

**Massachusetts School Building Authority
Board Meeting Minutes of May 12, 2017**

A meeting of the Massachusetts School Building Authority (the "Authority" or "MSBA") was held on May 12, 2017 at 40 Broad Street, Boston, Massachusetts.

Members Present: Deborah Goldberg, State Treasurer and Chairman; James MacDonald, First Deputy Treasurer and Interim Chief Executive Officer; Terry Kwan, appointed member; Richard Bertman, appointed member; Sean Cronin, Designee of the Secretary of Administration and Finance; Matt Deninger, Designee of the Commissioner of Education; Greg Sullivan, appointed member; and Sheila Vanderhoef, appointed member.

Others Present: Jack McCarthy, Executive Director/Deputy Chief Executive Officer; Dennis Ryan; Barbara Hansberry; Jennifer Gonzalez; Tamia Buckingham; Mary Pichetti; Michael McGurl; John Jumpe; Diane Sullivan; Karl Brown; Christine Nolan; Colleen Smith; Siobhan Tolman; Ken Wissman; Kathryn DeCristofaro; Katie Loeffler; Matt Donovan; Maria Puopolo; Paul Fowkes; Chris Alles; 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 10:10 a.m. and asked if anyone is recording the meeting. No one announced that they were recording the meeting.

The Chairman explained that this will be the final Board meeting for Richard Bertman, as he is retiring from the Board. She noted that Richard has served on the Massachusetts School Building Authority's Board of Directors since the MSBA's inception. He was first appointed on September 22, 2004 by then Treasurer Timothy Cahill and attended his first Board meeting on September 23, 2004. Richard brought his architectural expertise and dedication in quality design to reviewing and voting on over 600 school projects during his tenure on the Board. Richard's countless contributions have resulted in improving the learning environments for more than 600,000 students across the Commonwealth.

The Chairman thanked Mr. Bertman for his dedication and participation on the Board of Directors, his participation on the Facilities Assessment Subcommittee, and his leadership on the Model School Task Force, noting how he elevated the perspective of the agency by continuously reminding the Board of the importance of quality design. The Chairman wished Mr. Bertman well on all of his future endeavors and presented him with a framed collage of MSBA projects signed by the Board and MSBA staff, along with a membership to the Institute of Contemporary Art.

Mr. Bertman spoke, thanking the Treasurer. He commented that the Massachusetts School Building Authority is a wonderful organization of which he is proud to be a part. He thanked the Chairman, the Board, and the MSBA staff for the heartfelt sendoff.

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 remove two projects from the MSBA Capital Pipeline; to invite three districts into Feasibility Study; and invite 13 districts into the Accelerated Repair Program. She noted that the Board will also be voting to: amend two Feasibility Study Agreements; authorize Project Funding Agreements for seven Accelerated Repair Projects with an Estimated

Maximum Total Facilities Grant of \$18.6 million; authorize two proposed projects to proceed to Preferred Schematic Design, with an estimated \$96.9 million in total construction costs; invite one district to enter into a Project Scope and Budget Agreement and Project Funding Agreement, with an Estimated Maximum Total Facilities Grant of \$20.9 million; and approve 10 final audits from seven districts with a combined Final Total Facilities Grant amount of \$177.4 million. She explained that the Board will be voting on the MSBA's Post Occupancy Review Recommendations, Defeasance Authorization, and the Fiscal Year 2018 Budget Recommendations.

Acceptance of the February 15, 2017 Minutes

The Chairman asked for a motion to accept the minutes of the February 15, 2017 Board Meeting. The following motion was made by Ms. Kwan and seconded by Mr. Sullivan:

Approval of the Minutes of the February 15, 2017 Board Meeting

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Minutes of the February 15, 2017 Board meeting.

VOTE: There being no questions or comments, the Board approved the Motion to approve the Minutes of the February 15, 2017 Board Meeting by majority – 7 in favor, 0 abstaining.

Project

MSBA Director of Capital Planning Mary Pichetti introduced Capital Program Managers, Kathryn DeCristofaro and Katie Loeffler who would be presenting the next items on the agenda.

Capital Program Manager Kathryn DeCristofaro explained that the Board is being asked to vote to remove the Statement of Interest for the Wildwood Elementary School in the Town of Amherst from the MSBA Capital Pipeline. She explained that the Board approved the proposed project at the September 28, 2016 Board meeting to consolidate the existing Wildwood Elementary School and the Fort River Elementary School into two new co-located elementary schools in one building serving grades 2-6. The Town attempted to secure local authorization for full project funds three times. Voters approved a debt exclusion override but were unable to secure the super majority needed for borrowing at two Amherst Town Meetings and a Town Election. The District has submitted its Declaration of Removal indicating agreement with removing this SOI from the Capital Pipeline.

