

The August 29, 2018 Board Meeting minutes were approved by the MSBA's Board of Directors at the October 31, 2018 meeting.

**Massachusetts School Building Authority
Board Meeting Minutes of August 29, 2018**

A meeting of the Massachusetts School Building Authority (the “Authority” or “MSBA”) was held on August 29, 2018 at 40 Broad Street, Boston, Massachusetts.

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

Others Present: Jack McCarthy, Executive Director/Deputy Chief Executive Officer; Dennis Ryan; Mary Pichetti; John Jumpe; Ken Wissman; Tamia Buckingham; Gianpiero Tirella; Brian Kelley; Colleen Smith; Siobhan Tolman; Matt Donovan; Maria Puopolo; Sarah Andrews; Crystal Matthews; 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.

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: re-categorize two districts from feasibility study to eligibility period and to amend a feasibility study agreement for one district. The Board will also be voting to: authorize four proposed projects to proceed into Preferred Schematic Design, with an estimated \$457.6 million in total construction costs; invite five districts to enter into a Project Scope and Budget Agreement with a combined Estimated Maximum Total Facilities Grant of approximately \$203 million; and approve six final audits from six districts with a combined Final Total Facilities Grant amount of \$43.3 million. Finally, the Board will be voting on the MSBA’s Implementation Policy for Administering Estimated Grants.

Acceptance of the June 27, 2018 Minutes

The Chairman asked for a motion to accept the minutes of the June 27, 2018 Board Meeting. The following motion was made by Ms. Kwan and seconded by Mr. Deninger:

Approval of the Minutes of the June 27, 2018 Board Meeting

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Minutes of the June 27, 2018 Board meeting.

VOTE: *There being no further questions or comments, the Board approved the Motion to approve the Minutes of the June 27, 2018 Board Meeting by majority – 6 in favor, 0 abstaining.*

The August 29, 2018 Board Meeting minutes were approved by the MSBA's Board of Directors at the October 31, 2018 meeting.

Re-Categorization of Previous Board Invitation from Feasibility Study to Eligibility Period

Next, John Jumpe, the MSBA's Director of Project Management, explained that staff is recommending that the Board vote to re-categorize the SOI for the Amesbury Elementary School in the City of Amesbury from Feasibility Study to Eligibility Period in order to revisit enrollment to address local concerns regarding the overall enrollment projection. MSBA anticipates a re-invitation to Feasibility Study at either of the October or December Board meetings after which the City will continue the work of its feasibility study and selection of a preferred solution for the Board's consideration at either of the February or April 2019 Board Meetings.

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

Vote to Re-categorize the Previous Board Invitation for the City of Amesbury from Feasibility Study to Eligibility Period

VOTED: That the Executive Director is hereby authorized to re-categorize the Statement of Interest for the Amesbury Elementary School in the City of Amesbury from Invitation to Feasibility Study to Eligibility Period, which shall include a 270-day period during which the Eligible Applicant must all requirements to the satisfaction of the MSBA, which are described in the materials presented to the Board and attached hereto and in the MSBA's policies and guidelines; that the Executive Director is hereby further authorized to remove any Statement of Interest from the Eligibility Period if the Eligible Applicant fails to complete those requirements within the 270-day period; and, that the Executive Director is hereby further authorized to do all acts and things, to execute and deliver any and all documents and agreements, and to expend funds necessary or desirable in connection with re-categorizing this Statement of Interest to the Eligibility Period.

VOTE: There being no further questions or comments, the Board approved the Motion to Re-categorize the Previous Board Invitation for the City of Amesbury from Feasibility Study to Eligibility Period by majority – 6 in favor, 0 abstaining.

The MSBA's Director of Capital Planning, Mary Pichetti, explained that staff is recommending that the Board vote to re-categorize the SOI for the George Keverian School in the City of Everett from Feasibility Study to Eligibility Period. She provided a brief summary of the status of the proposed project and the district's request to expand the scope of the Feasibility Study and Schematic Design to include a more extensive investigation that includes an additional study enrollment for grades 8-9.

