

*The October 30, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 11, 2019 meeting.*

**Massachusetts School Building Authority  
Board Meeting Minutes of October 30, 2019**

A meeting of the Massachusetts School Building Authority (the “Authority” or “MSBA”) was held on October 30, 2019 at 40 Broad Street, Boston, Massachusetts.

**Members Present:** Deborah Goldberg, State Treasurer and Chair; Anne Brockelman, appointed member; Sean Cronin, Designee of the Secretary of Administration and Finance; Matt Deninger, Designee of the Commissioner of Education; 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; Karl Brown; Laura Guadagno; Julie Leonard; Tamia Buckingham; Gianpiero Tirella; Colleen Smith; Brian Kelley; Mike Bergquist; 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**

James MacDonald, First Deputy Treasurer and MSBA Chief Executive Officer, presided over the first part of the meeting as Acting Chair.

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

Next, the Acting Chair provided a brief overview of the items on the agenda for the meeting. He explained that the Board will be voting to: authorize the MSBA to provide for the issuance of one or more series of dedicated sales tax refunding bonds; invite four districts into feasibility study; amend one feasibility study agreement; and authorize the MSBA to enter into Project Funding Agreements in four districts with an Estimated Combined Maximum Total Facilities Grant of approximately \$155.59 million. The Board will also be voting to approve 18 final audits from 13 districts with a Combined Final Total Facilities Grant amount of \$129,017,924. Finally, the Board will be provided updates from Capital Planning staff.

**Acceptance of the August 28, 2019 Minutes**

The Acting Chair asked for a motion to accept the minutes of the August 28, 2019 Board Meeting. A motion was made by Mr. Deninger and seconded by Ms. Kwan:

**Approval of the Minutes of the August 28, 2019 Board Meeting**

**VOTED:** That the Board of Directors of the Massachusetts School Building Authority hereby approves the Minutes of the August 28, 2019 Board meeting.

**VOTE:** *There being no questions or comments, the Board approved the Motion to approve the Minutes of the August 28, 2019 Board Meeting by majority – 5 in favor, 0 abstaining.*

**Finance**

### **Sales Tax Collection Update**

MSBA Director of Budget and Finance Administration, Julie Leonard, presented a PowerPoint and provided an FY20 SMART Collections update. The FY20 Consensus Revenue Estimate of \$954 million would represent growth of 6.8% over the FY19 unaudited amount. The FY20 collections for July through September 2019 are \$12.027 million (5.48%) higher than FY19 collections for the same period.

She presented a slide with a graphical depiction of FY16 – FY20 Quarterly and Monthly SMART collections, and then year-to-date SMART collections by year from FY16 – FY20.

### **Grant Payments Update**

MSBA Treasurer, Gianpiero Tirella, provided an update regarding MSBA grant payments for projects, noting that the MSBA has made \$207,479,372 in grant payments to date in Fiscal Year 2020. This is for 157 Capital Pipeline Program projects in 112 districts.

### **FY20 Budget Update**

MSBA Chief Financial Officer, Laura Guadagno, provided the Board with a FY20 budget update. She presented a PowerPoint with Fiscal Year 2020 Expenditure Charts which outlined year to date spending. She also provided a Fiscal Year 2020 Budget Update and reviewed salaries and benefits, administrative expenses, and grant program expenditures to date.

There was a brief discussion among board members and MSBA staff regarding salaries and benefits in the budget. The Executive Director explained that there can be challenges in filling open positions given the current economy and that the MSBA is competing against private sector salaries. He noted that the MSBA's Director of Human Resources Stacy Patino has improved recruiting for the MSBA.

### **2019 Series B Refunding Bonds**

MSBA Chief Financial Officer, Laura Guadagno, explained that the MSBA will issue approximately \$800 million of Taxable Advance Refunding Bonds. MSBA staff is recommending a taxable advance refunding of MSBA's outstanding 2011B Bonds that will be currently callable in 2021. The Board voted to authorize approximately \$250 million of refunding bonds at its April 2019 meeting, which vote also included \$300 million in new money bonds that were issued this past July. In order to take full advantage and maximize the potential for realizing debt service savings by refunding the outstanding 2011B Bonds, additional authorization above the current amount of \$250 million is needed. An additional authorization of \$750 million is requested, bringing the total to \$1 billion, which provides some cushion should market conditions be favorable on the day of pricing and the MSBA wish to include additional bonds in the refunding transaction.

