

*The December 13, 2017 Board Meeting minutes were approved by the MSBA's Board of Directors on February 14, 2018.*

**Massachusetts School Building Authority  
Board Meeting Minutes of December 13, 2017**

A meeting of the Massachusetts School Building Authority (the "Authority" or "MSBA") was held on December 13, 2017 at 40 Broad Street, Boston, Massachusetts.

**Members Present:** Deborah Goldberg, State Treasurer and Chairman; Anne Brockelman, appointed member; Sean Cronin, Designee of the Secretary of Administration and Finance; Matt Deninger, Designee of the Commissioner of Education; Greg Sullivan, appointed member; Sheila Vanderhoef, appointed member; and Terry Kwan, appointed member.

**Others Present:** James MacDonald, First Deputy Treasurer and Chief Executive Officer; Jack McCarthy, Executive Director/Deputy Chief Executive Officer; Dennis Ryan; Jennifer Gonzalez; Diane Sullivan; Tamia Buckingham; Ken Wissman; Gianpiero Tirella; Mary Pichetti; John Jumpe; Joseph Buckley; Christine Nolan; Colleen Smith; Siobhan Tolman; Katie DeCristofaro; Katie Loeffler; Matt Donovan; Maria Puopolo; Autumn Waldron; members of the press; municipal representatives; legislative representatives; local elected officials; and other members of the public. A sign-in sheet is on file at the MSBA.

**Call to Order**

The Chairman called the meeting to order at 10:00 a.m. and asked if anyone is recording the meeting. No one announced that they were recording the meeting.

Next, the Chairman provided a brief overview of the items on the agenda for the meeting. She explained that the Board will be voting to: invite 15 2017 Core Program Statement of Interest applicants into the Eligibility Period; invite five districts into Feasibility Study; amend a Feasibility Study Agreement with the City of Boston; authorize the MSBA to enter into Project Funding Agreements for two Accelerated Repair projects in two districts with an Estimated Maximum Total Facilities Grant of \$2.62 million; authorize two proposed projects to proceed into Preferred Schematic Design with an estimated \$102 million in Total Construction Costs; invite three districts to enter into Project Scope and Budget Agreements with Estimated Maximum Total Facilities Grants of approximately \$197 million; and approve three final audits from three districts with a combined Final Total Facilities Grant amount of \$33.6 million. Then, the Board will be voting on: the MSBA's reconciliation of project obligations and annual cap; recommendations to execute Master Service Agreements for Commissioning Consultants; the MSBA's Construction Cost Policy; and the Cape Cod Regional Vocational Technical School District poverty factor. The meeting will conclude with MSBA updates from the Executive Director; an update from members of Capital Planning on our Project Overview; as well as updates from our Finance Team.

**Acceptance of the October 25, 2017 Minutes**

The Chairman asked for a motion to accept the minutes of the October 25, 2017 Board Meeting. The following motion was made by Mr. Sullivan and seconded by Mr. Deninger:

**Approval of the Minutes of the October 25, 2017 Board Meeting**

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Minutes of the October 25, 2017 Board meeting.

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**VOTE:** *There being no further questions or comments, the Board approved the Motion to approve the Minutes of the October 25, 2017 Board Meeting by majority – 7 in favor, 0 abstaining.*

## **Project**

### **Invitation to Eligibility Period**

MSBA Director of Program Management Diane Sullivan explained that the Board will be asked to vote to invite the following districts into the Eligibility Period: Town of Andover for the West Elementary School, the Town of Ashland for the David Mindess Elementary School, the City of Boston for the Carter Development School, the Bristol-Plymouth Regional Vocational Technical School District for the Bristol-Plymouth Regional Vocational Technical High School, the Greater Fall River Regional Vocational School District for the Diman Regional Vocational Technical High School, the Groton-Dunstable Regional School District for the Florence Roche School, the City of Lawrence for the Francis M. Leahy Elementary School, the Town of Medfield for the Dale Street Elementary School, the Northeast Metropolitan Regional Vocational School District for the Northeast Metropolitan Regional Vocational Technical High School, the Town of Randolph for the Elizabeth G. Lyons Elementary School, the Town of Somerset for the Somerset Middle School, the Town of Swampscott for the Hadley Elementary School, the Town of Watertown for the Watertown High School, the Town of Wellesley for the Ernest F. Upham Elementary School, and the Town of Westwood for the Paul Hanlon Elementary School. She provided a brief summary of the deficiencies stated by the districts in their SOIs.

The Director of Program Management noted that the MSBA received 83 Core Program SOIs. She explained that the MSBA is recommending that the 15 districts listed above be invited into the Eligibility Period.

The Chairman asked for a motion, and the following motion was made by Ms. Kwan and seconded by Mr. Sullivan:

### **Vote on Inviting Communities to the Eligibility Period**

**VOTED:** That the Board approves the Districts and Schools that are set forth on Exhibit A for invitation into the Eligibility Period and that the Eligibility Period for each District and School that is listed on Exhibit A will commence upon the date specified on Exhibit A as the “Eligibility Period Commencement Date” for each District and School; that the Executive Director is hereby authorized to commence the Eligibility Period for each such District and School upon the date of such District’s and School’s separate Eligibility Period Commencement Date; and that the Executive Director is hereby further authorized to do all acts and things, to execute and deliver any and all documents and agreements, and to expend funds necessary or desirable in connection with inviting each of these communities into the Eligibility Period and to commence the Eligibility Period.

The Chairman recognized several state and local officials that were present at the meeting and opened the floor to Board member comments and discussion.

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Mr. Cronin commented that he has been named the state overseer of the City of Lawrence. He noted that the City has developed a financial plan and capital plan for the first time in four years, adding that the project at the Francis M. Leahy Elementary School has been built into their capital plan.

Mr. Cronin then noted that the reimbursement rate for a specific project is applied only to eligible costs so the effective rate will likely be lower than the reimbursement rate and he encouraged districts to keep this in mind when planning their capital budgets.

