

**Massachusetts School Building Authority
Board Meeting Minutes of August 23, 2017**

A meeting of the Massachusetts School Building Authority (the "Authority" or "MSBA") was held on August 23, 2017 at 40 Broad Street, Boston, Massachusetts.

Members Present: Deborah Goldberg, State Treasurer and Chairman; Terry Kwan, appointed member; 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; and Sheila Vanderhoef, appointed member.

Others Present: James MacDonald, First Deputy Treasurer and Chief Executive Officer; Jack McCarthy, Executive Director/Deputy Chief Executive Officer; Dennis Ryan; Barbara Hansberry; Jennifer Gonzalez; Tamia Buckingham; Mary Pichetti; John Jumpe; Karl Brown; Christine Nolan; Colleen Smith; Siobhan Tolman; Ken Wissman; Kathryn DeCristofaro; Katie Loeffler; Matt Donovan; Maria Puopolo; Paul Fowkes; Chris Alles; Joseph Buckley; Kevin Collins; Jess Deleconio; Peter Falk; 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. Representatives from the Boston Herald and the Lowell Sun 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: amend a Feasibility Study Agreement with the Town of Ipswich; invite six projects to proceed into Schematic Design with an estimated \$816.5 million in Total Construction Costs; and authorize the MSBA to enter into a Project Scope and Budget Agreement for four projects, two new schools, one addition/renovation project and a limited renovation and repair project with a total Estimated Maximum Total Facilities Grant amount of \$112.5 million. The Board will also be voting on whether to approve ten final audits from nine school districts with Total Facilities Grants of over \$161.6 million. The meeting will conclude with MSBA updates from the Executive Director; an update from members of Capital Planning on both our Project Overview Report and the 2016 School Survey; as well as hear updates from our Finance Team.

Acceptance of the June 28, 2017 Minutes

The Chairman asked for a motion to accept the minutes of the June 28, 2017 Board Meeting. The following motion was made by Mr. Sullivan and seconded by Ms. Kwan:

Ms. Kwan noted that she would like to make a revision to the minutes. In the first paragraph on page five, Ms. Kwan's reference to vacant seats in the Boston Public Schools was not meant to imply that the vacant seats are all usable.

Approval of the Minutes of the June 28, 2017 Board Meeting

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Minutes of the June 28, 2017 Board meeting, with the revisions noted by Ms. Kwan.

VOTE: There being no further questions or comments, the Board approved the Motion to approve the Minutes of the June 28, 2017 Board Meeting as amended by majority – 7 in favor, 0 abstaining.

Project

Amendment to Feasibility Study Agreement

The Director of Project Management John Jumpe explained that the Board is being asked to vote to amend the Feasibility Study Agreement for the Winthrop Elementary School in the Town of Ipswich. He explained that the Town of Ipswich received an invitation to Feasibility Study at the March 25, 2015 Board of Directors meeting and approval to proceed into Schematic Design to consolidate the existing Winthrop and Doyon Elementary Schools in a new building on the existing Winthrop Elementary School site at the February 15, 2017 Board meeting. Since that time, the Town has reconsidered its prior selection of a preferred solution and has requested a ten month extension to the duration of its Feasibility Study Agreement to evaluate and develop a preferred solution that consolidates the existing Winthrop and Doyon Elementary Schools in a single building on the existing Doyon Elementary School site. MSBA staff is now recommending that the Board vote to authorize an extension of time for the Town of Ipswich to complete its Feasibility Study and Schematic Design work for the proposed Winthrop Elementary School project from September 25, 2017 through June 30, 2018.

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

Vote to Extend the Term of the Feasibility Study for the Town of Ipswich

VOTED: Whereas, the Town of Ipswich 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 Town of Ipswich, as part of its Invitation to Feasibility Study for the Winthrop Elementary School, from September 25, 2017 to June 30, 2018, 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 Winthrop Elementary School.

Ms. Kwan commented that authorizing an extension for the Feasibility Study would allow the Town more time to gain community support for the project.

Ipswich Superintendent Dr. Brian Blake thanked the MSBA for their support. He commented that the Town tried to be diligent when discussing all of their options, noting that he looks forward to continuing to work with the MSBA.