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

Vote on Removing the Town of Amherst's Statement of Interest from the MSBA Capital Pipeline

VOTED: That, whereas, on September 24, 2014, the Board voted to invite the Town of Amherst to collaborate with the MSBA to conduct a Feasibility Study for the Wildwood Elementary School; and, whereas, on September 28, 2016, the Board voted to approve a Proposed Project for an addition and renovation project to consolidate the existing Wildwood Elementary School and Fort River Elementary School into two new "co-located" elementary schools, in one building, serving grades

2-6 on the existing Wildwood Elementary School site and authorize the Executive Director to execute a Project Scope and Budget Agreement and Project Funding Agreement with the Town of Amherst for the Proposed Project; and, whereas, as described in the materials attached hereto, the Town of Amherst has notified the MSBA that it has decided not to further pursue its Statement of Interest, Feasibility Study invitation, or approval of a Proposed Project for the Wildwood Elementary School, the Board hereby removes the Town of Amherst's Statement of Interest for the Wildwood Elementary School from the MSBA's Capital Pipeline and authorizes the Executive Director to do all acts necessary and execute and deliver any and all documents and agreements in connection with such removal.

The Chairman commented that she is distressed when a district fails to secure local funding, noting that staff has been working closely with communities to avoid ending up in this situation. She commented that she hoped the Town of Amherst is able to be invited back into the pipeline in the future.

***VOTE:** There being no questions or comments, the Board approved the Motion to Remove the Town of Amherst's Statement of Interest from the MSBA Capital Pipeline by majority – 7 in favor, 0 abstaining.*

Capital Program Manager Katie Loeffler explained that the Board is being asked to vote to remove the Statement of Interest for the Pickering Middle School in the City of Lynn from the MSBA Capital Pipeline. She explained the proposed project was approved at the February 15, 2017 Board meeting to replace the existing Pickering Middle School facility with a new Pickering Middle School and a new West Lynn Middle School on two different sites and both serving grades 6-8. The City was unable to secure local funding for the proposed two building project and subsequently submitted a Declaration of Removal to the MSBA.

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

**Vote on Removing the City of Lynn's Statement of Interest
from the MSBA Capital Pipeline**

VOTED: That, whereas, on August 6, 2015, the Board voted to invite the City of Lynn to collaborate with the MSBA to conduct a Feasibility Study for the Pickering Middle School; and, whereas, on February 15, 2017, the Board voted to approve a Proposed Project to replace the existing Pickering Middle School facility with a new Pickering Middle School and a new West Lynn Middle School on two different sites, conditional upon the City obtaining full ownership, control, and exclusive use of the proposed project sites and authorize the Executive Director to execute a Project Scope and Budget Agreement and Project Funding Agreement with the City of Lynn for the Proposed Project; and, whereas, as described in the materials attached hereto, the City of Lynn has notified the MSBA that it has decided not to further pursue its Statement of Interest, Feasibility Study invitation, or approval of a Proposed Project for the Pickering Middle School and the new West Lynn Middle School, the Board hereby removes the City of Lynn's Statement of Interest for the Pickering Middle School from the MSBA's Capital Pipeline and authorizes the Executive Director to

do all acts necessary and execute and deliver any and all documents and agreements in connection with such removal.

Lynn Superintendent Dr. Catherine Latham thanked the MSBA Board and staff for their support and advice throughout the process. She thanked Jack McCarthy, Matt Donovan, Diane Sullivan, Chris Alles, and Katie Loeffler, noting that they have been wonderful to work with.

State Representative Donald Wong, who represents Lynn, spoke thanking the Board for its help and support. He commented that education is on the top of the agenda for the youth and the future for the City of Lynn. He noted that he hopes to be before the Board again in the future.

The Chairman commented that she visited the Pickering Middle School in Lynn and explained that she is very disappointed in the outcome because she is personally aware of the numerous building deficiencies. She explained that children want to learn and that the Commonwealth needs to find a way to provide more help to communities like Lynn. She added that her team is currently working on a handbook to help districts as they prepare to secure local funding. She further commented that she hopes that the Pickering Middle School will be a topic of discussion in the upcoming Mayoral race.

Ms. Kwan commented that residents in urban communities don't have the financial means to support projects, noting that these districts need more help than the MSBA to put the infrastructure together. She offered her opinion that businesses need to help close this "Opportunity Gap".

VOTE: *There being no further questions or comments, the Board approved the Motion to Remove the City of Lynn's Statement of Interest from the MSBA Capital Pipeline by majority – 7 in favor, 0 abstaining.*

Invitation to Feasibility Study

Next, the Capital Program Managers 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 City of Amesbury, the Central Berkshire Regional School District, and the Town of West Springfield. They provided a brief summary of the issues stated by the districts in their SOIs.