Mr. Sullivan commented that many districts submit a Statement of Interest and the MSBA takes the process seriously. He noted that the Board reviews the Statement of Interest process each year to ensure that the process is being conducted in accordance with the MSBA's regulations and statute. He commented that the review process has been conducted in a comprehensive and fair manner.

Ms. Kwan commented that the MSBA has been in existence for over ten years now and has completed three surveys of all the schools in the Commonwealth. She suggested that the MSBA, with the help of a consultant, prepare a summary of the work the MSBA has done on the schools in the Commonwealth, what staff has observed from the school surveys, and then identify any gap that may exist between what is needed for the Commonwealth's schools and what the MSBA has the ability to fund.

Mr. Deninger welcomed the districts to the Eligibility Period. He commented that districts are entering into a partnership with the MSBA and should be prepared to be pushed by the MSBA and Board. He noted that districts should rely on MSBA staff for guidance and spoke about the importance of developing a strong educational plan. He commented that the educators should be writing the educational plans, and the educational plan should drive the design of the building. He also commented on the importance of having the voters' support and the need to make the community involved on day one of the project.

Susan McCready, Andover School Committee Chairperson, commented that she wanted to commend her entire team for their work to get the Town to where it is today. She thanked the Board and MSBA staff for this opportunity.

Andover Superintendent Dr. Sheldon Berman thanked the Board and MSBA staff adding that this project is an important contribution to the Town of Andover. He commented that the MSBA has a very thorough process and it is gratifying to be in front of the Board today.

Andover Town Manager Andrew Flanagan spoke thanking the Board and MSBA staff. He commented that the community is excited for the project at the West Elementary School, adding that he looks forward to the partnership with the MSBA.

Ashland Superintendent Jim Adams thanked the Board and MSBA staff for this opportunity. He commented that the community of Ashland is continuing to grow, adding that the project at the David Mindess Elementary School is critical for the success of the Town. He noted that the Town supports the project.

State Senator Karen Spilka, who represents Ashland, thanked the Board and MSBA staff for their support, commenting that the David Mindess Elementary School has many systematic issues. She commented that the Town is very supportive of the project.

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The Chairman commented that Boston Mayor Martin Walsh will be attending the meeting and the Board will hear from the City of Boston once he arrives.

Louis Borges, Jr., Chair of the Bristol-Plymouth Regional Vocational Technical School District School Committee thanked the Board and MSBA staff and commented that he appreciates this opportunity.

Bristol-Plymouth Regional Vocational Technical School District Superintendent Dr. Alexandre Magalhaes thanked the Board and MSBA staff. He commented that he is honored to be here today. He noted that the Bristol-Plymouth Regional Vocational Technical High School has many challenges throughout the building and the District is ready to begin this project.

State Senator Michael Rodrigues, who represents Fall River, expressed his support for the three projects before the Board today in communities he represents.

The Chairman read a letter on behalf of State Representative Carole Fiola which offered her support for the project at the Diman Regional Vocational Technical High School in the Greater Fall River Regional Vocational Technical School District.

Greater Fall River Regional Vocational School District Superintendent Thomas Aubin thanked the Board, MSBA staff, and legislative delegation for their support.

Marlena Gilbert, Groton-Dunstable Regional School District School Committee Chairperson, thanked the Board and MSBA staff for their consideration.

Groton-Dunstable Regional School District Superintendent Dr. Laura Chesson introduced other local officials who were present at the meeting and thanked the Board and MSBA staff for this opportunity.

Lawrence Superintendent and Receiver Jeffrey Riley commented that Mayor Dan Rivera sends his regrets for not being able to attend the meeting today. He noted that the Francis M. Leahy Elementary School building has serious infrastructure challenges. He thanked the Board and MSBA staff for this opportunity and commented that he appreciates the help of the MSBA staff, specifically Diane Sullivan, Katie DeCristofaro, and Matt Donovan.

The Chairman read a letter on behalf of State Representative Shawn Dooley and State Representative Denise Garlick which offered their support for the project at the Dale Street Elementary School in Medfield.

Medfield School Committee Chairman Maryanne Sullivan thanked the Board for the invitation to the Eligibility Period. She commented that she appreciates this opportunity and recognized other members of the project team.

Medfield Superintendent Jeffrey Marsden thanked the Board and MSBA staff for this opportunity. He commented that he appreciates all of the hard work of all those involved.

A staff member from State Senator Paul Feeney's office spoke on behalf of the Senator noting that the Senator supports the project at the Dale Street Elementary School in Medfield.

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The Chairman welcomed Boston Mayor Martin Walsh to the meeting and commented that she is excited to be able to work with the City on the project at the Carter Development School. She noted that the City has three schools on the agenda for the meeting today: Invitation to Eligibility Period for the Carter Development School, Amendment to Feasibility Study Agreement for the Josiah Quincy Upper School, and an Invitation to Project Scope and Budget Agreement for the Boston Arts Academy.

Mayor Martin Walsh thanked the Board and MSBA staff for all their hard work for the three Boston schools on the agenda today and for the Accelerated Repair projects in the City.

Carter Development School Principal Mark O'Connor thanked the MSBA for the continued partnership. He commented that he is honored and humbled for this opportunity.

Boston Arts Academy Headmaster Anne Clark thanked the Board and MSBA staff and commented that she is incredibly moved as it has been a long journey to get to this phase in the project. She noted that the entire Boston Arts Academy community is grateful for the support and commitment.

Boston Superintendent Tommy Chang thanked the Board and MSBA staff for all their support. He commented that it is an honor to have three schools on the agenda for today's meeting.

Ms. Kwan thanked the Mayor and Superintendent for all their work for the City of Boston. She commented that she has pushed in the past for a project for the City considering the number of students in the City. She commented that she has read the Build BPS plan, adding that they have inherited a lot of issues. She noted that there is the need for affordable housing in Boston. She made the suggestion to involve a larger group of people with the school projects and to look at the possibility of constructing schools near small shops and with affordable housing, similar to what has been done in New York.

