

# Massachusetts School Building Authority

Deborah B. Goldberg, State Treasurer and Receiver-General

*Chairperson*

Maureen Valente

*Chief Executive Officer*

Jack McCarthy

*Executive Director*



## Board Meeting

**March 30, 2016**



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- Sales Tax Collection Update
- Grants Payments | FY2016 YTD Update
- Budget Update | February 29, 2016

## Legal



# Project Votes

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# Project removal from ARP | **Vote**

<b>District</b>	<b>School</b>	<b>Invitation Date</b>
New Bedford	John A. Parker ES	June 3, 2015



# Invitation to Commence Eligibility Period | **Vote**

## March 2016

District	School
Blue Hills RSD	Blue Hills Regional Technical HS
Danvers	Ivan G. Smith ES
Dennis-Yarmouth RSD	Mattacheese MS
Foxborough	Mabelle M. Burrell ES
Marblehead	Elbridge Gerry ES
Northbridge	W. Edward Balmer ES
Shrewsbury	Beal Early Childhood Center
Wareham	Minot Forest ES



# Project Update | Fairhaven: Hastings MS

## Update on Project Funding Agreement Authorization

- MSBA authorization to execute a Project Funding Agreement in January 2016
- District is seeking an additional 30 days to appropriate Total Project Budget funding (120 days total)

Subsequent to the January 27, 2016 Board of Directors Meeting, the Town of Fairhaven has requested additional days beyond the requisite 90 days to receive appropriations for its project. Staff is recommending 120 days for the Town of Fairhaven to secure funding for its Project Funding Agreement.



# PFA Accelerated Repair Program | **Vote**

District	School	Scope	Total Project Budget	Estimated Maximum Total Facilities Grant
Boston	Charles Sumner ES	Window/Door	\$2,416,338	\$1,438,187
	Curley K-8 School	Window/Door	\$4,240,582	\$2,643,759
	David A. Ellis ES	Window/Door	\$3,689,605	\$2,295,794
	Donald McKay K-8 School	Partial Window/Door	\$3,123,287	\$1,943,882
	Dorchester Academy	Window/Door	\$5,208,311	\$3,237,352
	Grover Cleveland MS	Window/Door	\$2,311,697	\$1,445,015
	Young Achievers Science and Math Pilot K-8 School	Window/Door	\$4,153,343	\$2,586,244
Ludlow	East Street ES	Partial Roof Boiler	\$3,083,853	\$1,327,366
Revere	Garfield ES	Roof	\$7,858,315	\$5,462,826
Stoughton	West ES	Partial Window/Door	\$2,022,628	\$993,734
Wareham	John W. Decas ES	Partial Roof Boiler	\$2,524,581	\$1,634,125
Watertown	Watertown MS	Partial Window/Door	\$3,313,291	\$1,530,948
Wrentham	Delaney Vogel School	Partial Roof	\$1,795,475	\$746,453
<b>Totals</b>			<b>\$45,741,306</b>	<b>\$27,285,685</b>



# Preferred Schematic Design | **Vote**

District	School	Project Scope	Estimated Total Construction	Estimated Total Project Costs
Hanover	Sylvester ES	Add/Reno	\$29,090,183	\$35,490,024
<b>Totals</b>			<b>\$29,090,183</b>	<b>\$35,490,024</b>





# Preferred Schematic Design | Hanover

## **Sylvester Elementary School**

- Year Opened: 1927
- Current Grade Configuration: 3-4
- Agreed Upon Grade Configuration: 2-4
- Agreed Upon Enrollment: 560 students
- Proposed Scope of Project: Renovation at the Center Elementary School that will relocate students in grades 2-4 currently attending the Cedar Elementary School and the Sylvester Elementary School into a District-wide, grades 2-4 school at the existing Center Elementary School.
- Existing Square Footage: 32,377 gsf
- Proposed Square Footage: 100,590 gsf
- Estimated Total Construction Cost of Preferred Schematic: \$29,090,183



# Project Scope and Budget | **Vote**

District	School	Project Scope	Total Project Budget	Estimated Maximum Total Facilities Grant
Dedham	Early Childhood Center	New	\$29,763,402	\$10,513,482
<b>Total</b>			<b>\$29,763,402</b>	<b>\$10,513,482</b>



