

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

## **Massachusetts School Building Authority Board Meeting Minutes of October 26, 2022**

A meeting of the Massachusetts School Building Authority (the “Authority” or “MSBA”) was held on October 26, 2022. 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; Terry Kwan, appointed member; Anne Brockelman, appointed member; and Sheila Vanderhoef, appointed member.

**Others Present:** James MacDonald, Chief Executive Officer; Jack McCarthy, Executive Director/Deputy Chief Executive Officer; Mary Pichetti; Mike McGurl; Laura Guadagno; Christine Nolan; Matt Donovan; Maria Puopolo; Stacy Patino; Barbara Hansberry; Colleen Smith; Mike Bergquist; Siobhan Tolman; John Jumpe; Karl Brown; Katie DeCristofaro; Elena Seiti; Evan Levesque; Erin Sullivan; Wei Xu; Gianpiero Tirella; Julie Leonard; 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 in accordance with Chapter 107 of the Acts of 2022, 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.

The Chair began the meeting by swearing in Board members Anne Brockelman, Terry Kwan and Sheila Vanderhoef for a new two-year term. She asked each of the Board members to stand as she administers the oath of office for the MSBA. She congratulated the Board members.

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 minutes from the August 31, 2022 Board of Directors meeting; remove one project from the MSBA Accelerated Repair Program; invite 33 projects from 16 districts into the Accelerated Repair Program; execute Project Funding Agreements for seven projects from three districts in the Accelerated Repair Program, with an Estimated Maximum Total Facilities Grant of approximately \$11.1 million; invite two districts into Feasibility Study; invite two districts to enter into Project Scope and Budget Agreements and Project Funding Agreements, with an Estimated Maximum Total Facilities Grant of approximately \$86 million; and to approve two final audits from two districts with a Final Total Facilities Grant of approximately \$3.8 million. Finally, the Board will receive updates from the Executive Director, Capital Planning, Finance and Legal staff as well as vote on a temporary pause for the Accelerated Repair Program.

### **Acceptance of the August 31, 2022 Minutes**

The Chair asked for a motion to accept the minutes of the August 31, 2022 Board meeting. A motion was made by Ms. Kwan and seconded by Mr. Deninger:

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

### **Approval of the Minutes of the August 31, 2022 Board Meeting**

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Minutes of the August 31, 2022 Board meeting.

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  
Deborah Goldberg – Yes

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

#### **Project Removal from Accelerated Repair Program**

Next, the MSBA's Deputy Director of Capital Planning, Mike McGurl, explained that at the October 27, 2021 Board of Directors meeting, the Town of Orleans received an invitation for a partial roof and partial window/door replacement project at the Orleans Elementary School.

For today's Board meeting, staff present the Orleans Elementary School for removal from the Accelerated Repair Program. Subsequent to the invitation, the District began its Schematic Design study and determined that the building should be evaluated for scope beyond the Accelerated Repair Program. As a result, the District has elected to execute a Declaration of Removal of a Statement of Interest.

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

#### **Vote on Removing the Town of Orleans' Accelerated Repair Statement of Interest from the MSBA Accelerated Repair Program**

VOTED: That, whereas, on October 27, 2021, the Board voted to invite the Town of Orleans to participate in the MSBA's Accelerated Repair Program for the Orleans Elementary School; and, whereas, as described in the materials attached hereto as Exhibit A, the Town of Orleans 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 Orleans Elementary School, the Board hereby removes the Town of Orleans' Accelerated Repair Statement of Interest for the Orleans Elementary School 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.

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

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

**Roll Call Vote:**

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

**Invitation to Accelerated Repair Program**

MSBA Capital Program Manager Elena Seiti explained that the 2022 Statement of Interest (SOI) process for the Accelerated Repair Program (ARP) opened on January 28, 2022 and closed on March 25, 2022, during which time the MSBA received 67 Statements of Interest. 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 2022 ARP was established as approximately \$75 million. The initial review resulted in 55 qualifying schools. Given the budget impact from the number of SOIs filed for the program in 2022, as noted during the September 14, 2022 Facilities Assessment Subcommittee meeting, MSBA staff recommend only roof systems of 30 years or more, window/door systems of 35 years or more, and boiler systems of 25 years or more be considered for invitation.