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

Recommendation for Preferred Schematic

Next, MSBA Director of Project Management John Jumpe explained that the Board is now being asked to approve the preferred schematic designs for the Attleboro High School located in the City of Attleboro, the B.M.C. Durfee High School located in the City of Fall River, the Hildreth Elementary School located in the Town of Harvard, the Lowell High School located in the City of Lowell, the James L. Mulcahey Elementary School located in the City of Taunton, and the Tisbury School located in the Town of Tisbury.

The City of Attleboro is proposing to replace the existing Attleboro High School facility with a new facility on the existing site. This proposed project will serve an agreed upon enrollment of 1,725 students in grades 9-12. The proposed project has an estimated construction cost of \$220,455,338.

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

Vote on Moving the City of Attleboro 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 City of Attleboro with, in concept, the development of schematic designs to replace the existing Attleboro High School with a new facility 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.

Mr. Cronin commented that he would like to continue to discuss what is driving the increase in construction costs. He asked if district representatives could indicate whether each district would need a debt exclusion to fund the proposed projects.

Ms. Kwan commented that when reviewing and discussing projects at the Facilities Assessment Subcommittee meetings, the Board suggests ways to cut down some of the costs of projects, such as looking at spaces that are not utilized fully in a building. She commented that there are creative architectural solutions to mitigate some construction costs and still allow the facility to support a robust education program.

Attleboro Mayor Kevin Dumas thanked the Board and MSBA for this opportunity. He commented that it is a pleasure to be before the Board with the project team. He noted that the City will need a debt exclusion to fund the project, adding that it is the largest building project in the history of the City. He commented that he looks forward to continuing to work with the MSBA.

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

The Director of Project Management explained that the City of Fall River is proposing to replace the existing B.M.C. Durfee High School with a new facility on the existing site while maintaining and renovating the existing high school athletic complex. This proposed project will serve an agreed

upon enrollment of 2,570 students serving grades 9-12. The proposed project has an estimated construction cost of \$197,067,802.

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

Vote on Moving the City of Fall River 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 City of Fall River with, in concept, the development of schematic designs to replace the existing B.M.C. Durfee High School with a new facility on the existing site while maintaining and renovating the existing high school athletic complex, 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.

Fall River Public Schools Chief Operations Officer Ken Pacheco thanked the Board for their support on behalf of the Mayor and Superintendent. He commented that he looks forward to the project, adding that the City will need a debt exclusion to fund the project.

A staff member from State Representative Paul Schmid's office, who represents Fall River, spoke on behalf of the Representative noting that the Representative supports the project at the B.M.C. Durfee High School in Fall River.

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

The Director of Project Management then explained that the Town of Harvard is proposing to replace the existing Hildreth Elementary School with a new facility on the existing site. This proposed project will serve an agreed upon enrollment of 445 students in grades K-5, for a project that will serve grades PK-5. The proposed project has an estimated construction cost of \$38,894,398.

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

Vote on Moving the Town of Harvard 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 Harvard with, in concept, the development of schematic designs to replace the existing Hildreth Elementary School with a new facility 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.

Harvard Superintendent Linda Dwight thanked the Board and the MSBA for their partnership on behalf of the community. She commented that resources provided by the MSBA help build trust in

the community for the project. She noted that the Town will have a debt exclusion as it is one of the largest projects for the Town.

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

The Chairman then addressed the Board members regarding the proposed Lowell project. She explained that they were to consider Lowell's request to begin preparation of a schematic design for a new high school at the Cawley Stadium site. The schematic design will be used to fix the amount of any MSBA grant. As a consequence, before the MSBA will approve a request to proceed to Schematic Design, the District must legally approve its project choice. She explained that what constitutes legal approval for a District is governed entirely by local requirements. Therefore, the MSBA cannot alter this process.

The Chairman further explained that she needed to raise an emerging concern that the Board members are aware of before the Board members act on Lowell's request. While the City Council has voted to approve the Cawley option, the Lowell School Committee has voted to reject the proposed Cawley option. Further, the School Committee is stating that it has the legal authority to site the school and it has recently voted to bring an action in court to enforce that authority. The MSBA has been provided with an opinion of bond counsel for the City which advises that both the City Council and the School Committee have roles in the approval of the site and the plans for this project. The Board is aware of the disagreement between the Council and the School Committee regarding the proposed Cawley option and this raises a legal question which the MSBA cannot answer. The MSBA will not move forward with a project if there is pending litigation which could alter or derail that project. The options before the Board are to move forward with Lowell's request or to postpone action upon that request until the dispute is resolved and/or the people of Lowell and their officials reach consensus on a preferred project. She then asked the Board how it would like to proceed.

