

The December 11, 2019 Board Meeting minutes were approved by the MSBA's Board of Directors at the February 13, 2020 meeting.

**Massachusetts School Building Authority
Board Meeting Minutes of December 11, 2019**

A meeting of the Massachusetts School Building Authority (the “Authority” or “MSBA”) was held on December 11, 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; Terry Kwan, appointed member; Sheila Vanderhoef, appointed member; and Greg Sullivan, appointed member.

Others Present: James MacDonald, Chief Executive Officer; Jack McCarthy, Executive Director/Deputy Chief Executive Officer; Christine Nolan; Mary Pichetti; Mike McGurl; Diane Sullivan; Katie DeCristofaro; John Jumpe; Laura Guadagno; Julie Leonard; Wei Xu; Gianpiero Tirella; Colleen Smith; Brian Kelley; Mike Bergquist; Siobhan Tolman; Matt Donovan; Maria Puopolo; Sarah Przybylowicz; members of the press; municipal representatives; legislative representatives; local elected officials; and other members of the public. A sign-in sheet is on file at the MSBA.

Call to Order

The 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 Chair provided a brief overview of the items on the agenda for the meeting. She explained that the Board will be voting to: remove two projects from the MSBA pipeline; invite eleven 2019 Core Program Statements of Interest into the Eligibility Period; invite one district into feasibility study; and to authorize three proposed projects to proceed into Preferred Schematic Design, with an estimated \$183.5 million in total combined construction costs. The Board will also be voting to approve four final audits from four districts with a combined Final Total Facilities Grant amount of \$50,962,299 and vote to approve the Debt Management, Post Issuance Compliance and Continuing Disclosure Obligations Policies. Finally, the Board will be provided updates from Capital Planning Staff.

Acceptance of the October 30, 2019 Minutes

The Chair asked for a motion to accept the minutes of the October 30, 2019 Board Meeting. A motion was made by Ms. Kwan and seconded by Mr. Deninger:

Approval of the Minutes of the October 30, 2019 Board Meeting

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Minutes of the October 30, 2019 Board meeting.

VOTE: *There being no questions or comments, the Board approved the Motion to approve the Minutes of the October 30, 2019 Board Meeting by majority – 7 in favor, 0 abstaining.*

Project

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Project Removal from Accelerated Repair Program

MSBA Senior Project Manager Mike McGurl explained that at the June 26, 2019 Board of Directors meeting, the Mohawk Trail Regional School District received an invitation for a partial boiler replacement at the Sanderson Academy. The District submitted a Statement of Interest for the replacement of a remaining boiler after installing three new pellet boilers in 2017. The District has since determined that it will not meet the Accelerated Repair Program minimum threshold of \$250,000 in total project costs and will pursue the boiler replacement independent of the Accelerated Repair Program.

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

Vote on Removing Mohawk Trail Regional School District's Accelerated Repair Statement of Interest from the MSBA Accelerated Repair Program

VOTED: That, whereas, on June 26, 2019, the Board voted to invite the Mohawk Trail Regional School District to participate in the MSBA's Accelerated Repair Program for the Sanderson Academy; and, whereas, as described in the materials attached hereto as Exhibit A, the Mohawk Trail Regional School District has notified the MSBA that it has decided not to further pursue its Accelerated Repair Statement of Interest or Accelerated Repair Program invitation for the Sanderson Academy, the Board hereby removes the Mohawk Trail Regional School District's Accelerated Repair Statement of Interest for the Sanderson Academy from the MSBA Accelerated Repair Program and authorizes the Executive Director to do all acts necessary and execute and deliver any and all documents and agreements in connection with such removal.

VOTE: There being no questions or comments, the Board approved the Motion to Remove the Mohawk Trail Regional School District's Statement of Interest from the MSBA Accelerated Repair Program by majority – 7 in favor, 0 abstaining.

