

March 14, 2006

REPORT OF THE COMMITTEE ON FINANCE

The Committee on Finance convened on March 14, 2006, as a Committee of the Whole with Chairman William White presiding and Committee Members Aldermen Rebekah Gewirtz, Maryann Heuston, Walter Pero, Denise Provost, William Roche, Dennis Sullivan, Thomas Taylor and Robert Trane also present and voting. Also present were Mayor Joe Curtatone, Solicitor John Gannon, Director of Capital Projects Jerry Boyle, School Superintendent Tony Pierantozzi, members of the School Committee, Finance Director Ed Bean and interested members of the public.

The committee met to conduct a public hearing on the Mayor's request to amend the standing appropriation of \$23,400,000 for the construction of the Albert Argenziano School at Lincoln Park to a revised appropriation of \$35,728,596.

Mr. Bean explained that the funds are needed to cover additional costs associated with building the new school, primarily, the inflation of building materials. Mr. Bean further explained that in 2004, the state changed the way in which it reimbursed cities and towns for new school construction, requiring the municipality to have the full appropriation in place before the project could proceed. Because the original cost projections were done under the old state formula, the city is being forced to bear the burden of the additional cost.

Mayor Curtatone told the members that the project is sound and that it is imperative that it moves forward, noting that the cost of renovating the old Lincoln Park School would have been prohibitive, therefore, building the new school made more economic sense. The old school had numerous problems that would have had to be corrected, such as restricted emergency access, dead end corridors, the lack of natural light and ventilation, old wiring, an improper sprinkler system, single pane windows and mold problems. Architects Phil Poinelli and Alex Pitkin summarized the history and current plans of the project, noting that the city filed an application for state reimbursement in August of 2003, in order to secure a place on the state waiting list, ultimately giving the project "grand fathered" status. Mr. Boyle told the members that during the planning of the project, input was received from various city departments, the city's advisory board and from residents, through a series of community meetings. Superintendent Pierantozzi addressed the members saying that the new building would be much better educationally due to the measures taken to lessen the sound of passing trains behind the school. He also noted that the new facility is similar in educational design to the city's newer schools and that it is being built to accommodate 600 students, cutting some peripheral costs in the future.

Superintendent Pierantozzi, responding to questions from the members, said that if the additional funds were denied, the city would have to find space for and transport the 220 students who were displaced from the LPCS, resulting in a sizable expenditure for the city. He also stated that the former Powderhouse Community School wouldn't be appropriate to house those students as major renovations would be needed and because it is not under the jurisdiction of School Department, any longer. Superintendent Pierantozzi also informed the members that the School committee has had discussions regarding turning over other school buildings to the city, but that no action is being taken at this time as this matter is on the agenda for long range planning.

Alderman Pero requested that the Administration submit a report to the Board of Aldermen on the renovation and reuse of the PHCS.

School Committeewoman Theresa Cardoso addressed the members and said that all that remains of the old LPCS is empty space and dirt. She said that the students, parents and staff have accepted the inconvenience of being displaced because of the promise of being in a new school in the fall of 2007. Ms. Cardoso noted that the city has already spent \$5 million in demolition costs that cannot be reimbursed and she asked that the project not be delayed.

Alderman Heuston asked why the cooling of gym was not included in the original plan and was told by Mr. Poinelli that his firm was instructed not to include it at that time. Alderman Heuston requested that records be provided to the Board of Aldermen indicating who gave the order and when the decision was made. She also stated that there is much in the project that is questionable, citing one expenditure of over \$600,000 in salaries just to manage the project.

Alderman Roche noted many more issues that weren't included in original plan and asked for an explanation of why they were omitted. He expressed his disappointment with the lack of alternate plans in the event that the requested appropriation was denied and also noted that there was a pronounced lack of community presence at this public hearing, causing him to question if the residents even wanted this school built. Alderman Roche's motion **That the Superintendent of Schools provide to the Board of Aldermen, a cost analysis for a backup plan in the event that the \$10 million appropriation request is not approved and the resulting implications of same** was unanimously approved.

Mr. Boyle outlined the major steps that need to be taken in a project of this type, i.e., the schematic (conceptual) design, design (detailed) development, construction documentation and contract administration. Mr. Boyle told the members that the first 3 steps must be completed before an application can be filed with the state. When the BOA, the School Committee and the community opposed the first scheme C, the city switched to scheme D, giving the architects 2 months time to revise those steps and file an application. This project got caught in the transfer to the new reimbursement method. The old formula was based on the total final cost of project, whereas the new method doesn't do that, so from the schematic design to the long range planning of the project, the method changed. Normally, items that were missing from the original project would have been covered under old plan, so at the time, it wasn't critical to include them.

Mr. Poinelli said that he met with state officials last week and explained that the state had a third party review the project. The result was that the plan is neither lavish nor cheap and is consistent with school design. He said that possible savings could come from elimination of air conditioning in the gym,

changing the exterior finish of the building, changing the floor covering and by changing the walls to gypsum and noted that some of the cost saving measures would be inconsequential in terms of cost relative to the size of the project.

Alderman Roche questioned Mr. Bean about the possibility of layoffs as a result of approving this appropriation and Mr. Bean stated his belief that there would not be layoffs but he did indicate that the Capital Planning master plan might have to be revisited in light of the additional expenditure and added that the city's borrowing capacity would be affected by bonding this amount. Alderman White requested that Mr. Bean provide the following for information prior to the next committee meeting:

- a bonding chart showing the incremental costs,
- a chart of the total outstanding debt service over last 10 years
- the impact that this bond would have on the city's debt service and
- what the debt service would be as a percentage of the budget.

Alderman Trane asked the Administration to provide the yearly operational cost of keeping the Edgerly and Cummings Schools and as well as an estimate of the amount of revenue that would be realized if these buildings were sold.

The committee directed that all of the requested information be hand delivered and emailed to all members of the BOA prior to Tuesday's meeting, preferably by Friday, March 17th.

No papers were acted on.

Alderman William A. White, Jr., Chairman
Committee on Finance

COMMITTEE REPORT

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In Board of Aldermen

Clerk