Ms. Kwan commented that this is a complicated situation and her suggestion is to table the action until the MSBA and Board members are informed of an agreement in Lowell. Mr. Sullivan agreed and commented that he does not think that the Board has any other option but to table the action.

The Chairman asked for a motion to postpone the Board vote and give the community time to resolve the issue, and the motion was made by Ms. Kwan and seconded by Mr. Sullivan.

The Board continued to discuss the proposed high school project and form of the vote to postpone the Board's consideration of the proposed project.

The Chairman mentioned that this is taxpayer money and therefore, the MSBA needed to proceed cautiously. She explained that she would like to give the community time to resolve the issue. Mr. Deninger asked what the process forward would be if the action was not tabled and the Executive Director discussed the possible implications of the pending litigation on the proposed project.

Mr. Sullivan asked the Executive Director how much the schematic design could cost and there was a brief discussion.

Next, the Chairman recognized several City of Lowell officials and staff members. Lowell Mayor Edward Kennedy spoke and explained that he holds a unique position because he is the Chair of the School Committee and also serves on the City Council. He commented that both Boards want to see the project move forward and he suggested moving the project forward, contingent on the pending litigation.

Lowell Town Manager, Kevin Murphy, commented that the City is confident in the City Solicitor's legal opinion, and that he felt bond counsel agreed. He commented that he fears there will be further upheaval if the vote is tabled and that Lowell wants and deserves a new high school. He asked the Board to allow the District to proceed, contingent on the pending litigation.

The Executive Director asked the District for clarification on whether they were asking to move forward at their own risk. Town Manager Kevin Murphy stated that they would not spend taxpayer money on the project without MSBA reimbursement.

The Chairman explained that this is just a pause for the proposed project and the District could potentially move forward at the October Board meeting. She also commented on the letter from bond counsel and advised that the letter states: "as bond counsel to the city, we will need to obtain the vote of the school committee approving the plans for the new high school prior to approving the issuance of any bonds or notes to finance the project".

The Executive Director shared that KP Law informed him they are filing litigation.

Mr. Sullivan commented that he inferred that the community thinks tabling is putting an end to the proposed project and that he wanted to stress that the MSBA is in support of the project.

Ms. Kwan spoke about how this would not be the first time a project was paused. She commented that finances are tight and that the MSBA cannot afford to put time and money into a project that may not be completed. She also stressed that this measure does not defeat the project.

Ms. Vanderhoef also shared her support for the project and that she thinks Lowell will come back and be voted positively in the future.

Lowell Mayor Edward Kennedy commented that their concern is with the project being derailed. The Chairman stated she is extraordinarily in favor of the project, as is the rest of the Board, and that it is difficult to see the internal strife going on in Lowell.

Lowell City Councilor Corey Belanger briefly discussed the history of the building and echoed the Mayor's comments. He stated that he was concerned with losing funding due to the pending litigation.

The Chairman reiterated that Lowell is not losing funding, but the MSBA needs a decision to be made on the site. She also commented that she would love to have Lowell back at the next Board meeting in October.

The Executive Director asked Mr. Sullivan for clarification on his motion. There was a brief discussion among Board members regarding the language of the motion in order to express that this is not a rejection of the project.

Mr. Deninger asked what would happen if the District moved forward and the lawsuit was resolved. The Executive Director explained that the MSBA has paid Districts retroactively in the past.

Mr. Cronin asked the District how they would fund the proposed project. The Town Manager, Kevin Murphy, answered that they do not need a debt exclusion.

MSBA General Counsel Dennis Ryan discussed the language of the motion. He commented that it is the MSBA's intention to show the District that the MSBA stands ready to move forward with the project after the local issues are resolved. Mr. Sullivan asked if there was a way to express the Board's desire for the litigation to move expeditiously. Mr. Ryan commented that a "Friend of the Court" petition could be submitted to the court.

The Chairman clarified that there would be two separate votes.

Ms. Brockelman asked the District to clarify whether they are considering proceeding with the schematic design at this time. The District stated they would not.

The Chairman asked for a motion to postpone the vote but to note that it is MSBA's intention to show the District that the MSBA stands ready to move forward with the project after the local issues are resolved, and the motion was made by Mr. Sullivan and seconded by Ms. Kwan.

