

The December 16, 2020 Board Meeting minutes were approved by the MSBA's Board of Directors at the February 11, 2021 meeting.

**Massachusetts School Building Authority
Board Meeting Minutes of December 16, 2020**

A meeting of the Massachusetts School Building Authority (the “Authority” or “MSBA”) was held on December 16, 2020. The meeting was held remotely via Zoom.

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

Others Present: James MacDonald, Chief Executive Officer; Jack McCarthy, Executive Director/Deputy Chief Executive Officer; Mary Pichetti; Laura Guadagno; Christine Nolan; Matt Donovan; Maria Puopolo; Stacy Patino; Barbara Hansberry; Colleen Smith; Mike Bergquist; Siobhan Tolman; Elena Seiti; Kevin Collins; municipal representatives; legislative representatives; local elected officials; and other members of the MSBA and the public.

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.

She then explained that the meeting is being held under an “Order Suspending Certain Provisions of the Open Meeting Law” that was issued by Governor Baker on March 12, 2020, which permits remote participation by all Board members and allows the MSBA to use adequate alternative means, such as a conference call line, to ensure public access to the deliberations of the Board.

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: approve the minutes from the October 28, 2020 Board meeting; invite 25 Accelerated Repair projects from 18 districts into the Capital Pipeline; remove one project from the Capital Pipeline; invite two districts into Feasibility Study; and authorize three proposed projects to proceed into Preferred Schematic Design, with an estimated \$218,133,448 in total construction costs. The Board will also be voting to approve three final audits from three districts with a combined Final Total Facilities Grant of approximately \$6,178,299. Finally, the Board will hear updates from the Finance team and vote on the MSBA Investment Management Policy and vote on an amendment to the MSBA Trust Indenture.

Acceptance of the October 28, 2020 Minutes

The Chair asked for a motion to accept the minutes of the October 28, 2020 Board Meeting. A motion was made by Mr. Deninger and seconded by Mr. Sullivan:

Approval of the Minutes of the October 28, 2020 Board Meeting

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Minutes of the October 28, 2020 Board meeting.

There being no Board discussion, the Chair asked for a roll call vote of the Board.

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Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Greg Sullivan – Yes
Deborah Goldberg – Yes

The motion passed – 7 in favor, 0 against, 0 abstaining.

Invitation to Accelerated Repair Program

MSBA Project Manager, Kevin Collins, explained that the 2020 Statement of Interest (SOI) process for the Accelerated Repair Program (ARP) encountered unique challenges this year due to the COVID-19 pandemic. The SOI period opened on January 8, 2020 and closed on February 14, 2020, during which the MSBA received 90 SOIs. The published qualifications for the program included the minimum threshold system age requirements of 25 years for roofs, 30 years for windows/doors, and 25 years for boilers. The annual budget for the ARP was again established as approximately \$50 million. The initial review resulted in 74 qualifying schools. As noted during the Executive Director's report at the April 15, 2020 Board of Directors meeting, given the budget impact from the number of SOIs filed for the program in 2020, MSBA staff recommend considering only roof systems of 30 years or more, window/door systems of 35 years or more, and boiler systems of 35 years or more.

MSBA Program Manager, Elena Seiti, explained that to complete the 2020 ARP SOI due diligence process, staff worked in collaboration with the MassDOT Aeronautics Division Drone Program, which allowed the ARP team to inspect projects for windows/doors and roofs externally, while maintaining physical distancing in order to maximize safety for all participants. In preparation for each site visit, staff held a conference call with the district to discuss expectations and logistics for the utilization of drones on site to ensure understanding of each district's scheduling parameters, operations and COVID-19 protocols. She then thanked each member of the MSBA's Accelerated Repair team.

MSBA Project Manager, Kevin Collins, then explained that using the revised criteria of 30 years for roofs, 35 years for windows/doors, and 35 years for boilers, MSBA staff are recommending 25 schools from 18 districts for invitation into the 2020 ARP. The 25 schools include the replacement of fourteen roofs, nine windows and doors, and four boiler projects.