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

Vote to Re-categorize the Previous Board Invitation for the City of Everett from Feasibility Study to Eligibility Period

VOTED: That the Executive Director is hereby authorized to re-categorize the Statement of Interest for the George Keverian School in the City of Everett from Invitation to Feasibility Study to Eligibility Period, which shall include a 270-day period during

The August 29, 2018 Board Meeting minutes were approved by the MSBA's Board of Directors at the October 31, 2018 meeting.

which the Eligible Applicant must complete all requirements to the satisfaction of the MSBA, which are described in the materials presented to the Board and in the MSBA's policies and guidelines; that the Executive Director is hereby further authorized to remove any Statement of Interest from the Eligibility Period if the Eligible Applicant fails to complete those requirements within the 270-day period; and, that the Executive Director is hereby further authorized to do all acts and things, to execute and deliver any and all documents and agreements, and to expend funds necessary or desirable in connection with re-categorizing this Statement of Interest to the Eligibility Period.

***VOTE:** There being no further questions or comments, the Board approved the Motion to Re-categorize the Previous Board Invitation for the City of Everett from Feasibility Study to Eligibility Period by majority – 6 in favor, 0 abstaining.*

Amendment to Feasibility Study Agreement

The MSBA's Director of Capital Planning, Mary Pichetti, explained that the Board is being asked to vote to amend the Feasibility Study Agreement for the Waltham High School in the City of Waltham. The City received an invitation to Feasibility Study at the September 30, 2015 Board meeting. The City previously received approval from the Board of Directors for an extension to the Feasibility Study Agreement to complete its site selection and Feasibility Study and Schematic Design work for the proposed Waltham High School project from March 31, 2018 through October 31, 2018. The City is requesting a second extension to the Feasibility Study Agreement for the Waltham High School Project to determine available sites to be studied as part of the feasibility study process. MSBA staff recommends an extension to the Feasibility Study Agreement subject to the following conditions: the City must complete its site selection process and Local Actions and Approval Certification on or before September 30, 2018 and the MSBA will not review the City's submittal for a Project Scope and Budget Agreement until a date that is on or after July 1, 2019. If the City is unable to meet this timeline, then the MSBA may request that the City consider withdrawing the Statement of Interest for the Waltham High School project, submit a new Statement of Interest, and await a potential second invitation from the MSBA Board to enter the Eligibility Period phase of the MSBA's process.

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

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

VOTED: Whereas, the City of Waltham 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 termination date of the Feasibility Study Agreement between the MSBA and the City of Waltham, as part of its Invitation to Feasibility Study for the Waltham High School, from October 31, 2018 to October 31, 2019, 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 Waltham High School.

The August 29, 2018 Board Meeting minutes were approved by the MSBA's Board of Directors at the October 31, 2018 meeting.

Mayor of the City of Waltham Jeannette McCarthy thanked the Board and MSBA staff for their assistance throughout the MSBA process. She commented that she hopes this gets resolved quickly and introduced other local officials that were present at the meeting.

Waltham Superintendent Dr. Drew Echelson commented that the City is working hard on the Feasibility Study, adding that members of the public are unified with the alternative site selection.

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 Waltham by majority – 6 in favor, 0 abstaining.*

Next, the Director of Capital Planning Mary Pichetti provided a handout to Board members.

Recommendation for Preferred Schematic

The MSBA's Director of Project Management, John Jumpe, explained that the Board is being asked to approve the preferred schematic designs for the Arlington High School located in the Town of Arlington, the Ivan G. Smith Elementary School located in the Town of Danvers, the H.B. Lawrence School located in the City of Holyoke, and the Louise Davy Trahan Elementary School in the Town of Tewksbury.

The Town of Arlington is proposing to replace the existing Arlington High School on the existing site. This proposed project will serve an agreed upon enrollment of 1,755 students in grades 9-12. The proposed project has an estimated construction cost of \$238,072,994.

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

Vote on Moving the Town of Arlington 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 Arlington with, in concept, the development of schematic designs to replace the existing Arlington 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.

Ms. Kwan commented that she read the educational plan for the Arlington High School project when the district came to the Facilities Assessment Subcommittee meeting. She commended the district on a thoughtful and well-done educational plan.

