

**Massachusetts School Building Authority
Board Meeting Minutes of February 13, 2019**

A meeting of the Massachusetts School Building Authority (the “Authority” or “MSBA”) was held on February 13, 2019 at 40 Broad Street, Boston, Massachusetts.

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

Others Present: James MacDonald, Chief Executive Officer; Jack McCarthy, Executive Director/Deputy Chief Executive Officer; Christine Nolan; Mary Pichetti; John Jumpe; Katie DeCristofaro; Mike McGurl; Karl Brown; Autumn Waldron; Laura Guadagno; Tamia Buckingham; Gianpiero Tirella; Julie Leonard; Brian Kelley; Colleen Smith; Siobhan Tolman; Matt Donovan; Maria Puopolo; Sarah Andrews; 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

MSBA Chief Executive Officer James MacDonald announced that Waltham Cable is recording the meeting.

The Chairman called the meeting to order at 10:05 a.m. and asked if anyone else is recording the meeting. No one announced that they were recording the meeting.

Next, the Chairman asked for a motion to allow the presence and participation of district officials that are on a conference call the ability to participate in the Board meeting at their remote off-site locations. A motion was made by Ms. Kwan and seconded by Mr. Deninger.

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

The Chairman then provided a brief overview of the items on the agenda for the meeting. She explained that the Board will be voting to: invite three districts into Feasibility Study; authorize the MSBA to enter into Project Funding Agreements for ten Accelerated Repair projects in nine districts with a combined Estimated Maximum Total Facilities Grant of approximately \$12.6 million; authorize three proposed projects to proceed into Preferred Schematic Design, with an estimated \$428.4 million in total construction costs; invite three districts to enter into a Project Scope and Budget Agreement with a combined Estimated Maximum Total Facilities grant of approximately \$60.9 million and amend a prior Board vote to enter into a Project Scope and Budget Agreement. The Board will also be voting to approve five final audits from five districts with a combined Final Total Facilities Grant amount of \$23,315,245 and approve the MSBA’s Investment Management Policy.

Acceptance of the December 12, 2018 Minutes

The Chairman asked for a motion to accept the minutes of the December 12, 2018 Board Meeting. A motion was made by Ms. Kwan and seconded by Mr. Deninger.

Ms. Kwan commented that she would like to amend the minutes by adding a sentence regarding the photos of building deficiencies that were shown in the PowerPoint presentation and why these districts were not invited into the MSBA's pipeline. There was a brief discussion about the MSBA's funding cap. Mr. Deninger then made a motion, which was seconded by Ms. Kwan, to add the following sentence to the minutes in the first paragraph on page five.

"These deficiencies were in districts that could not enter the MSBA's pipeline because the MSBA reached its funding cap."

Approval of the Minutes of the December 12, 2018 Board Meeting

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Minutes of the December 12, 2018 Board meeting as revised.

VOTE: There being no further questions or comments, the Board approved the Motion to approve the Minutes of the December 12, 2018 Board Meeting as amended by majority – 7 in favor, 0 abstaining.

Invitation to Feasibility Study

MSBA Capital Program Manager Katie DeCristofaro explained that staff is recommending that the Board vote to invite the following districts to collaborate with the MSBA to conduct a Feasibility Study: the City of Lawrence for the Francis M. Leahy Elementary School, the Town of Swampscott for the Hadley Elementary School, and the Town of Westwood for the Paul Hanlon Elementary School. She explained that these districts have completed the necessary prerequisites and she provided a brief summary of the enrollment options for the districts.

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

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

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

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

The February 13, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors on April 10, 2019.

An aide to Senator Finegold thanked the MSBA for its support for the Francis M. Leahy Elementary School in the City of Lawrence.

The Chairman commented that State Representative Lori Ehrlich sent a letter offering her support for the project at the Hadley Elementary School in Swampscott.

Swampscott School Building Committee Chair Suzanne Wright thanked the Board and MSBA staff for their support.