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

Vote on Inviting Communities into the Accelerated Repair Program

VOTED: That the Executive Director is hereby authorized to invite certain communities into the Accelerated Repair Program to collaborate with the MSBA to conduct a Feasibility Study, as described in 963 CMR 2.00 et seq., for each of the schools listed in Exhibit A attached hereto, the purpose of which Study shall be to better understand

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the problems identified in the Statement of Interest submitted to the MSBA and explore options to repair said problems.

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 said Feasibility Study for each of the schools listed in the Exhibit A.

The Executive Director noted that State Senator Walter Timilty, State Senator John Keenan, and State Representative Mark Cusack sent a letter offering their support for the proposed projects at the Highlands Elementary School and the Liberty Elementary School in Braintree.

Braintree Public Schools Director of Finance and Operations, Edward Cronin, thanked the Board and MSBA for this opportunity. He commented that he has enjoyed working with the MSBA on the projects at the East Middle School and South Middle School in Braintree.

Boston Public Schools Director of Capital Planning, Brian McLaughlin, thanked the Chair, the Board, the Executive Director, and the MSBA on behalf of the Mayor and Superintendent for all of their work in the City and the continued collaboration. He commented that he looks forward to continuing to work with the MSBA.

Cambridge Public Schools Financial Manager of Facilities and Transportation, Diane Johnson, thanked the Board and MSBA. She commented that she appreciates the support and looks forward to collaborating with the MSBA.

Falmouth Public Schools Director of Finance and Operations, Pat Murphy, thanked the MSBA.

Haverhill Superintendent, Margaret Marotta, thanked the MSBA on behalf of the Mayor for this opportunity.

Hingham Superintendent, Paul Austin, thanked the Board and MSBA on behalf of the Town, elected officials, and community.

The Executive Director noted that Holyoke Mayor Alex Morse and Superintendent/Receiver Dr. Alberto Vázquez Matos sent a letter offering their support for the proposed ARP projects in Holyoke.

Lynn Mayor, Thomas McGee, thanked the Chair, the Executive Director, the Board and the MSBA. He commented that he looks forward to continuing to work with the MSBA.

New Bedford School Construction Facilitator, Barry Rabinovitch, thanked the Board and MSBA for this opportunity.

The Executive Director noted that State Senator Joan Lovely sent a letter in support of the proposed project at the West Memorial Elementary School in Peabody.

Peabody Superintendent, Dr. Josh Vadala, thanked the Board and MSBA on behalf of the Mayor. He commented that he appreciates the creativity and innovation of the MSBA to be able to continue moving projects forward during the pandemic. He commented that he looks forward to the continued partnership.

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Plymouth Public Schools Facilities Director, Christina Renaud, thanked the Chair, the Executive Director, and the MSBA for their collaboration. She commented that she is excited for the proposed projects and she thanked the Board for its consideration.

Revere Superintendent, Dr. Dianne Kelly, thanked the Board and MSBA for their partnership.

The Executive Director noted that Assistant Superintendent for Finance and Operations Sheri-Lynne Matthews sent a letter in support of the proposed project at the Weston High School in Weston.

There being no more Board discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Deborah Goldberg – Yes

The motion passed – 6 in favor, 0 against, 0 abstaining.

*There was an internet connection issue and Mr. Sullivan was not present for the roll call vote.

Project Removal from Capital Pipeline

The MSBA's Director of Capital Planning, Mary Pichetti, explained that the Town of Leicester submitted a Statement of Interest for the Leicester Middle School and was invited into the Eligibility Period on February 15, 2017. The Board approved the Town's proposed project at the April 15, 2020 Board meeting to replace the existing Leicester Primary School, Leicester Memorial Elementary School, and the Leicester Middle School with a new PK-8 school facility on the existing Leicester Middle School site. The Town was unable to secure the local authorization necessary to fund the project at its Town Meeting on September 26, 2020, which failed to achieve a 2/3 majority vote. A special election vote was scheduled to follow the Town Meeting on November 3, 2020. The District requested time to take that vote as a means to determine their next action of having a revote or removing their SOI. In a written communication to the MSBA, following the Special Election, the Town indicated the vote had failed and that they would be proceeding with removing its SOI for the Middle School. The District has submitted its Declaration of Removal for the Leicester Middle School.