Mayor Walsh noted that the City has had some initial conversations regarding this type of idea.

Mr. Sullivan complimented Mayor Walsh on the long term planning the City is undertaking, and recognized the Mayor for his tremendous leadership.

Then, the Chairman stepped out of the meeting briefly and her designee, James MacDonald, presided over a brief portion of the meeting.

Northeast Metro Regional Vocational School District School Committee Chair Deb Davis commented that the District is beyond excited to be here today and thanked the Board for their consideration.

Northeast Metro Regional Vocational School District Superintendent David DiBarri thanked the Board and MSBA staff and commented that he appreciates the support.

Randolph Superintendent Thomas Anderson thanked the Board and MSBA staff, specifically Diane Sullivan.

Somerset School Committee Chairman Michael Botelho thanked the Board and MSBA staff for this opportunity.

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The Chairman returned and continued to preside over the meeting.

Somerset Superintendent Jeffrey Schoonover commented that he appreciates this opportunity and partnership.

Swampscott School Committee Chairman Amy O'Connor commented that she is grateful to be in front of the Board today adding that she looks forward to moving forward in the process.

Swampscott School Committee member Suzanne Wright thanked the Board and MSBA staff for their consideration.

Swampscott Town Administrator Sean Fitzgerald thanked the Board and MSBA staff for their partnership and support.

State Senator William Brownsberger, who represents Watertown, thanked the Board and MSBA and commented that he is impressed with the MSBA process. He also thanked the MSBA for the support with the Boston Arts Academy project.

State Representative John Lawn, who represents Watertown, thanked the Treasurer, the Board and the MSBA staff. He commented that he wants to specifically thank MSBA staff members Matt Donovan, Jack McCarthy, and Mary Pichetti.

Watertown School Committee Chairman John Portz introduced other local officials who were present at the meeting. He thanked the Board, MSBA staff, and legislative delegation for their support, commenting that he is excited for this opportunity.

Watertown Superintendent Dede Galdston commented that the Town is honored to be the only municipal high school invited into the MSBA Core Program for 2017 and thanked MSBA staff.

The Chairman read a letter on behalf of State Representative Alice Peisch which offered her support for the project at the Ernest F. Upham Elementary School in Wellesley.

Wellesley Superintendent David Lussier thanked the Board and MSBA staff on behalf of the community and students of Wellesley. He commented that he looks forward to the partnership.

Westwood School Committee Chair Carol Lewis thanked the Board, MSBA staff, legislative delegation, and her administrative team. She commented that she looks forward to the partnership with the MSBA.

The Chairman welcomed everyone to the Eligibility Period.

***VOTE:** There being no further questions or comments, the Board approved the Motion to invite certain communities to the Eligibility Period by majority – 7 in favor, 0 abstaining.*

### **Invitation to Feasibility Study**

MSBA Capital Program Managers Katie DeCristofaro and Katie Loeffler explained that staff is recommending that the Board vote to invite the following districts to collaborate with the MSBA to conduct a Feasibility Study: the Town of Braintree for the South Middle School, the Town of Easton

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for the Center Elementary School, the Town of Leicester for the Leicester Middle School, the Town of Rockland for the Jefferson Elementary School, and the Town of Sharon for the Sharon High School. They provided a brief summary of the deficiencies stated by the districts in their SOIs.

The Chairman asked for a motion, and the following motion was made by Ms. Kwan and seconded by Ms. Vanderhoef:

**Vote on Inviting Communities to Collaborate with the MSBA  
to Conduct a Feasibility Study**

VOTED: That the Executive Director is hereby authorized to invite certain communities to collaborate with the MSBA to conduct and/or review a Feasibility Study, as described in 963 CMR 2.00 *et seq.*, and subject to any conditions set forth in Exhibit B, for each of the schools listed in Exhibit B attached hereto.

VOTED: That the Executive Director is hereby authorized to do all acts, to execute and deliver any and all documents and agreements, and to expend all funds necessary or desirable in connection with conducting and/or reviewing a Feasibility Study for each of the schools listed in Exhibit B.

The Chairman recognized several local officials that were present at the meeting and opened the floor to Board member comments and discussion.

Braintree Mayor Joseph Sullivan thanked the Board and MSBA staff. He commented that he wanted to express his appreciation for the project at the South Middle School. He noted that the Town has already secured funding for the Feasibility Study and capital costs. He commented that the Town currently has a project at the East Middle School adding that he looks forward to continuing the partnership with the MSBA.

Easton Superintendent Dr. Lisha Cabral thanked the Board and MSBA staff. She commented that the counseling and structure from the MSBA has been very helpful. She noted that she appreciates the opportunity to explore the consolidation of schools within the Town, adding that the project received a unanimous vote in November for Feasibility Study funds.

Chairman of the Leicester School Committee Scott Francis thanked the Board and MSBA staff and introduced other local officials present at the meeting.

Community Representative to the Leicester Building Committee Paul McCarthy thanked the Board and MSBA staff. He commented that the community is supportive of the project at the Leicester Middle School, adding that it would not be possible without the support of the MSBA.

Leicester Superintendent Marilyn Tencza thanked the Board and MSBA staff for their support, especially Katie Loeffler. She commented that she looks forward to the next steps in the process.

Rockland Superintendent Dr. Alan Cron thanked the Board and MSBA staff for their support on behalf of the Town of Rockland. He noted that the MSBA does a remarkable job and should be a model for others.

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The Director of Facilities for the Sharon Public Schools Ken Wertz thanked the Board and MSBA staff. He noted that at the Town meeting in November, the project for the Sharon High School received unanimous support. He commented that he appreciates this opportunity for the Town and he looks forward to working with the MSBA.