Vote Regarding the Proposed Lowell High School Project in the City of Lowell

VOTED: That the Board of Directors hereby tables the "Vote on Moving the City of Lowell to Schematic Design" ("Vote") until such time as the Lowell City Council and the Lowell School Committee resolve their dispute regarding the site and scope of a project for a new Lowell High School Facility ("dispute") and the Board of Directors further advises that the MSBA understands the critical need for a new Lowell High School Facility and the decision to table the Vote will not impede Lowell's ability to move forward in the MSBA process as soon as the dispute is resolved.

VOTE: There being no further questions or comments, the Board approved a Motion to table any action relating to moving the City of Lowell to Schematic Design. By majority – 7 in favor, 0 abstaining.

The Chairman next asked for a motion to have the MSBA submit a "Friend of the Court" petition, and the following motion was made by Mr. Sullivan and seconded by Ms. Vanderhoef:

Vote to Authorize the MSBA to Request for Expedited Disposition Regarding the Proposed Lowell High School Project in the City of Lowell

VOTED: That, in the event that the Lowell City Council and the Lowell School Committee ("Parties") seek a judicial resolution of their dispute regarding the site and scope of a project for a new Lowell High School Facility ("dispute"), the Board of Directors authorizes the Executive Director, subject to the permission of the Parties, to submit a "Friend of the Court" Petition in which the MSBA may advise that the need for an expedited judicial disposition of the dispute is both in the Public Interest and critical because, in the absence of settlement, the MSBA cannot fund a new Lowell High School Facility Project without a final disposition of the dispute by the Court.

VOTE: *There being no further questions or comments, the Board approved a Motion to authorize the Executive Director to request the Superior Court to expedite its disposition of the Lowell dispute. By majority – 7 in favor, 0 abstaining.*

Next, The Director of Project Management explained that the City of Taunton is proposing to replace the existing James L. Mulcahey Elementary School with a new grade PK-4 facility on the existing site. This proposed project will serve an agreed upon enrollment of 735 students in grades K-4, for a project that will serve grades PK-4. The proposed project has an estimated construction cost of \$52,301,695.

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

Vote on Moving the City of Taunton 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 City of Taunton with, in concept, the development of schematic designs to replace the existing James L. Mulcahey Elementary School with a new grade PK-4 facility 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.

Taunton Mayor Thomas Hoye spoke commenting that he is excited to be in front of the Board today and he appreciates the support. He noted that the School Committee and City Council fully support the project at the James L. Mulcahey Elementary School.

State Representative Shaunna O'Connell thanked the Board and MSBA staff for their support. She commented that the children in the City of Taunton deserve an educational environment they can be proud of, adding that she looks forward to moving into the next design phase.

The District noted that they do not plan to have a debt exclusion.

Mr. Sullivan inquired about why the City decided against a Model School project.

Mayor Thomas Hoye commented that the models fell short of the needs for the City. He noted that a model school project would have cost just as much as a custom design for the City. He suggested that the MSBA include more model schools to choose from.

Taunton Superintendent Dr. Julie Hackett commented that the special education programs in the model schools were in one area of the building. She noted that integration and inclusion of special education programs are important for the City. She recommended introducing the model school option earlier in the MSBA process and thanked the Board on behalf of the students in the City.

The Chairman commented that she agrees that special education programs need to be integrated with other students throughout the building.

Ms. Brockelman commented that she supports the City's decision to move forward with a custom design, adding that the site was specific and it makes sense for the City to choose that option.

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

The Director of Project Management next explained that the Town of Tisbury is proposing to replace the existing Tisbury School with a new facility on the existing site. This proposed project will serve an agreed upon enrollment of 285 students for grades K-8, for a project that will serve grades PK-8. The proposed project has an estimated construction cost of \$38,211,000.

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

Vote on Moving the Town of Tisbury 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 Tisbury with, in concept, the development of schematic designs to replace the existing Tisbury School with a new facility 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.

Ms. Kwan commended the Town of Tisbury on having a well thought-out educational plan. She encouraged other districts to put serious thought into their educational plans.

Tisbury School Principal John Custer spoke thanking the Board and MSBA staff for their support and partnership. He commented that the guidance from the MSBA has been invaluable, adding that the Town plans to have a debt exclusion to cover the costs of the project.

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

The Chairman stepped out of the meeting briefly and her designee, First Deputy Treasurer James MacDonald, presided over a portion of the meeting.