Project Removal from Capital Pipeline

MSBA Director of Capital Planning Mary Pichetti explained that as part of the City of Holyoke's Feasibility Study for the Lt. Elmer J. McMahon Elementary School, the MSBA Board of Directors voted on March 30, 2016 to allow the District to complete a survey of the conditions at all of the District's facilities in support of the District's Level 5 Turnaround Plan and for the MSBA to provide a grant for the survey, at the District's 80.00% reimbursement rate, as part of the District's Feasibility Study. The District determined that two smaller middle schools each serving 550 students in grades 6 through 8 would better serve the District and its educational goals, and therefore changed its priority SOI to the H.B. Lawrence School. At the August 29, 2018 MSBA Board of Directors meeting, the Board of Directors authorized the District to proceed into Schematic Design. At the August 28, 2019 Board of Directors meeting, the Board of Directors authorized the MSBA to enter into a Project Scope and Budget Agreement and a Project Funding Agreement with the City of Holyoke for the construction of a new facility serving grades 6-8 on the Chestnut Street site and a new facility serving grades 6-8 to replace the William R. Peck School on the existing site, contingent upon the District gaining full ownership, control, and exclusive use of the Chestnut Street site. The District has since

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been unable to secure local funding for the project and MSBA staff are recommending the Board remove the District from the Capital Pipeline.

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

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

VOTED: That, whereas, on May 12, 2017, the Board voted to invite the City of Holyoke to collaborate with the MSBA to conduct a Feasibility Study for the H.B. Lawrence School; and, whereas, on August 28, 2019, the Board voted to approve a Proposed Project for the construction of two new middle schools in the City of Holyoke, and authorize the Executive Director to execute a Project Scope and Budget Agreement and Project Funding Agreement with the City of Holyoke for the Proposed Project; and, whereas, as described in the materials attached hereto as Exhibit B, the City of Holyoke has notified the MSBA that it has decided not to further pursue its Statement of Interest, Feasibility Study invitation, or approval of a Proposed Project for the H.B. Lawrence School, the Board hereby removes the City of Holyoke's Statement of Interest for the H.B. Lawrence School from the MSBA's Capital Pipeline and authorizes the Executive Director to do all acts necessary and execute and deliver any and all documents and agreements in connection with such removal.

Mr. Deninger read the following statement on behalf of Massachusetts Department of Elementary and Secondary Education (DESE) Commissioner Jeffrey Riley:

This morning, Commissioner Riley and I find ourselves in a difficult position: Holyoke must be removed from the MSBA pipeline, and yet Holyoke, in a letter to MSBA earlier this week, indicated that they will not sign a declaration of removal from the MSBA pipeline. So, I'm of two minds. Let the record show that I have been, and I will remain, a strong supporter of the MSBA, its employees and its leadership, its processes, and its mission. MSBA must keep a state-wide perspective, treating all districts impartially. And yet, I've observed that MSBA has done more for Holyoke than most. MSBA has shown patience, allowing Holyoke to remain in MSBA's process for 7 years now. MSBA funded a master plan for the city, which ultimately pointed to a two-school solution that the city endorsed. While two-school solutions are extremely rare, local officials advocated for a two-school plan, and thus so did MSBA. These are just a few of many examples. All along the way, the MSBA recognized the extraordinary needs of the Holyoke community, and, in my opinion, responded with extraordinary support.

In my role at DESE, I also have been, and will remain, a strong supporter of all school districts. It's my job to be a voice for the children, and I believe the children of Holyoke need these new buildings. The unfortunate result of last month's election in Holyoke, however, means that they don't have the funding capacity for this particular project. I understand, logically, that as part of the MSBA process, Holyoke must now be removed from the pipeline because of the lack of local support. I know this. And yet, Holyoke public schools are in DESE receivership, and thus it's my job to stand together with the school district.

My vote today is "no," but I want to make it clear that in doing so I mean no disrespect to anyone at MSBA, nor to anyone on this Board, nor do I expect any of my fellow Board

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members to follow suit. It is my understanding that the City has met with MSBA leadership since the failed vote, will look at their finances, and will determine what project to file as their priority Statement of Interest for 2020. I remain hopeful that Holyoke will be back in our pipeline as soon as possible; and that when they are, they will not be starting from square one and instead expedited in the process to the extent the law, the MSBA regulations, and this Board will allow.