Mr. Deninger commented that he wanted to remind districts that the educational plans should be written by the educators and that the plans should inform the design of the buildings. He noted that the plans need to be presented at Facilities Subcommittee meetings and the Board pushes districts to develop the best buildings for each community.

***VOTE:** There being no further questions or comments, the Board approved the Motion to invite several communities to collaborate with the MSBA to conduct a Feasibility Study by majority – 7 in favor, 0 abstaining.*

### **Amendment to Feasibility Study Agreement**

The Executive Director explained that the Board is being asked to vote to amend the Feasibility Study Agreement for the Josiah Quincy Upper School in the City of Boston. He explained that the City's master plan did not find a place to house the current McKinley School students as planned and therefore need more time. MSBA staff is now recommending that the Board vote to authorize an extension of time to the Feasibility Study Agreement between the MSBA and the City of Boston from December 31, 2017 to December 31, 2020 to allow the City of Boston to complete feasibility and schematic design work for the potential project at the Josiah Quincy Upper School, at its sole expense.

The Chairman asked for a motion, and the following motion was made by Mr. Sullivan and seconded by Ms. Vanderhoef:

### **Vote to Extend the Term of the Feasibility Study for the City of Boston**

**VOTED:** Whereas, the City of Boston requires additional time to complete the phases of the grant program through Project Scope and Budget, the Board of Directors hereby authorizes the Executive Director to extend the completion date of the Feasibility Study Agreement between the MSBA and the City of Boston, as part of its Invitation to Feasibility Study for the Josiah Quincy Upper School, from December 31, 2017 to December 31, 2020, and the Executive Director is hereby authorized to do all acts and things, to execute and deliver any and all documents and agreements, and to expend all funds necessary or desirable in connection with conducting and/or reviewing this Feasibility Study for the Josiah Quincy Upper School.

Boston Public Facilities Department Chief of Staff Brian McLaughlin thanked the Board and MSBA staff. He commented that the project at the Josiah Quincy Upper School is difficult and he appreciates the extension.

***VOTE:** There being no further questions or comments, the Board approved the Motion to extend the term of the Feasibility Study for the City of Boston by majority – 7 in favor, 0 abstaining.*

### **Accelerated Repair Program Project Funding Agreement Authorization**



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MSBA Senior Project Manager Mike McGurl explained that MSBA staff has received a Schematic Design submission from two districts for Accelerated Repair projects at two schools. The proposed projects combined include one roof replacement, one window and door replacement, and one boiler replacement. The districts have provided a combined Total Project Budget of \$7,166,775 which includes a total combined construction estimate of \$5,668,166. The combined Estimated Maximum Total Facilities Grant for these two projects is \$2,620,026. Including potentially eligible project contingencies, the combined Maximum Facilities Grant is \$2,734,201.

The Chairman asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Deninger:

**Vote to Authorize the Executive Director to Execute Project Funding Agreements  
for Several Proposed Accelerated Repair Projects**

VOTED: That the Board of Directors hereby approves the Proposed Accelerated Repair Projects, as set forth below and as further described in the materials presented to the Board and attached hereto, and as such Proposed Projects shall be further defined in the Project Funding Agreements, and authorizes the Executive Director to take all steps necessary to execute and deliver Project Funding Agreements with the Districts set forth below, in such forms as he may determine to be acceptable, and expend funds in accordance with such Project Funding Agreements, in accordance with the following:

<b>District</b>	<b>School</b>	<b>Scope</b>	<b>Total Project Budget</b>	<b>Estimated Maximum Total Facilities Grant</b>	<b>Maximum Total Facilities Grant</b>
New Bedford	Elizabeth C. Brooks Elementary School	Window/Door; Partial Boiler	\$4,100,333	\$1,550,109	\$1,614,429
Westford	Abbot Elementary School	Partial Roof	\$3,066,442	\$1,069,917	\$1,119,772

There was a brief discussion about ineligible costs with Accelerated Repair Program projects.

A staff member from State Representative Antonio Cabral's office spoke on behalf of the Representative noting that the Representative supports the project at the Elizabeth C. Brooks Elementary School in New Bedford.

**VOTE:** *There being no further questions or comments, the Board approved the Motion to execute Project Funding Agreements for several Accelerated Repair Projects by majority – 7 in favor, 0 abstaining.*

**Recommendation for Preferred Schematic**

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The MSBA's Director of Project Management John Jumpe explained that the Board is being asked to approve the preferred schematic designs for the Winthrop Elementary School located in the Town of Ipswich and the Chapin Street Elementary School located in the Town of Ludlow.

The Town of Ipswich is proposing to consolidate the student population of the existing Winthrop Elementary School and Doyon Elementary School into a new building serving grades PK-5 on the existing Doyon Elementary School site, which supersedes the original plan to consolidate student populations of the existing Winthrop Elementary School and Doyon Elementary School into a new building serving grades PK-5 on the existing Winthrop Elementary School site, as approved by the Board on February 15, 2017. This proposed project will serve an agreed upon enrollment of 775 students for grades K-5, for a project that will serve grades Pre-kindergarten through grade 5. The proposed project has an estimated construction cost of \$55,755,664.

The Chairman asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Deninger:

**Vote on Moving the Town of Ipswich to Schematic Design**

VOTED: That the Board of Directors hereby authorizes the Executive Director to do all acts necessary, execute and deliver any and all documents and agreements, and expend funds as deemed appropriate by the Executive Director to assist the Town of Ipswich with, in concept, the development of schematic designs to consolidate the student population of the existing Winthrop Elementary School and Doyon Elementary School into a new building serving grades PK-5 on the existing Doyon Elementary School site, which supersedes the consolidated student population of the existing Winthrop Elementary School and Doyon Elementary School into a new building serving grades PK-5 on the existing Winthrop Elementary School site approved on February 15, 2017, as further described in the materials presented to the Board and attached hereto, in accordance with G.L. c. 70B and 963 CMR 2.00 *et seq.* and all other guidelines and policies of the Authority.