# Project Scope and Budget | Dedham

## Early Childhood Education Center

- Year Opened: 1931
- Current Grade Configuration: PK-K
- Agreed Upon Grade Configuration: PK-K
- Agreed Upon Enrollment: 200 students
- Scope of Project: New construction of an Early Childhood Education Center on the Dexter School Site
- Existing Square Footage: 30,813 gsf
- Proposed Square Footage: 50,988 gsf
- District Total Project Budget: \$29,763,402
- Estimated Basis Total Facilities Grant: \$20,482,140
- Reimbursement Rate\*: 51.33%
- Estimated Maximum Total Facilities Grant: \$10,513,482

*\* The MSBA has provisionally included two (2) incentive points for energy efficiency, subject to the District meeting certain sustainability requirements for the project. If the District does not meet the requirements for the energy efficiency, the District will not qualify for these incentive points, and the MSBA will adjust the reimbursement rate accordingly.*



# Audit Update

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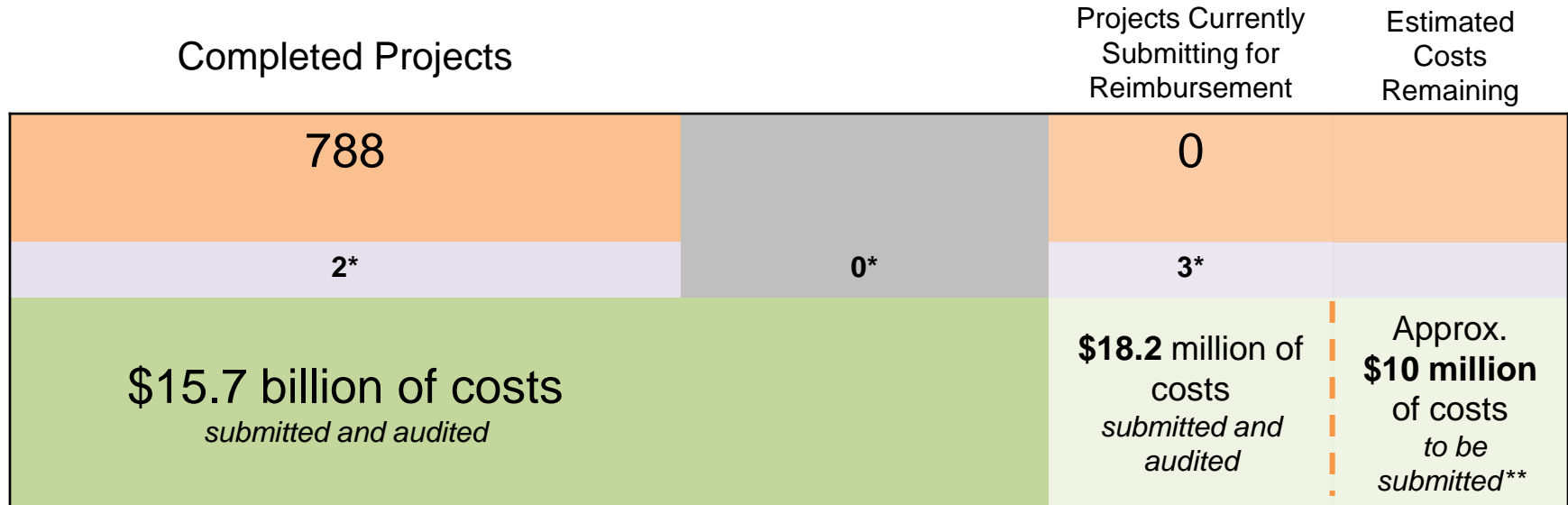
- Capital Pipeline Program | Vote



# Audit Status Update

## Former Program

## ■ Today's Vote



→ \$1.4 billion in audit savings

\* Grant Conversion

\*\*Estimated based on Total Project Budgets from executed funding and submitted costs as of March 16, 2016.