Swampscott Town Moderator Michael McClung thanked the Board and MSBA staff. He commented that he appreciates the invitation and he is excited to work with the MSBA.

A staff member from State Senator Michael Rush's office spoke on behalf of the Senator noting that the Senator supports the project at the Paul Hanlon Elementary School in Westwood.

Westwood School Building Committee Chair Charlie Donahue thanked the Board and MSBA staff for their advice and help throughout the process and for the invitation to Feasibility Study.

Westwood Superintendent Emily Parks thanked the Board and MSBA staff. She commented that working with the MSBA has been a fantastic collaborative experience.

Mr. Cronin explained that he would like to abstain from voting for the project at the Francis M. Leahy Elementary School in Lawrence.

***VOTE:** There being no further questions or comments, the Board approved the Motion to invite several communities to collaborate with the MSBA to conduct a Feasibility Study by majority – 6 in favor, 1 abstaining.*

Accelerated Repair Program Project Funding Agreement Authorization

MSBA Senior Project Manager Mike McGurl explained that MSBA staff have received a Schematic Design submission from nine districts for Accelerated Repair projects at ten schools. The proposed projects combined include eight roof replacements, one window and door replacement, and two boiler replacements. MSBA staff have reviewed the existing conditions analysis and proposed schedule provided by each district and have discussed the scope and budget with the districts and their consultants. The districts have provided a combined Total Project Budget of \$25,537,498 which includes a total combined construction estimate of \$20,335,240. The combined Estimated Maximum Total Facilities Grant for these ten projects is \$12,665,919. Including potentially eligible project contingencies, the combined Maximum Facilities Grant is \$13,235,123.

The City of Newton was also invited into the Accelerated Repair Program for a boiler replacement project at the F.A. Day Middle School. The two Schools received invitations to the Accelerated Repair Program at the June 27, 2018 Board of Directors Meeting. The City of Newton will seek authorization to combine the two Schools within the same Project Funding Agreement at the April 10, 2019 Board of Directors Meeting.

Additionally, the City of Springfield was also invited into the Accelerated Repair Program for a boiler replacement project at the Springfield High School of Science and Technology. Similar to Newton, the two Schools received invitations to the Accelerated Repair Program at the June 27, 2018

Board of Directors Meeting and will seek authorization to combine the two Schools within the same Project Funding Agreement at the April 10, 2019 Board of Directors Meeting.

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 Project Funding Agreements
for Several Proposed Accelerated Repair Projects**

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

District	School	Scope	Total Project Budget	Estimated Maximum Total Facilities Grant	Maximum Total Facilities Grant
Cambridge	Graham and Parks School	Roof	\$4,025,017	\$1,598,765	\$1,673,796
Danvers	Highlands Elementary School	Roof	\$3,244,746	\$1,561,120	\$1,637,445
Lynn	Lynn Vocational Technical Institute	Partial Roof	\$4,237,788	\$2,620,706	\$2,742,208
Nashoba Valley Technical School District	Nashoba Valley Technical High School	Partial Roof, Partial Windows/Doors	\$3,704,616	\$1,572,132	\$1,637,366
New Bedford	John A. Parker Elementary School	Roof	\$1,450,861	\$1,057,879	\$1,100,560
	Trinity Day Academy	Boilers	\$816,107	\$627,348	\$649,049
Newton	Bigelow Middle School	Boilers	\$1,364,006	\$398,234	\$415,795
Norfolk	H. Olive Day School	Roof	\$2,890,801	\$1,066,359	\$1,117,109
Springfield	Milton Bradley School	Partial Roof	\$3,356,488	\$1,942,410	\$2,032,712
West Bridgewater	Howard Elementary School	Partial Roof	\$447,068	\$220,966	\$229,083
Totals			\$25,537,498	\$12,665,919	\$13,235,123

The February 13, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors on April 10, 2019.

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

Danvers Assistant Superintendent of Finance and Personnel Keith Taverna thanked the Board and MSBA staff for their support.