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 Blue Hills Regional Technical High School located in the Blue Hills Regional Technical School District. He presented a PowerPoint and provided a brief summary of the proposed project. He explained that the proposed project is for a limited renovation and repair project at the Blue Hills Regional Technical High School.

The District submitted a total project budget of \$84,862,768. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$77,767,245, and the proposed Estimated

Maximum Total Facilities Grant would be \$43,438,247 with the District's 55.89% reimbursement rate.

The Acting Chairman asked for a motion, and the following motion was made by Mr. Sullivan 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 Blue Hills Regional Technical School District

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project for a limited renovation and repair project at the Blue Hills Regional Technical High School, 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 Blue Hills Regional Technical School District, in such forms as he may determine to be acceptable, for the Blue Hills Regional Technical High School project at a reimbursement rate of fifty-five and eighty-nine hundredths percent (55.89%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$43,438,247, 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 \$44,394,076, 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.

The Acting Chairman recognized several state and local officials that were present at the meeting. He also acknowledged a letter of support from State Representative William Galvin. He then opened the floor to Board member comments and discussion.

State Senator Walter Timilty spoke thanking the Board and MSBA staff and asked the Board for a favorable vote.

Blue Hills Regional Technical School District Assistant Superintendent for Business and Personnel Steve Moore commented that he is pleased to be this far in the MSBA process. He noted that he appreciates the support of the Board and MSBA staff and noted that the building is over 100 years old. He commented that the project is essential for the continued advancement of students, adding that the District is currently unsure if they will need a debt exclusion.

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 Blue Hills Regional Technical School District 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 Cape Cod Regional Technical High School located in the

Cape Cod Regional Vocational Technical School District. He presented a PowerPoint and provided a brief summary of the proposed project. He explained that the proposed project is to replace the existing Cape Cod Regional Technical High School with a new facility on the existing site.

The District submitted a total project budget of \$128,062,881. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$90,855,177, and the proposed Estimated Maximum Total Facilities Grant would be \$41,219,899 with the District's 45.45% reimbursement rate.

The Acting 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 Cape Cod Regional Vocational Technical School District

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Cape Cod Regional Technical High School with a new facility 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 Cape Cod Regional Vocational Technical School District, in such forms as he may determine to be acceptable, for the Cape Cod Regional Technical High School project at a reimbursement rate of forty-five and forty-five hundredths percent (45.45%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$41,219,899, 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 \$42,545,193, 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.

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

Cape Cod Regional Vocational Technical School District Superintendent Robert Sanborn thanked the Board and MSBA staff. He commented that the District is considering a debt exclusion.

Mr. Sullivan asked about the process for member communities in a regional school district for approving their share of the project. The Executive Director noted that it is specific to the regional agreement and Ms. Vanderhoef briefly discussed the voting requirements for regional districts.

Mr. Deninger suggested to the Executive Director that they have a conversation regarding how the reimbursement rate is set.

Cape Cod Superintendent Robert Sanborn commented that the percentage of economically disadvantaged students in his District has increased and asked the Board to consider how the reimbursement rate is determined in the future.

***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 Cape Cod Regional Vocational Technical School District by majority – 7 in favor, 0 abstaining.*

Chairman Goldberg returned to the Board room and continued to preside over the remainder of the meeting.

Next, the MSBA Director of Project Management John Jumpe 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 Clarksburg Elementary School located in Town of Clarksburg. He presented a PowerPoint and provided a brief summary of the proposed project. He explained that the proposed project is for an addition and renovation project at the Clarksburg Elementary School.

The District submitted a total project budget of \$19,097,075. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$16,086,876, and the proposed Estimated Maximum Total Facilities Grant would be \$11,360,552 with the District's 70.62% reimbursement rate.

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

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

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project for an addition and renovation project at the Clarksburg Elementary School, 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 Clarksburg, in such forms as he may determine to be acceptable, for the Clarksburg Elementary School project at a reimbursement rate of seventy and sixty-two hundredths percent (70.62%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$11,360,552, 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 \$11,765,083, 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.

No District representatives from the Town of Clarksburg were present at the meeting.

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

Then, 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 Maria Hastings Elementary School in the Town of Lexington. He presented a PowerPoint and provided a brief summary of the proposed project. He explained that the proposed project is to replace the existing Maria Hastings Elementary School on the existing site.