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

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 A, for each of the schools listed in Exhibit A 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 A.

The Chairman recognized several state and local officials that were present at the meeting to represent the three districts listed above. She then opened the floor to Board member comments and discussion.

Amesbury Superintendent Dr. Gary Reese thanked the Board and MSBA staff for their partnership and the opportunity to improve the learning environment for the students of Amesbury.

Chief of Staff for Amesbury Mayor Ken Gray spoke on behalf of the Mayor noting the Mayor is thrilled to work with the MSBA. He commented that the project at the Amesbury Elementary School has been a primary focus of the Mayor's administration since day one.

The Chairman noted that West Springfield State Representative Michael Finn and State Senator James Welch have both offered their support for the project at the Philip G. Coburn Elementary School in West Springfield.

West Springfield Superintendent Michael Richard thanked the Board and MSBA staff for this opportunity, adding that he is excited to move forward with the project.

***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.*

Invitation to Accelerated Repair

MSBA Project Manager Mike McGurl explained that, following the receipt of 73 Statements of Interest filed in 2017 for the Accelerated Repair Program, the MSBA performed a review of the information provided by the districts. Based upon that review, 69 schools qualified for the Accelerated Repair Program. He explained that consistent with the communication provided annually regarding the SOI process, the number of invitations that the Board is allowed to authorize each year varies and the MSBA may need to limit the number of invitations due to its annual statutory cap.

He explained that following the first year of the Accelerated Repair Program in 2012, the MSBA has invited approximately 45 to 50 schools annually. Compared to the number of qualifying SOIs that received site visits in previous years, the 69 qualifying schools represent a significant increase. Given the budget impact from the number of SOIs filed for the Accelerated Repair Program in 2017, at the April 12, 2017 Facilities Assessment Committee Meeting, MSBA staff recommends limiting the number of ARP invitations this year. If limiting the number of invitations, the MSBA should consider the degree of the disrepair of the systems to be replaced and the frequency with which issues associated with the disrepair arise. For 2017, MSBA staff recommends that both factors be evaluated relative to the age of a system and therefore only systems of 30 years or more be considered for invitation.

For the 2017 Accelerated Repair Program, MSBA staff's recommendation to invite systems of 30 years or more results in the consideration of 36 of the 69 schools. Of the 36 schools, the MSBA conducted site visits at 19 from March 21, 2017 to March 30, 2017. Upon collecting and reviewing additional information during and after the site visits, MSBA staff recommends 19 schools be invited into the 2017 Accelerated Repair Program. The remaining 17 of 36 schools have received site visits

and will be presented at the May 24, 2017 Facilities Assessment Committee Meeting in preparation for recommendations for invitation at the June 28, 2017 Board of Directors Meeting. The 19 Schools considered for invitation at today's Meeting include the replacement 6 roofs, 13 windows and doors, and 7 boiler projects.

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

Vote on Inviting Communities into the Accelerated Repair Program

VOTED: That the Executive Director is hereby authorized to invite certain communities into the Accelerated Repair Program to collaborate with the MSBA to conduct a Feasibility Study, as described in 963 CMR 2.00 *et seq.*, for each of the schools listed in Exhibit B attached hereto, the purpose of which Study shall be to better understand the problems identified in the Statement of Interest submitted to the MSBA and explore options to repair said problems.

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 said Feasibility Study for each of the schools listed in Exhibit B.

The Chairman recognized several state and local officials that were present at the meeting to represent the 13 districts invited into the Accelerated Repair Program. She then opened the floor to Board member comments and discussion.

Fall River Chief Operating Officer Ken Pacheco spoke on behalf of Superintendent Matthew Malone thanking the Board and MSBA staff for their support and this opportunity for Fall River.

Lawrence Superintendent/Receiver Jeffrey Riley thanked the Board for their consideration and support.

Lynn Superintendent Dr. Catherine Latham thanked the Board and MSBA staff for their continued support.

State Representative Donald Wong thanked the Board and MSBA staff.

Mansfield Superintendent Zeffro Gianetti thanked the Board for their support noting that he is excited to begin the project at the Mansfield High School.

State Representative Jay Barrows, who represents Mansfield, spoke thanking the Board for their support. He commented that he is a graduate of the Mansfield High School and that he wanted to congratulate the Superintendent on his retirement.

A representative 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.

Norton Superintendent Joseph Baeta thanked the Board for consideration.

State Representative Jay Barrows, who also represents Norton, thanked the Board members for their support noting that the School Committee is in full support of the Accelerated Repair projects in the Town of Norton.

Quincy Director of Building Maintenance Walter MacDonald thanked the MSBA and introduced other local officials who were present at the meeting.

Quincy Superintendent Dr. Richard DeCristofaro spoke thanking the Board and MSBA staff. He commented that the City has multiple projects with the MSBA which have transformed the City and its schools. He noted that he appreciates the professionalism and support of the MSBA.

