

**Massachusetts School Building Authority  
Board Meeting Minutes of June 22, 2022**

A meeting of the Massachusetts School Building Authority (the “Authority” or “MSBA”) was held on June 22, 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; 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; Brian Kelley; Colleen Smith; Siobhan Tolman; John Jumpe; Karl Brown; Mike McGurl; Katie DeCristofaro; Julie Leonard; Erin Sullivan; 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 10:03 a.m.

She then explained that the meeting is being held in accordance with sections 8 and 10 of Chapter 22 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.

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 April 27, 2022 Board of Directors meeting; remove one project from the MSBA Accelerated Repair Program; execute Project Funding Agreements for two projects from two districts in the Accelerated Repair Program, with an Estimated Maximum Total Facilities Grant of approximately \$4.2 million; invite one district into Feasibility Study; authorize two proposed projects to proceed into Preferred Schematic Design with an estimated \$300 million in total construction costs; invite one district to enter into a Project Scope and Budget Agreement and Project Funding Agreement, with an Estimated Maximum Total Facilities Grant of approximately \$44.7 million; and approve five final audits from five districts with a Final Total Facilities Grant of approximately \$122 million.

Additionally, the Board will be voting on updates to the MSBA’s Green Schools Program Policies and the FY23 Budget recommendation. Finally, the Board will receive updates from the Executive Director, Capital Planning, Finance and Legal staff.

**Acceptance of the April 27, 2022 Minutes**

The Chair asked for a motion to accept the minutes of the April 27, 2022 Board meeting. A motion was made by Mr. Deninger and seconded by Ms. Vanderhoef:

**Approval of the Minutes of the April 27, 2022 Board Meeting**

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Minutes of the April 27, 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.**

Mr. Sullivan joined the meeting.

**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 Braintree received an invitation for a roof replacement project at the Hollis Elementary School, a roof replacement project at the Mary E. Flaherty Elementary School, and a roof and window/door replacement project at the Monatiquot School Kindergarten Center.

For today's Board meeting, staff present for removal from the Accelerated Repair Program the roof and window/door replacement project at the Monatiquot School Kindergarten Center. Subsequent to the invitation, the District has elected to postpone the project and has executed a Declaration of Removal of a Statement of Interest. Recommendation for authorization to enter into a Project Funding Agreement for the remaining roof replacement projects at the Hollis Elementary School and the Mary E. Flaherty Elementary School is anticipated for the October 2022 Board meeting.

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 Braintree's 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 Braintree to participate in the MSBA's Accelerated Repair Program for the Monatiquot School Kindergarten Center; and, whereas, as described in the materials attached hereto as Exhibit A, the Town of Braintree 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 Monatiquot School Kindergarten Center, the Board hereby removes the Town of Braintree's Accelerated Repair Statement of Interest for the Monatiquot School Kindergarten Center 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.

**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.**

**Accelerated Repair Program Project Funding Agreement Authorization**

Next, the Deputy Director of Capital Planning explained that prior to today's Board meeting, MSBA staff received Schematic Design submissions from two districts representing two schools. The school projects combine for one window and door replacement project and one boiler replacement project. 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 \$6.7 million, which include total construction estimates of approximately \$5.0 million. The combined Estimated Maximum Total Facilities Grants for these projects are \$4,244,605. Including potentially eligible project contingencies, the combined Maximum Facilities Grants are \$4,421,464.

In conclusion, staff recommend that the two districts, representing two 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>
Fitchburg	Arthur M. Longsjö Middle School	Windows/Doors	\$4,876,218	\$3,360,798	\$3,500,832
Mansfield	Mansfield High School	Boilers	\$1,834,380	\$883,807	\$920,632
<b>Total</b>			<b>\$6,710,598</b>	<b>\$4,244,605</b>	<b>\$4,421,464</b>

Fitchburg Superintendent Robert Jokela thanked the Board and the MSBA. He commented that he appreciates the MSBA's continued support.

State Representative F. Jay Barrows thanked the Board for its consideration and offered his support for the project at the Mansfield High School in Mansfield.

