

Capital Planning and Investment Committee

***** MINUTES - FINAL *****

March 5, 2018

In attendance: John Seeley, Nathan Finch, Alice von Loesecke, SusanMary Redinger, Linda Dwight, David Nalchajian, Tim Bragan; Teresa Jardon (by phone).

Meeting called to order at 8:15am by Co-Chair SusanMary Redinger

Minutes from February 5th, 2018 meeting, approved as amended. (VOTE: 5/0)

Dr. Dwight updated the committee on the latest cost estimates for the HES building project. The cost estimate for the total project cost is at \$53.8M with the reimbursement to the town at \$17M-\$18M (MSBA has yet to rule on the final reimbursement percentage).

Alice von Loesecke presented a risk analysis process that the SBC went through. As of June the cost estimates showed that the total project cost for a renovation would likely be \$43.3M with a cost to the town of \$28M. The \$6M-\$7M difference between renovation and new was deemed worthwhile due to the risks associated with renovation, and the quality and longevity of the new building.

David Nalchajian presented the cost estimates of borrowing for the project which he obtained in consultation with the Bond Council. Interest rates are volatile, but he used 3.75% for the BANs and 5% for the bond. He advised that waiting longer to bond could result in an increase in interest rates.

Scenarios for differing BAN period and bond lengths were presented.

The committee discussed the use of CPIC funds as well as Devens Funds to minimize the debt increase level in the initial years while still ensuring other town projects could be done. Members agreed it would be good to mitigate the tax impact if possible. Could the town explore housing development or perhaps sell land to raise funds?

MOTION made by SusanMary Redinger that CPIC support the HES Building Project as presented by the School Building Committee. Approved: 4/1.

Citizen's Commentary: Paul Green – urged CPIC to join with the Finance Committee and present the status of the costs and borrowing options to the town and allow residents to ask questions. Suggested ideas for how to get the information out.

Dr. Dwight indicated that there are multiple events planned, including an April 5th public info session on the finances of the building project.

David Nalchajian agreed to finalize the reports and plans.

Final edits to the town report were reviewed. MOTION to approve the report as amended. Approved 4/0.

There will be a special/super town meeting in June regarding Devens.

Motion to adjourn by SusanMary and seconded by Nate at 10:12am.

Respectfully submitted,

SusanMary Redinger