Gary Cunniff, Quincy Director of Engineering, commented that he appreciates the efforts of the Board and MSBA staff.

Randolph State Senator Walter Timilty spoke thanking the Board and MSBA staff for the strides made for education throughout the Commonwealth.

Randolph Assistant Director of Maintenance Maria Garcia thanked the Board and MSBA staff.

Ms. Kwan spoke about the importance of the Accelerated Repair Program, adding that districts need to be able to maintain their buildings. She noted that as part of the selection process, the MSBA looks at the district's commitment to maintenance. She noted that an added value of the Accelerated Repair program is that the MSBA pays for 100 percent of the commissioning fees.

***VOTE:** There being no further questions or comments, the Board approved the Motion to invite communities into the Accelerated Repair Program by majority – 7 in favor, 0 abstaining.*

Amendment to Feasibility Study Agreements

Mary Pichetti, the Director of Capital Planning, explained that the Board is being asked to vote to amend the Feasibility Study Agreements for the following schools: the Boston Arts Academy in the City of Boston and the Lt. Elmer J. McMahon Elementary School in the City of Holyoke.

The Director of Capital Planning explained that the City of Boston received an invitation to conduct a Feasibility Study for the Boston Arts Academy on November 19, 2014. The City submitted its Preliminary Design Program to the MSBA on January 30, 2017, which included a project schedule indicating the need for additional time to complete the work required to finalize its feasibility study and schematic design. Staff is now recommending that the Board vote to authorize an extension to December 31, 2017 for the City of Boston to complete its feasibility study and schematic design work for the Boston Arts Academy.

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

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 Boston Arts Academy, from May 22, 2017 to December 31, 2017, 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 Boston Arts Academy.

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.*

Next, the Director of Capital Planning explained that the Board is being asked to authorize the extension of the Feasibility Study Agreement for the City of Holyoke. In connection with the implementation of its Level 5 District Turnaround Plan for the Holyoke Public Schools and its district-wide school survey, the City has notified the MSBA that it would like to replace the Lt. Elmer J. McMahon Elementary School Statement of Interest with the H.B. Lawrence School Statement of Interest, as the City's newly selected priority Statement of Interest, and to proceed with the Feasibility Study for the H.B. Lawrence School for a duration of 30 months. City Council has voted to remove the SOI for the proposed Lt. Elmer J. McMahon Elementary School and replace it with the H.B. Lawrence School. On March 21, 2017, the City Council also authorized and approved funding for the costs associated with the feasibility study and schematic design for the H.B. Lawrence School. MSBA staff recommends the Board vote to authorize an extension to the Feasibility Study Agreement for the City of Holyoke and the Lt. Elmer J. McMahon Elementary School SOI with the H.B. Lawrence School SOI, as its newly elected SOI, and proceed with a Feasibility Study for the H.B. Lawrence School for the duration of 30 months.

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

Vote to Extend the Term of the Feasibility Study for the City of Holyoke

VOTED: Whereas, in connection with the City of Holyoke's (the "City's") implementation of its Level 5 District Turnaround Plan for the Holyoke Public Schools and the Massachusetts School Building Authority (the "MSBA") Board of Directors vote on March 30, 2016 to allow the District to complete a Survey of the conditions at all of the District's educational facilities as part of the Feasibility Study for the Lt. Elmer J. McMahon Elementary School and, whereas, the City has notified the MSBA that, pursuant to the results of the Study, the City desires to pursue a Feasibility Study for a potential project that would serve the City's middle school population, in accordance with a review of the City's educational program and priorities and, therefore, 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 update and extend the Feasibility Study Agreement between the MSBA and the City as part of its Invitation to Feasibility Study for the Lt. Elmer J. McMahon Elementary School, to replace the Lt. Elmer J. McMahon Elementary School Statement of Interest with the H.B. Lawrence School Statement of Interest, as the City's newly selected priority Statement of Interest, and to proceed with the Feasibility Study for the H.B. Lawrence School for a duration of 30 months; and that 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.

Holyoke Superintendent/Receiver Dr. Steve Zrike thanked the Board and MSBA staff for their support. He commented that the community is very engaged in the potential project. He noted that he is excited for the City and he looks forward to continuing to work with the MSBA.

Holyoke School Committee Member Ron Collamore thanked the Board and MSBA staff.

Ms. Kwan thanked Board member Mr. Deninger for notifying her about the Condition of Education Conference in Western Massachusetts yesterday, commenting that the conference was very enlightening. She noted that the conference reminded many of how urban areas are struggling economically and talked about how to engage students in their own learning environments.

There was a brief discussion among Board members and MSBA staff regarding the need for districts to develop a master plan and the importance of planning a capital budget.

