

Facilities Project Comments from Nathan Poore, Town Manager

February 11, 2011

Regarding the spreadsheet options, it is important to realize that the inputs on any of the options can be adjusted to some degree if the intent of the Council is to bring the project to a net zero capital investment. Each adjustment has implications which need to be understood.

For example, take Option 4, which is the least costly option. To get closer to net zero in that option, one could:

- consider the use of \$500,000 (or more) of Undesignated Fund Balance, and
- reduce Town Hall (current location) renovations by \$500,000.

This option has been shown as 'Net Zero' Option 5.

Implication: While a reduction in Town Hall renovations will help the Town get by in the immediate short run, the \$500,000 expense may be necessary in the next 10 years.

For other variables, one could also look at:

- additional cuts in project costs (final renovation designs can be tailored to available funding through establishing priorities and using bid alternates),
- an additional increase in revenue through Library fundraising or more optimism on the income of property sales.

Regarding the Plummer building, the Council has more to think about regarding the costs to bring that building up to a leasable condition. The numbers show that a return on the investment is not reachable within 10 years and have a net cost of \$600,000 in 10 years. The Town could consider leaving it as vacant or storage space, but some of the projected \$2.1 million for a hypothetical tenant is still necessary because this line amount includes systems upgrades that support the Motz building.

The posted spreadsheet is a PDF, which is a static document. At the Council meeting staff could display the same as an Excel spreadsheet, which has built-in formulas that readily show the impact of any changes on the bottom line.