The MSBA is currently anticipating pricing the 2019 Series B taxable advance refunding bonds on Tuesday, November 6 and closing on Wednesday, November 20, 2019. The outstanding 2011B Bonds were originally issued as Senior Lien Bonds. The proposed structure for the refunding bonds is to issue them as Subordinate Lien Bonds with a 10-year par call. In addition to the benefit of debt service savings, this also improves coverage on the MSBA's senior lien bonds, as well as preserves flexibility should the Authority wish to refund the refunding bonds at their call date in ten years.

*The October 30, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 11, 2019 meeting.*

Public Financial Management (PFM) will serve as the Authority's financial advisor on the transaction, Bank of America will be the bookrunning senior manager, Barclays and Ramirez are co-senior managers, and there are also seven co-managers.

Treasurer Goldberg arrived at the meeting.

There was a brief discussion among Board members and MSBA staff regarding the refunding.

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

**Authorization to Provide for the Issuance by the Authority  
of One or More Series of Dedicated Sales Tax Refunding Bonds**

VOTED: To authorize the Executive Director to provide for the issuance by the Authority of one or more series of Dedicated Sales Tax Refunding Bonds (the "Refunding Bonds") pursuant to Section 207 of the Trust Agreement in an aggregate principal amount not to exceed \$750,000,000 that may be issued as either senior or subordinate lien bonds for the purpose of refunding prior bonds issued by the Authority, as determined by the Executive Director and providing for costs of issuance of the Refunding Bonds, and in furtherance thereof the Executive Director, with respect to the Refunding Bonds, is hereby delegated all powers of the Authority under Section 3B of Chapter 70B of the Massachusetts General Laws. Such amount shall be in addition to the \$250,000,000 of refunding bonds authorized by board on April 10, 2019.

VOTED: To authorize the Executive Director and such other officers of the Authority as the Executive Director may designate, acting singly, upon the advice of the Authority's bond counsel or disclosure counsel, to do all acts and things and to execute and deliver any and all documents, certificates and other instruments necessary or desirable in connection with the issuance of the Refunding Bonds, including without limitation a purchase contract providing for the sale of the Refunding Bonds, a preliminary and final official statement with respect to the Refunding Bonds, continuing disclosure agreements, one or more supplemental trust agreements, one or more refunding and/or defeasance escrow agreements, and one or more agreements providing for the investment of the proceeds of the Refunding Bonds.

*VOTE: There being no questions or comments, the Board approved the Motion by majority – 5 in favor, 0 abstaining.*

**Project**

**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 Town of Hull for the Hull Memorial Middle School, the City of Peabody for the William A. Welch Elementary School, the Town of Stoneham for the Stoneham High School, and the Town of Walpole for the Bird Middle 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 October 30, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 11, 2019 meeting.*

Mr. Cronin commented that he would like to abstain from voting for the Stoneham High School feasibility study because he is a resident of Stoneham.

The Chair explained that the Board will take two separate votes for the invitation to Feasibility Study. The first vote will be for feasibility studies for the Hull Memorial in the Town of Hull, the William A. Welch Elementary School in the City of Peabody, and the Bird Middle School in the Town of Walpole. The second vote will be for the Stoneham High School feasibility study in the Town of Stoneham.

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

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

VOTED: That the Executive Director is hereby authorized to invite the Town of Hull, the City of Peabody, and the Town of Walpole 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 the schools in those communities 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 following schools listed in Exhibit A: the Hull Memorial Middle School, the William A. Welch Elementary School, and the Bird Middle School.

Hull Superintendent Michael Devine thanked the Board and MSBA staff. He commented that the Hull Memorial Middle School is a historic building and the Town is working to keep the building running.

Mr. Cronin asked if the Town will need a debt exclusion. Superintendent Michael Devine commented that it is undetermined at this time.

The Chair noted that State Senator Joan Lovely sent a letter offering her support for the William A. Welch Elementary School project in the City of Peabody.

State Representative Thomas Walsh offered his support for the William A. Welch Elementary School project in the City of Peabody. He thanked the Board and MSBA for their support and commented that he looks forward to working with the MSBA.