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 Holyoke by majority – 7 in favor, 0 abstaining.*

Accelerated Repair Program Project Funding Agreement Authorization

MSBA Project Manager Mike McGurl explained that that the MSBA has received Schematic Design submissions from seven districts for Accelerated Repair projects at 11 schools. The proposed projects at these 11 schools include seven roof replacements and seven window and door replacements. The combined Total Project Budget for these 11 projects is \$46,648,964, which includes a total combined construction estimate of \$36,919,092. The combined Estimated Maximum Total Facilities Grant is \$18,650,084. Including potentially eligible project contingencies, the combined Maximum Facilities Grant is \$19,692,705.

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

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:

District	School	Scope	Total Project Budget	Estimated Maximum Total Facilities Grant	Maximum Total Facilities Grant
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The Board Meeting Minutes of May 12, 2017 were approved by the MSBA's Board of Directors on June 28, 2017.

Mashpee	Quashnet Elementary School	Roof/Window/Door	\$10,477,884	\$3,601,475	\$3,781,952
North Middlesex Regional School District	Hawthorne Brook Middle School	Window/Door	\$4,109,125	\$1,334,051	\$1,425,106
	Squannacook Early Childhood Center	Roof	\$4,570,277	\$1,116,135	\$1,216,422
	Varnum Brook Elementary School	Roof, Window/Door	\$8,977,987	\$3,896,491	\$4,121,236
Quaboag Regional School District	Warren Elementary School	Window/Door	\$1,048,662	\$687,289	\$716,811
Somerville	Winter Hill Community Innovation School	Roof, Window/Door	\$3,968,259	\$2,506,997	\$2,628,598
Springfield	Thomas M. Balliet Elementary School	Roof	\$2,089,300	\$1,564,966	\$1,638,260
	Balliet Middle School	Window/Door	\$1,707,255	\$973,189	\$1,029,139
Topsfield	Proctor Elementary School	Roof	\$4,157,264	\$1,272,609	\$1,345,203
	Steward Elementary School	Roof	\$3,652,951	\$1,120,085	\$1,185,355
Wayland	Loker Elementary School	Window/Door	\$1,890,000	\$576,797	\$604,843
Totals			\$46,648,964	\$18,650,084	\$19,692,925

The Chairman recognized several state and local officials that were present at the meeting to represent the districts listed above. She then opened the floor to Board member comments and discussion.

North Middlesex Superintendent Joan Landers thanked the Board and noted that the proposed projects in her district were successful at Town meeting. She thanked Paul Fowkes and Jennifer Connarton for their guidance throughout the process.

Pepperell Town Administrator Mark Andrews spoke about the North Middlesex projects thanking the Board and MSBA staff.

The Board Meeting Minutes of May 12, 2017 were approved by the MSBA's Board of Directors on June 28, 2017.

There was a brief discussion among Board members and MSBA staff regarding the different types of materials used for roof projects and the life expectancies of these various products.

A representative from State Representative Sheila Harrington's office spoke noting that the Representative supports the projects in the North Middlesex Regional School District.

The Somerville Director of Finance spoke thanking the Board.

The Chairman noted that Springfield State Representative Michael Finn and State Senator James Welch have each offered their support for the Accelerated Repair projects in the City of Springfield.

***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.*

Next, Project Manager Mike McGurl provided an update on the Project Funding Agreements with the Town of Canton and the Town of Dartmouth. He explained that the Town of Canton and the Town of Dartmouth have each requested additional time beyond the standard 90 days to secure local funding for their Accelerated Repair projects. Staff is recommending 120 days for the Towns to secure funding for their Project Funding Agreements.

Recommendation for Preferred Schematic

MSBA Director of Project Management John Jumpe explained that the Board is now being asked to approve the preferred schematic designs for the Clarksburg Elementary School in the Town of Clarksburg and the Middleborough High School in the Town of Middleborough.

The Town of Clarksburg is proposing an addition and renovation project at the Clarksburg Elementary School. This proposed project will serve an agreed upon enrollment of 150 students in grades K-8, for a project that will serve grades PK-8. The proposed project has an estimated construction cost of \$13,696,900.

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

Vote on Moving the Town of Clarksburg 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 Clarksburg with, in concept, the development of schematic designs for an addition and renovation project at the Clarksburg 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 Clarksburg to Schematic Design by majority – 7 in favor, 0 abstaining.*

The Director of Project Management explained that the Town of Middleborough is proposing to replace the existing high school facility with a new Middleborough High School on the existing site. This proposed project will serve an agreed upon enrollment of 720 students in grades 9-12. The estimated construction cost is \$83,222,922.

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

Vote on Moving the Town of Middleborough 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 Middleborough with, in concept, the development of schematic designs to replace the existing high school facility with a new Middleborough High School on the existing site, 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.