Mr. Cronin commented on the cost per square foot for the project.

Arlington School Building Committee Chairman Jeff Thielman commented that he is pleased to be at this stage in the process. He noted that he is looking forward to a good dialog with community members and moving forward in the process. He commented that the project at the Arlington High School has received support from the legislative delegation.

The August 29, 2018 Board Meeting minutes were approved by the MSBA's Board of Directors at the October 31, 2018 meeting.

A staff member from State Representative David Rogers' office spoke on behalf of the Representative noting that the Representative supports the project at the Arlington High School.

VOTE: *There being no further questions or comments, the Board approved the Motion to move the Town of Arlington to Schematic Design by majority – 6 in favor, 0 abstaining.*

The Town of Danvers is proposing to replace the existing Ivan G. Smith Elementary School with a new K-5 facility on the existing site. This proposed project will serve an agreed upon enrollment of 465 students in grades K-5. The proposed project has an estimated construction cost of \$42,430,060.

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

Vote on Moving the Town of Danvers 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 Danvers with, in concept, the development of schematic designs to replace the existing Ivan G. Smith Elementary School with a new K-5 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.

Danvers Superintendent Dr. Lisa Dana thanked the Board and MSBA staff for the opportunity to move forward in the process.

A staff member from State Representative Theodore Speliotis' office spoke on behalf of the Representative noting that the Representative supports the project at the Ivan G. Smith Elementary School in Danvers.

Mr. Cronin commented on how the Town has taken organized and thoughtful steps to prepare for and fund the Town's portion of the cost of this Project and will consequently not need a debt exclusion to fund that cost. He complimented Town Management and pointed out that the Town's expenditure planning should serve as a good example for other communities.

VOTE: *There being no further questions or comments, the Board approved the Motion to move the Town of Danvers to Schematic Design by majority – 6 in favor, 0 abstaining.*

The City of Holyoke is proposing the construction of a new facility serving grades 6-8 on the Chestnut Street site and a new facility serving grades 6-8 to replace the William R. Peck School on the existing site, contingent upon the District gaining full ownership, control, and exclusive use of each site. This proposed two school solution creates two 550 student middle schools that will serve students in grades 6-8 and has a combined estimated construction cost of about \$106 million.

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

Vote on Moving the City of Holyoke 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 Holyoke with, in concept, the development of schematic designs for the construction of a new facility serving grades 6-8 on the Chestnut Street site and a new facility serving grades 6-8 to replace the William R. Peck School on the existing site, contingent upon the District gaining full ownership, control, and exclusive use of each 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 noted that the City of Lynn was previously unable to approve a debt exclusion for a two-building project. He observed that the City of Holyoke is pursuing a similar Project Option and he wished them luck with City funding approval.

Ms. Kwan commented that the Board has engaged in lengthy discussions about the City's two school Project Solution. She noted that the City and the Receiver agree that two school Project Solution is needed to meet the City's Educational needs and they know their community best.

Mr. Deninger echoed that Holyoke made its case for this project at the FAS meeting and believes that this is the best course of action for their community.

State Representative Aaron Vega commented that the City has already had to cancel two school days in the first week of school this year due to the heat because some windows in the facilities do not open.

Holyoke Public Schools Superintendent/Receiver Dr. Stephen Zrike commented that the condition of the schools in Holyoke is deplorable. He thanked the Board and MSBA staff for their support, adding that there is a great need in the City for this project.

The Chairman commented that she is aware of the conditions of the schools in the City, noting that many other schools in the state are in similar conditions. She noted the importance of being fully engaged in the community to obtain a favorable debt exclusion vote and wished the City luck.

VOTE: *There being no further questions or comments, the Board approved the Motion to move the City of Holyoke to Schematic Design by majority – 6 in favor, 0 abstaining.*

The Town of Tewksbury is proposing to consolidate and replace the existing Louise Davy Trahan Elementary School and the existing North Street Elementary School with a new facility serving grades 2-4 district-wide on the existing John F. Ryan Elementary School site. This proposed project will serve an agreed upon enrollment of 790 students in grades 2-4. The proposed project has an estimated construction cost of \$71,530,000.