Next, Ms. Kwan commented that the MSBA has done a lot of work in underprivileged communities, including Holyoke. She noted that it is unfortunate that the District is in this situation, but by removing the project from the MSBA's pipeline, it will allow the District to reapply with a new SOI that is more likely to receive a favorable vote in the community. She noted that Board members had extensive discussions with the District at the Facilities Assessment Subcommittee meeting regarding concerns with the two-school solution the District had chosen. She also commented that if the District stays in the pipeline, it prevents the MSBA from using money for projects that can receive community support and that the MSBA needs to expend its funds as effectively as possible.

The Chair explained that the only way the District will be able to submit a priority Statement of Interest for consideration, is to remove this current priority SOI from the MSBA's Capital Pipeline today.

Mr. Cronin noted that the District has significant financial challenges and he is willing to help in any way he can. He commented that all districts need to challenge architects on the cost per square foot to build these schools.

Mr. Sullivan asked Mr. McCarthy to provide a brief history of the proposed project with Holyoke.

Mr. McCarthy provided a brief history of the project. He explained that the City chose a two-school solution and the vote failed in the community. He noted that there are equity issues within the City and the City did not want to build a new middle school in one part of the City and not the other. He explained that if the current SOI is removed now, the City can re-submit for its priority Statement of Interest.

Mr. Sullivan asked Mr. McCarthy to explain the priority Statement of Interest process.

Mr. McCarthy explained that the MSBA reviews a Statement of Interest submitted by a district and determines if the school is the priority school for the district. Currently, the City has pending projects with the MSBA for two middle schools so the City would not be able to submit a new priority Statement of Interest with the current projects in the pipeline.

Holyoke Superintendent/Receiver Stephen Zrike thanked the Board, MSBA and Executive Director Jack McCarthy for their support. He commented that the MSBA has gone above and beyond to help the City of Holyoke. He commented that the City is concerned with equity and he noted that the City needs help. He explained that an override is unlikely to pass in the City. He noted that he hopes the MSBA expedites the process for the City as the school facilities are a piece of why the City is in receivership and are in dire need of support.

Michael Moriarty, the Executive Director of OneHolyoke CDC and member of the Board of Elementary and Secondary Education, thanked the Board and MSBA. He commented that the MSBA leadership has been tremendous and the staff have been very engaged and helpful. He

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thanked Matt Deninger and Commissioner Riley. He noted that he understands that this is not the end for the City. He also commented that individuals in districts like Holyoke think they will receive an 80% reimbursement rate, and this leads to unrealistic expectations because the effective rate is often lower because the rate is applied to eligible costs.

Mr. McCarthy commented that the MSBA cautions districts about discussing the reimbursement rate and grant amount for a project until the numbers are final.

Ms. Kwan commented that Mr. Cronin continuously warns districts that the final reimbursement rate may not meet their original expectations.

The Chair thanked Holyoke's officials for speaking at the Board meeting. She commented that the Board and the MSBA want to support the students in Holyoke, and the MSBA is invested in Holyoke's success. She noted that everyone involved needs to work together. The Chair explained that the vote of the Board today to remove the project from the Pipeline is not a goodbye. She noted the MSBA and the City will work together to find the best solution for the City.

VOTE: *There being no questions or comments, the Board approved the Motion to Remove the City of Holyoke's Statement of Interest from the MSBA Capital Pipeline by majority – 6 in favor, 1 against, 0 abstaining.*

Invitation to Eligibility Period

MSBA Capital Program Manager Katie DeCristofaro explained that the Board will be asked to vote to invite the following districts into the Eligibility Period: the Town of Amherst for the Fort River Elementary School, the Town of East Longmeadow for the East Longmeadow High School, the Town of Hingham for the William L. Foster Elementary School, the Town of Maynard for the Green Meadow Elementary School, the Nashoba Regional School District for the Nashoba Regional High School, the City of North Adams for the Greylock Elementary School, the Tri-County Regional Vocational Technical School District for the Tri-County Regional Vocational Technical High School, the Town of Wakefield for the Wakefield Memorial High School, the Whitman-Hanson Regional School District for the Whitman Middle School, the Whittier Regional Vocational Technical School District for the Whittier Regional Vocational Technical High School, and the Town of Winchester for the Lynch Elementary School.