The District submitted a total project budget of \$65,339,418. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$46,200,607, and the proposed Estimated Maximum Total Facilities Grant would be \$16,535,197 with the District's 35.79% 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 Lexington

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Maria Hastings 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 Lexington, in such forms as he may determine to be acceptable, for the Maria Hastings Elementary School project at a reimbursement rate of thirty-five and seventy-nine hundredths percent (35.79%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$16,535,197, 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 \$16,903,739, 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.

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

Lexington School Committee Chair Alessandro Alessandrini thanked the Board and MSBA staff and commented that the Town is fortunate to be able to partner with the MSBA. He noted the Town will have a debt exclusion vote this fall.

Lexington Superintendent Dr. Mary Czajkowski thanked the Board and MSBA staff. She commented that the Town has a wonderful partnership with the MSBA, adding that the staff is always responsive and helpful.

A representative from State Representative Jay Kaufman's office spoke on behalf of the Representative noting that the Representative supports the project at the Maria Hastings Elementary School and added that the Representative is hoping for an affirmative vote today.

A representative from State Senator Cindy Friedman's office spoke on the legislator's behalf and thanked the Board and MSBA staff for their support.

Louise Lipsitz, Principal of the Maria Hastings Elementary School in Lexington, thanked the Board and MSBA staff for their partnership.

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 Lexington 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 400 Capital Pipeline Program projects plus 10 projects that are being presented for final approval to the Board today, all together representing approximately \$4.2 billion in submitted and audited costs.

She continued, explaining that the MSBA has also audited approximately \$2.9 billion in submitted costs for the 238 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. Monthly submitted costs have averaged \$66 million over the 12 months preceding this Board meeting, and the total amount submitted and audited in this 12 month period equals approximately \$794 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 the Audit Exhibit. She explained that the total combined grant amount for these 10 projects is \$161,644,294.

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

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 "August 23, 2017 Audit Exhibit" and authorizes the Executive Director to make payments consistent with this vote.

The Chairman complimented MSBA staff on their work assisting the districts with the audit process.

Mr. Cronin thanked MSBA staff for the guidance they have provided to communities to help them with final audits.

There was a brief discussion among Board members regarding the benefits of conducting the audits for the communities.

Hingham OPM Mary Mahoney thanked the MSBA and noted that the final audit process offered great transparency.

***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 meeting. He noted that since the June 28, 2017 Board meeting, the MSBA has visited 20 projects. He explained that the MSBA anticipates making 14 project visits in September and October and presented a list of the upcoming district visits as part of his PowerPoint presentation. He explained that since the last Board meeting, MSBA staff have attended a school visit at the Carter School in the City of Boston and participated in the Massachusetts Association of School Superintendents Conference.

Next, the Executive Director welcomed the following new employees to the MSBA: Julia Prior, as a Ward Fellow; Matthew Kang as an intern; Allison Jones, Brittany Kenny, and Jennifer Flynn as Project Coordinators; and Sean Nartiff as a Web Application Developer. He then congratulated the following employees on promotions: Kristine McAndrews on her promotion to Senior Project Closeout Coordinator; Autumn Waldron on her promotion to Assistant Project Manager; and Jess Deleconio on her promotion to Senior Project Coordinator. Next, he congratulated Kevin Sullivan on his recent engagement, Fernando Garcia on his July 1, 2017 marriage, Maria Puopolo on her August 12, 2017 marriage, and Kevin Collins on his August 19, 2017 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 four out of 12 Core Program projects received a bid in

2017 and three of the four 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, 16 of the 23 reported projects came in within the estimated budget. She explained that eight of the remaining 25 projects will be bid by the end of September 2017.

School Survey Update

MSBA Director of Capital Planning Mary Pichetti, along with Joe Buckley, Jess Deleconio, Kevin Collins, and Peter Falk presented an update on the 2016 School Survey.

Jess Deleconio, Senior Project Coordinator, explained that 1419 schools out of a total of 1695 were assessed during the survey. The 276 schools not assessed are those already in the MSBA pipeline. Next, Joe Buckley, MSBA Chief Engineer, discussed the declining enrollment trends across the Commonwealth. The survey found 886,074 students across the Commonwealth which is a 1.6% decline since 2010. Enrollment increased only in the Greater Boston area, by 3.4% since 2010. Then, Jess Deleconio commented on the ages of schools in the Commonwealth and noted that since 2000, over 54% of the approximately 173 million square feet of school space in Massachusetts has been built new or renovated. Of the 131 schools built before 1917, sixteen are currently in the MSBA's pipeline.