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

Vote on Moving the Town of Tewksbury 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 Tewksbury with, in concept, the development of schematic designs to consolidate and replace the existing Louise Davy Trahan Elementary School and the existing North Street Elementary School with a new facility serving grades 2-4 district-wide on the existing John F. Ryan Elementary School 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.

Tewksbury School Building Committee Chair Dennis Francis thanked the Board and MSBA staff on behalf of the Town. He commented that the project at the Louise Davy Trahan Elementary School is the first step in a master plan for the Town. He commented that he looks forward to continuing the partnership with the MSBA.

VOTE: There being no further questions or comments, the Board approved the Motion to move the Town of Tewksbury to Schematic Design by majority – 6 in favor, 0 abstaining.

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

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 Belmont High School located in the Town of Belmont. 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 Belmont High School.

The District submitted a total project budget of \$295,159,189. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$191,721,317, and the proposed Estimated Maximum Total Facilities Grant would be \$77,906,660 with the District's 40.66% reimbursement rate.

The Chairman then asked for a motion, and the following motion was made by Mr. Deninger 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 Belmont

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 Belmont 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 Town of Belmont, in such forms as he may determine to be

The August 29, 2018 Board Meeting minutes were approved by the MSBA's Board of Directors at the October 31, 2018 meeting.

acceptable, for the Belmont High School project at a reimbursement rate of forty and sixty-six hundredths percent (40.66%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$77,906,660, 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 \$80,644,278, in the event that the MSBA determines, in its sole discretion, that any owner's and/or construction contingency expenditures are eligible for reimbursement pursuant to MSBA regulations, guidelines, or policies; that the Board of Directors hereby further authorizes the Executive Director to expend funds in accordance with such Project Funding Agreement.

State Senator William Brownsberger commented that the Town of Belmont has worked hard on the project for the high school. He commented that he appreciates the support of the Board and the MSBA, and that he supports the project.

Belmont Superintendent John Phelan thanked the Board and MSBA staff. He commented that he appreciates the support and partnership of the Board and the MSBA.

A staff member from State Representative David Rogers' office spoke on behalf of the Representative noting that the Representative supports the project at the Belmont High School.

***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 Belmont by majority – 6 in favor, 0 abstaining.*

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 Maple Elementary School located in the City of Easthampton. He presented a PowerPoint and provided a brief summary of the proposed project. He explained that the proposed project is to replace the existing Maple Elementary School, Center Elementary School, Pepin Elementary School, and the existing White Brook Middle School, with a new grades PK-8 facility at the existing White Brook Middle School site, contingent upon the City gaining full ownership, control, and exclusive use of the proposed site.

The District submitted a total project budget of \$109,158,463. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$78,277,271, and the proposed Estimated Maximum Total Facilities Grant would be \$49,432,097 with the District's 63.15% reimbursement rate.

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

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

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Maple Elementary School, Center Elementary School, Pepin Elementary School, and the existing White Brook

The August 29, 2018 Board Meeting minutes were approved by the MSBA's Board of Directors at the October 31, 2018 meeting.

Middle School, with a new grades PK-8 facility at the existing White Brook Middle School site, contingent upon the City gaining full ownership, control, and exclusive use of the proposed site, as further described in the materials presented to the Board and attached hereto and as such Proposed Project shall be further defined in the Project Scope and Budget Agreement, and authorizes the Executive Director to take all steps necessary to execute and deliver a Project Scope and Budget Agreement and Project Funding Agreement with the City of Easthampton, in such forms as he may determine to be acceptable, for the Maple Elementary School project at a reimbursement rate of sixty-three and fifteen hundredths percent (63.15%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$49,432,097, 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 \$50,712,618, 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.

Easthampton Mayor Nicole LaChapelle commented that she is grateful for Treasurer Goldberg's support and thanked the Board, MSBA staff, and the design team for their hard work. She thanked the School Building Committee and the residents of Easthampton, noting that she looks forward to continuing to work with the MSBA.

School Building Committee Chairman Thomas Brown expressed his appreciation for the MSBA, noting that the project at the Maple Elementary School gives the City the opportunity to retire three schools that are very old. He commented that the City already voted to approve the project.