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

**Vote on Removing the Town of Leicester's Statement of Interest
from the MSBA Capital Pipeline**

VOTED: That, whereas, on December 13, 2017, the Board voted to invite the Town of Leicester to collaborate with the MSBA to conduct a Feasibility Study for the

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Leicester Middle School; and, whereas, as described in the materials attached hereto as Exhibit B, the Town of Leicester has notified the MSBA that it has decided not to further pursue its Statement of Interest or Feasibility Study invitation for the Leicester Middle School, the Board hereby removes the Town of Leicester's Statement of Interest for the Leicester Middle 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.

There being no Board discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Greg Sullivan – Yes
Deborah Goldberg – Yes

The motion passed – 7 in favor, 0 against, 0 abstaining.

Invitation to Feasibility Study

The Director of Capital Planning explained that staff are recommending that the Board vote to invite the first two out of the eleven 2019 SOI invitations into Feasibility Study. The following two districts were invited into the Eligibility Period on December 11, 2019 and have completed all the necessary prerequisites including: the filing of their educational profile questionnaire, finalizing enrollment, and securing feasibility study/schematic funds to proceed.

The first District for consideration is the William L. Foster Elementary School in the Town of Hingham. The MSBA will be working with the District to study options that maintain their current grade K-5 configuration for 605 students.

The second District for consideration is the Wakefield Memorial High School in the Town of Wakefield. The MSBA will be working with the District to study options that maintain their current grade 9-12 configuration for 1,000 students.

Based on the completion of the Eligibility Period requirements, staff recommend that the Board vote to authorize these two districts to proceed into Feasibility Study.

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

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in 963 CMR 2.00 *et seq.*, and subject to any conditions set forth in Exhibit C, for each of the schools listed in Exhibit C 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 C.

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

Hingham Superintendent, Paul Austin, thanked the Board and MSBA for their continued support.

The Executive Director noted that State Senator Jason Lewis, State Representative Donald Wong, and State Representative Kate Lipper-Garabedian sent a letter offering their support for the proposed project at the Wakefield Memorial High School in Wakefield.

Wakefield Superintendent, Douglas Lyons, thanked the Board and MSBA, and commented that he is grateful to be moving forward. He noted that the proposed project has overwhelming support from the community. He thanked Jack McCarthy, Diane Sullivan, Brian Kelley, and Sarah Przybylowicz for their assistance.

Wakefield Town Administrator, Stephen Maio, noted that the local Feasibility Study funding vote received overwhelming support in the community. He thanked Sarah Przybylowicz, Christine Nolan, and Jack McCarthy.

There being no more discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Greg Sullivan – Yes
Deborah Goldberg – Yes

The motion passed – 7 in favor, 0 against, 0 abstaining.

Recommendation for Preferred Schematic Design

The Director of Capital Planning explained that the Board is being asked to approve the Preferred Schematic Design for the Francis M. Leahy Elementary School in the City of Lawrence. The recommendation is to replace the existing Francis M. Leahy Elementary School with a new school on the existing site. The proposed project is designed to serve 1,000 students in grades K-8 and has an estimated construction budget of approximately \$78.3 million.

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

Vote on Moving the City of Lawrence 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 Lawrence with, in concept, the development of schematic designs to replace the existing Francis M. Leahy Elementary School with a new facility serving students in grades K-8 on the existing site, as further described in the materials presented to the Board and attached hereto, in accordance with G.L. c. 70B and 963 CMR 2.00 *et seq.* and all other guidelines and policies of the Authority.

Ms. Kwan commented that the City of Lawrence submitted a beautiful educational plan and noted that she wants to commend the City. She commented that it is unfortunate that the City is unable to attain the same staff to student ratio as some suburban districts. She noted that some districts do not have sufficient funding and cannot provide the same opportunities for their students as other districts can.