# Audit Status Update

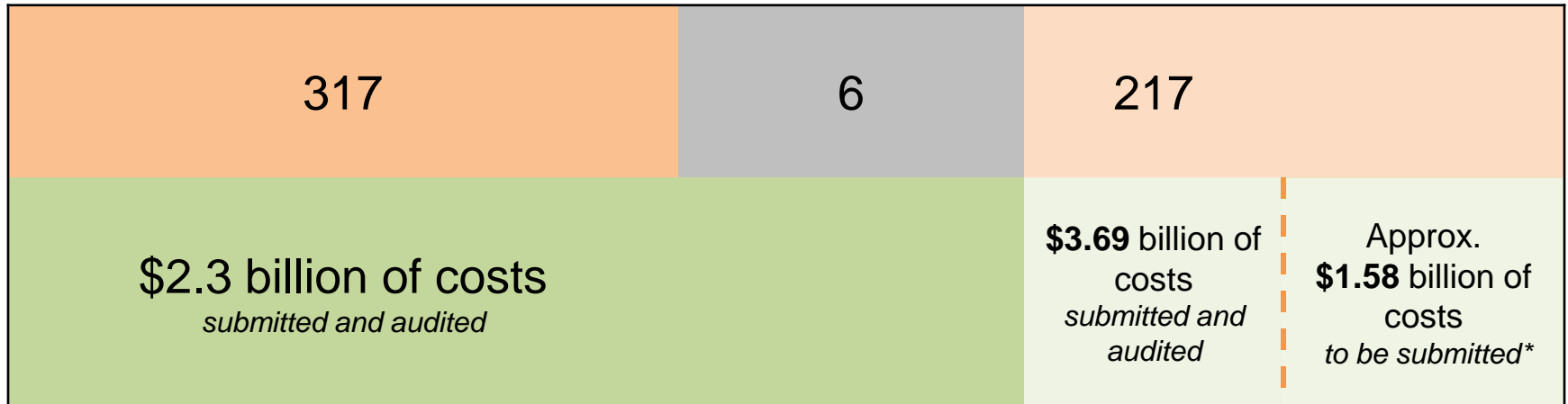
## Capital Pipeline Program

■ Today's Vote

Completed Projects

Projects  
Currently  
Submitting for  
Reimbursement

Estimated Costs  
Remaining

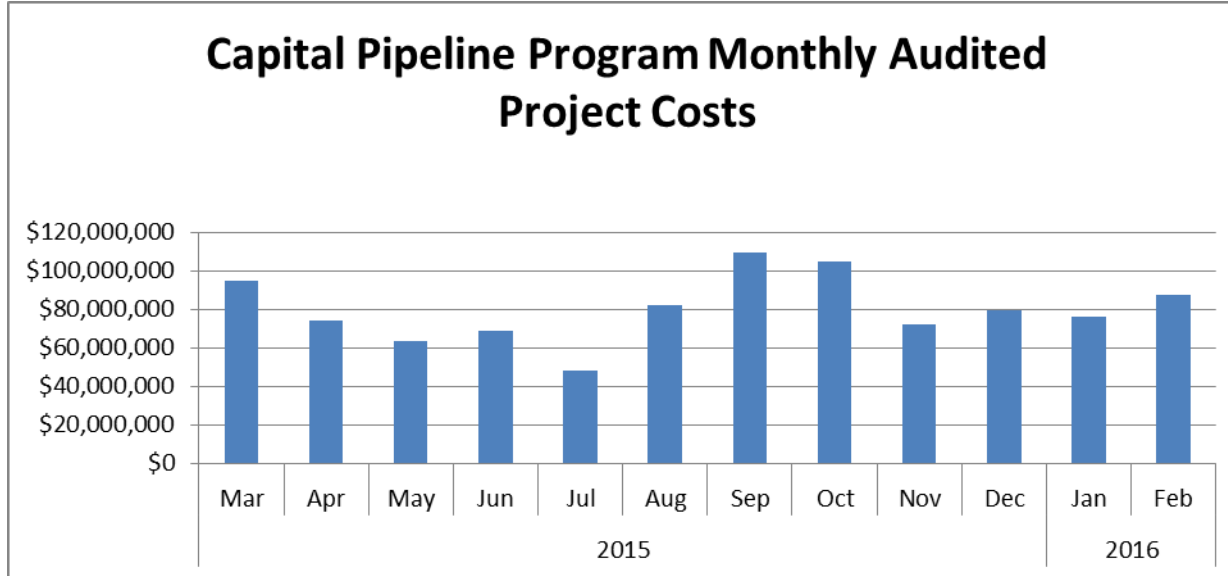


\*Estimated based on Total Project Budgets from executed funding agreements and submitted costs as of March 16, 2016.