Easthampton Superintendent Dr. Allison LeClair commented that she is extremely excited for the project at the Maple Elementary School. She thanked the Board and MSBA staff, adding that this project is a win for the families and students in the community.

VOTE: *There being no further questions or comments, the Board approved the Motion to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the City of Easthampton by majority – 6 in favor, 0 abstaining.*

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 Mabelle M. Burrell Elementary School located in the Town of Foxborough. 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 Mabelle M. Burrell Elementary School, serving grades PK-4.

The District submitted a total project budget of \$34,671,567. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$26,226,642, and the proposed Estimated Maximum Total Facilities Grant would be \$14,689,542 with the District's 56.01% reimbursement rate.

The August 29, 2018 Board Meeting minutes were approved by the MSBA's Board of Directors at the October 31, 2018 meeting.

The Chairman then asked for a motion, and the following motion was made by Mr. Deninger 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 Foxborough

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 Mabelle M. Burrell Elementary School, serving grades PK-4, 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 Foxborough, in such forms as he may determine to be acceptable, for the Mabelle M. Burrell Elementary School project at a reimbursement rate of fifty-six and one hundredths percent (56.01%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$14,689,542, 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 \$15,331,279, in the event that the MSBA determines, in its sole discretion, that any owner's and/or construction contingency expenditures are eligible for reimbursement pursuant to MSBA regulations, guidelines, or policies; that the Board of Directors hereby further authorizes the Executive Director to expend funds in accordance with such Project Funding Agreement.

State Representative Jay Barrows thanked the Board and MSBA staff for their efforts and help with the project at the Mabelle M. Burrell Elementary School, commenting that he is in support of the project.

Foxborough Superintendent Dr. Amy Berdos thanked the Board and MSBA staff for their work and 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 Foxborough by majority – 6 in favor, 0 abstaining.*

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 Manchester Memorial Elementary School located in the Manchester Essex Regional 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 Manchester Memorial Elementary School facility with a new PK-5 facility on the existing site.

The District submitted a total project budget of \$52,232,925. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$34,186,607, and the proposed Estimated Maximum Total Facilities Grant would be \$12,279,466 with the District's 35.93% reimbursement rate.

The August 29, 2018 Board Meeting minutes were approved by the MSBA's Board of Directors at the October 31, 2018 meeting.

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

Vote to Authorize the Executive Director to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the Manchester Essex Regional School District

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Manchester Memorial Elementary School facility with a new PK-5 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 Manchester Essex Regional School District, in such forms as he may determine to be acceptable, for the Manchester Memorial Elementary School project at a reimbursement rate of thirty-five and ninety-three hundredths percent (35.93%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$12,279,466, 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 \$12,575,113, 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.

Manchester Essex Regional School District Director of Finance and Operations, Avi Urbas, commented that the Superintendent sends her apologies that she was unable to attend the meeting. He noted that the project at the Manchester Memorial Elementary School is the second building of a three-building plan for the district and thanked the Board and MSBA staff for their support.

***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 Manchester Essex Regional School District by majority – 6 in favor, 0 abstaining.*

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 Brightwood Elementary School located in the City of Springfield. He presented a PowerPoint and provided a brief summary of the proposed project. He explained that the proposed project is to consolidate the existing Brightwood Elementary School and the existing Lincoln Elementary School into a new facility serving grades PK-5 on a new Plainfield Street site.

The District submitted a total project budget of \$82,201,776. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$61,436,369, and the proposed Estimated Maximum Total Facilities Grant would be \$49,147,673 with the District's 80.00% reimbursement rate.

The August 29, 2018 Board Meeting minutes were approved by the MSBA's Board of Directors at the October 31, 2018 meeting.

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

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

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to consolidate the existing Brightwood Elementary School and the existing Lincoln Elementary School into a new facility serving grades PK-5 on a new Plainfield Street site, as further described in the materials presented to the Board and attached hereto and as such Proposed Project shall be further defined in the Project Scope and Budget Agreement, and authorizes the Executive Director to take all steps necessary to execute and deliver a Project Scope and Budget Agreement and Project Funding Agreement with the City of Springfield, in such forms as he may determine to be acceptable, for the Brightwood Elementary School project at a reimbursement rate of eighty percent (80%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$49,147,673, 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 \$50,218,732, 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.