Ms. DeCristofaro noted that the MSBA received 144 Statements of Interest in 2019: 83 for Accelerated Repair and 61 for the Core Program. She explained that for the Core Program, the MSBA is recommending that the eleven districts listed above be invited into the Eligibility Period today.

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

Vote on Inviting Communities to the Eligibility Period

VOTED: That the Board approves each District and School that is listed on Exhibit C for invitation into the Eligibility Period subject to the conditions that are set forth in Exhibit C; that the Executive Director is hereby authorized to commence the Eligibility Period for each such District and School upon the date of such District's

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and School's separate Eligibility Period Commencement Date as set forth in Exhibit C; and that the Executive Director is hereby further authorized to do all acts and things, to execute and deliver any and all documents and agreements, and to expend funds necessary or desirable in connection with inviting each of these communities into the Eligibility Period and to commence the Eligibility Period.

Ms. Kwan commented that she wanted to stress to districts the importance of developing an educational plan that drives the design of the building. She noted that districts can always rely on their consultants to help develop their educational plans but added that the educators and staff should be writing the plans. She commented that districts should ensure that there is training for the staff and educators. She spoke about the importance of having a plan for reaching out to the community, especially those without students in the schools and the senior population.

Upon noticing someone videotaping the meeting, Mr. MacDonald asked anyone who was recording the meeting to identify themselves. Michelle Resendes, Director of Finance and Operations for Maynard Public Schools, announced that she was recording the meeting.

Mr. Deninger welcomed the districts into the Eligibility Period. He commented that this is a partnership with the MSBA, and districts should be prepared to make difficult decisions and to be pushed by MSBA staff and the Board. He noted that MSBA staff are experienced and districts should listen to their guidance. He encouraged districts to think broadly and flexibly when envisioning their educational plans. He commented that the districts have the support of the Board and he looks forward to working in partnership with these districts.

Mr. Cronin encouraged districts to start looking at project costs and to work closely with their consultants as reimbursement rates may not meet district expectations. He noted that the reimbursement rate for each specific project will likely be lower than the approved rate when applied to eligible costs and he encouraged districts to keep this in mind when planning their capital budgets.

State Representative Mindy Domb, who represents Amherst, offered her support for the Fort River Elementary School project in the Town of Amherst. She thanked the Board and MSBA for their support. She commented that she wanted to express her deep gratitude and appreciation and thanked the MSBA for their diligence.

Amherst Superintendent Michael Morris thanked the Board and MSBA staff. He commented that the Town has held many community engagements and that the open line of communication has been critical.

Amherst Town Manager Paul Bockelman commented that the Town has changed their form of government since the last time the Town had a project with the MSBA. He thanked the Board and MSBA for their support.

The Chair noted that State Representative James Murphy, State Representative Joan Meschino, and State Senator Patrick O'Connor sent a letter offering their support for the William L. Foster Elementary School project in the Town of Hingham.

Hingham Superintendent Dr. Paul Austin thanked the Board and MSBA staff for their diligence. He commented that he is a new Superintendent and that the Town is very excited to move forward with the project.

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Vice-Chair of the Hingham School Building Committee Raymond Estes thanked the Board and MSBA staff. He commented that he is grateful for this opportunity to partner with the MSBA and is excited to get started.

The Chair noted that East Longmeadow Superintendent Gordon Smith sent an email extending his apologies for not being able to attend the Board meeting due to the weather and thanked the Board and MSBA staff for their support.

Maynard Assistant Superintendent Jennifer Gaudet thanked the Board and MSBA staff for continuing to work with the Town of Maynard. She commented that she is excited to partner with the MSBA and move forward with the project.

Nashoba Valley Regional School District Superintendent Brooke Clenchy thanked the Board and MSBA staff and noted that she is very excited for this project. She thanked Diane Sullivan for all of her guidance and support.

North Adams Mayor Thomas Bernard thanked the Board and MSBA staff, especially Diane Sullivan and her team. He thanked the Superintendent for recrafting the narrative in their Statement of Interest to make their case for a project with the MSBA. He noted that the space in the Greylock Elementary School is insufficient for the students and educators. He commented that the school has a strong team of educators under the principal. He noted that this is a long process, but the District has the potential and the people to make this project successful.