Ipswich Superintendent Dr. Brian Blake thanked the Board and MSBA staff, specifically Katie Loeffler.

**VOTE:** *There being no further questions or comments, the Board approved the Motion to move the Town of Ipswich to Schematic Design by majority – 7 in favor, 0 abstaining.*

The Town of Ludlow is proposing to replace the existing Chapin Street Elementary School and the Veterans Park Elementary School with a new grades 2-5 elementary school on the site of the existing Chapin Street Elementary School. This proposed project will serve an agreed upon enrollment of 630 students in grades 2-5. The proposed project has an estimated construction cost of \$46,424,819.

The Chairman asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Deninger:

**Vote on Moving the Town of Ludlow to Schematic Design**

VOTED: That the Board of Directors hereby authorizes the Executive Director to do all acts necessary, execute and deliver any and all documents and agreements, and expend

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funds as deemed appropriate by the Executive Director to assist the Town of Ludlow with, in concept, the development of schematic designs to replace the existing Chapin Street Elementary School and the Veterans Park Elementary School with a new grades 2-5 elementary school on the site of the existing Chapin Street Elementary School, as further described in the materials presented to the Board and attached hereto, in accordance with G.L. c. 70B and 963 CMR 2.00 *et seq.* and all other guidelines and policies of the Authority.

**VOTE:** *There being no further questions or comments, the Board approved the Motion to move the Town of Ludlow to Schematic Design by majority – 7 in favor, 0 abstaining.*

### **Approval of Project Scope and Budget Agreement and Authorization for Project Funding Agreement**

MSBA Director of Project Management John Junpe explained that the Board is now being asked to approve a Project Scope and Budget Agreement and to authorize the MSBA to enter into a Project Funding Agreement for a project at the Boston Arts Academy located in the City of Boston. He presented a PowerPoint and provided a brief summary of the proposed project. He explained that the proposed project is to replace the existing Boston Arts Academy facility with a new Boston Arts Academy on the existing site.

The District submitted a total project budget of \$124,755,412. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$67,777,406, and the proposed Estimated Maximum Total Facilities Grant would be \$47,675,093 with the District's 70.36% reimbursement rate.

The Chairman asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Sullivan:

### **Vote to Authorize the Executive Director to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the City of Boston**

**VOTED:** That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Boston Arts Academy facility with a new Boston Arts Academy on the existing site, as further described in the materials presented to the Board and attached hereto and as such Proposed Project shall be further defined in the Project Scope and Budget Agreement, and authorizes the Executive Director to take all steps necessary to execute and deliver a Project Scope and Budget Agreement and Project Funding Agreement with the City of Boston, in such forms as he may determine to be acceptable, for the Boston Arts Academy project at a reimbursement rate of seventy and thirty-six hundredths percent (70.36%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$47,675,093, which shall not include any funds for owner's or construction contingency expenditures; that the Board of Directors hereby further authorizes the Executive Director to increase the Estimated Maximum Total Facilities Grant up to a Maximum Total Facilities Grant of \$48,890,620, in the event that the MSBA determines, in its sole discretion, that any owner's and/or construction contingency expenditures are eligible for reimbursement pursuant to MSBA regulations, guidelines, or policies; that the Board of Directors hereby further authorizes the

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Executive Director to expend funds in accordance with such Project Funding Agreement.

***VOTE:*** *There being no further questions or comments, the Board approved the Motion to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the City of Boston by majority – 7 in favor, 0 abstaining.*

MSBA Director of Project Management John Junpe explained that the Board is now being asked to approve a Project Scope and Budget Agreement and to authorize the MSBA to enter into a Project Funding Agreement for a project at the Westport Middle School located in the Town of Westport. He presented a PowerPoint and provided a brief summary of the proposed project. He explained that the proposed project is to replace the existing Westport Middle School with a new District-wide grades 5-12 middle/high school on the existing site.

The District submitted a total project budget of \$96,884,896. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$76,500,433, and the proposed Estimated Maximum Total Facilities Grant would be \$37,418,779 with the District's 49.47% reimbursement rate.

The Chairman asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Deninger:

**Vote to Authorize the Executive Director to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the Town of Westport**

**VOTED:** That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Westport Middle School with a new District-wide grades 5-12 middle/high school on the existing site, as further described in the materials presented to the Board and attached hereto and as such Proposed Project shall be further defined in the Project Scope and Budget Agreement, and authorizes the Executive Director to take all steps necessary to execute and deliver a Project Scope and Budget Agreement and Project Funding Agreement with the Town of Westport, in such forms as he may determine to be acceptable, for the Westport Middle School project at a reimbursement rate of forty-nine and forty-seven hundredths percent (49.47%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$37,418,779, which shall not include any funds for owner's or construction contingency expenditures; that the Board of Directors hereby further authorizes the Executive Director to increase the Estimated Maximum Total Facilities Grant up to a Maximum Total Facilities Grant of \$38,061,299, in the event that the MSBA determines, in its sole discretion, that any owner's and/or construction contingency expenditures are eligible for reimbursement pursuant to MSBA regulations, guidelines, or policies; that the Board of Directors hereby further authorizes the Executive Director to expend funds in accordance with such Project Funding Agreement.

State Representative Paul Schmid thanked the Board and MSBA staff for their support and partnership. He commented that State Senator Michael Rodrigues had to leave the meeting but is also supportive of the project at the Westport Middle School.

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Shana Shufelt, Vice Chair of the Westport Board of Selectmen, commented that the Board of Selectmen is in full support of the project.

Westport Superintendent Ann Marie Dargon thanked the Board and MSBA staff on behalf of the students and residents of Westport.

***VOTE:** There being no further questions or comments, the Board approved the Motion to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the Town of Westport by majority – 7 in favor, 0 abstaining.*

MSBA Director of Project Management John Junpe explained that the Board is now being asked to approve a Project Scope and Budget Agreement and to authorize the MSBA to enter into a Project Funding Agreement for a project at the South High Community School located in the City of Worcester. He presented a PowerPoint and provided a brief summary of the proposed project. He explained that the proposed project is to replace the existing South High Community School facility with a new building on the existing site.

