

Christopher Fitzgerald
224 Exchange Street
Millis, MA 02054
October 12, 2017

Craig Schultze, Chairman
Millis Finance Committee
Veterans Memorial Building
Millis, MA 02054

Dear Mr. Schultze,

For your deliberation, here are fiscal considerations regarding articles 29 and 30. Article 29 asks voters to reject The Hill as a school construction site. Article 30 asks voters to revert The Hill from school control to park control.

Status of 20.9 Million Dollar State Grant

- If the articles passes, The Town would forfeit the MSBA grant.
- In the meantime, access to grant monies is suspended.
- The MSBA will keep the grant on the table until February 28th.
- (Sources: Michael Guzinski and MSBA)
- The MSBA, at its discretion, will decide whether to issue another extension. (Source: MSBA)
- The Town may apply for a grant to build a school elsewhere. (Source: MSBA)

Costs Associated with Passage of Articles

- Site Feasibility Costs
 - The Town would incur planning costs with a new construction site. Those costs could be mitigated by site research already completed.
- Design Costs
 - The town would incur the costs of a new school design.

Financial Savings From Passage of Articles

- \$768,000:
 - Monies would be saved by not removing and rebuilding the tennis courts, playground, and basketball court. (Source: A.M. Fogarty & Associates; Compiled by Millis resident Phil Divver, a professional construction estimator).
- \$320,000:
 - Monies would be saved by not razing The Hill. Figure breaks down as follows: \$20,000 saved by not removing trees, \$136,000 saved by not demolishing The Hill, and \$164,000 saved by not removing surplus materials. (Source: A.M. Fogarty & Associates; Compiled by Phil Divver)
- Tens of Thousands of Dollars in Legal Fees:
 - The lawsuits would be rendered moot. The Town would no longer pay legal defense fees to KP Law.
 - The Town would not owe plaintiff his legal fees in federal case.

- The Town would not pay possible legal costs for recovering disgorgement fees. (Source: John Fitzgerald)
- Contingent Liability Costs:
 - Passage of articles would remove potential exposure to contingent liability costs. These costs would fund restoration of The Hill (including removal of structures). This scenario would occur if The Town went forward with the project, then lost in court against the lawsuits. (Source: John Fitzgerald)

Other Considerations

- Recovery of Disgorgement Fees if Town Loses in Courts:
 - Compass Project Management would owe a disgorgement fee of \$92,000 (pre construction fee) to The Town. Plaintiff would have the court order The Town to demand or sue CPM for these monies.
 - Other contractors, if in receipt of future monies from The Town, would have to return payments. (Source: John Fitzgerald)
- Lawsuit at Norfolk Superior Court:
 - Judge's ruling on summary judgment is expected by end of October. He could rule in favor of The Town, or in favor of the plaintiff, or order a trial by jury.
- Lawsuit at Federal Court:
 - This suit will move forward even if The Town wins the state court lawsuit and even if the voters at Town Meeting defeat the articles. (Source: John Fitzgerald)

Summarize Effects of Town Meeting Votes

- If Voters Approve the Articles:
 - Grant withdrawn by MSBA. Town applies for a new grant.
 - Lawsuits and associated costs rendered moot.
 - The Town moves ahead—and incurs costs—of alternative site planning.
 - The Town saves \$1,088,000 on costs unique to construction on The Hill. (This savings offsets one million dollars already spent by Town).
- If Voters Reject the Articles:
 - Lawsuits continue in federal (and possibly) state court.
 - Grant remains on hold with renewal or termination after February.
 - Significant legal fees will be incurred.
 - Project remains in limbo.

Respectfully Submitted,

Christopher Fitzgerald

Costs to remove the existing Tennis Courts, Basketball Court and Playground located on the Knoll where the Proposed School is to be built, then to reconstruct as depicted in the MSBA submission Site Plans dated 22March2017

The Tennis Courts will be rebuilt at the same approximate location when project is near completion.
 The Basketball Court will be rebuilt at the same approximate location when project is near completion.
 The Playground will be located adjacent to the Basketball Court as depicted on Site Plans.

Note Well: Unless otherwise noted, the below values & data were referenced from the A. M. Fogarty & Associates Budget Estimate Dated 8Feb2017

Site Prep.

Building Struct. Removal:

BB/Tennis Court Stor. Shed	\$340
BB/Tennis Court Stor. Con.c Bldg.	\$2,000

Site Removal Existing:

BB Court Removal	\$21,578
Tennis Court Removal	\$27,480
10' Chainlink Fence Tennis Court	\$4,940
Basketball hoops	\$1,000
Tennis Court Nets	\$900
Play Area Equipment	\$5,000
Salvage Play Structure	\$15,000

Site Improvements

Walks:

34,968 SF

Play Area Surfacing:

48,669 SF

83,637 SF	Total
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Bit. Pavement Courts & Play Area	\$104,674
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Acrylic Athletic Surfacing:

Basketball Court (2 tone asphalt) 1 Court	\$43,914
Tennis Court (2 tone asphalt) 4 courts	\$159,414

Playgrounds:

Poured Epoxy (1-5)	\$51,035
Poured Epoxy (Rope Climbing)	\$15,246
Wood Fiber (Swing Set)	\$14,679
Wood Fiber (1-5)	\$19,215
Stabilized Stone Dust	\$8,799

Earthwork

8" Gravel base (Play Area Surfaces Only)	\$31,273	\$53,742	58.19% Apportioned Area of the Above SF
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Site Improvements:

Fencing & Gates	
6' Ht. Chainlink BB Court	\$3,240
610 Ht. Chainlink Tennis Courts	\$38,208
Single Gate @Tennis Ct. (2 Ea)	\$3,000
Tennis Court Fence Premium Wind Screen	\$11,144

Reset Play Structures	\$30,000
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Basketball Hoops and Back Stops	\$4,000
Tennis Court Posts and Nets (4 Ea)	\$7,200

Note: Tennis Ct., Basketball Ct. and Playrnd Site Lighting (Not Found or Itemized in Fogarty Estimate)	\$30,000	Allowance to F&I Power Distribution from Source in Bldg. Light Standards& Mounts & Exterior Light Fixtures
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\$653,279	Subtotal of Construction Costs
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Indirect Gen. Contr. Construction Costs

		<u>Percentage of Construction Costs from Fogarty</u>
Escalation (Fall 2017)	\$13,066	2.0%
General Conditions	\$55,529	8.5%
General Requirements	\$16,332	2.5%
Insurances	\$5,226	0.8%
Perf. & Payment Bonds (All Trades)	\$5,880	0.9%

\$749,311	Subtotal of Construction Costs
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Fee (O & P)	\$18,733	2.50%
\$768,044	Total Cost	