Mansfield Town Manager Kevin Dumas commented that he wants to speak in favor of the project at the Mansfield High School and asked the Board for a favorable vote. He thanked the Board and the MSBA for their support.

The Executive Director noted that State Senator Paul Feeney sent a letter offering his support for the project at the Mansfield High School in Mansfield.

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.**

**Invitation to Feasibility Study**

MSBA Capital Program Manager Katie DeCristofaro explained that staff are recommending that the Board vote to invite the Town of Wilmington into Feasibility Study for the Wildwood Elementary School. She explained that this is the final district from the fifteen 2020 Core Program Statement of Interest invitations.

The District was invited into Eligibility Period on April 14, 2021 and has completed all the necessary prerequisites including: the filing of their educational profile questionnaire, finalizing enrollment, and securing feasibility study/schematic funds to proceed.

The Town benefited from a 30-day extension to Eligibility Period to finalize enrollment discussions. Staff will be working with the Town to study the following three options: 130 students in the facility's current configuration of grades Pre-Kindergarten and Kindergarten; 510 students consolidating the Wildwood Elementary School and Woburn Street Elementary School for grades PK-3; and, 755 students consolidating the Wildwood Elementary School, Woburn Street Elementary School and the North Intermediate School for grades PK-5.

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

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

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

VOTED: That the Executive Director is hereby authorized to invite the Town of Wilmington 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 B, for the Wildwood Elementary School as listed in Exhibit B 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 Wildwood Elementary School as listed in Exhibit B.

Wilmington Superintendent Dr. Glenn Brand thanked the Board for its consideration and noted that the community is grateful for this opportunity. He commented that he is looking forward to working closely with the MSBA.

Ms. Kwan commented that she noticed the Town will study a number of grade configurations. She noted that it is important to make sure that the educational plan lines up well with the final option and that there is training for staff.

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**

Next, the MSBA's Director of Project Management, John Jumpe, explained that the Board is being asked to approve the Preferred Schematic Design for the Dr. Albert B. Consentino Middle School in the City of Haverhill. The recommendation is for a new four-story building serving students in grades 5 through 8 on the existing site. As a result of discussions at the Facilities Assessment Subcommittee meeting, the District has submitted updated floor plans and will be providing an updated educational program and a summary of its recent redistricting. Based on a preliminary review of the updated floor plans, the MSBA's practice of working with Districts to support their project schedule and given that the recommendation today does not approve any funding for a proposed project scope and budget, staff is recommending that the District be approved to proceed into Schematic Design. The proposed project is anticipated to be approximately 189,000 sf, and is designed to serve 1,080 students, with an estimated construction budget of approximately \$125 million.

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

**Vote on Moving the City of Haverhill 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 Haverhill with, in concept, the development of schematic designs 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, 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 Board will be reviewing the modifications to the educational plan to ensure that teachers have a professional development program to learn new techniques and the curriculum.

Haverhill Superintendent Dr. Margaret Marotta-Smith commented that she is excited for this opportunity. She thanked the Board and the MSBA, noting that she appreciates their support.

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 Project Management explained that the Board is being asked to approve the Preferred Schematic Design for the Wakefield Memorial High School in the Town of Wakefield. The recommendation is for a new three-story building serving students in grades 9 through 12 on the existing site. The proposed project is anticipated to be approximately 260,000 sf, and is designed to serve 1,000 students, with an estimated construction budget of approximately \$175.6 million.

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

**Vote on Moving the Town of Wakefield 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 Wakefield with, in concept, the development of schematic designs to replace the existing Wakefield Memorial High School with a new three-story facility serving grades 9-12 on the Beasley Oval of the existing 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.

Ms. Kwan commented that she wants to commend the team that created the educational plan. She noted that the plan includes one of the best descriptions for how a library and media center need to be staffed and run. She commented that she recommends that the plan be shared so others can benefit from it.

Chair of the Wakefield School Building Committee and Permanent Building Committee Joseph Bertrand thanked the Board for its consideration on behalf of the Town of Wakefield.