The District submitted a total project budget of \$209,971,240. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$140,604,086, and the proposed Estimated Maximum Total Facilities Grant would be \$112,469,676 with the District's 80.00% reimbursement rate.

The Chairman asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Deninger:

**Vote to Authorize the Executive Director to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the City of Worcester**

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing South High Community School facility with a new building on the existing site, as further described in the materials presented to the Board and attached hereto and as such Proposed Project shall be further defined in the Project Scope and Budget Agreement, and authorizes the Executive Director to take all steps necessary to execute and deliver a Project Scope and Budget Agreement and Project Funding Agreement with the City of Worcester, in such forms as he may determine to be acceptable, for the South High Community School project at a reimbursement rate of eighty percent (80.00%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$112,469,676, which shall not include any funds for owner's or construction contingency expenditures; that the Board of Directors hereby further authorizes the Executive Director to increase the Estimated Maximum Total Facilities Grant up to a Maximum Total Facilities Grant of \$115,557,689, in the event that the MSBA determines, in its sole discretion, that any owner's and/or construction contingency expenditures are eligible for reimbursement pursuant to MSBA regulations, guidelines, or policies; that the Board of Directors hereby further authorizes the Executive Director to expend funds in accordance with such Project Funding Agreement.

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The Chairman recognized local officials that were present at the meeting and opened the floor to Board member comments and discussion. She commented that Mayor Joseph Petty had to leave the meeting but he is excited and supports the project at the South High Community School.

Worcester Superintendent Maureen Binienda thanked the Board and MSBA staff, specifically Katie Loeffler. She commented that this project is a big deal for the City of Worcester, adding that the community is fully supportive of the project.

**VOTE:** *There being no further questions or comments, the Board approved the Motion to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the City of Worcester by majority – 7 in favor, 0 abstaining.*

## **Audit**

Tamia Buckingham, MSBA Director of Audit, began her audit update by explaining that the MSBA has approved 788 former program audits and there are two remaining grant conversion projects to close out. To date, the MSBA has audited \$15.7 billion in costs for Waiting List and prior grant projects.

The Director of Audit then explained that the MSBA has completed final audits for 421 Capital Pipeline Program projects plus three projects that are being presented for final approval to the Board today, all together representing approximately \$4.47 billion in submitted and audited costs.

She continued, explaining that the MSBA has also audited approximately \$2.8 billion in submitted costs for the 235 projects currently submitting monthly requests for reimbursement. Based on the Total Project Budget information and submitted costs to date of approved projects, the MSBA estimates that approximately \$1.8 billion in additional costs will be submitted for audit for these projects.

The Director of Audit then explained that monthly submitted costs have averaged \$66.7 million over the 12 months preceding this Board meeting, and the total amount submitted and audited in this 12 month period equals approximately \$801 million.

## **Approval of Audits, New Program**

The Director of Audit explained that the Board is being asked to approve three Capital Pipeline Program audits listed on the Audit Exhibit. She explained that the total combined grant amount for these three projects is \$33,616,815.

The Chairman asked for a motion, and the following motion was made by Ms. Vanderhoef and seconded by Mr. Deninger:

## **Approval of Audit Costs for Several Projects**

**VOTED:** That the Board of Directors of the Massachusetts School Building Authority hereby approves the final audited approved grant amounts for each of the projects listed in the spreadsheet attached hereto as Exhibit C and authorizes the Executive Director to make payments consistent with this vote.

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*VOTE: There being no additional questions or comments, the Board approved the Motion by majority – 7 in favor, 0 abstaining.*

## **MSBA Updates**

### **Executive Director's Report**

The Executive Director began his report by thanking the MSBA staff members for their hard work in preparing for the Board. He noted that since the October 25, 2017 Board meeting, the MSBA has visited 20 projects and nine districts have voted affirmatively to appropriate full project funds or feasibility study funds. He explained that the MSBA anticipates making 17 project visits in January and February and presented a list of the upcoming district visits and milestone ceremonies as part of his PowerPoint presentation. He explained that since the last Board meeting, MSBA staff have engaged in outreach with multiple school districts, and have attended several meetings where they have participated as presenters and as stakeholders.

Next, the Executive Director presented preliminary data on construction costs for OPM and Designer fees. Then he welcomed new employee, Hernica Jean-Charles as an Audit Analyst, and congratulated the following employees on promotions: Elena Seiti on her promotion to Senior Project Coordinator, Rachel O'Brien on her promotion to Project Assistant, and Peter Falk on his promotion to Project Manager.

Next, he congratulated Fenton Bradley on receiving his architectural license on October 24, 2017 and Brittany Gomes on her August 26, 2017 marriage. He also extended greetings of the season to Board members, attendees and staff.

### **Reconciliation of Project Obligations and Annual Cap**

Jennifer Gonzalez, the MSBA's Chief Financial Officer next spoke about a project that MSBA staff undertook to further the MSBA's objective of maximizing the availability of funding for the MSBA's grant program. Staff conducted a reconciliation audit for fiscal years 2008 through fiscal year 2016 to identify and quantify unused funding cap space from those fiscal years through a comparison of grant values for proposed projects as estimated at schematic design with the corresponding Final Grant Values that were approved by the Board after Final Audit. As explained in the Board memo, this effort was in concert with the two policies previously authorized by the Board to increase the certainty in which the cap is calculated and to maximize the availability of funding within the cap for district proposed and Board approved projects.