To complete the 2022 ARP SOI due diligence process for each SOI that was considered for a site visit, staff conducted a combination of virtual meetings and in-person site visits while adhering to the MSBA Building and Site Visit protocols, in order to maximize safety for all participants. To limit time spent on-site, the MSBA held conference calls with districts ahead of the physical site visit to review the terms and conditions of the program, field any questions from district personnel, and ensure understanding of expectations for site visits.

The Capital Program Manager then explained that using the revised age criteria of 30 years for roofs, 35 years for windows/doors, and 25 years for boilers, MSBA staff are recommending 33 schools from 16 districts for invitation into the 2022 ARP. The 33 schools include the replacement of 10 roof systems, 7 window and door systems, and 16 boiler systems.

Then, the Capital Program Manager noted that for the City of Lowell, staff are recommending replacement of both boilers at the Henry J. Robinson Middle School. The City was previously invited into the 2021 ARP for a partial boiler replacement project at the Henry J. Robinson Middle School, but subsequently removed the partial boiler scope from the 2021 SOI in September 2022.

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

**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 B attached hereto, the purpose of which Study shall be to better understand

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

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 B.

Boston Deputy Superintendent of Operations Sam DePina thanked the Chair, Jim MacDonald, Jack McCarthy, the Board and the MSBA staff for their collaborative efforts over the past few years. He commented that he looks forward to continuing to work with the MSBA.

Cambridge Interim Chief Operations Officer/Director of Facilities Vedad Konjic thanked the Board and the MSBA.

The Executive Director noted that the MSBA received a letter of support from State Representative Carole Fiola for the proposed project at the Resiliency Preparatory School in Fall River.

Fall River Mayor Paul Coogan thanked the MSBA for the support.

Fitchburg Director of Finance and Operations Jeremy Roche thanked the Board and the MSBA for their support.

The Executive Director noted that the MSBA received a letter of support from Superintendent Robert Jokela for the proposed project at the Arthur M. Longsjö Middle School in Fitchburg.

Haverhill Mayor James Fiorentini thanked the Board and the MSBA, commenting that it is a great day for the City of Haverhill.

State Representative Andres Vargas, who represents Haverhill, thanked the Board and the MSBA.

Holyoke Superintendent/Receiver Anthony Soto thanked the Board and MSBA and commented that the partnership with the MSBA is incredible.

The Executive Director noted that the MSBA received letters of support from State Senator John Velis and State Representative Patricia Duffy for the proposed projects at the H.B. Lawrence School, the Lt. Elmer J. McMahon Elementary School, the Maurice A. Donahue Elementary School and the William J. Dean Vocational Technical High School in Holyoke.

Lowell DPW Commissioner Paul St. Cyr thanked the Board and the MSBA for their support.

The Executive Director noted that the MSBA received a letter of support from State Senator Edward Kennedy for the proposed projects at the B.F. Butler Middle School, the Bartlett Community Partnership School, the Henry J. Robinson Middle School, the John J. Shaughnessy School, and the Joseph McAvinnue School in Lowell.

Lynn Superintendent Deb Ruggiero thanked the Board and the MSBA for their support.

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

Mansfield Superintendent Teresa Murphy commented that she wants to express her sincere appreciation to the Board and the MSBA staff for their consideration and support.

The Executive Director noted that the MSBA received a letter of support from Superintendent John Buckley for the proposed project at the Marblehead Veterans Middle School in Marblehead.

New Bedford Assistant Superintendent of Finance and Operations Andrew O'Leary commented that he wants to express his gratitude to the Board and the MSBA.

Oxford Town Manager Jennifer Callahan commented that she wants to extend her sincere appreciation and express the importance of the MSBA. She thanked the Chair and the Executive Director, noting that the projects would not be possible without the MSBA and the legislative counterparts.

The Executive Director noted that the MSBA received a letter of support from State Senator Ryan Fattman, State Representative Paul Frost and State Representative Joseph McKenna for the proposed projects at the Alfred M. Chaffee School and the Clara Barton School in Oxford.