North Adams Superintendent Dr. Barbara Malkas thanked the Board and MSBA staff and noted that the staff have been incredibly supportive throughout the process.

Tri-County Regional School District Superintendent Stephen Dockray thanked the Board and MSBA staff for the invitation and the opportunity to address the needs at the school facility.

Brian Mushnick, Vice Chair of the Tri-County Regional School District School Committee, thanked the Board and MSBA staff. He commented that the District is going to work very hard on this project so the students can excel with the help of the MSBA.

State Representative Donald Wong, who represents Wakefield, thanked the MSBA for the invitation for the Wakefield Memorial High School project. He thanked the MSBA for all of the work they do for the Commonwealth, noting that the children are the future.

Wakefield Superintendent Doug Lyons thanked the MSBA for the support.

Whitman-Hanson Regional School District Superintendent Jeff Szymaniak thanked the Board and MSBA staff, commenting that he is excited to be here today. He thanked the Board for the invitation for the Whitman Middle School and noted that he looks forward to moving forward in partnership with the MSBA.

Principal of the Whitman Middle School Mike Grable thanked the Board and MSBA staff. He commented that he is excited for the partnership with the MSBA.

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Whittier Regional Vocational Technical School District Superintendent Maureen Lynch thanked the Board and MSBA staff. She commented that she appreciates the MSBA and looks forward to the partnership as this is a wonderful opportunity for the District.

State Representative Michael Day, who represents Winchester, thanked the Board and MSBA staff. He commented that the MSBA staff are tremendous and the responsiveness from the staff is outstanding.

Winchester Superintendent Judith Evans thanked the Board and MSBA staff. She commented that there has been an enrollment increase and the Lynch Elementary School is currently over capacity, so she is very grateful to be here today. She thanked the legislative delegation, Jack McCarthy, Diane Sullivan, and Katie DeCristofaro, adding that she is grateful for their hard work and professionalism.

Ms. Kwan noted that the MSBA took over this program from the former Department of Education. She commented on the experience of the MSBA staff and that the MSBA is an example of government money well spent. She encouraged legislators to keep this in mind when debating the budget.

The Chair commented that Ms. Kwan makes a valid point. She noted that Mr. Sullivan, who is the former Massachusetts Inspector General, has said many times that the MSBA is one of the best state agencies.

Mr. Sullivan commented that MSBA staff are the finest in all of state government. He noted that the Board is voting to invite eleven districts into the Eligibility Period and many schools did not make the invitation list. He commented that the MSBA has a fair and thorough process when inviting districts into the Eligibility Period. He noted that many other districts within the state are in need and are deserving of a project, but they have to wait because the MSBA has to choose districts by need. He commented that the MSBA process is very fair and the projects that are invited in are the neediest.

The Chair briefly commented on how the MSBA could invite more districts into the pipeline if the cap was raised.

Mr. MacDonald explained that due to the limitations with the MSBA's annual cap, the MSBA was only able to invite eleven of the 61 Core program SOI applications received this year. He commented that as pleased as the MSBA is to welcome eleven districts into Eligibility Period, notifying 50 other Statements of Interest that there is not an invitation this year is one of the most challenging and difficult decisions the MSBA has to make. The recommendations for the invitations had the most urgent and needy amongst all the applications. However, that is not to say that the issues faced commonly by the other applications are not urgent and needy. He thanked MSBA staff for their hard work and for attending site visits, especially Mary Pichetti, Diane Sullivan, and Katie DeCristofaro. He then presented a PowerPoint with photographs of some of the building deficiencies from site visits and noted that these deficiencies were in districts that could not enter the MSBA's pipeline because of the funding cap.

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

Invitation to Feasibility Study

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MSBA Capital Program Manager Katie DeCristofaro explained that staff are recommending that the Board vote to invite the City of Westfield to collaborate with the MSBA to conduct a Feasibility Study. She explained that the City has completed the necessary prerequisites and she provided a brief summary of the enrollment options for the district.

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

**Vote to Invite the City of Westfield to Collaborate with the MSBA
to Conduct a Feasibility Study**

VOTED: That the Executive Director is hereby authorized to invite the City of Westfield 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 D, for the Franklin Avenue Elementary School as listed in Exhibit D attached hereto; 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 Franklin Avenue Elementary School as listed in Exhibit D.