Middleborough Superintendent Brian Lynch thanked the Board and MSBA staff for their continued commitment to the Town of Middleborough. He commented that the Town is excited for the project at the Middleborough High School and he looks forward to the continuing the partnership with the MSBA.

Middleborough School Committee Chairman Richard Young thanked the Board and MSBA staff for their partnership noting that he looks forward to moving forward with the project.

A representative from State Representative Keiko Orrall's office spoke noting that the Representative supports the project at the Middleborough High School in Middleborough.

VOTE: There being no further questions or comments, the Board approved the Motion to move the Town of Middleborough 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 Clyde F. Brown Elementary School in the Town of Millis. He presented a PowerPoint and provided a brief summary of the proposed project.

He explained that the proposed project is to replace the existing Clyde F. Brown Elementary School with a new grades PK-5 elementary school on the existing site. The District submitted a total project budget of \$52,765,857. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$36,582,347, and the proposed Estimated Maximum Total Facilities Grant would be \$20,950,710 with the District's 57.27% reimbursement rate.

The Chairman asked for a motion, and the following motion was made by Mr. Bertman 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 Millis

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Clyde F. Brown Elementary School with a new grades PK-5 elementary 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 Millis, in such forms as he may determine to be acceptable, for the Clyde F. Brown Elementary School project at a reimbursement rate of fifty-seven and twenty-seven hundredths percent (57.27%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$20,950,710, 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 \$21,423,711, 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.

A representative from State Representative David Linsky's office spoke noting that the Representative supports the project at the Clyde F. Brown Elementary School in the Town of Millis.

Millis School Building Committee Chairman Wayne Klocko thanked the Board, noting that the project at the Clyde F. Brown Elementary School is important to the Town. He thanked the MSBA staff and commented that he looks forward to 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 Town of Millis by majority – 7 in favor, 0 abstaining.*

Audit

Tamia Buckingham, MSBA Director of Audit, began her audit update by explaining that the last of the former program audits were approved at the November 2015 Board meeting, with 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 379 Capital Pipeline Program projects plus 10 projects that are being presented for final approval to the Board today, all together representing approximately \$3.4 billion in submitted and audited costs.

She continued, explaining that the MSBA has also audited approximately \$3.4 billion in submitted costs for the 230 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 \$1.7 billion in additional costs will be submitted for audit for these projects. Monthly submitted costs have averaged \$64 million over the 12 months preceding this Board meeting, and the total amount submitted and audited in this 12 month period equals approximately \$772 million.

Approval of Audits, New Program

The Director of Audit explained that the Board is being asked to approve 10 Capital Pipeline Program audits listed on Exhibit C. She explained that the total combined grant amount for these 10 projects is \$177,386,397.

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

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.

***VOTE:** There being no 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 meeting. He noted that since the February 15, 2017 Board meeting, the MSBA has visited 18 projects and nine districts have voted affirmatively to appropriate full project funds or feasibility study funds. He explained that the MSBA anticipates making 13 project visits in May and June. He presented a list of the upcoming district visits along with photos of recent MSBA events 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 legislators, and have attended several meetings where they have participated as presenters and as stakeholders, including the MassBuys Expo.

The Executive Director then provided an update on the MSBA's statewide School Survey explaining that School Survey assessments have been completed and he expects the report to be ready this summer.

Next, the Executive Director welcomed the following new employees to the MSBA: James Fairfield, as a Database Developer/Administrator; Tuba Rahman as the MSBA's Receptionist; Anthony Proia as an Assistant Project Manager; Brian Lynch as a Project Coordinator; Greg Brunell as a Project

Manager; Patrick DeAngelo as an Assistant Project Manager; and Sergio Jimenez as a Co-op. He then congratulated Board member Greg Sullivan on his son's recent marriage.

Project Overview Report

The Director of Capital Planning presented a PowerPoint, including a summary of bid data. She summarized available data for anticipated bids for the 2017 and 2018 calendar years noting that this information is preliminary. She reported that one out of 11 Core Program projects received a bid in 2017 and the one bid 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 2015 Accelerated Repair Program, 35 of the 41 reported projects came in within the estimated budget and that all projects have now been bid. She explained that for the 2016 Accelerated Repair Program, two of the two reported projects bid within the estimated budget and that 19 of the remaining 46 projects will be bid by the end of May 2017.

MSBA Director of Project Management John Junpe presented a PowerPoint that demonstrated MSBA construction costs compared to common economic indicators.

Post Occupancy Review Pilot Program

The Director of Capital Planning introduced MSBA Senior Project Manager Chris Alles who presented a PowerPoint and overview on the Post Occupancy Review Pilot Program.