Mr. Sullivan commented that he agrees with Ms. Kwan's comments. He noted that some districts do not have adequate funding and it is a continuing disparity in the state.

Mr. Cronin commented that he wants to congratulate and thank the Mayor for the work he has done during his time as Mayor.

Lawrence Superintendent, Cynthia Paris, thanked the Board and MSBA for their support. She noted that the Mayor is a strong supporter of the project.

There being no more discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Greg Sullivan – Yes
Deborah Goldberg – Yes

The motion passed – 7 in favor, 0 against, 0 abstaining.

Next, the Director of Capital Planning explained that the Board is being asked to approve the Preferred Schematic Design for the Hadley Elementary School in the Town of Swampscott. The recommendation is to replace the existing Hadley Elementary School, Clarke Elementary School, and Stanley Elementary School with a new school on the site of the existing Stanley Elementary

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School. The proposed project is designed to serve 900 students in grades K-4 and has an estimated construction budget of approximately \$82.6 million.

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

Vote on Moving the Town of Swampscott 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 Swampscott with, in concept, the development of schematic designs to replace the existing Hadley Elementary School, Clarke Elementary School, and Stanley Elementary School with a new district-wide grades K-4 facility on the site of the existing Stanley Elementary School, 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.

Swampscott Superintendent, Pamela Angelakis, thanked the Board and the MSBA. She also thanked the Town's project team.

There being no more discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Greg Sullivan – Yes
Deborah Goldberg – Yes

The motion passed – 7 in favor, 0 against, 0 abstaining.

Next, the Director of Capital Planning explained that the Board is being asked to approve the Preferred Schematic Design for the Ernest F. Upham Elementary School in the Town of Wellesley. The recommendation is to replace the existing Upham and Hardy Elementary Schools with a new school on the Hardy School site. The proposed project is designed to serve 365 students in grades K-5 and has an estimated construction budget of approximately \$57.3 million.

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

Vote on Moving the Town of Wellesley 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

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Wellesley with, in concept, the development of schematic designs to consolidate and replace the existing Upham Elementary School and the existing Hardy Elementary School with a new facility serving students in grades K-5 on the existing Hardy 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.

Wellesley School Committee member and School Building Committee Chair, Sharon Gray, thanked the Board and MSBA on behalf of the Superintendent and School Committee for their ongoing partnership and support. She commented that she is excited for the proposed project and grateful to be moving forward in the process. She noted that she appreciates the structure of the MSBA and thanked Jenn Flynn for her assistance.

Mr. Cronin asked about the cost per square foot for the project, noting that it is high.

The Director of Capital Planning explained that the high price is driven in part by site costs.

There being no more discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

- Anne Brockelman – Yes
- Terry Kwan – Yes
- Sheila Vanderhoef – Yes
- Sean Cronin – Yes
- Matt Deninger – Yes
- Greg Sullivan – Yes
- Deborah Goldberg – Yes

The motion passed – 7 in favor, 0 against, 0 abstaining.

Audit

The MSBA's Chief Financial Officer, Laura Guadagno, thanked Tamia Buckingham, Wei Xu, and the Audit team for their hard work. She began her audit update by explaining that the MSBA has completed final audits for 556 Capital Pipeline Program projects plus the three projects that are being presented for final approval to the Board today, all together representing approximately \$6.3 billion in submitted and audited costs.

She continued, explaining that the MSBA has also audited approximately \$4.5 billion in submitted costs for the 239 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 \$3.3 billion in additional costs will be submitted for audit for these projects.

The Chief Financial Officer then explained that monthly submitted costs have averaged \$109.6 million over the 12 months preceding this Board meeting, and the total amount submitted and audited in this 12-month period equals approximately \$1.32 billion.

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Approval of Audits, New Program

The Chief Financial Officer explained that the Board is being asked to approve three Capital Pipeline Program audits listed on Exhibit D. She explained that the total combined grant amount for these three projects is \$6,178,299.

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

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 the projects listed in the spreadsheet attached hereto as Exhibit D and authorizes the Executive Director to make payments consistent with this vote.