Peabody School Building Committee Chair Beverley Griffin Dunne thanked the Board for this opportunity. She commented that having proper facilities for the students in the City is vital for the community. She noted that the MSBA has a great process and thanked the MSBA for their support.

*The October 30, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 11, 2019 meeting.*

The Chair noted that State Representative Paul McMurtry, State Representative Louis Kafka, and State Representative John Rogers sent a letter offering their support for the Bird Middle School project in the Town of Walpole.

Walpole Superintendent Bridget Gough thanked the Board and MSBA for the opportunity to address the deficiencies at the Bird Middle School. She commented that she looks forward to a continued collaborative partnership.

Tino Capobianco, aide to Senator Paul Feeney, thanked the MSBA on behalf of the Senator for the support for the Bird Middle School project in Walpole.

William Buckley, aide to State Representative John Rogers, thanked the MSBA on behalf of the Representative for the support for the Bird Middle School project in Walpole.

Ms. Kwan commented on the importance of the educational plan and noted that the educators should be writing the educational plans, not the consultants.

***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 - 5 in favor, 0 abstaining.*

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

**Vote on Inviting the Town of Stoneham to Collaborate with the MSBA  
to Conduct a Feasibility Study**

VOTED: That the Executive Director is hereby authorized to invite the Town of Stoneham 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 the Stoneham High School, as 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 the Stoneham High School as listed in Exhibit A.

A representative from the District thanked the Board and MSBA for this opportunity. She commented that she looks forward to the continued partnership.

***VOTE:** There being no further questions or comments, the Board approved the Motion to invite the Town of Stoneham to collaborate with the MSBA to conduct a Feasibility Study by majority - 4 in favor, 1 abstaining.*

James MacDonald, First Deputy Treasurer and MSBA Chief Executive Officer, commented that MSBA staff just finished the review of the Statements of Interest (SOIs) and noted that he wanted to acknowledge MSBA staff. He thanked Mary Pichetti, Diane Sullivan, Katie DeCristofaro, and the consultants, STV, for all of their hard work. He thanked Board member Terry Kwan for

*The October 30, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 11, 2019 meeting.*

attending some of the site visits. He commented that the SOI process is difficult and commended MSBA staff for their professionalism and approach to the review process.

### **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. Subsequently, the City received approval from the Board for an extension to the Feasibility Study Agreement from March 31, 2018 through October 31, 2018 to complete its site selection and Feasibility Study and Schematic Design work for the proposed Waltham High School project. Then, at the August 29, 2018 Board meeting, the City received a second extension to the Feasibility Study Agreement from October 31, 2018 through October 31, 2019 to determine available sites to be studied as part of the feasibility study process. The City is requesting a third extension to the Feasibility Study Agreement through February 29, 2020 for the proposed Waltham High School project to resolve the pending litigation issues related to the preferred project site location. MSBA staff recommends an extension to the Feasibility Study Agreement conditional on the City keeping MSBA staff apprised of any updates regarding the project status, the project schedule, and the pending litigation so that MSBA staff can provide the Board with periodic updates.

The Chair 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, 2019 to February 29, 2020, and the Executive Director is hereby authorized to do all acts and things, to execute and deliver any and all documents and agreements, and to expend all funds necessary or desirable in connection with conducting and/or reviewing this Feasibility Study for the Waltham High School.

Mr. Cronin asked if there has been any discussion on how the City will finance the project.

The Executive Director commented that the City does not plan on having a debt exclusion.

State Representative Thomas Stanley commented that the City Council has had a robust discussion regarding funding the project for the Waltham High School. He noted that the project has overwhelming support from the Council and the community, adding that the City of Waltham is prepared to pay for the project. He thanked the Board and MSBA for their support.

Mr. Cronin commented that residents will see taxes increase even without a debt exclusion.

Ms. Kwan encouraged the City's staff to implement professional development training to ensure that staff are prepared.

*The October 30, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 11, 2019 meeting.*

A resident of Waltham spoke briefly and voiced concerns about the cost of the project.

**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 – 5 in favor, 0 abstaining.*

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

MSBA Design Director, Karl Brown, 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 C.T. Douglas Elementary School located in the Acton-Boxborough 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 C.T. Douglas Elementary School and the Paul P. Gates Elementary School with a new facility on the existing Paul P. Gates Elementary School site.