Quincy Public Buildings Commissioner Paul Hines congratulated the Board members that were sworn in today. He thanked the Board and the MSBA, noting that the City appreciates the assistance.

An aide to State Senator John Keenan, who represents Quincy, thanked the Board and the MSBA and offered the Senator's support for the proposed projects in Quincy.

The Executive Director noted that the MSBA received a letter of support from State Representative Bruce Ayers for the proposed projects at the Francis W. Parker School, the Montclair Elementary School and the Wollaston School in Quincy.

Scituate Superintendent William Burkhead thanked the Chair, the Board and the MSBA for everything they do. He thanked the community for its support.

The Executive Director noted that the MSBA received a letter of support from State Senator Patrick O'Connor, State Representative Joan Meschino and State Representative Patrick Kearney for the proposed project at the Scituate High School in Scituate.

Springfield Director of Capital Asset Construction Peter Garvey thanked the Board and the MSBA for their continued partnership.

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  
Deborah Goldberg – Yes

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

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

**Accelerated Repair Program Project Funding Agreement Authorization**

Next, Project Manager Evan Levesque explained that prior to today’s Board meeting, MSBA staff received Schematic Design submissions from three districts representing seven schools. The school projects combine for three roof replacement projects, two window and door replacement projects and two boiler replacement projects. MSBA staff have reviewed the existing conditions analysis and proposed schedule provided by each district and have discussed the scope and budget with the districts and their consultants. The districts have provided combined Total Project Budgets of approximately \$28.3 million, which include total construction estimates of approximately \$21.8 million. The combined Estimated Maximum Total Facilities Grants for these projects are \$11,110,411. Including potentially eligible project contingencies, the combined Maximum Facilities Grants are \$11,578,958.

In conclusion, staff recommend that the three districts, representing seven schools, receive authorization to enter into Project Funding Agreements with the MSBA.

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

**Vote to Authorize the Executive Director to Execute Project Funding Agreements for the Proposed Accelerated Repair Projects**

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

<b>District</b>	<b>School</b>	<b>Scope</b>	<b>Total Project Budget</b>	<b>Estimated Maximum Total Facilities Grant</b>	<b>Maximum Total Facilities Grant</b>
Braintree	Hollis Elementary School	Roof	\$4,811,826	\$1,056,422	\$1,106,052
	Mary E. Flaherty Elementary School	Roof	\$4,530,855	\$1,411,399	\$1,470,207
Springfield	Alfred M. Glickman Elementary School	Windows/Doors	\$3,536,642	\$2,545,629	\$2,651,697
	Springfield Central High School	Boiler	\$1,992,776	\$1,214,910	\$1,265,532

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

	Thomas M. Balliet School	Windows/Doors	\$1,947,895	\$1,206,581	\$1,256,855
Wareham	Wareham Middle School	Partial Roof	\$8,991,377	\$2,145,453	\$2,234,847
	Wareham Senior High School	Boiler	\$2,462,614	\$1,530,017	\$1,593,768
<b>Total</b>			<b>\$28,273,985</b>	<b>\$11,110,411</b>	<b>\$11,578,958</b>

Braintree Chief of Staff and Operations Nicole Taub thanked the Board and the MSBA on behalf of the Mayor for the continued partnership. She thanked the community for its support and noted that she looks forward to continuing the partnership with the MSBA.

State Senator Walter Timilty, who represents Braintree, thanked the Chair, the Chief Executive Officer, the Executive Director and the Director of External Affairs. He commented that the Mayor and the School Committee are ready to move forward with the proposed projects. He noted that he strongly supports the proposed projects and appreciates the collaboration.

Springfield Director of Capital Asset Construction Peter Garvey thanked the Board and the MSBA, noting that he looks forward to working with the MSBA again.

Wareham Superintendent Matthew D'Andrea thanked the Board and the MSBA staff for the technical and professional support for the projects, adding that it is greatly appreciated.

The Executive Director noted that the MSBA received a letter of support from State Senator Marc Pacheco for the proposed projects at the Wareham Middle School and the Wareham Senior High School in Wareham.