# Capital Pipeline Program | Monthly Audited Project Costs

- Rolling 12 month submitted costs monthly average of \$80.1 million
- Total 12 Month Audited Costs = \$961 million





# Capital Pipeline Program | Closeout Audits

## Today's Vote: Exhibit B, Approval of Final Audits

District	School Name	MSBA Cx	Reimb. Rate	Total Project Budget	Final Costs Submitted	Basis for Final Total Facilities Grant	Final Total Facilities Grant
Barnstable	West Barnstable Elementary	X	37.32%	\$1,188,413	\$1,206,443	\$1,130,202	\$421,791
Lexington	Joseph Estabrook	X	37.27%	\$43,392,248	\$40,030,398	\$32,156,380	\$11,984,683
Randolph	Community Middle	X	74.74%	\$380,874	\$347,539	\$341,538	\$255,266
Randolph	Randloth High	X	74.74%	\$1,058,138	\$1,074,995	\$979,588	\$732,144
Wareham	Wareham Senior High	X	68.00%	\$1,321,927	\$1,077,916	\$1,077,632	\$732,790
Wilmington	North Intermediate	X	49.94%	\$1,478,020	\$1,543,172	\$1,353,861	\$676,118
			<b>TOTAL</b>	<b>\$48,819,620</b>	<b>\$45,280,463</b>	<b>\$37,039,201</b>	<b>\$14,802,792</b>



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# Project Visits and Local Votes

- Since the January 27, 2016 Board meeting, the MSBA has visited 19 projects.
- Five Districts have voted affirmatively to appropriate full project funds.

Project Visits			Local Votes
Abington Athol-Royalston RSD Chelsea Georgetown Gloucester Haverhill Holbrook	Lunenburg Lynn Milford New Bedford Newton North Middlesex RSD Northborough	Peabody Plymouth Wachusett RSD Winchester Winthrop	<b>Full Project Funds</b> Billerica Braintree Granby Lexington Mount Greylock RSD



# Project Visits

## Upcoming site visits anticipated in April, May, and June:

Project Visits		
Abington Athol-Royalston RSD Concord-Carlisle RSD Gloucester Haverhill Holbrook	Lynn Milford New Bedford Newton North Middlesex RSD	Northborough Peabody Plymouth Wachusett RSD Winchester Winthrop



# Project Milestones

Since the January 27, 2016 Board meeting, the MSBA has attended four project milestone celebrations.

## Ribbon Cutting Ceremony

- Newton, *A. E. Angier Elementary School*

## Groundbreaking Ceremony

- Scituate, *Scituate Middle School*


## Topping Out Ceremony

- North Middlesex RSD, *North Middlesex Regional High School*
- Plymouth, *Plymouth South High School*



Executive Director Jack McCarthy attended the “Topping Out” Ceremony for the new Plymouth South High School project on February 23, 2016.

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# Compensation Plan and System

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The MSBA performed an objective compensation analysis upon recommendations of the Board and as substantiated by legislative charges regarding compensation obligations by state authorities.

Results of the compensation analysis, conducted by an expert compensation consultant, indicated MSBA compensation is comparable to the market.

MSBA has established a Compensation Structure, an HR Best Practice, to include salary bands for all positions to help guide:

- Recruitment
- Salary administration- new hires, promotions, pay equity, etc.
- Job Families
- Career Levels



# Implementation of Compensation Plan

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## Next Steps

- Roll out Pay and Hiring Policies.
- Train Managers - to understand new compensation structure and bands, and provide guidelines for addressing compensation matters.
- Train Employees - new policies and provide an understanding of the new compensation structure, bands and new policies.
- Apply new comp structure to recruitment and retention activities within the MSBA.