The Chairman commented that State Senator Joan Lovely sent a letter offering her support for the project at the Highlands Elementary School in Danvers.

The Chairman commented that State Representative Daniel Cahill, State Senator Brendan Crighton, and State Representative Peter Capano sent a letter offering their support for the project at the Lynn Vocational Technical Institute.

Christine DePalma, the Owner's Project Manager from Leftfield for the project at the Nashoba Valley Technical High School in the Nashoba Valley Technical School District, thanked the Board and MSBA staff for their support on behalf of the District.

Nashoba Valley Technical School District Superintendent Denise Pigeon introduced other local officials who were present on the call and thanked the Board and MSBA staff for this opportunity. She commented that the Nashoba Valley Technical School District is an eight-town member district and the project at the Technical High School will benefit the communities and the students.

A staff member from State Representative Paul Schmid's office spoke on behalf of the Representative noting that the Representative supports the Accelerated Repair Projects in the City of New Bedford.

A staff member from State Representative Christopher Hendricks' office spoke on behalf of the Representative noting that the Representative supports the Accelerated Repair projects in the City of New Bedford.

The Chairman commented that State Representative Shawn Dooley and State Senator Rebecca Rausch sent a letter offering their support for the project at the H. Olive Day School in the Town of Norfolk.

A staff member from State Senator Walter Timilty's office spoke on behalf of the Senator noting that the Senator supports the project at the Howard Elementary School in West Bridgewater.

Inga Knox, the Owner's Project Manager from Jacobs for the project at the Howard Elementary School in West Bridgewater, thanked the Board and MSBA staff for their support on behalf of the Town.

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

Recommendation for Preferred Schematic

The MSBA's Director of Project Management, John Jumpe, explained that the Board is being asked to approve the preferred schematic designs for the Amesbury Elementary School located in the City of Amesbury, the Waterford Street School located in the City of Gardner, and the Waltham High School located in the City of Waltham.

The City of Amesbury is proposing to replace the existing Amesbury Elementary School with a new PK-2 facility to be located on the Cashman Elementary School site. This proposed project will serve an agreed upon enrollment of 425 students in grades K-2, for a project that will serve grades PK-2. The proposed project has an estimated construction cost of \$53,159,188.

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 City of Amesbury 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 Amesbury with, in concept, the development of schematic designs to replace the existing Amesbury Elementary School with a new PK-2 facility to be located on the Cashman 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.

Amesbury Superintendent Jared Fulgoni thanked the Board and MSBA staff and commented that he appreciates the partnership of the MSBA. He noted that the City has just completed a project and he looks forward to continuing to work with the MSBA.

Amesbury Mayor Kenneth Gray thanked the Board and MSBA staff. He commented that he looks forward to continuing to work with the MSBA.

Amesbury School Committee and School Building Committee member Peter Hoyt thanked the Board and MSBA staff for their support and this opportunity on behalf of the constituents of Amesbury.

A staff member from State Senator Diana DiZoglio's office spoke on behalf of the Senator noting that the Senator supports the project at the Amesbury Elementary School.

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

The City of Gardner is proposing to replace the existing Waterford Street Elementary School and the existing Elm Street Elementary School with a new PK-4 facility to be located on the Pearl Street site. This proposed project will serve an agreed upon enrollment of 925 students in grades K-4, for a project that will serve grades PK-4. The proposed project has an estimated construction cost of \$65,252,045.

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 Gardner 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 Gardner with, in concept, the development of schematic designs to replace the existing Waterford Street Elementary School and the existing Elm Street Elementary School with a new PK-4 facility to be located on the Pearl Street 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 explained that at the Facilities Assessment Subcommittee meeting there was a discussion regarding the site and surrounding wetlands.

Gardner Mayor Mark Hawke introduced other local officials that were present on the call. He noted that he was not at the Facilities Assessment Subcommittee meeting where the issue of the wetlands was raised. He commented that the City is mindful that the site has wetlands around it and is taking that into consideration.