There being no Board discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Greg Sullivan – Yes
Deborah Goldberg – Yes

The motion passed – 7 in favor, 0 against, 0 abstaining.

MSBA Updates

Executive Director's Report

The Executive Director began his report by thanking MSBA staff members for their hard work in preparing for the Board meeting, especially during the current health crisis. He noted that, since the October 28, 2020 Board meeting, the MSBA has visited or had meetings with individuals from 20 projects and, as of December 11, 2020, four districts have voted affirmatively to appropriate Feasibility Study or full project funds. He explained that the MSBA anticipates 12 project visits or meetings in January and February and presented a list of upcoming district outreach plans as part of his PowerPoint presentation. He noted that since the last Board meeting, the MSBA has participated in a groundbreaking ceremony at the Waterford Street Elementary School in Gardner.

Next, the Executive Director provided an update on the 2020 Core Program Statement of Interest (SOI) process. He explained that the filing period opened on January 8, 2020 for both the Core Program and the ARP. The filing period closed on May 6, 2020 for the Core Program, which was extended from April 8, 2020 to provide districts with more time due to COVID-19. The MSBA received 71 Core Program SOIs by the May 6, 2020 deadline. Phase I of the SOI review process is complete. At the MSBA's December 2, 2020 Facilities Assessment Subcommittee meeting, staff

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presented their recommendations for SOIs that will be further reviewed and for SOIs that will not be reviewed further. The next step in the process will be staff conducting senior studies in late winter/early spring. Visits will include limited MSBA staff and consultants for the walkthrough, and subsequent visit briefings between the MSBA and districts will be held virtually. The MSBA anticipates that the Eligibility Period recommendations may be presented at a spring FAS meeting and the April or June 2021 Board meeting, with the schedule depending on multiple factors.

Next, the Executive Director noted that it is the 10th anniversary of the Facilities Assessment Subcommittee. He explained that in the 10 years, the MSBA has held 87 FAS meetings and the Subcommittee has reviewed 166 projects.

The Executive Director then explained that the MSBA held a Contractor Roundtable on December 10, 2020 regarding Minority and Women Workforce Participation Goals. The Chair made opening remarks at the Roundtable. The Executive Director thanked the Director of Capital Planning for her time and effort organizing the Roundtable and thanked Project Manager Pat DeAngelo for his work as well.

The Executive Director then thanked the MSBA's Director of Strategic Planning Barbara Hansberry and Strategy Coordinator Aleksandra Galanis for organizing the Story of a Building event on December 4, 2020. The event highlighted the Goodnow Brothers Elementary School in Marlborough and the Mulcahey Elementary School in Taunton. He commented that the event had a great turnout.

Next, the Executive Director welcomed new employee Jennifer Sampson as a Business Analyst. He also congratulated Becca Whidden on her promotion to Project Manager III, Post Occupancy Program, and congratulated Mike Bergquist on his engagement.

Project Status Updates

The Director of Capital Planning provided an update on district extension requests. She explained that the Town of Sandwich received PFA authorization at the June 24, 2020 Board meeting and the District also received an extension of 110 days beyond the 90-day deadline to January 10, 2020 to appropriate full project funds due to the local appropriations schedule. The District is requesting an additional extension of up to six months to complete actions associated with the local vote, including a required Town Election, citing concerns related to COVID-19. Staff have recommended an extension through June 30, 2021.

Next, the Director of Capital Planning explained that for the 45 projects in design development and construction, the majority are currently not reporting any delays.

Two projects (Foxborough and Framingham) in construction are currently reviewing schedule impacts of less than a month.

Four projects (Boston, Bristol County Agricultural, Middleborough, and Somerville) in construction are currently reviewing schedule impacts greater than a month.

Two of the project delays are considered all COVID-19 related: Foxborough and Somerville.

Nine projects are scheduled to achieve substantial completion in 2020. Of the nine, four have met substantial completion (Lexington, Marlborough, Saugus and Taunton).