Westfield Superintendent Stefan Czaprowski thanked the Board and MSBA staff for their support and guidance.

Westfield Chief Financial Officer Ron Rix thanked the Board and MSBA staff. He commented that he attended the Story of a Building Seminar and learned how to let the desired educational plan drive the design of the building. He thanked the MSBA for the support and noted that he looks forward to continuing the partnership.

***VOTE:** There being no further questions or comments, the Board approved the Motion to invite the City of Westfield to collaborate with the MSBA to conduct a Feasibility Study by majority - 7 in favor, 0 abstaining.*

The Chair stepped out of the meeting briefly and her designee, James MacDonald, presided over a brief portion of the meeting.

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 East Gloucester Elementary School located in the City of Gloucester, the Dexter Park School located in the Town of Orange, and the William N. DeBerry Elementary School located in the City of Springfield.

The City of Gloucester is proposing to replace the existing East Gloucester Elementary School and Veterans Memorial School with a new combined facility serving grades K-5 on the existing Veterans Memorial School site, contingent upon the District gaining full ownership, control, and exclusive use of the site. This proposed project will serve an agreed upon enrollment of 440 students in grades K-5. The proposed project has an estimated construction cost of \$54,537,175.

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

Vote on Moving the City of Gloucester 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 Gloucester with, in concept, the development of schematic designs to replace the existing East Gloucester Elementary School and Veterans Memorial School with a new combined facility serving grades K-5 on the existing Veterans Memorial School site, contingent upon the District gaining full ownership, control, and exclusive use of the 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.

Gloucester Superintendent Richard Safier commented that he wanted to express his appreciation and gratitude for the support of the Board and the MSBA.

Mary Pichetti, MSBA Director of Capital Planning, commented that MSBA staff have worked with Gloucester and Orange and have asked the districts to look at their project costs and compare their proposed projects to other projects that are being constructed.

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

The Chair returned and continued to preside over the meeting.

The Town of Orange is proposing to replace the Dexter Park School with an addition and renovation project at the existing Fisher Hill Elementary School that will serve students in grades PK-6 district-wide. This proposed project will serve an agreed upon enrollment of 520 students in grades K-6. The proposed project has an estimated construction cost of \$53,613,969.

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

Vote on Moving the Town of Orange to Schematic Design

VOTED: That the Board of Directors hereby authorizes the Executive Director to do all acts necessary, execute and deliver any and all documents and agreements, and expend funds as deemed appropriate by the Executive Director to assist the Town of Orange with, in concept, the development of schematic designs to replace the Dexter Park School with an addition and renovation project at the existing Fisher Hill Elementary School that will serve students in grades PK-6, 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 complimented the educational plan for the Dexter Park School in Orange. She noted that the Town was in the MSBA pipeline previously but was removed due to a failed community vote.

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She encouraged the Town to make sure there is proper community outreach and that the community is supportive of the project.

Michele Tontodonato, Director of Finance for Orange Public Schools, thanked the Board and MSBA staff for their support.

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

The City of Springfield is proposing to replace the existing William N. DeBerry Elementary School with a new facility that consolidates students from the existing DeBerry and Homer Street Elementary Schools on the site of the existing DeBerry Elementary School, contingent upon the District gaining full ownership, control, and exclusive use of the site. This proposed project will serve an agreed upon enrollment of 800 students in grades K-5, for a project that will serve grades PK-5. The proposed project has an estimated construction cost of \$75,399,697.

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

Vote on Moving the City of Springfield 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 Springfield with, in concept, the development of schematic designs to replace the existing William N. DeBerry School with a new facility that consolidates students from the existing DeBerry and Homer Street Elementary Schools on the site of the existing DeBerry Elementary School, that will serve students in grades PK-5, contingent upon the District gaining full ownership, control, and exclusive use of the 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.

The Chair noted that Mayor Domenic Sarno, Director of Capital Asset Construction Peter Garvey, and Superintendent Daniel Warwick sent a letter offering their support for the project at the William N. DeBerry Elementary School in Springfield.

Donna DiNisco, the designer for the project from DiNisco Design, thanked the Board and MSBA staff on behalf of Mayor Domenic Sarno.

