

MHB Housing Committee Questions and Responses from Anthony D'Agostino, Ed.D ,
CEO – Peter & Paul Community Services:

- 1. Given all the potential mechanical issues with mostly the HVAC system that was described in your last visit the committee had questioned the percentage set aside for contingency. Could you please explain how the amount of contingency was determined?**

The contingency fund for the Peter & Paul Community Services Tower Apartment project is set at 6% of the total \$1,700,000 budget, reflecting a strategic allocation of resources based on thorough planning and anticipated needs. While contingency funds typically cover unexpected costs, this project has proactively accounted for potential mechanical issues—often a source of budget overruns—within other dedicated funding streams. Notably, the capital campaign fund, which currently holds \$550,000, has been structured to absorb such unforeseen expenses. This fund is designed to grow over time, providing a flexible and responsive financial cushion that complements the core budget and ensures the project's long-term stability.

- 2. What happens if you go through the contingency amount?**

If Peter & Paul Community Services exceed the 6% contingency fund for the Tower Apartment project and additional capital campaign funds, they are well-positioned to respond without jeopardizing progress. Several major donors have already expressed interest in making substantial contributions to the broader Community Campus initiative, and many of these gifts are relatively unrestricted—providing flexibility to address unexpected needs. In addition, the organization maintains a strong partnership with the City of St. Louis, which has committed to supporting emergency funding issues as they arise. Together, these resources offer a reliable safety net beyond the contingency fund, ensuring the project remains resilient and on track.

- 3. What is the percentage of the funds for this phase of the project that is going towards the overall mechanical cost?**

The Peter & Paul Community Services Tower Apartment project is strategically allocating its \$1,700,000 budget to address both critical infrastructure and resident-focused improvements. Approximately 50% of the total funding is designated for HVAC repairs and electrical upscaling originating from the building's mechanical room. These upgrades are essential to ensure long-term safety, energy efficiency, and reliable climate control throughout the facility.

The remaining 50% of the budget is dedicated to enhancing quality standards and kitchenettes in each of the 34 units and across the two designated project floors. These improvements include plumbing enhancements, new flooring, and other interior updates that will modernize the living spaces and create a more comfortable, dignified environment for those served by the Tower Apartments. This balanced investment reflects the organization's commitment to both structural integrity and resident wellbeing.