Mr. Alles explained that similar to the MSBA's Model School visits and the 2016 School Survey, the proposed Pilot Program will assess and document facility operation through the observations of staff and/or consultants. Staff is recommending that post occupancy visits for the Pilot Program be limited to Core Program projects that have been in operation for a period of no less than three years from the date of substantial completion. He explained that in the first half of fiscal year 2018, MSBA staff will prepare to conduct the Pilot Program, visit five to ten schools, and compile the information collected from the visits. During the second half of fiscal year 2018 staff will evaluate the process, report the findings of the Pilot Program, and make recommendations. During fiscal year 2019, MSBA staff will provide recommendations for schedule, budget, and any necessary consultant support for further post occupancy review efforts.

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

Vote to Establish a Post Occupancy Review Pilot Program

VOTED: That, whereas, the Massachusetts School Building Authority ("MSBA") continues to assess its policies and practices in support of its mission to advance the design and construction of educationally appropriate, flexible, sustainable, and cost-effective public school facilities and, whereas, in an effort to further this mission, staff is recommending the MSBA establish a Post Occupancy Review Pilot Program ("Pilot Program") to assess the benefits of establishing an on-going comprehensive Post Occupancy Review Program review of the use and effectiveness of schools funded by the MSBA and, whereas, under the Pilot Program, MSBA Staff, with the assistance of MSBA Commissioning Consultants and other consultants as needed, will review

the current Enrollment, Program, Building Interior/Exterior, and Facility Operation and Performance for between five (5) and ten (10) selected Core Program Project Facilities that have been in operation for a period of not less than three (3) years from the date of substantial completion and will assess and document the utilization, function, and performance of those Facilities and, whereas, \$350,000 has been included in the budget for fiscal year 2018 to fund any technical support for the Pilot Program to be provided by MSBA Commissioning Consultants and other consultants as needed, the Board hereby authorizes the Executive Director to do all acts necessary, deliver any and all documents and agreements, and to expend all funds necessary or desirable to implement, execute and complete the Pilot Program.

There was a brief discussion among Board members and MSBA staff regarding evaluating the enrollment in buildings during the post occupancy visits.

***VOTE:** There being no further questions or comments, the Board approved the Motion by majority – 6 in favor, 0 abstaining. *Mr. Cronin was out of the Board Room at the time the vote was taken.*

Discussion Regarding the Cape Cod Regional Vocational Technical School District and Town of Clarksburg Poverty Factor

MSBA Executive Director spoke about the recent change in DESE's methodology for calculating the percentage of low-income students. He explained at the September 30, 2015 Board meeting, Board member Matt Deninger informed the MSBA about the upcoming change in DESE's methodology and advised that the change could impact MSBA reimbursement rates for some districts that were in the MSBA's Capital Pipeline at the time of the DESE change. As the implementation of the new methodology does not materially lower the Poverty Factor points for Cape Cod Regional School District and the Town of Clarksburg, staff is recommending application of the current calendar year Poverty Factor points in accordance with standard practice.

Finance

Policies Related to Calculating the Obligations under the Annual Cap

The Chief Financial Officer spoke about recommendations that MSBA staff is making to maximize the amount of funding that is provided to school districts participating in the MSBA's grant program each fiscal year. These recommendations will provide staff with the tools needed to increase the certainty in which the annual cap is calculated and maximize funds available to support the estimated grants of district proposed and Board of Directors approved projects. Staff proposes that the MSBA calculate the annual program funding cap based upon SMART fund growth for the prior fiscal year to allow staff greater certainty in recommending authorizations up to the actual funding cap each year. Staff also proposes that the MSBA reconcile Board approved projects to the annual program funding cap during the final Board of Directors meeting of each fiscal year. If the maximum grant value of all projects previously approved or then ready for Board approval exceeds the annual cap, the Board would vote to approve projects with either no funding or partial funding at the final Board meeting of the fiscal year, with the funds to be authorized in the next fiscal year. If the maximum grant value of all projects previously approved or then ready for Board approval is less than the

annual cap, the Board would pre-approve an amount that could be applied to either one or more projects that have been approved for Preferred Schematic or to Accelerated Repair Projects that have been invited into the ARP program.

Sales Tax Collections Update

The Chief Financial Officer presented a PowerPoint and provided a SMART Fund update explaining that the Fiscal Year 2017 SMART fund estimate has been updated to \$813.208 million, noting that the revised amount would produce growth of 1.8% over the FY16 amount. Collections through April 2017 are 9,429 million (1.4%) greater than FY16 collections during the same period. April 2017 collections reflect decline of approximately 2.4% compared to April 2016.

Grant Payments Update

The Chief Financial Officer provided an update regarding grant payments for projects, noting that the MSBA has made \$469,512,927 in grant payments to date in Fiscal Year 2017. This is for 334 Capital Pipeline Program, Prior Grant, and Waiting List projects in 182 districts.