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The MSBA anticipates receipt of five additional substantial completion certificates. Of the five, three are reporting delays (Braintree, Middleborough, and Somerville) and one is reporting early completion (Cape Cod).

Eighteen projects are scheduled to achieve substantial completion in 2021. Staff will continue to monitor these projects.

Project Overview Report

The Director of Capital Planning presented a PowerPoint, including a bid summary for the Core Program. She summarized available data for anticipated Sub-Bids in December, January, and February and anticipated DBB Bids or GMP Executions in December, January, and February.

Next, the Director of Capital Planning presented a PowerPoint, including a summary of bid results for the Core Program. She reported that of the 22 Core Program projects scheduled to receive sub-bids in 2019, 21 have reported DBB bids or GMP executions to date. Nineteen of the reported bids came in within the estimated budget. She then reported that of the fourteen Core Program projects scheduled to receive sub-bids in 2020, ten have reported DBB bids or GMP executions to date. Eight reported bids came in within the estimated budget. Staff anticipate reporting bid amounts for six additional projects at the February Board meeting.

The Director of Capital Planning then provided bid data for the MSBA's Accelerated Repair Program. She explained that for the 2018 Accelerated Repair Program, one additional project has bid since the October Board meeting. Twenty-six of the 29 reported projects bid within the estimated budget and the one remaining project is anticipated to bid by the February Board meeting. For the 2019 Accelerated Repair Program, there is one additional bid result since the October Board meeting. All 23 of the 23 reported projects have bid within the estimated budget. An additional seven projects are anticipated to bid by the February Board meeting.

Finance

Sales Tax Collection Update

The Chief Financial Officer thanked the MSBA's Director of Budget and Finance Administration, Julie Leonard, and the Finance team for their hard work. She also thanked Erin Sullivan for her help with the slides. She then presented a PowerPoint and provided an FY2021 SMART Collections update. The FY2021 Revenue Estimate of \$976 million would represent growth of 2.3% over the FY2020 Revenue Estimate of \$954 million. The FY2021 unaudited collections for July through November are \$33.5 million (8.64%) higher than FY2020 audited collections for the same period.

She presented a slide with a graphical depiction of FY2017 – FY2021 Monthly SMART collections, and then year-to-date SMART collections by year from FY2017 – FY2021.

Grant Payments Update

The Chief Financial Officer thanked the MSBA's Treasurer, Gianpiero Tirella, for his hard work and provided an update regarding MSBA grant payments for projects, noting that the MSBA has made

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\$305,654,507 in grant payments to date in Fiscal Year 2021. This is for 172 Capital Pipeline Program projects in 109 districts.

FY21 Budget Update

Next, the Chief Financial Officer thanked the MSBA's Director of Budget and Finance Administration, Julie Leonard, and provided the Board with a FY2021 budget update. She presented a PowerPoint with the FY2021 Year to Date Spending and provided an update on salaries and benefits, administrative expenses, and grant program expenditures.

Review of FY20 Audited Financial Statements

The Chief Financial Officer thanked the Director of Audit, Tamia Buckingham, and the Finance team for all of their hard work on the Audit. She explained that as a result of the FY2020 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.

Review of Investment Management Policy

The Chief Financial Officer provided an update on the MSBA's Investment Management Policy. She explained that the State Finance Governance Board requires the MSBA to file an investment management policy every two years. She explained that staff have reviewed the current policy and policies of other issuers. At this time, staff feel that the current policy meets the overall needs of the MSBA but is recommending one change to the policy related to the investment of funds in escrow accounts established for the purpose of the defeasance or refunding of outstanding debt. Staff propose that such funds are to be invested in compliance with the requirements as set out in GASB 86, with the express purpose of permitting the MSBA to account for the associated reduction of outstanding debt as defeased. The Chief Financial Officer explained that staff will continue to review the MSBA's Investment Management Policy on an annual basis to ensure that the policy continues to include key aspects of effective investment management.

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

There being no Board discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

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Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Greg Sullivan – Yes
Deborah Goldberg – Yes

The motion passed – 7 in favor, 0 against, 0 abstaining.