State Representative Jonathan Zlotnik thanked the Board and MSBA staff. He commented that he fully supports the project at the Waterford Street Elementary School in Gardner.

Gardner Superintendent Mark Pellegrino commented that the City is in desperate need for this project. He thanked the Board and MSBA staff for this opportunity.

Alan Minkus, the Owner's Project Manager from Colliers International for the project at the Waterford Street Elementary School in Gardner, thanked the Board and MSBA staff for their support on behalf of the City.

A staff member from State Senator Dean Tran's office spoke on behalf of the Senator noting that the Senator supports the project at the Waterford Street Elementary School in Gardner.

Ms. Kwan commented that she wants to make sure the District looks at the issues raised at the Facilities Assessment Subcommittee meeting. She added that she was not recommending against the current plan, but flagging matters previously discussed.

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

The City of Waltham is proposing to construct a new high school on a new site. MSBA staff has reviewed the Feasibility Study and accepts the District's preferred solution contingent upon the District gaining full ownership, control, and exclusive use of the entire site. This proposed project will serve an agreed upon enrollment of 1,830 students serving grades 9-12. The proposed project has an estimated construction cost of \$310,074,413.

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

Vote on Moving the City of Waltham 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 Waltham with, in concept, the development of schematic designs to construct a new high school on a new site, contingent upon the District gaining full ownership, control, and exclusive use of the entire 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. Sullivan inquired about the cost per square foot for the project, noting that the cost is high. He commented that he also wants to commend staff for the detail that they provide in the Board memos.

Mr. Jumpe explained that the project is in the Schematic Design phase, so they do not have a breakdown of the cost at this point. He noted that the new site is challenging and there are some athletic amenities included that are ineligible for MSBA funding. He added that the MSBA does have other projects with similar building costs.

Ms. Kwan commented that this project was discussed in depth at the Facilities Assessment Subcommittee meeting. She noted that there are a number of amenities that are ineligible for MSBA funding. She commented that the Board is pushing the District on the cost of the project. She added that the District has said that they can do the project without a debt exclusion.

Mr. Cronin explained that, regardless, taxpayers in Waltham will see an increase in taxes.

State Representative Thomas Stanley thanked the Board and MSBA and introduced other local officials that were at the meeting. He commented that he hopes the project at the Waltham High school moves forward in the process and asked for clarification regarding the MSBA's concerns with the cost and site ownership.

The Executive Director commented that to date the project at the Waltham High School is the most expensive, but others have come close. He noted that the MSBA is in the process of signing a contract with a consultant to study to the costs of construction in Massachusetts. He commented that the MSBA will not sign a Project Funding Agreement with the City of Waltham unless the City has full control of the site. He noted that he understands there is litigation that needs to be resolved.

MSBA General Counsel Christine Nolan explained that in order to execute a Project Funding Agreement the City must have full ownership, control, and use of the site.

The Executive Director explained that the earliest the MSBA can execute a Project Funding Agreement with the City is in August. The Board has given extensions in the past.

The Chairman commented that the Board will need to see progress that the City is moving forward because the MSBA has a funding cap. The Board does give extensions to execute a Project Funding Agreement and has done so in the past.

State Representative Thomas Stanley asked when the District should be having discussions regarding the cost of the project.

Mr. MacDonald explained that discussions regarding the cost should be happening now. He commented that, ultimately, it is up to the community through its elected officials to approve the project. There should be ongoing discussions and meetings to inform the community.

Mr. Cronin commented that the City will be voting on the tax rate and this will have an impact on homeowners.

State Representative Thomas Stanley thanked the Board and MSBA staff for their support and the feedback and information regarding the cost of the project. He commented that City officials have worked very hard on this project and he hopes the project will move forward.

Waltham Mayor Jeannette McCarthy thanked the Board and the MSBA staff. She commented that there have been many discussions regarding the project with the School Building Committee and City Council. She noted that there are a lot of contingencies with the project and the City is trying to utilize the site to have parking and playing fields.