The District submitted a total project budget of \$117,328,519. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$74,074,880, and the proposed Estimated Maximum Total Facilities Grant would be \$36,728,824 with the District's 49.70% reimbursement rate.

The Chair 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 Acton-Boxborough Regional School District**

**VOTED:** That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing C.T. Douglas Elementary School and the Paul P. Gates Elementary School with a new PK-6 facility on the site of the existing Paul P. Gates Elementary School, as further described in the materials presented to the Board and attached hereto and as such Proposed Project shall be further defined in the Project Scope and Budget Agreement, and authorizes the Executive Director to take all steps necessary to execute and deliver a Project Scope and Budget Agreement and Project Funding Agreement with the Acton-Boxborough Regional School District, in such forms as he may determine to be acceptable, for the C.T. Douglas Elementary School project at a reimbursement rate of forty-nine and seventy hundredths percent (49.70%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$36,728,824, which shall not include any funds for owner's or construction contingency expenditures; that the Board of Directors hereby further authorizes the Executive Director to increase the Estimated Maximum Total Facilities Grant up to a Maximum Total Facilities Grant of \$38,018,861, 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 October 30, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 11, 2019 meeting.*

Acton-Boxborough Regional School District Superintendent Peter Light thanked the Board and MSBA for their support and diligent efforts. He introduced other local officials who were present at the meeting and thanked them and the project consultants for their hard work.

**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 Acton-Boxborough Regional School District by majority – 5 in favor, 0 abstaining.*

MSBA Design Director, Karl Brown, 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 Center Elementary School located in the Town of Easton. He presented a PowerPoint and provided a brief summary of the proposed project. He explained that the proposed project is to replace the existing Center Elementary School, Moreau Hall Elementary School, and Parkview Elementary School with a new district-wide grades PK-2 facility on the site of the existing Parkview Elementary School.

The District submitted a total project budget of \$94,839,543. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$61,933,167, and the proposed Estimated Maximum Total Facilities Grant would be \$34,400,860 with the District's 55.93% reimbursement rate.

The Chair 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 Town of Easton**

**VOTED:** That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Center Elementary School, Moreau Hall Elementary School, and Parkview Elementary School with a new district-wide grades PK-2 facility on the site of the existing Parkview Elementary School, as further described in the materials presented to the Board and attached hereto and as such Proposed Project shall be further defined in the Project Scope and Budget Agreement, and authorizes the Executive Director to take all steps necessary to execute and deliver a Project Scope and Budget Agreement and Project Funding Agreement with the Town of Easton, in such forms as he may determine to be acceptable, for the Center Elementary School project at a reimbursement rate of fifty-five and ninety-three hundredths percent (55.93%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$34,400,860, 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 \$36,027,884, 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 October 30, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 11, 2019 meeting.*

Jay O'Brien, aide to State Senator Walter Timilty, thanked the MSBA on behalf of the Senator for the support for the Center School Project in Easton and the Sharon High School in Sharon.

Easton Superintendent Dr. Lisha Cabral commented that the project for the Center School was voted on at Town meeting last week and received overwhelming support. She thanked the Board and MSBA 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 Town of Easton by majority – 5 in favor, 0 abstaining.*

MSBA Design Director, Karl Brown, 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 Jefferson Elementary School located in the Town of Rockland. He presented a PowerPoint and provided a brief summary of the proposed project. He explained that the proposed project is to replace the existing Jefferson Elementary School and the existing Memorial Park Elementary School with a new district-wide grades 1-4 facility on the site of the existing Memorial Park Elementary School, contingent upon the District gaining full ownership, control, and exclusive use of the proposed site.

The District submitted a total project budget of \$86,607,521. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$51,322,421, and the proposed Estimated Maximum Total Facilities Grant would be \$34,420,984 with the District's 67.08% reimbursement rate.

The Chair 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 Town of Rockland**

**VOTED:** That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Jefferson Elementary School and the existing Memorial Park Elementary School with a new district-wide grades 1-4 facility on the site of the existing Memorial Park Elementary School, contingent upon the District 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 Town of Rockland, in such forms as he may determine to be acceptable, for the Jefferson Elementary School project at a reimbursement rate of sixty-seven and eight hundredths percent (67.08%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$34,420,984, 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 \$35,885,004, in the event that the MSBA determines, in its sole discretion, that any owner's and/or construction contingency expenditures are eligible for reimbursement

*The October 30, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 11, 2019 meeting.*

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 John Keenan offered his support for the Jefferson Elementary School in Rockland and thanked the Board and MSBA.