Amendment to Trust Indenture – Rebate Fund

The Chief Financial Officer explained that the MSBA's Trust Indenture established an "Arbitrage Rebate Fund" with the purpose of setting aside a restricted reserve for amounts estimated to be required to be paid to the Internal Revenue Service on earnings above allowable amounts pursuant to the treasury regulations governing arbitrage rebate and yield restriction on tax-exempt bond issues. The purpose of this fund was to establish a mechanism for the MSBA, as a newly created entity in 2004, to calculate and transfer certain amounts into a restricted fund as a reserve for later payments estimated to be owed on its outstanding tax-exempt bonds.

This fund is not required pursuant to the related tax laws and regulations, and it has been the MSBA's ongoing business practice to include any amounts estimated to be paid to the IRS (based on calculations by its Rebate Consultant) in its annual operating budget, and to make any payments from funds so budgeted. Staff are proposing to amend the relevant provisions in the MSBA's Trust Indenture (where they occur) to eliminate the requirement for this fund. Any monies in the existing fund shall be transferred to cover costs of the rebate payment due this year on the MSBA's Series 2015D Bonds.

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

Vote to amend certain provisions in the MSBA's Trust Indenture, Certain Supplemental Trust Indentures and Tax Regulatory Agreements Relating to Compliance with Rebate Regulations

VOTED: That the Executive Director is hereby authorized to enter into amendments to supplemental trust agreements and rebate tax regulatory agreements as necessary to eliminate certain provisions related to rebate funds created under such agreements and to amend the Trust Agreement to include therein provisions relating to compliance with rebate provisions and such further amendments or modifications of the Trust Agreement as he may deem necessary or desirable.

There being no Board discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes

The December 16, 2020 Board Meeting minutes were approved by the MSBA's Board of Directors at the February 11, 2021 meeting.

Matt Deninger – Yes
Greg Sullivan – Yes
Deborah Goldberg – Yes

The motion passed – 7 in favor, 0 against, 0 abstaining.

James MacDonald, Chief Executive Officer, explained that the Chair is the President of the National Association of State Treasurers. He noted that the Association surprised the Chair with flowers recently to thank her for her service. He shared a photo of the Treasurer receiving the flowers.

Mr. Sullivan commented that the MSBA is fortunate to have the Chair as its leader. He commented that the smooth operation of the MSBA is due to the Chair's leadership.

The Chair thanked Mr. Sullivan, the Board, and the MSBA.

Ms. Kwan thanked the MSBA staff and the Board. She commented that everyone has done a terrific job pivoting from in office to working remotely. She noted that the success of the Board meeting is due to the hard work of the MSBA.

The Chair wished everyone a safe and happy holiday.

The Chair asked for a motion to adjourn the meeting. A motion was made by Ms. Vanderhoef and seconded by Mr. Sullivan.

There being no discussion, the Chair asked for a roll call vote of the Board.

Roll Call Vote:

Anne Brockelman – Yes
Terry Kwan – Yes
Sheila Vanderhoef – Yes
Sean Cronin – Yes
Matt Deninger – Yes
Greg Sullivan – Yes
Deborah Goldberg – Yes

The motion passed – 7 in favor, 0 against, 0 abstaining.

The meeting was adjourned at 11:35 a.m.

List of documents and exhibits used at the meeting:

- PowerPoint Presentation
- October 28, 2020 Board Meeting Minutes
- Invitation to Accelerated Repair Program
- Project Removal from Capital Pipeline
- Invitation to Feasibility Study
- Recommendations for Preferred Schematic Design
- Audit Status Report

The December 16, 2020 Board Meeting minutes were approved by the MSBA's Board of Directors at the February 11, 2021 meeting.

- Recommendation for Approval of Final Audits, Capital Pipeline Program
- Executive Director Report
- Project Overview Report
- Sales Tax Collection Update
- Grant Payments Update
- FY21 Budget Update
- Review of FY20 Audited Financial Statements
- Review of Investment Management Policy
- Amendment to Trust Indenture – Rebate Fund