Waltham Superintendent Dr. Drew Echelson thanked the Board and MSBA staff for their support and guidance.

Ms. Kwan commented that the educational plan that the City submitted was excellent, adding that it includes a proposal to prepare the faculty for a new plan to educate the high school students. She encouraged the District to ensure that the plans for educational and professional development continue. She noted that it is an expensive building and the Board wants to ensure it is run properly.

Mr. Sullivan noted that the option for the base repair/code upgrade is a much less expensive option than the new construction option that the City wants. He commented that it is usually very expensive to bring a building up to code. He asked what the MSBA's share of the project would be for the new construction option that the Board is voting on today.

Ms. Pichetti explained that most of the share of the project cost will be with the District and not the MSBA, but it is difficult to know the exact cost to the MSBA at this point.

Mr. Sullivan commented that Mr. Cronin usually speaks to the issue of the reimbursement rates not meeting district expectations when applied to eligible project costs, adding that the City's share will be significant.

The Chairman explained that even though there is not going to be a debt exclusion or override, this project is going to absorb a great deal of money when they look at ineligible project costs. The reimbursement rate is not applied to the total cost of the construction.

Waltham Mayor Jeannette McCarthy commented that the City will take all of the Boards comments and concerns seriously, adding that the City is aware and vigilant about the concerns of the cost of the project. She thanked the Board and commented that she looks forward to moving forward in the process.

Mr. Sullivan noted that the District needs to look at the cost of the project.

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

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

MSBA Director of Project Management, John 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 Elbridge Gerry Elementary School located in the Town of Marblehead. He presented a PowerPoint and provided a brief summary of the proposed project. He explained that the proposed project is to replace the existing Elbridge Gerry Elementary School, the L.H. Coffin School, and the Upper and Lower Malcolm L. Bell Schools with a new PK-3 elementary school facility on the existing Bell Elementary School site.

The District submitted a total project budget of \$55,594,767. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$36,304,090, and the proposed Estimated Maximum Total Facilities Grant would be \$13,997,188 with the District's 38.56% reimbursement rate.

The Chairman then 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 Marblehead

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Elbridge Gerry Elementary School, the L.H. Coffin School, and the Upper and Lower Malcolm L. Bell Schools with a new PK-3 elementary school facility on the existing Bell Elementary School 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 Marblehead, in such forms as he may determine to be acceptable, for the Elbridge Gerry Elementary School project at a reimbursement rate of thirty-eight and fifty-six hundredths percent (38.56%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$13,997,188, 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 \$14,278,874, 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 commented that State Representative Lori Ehrlich sent a letter offering her support for the project at the Elbridge Gerry Elementary School in Marblehead.

Marblehead School Building Committee Chair and School Committee Member David Harris thanked the Board and MSBA staff for this opportunity. He also thanked Karl Brown and his staff and the District's consultants, Leftfield and RDS, for their help throughout the process.

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 Marblehead by majority – 7 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 Louise Davy Trahan Elementary School located in the Town of Tewksbury. He presented a PowerPoint and provided a brief summary of the proposed project. He explained that the proposed project is 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.

The District submitted a total project budget of \$98,503,724. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$53,103,251, and the proposed Estimated Maximum Total Facilities Grant would be \$31,190,956 with the District's 58.77% 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 Tewksbury

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project 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 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 Tewksbury, in such forms as he may determine to be acceptable, for the Louise Davy Trahan Elementary School project at a reimbursement rate of fifty-eight and seventy-seven hundredths percent (58.77%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$31,190,956, 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 \$32,736,619, 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 Barry Finegold thanked the MSBA for the support for the project in Tewksbury as well as for the Francis M. Leahy project in Lawrence.

State Representative Tram Nguyen thanked the Board and MSBA staff and commented that she supports the project at the Louise Davy Trahan Elementary School in Tewksbury.

State Representative Dave Robertson thanked the Board and MSBA staff and commented that he supports the project at the Louise Davy Trahan Elementary School in Tewksbury.