Peter Garvey, Springfield Director of Capital Asset Construction, thanked the Board and MSBA staff for their support on behalf of the Mayor and Superintendent. He thanked Jack McCarthy, Matt Donovan, Mary Pichetti, John Jumpe, and the consultant team for their hard work.

The Chairman noted that she spoke to the Mayor of Springfield and he was very thankful for the MSBA's support.

VOTE: There being no further questions or comments, the Board approved the Motion to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the City of Springfield by majority – 6 in favor, 0 abstaining.

Audit

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

The Director of Audit then explained that the MSBA has completed final audits for 452 Capital Pipeline Program projects plus six projects that are being presented for final approval to the Board today, all together representing approximately \$5 billion in submitted and audited costs.

The August 29, 2018 Board Meeting minutes were approved by the MSBA's Board of Directors at the October 31, 2018 meeting.

She continued, explaining that the MSBA has also audited approximately \$2.97 billion in submitted costs for the 242 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 \$2.54 billion in additional costs will be submitted for audit for these projects.

The Director of Audit then explained that monthly submitted costs have averaged \$68.6 million over the 12 months preceding this Board meeting, and the total amount submitted and audited in this 12-month period equals approximately \$824 million.

Approval of Audits, New Program

The Director of Audit explained that the Board is being asked to approve six Capital Pipeline Program audits listed on the Audit Exhibit. She explained that the total combined grant amount for these six projects is \$43,367,436.

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

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 A and authorizes the Executive Director to make payments consistent with this vote.

***VOTE:** There being no additional questions or comments, the Board approved the Motion by majority – 6 in favor, 0 abstaining.*

MSBA Updates

Executive Director's Report

The Executive Director began his report by thanking the MSBA staff members for their hard work in preparing for the Board. He noted that this is the first Board meeting that Board members were given tablets with Board materials rather than the hard copy Board packets. He noted that he wanted to thank Matt Donovan and his team for their work with this transition. He noted that since the June 27, 2018 Board meeting, the MSBA has visited 26 projects and as of August 24, 2018, four districts have voted affirmatively to appropriate full project funds or feasibility study funds and two districts have voted affirmatively to appropriate additional project funds. He explained that the MSBA anticipates making 19 project visits in September and October and presented a list of the upcoming district visits as part of his PowerPoint presentation. Staff have also attended several project milestone ceremonies. He explained that since the last Board meeting, MSBA staff have engaged in outreach with multiple school districts and have attended several meetings where they have participated as presenters and as stakeholders. The Executive Director thanked Mary Pichetti, Dennis Ryan, and Jennifer Gonzalez for all their hard work on the MSBA Grant Cap Space policy. He commented that Mary Pichetti will present on the final part of the Grant Cap Space later in the meeting.

The August 29, 2018 Board Meeting minutes were approved by the MSBA's Board of Directors at the October 31, 2018 meeting.

Next, the Executive Director congratulated the following 2018 Treasury Performance Recognition Citation winners: Joe Buckley, Phil Daley, Sharon George, Xiaolei Ji, Brian Kelley, Jeremy Moore, Sean Nartiff, and Radhika Pragada.

Then, the Executive Director welcomed the following new employees to the MSBA: Rebecca Whidden as a Project Manager and Michael Golden as an Audit Analyst and welcomed summer intern Armen Youssoufian. Next, he congratulated Gianpiero Tirella on his marriage and Christine Nolan on the birth of her daughter Charlotte.

Project Overview Report

Next, the Director of Capital Planning, Mary Pichetti, presented a PowerPoint, including a summary of bid data. She summarized available data for anticipated bids for the 2018, 2019 and 2020 calendar years noting that this information is preliminary. She reported that 12 Core Program projects received a bid in 2018 and four of the five reported 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 2017 Accelerated Repair Program, six of the seven reported projects bid within the estimated budget. Three projects are anticipated to bid by the October Board of Directors meeting.

The Chairman commented that we are going to move to the Finance portion of the meeting next.