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# Summary of Bid Data

Year	Number of Projects	Design Basis for Enrollment	Project Budget	Construction Budget
2016	13	7,615	\$747.01 M	\$612.75 M
2017	1	1,610	\$176.00 M	\$140.77 M
<b>Totals</b>	<b>14</b>	<b>9,225</b>	<b>\$923.01M</b>	<b>\$753.52 M</b>

*Note: These numbers are based on preliminary information received from the District and are subject to further review and calculation.*

## Anticipated Bids in 2016:

- April – Boston (CMR), Worcester (CMR), Westborough (CMR)



# Construction Estimate vs. 2015 Bid Amount

## Core Program

- Of the thirteen bids and/or executions of a GMP in 2016, one has been reported to date.
- Of the thirteen, one bid came in within the estimated budget.

District	School	Scope	Project Type	Bid Date	Construction Estimate **	Bid Amount **	Variance from Construction Estimate	Reim. Rate	Potential Grant Variance *
Provincetown	Provincetown Schools K-8	Repair	DBB	Feb-16	\$5,709,882	\$4,859,600	- \$850,282	50.68%	- \$430,923
<b>Totals</b>					<b>\$5,709,882</b>	<b>\$4,859,600</b>	<b>- \$850,282</b>	<b>-</b>	<b>- \$430,923</b>

\*These numbers are based on preliminary information received from the district and are subject to further review and calculation.

\*\*The construction estimate and bid amount do not include pre-construction services and alternatives.




# Construction Estimate vs. 2015 Bid Amount

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## **2014 Accelerated Repair Program**

- 89% of the 44 reported projects came in within the estimated budget
- Bidding of the remaining projects will be complete in May 2016

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# Finance Update

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- **Sales Tax Collection Update**
- Grants Payments | FY2016 YTD Updated
- Budget Update | February 29, 2016

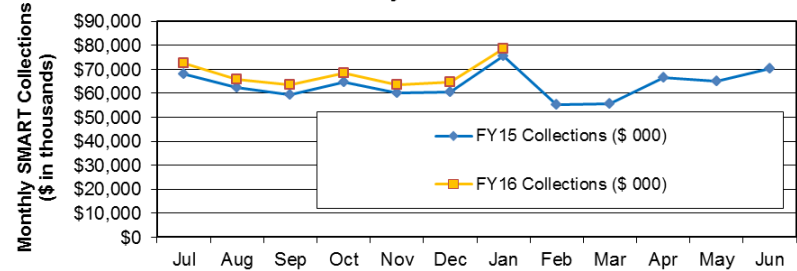


# FY2016 SMART Collections Update

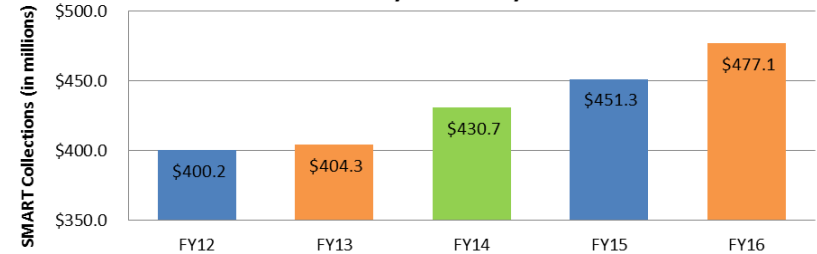
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
<b>FY15 (\$ 000)</b>	68,214	62,366	59,553	64,652	60,072	60,703	75,691	55,434	55,661	66,538	65,063	70,163	764,110
<b>FY16 (\$ 000)</b>	72,473	65,832	63,453	68,475	63,558	64,618	78,727						477,137
<b>Change (\$ 000)</b>	4,259	3,466	3,900	3,824	3,486	3,915	3,036						25,885
<b>% Change</b>	6.2%	5.6%	6.5%	5.9%	5.8%	6.4%	4.0%						

- FY16 SMART collections through January were approximately \$25.9 million (5.7%) greater than FY15 collections during the same period.
- Collections through January for each of the most recent four fiscal years have exhibited average year-over-year growth of 4.5%.