Tewksbury School Building Committee Chair and School Committee member Dennis Francis thanked the Board and MSBA staff on behalf of the Town of Tewksbury. He commented that the project at the Louise Davy Trahan Elementary School has tremendous support so far.

Tewksbury Assistant Superintendent Brenda Regan commented that the Superintendent was unable to participate in the call today. She thanked the Board and MSBA staff for this incredible opportunity, adding that it is a great benefit to all of the school children in Tewksbury.

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 Tewksbury by majority – 7 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 Annie E. Fales Elementary School located in the Town of Westborough. He presented a PowerPoint and provided a brief summary of the proposed project. He explained that the proposed project is to replace the existing Annie E. Fales Elementary School with a new grades K-3 facility on the existing site.

The District submitted a total project budget of \$56,883,079. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$32,621,439, and the proposed Estimated Maximum Total Facilities Grant would be \$15,762,679 with the District's 48.32% 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 Westborough

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Annie E. Fales Elementary School with a new grades K-3 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 Town of

Westborough, in such forms as he may determine to be acceptable, for the Annie E. Fales Elementary School project at a reimbursement rate of forty-eight and thirty-two hundredths percent (48.32%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$15,762,679, 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 \$16,203,620, in the event that the MSBA determines, in its sole discretion, that any owner's and/or construction contingency expenditures are eligible for reimbursement pursuant to MSBA regulations, guidelines, or policies; that the Board of Directors hereby further authorizes the Executive Director to expend funds in accordance with such Project Funding Agreement.

The Chairman commented that State Representative Hannah Kane, State Representative Danielle Gregoire, State Representative Carolyn Dykema, and State Senator Jamie Eldridge sent a letter offering their support for the project at the Annie E. Fales School in Westborough.

Westborough Pre-K Building Committee Chair and School Committee member Stephen Doret thanked the Board and MSBA staff for this opportunity and consideration. He commented that Westborough has been working with the MSBA for several years on other projects, but this project is the most difficult because of the site.

Westborough Board of Selectmen member Shelby Marshall thanked the Board and MSBA staff for their support and collaboration.

A staff member from State Representative Hannah Kane's office spoke on behalf of the Representative noting that the Representative supports the project at the Annie E. Fales Elementary School in Westborough.

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

Update to Prior Project Scope and Budget Authorization – Easthampton

MSBA Director of Capital Planning, Mary Pichetti, explained that at the August 29, 2018 MSBA Board of Directors meeting, the Executive Director was authorized to enter into a Project Scope and Budget Agreement and a Project Funding Agreement with the City of Easthampton 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 Project site.

Prior to the August 29, 2018 MSBA Board of Directors vote to approve the Project, MSBA staff, the City, and the consultant team met to discuss the scope of the Project, which included the development of a vehicular roundabout to be located mainly on an existing public road at the entrance to the Project site. Based on the City's Schematic Design, the City and its consultants determined that additional land would be required in order to construct the roundabout. The MSBA informed the City that full ownership, control, and exclusive use of any property that is part of the

Project site that the City does not currently own or control must be obtained and verified prior to the MSBA entering into a Project Funding Agreement with the City.

After further review, the Easthampton School Building Committee decided to remove the roundabout from the base scope of work and make it a construction alternate; thus, the City could potentially construct the roundabout should they have enough bid savings to cover the costs of constructing the roundabout. If the City constructs the roundabout, it must provide documentation regarding ownership to the MSBA.

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

Vote to Amend the Board Vote of August 29, 2018 Authorizing the Executive Director to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the City of Easthampton

VOTED: Based on the City of Easthampton's decision to remove the construction of a roundabout from the base scope of work for the Project for the construction of a new grades PK-8 facility, and as further described in the materials presented to the Board and attached hereto, the Board of Directors hereby amends its vote of August 29, 2018 to defer the condition that the City must gain full ownership, control, and exclusive use of the proposed site as it relates to the roundabout, provided that, should the City decide to construct the roundabout, the City shall provide to the Authority documentation of full ownership, control, and exclusive use of the proposed roundabout site prior to proceeding with the construction of the roundabout.