The Chairman asked for a motion, and the following motion was made by Mr. Sullivan and seconded by Mr. Deninger:

**Authorization to use Funding Cap Space available from Fiscal Year 2008 through Fiscal Year 2016 to support the funding of Projects in Fiscal Year 2018 or thereafter and Authorization to Annually Reconcile the Estimated Grant Amounts contained in Feasibility and/or Project Funding Agreements with Final Audited Grant Amounts and allocate any difference to support future Projects**

VOTED: That the Board approves the following:

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- 1) \$209,754,984 of funding cap space which remains unused from Fiscal Years 2008 through 2016 is allocated for use in Fiscal Year 2018 or future fiscal years to support the funding of project(s) which are approved for Preferred Schematic or invited into the ARP program;
- 2) The MSBA will annually reconcile the estimated grant amounts which are included in Feasibility Study Agreements and/or Project Funding Agreements with any related Final Grant Values approved for those Projects by the Board after Final Audit and will allocate any difference between those amounts to support the funding of project(s) which are subject to an approved and executed Project Funding Agreement; and
- 3) MSBA Staff continue to maximize the amount of funding that can be provided under the MSBA Program through flexible management of the annual funding cap and continued examination of variations between projected schedules and approximated budgets for proposed projects at invitation to Eligibility Period and related estimated grants and projected schedules for those proposed projects at Schematic Design.

Mr. Sullivan commented that this was a tremendous undertaking for MSBA staff. He noted that he is impressed with this innovative idea.

***VOTE:** There being no additional questions or comments, the Board approved the Motion by majority – 7 in favor, 0 abstaining.*

### **Project Overview Report**

Next, the Director of Capital Planning presented a PowerPoint, including a summary of bid data. She summarized available data for anticipated bids for the 2017 calendar year noting that this information is preliminary. She reported that ten Core Program projects received a bid in 2017 and nine of the ten bids came in within the estimated budget. As part of her presentation, the Director of Capital Planning presented a chart on bid data for the projects in the MSBA Capital Pipeline. She then provided bid data for the MSBA's Accelerated Repair Program. She explained that for the 2016 Accelerated Repair Program, 23 of the 33 reported projects came in within the estimated budget. She explained that seven of the remaining 15 projects will bid by the end of January 2018.

### **Commissioning Consultants**

Then MSBA Chief Engineer Joe Buckley spoke about the MSBA's recent procurement of commissioning consultants, explaining that this is the fifth time the MSBA has conducted a public Request for Responses (RFR) for Commissioning Consultants. He explained that the MSBA received 26 responses prior to the September 20, 2017 deadline and spoke briefly about the review process. He then asked the Chairman to ask for a motion for the MSBA to enter into contracts with the commissioning consultants as described in the Board memo.

The Chairman asked for a motion, and the following motion was made by Mr. Sullivan and seconded by Ms. Vanderhoef:

### **Vote Authorizing Executive Director to Enter into Contracts for Commissioning Consultant Services**



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VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby authorizes the Executive Director to execute and deliver one or more master services agreements for commissioning consultant services, the cost of which may exceed \$250,000.00 per agreement, containing such provisions as he shall deem advisable, the definitive form of such master services agreements to be evidenced conclusively by his execution thereof.

*VOTE: There being no additional questions or comments, the Board approved the Motion by majority – 7 in favor, 0 abstaining.*

### **Construction Cost Policy Update**

MSBA Director of Project Management John Jumpe presented a PowerPoint regarding construction cost trends and the MSBA's annual review of construction cost data. He explained that staff has completed its annual review of construction cost data and is recommending adjusting the current policy of funding up to \$326 per square foot plus eligible demolition and abatement, to funding up to \$333 per square foot plus eligible abatement. He continued, adding that staff is also recommending that the policy be effective for districts receiving an approval for a project on or after January 1, 2018.

The Chairman asked for a motion, and the following motion was made by Mr. Deninger and seconded by Ms. Brockelman:

### **Approval of Massachusetts School Building Authority's Construction Cost Policy**

VOTED: That the Board approves the MSBA staff recommendation to adjust the MSBA's current Construction Cost Policy by increasing the level of funding from \$326 per square foot plus eligible demolition and abatement to a funding level of \$333 per square foot plus eligible demolition and abatement, which adjustment will be in effect for districts receiving an approval of a proposed project on or after January 1, 2018, as further described in the materials presented to the Board and attached hereto.

There was a brief discussion among Board members regarding construction costs and the construction cost graphs presented to the Board.

The Chairman thanked the MSBA for the outstanding analysis and commented that it is always interesting to see a comparison of the costs for Design-Bid-Build and CM at Risk.

*VOTE: There being no additional questions or comments, the Board approved the Motion by majority – 7 in favor, 0 abstaining.*

Then the Chairman had to leave the meeting and her designee, James MacDonald, presided over the remainder of the meeting.

### **Cape Cod Regional Vocational Technical School District Poverty Factor**

Next, MSBA Chief Financial Officer Jennifer Gonzalez explained that staff are recommending that the Estimated Maximum Total Facilities Grant approved at the August 23, 2017 Board Meeting for the Cape Cod Regional Technical High School be increased from \$42,545,193 to \$46,371,387 based

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on the base rate as adjusted by the Community Poverty Factor increasing to 47.87% from 42.20% and that the Maximum Total Facilities Grant be concomitantly increased to \$47,862,015. Including incentive points, the aggregate reimbursement rate for this project will be 51.12%. This is due to recent legislation that, as set forth in the Board meeting memorandum regarding Cape Cod Regional Vocational Technical School District, requires "in determining the grant percentage for the fiscal year 2018 approved school projects, the Massachusetts School Building Authority shall calculate the community poverty factor by examining the proportion of economically disadvantaged students from calendar year 2015 to the present and assigning whichever year's factor is the highest as determined by the department of elementary and secondary education."