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
- Deborah Goldberg – Yes

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

**Invitation to Feasibility Study**

MSBA Capital Program Manager Katie DeCristofaro explained that staff are recommending that the Board vote to invite the Town of Canton and the South Shore Regional Vocational Technical School District into Feasibility Study. The two districts were invited into Eligibility Period on March 2, 2022 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 October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

The first district for consideration is the William H. Galvin Middle School in the Town of Canton. The MSBA will be working with the Town to study the following two options: 760 students in the facility's current configuration of grades 6-8, and 1,020 students in grades 5-8.

The second district for consideration is the South Shore Regional Technical High School in the South Shore Regional Vocational Technical School District. The MSBA will be working with the District to study the following five options: 645 students for the District's current Ch. 74 programs and the facility's current configuration of grades 9-12; 805 students expanding the District's current Ch. 74 programs and the facility's current configuration of grades 9-12; a range between 645 and 805 students expanding the District's current Ch. 74 programs and the facility's current configuration; 975 students expanding the District's current Ch. 74 programs and expanding the facility's District configuration; and, a range between 645 and 975 students expanding the District's current Ch. 74 programs and expanding the facility's District configuration.

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

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

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

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

State Senator Walter Timilty, who represents Canton, thanked the Board and the MSBA.

Canton Superintendent Derek Folan thanked the Board and the MSBA. He commented that he appreciates the support of the legislative delegation. He introduced others who were on the call. He commented that he wants to express his gratitude to the MSBA, noting that the Eligibility Period process was clear and efficient. He thanked Brittany Gomes for her help through the first phase of the MSBA's process, adding that the Town is ready to move forward.

The Executive Director noted that the MSBA received a letter of support from State Representative William Galvin for the proposed project at the William H. Galvin Middle School in Canton.

South Shore Regional Vocational Technical School District Superintendent Thomas Hickey thanked the Board and the MSBA, noting that the District is excited to take the next step in the MSBA's

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

process. He thanked Allison Sullivan, adding that he looks forward to continuing to work with the team.

Mr. Cronin commented that he noticed that both Canton and the South Shore Regional Vocational Technical School District have not determined whether a debt exclusion will be necessary. He asked when a decision will be made.

Canton Superintendent Derek Folan commented that he provided the MSBA with a document from the Town's Finance Director, adding that the Town plans to have a debt exclusion.

South Shore Regional Vocational Technical School District Superintendent Thomas Hickey commented that the decision will be made once the member communities know what their share of the project will be, adding that there is a specific formula that is used. He noted that he thinks most of the communities will likely need a debt exclusion.

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  
Deborah Goldberg – Yes

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

Next, the MSBA's 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 Dr. Albert B. Consentino Middle School in Haverhill. The recommendation is to replace the existing Dr. Albert B. Consentino Middle School with a new 4-story, 183 thousand square foot building on the existing site. The proposed project has a design enrollment of 1,080 students serving grades 5 through 8.

The proposed project includes a Total Project Budget of approximately \$159.9 million, which includes an estimated construction cost of approximately \$125.1 million.

The Design Director noted that the Department of Elementary and Secondary Education (DESE) raised concern with the proposed distribution of spaces dedicated to the delivery of its special education programming. MSBA staff will continue to work with the District to update its layout to address DESE's concerns and will require an updated DESE submittal early in the detailed design process.

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

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

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

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Dr. Albert B. Consentino Middle School with a new facility serving grades 5-8 on the existing school site, as further described in the materials presented to the Board and attached hereto and as such Proposed Project shall be further defined in the Project Scope and Budget Agreement, and authorizes the Executive Director to take all steps necessary to execute and deliver a Project Scope and Budget Agreement and Project Funding Agreement with the City of Haverhill, in such forms as he may determine to be acceptable, for the Dr. Albert B. Consentino Middle School project at a reimbursement rate of eighty percent (80.00%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$68,991,966, 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 \$70,493,132, 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.

Ms. Kwan commented that at the Facilities Assessment Subcommittee meeting, the prior middle school project in Haverhill was discussed. She commented that she wants to reiterate that the racial and income disparities in the City, as well as professional development for staff need to be addressed with this project.

Mr. Cronin noted that there is no debt exclusion for the project and asked how the City will fund the project.