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

Audit

Wei Xu, MSBA Financial Audit Manager, began his audit update by explaining that the MSBA has completed final audits for 523 Capital Pipeline Program projects plus the four projects that are being presented for final approval to the Board today, all together representing approximately \$5.93 billion in submitted and audited costs.

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He continued, explaining that the MSBA has also audited approximately \$3.1 billion in submitted costs for the 228 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 \$3.4 billion in additional costs will be submitted for audit for these projects.

The Financial Audit Manager then explained that monthly submitted costs have averaged \$87.9 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 Financial Audit Manager explained that the Board is being asked to approve four Capital Pipeline Program audits listed on Exhibit E. He explained that the total combined grant amount for these four projects is \$50,962,299.

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

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

MSBA Updates

Executive Director's Report

The Executive Director began his report by thanking the MSBA staff members for their hard work in preparing for the Board meeting. He thanked the SOI team for their hard work, as well as the IT staff for their assistance. He also thanked Board Member Terry Kwan for attending many of the site visits. He noted that since the October 30, 2019 Board meeting, the MSBA has visited 17 projects and, as of December 6, 2019, six districts have voted affirmatively to appropriate feasibility study or full project funds. He explained that the MSBA anticipates making 24 project visits in January and February and presented a list of the upcoming district visits as part of his PowerPoint presentation. He explained that since the last Board meeting, MSBA staff have engaged in outreach with multiple school districts and have attended several meetings where they have participated as presenters and as stakeholders. He noted that he met with officials from Holyoke and also met with Mayor McGee of Lynn.

Next, the Executive Director provided an update on the Student Opportunity Act legislation. He explained that the legislation was signed by the Governor and it will increase the MSBA's cap to \$800 million. He noted that the legislation does not give the MSBA more money. The Executive Director explained that the MSBA will have to examine the new legislation further to determine what effect it

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will have on the MSBA and that the MSBA will be working on a “review” with DESE relating to the MSBA’s grant program.

Then, the Executive Director provided an update on the Dennis-Yarmouth Middle School project. He explained that the deadline for filing an appeal relating to ongoing litigation has passed and the MSBA is working with the District to move forward with the project.

He also provided an update on the project for the Waltham High School in the City of Waltham. He explained that the City and the opposing party met with a mediator and the parties have agreed in principle regarding the eminent domain issues.

Next, he provided an update on the Town of Braintree. He explained that Braintree has a new Mayor. He commented that the Town is planning to send a letter requesting additional time to secure local funding for the proposed South Middle School project. He noted that they will have a debt exclusion vote and the MSBA should expect to receive the letter by the end of the week.

Then, the Executive Director spoke about the MSBA staff Annual Bake-Off and presented photographs from the event as part of his presentation.

The Executive Director then welcomed new employee Aleksandra Galanis as the MSBA’s Strategy Coordinator.

Next, the Chief Executive Officer noted that the Director of Administration and Operations, Matt Donovan, put together a staff directory per the request of Ms. Kwan. He thanked Mr. Donovan. He also thanked the legal department, noting that they work hard behind the scenes. He thanked also Jack McCarthy, Matt Donovan, and Maria Puopolo who work to educate the legislators on what the MSBA does. He noted that the Director of Strategic Planning, Barbara Hansberry, organized another successful Story of a Building seminar which is a great tool to educate district officials who are planning to build new schools. He also acknowledged and thanked the MSBA staff for their hard work and the Treasurer for her leadership.

Mr. Deninger left the meeting.

Project Overview Report

MSBA Director of Capital Planning explained that staff included an Appendix E in the Project Overview Report which includes FY19 projects that are substantially complete. It also includes details of the project teams and grant information.

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. At the October 30, 2019 Board Meeting, 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 requested 30 additional days for a new total of 180 days to secure funding for its project. Staff supports this second extension so that the District can proceed with executing a Project Funding Agreement with the MSBA.

Next, MSBA Senior Project Manager Mike McGurl presented a PowerPoint, including a bid summary for the Core Program. He summarized available data for anticipated Sub-Bids in

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December, January, and February and anticipated DBB Bids or GMP Executions in December, January and February.