FY16 Monthly SMART Collections



SMART Collections FY12-FY16 July to January YTD





# Finance Update

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- Sales Tax Collection Update
- **Grants Payments | FY2016 YTD Updated**
- Budget Update | February 29, 2016



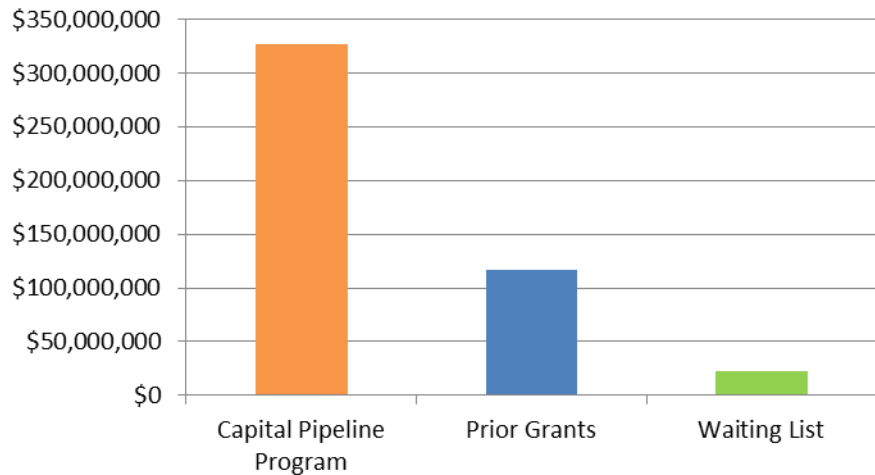
# Grant Payments | FY2016 YTD Update

## FY2016 YTD Grant Payments Summary\*

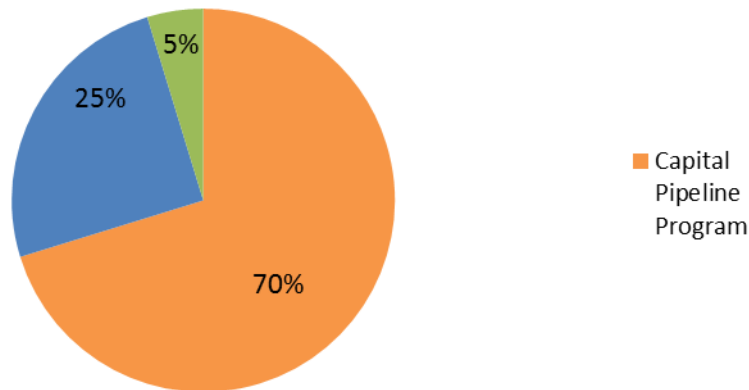
Program	Grant Payments	# Projects	# Districts	% of FY16 Payments
Capital Pipeline Program	\$ 326,417,599	167	113	70%
Prior Grants	\$ 116,328,947	146	91	25%
Waiting List	\$ 21,981,110	30	22	5%
<b>Total</b>	<b>\$ 464,727,656</b>	<b>343</b>	<b>182</b>	

\* Reflects grant payment data as of March 17, 2016.

### FY2016 Grant Payments - YTD by Program



### FY2016 Grant Payments - YTD % by Program





# Finance Update

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- Sales Tax Collection Update
- Grants Payments | FY2016 YTD Updated
- **Budget Update | February 29, 2016**