Haverhill Mayor James Fiorentini commented that it will not be easy, but the City has worked hard to build up levy capacity. He commented that he believes the City can pay for the project without a debt exclusion but will know for sure in about a month. He thanked the Board and the MSBA for their consideration.

Haverhill Superintendent Dr. Margaret Marotta-Smith thanked the Board and the MSBA, adding that she hopes to move forward with 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  
Deborah Goldberg – Yes

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

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

Next, the Design Director 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 Lynch Elementary School in Winchester. The recommendation is to replace the existing Lynch Elementary School on an expanded existing site. The proposed 3-story building has a design enrollment of 520 K-5 students and will include Pre-kindergarten classrooms.

The proposed project includes a Total Project Budget of approximately \$94.5 million, which includes an estimated construction cost of approximately \$67.7 million.

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

**Vote to Authorize the Executive Director to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the Town of Winchester**

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project to replace the existing Lynch Elementary School with a new facility serving students in Pre-kindergarten through grade 5 on the expanded 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 Winchester, in such forms as he may determine to be acceptable, for the Lynch Elementary School project at a reimbursement rate of thirty-six and twenty-one hundredths percent (36.21%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$17,059,552, 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 \$17,427,128, 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.

Winchester Superintendent Frank Hackett commented that he is happy and grateful to be at this point with the project. He thanked the Board and the MSBA, noting that he appreciates the consideration. He commented that the MSBA team is phenomenal, adding that the Town would not be here today without them.

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

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

Sheila Vanderhoef – Yes

Sean Cronin – Yes

Matt Deninger – Yes

Deborah Goldberg – Yes

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

## **Audit**

The MSBA's Financial Audit Manager, Wei Xu, thanked the Audit team, in conjunction with the Capital Planning team, for their hard work. He began his audit update by explaining that the MSBA has completed final audits for 628 Capital Pipeline Program projects plus the two projects that are being presented for final approval to the Board today, all together representing approximately \$7.6 billion in submitted and audited costs.

He continued, explaining that the MSBA has also audited approximately \$6.1 billion in submitted costs for the 230 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 \$4.3 billion in additional costs will be submitted for audit for these projects.

The Financial Audit Manager then explained that monthly submitted costs have averaged \$131.2 million over the 12 months preceding this Board meeting, and the total amount submitted and audited in this 12-month period equals approximately \$1.57 billion.

### **Approval of Audits, Capital Pipeline Program**

The Financial Audit Manager explained that the Board is being asked to approve two Capital Pipeline Program audits listed on Exhibit D. He explained that the total combined grant amount for these two projects is \$3,858,277.

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 Two 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.

Mr. Cronin commented that the submitted costs for the project in Lynn are lower than the budget. He asked if that was because some project costs were ineligible or if the project was under budget.

The Financial Audit Manager explained that the project came in under budget.

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

### **Roll Call Vote:**

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

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.**

## **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. He thanked Sarima Okwu-Wolu for her help with the PowerPoint slides. He noted that, since the August 31, 2022 Board meeting, the MSBA has visited or had meetings with individuals from 22 projects. As of August 31, 2022, three districts have voted affirmatively to appropriate feasibility study funds or full project funds. He explained that the MSBA anticipates 14 project visits or meetings in November and December and presented a list of the districts as part of his PowerPoint presentation.

The Executive Director noted that since the last Board meeting, the MSBA has participated in five ribbon cutting ceremonies and two groundbreaking and presented pictures of the events as part of his PowerPoint presentation.

Next, the Executive Director welcomed the MSBA's new hire Bharat Murari as a Web Application Developer. He congratulated Jim MacDonald for receiving the 2022 Public Finance Employee of the Year award from the National Association of State Treasurers and congratulated Madeline Esdale and her team for receiving honorable mention in the Association of Collegiate Schools of Architecture's (ACSA) 2022 Timber in the City Competition.

Then, the Executive Director congratulated Jim MacDonald on the birth of his grandson, Elliot Michael, born on August 31, 2022, Norvalett Payne on the birth of her grandson, Jaiden Dore, born on September 14, 2022, Donna Paul on the birth of her grandson, Cullen Matthew, born September 10, 2022, and Mike Bergquist on his wedding on October 1, 2022.