Guidelines for Use of Unrestricted Funds Request for Defeasance Authorization Vote

Next, the Chief Financial Officer spoke about the revised draft Guidelines for Use of Unrestricted Funds, which were presented at the November 9, 2016 Board meeting. MSBA staff prepared these Guidelines to provide a framework for the scope of and priorities for current expenditures and potential new initiatives. These Guidelines informed the recommendations for the FY 17 financing plan, the FY 16 year end budget projections, and the FY 17 budget recommendation. The Guidelines will also be a resource for FY 18 and beyond.

There was a brief discussion among MSBA staff and Board members about the MSBA's plan of finance and the debt structure.

Request for Defeasance Authorization

The MSBA's Chief Financial Adviser, Ken Wissman explained that the Board is being asked to authorize the cash defeasance of outstanding bonds of the Authority. He explained that one factor used by rating agencies in evaluating the MSBA credit is the Debt Service Coverage Ratio (DSCR) on debt outstanding. A high DSCR can lead to a high credit rating. Staff is requesting an authorization to defease up to \$46.0 million of bond par amount in this fiscal year. The debt identified to be defeased matures in FYs 2018 to 2024 . This would eliminate approximately \$54.6 million of debt service over those years at an estimated net cost of \$50.9 million. This would improve the DSCR by approximately .04. This defeasance plus an additional defeasance in FY 2018 is intended to keep MSBA's DSCR over 2.00 as calculated by the rating agencies.

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

Authorization to Provide for the Cash Defeasance of Outstanding Bonds of the Authority

VOTED: To authorize the Executive Director to apply available moneys of the Authority to the cash defeasance of a portion of the Authority's outstanding Dedicated Sales Tax

Bonds ("Bonds") in a principal amount not to exceed \$46,000,000, and in furtherance thereof the Executive Director, with respect to the cash defeasance, is hereby delegated all powers of the Authority under Section 3B of Chapter 70B of the Massachusetts General Laws.

VOTED: To authorize the Executive Director and such other officers of the Authority as the Executive Director may designate, acting singly, upon the advice of the Authority's bond counsel, to do all acts and things and to execute and deliver any and all documents, certificates and other instruments necessary or desirable in connection with the cash defeasance of a portion of the Bonds, including without limitation one or more defeasance escrow agreements, and one or more agreements providing for the investment of moneys made available for cash defeasance.

There was a brief discussion among Board members and MSBA staff regarding rating agencies and how they rate the MSBA. Mr. Ryan advised that the MBTA receives a lump sum distribution of \$160,000,000 over and above the MBTA's "Dedicated Sales Tax Revenue Amount".

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

Budget Update

The Chief Financial Officer provided the Board with a budget update. She presented a PowerPoint and provided a summary of the Administrative, Operations and Grant Programs Budgets for FY2017.

She presented on various line items in the budget, including the Capital Pipeline professional support services and staffing line items included in the FY17 expenditure charts.

There was a brief discussion among Board members and MSBA staff regarding employee benefits. Also discussed was the budget for projected employees and how this line item is reflected in the budget documents. Mr. Sullivan asked if the Budget is based upon an appropriate level of staffing. Ms. Vanderhoef noted that the budget is based upon an anticipated level of staffing and suggested that a footnote be revised to reflect that assumption.

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

Vote to Approve the Massachusetts School Building Authority Fiscal Year 2018 Operating and Capital Budget

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Massachusetts School Building Authority Fiscal Year 2018 Operating and Capital Budget in the amount of \$731,952,556, with such changes or reallocations of funds as may be deemed necessary or desirable by the Executive Director for the efficient operation of the Authority.

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

The Board Meeting Minutes of May 12, 2017 were approved by the MSBA's Board of Directors on June 28, 2017.

The Superintendent from the Cape Cod Regional Vocational Technical School District spoke about the community poverty factor calculation for the District and how it has fluctuated and could affect the District's reimbursement rate.

There was a discussion about this among Board members and it was noted that other districts are similarly affected and that DESE is working on this.

The meeting was adjourned at 12:40 p.m.

List of documents and exhibits used at the meeting:

- PowerPoint Presentation
- February 15, 2017 Board Meeting Minutes
- Project Removal from the MSBA Capital Pipeline
- Invitations to Feasibility Study
- Invitations to the Accelerated Repair Program
- Amendment to Feasibility Study Agreements
- 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
- Project Overview Report
- Post Occupancy Review Recommendation
- Cape Cod Regional Vocational Technical School District and Clarksburg Poverty Factor
- Policies related to calculating obligations under the annual cap
- Sales Tax Update
- Grant Payments Update
- Guidelines for the Use of Unrestricted Funds
- FY2017 Budget Update and FY 18 Budget Recommendation