MSBA Project Manager Christy Murray presented a PowerPoint with interactive maps with data for anticipated bids for the 2020 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 22 Core Program projects scheduled to receive sub-bids in 2019, eleven have reported DBB bids or GMP executions to date. All eleven 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, thirteen of the fifteen reported projects bid within the estimated budget and an additional ten projects are anticipated to bid by the February Board of Directors meeting.

The Chair commented that there was a warrant article passed in the Town of Brookline that prohibits any new construction from using fossil fuels. She commented that she is not sure what that will do to construction costs and ongoing expenses. She noted that it is possible that the warrant article will not get certified by the Attorney General's office.

Mr. MacDonald commented that the Attorney General has 90 days to accept, deny, modify or revoke.

The Chair asked if this would affect the proposed project at the Pierce School in the Town of Brookline. Ms. Kwan commented that it would.

Finance

FY2019 Audited Financial Statements

MSBA Chief Financial Officer, Laura Guadagno explained that as a result of the FY2019 Audit, RSM has issued an unmodified (i.e. clean) opinion. She explained that the report on compliance and internal controls indicated that there were no material weaknesses involving internal control over financial reporting and its operation, and testing disclosed no instances of non-compliance or other matters required to be reported under Government Auditing Standards. Then she reviewed the areas of audit emphasis and the Auditors' required communications. She thanked the Director of Audit, Tamia Buckingham, for all of her hard work on the Audit.

Debt Management, Compliance & Continuing Disclosure Policy & Procedures

MSBA Chief Financial Officer presented a PowerPoint and provided an update on the Debt Management, Compliance and Continuing Disclosure Policy and Procedures. She explained that there is a bi-annual filing obligation with the State Finance Governance Board. She noted that there have been no major changes to the policy, explaining that the prior policy was revised to merge debt management policies, post-issuance compliance requirements and continuing disclosure obligation procedures.

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

Approval of Massachusetts School Building Authority's Debt Management, Post-Issuance Compliance and Continuing Disclosure Obligations Policies and Procedures

VOTED: That the Board hereby approves the MSBA Debt Management, Post-Issuance Compliance and Continuing Disclosure Obligations Policies and Procedures 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 debt as he may deem appropriate or necessary.

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

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 October 2019 are \$16.496 million (5.62%) higher than FY19 collections for the same period.

She presented a slide with a graphical depiction of FY16 – FY20 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 \$285,181,804 in grant payments to date in Fiscal Year 2020. This is for 193 Capital Pipeline Program projects in 122 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.

2019B Taxable Advance Refunding

MSBA Chief Financial Officer, Laura Guadagno, provided an update on the 2019 Series B Taxable Advance Refunding Bonds. She explained that on November 6, 2019, the MSBA issued \$715,420,000 of Subordinate Lien Taxable Advance Refunding Bonds to refund its 2011B bonds outstanding and currently callable in 2021. The MSBA realized net present value savings on the refunding of \$135,173,788, a net present value percentage savings of over 18%. The MSBA was able to release the debt service reserve fund associated with the 2011B bonds and by doing so

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reduced the par amount of the refunding bonds by a total of \$82,520,000. The MSBA's next debt issue for new money is not expected until mid-late FY20.

The Chair wished everyone a happy holiday season and a healthy New Year. She asked for a motion to adjourn the meeting. A motion was made by Ms. Kwan and seconded by Ms. Vanderhoef. The meeting was adjourned at 12:30 p.m.

List of documents and exhibits used at the meeting:

- PowerPoint Presentation
- October 30, 2019 Board Meeting Minutes
- Project Removal from the Accelerated Repair Program
- Project Removal from the Capital Pipeline
- Invitation to Eligibility Period
- Invitation to Feasibility Study
- Recommendations for Preferred Schematic Design
- Audit Status Report
- Recommendation for Approval of Final Audits, Capital Pipeline Program
- Executive Director Report
- Project Overview Report
- FY19 Audited Financial Statements
- Approval of Debt Management, Compliance & Continuing Disclosure Policy & Procedures
- Sales Tax Collection Update
- Grant Payments Update
- FY20 Budget Update
- 2019B Taxable Advance Refunding Update