

Community Preservation Committee Special Meeting
Minutes
October 25, 2017

Members Present: Catherine Schlichte, Co-Chair; Barbara Silberman, Co-Chair; John Feener, Ellen Preston and Heidi Wakeman

Absent: Hank McCarl, Holly Clay-Smith and Karen Carter

Staff: Deb Laurie, Senior Project Manager

Conference Call: Amanda Hurd and Jo-Ann Michalak, Sargent House Representatives

The meeting was called to order by Catherine S., Co-Chair at 5:48 pm.

Item #1 Sargent Murray Gilman Hough House Association, Failing roof Project

A conference call was placed to the members of the Sargent House; Amanda Hurd and Jo-Ann Michalak. Catherine S. welcomed Amanda H. and Jo-Ann M. and introduced the rest of the Committee members and staff who were present at the meeting. Catherine S. started the meeting by informing the applicants that they had originally recommended a grant amount of \$111,500 for this project. She then described how the committee arrived at this figure. She explains that the project costs at the high end was a total of \$181,500. Of the total project expenses, \$13,500 of administrative project expenses are ineligible for CPA funding. The roof bid, which was between \$146K and \$168K, and the architect expenses are eligible for funding. The Committee assumed that the high end estimate of the project, eligible for funding is \$168,000. Taking the \$168,000, and deducting the \$56,500 cash on hand, as stated in the application, the total award amount is \$111,500. Since the Committee's first deliberation, we understand that you received a grant from Massachusetts Historical Commission (MHC) in the amount of \$50K. So that raises the level of funding to \$106,500 on hand to fund the roof project. In light of this new information, we wanted to discuss the possibility of amending your award because you now have more funds for the project than you did when the Committee made its decision.

Catherine S. stated that the Committee could take the \$111,500 originally awarded and reduce the award by the \$50K and that would reduce the grant award to \$61,500. She informed the applicant that this is what the Committee is thinking and would like to know if the applicants have anything to add to this.

Amanda H. stated that they never expected the Committee to award the full amount, however, she stated that the Sargent House does need that full amount due to the fact that cash on hand is somewhat limited. She did not understand fully how the committee got the figure of \$56,500 on hand. Catherine S. explained that it is listed on the application; these are the figures that were submitted to Committee on the budget form. The Committee reviewed each line item regarding the cash on hand. Catherine S. further explained that according to the original project budget the original request was for \$125K from CPA. Again assuming that the high end project cost is \$181,500 and again deducting the \$56,500 cash on hand, was how the applicant arrived at the amount of \$125K needed and requested from CPA. Catherine S. had one question regarding the MHC award; do the funds have to be spent on the roof construction alone? Catherine S. stated that the MHC funds are not for, administrative costs and asked if this was correct. . Amanda H. stated that this is correct.

Barbara S. added that the decision was made based on the information provided in the application and that is how the Committee arrived at its award amount. After the Committee, voted, they received new

information regarding the award from MHC and are now revisiting its decision in light of this new information.

Amanda H. was still a little confused regarding the funding amounts and budget. She asked if Jo-Ann M. had anything to add. Jo-Ann M. stated that their main concern is that now they will have to raise money and they do not want to delay the project. They were very excited when they learned of the MHC grant and with the CPA funding, there would be no question they could complete the project. This is a large, expensive project to undertake and they are concerned that they would have to front all the funding. Catherine S. explained that this is one of the reasons that the Committee does not recommend full funding, because an applicant needs funds of its own to start the project. Then payments are submitted for reimbursement from CPA. Catherine S. suggests that a payment schedule will be worked out with the contractor that will work for both parties. Deb L. states that you can submit an invoice every other week if necessary.

Further discussion continued regarding the funds that the Sargent House has "on hand" and their concern of time to organize an appeal for more money. They reviewed the applicant's tax form information that was provided. Barbara S. stated that the investments are not restricted, so some of that money could be advanced to start the project. Since the project can't start right away (given the winter weather) there is time to get the funds needed. The Committee has to base their decision on what was provided on the application. Amanda H. understands that and the \$11,000 and \$36,000 stated on the application will need to come out of their investments. Amanda H. reiterates that they need to be very cautious when they dip into their investments, which they do about every five years or so. It may look like they have a lot of money, but they need to retain that to enable them to operate and earn interest on that investment. Barbara S. states that the Committee doesn't think it's a question of them being overloaded with cash, but the Committee is looking at the total cost of the project in relation to the grant monies awarded. Catherine S. reiterates that with the \$56,500 on hand and the MHC award of \$50,000, there are funds of \$106,500 towards the \$181,500. With the CPA award of \$61,500 you are 95% there. She also points out that this cost was based on the high end of the project of estimates ranging from \$144K to \$166. There is a \$22K spread in that estimate so if the projects come in at the lower end, the entire project will be pretty well funded.

Amanda H. hopes that this is the case, however, there are the unknowns of finding rot under the roof, or cornices. Barbara S. points out that there is the cushion of the \$22,000, which is a considerable amount to cover unexpected repairs. Jo-Anne M. points out that the Architectural fees are now \$15,000 instead of \$2,000 for oversight. MHC requires that level of oversight for the project. The Project Manager and the Architect are one in the same, so the actual budget for this cost is \$10,000. Oversight of the project was discussed further. The higher fee for architectural oversight can't be considered now; it would be unfair to the other applicants. Catherine S. thanked the applicants for taking the time to discuss this matter. The Committee will take all the information provided and make a decision. They will be voting on the matter tonight and you will be informed tomorrow of the decision of the Committee.

Discussion of the topic continued by the Committee and the following motion was made:

MOTION: John F. moved for the CPA Committee to adjust their previous recommendation of \$111,5000 be reduced to \$61,500 in light of the new information of the Sargent House receiving a grant from MHC of \$50,000. Seconded, Barbara S., all in favor, yes.

Discussion of the award to cover the cost of roof repairs and replacement and the architect fees should be reflected in the agreement. Deb L. will make sure that the agreement reflects this.

Next Meeting: November 21, 2017

MOTION to adjourn by Heidi Wakeman, seconded by Barbara S. APPROVED unanimously.

Meeting adjourned at 6:25 pm

Respectfully submitted,
Deborah Laurie