## **Project Status Updates**

### **Reconciliation of Project Obligations and Annual Cap**

The MSBA's Deputy Director of Capital Planning provided an update on the reconciliation of approved project obligations to the annual program funding cap. He noted that this is not a voting item. He explained that, as the MSBA has done in prior years, this year's reconciliation of the calculated annual grant funding cap space and the total approved grants is summarized in a Reconciliation of Approved Projects to the Annual Program Funding Cap memorandum.

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

For FY22, the annual cap increased to \$859 million. From prior fiscal years, \$160 million was carried forward while \$19 million of additional final audit savings was made available again. As a result, the combined year-end available cap space was \$1,037,228,140.

The MSBA obligated \$942 million from the FY22 grant cap space as follows: \$7.9 million to fund feasibility studies for 14 districts; \$46.3 million to fund ARP Projects for 17 districts and their 23 schools; \$888 million to fund 16 Core Program project grants; and \$73 thousand in adjustments to a prior reconciliation. The remaining \$95 million in grant cap space will be allocated to future fiscal years.

### **Project Overview Report**

Next, the Deputy Director of Capital Planning provided an update for substantially completed projects. For 2021, nineteen projects were scheduled to achieve substantial completion. The MSBA has received certificates of substantial completion from eighteen projects, with the remaining project having declared substantial completion and the form is circulating pending signatures.

For 2022, fifteen projects are scheduled to achieve substantial completion. The MSBA has received six certificates of substantial completion from Easthampton, Pentucket Regional, Millbury, Attleboro, and since the August Board, Weymouth and West Springfield.

Project schedules anticipate an additional five projects reaching substantial completion by the end of August. Three districts have declared substantial completion with the certificates routing for signature, including Sharon, Acton-Boxborough, and Bridgewater-Raynham. The other two projects include Gardner and Boston Arts Academy who are in various stages of finalizing the dates to complete the certificates.

The remaining four projects in 2022 include Dennis-Yarmouth, Easton, Rockland, and Tewksbury.

The Deputy Director of Capital Planning then provided bid data for the MSBA's Accelerated Repair Program. For the 2020 program, fourteen of the seventeen reported projects bid within the estimated budget. An additional four projects are anticipated to bid with results reported by the December Board of Directors meeting.

Then, the Deputy Director of Capital Planning explained that before providing updates pertaining to bid activity for Core Program projects, staff would like to begin with a schedule overview by MSBA Assistant Project Manager Erin Sullivan using our upcoming bid maps.

Assistant Project Manager Erin Sullivan presented slides for bidding information regarding MSBA projects. She explained that the MSBA is currently tracking 26 projects for filed sub bidding through 2024. This includes all projects that have been approved for Preferred Schematic Design prior to today. The 26 projects have a total estimated construction budget of approximately \$3 billion.

For 2022, ten projects (including Nauset and Somerset) received filed sub bids so far and staff are tracking an additional six for the year. Those six projects have a total estimated construction budget of approximately \$469 million. 2022 bidding will continue with Fitchburg and Randolph in November.

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

2023 now has fourteen projects with an estimated construction budget of approximately \$1.6 billion. Westfield, Wellesley, Bristol-Plymouth, and Watertown will be among the first to bid in 2023.

2024 has six projects following Preferred Schematic Design approvals for Amherst and Maynard at the August Board meeting. The projects combine for over \$900 million. Staff anticipate the project count will continue to increase following future Board meetings.

Next, the Deputy Director of Capital Planning summarized available data for anticipated sub-bids in October, November and December and anticipated DBB Bids or GMP Executions in October, November and December.

Then, the Deputy Director of Capital Planning presented a PowerPoint, including a summary of bid results for the Core Program for 2022. He reported that 16 projects are scheduled to receive sub-bids in 2022. Six of sixteen have now reported DBB bids or CMR executions to date. Five have confirmed that they are proceeding with bids exceeding the PFA Construction Budget. One is in the process of redesigning and rebidding.