Kevin Collins, MSBA Project Manager, then outlined the building condition school rating summary. The findings illustrate the positive impact that capital improvements have made since 2010. The survey found a similar proportion of building condition school ratings between 2010 and 2016. Further, the general environment findings also found a similar proportion of ratings between 2010 and 2016, and no schools were rated a 4 in 2016. Next, the Director of Capital Planning introduced the 2016 School Survey's Capacity Rating. The rating is directly based on each school's capacity utilization which is a measure of student enrollment divided into its capacity. The capacity utilization is objectively calculated for each school using a consistent operational model which factors in classroom design capacity, grade level utilization, and area adjustments. Since the 2010 survey, there has been a 36% increase in underutilized schools.

Then, MSBA Assistant Project Manager Peter Falk discussed the findings on technology data. Most schools have most or all classrooms with wired or wireless internet and 86.4% of schools had their core library/media center wireless. Kevin Collins, MSBA Project Manager, explained the security findings which showed that locked entryways with buzzers and cameras are common features at the vast majority of schools. Eight out of every ten schools have intrusion alarms and every school has most, if not all of their classrooms equipped with two-way communications. Lastly, the Director of Capital Planning spoke about how the maintenance practices of the surveyed schools were rated and that only 0.07% of schools were determined to have inadequate maintenance practices.

The draft report was handed out to Board members for their review.

Mr. Cronin asked about the capacity data and there was a brief discussion regarding enrollment projections and the use of empty space in school buildings.

Ms. Kwan discussed the past enrollment projections of schools in the western part of the state. She also discussed the need to encourage businesses to go further west in the state because there is underutilized property.

Mr. Sullivan commented on the prediction that high school enrollment would decline.

The Chairman commented that it will be interesting to see the next census.

Finance

Sales Tax Collections Update

MSBA Chief Financial Officer Jennifer Gonzalez presented a PowerPoint and provided a SMART Fund update explaining that preliminary unaudited FY 17 collections through June 2017 are \$18,259 million (2.29%) greater than FY 16 collections during the same period. Preliminary June 2017 collections estimates reflect an increase of approximately 8.50% compared to June 2016. FY 18 Consensus Revenue Estimate of \$841 million would represent growth of 2.96% over the FY 17 unaudited amount. FY 18 collections through July 2017 are \$1,350 million (1.92%) less than FY 17 collections during the same period. She presented a slide with a graphical depiction of FY 15 - FY 18 monthly SMART fund collections, and then quarterly SMART collections from FY 12 - FY 17, followed by SMART collections by year from FY 12 - FY 17.

There was a brief discussion among Board members and staff about the sales tax estimates and how the increase in the preliminary numbers that have been presented may have to do with not having a state-wide sales tax holiday this summer.

Grant Payments Update

MSBA Chief Financial Adviser Ken Wissman provided a brief update regarding MSBA grant payments for projects, noting that the MSBA has made \$39,861,900 in grant payments to date in Fiscal Year 2018. This is for 58 Capital Pipeline Program, Prior Grant, and Waiting List projects in 46 districts. He explained that this number will increase soon when the MSBA makes Prior Grant Payments to districts and then as districts request reimbursements for current projects.

FY 17 and FY 18 Budget Updates

MSBA Chief Financial Officer Jennifer Gonzalez provided the Board with a brief budget update on the FY 17 preliminary year end numbers and an 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.

There was a discussion among Board members and MSBA staff regarding staffing numbers at the MSBA and opportunities for districts to receive remaining payments from the MSBA to enable them to refund debt at the local level. Ms. Gonzalez and Mr. Wissman explained that the MSBA reached out to district financial advisors and that the universe of districts that would benefit from this type of payment is getting smaller. They added that the MSBA is ready to make these payments where it will help districts.

The August 23, 2017 Board Meeting minutes were approved by the MSBA's Board of Directors on October 25, 2017.

The meeting was adjourned at 12:25 p.m.

List of documents and exhibits used at the meeting:

- PowerPoint Presentation
- June 28, 2017 Board Meeting Minutes
- Amendment to Feasibility Study Agreement
- 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
- School Survey Update
- Sales Tax Update
- Grant Payments Update
- FY17 and FY18 Budget Updates