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

Audit

Tamia Buckingham, MSBA Director of Audit, began her audit update by explaining that the MSBA received the final requests for the two remaining grant conversion projects to close out, adding that she hopes to bring the projects to the April Board of Directors meeting for a final audit vote. 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 481 Capital Pipeline Program projects plus five projects that are being presented for final approval to the Board today, all together representing approximately \$5.37 billion in submitted and audited costs.

She continued, explaining that the MSBA has also audited approximately \$2.88 billion in submitted costs for the 231 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 \$2.9 billion in additional costs will be submitted for audit for these projects.

The Director of Audit then explained that monthly submitted costs have averaged \$73.3 million over the 12 months preceding this Board meeting, and the total amount submitted and audited in this 12-month period equals approximately \$879.7 million.

Approval of Audits, New Program

The Director of Audit explained that the Board is being asked to approve five Capital Pipeline Program audits listed on the Audit Exhibit. She explained that the total combined grant amount for these five projects is \$23,315,245.

The Chairman then asked for a motion, and the following motion was made by Mr. Deninger 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 Exhibit B 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 – 7 in favor, 0 abstaining.*

MSBA Updates

Executive Director's Report

The Executive Director began his report by thanking the MSBA staff members for their hard work in preparing for the Board. He noted that since the December 12, 2018 Board meeting, the MSBA has visited 18 projects and as of February 8, 2019, three districts have voted affirmatively to appropriate full project funds or feasibility study funds. He explained that the MSBA anticipates making 18 project visits in February, March and April 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. He also noted that the SOI process is currently open.

Next, the Executive Director welcomed new employee XingZhen (Stephanie) Bai to the MSBA as an Accounts Payable Analyst. He congratulated Marie Deslauriers and Sarah Andrews on their recent engagements.

The Executive Director then announced that Christine Nolan is back from maternity leave and has been promoted to General Counsel. He commented that Christine was one of the first employees at the MSBA, noting that Christine not only brings great legal skills, but also great institutional knowledge. He congratulated Christine and noted that he is pleased to have her as General Counsel.

Project Overview Report

MSBA Director of Capital Planning, Mary Pichetti, presented a PowerPoint, including a summary of bid data. She summarized available data for anticipated bids for the 2019 and 2020 calendar years noting that this information is preliminary. She reported that 19 Core Program projects have or will receive a bid in 2019 and three of the 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, 15 of the 18 reported projects bid within the estimated budget. Twelve projects are anticipated to bid by the April Board of Directors meeting.

Recommendation for 2018 Science/Technology/Engineering Area Guidelines

MSBA Senior Architect Karl Brown and MSBA Assistant Project Manager Autumn Waldron provided an overview of the 2018 Science/Technology/Engineering Area Guidelines. Karl Brown explained that at the December Board of Directors Meeting MSBA staff presented a report on Best Practices for K-12 STEM Learning Spaces written by consultant Jake Foster. The report is available on the MSBA website and staff is presenting recommended changes to the space summary guidelines based on this report.

MSBA Assistant Project Manager Autumn Waldron explained that the report and these guidelines are informed by the 2016 Massachusetts DESE Science and Technology/Engineering Curriculum Frameworks for each grade level. For the purpose of the MSBA's space summary, staff have divided the grades into groupings as K-2, 3-6, 7-8, and 9-12. All elementary school classrooms will require two sinks. Students in grades 3-6 may receive a Science/Technology/Engineering room, whether they are in elementary school or middle school. Middle school science labs have been increased in size to match the high school guidelines to reflect safety recommendations by the National Science Teachers Association. Makerspaces or other Technology/Engineering rooms will be in the Vocations and Technology Category for Middle and High Schools.