Finance

Sales Tax Collection Update

MSBA Chief Financial Advisor, Ken Wissman, presented a PowerPoint and provided a FY18 and FY19 SMART Collections update. Preliminary unaudited FY18 collections through June 2018 are \$31.190 million (3.82%) greater than FY17 collections during the same period. Preliminary June 2018 collections estimates reflect an increase of approximately 5.04% compared to June 2017. The FY19 Consensus Revenue Estimate of \$858.9 million would represent growth of 1.29% over the FY18 unaudited amount. FY19 collections through July 2018 are \$3.003 million (4.28%) higher than FY18 collections during the same period.

He presented a slide with a graphical depiction of FY15 - FY18 monthly SMART fund collections, and then quarterly SMART collections from FY13 - FY18, followed by year-to-date SMART collections by year from FY13 - FY18.

Grant Payments Update

MSBA Treasurer, Gianpiero Tirella, provided an update regarding MSBA grant payments for projects, noting that the MSBA has made \$45,776,629 in grant payments to date in Fiscal Year 2019. This is for 68 Capital Pipeline Program, Prior Grant, and Waiting List projects in 53 districts.

Debt Results

MSBA Chief Financial Advisor, Ken Wissman, provided an overview of the 2018 Series B debt issuance results. On July 10, 2018, the MSBA sold \$200,000,000 of 2018 Series B Bonds ("Bonds").

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Ten bids were received for the bonds. The winning bid was submitted by Bank of America Merrill Lynch. The cover bid, or next lowest bid, was submitted by Morgan Stanley & Co.

The Bonds were issued under a subordinate lien. He explained that the bonds again received ratings of AA+, Aa3 and AA by Fitch, Moody's, and S&P, respectively. At the same time of rating these Bonds, Fitch also reviewed the current rating on MSBA senior lien bonds and raised its ratings to AAA.

FY 19 Budget Update

MSBA Chief Financial Advisor, Ken Wissman, provided the Board with a FY18 and FY19 budget update. He presented a PowerPoint and provided a summary of the Administrative, Operations and Grant Programs Budget and the Capital Pipeline Professional Support Services Budget for FY19 with a summary of expenditures to date.

Implementation of MSBA Policy for Administering Estimated Grants

The MSBA's Director of Capital Planning, Mary Pichetti, provided an update on the MSBA's implementation of Grant Cap management procedures. The MSBA now captures and reallocates existing unused Grant Cap Space and can structure the allocation and future use of Grant Cap space to maximize the amount of funding that can be awarded and distributed by the MSBA to interested School Districts within Grant Cap limitations. Grant Cap Space is now reconciled and recalculated on a rolling basis; adjusted to reflect the final audited value of each Total Facilities Grant and the estimated value of any Grant that is withdrawn because the related project is removed from the capital pipeline. Staff requests that the Board officially approve the Policy, which will provide the MSBA with a consolidated record of these procedures used to date.

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

Approval of Policy for Administering Estimated Grants

VOTED: That the Board hereby approves the MSBA Policy for Administering Estimated Grants as set forth in the August 22, 2018 Memorandum entitled "Implementation of MSBA Policy for Administering Estimated Grants" and authorizes the Executive Director to do all acts necessary to comply with this Policy and to establish any additional policies and procedures for the administration of the Authority's Estimated Grants as he may deem appropriate or necessary.

The Chairman commented that this vote is a consolidation of the multiple discussions the Board has had at previous Board meetings regarding the Grant Cap space.

VOTE: *There being no additional questions or comments, the Board approved the Motion by majority – 6 in favor, 0 abstaining.*

The meeting was adjourned at 11:40 a.m.

The August 29, 2018 Board Meeting minutes were approved by the MSBA's Board of Directors at the October 31, 2018 meeting.

List of documents and exhibits used at the meeting:

- PowerPoint Presentation
- June 27, 2018 Board Meeting Minutes
- Re-categorizations of Previous Board Invitations from Feasibility Study to Eligibility Period
- Feasibility Study Agreement Amendment
- 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
- Approval of Policy Administering Grants
- Sales Tax Collection Update
- Grant Payments Update
- Debt Results
- FY19 Budget Update