State Representative David DeCoste offered his support for the Jefferson Elementary School in Rockland and thanked the Board and MSBA.

Rockland Superintendent Dr. Alan Cron thanked the Board for their support. He commented that the project at the Jefferson Elementary School is important to the community. He thanked the MSBA and commented that the MSBA is the most forward-thinking state authority he has worked with.

**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 Rockland by majority – 5 in favor, 0 abstaining.*

MSBA Design Director, Karl Brown, 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 Sharon High School located in the Town of Sharon. He presented a PowerPoint and provided a brief summary of the proposed project. He explained that the proposed project is to replace the existing Sharon High School with a new facility serving grades 9-12 on the existing site.

The District submitted a total project budget of \$163,000,000. As shown in the PowerPoint presentation, the basis of the MSBA grant would be \$103,646,748, and the proposed Estimated Maximum Total Facilities Grant would be \$50,042,540 with the District's 48.95% reimbursement rate.

The Chair 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 Town of Sharon**

**VOTED:** That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Sharon High School with a new facility serving grades 9-12 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 Sharon, in such forms as he may determine to be acceptable, for the Sharon High School project at a reimbursement rate of forty-eight and ninety-five hundredths percent (48.95%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$50,042,540, 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

*The October 30, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 11, 2019 meeting.*

Maximum Total Facilities Grant of \$53,823,005, 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.

Kevin Nigro, the Owner's Project Manager (OPM) with PMA Consultants, thanked the Board and MSBA on behalf of the Superintendent and Chair of the Sharon School Building Committee. He thanked Fenton Bradley for all his help with the project.

**VOTE:** *There being no further questions or comments, the Board approved the Motion to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the Town of Sharon by majority – 5 in favor, 0 abstaining.*

### **Audit**

Tamia Buckingham, MSBA Director of Audit, began her audit update by explaining that the MSBA has completed final audits for 505 Capital Pipeline Program projects plus 18 projects that are being presented for final approval to the Board today, all together representing approximately \$5.81 billion in submitted and audited costs.

She continued, explaining that the MSBA has also audited approximately \$3.2 billion in submitted costs for the 220 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 \$3.6 billion in additional costs will be submitted for audit for these projects.

The Director of Audit then explained that monthly submitted costs have averaged \$86.2 million over the 12 months preceding this Board meeting, and the total amount submitted and audited in this 12-month period equals approximately \$1 billion.

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

The Director of Audit explained that the Board is being asked to approve eighteen Capital Pipeline Program audits listed on Exhibit B. She explained that the total combined grant amount for these eighteen projects is \$129,017,924.

The Chair 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 B and authorizes the Executive Director to make payments consistent with this vote.

*The October 30, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 11, 2019 meeting.*

***VOTE:** There being no questions or comments, the Board approved the Motion by majority – 5 in favor, 0 abstaining.*

## **MSBA Updates**

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

The Executive Director began his report by thanking the MSBA staff members for their hard work in preparing for the Board meeting. He noted that since the August 28, 2019 Board meeting, the MSBA has visited 18 projects and, as of October 25, 2019, seven districts have voted affirmatively to appropriate feasibility study or full project funds. He explained that the MSBA anticipates making 17 project visits in November and December and presented a list of the upcoming district visits as part of his PowerPoint presentation. He added that staff have attended several project milestone ceremonies, such as the ribbon cutting at Sunita L. Williams Elementary School in Needham. 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 shared that Board member Sean Cronin had presented a municipal finance training at the MSBA and the MSBA also held an OPM/Designer roundtable with FAS members. Then, the Executive Director spoke about the Story of a Building seminar that the MSBA co-sponsored with the Office of the Inspector General at the Gates Middle School in Scituate.

Next, the Executive Director provided an update on the Student Opportunity Act legislation. He explained that the legislation would increase the MSBA's cap to \$800 million and that both the House and Senate had passed the legislation, noting that the Senate and House versions of the legislation are slightly different. The legislation is in conference committee now and the Governor will have to sign the legislation into law for it to go into effect. The Executive Director explained that the MSBA will have to examine the new legislation further to determine what effect it will have on the MSBA.