MSBA Senior Architect Karl Brown explained that the changes will take effect for all projects entering Schematic Design after January 1, 2019, including the projects that were on the agenda for today's meeting.

Ms. Kwan commented that she is happy that the MSBA undertook this project. She added that many districts want makerspaces, but don't know what these spaces require in terms of staffing and to ensure safety. She recommended that MSBA staff do as much as possible to make sure this information is disseminated to districts.

Mr. Deninger commented that this report brings the most value for upper elementary and middle school grades. The report lends clarity to what kind of facilities are needed for those grades.

Ms. Kwan spoke about the educational spaces addressed in this report and explained that utilities have to be peripheral and special equipment has to be mobile so it can be moved with a change in the program. This practice provides a more flexible space that can be modified at minimal cost.

Mr. MacDonald commented that this project was a great deal of work and that there was a lot of collaboration with the members of the Board, Mary Pichetti, Karl Brown, and Autumn Waldron. He thanked them all for their hard work.

The Chairman thanked MSBA staff and commented that this report is mission driven and essential to districts.

Finance

FY 18 Audited Financial Statements

MSBA Chief Financial Officer, Laura Guadagno, spoke about the MSBA's Financial Statements for FY18 and presented some PowerPoint slides. She provided an overview and explained that RSM US LLP issued an unmodified opinion, which is also known as a "clean" opinion.

Mr. Sullivan commented that an audit is a tremendous amount of work and congratulated the MSBA for having no weaknesses.

Investment Management Policy

MSBA Chief Financial Officer, Laura Guadagno, spoke about the MSBA's Investment Management Policy, which was provided to Board members and which the MSBA is required to review, approve and file with the State Finance Governance Board every two years. The Chief Financial Officer explained that there are no changes to the existing Investment Management Policy.

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

Approval of Massachusetts School Building Authority's Investment Management Policy

VOTED: That the Board hereby approves the MSBA Investment Management Policy in substantially the form attached hereto 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 management of the Authority's investments as he may deem appropriate or necessary.

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

Sales Tax Collection Update

MSBA Financial Administration Manager, Julie Leonard, presented a PowerPoint and provided an FY19 SMART Collections update. The FY19 Consensus Revenue Estimate of \$858.9 million would represent growth of 1.29% over the FY18 unaudited amount. The FY19 collections through December 2018 are \$23.521 million (5.62%) higher than FY18 collections during the same period.

She presented a slide with a graphical depiction of FY15 - FY19 monthly SMART fund collections, and then quarterly SMART collections from FY14 - FY19, followed by year-to-date SMART collections by year from FY14 - FY19.

Grant Payments Update

MSBA Treasurer, Gianpiero Tirella, provided an update regarding MSBA grant payments for projects, noting that the MSBA has made \$325,093,615 in grant payments to date in Fiscal Year

The February 13, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors on April 10, 2019.

2019. This is for 247 Capital Pipeline Program, Prior Grant, and Waiting List projects in 146 districts.

FY 19 Budget Update

MSBA Chief Financial Officer, Laura Guadagno, provided the Board with a FY19 budget update. She 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.

There was a brief discussion among Board members and MSBA staff regarding yearly grant payments made by the MSBA.

The meeting was adjourned at 12:15 p.m.

List of documents and exhibits used at the meeting:

- PowerPoint Presentation
- December 12, 2018 Board Meeting Minutes
- Invitation to Feasibility Study
- Project Funding Agreement Recommendations for the Accelerated Repair Program
- Preferred Schematic Design Recommendations
- Project Scope and Budget Phase Recommendations
- Update to Prior Project Scope and Budget Authorization
- Audit Status Report
- Recommendation for Approval of Final Audits, Capital Pipeline Program
- Executive Director Report
- Project Overview Report
- Recommendation for 2018 Science/Technology/Engineering Area Guidelines
- FY 18 Audited Financial Statements
- Approval of the MSBA Investment Management Policy
- Sales Tax Collection Update
- Grant Payments Update
- FY19 Budget Update