The Chairman asked for a motion, and the following motion was made by Mr. Cronin and seconded by Ms. Vanderhoef:

**Vote to Authorize Executive Director to Amend Cape Cod Regional Vocational Technical School District's Previously Approved Reimbursement Rate**

VOTED: That, whereas, on August 23, 2017, the Board of Directors approved a base reimbursement rate of 42.20% for the Cape Cod Regional Technical High School project in the Cape Cod Regional Vocational Technical School District; and, whereas, in November 2017, legislation was enacted requiring the Authority to calculate the community poverty factor for districts by examining the proportion of economically disadvantaged students from calendar year 2015 to the present and assigning whichever year's factor is the highest as determined by the department of elementary and secondary education for projects receiving MSBA approval during Fiscal Year 2018, and the Cape Cod Regional Technical School District is thereby eligible for a base reimbursement rate of 47.87% for the Cape Cod Regional Technical High School project, and the Board hereby approves this reimbursement rate with a concomitant increase of the Estimated Maximum Total Facilities Grant to \$46,371,387 and the Maximum Total Facilities Grant to \$47,862,015, and hereby authorizes the Executive Director to deliver a revised form of Project Scope and Budget Agreement to the Cape Cod Regional Vocational Technical School District which includes the base reimbursement rate approved by this vote and, once the Project Scope and Budget Agreement has been executed by both parties, to execute a Project Funding Agreement with the Cape Cod Regional Vocational Technical School District and expend funds in accordance with such Project Funding Agreement.

An aide from Representative Sarah Peake's office commented that Representative Peake fully supports the project at the Cape Cod Regional Technical High School. An aide from Senator Julian Cyr's office also spoke on behalf of the Senator in support of the project.

Cape Cod Regional Vocational Technical School District Superintendent Robert Sanborn commented that the community overwhelmingly supports the project.

*VOTE: There being no additional questions or comments, the Board approved the Motion by majority – 7 in favor, 0 abstaining.*

**Finance**

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### **FY 17 Audited Financial Statements**

Tamia Buckingham, MSBA Director of Audit, spoke about the MSBA's Financial Statements for FY17 and presented some PowerPoint slides. She explained that the MSBA worked with a new independent auditor, RSM US LLP. She provided an overview and explained that RSM US LLP issued an unmodified (i.e., clean) opinion.

Mr. MacDonald commented that it is good business practice to work with new auditors.

Ms. Kwan commented that she wants to congratulate the MSBA on receiving a clean audit opinion and congratulated the MSBA on this accomplishment.

### **Sales Tax Collection Update**

MSBA Chief Financial Officer Jennifer Gonzalez presented a PowerPoint and provided a SMART Fund update explaining that FY 18 collections through October 2017 are \$2.903 million (1.05%) higher than FY17 collections during the same period. FY 18 Consensus Revenue Estimate of \$841 million would represent growth of 2.96% over the FY 17 unaudited amount.

She presented a slide with a graphical depiction of FY 15 - FY 18 monthly SMART fund collections, and then quarterly SMART collections from FY 13 - FY 18, followed by SMART collections by year from FY 13 - FY 18.

### **Grant Payments Update**

MSBA Treasurer Gianpiero Tirella provided an update regarding MSBA grant payments for projects, noting that the MSBA has made \$238,569,421 in grant payments to date in Fiscal Year 2018. This is for 234 Capital Pipeline Program, Prior Grant, and Waiting List projects in 145 districts.

### **Results of the November 2017 Defeasance, Results of Procurements, and Plan of Finance**

Ken Wissman, the MSBA's Chief Financial Advisor, spoke about the results of the defeasance that the Board authorized at the October 25, 2017 meeting. The authorization was for the defeasance of up to \$80,000,000 of existing MSBA debt. He highlighted some of the information presented in the Board memo noting that principal totaling \$76,385,000 and future interest payments of \$13,984,250 were defeased. This will reduce future MSBA debt service by \$90,369,250.

Next, Mr. Wissman spoke about the procurement for Investment Banking Services which the MSBA posted in August 2017. Twenty-seven firms submitted responses to the request. After completing an evaluation of the responses, the Procurement Management Team recommended the establishment of two pools as well as a Selling Group for selling fixed rate debt. The information provided to the Board lists the firms that will be in these pools.

Last, Mr. Wissman spoke about the MSBA's plan of finance. He explained that, as discussed at the October 25, 2017 Board meeting, the MSBA is planning to issue bonds to retire \$450,000,000 of commercial paper. The goal is to price the bond issue in January and the bonds issued will be fixed rate debt with a final maturity of 30 years. He explained that the MSBA is considering issuing

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subordinate lien debt to keep the coverage ratio stronger for senior lien debt. He explained that the market is volatile. He noted that the Finance team will provide an update at the next Board meeting.

There was a brief discussion among Board members and MSBA staff regarding the current market environment.

### **FY 18 Budget Update**

MSBA Chief Financial Officer Jennifer Gonzalez provided the Board with a FY 18 year-to-date budget update. She presented a PowerPoint and provided a summary of the Administrative, Operations and Grant Programs Budgets and the Capital Pipeline Professional Support Services Budget for FY 18 with a summary of expenditures to date. She presented a chart with information regarding debt service paid and sinking fund deposits.

The meeting was adjourned at 1:00 p.m.

List of documents and exhibits used at the meeting:

- PowerPoint Presentation
- October 25, 2017 Board Meeting Minutes
- Invitation to Eligibility Period
- Invitation to Feasibility Study
- Amendment to Feasibility Study Agreement
- Project Funding Agreement Recommendations for the Accelerated Repair Program
- Preferred Schematic Design Recommendations
- Project Scope and Budget Phase Recommendations
- Audit Status Report
- Recommendation for Approval of Final Audits, Capital Pipeline Program
- Executive Director Report
- Reconciliation of Project Obligations and Annual Cap
- Project Overview Report
- Recommendations for Commissioning Consultants
- Recommendation on the MSBA's Construction Cost Policy
- Recommendation on the Cape Cod Regional Vocational Technical School District Poverty Factor
- FY17 Audited Financial Statements
- Sales Tax Collection Update
- Grant Payments Update
- Results of Finance Procurements
- Results of the November 2017 Defeasance, Results of Procurements, and Plan of Finance
- FY18 Budget Update