There was a discussion about the impact the legislation could have on how the Department of Elementary and Secondary Education ("DESE") calculates the percentage of low-income students in the Commonwealth. The DESE low-income student calculation is used to inform the MSBA's Community Poverty Factor. As a result, some districts could see changes to their Community Poverty Factor, which is one of several factors that determines a district's reimbursement rate.

There was a brief discussion among Board members and MSBA staff regarding the new legislation and the MSBA's funding cap.

The Treasurer commented that the legislation is not giving the MSBA more money but is increasing the MSBA's cap for funding projects. She noted that sometimes districts choose to include project components that will not be reimbursed by the MSBA and that the inclusion of these ineligible project elements increase a district's share of the project cost.

Then, the Executive Director provided an update on the Dennis-Yarmouth Middle School project. He explained that there is still ongoing litigation and that the plaintiffs are trying to amend the suit to a ten-taxpayer lawsuit. Dennis and Yarmouth have both agreed on a new regional agreement. The MSBA has placed the project "on pause" while these matters are being resolved.

*The October 30, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 11, 2019 meeting.*

Next, the Executive Director welcomed new employee Mary McDonald as the MSBA's receptionist. He also congratulated Allison Jones on her recent marriage and Sarah Andrews on her recent marriage.

### **Project Overview Report**

MSBA Senior Project Manager Mike McGurl explained that subsequent to the June 2019 Board of Directors Meeting, the Blackstone-Millville Regional School District requested 60 additional days beyond the requisite 90 days to appropriate funding for its project. Staff supported an extension of 60 days for a total of 150 days for the District to secure funding for its Project Funding Agreement. The District has since secured its funding and executed its Project funding Agreement.

MSBA Senior Project Manager Mike McGurl explained that following the April 2019 Board of Directors Meeting, the City of Newton requested 120 additional days beyond the requisite 90 days to appropriate funding for its project. Staff supports an extension of 120 days for a total of 210 days for the District to secure funding for its Project Funding Agreement.

Next, MSBA Senior Project Manager Mike McGurl explained that subsequent to its invitation to the Accelerated Repair Program at the June 2019 Board of Directors Meeting, the Town of Monson requested 45 additional days beyond the requisite 90 days to appropriate funding for its Schematic Design. Staff supports an extension of 45 days for a total of 135 days for the District to secure funding for its Schematic Design.

Then, MSBA Senior Project Manager Mike McGurl presented a PowerPoint, including a summary of bid data. He summarized available data for anticipated Sub-Bids in November, December, and January and anticipated DBB Bids or GMP Executions in November, December, and January.

MSBA Project Manager Christy Murray presented a PowerPoint with interactive maps with data for anticipated bids for the 2019 through 2021 calendar years, including the total construction budgets.

Then, MSBA Senior Project Manager Mike McGurl presented a PowerPoint, including a summary of bid results for the Core Program. He reported that of the 23 Core Program projects scheduled to receive sub-bids in 2019, ten have reported DBB bids or GMP executions to date. All ten of the reported bids came in within the estimated budget. As part of his presentation, he presented a chart on bid data for the projects in the MSBA Capital Pipeline. He then provided bid data for the MSBA's Accelerated Repair Program. He explained that for the 2017 Accelerated Repair Program, 26 of the 33 reported projects bid within the estimated budget. One remaining project is anticipated to bid by the February 2020 Board of Directors meeting. He then explained that for the 2018 Accelerated Repair Program, 10 of the 12 reported projects bid within the estimated budget and an additional five projects are anticipated to bid by the December Board of Directors meeting.

The Chair asked for a motion to adjourn. A motion was made by Ms. Brockelman and seconded by Mr. Cronin. The meeting was adjourned at 11:30 a.m.

List of documents and exhibits used at the meeting:

*The October 30, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 11, 2019 meeting.*

- PowerPoint Presentation
- August 28, 2019 Board Meeting Minutes
- Sales Tax Collection Update
- Grant Payments Update
- FY20 Budget Update
- 2019 Series B Refunding Bonds Authorization
- Invitation to Feasibility Study
- Feasibility Study Agreement Amendment
- Project Scope and Budget Phase Recommendations
- Audit Status Report
- Recommendation for Approval of Final Audits, Capital Pipeline Program
- Executive Director Report
- Project Overview Report