### **Recommendation to pause the Accelerated Repair Program**

Next, the MSBA's Director of Capital Planning, Mary Pichetti, presented a PowerPoint and explained that today's recommendation is for the Board to approve that the MSBA temporarily pause the Accelerated Repair Program ("ARP") and not accept new Statements of Interest ("SOIs") for the ARP in 2023. This recommendation does not apply to the MSBA's Core Program, and the 2023 SOI opening for the Core Program is planned for January 2023. She explained that, this recommendation to temporarily pause the ARP does not apply to ARP projects that have already been invited into the MSBA's grant program, including ARP invitations that have been approved at today's Board meeting. She added that the recommendation is based upon a review of the Annual Cap from FY 23 to FY 26, the estimated grants for projects already invited in the pipeline pending project approval, the amount of grant cap space available for invitations to the grant program from the 2022 SOIs, and consideration of an increase to the MSBA's funding limits.

The Director of Capital Planning gave a PowerPoint presentation and provided an overview of the annual cap and how the cap is projected and monitored.

She explained that, as the MSBA approaches the completion of the due diligence for the 2022 Statement of Interest process, staff have been evaluating how much of the cap space is committed to projects in the pipeline and how much is available for invitations for the 2022 Statements of Interest. Staff have also been considering possible increases to the project funding limits such as the construction cost per square foot.

She spoke about a graphic shown in the PowerPoint that indicates that of the \$3.9 billion in available grant cap space from FY 23 through FY 26, \$3 billion, has been consumed by the projects already invited into the grant program.

The Director of Capital Planning noted that there are over 40 Core Program Projects in the early phases of the grant program targeting project scope and budget approval in the next several fiscal years. In addition, with today's invitation, there are over 40 Accelerated Repair projects in the grant program pending project approval.

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

She spoke about a graphic in the PowerPoint that illustrated how the available grant cap space still available from FY 23 through FY 26 could be utilized for both the 2022 SOI invitations to the grant program and any potential increases to the project funding limits.

She concluded by noting that, based on this review, staff are recommending to temporarily pause the ARP and not accept new SOIs for the ARP in 2023. She explained that this would provide additional space in the Annual Cap, which could be used to offset a portion of a larger increase in funding limits for projects that have not yet received Project Scope and Budget approval as of the December 21, 2022 Board meeting, while minimizing the reduction in invitations to the MSBA's grant program.

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

### **Recommendation to Pause the Accelerated Repair Program**

VOTED: That the Executive Director is hereby authorized to temporarily pause the Authority's Accelerated Repair Program, as further described in the materials presented to the Board and attached hereto; and that the Executive Director is hereby authorized to do all acts and things necessary or desirable in connection with temporarily pausing the Accelerated Repair Program.

Mr. Cronin asked when a decision needs to be made.

The Director of Capital Planning explained that the Statement of Interest period opens in January and the MSBA starts communicating with districts in December. She commented that the MSBA starts meeting internally in November. She explained that this decision will not only affect the 2023 SOI process but it will affect the 2022 Core SOI recommendations, as well as any potential increase to funding limits.

Mr. Cronin commented that this problem will not go away in a year. He suggested that the MSBA and the Board continue discussions going forward and discuss the statutory cap.

The Executive Director commented that he thinks it is a good idea to continue discussions, adding that the MSBA would need a legislative fix to change the cap and that would take time. He commented that the MSBA Board could vote to pause the Accelerated Repair Program today and then the MSBA staff and Board members could continue to discuss further options.

Mr. Cronin commented that he agrees and that the MSBA needs to consider other options as well.

Ms. Vanderhoef commented that the Accelerated Repair projects are often desperate projects and if the MSBA pauses the program, the projects will only become more desperate. She noted that this is a short-term fix and not a long-term solution. She commented that she hopes the MSBA has looked at the full universe of options.

The Executive Director commented that this is a short-term fix and the MSBA is not eliminating the Accelerated Repair Program.

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

Mr. Cronin commented that this is not a cash issue. He explained that even if the MSBA had more money, the MSBA could not accept more projects because of the statutory cap.

Ms. Kwan agreed. She commented that she is voting in favor of pausing the Accelerated Repair Program. She suggested voting in favor and following Mr. Cronin's recommendation to meet to discuss further and determine how the MSBA will move forward.