# Budget Update | February 29, 2016

## MSBA Administrative Operations and Grant Programs Budget

Expense Category	FY 15	FY 16					FY 17	
	FY15 Expenditures (7/1-6/30)	FY16 Budget	FY16 YTD Expenditures 7/1-2/29	Variance (FY16 Budget)	% (FY16 Budget)	Projected FY16 Expenditures	FY17 Budget	Variance (FY16 Budget)
<b>Administrative Expense Budget</b>								
Total Administrative Expense Budget <sup>[6]</sup>	\$ 7,052,793	\$ 8,480,608	\$ 5,121,566	\$ (3,359,042)	60.4%	\$ 7,882,472	\$ 9,275,454	\$ 794,846
<b>Other Post Employment Benefits (OPEB) <sup>[7]</sup></b>	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	100.0%	\$ 100,000	\$ 100,000	\$ -
<b>Capital Pipeline Professional Support Services &amp; Issuance Related Costs</b>								
Total Capital Program Professional Support Services	\$ 7,152,778	\$ 10,699,684	\$ 5,513,372	\$ (5,186,312)	51.5%	\$ 8,044,599	\$ 9,170,000	\$ (1,529,684)
<b>Arbitrage Rebate <sup>[10]</sup></b>	\$ 1,226,558	\$ -	\$ 11,842,422	\$ 11,842,422	n/a	\$ 11,842,422	\$ 1,750,000	\$ 1,750,000
<b>Grant Program</b>								
Prior Grants <sup>[11]</sup>	\$ 197,946,924	\$ 185,093,670	\$ 83,857,227	\$ (101,236,443)	45.3%	\$ 184,937,437	\$ 170,850,561	\$ (14,243,109)
Waiting List <sup>[12]</sup>	\$ 26,534,249	\$ 25,489,887	\$ 20,561,882	\$ (4,928,005)	80.7%	\$ 24,981,110	\$ 23,658,888	\$ (1,830,999)
Capital Pipeline Program Grants <sup>[13]</sup>	\$ 544,518,569	\$ 585,000,000	\$ 311,646,550	\$ (273,353,450)	53.3%	\$ 495,000,000	\$ 585,000,000	\$ -
<b>Total Grant Program</b>	<b>\$ 768,999,742</b>	<b>\$ 795,583,557</b>	<b>\$ 416,065,659</b>	<b>\$ (379,517,898)</b>	<b>52.3%</b>	<b>\$ 704,918,547</b>	<b>\$ 779,509,449</b>	<b>\$ (16,074,108)</b>
<b>Grand Total - Operating Budget</b>	<b>\$ 784,531,871</b>	<b>\$ 814,863,849</b>	<b>\$ 438,643,019</b>	<b>\$ (376,220,830)</b>	<b>53.8%</b>	<b>\$ 732,788,041</b>	<b>\$ 799,804,903</b>	<b>\$ (15,058,946)</b>



# Budget Update | February 29, 2016

## Capital Pipeline - Project Related Support Services Detail

	FY15 Expenditures (7/1-6/30)	FY16 Budget	FY16 YTD Expenditures (7/1-2/29)	% of FY16 Budget	Projected FY16 Expenditures	FY17 Budget	Variance (FY16 Budget)
Commissioning Consultants <sup>[1]</sup>	\$ 4,150,823	\$ 3,800,000	\$ 1,973,712	51.9%	\$ 2,932,372	\$ 2,300,000	\$ (1,500,000)
Project Management Services <sup>[2]</sup>	\$ 1,519,176	\$ 1,250,000	\$ 644,680	51.6%	\$ 1,057,811	\$ 550,000	\$ (700,000)
Architectural Services <sup>[3]</sup>	\$ 371,594	\$ 680,000	\$ 275,209	40.5%	\$ 633,000	\$ 720,000	\$ 40,000
Cost Estimating Services <sup>[4]</sup>	\$ 1,384	\$ 100,000	\$ -	0.0%	\$ -	\$ 100,000	\$ -
Audit & Other Compliance <sup>[5]</sup>	\$ -	\$ -	\$ -	n/a	\$ -	\$ -	\$ -
Capital Program Information Systems <sup>[6]</sup>	\$ 176,504	\$ 43,184	\$ 3,388	7.8%	\$ 5,034	\$ 50,000	\$ 6,816
Cost of Issuance <sup>[7]</sup>	\$ 932,954	\$ 2,650,500	\$ 2,616,383	98.7%	\$ 3,416,383	\$ 3,250,000	\$ 599,500
School Survey <sup>[8]</sup>	\$ -	\$ 2,000,000	\$ -	0.0%	\$ -	\$ 2,000,000	\$ -
Other <sup>[9]</sup>	\$ 344	\$ 176,000	\$ -	0.0%	\$ -	\$ 200,000	\$ 24,000
Legal <sup>[10]</sup>	\$ -	\$ -	\$ -	n/a	\$ -	\$ -	\$ -
<b>Capital Program Support Services</b>	<b>\$ 7,152,778</b>	<b>\$ 10,699,684</b>	<b>\$ 5,513,372</b>	<b>51.5%</b>	<b>\$ 8,044,599</b>	<b>\$ 9,170,000</b>	<b>\$ (1,529,684)</b>