3/11

DIVISION 7: WATERPROOFING, ROOFING, FLASHING

Waterproofing, roofing, flashing

- Roofing 22,000 SF flat @ \$5/SF\$110,000.00
- Vertical 2,000 SF @ \$5/SF\$10,000.00
- (includes sloped insulation)
- Damp proofing and sealants.....\$5,000.00
- Flashing, gutters, downspouts.....\$5,000.00

Total moisture protection.....\$130,000.00
(3% Construction)

10/3/11

DIVISION 8: DOORS, WINDOWS, AND GLASS

Doors, Windows, and glass
 Windows 50 units @ \$1750/unit\$88,000.00
 Doors/hardware 32 units @ \$1,000/unit\$32,000.00
 Interior glazing 20 units @ \$350/unit\$7,000.00
 Miscellaneous\$3,000.00
Total Doors, Windows, and Glass\$125,000.00
 (2.5% Construction)

10/2/11

DIVISION 9: FINISHES

Finishes
 Floors
 Gymnasium @ 9,000 SF x \$9/sf\$81,000.00
 General activity & common areas,
 administration @ 8,000 SF x \$4/sf\$32,000.00
 Bathroom/food prep @ 1000SF x \$6/sf\$6,000.00
 Ceilings
 Finished ceilings @ 10,000 SF @ \$4/sf\$40,000.00
 Gymnasium ceiling painted\$20,000.00
 Walls - see carpentry
 Painting - see carpentry
 Special construction
 Exterior metal, foyer, canopy
 & miscellaneous\$15,000.00
Total Finishes\$194,000.00
 (4% Construction)

10/2/11

DIVISION 10, 11, 12: FURNISHING

Furnishings
 Tables, chairs, desks, lockers, decorations
 such as wall murals not included
 Equipment for food prep appliances
 Gymnasium (i.e., athletic equipment) not included
 Performance area (stage) not included
 Specialties \$20,000.00
 Miscellaneous items such as: signage,
 bathroom accessories, window
 treatments \$20,000.00
 Furnishings \$40,000.00
 (3.5% Construction)

10/5/11

DIVISION 13: ELEVATOR AND ENCLOSURE

Elevator Enclosure
 Two stop 6' x 8' unit \$30,000.00
 Total Enclosure \$30,000.00
 (2.2% Construction)
 Elevator not included

10/5/11

DIVISION 14: PLUMBING (A) & SPRINKLER SYSTEM (B)

Plumbing (A)

Roughing 38 toilets & sinks.....\$38,000.00
 Finish 38 units.....\$38,000.00
 Hot water.....\$10,000.00
 Roof drains.....\$20,000.00
 Gas service & equipment.....\$18,000.00
 Food prep, misc, hook-up,
 exterior water, etc.....\$8,000.00

Total Plumbing & Gas.....\$132,000.00
 (3% Construction)

Sprinkler System (B)

25,000 SF @ \$4/SF.....\$100,000.00

Total Sprinkler System.....\$100,000.00
 (2.2% Construction)

10/3/11

11

DIVISION 15: HVAC/MECHANICAL

HVAC/Mechanical

Gymnasium 40 tons of
 AC for 9000 SF\$.....120,000.00
 Performance room 12 tons of
 AC @ 3000 SF.....\$36,000.00
 First floor general area 24 tons of
 AC @ 6000 SF.....\$72,000.00
 Miscellaneous @.....\$14,000.00

Total HVAC/Mechanical.....\$242,000.00
 (5.5% Construction)

10/3/11

12

DIVISION 16; ELECTRIC & FIRE ALARM

Electric and Fire Alarm
 Main service (1000 amp 3 Ø)\$60,000.00
 Power Rough & finish
 wiring 21,000 @ \$2/SF\$42,000.00
 finish 21,000 @ \$2/SF\$42,000.00
 equipment hook-up\$20,000.00
 Lighting Rough & Finish
 wiring 21,000 @ \$2/SF\$42,000.00
 fixtures 21,000 @ \$2/SF\$42,000.00
 Allowance- telephone/data
 P. A. System & misc.\$40,000.00
 Fire alarm, Emergency, Exit\$42,000.00
 Total Electric & Fire Alarm\$330,000.00
 (7.5% Construction)

TOTAL CONSTRUCTION\$3,767,500.00
 GENERAL CONDITIONS @ 8%\$269,000.00
 GENERAL CONTRACTOR
 OVERHEAD & PROFIT @ 4%\$142,500.00
 (1.6% of Construction)
 TOTAL CONSTRUCTION ESTIMATE\$4,092,500.00

10% CONTINGENCY\$335,500.00
 (10% Construction Cost)

10/3/11

10/3/11

ALTERNATIVES

1. The operation of the recreational center would use the existing administrative and recreational equipment owned by the Cornier Youth Center and the Town of Andover. New equipment including performance arts furnishing, gymnasium backdrops, activity equipment, administration furnishings, sports equipment, etc. could be budgeted if funds are available. An adequate budget purchase made for the first year could be \$140,000.00.
2. The occupancy of the second floor would require completion of all floor, wall, and ceiling finishes; mechanical, electrical, and plumbing rough and finish; elevator; and furnishings. An adequate budget for this second phase future expansion could be \$470,000.00 (\$70,000.00 elevator and \$400,000.00 interior development).