The Chief Executive Officer then spoke, noting that this issue is not being presented lightly. He commented that the MSBA is being contacted by legislators, asking what the MSBA is going to do. He noted that projects have come in over budget and staff have reviewed the cost per square foot and the funding cap. He explained that some members of the legislature have suggested the MSBA stop accepting new projects and complete those that have already been accepted into the pipeline. He noted that we are at a critical point now and pausing the Accelerated Repair Program will help. He commented that the MSBA knows this will not be received well by districts. He thanked the Director of Capital Planning and her team for their work in analyzing and presenting this issue.

The Chair commented that some legislators want the MSBA to pause Core projects because of escalating costs. She then thanked the MSBA staff for their hard work in examining this issue.

Ms. Brockelman commented that she is glad this is a temporary solution. She suggested looking at the balance between the Core Program and the Accelerated Repair Program and asked if some communities would be better served with smaller Accelerated Repair projects. She noted that now is a good time to evaluate the balance between the two programs.

Mr. Deninger commented that he echoes a lot of the comments that have been made. He noted that this is a tough vote, adding that we do not know what will happen in the future. He commented that the Board will work on this issue during the pause of the ARP. He noted that he is happy to be part of the discussions, as is the Commissioner.

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.**

**Finance**

**Sales Tax Collections Update**

The MSBA's Treasurer, Gianpiero Tirella, presented a PowerPoint and provided an FY2023 SMART Collections update. The FY2023 collections through September are \$22.7 million (7.90%) higher than the same period of FY2022.

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

He presented a slide with a graphical depiction of FY2019 – FY2023 Monthly SMART collections, and then year-to-date SMART collections by year from FY2019 – FY2023, as well as quarterly.

### **Grant Payments Update**

Next, the Treasurer provided an update regarding MSBA grant payments for projects, noting that the MSBA has made \$211,859,106 in grant payments to date in Fiscal Year 2023. This is for 107 Capital Pipeline Program projects in 83 districts.

### **FY23 Budget Update**

Next, the MSBA's Director of Budget and Finance Administration, Julie Leonard, provided the Board with an FY23 budget update. She presented a PowerPoint with the FY2023 budget compared to the actuals for the Total Operating and Capital Budget, Administrative Expenses, Capital Pipeline Support Services, Operating Expenses, and the Grant Program.

### **Legal**

#### **Litigation Update**

The MSBA's General Counsel Christine Nolan spoke about one project in the MSBA's pipeline that has been affected by project related litigation. She thanked the Legal department for all their work in analyzing and monitoring the cases.

She commented that she is pleased to report that litigation related to the East Gloucester Elementary School has been resolved in favor of the City. The Supreme Judicial Court for the Commonwealth of Massachusetts denied the plaintiff's Application for Further Appellate Review. The MSBA is now working with the City to get the Project Funding Agreement signed and process reimbursement requests.

Ms. Vanderhoef asked if the MSBA has special allowances for security upgrades for schools.

The Executive Director explained the MSBA does not have a separate program for security, but security upgrades are always allowed.

The Chair commented that she is cognizant of the pressures put on the MSBA given the economic circumstances. She noted that the MSBA is going to be challenged and will have to make some difficult decisions.

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

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

#### **Roll Call Vote:**

Anne Brockelman – Yes

Terry Kwan – Yes

*The October 26, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the December 21, 2022 meeting.*

Sheila Vanderhoef – Yes

Sean Cronin – Yes

Matt Deninger – Yes

Deborah Goldberg – Yes

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

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

List of documents and exhibits used at the meeting:

- PowerPoint Presentation
- August 31, 2022 Board Meeting Minutes
- Project Removal from Accelerated Repair Program
- Invitation to Accelerated Repair Program
- Authorization to Execute Project Funding Agreements – Accelerated Repair Program
- Invitation to Feasibility Study
- Invitation to Project Scope and Budget
- Audit Status Report
- Recommendation for Approval of Final Audits, Capital Pipeline Program
- Reconciliation of Project Obligations and Annual Cap
- Project Overview Report
- Recommendation to pause the Accelerated Repair Program
- Sales Tax Collections Update
- Grant Payments Update
- FY23 Budget Update