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.**

### **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 David Prouty High School in the Spencer-East Brookfield Regional School District. The recommendation is for an addition and renovation project at the David Prouty High School that includes 94,535 square feet of new construction and renovation of 32,288 square feet of the existing high school for an overall building size of 126,823 square feet. The proposed project is designed to serve 305 students in grades 9-12 and will also serve the District's Pre-kindergarten population. The proposed project includes an estimated Total Project Budget of approximately \$111.6 million and an estimated construction budget of approximately \$91.2 million.

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

#### **Vote to Authorize the Executive Director to Execute a Project Scope and Budget Agreement and Project Funding Agreement with the Spencer-East Brookfield Regional School District**

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Potential Project for an addition and renovation project at the existing David Prouty High School that will continue to serve students in grades 9-12 and will incorporate district-wide Pre-kindergarten, 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 Spencer-East Brookfield Regional School District, in such forms as he may determine to be acceptable, for the David Prouty High School project at a reimbursement rate of seventy-four and nineteen hundredths percent (74.19%) of approved, eligible costs, up to an Estimated Maximum Total Facilities Grant of \$44,790,070, 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 \$46,820,302, 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.

Spencer-East Brookfield Regional School District Superintendent Paul Haughey thanked the Board and the MSBA for the opportunity to move forward with the project. He commented that he appreciates the partnership and looks forward to the work ahead.

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 Wei Xu, Beini Wang, and the Audit team, in conjunction with the Capital Planning team, for their hard work. She also thanked Robin McElaney for her help with the PowerPoint slides. She began her audit update by explaining that the MSBA has completed final audits for 616 Capital Pipeline Program projects plus the five projects that are being presented for final approval to the Board today, all together representing approximately \$7.5 billion in submitted and audited costs.

She continued, explaining that the MSBA has also audited approximately \$5.7 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 \$4.5 billion in additional costs will be submitted for audit for these projects.

The Chief Financial Officer then explained that monthly submitted costs have averaged \$129.6 million over the 12 months preceding this Board meeting, and the total amount submitted and audited in this 12-month period equals approximately \$1.55 billion.

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

The Chief Financial Officer explained that the Board is being asked to approve five Capital Pipeline Program audits listed on Exhibit C. She explained that the total combined grant amount for these five projects is \$122,230,615.

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

### **Approval of Audit Costs for Several Projects**

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the final audited approved grant amounts for the projects listed in the spreadsheet attached hereto as Exhibit C 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

*The June 22, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the August 31, 2022 meeting.*

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. He thanked Robin McElaney for her help with the PowerPoint slides. He noted that, since the April 27, 2022 Board meeting, the MSBA has visited or had meetings with individuals from 19 projects. As of April 22, 2022, seven districts have voted affirmatively to appropriate feasibility study funds or full project funds. He explained that the MSBA anticipates 13 project visits or meetings in July and August and presented a list of the districts as part of his PowerPoint presentation.

The Executive Director noted that the MSBA's Design Director will be providing a presentation regarding the updates to the MSBA's Green Schools Program Policies later today. He provided an update on the local votes for the proposed project in the Town of Webster and shared that the local votes for the Greater Fall River Regional School District project have passed. He noted that since the last Board meeting, the MSBA has participated in two ribbon cutting ceremonies, five groundbreaking and four topping off ceremonies. He presented pictures of the events as part of his PowerPoint presentation.

Next, the Executive Director explained that the MSBA held the Story of a Building event on May 25, 2022, regarding Green School Buildings for Massachusetts Students, a Commissioning Roundtable on May 26, 2022, regarding Approaching your Geothermal Project for Success, a Designer Roundtable on June 2, 2022, regarding Community-Driven Design: Engagement Beyond Visioning, and a Superintendent Roundtable on June 16, 2022. He thanked Mr. Cronin for leading the Superintendent Roundtable and discussion regarding municipal finance.

Next, the Executive Director welcomed the MSBA's new hires: Sarima Okwu-Wolu as a Project Assistant, Megan Korten Hof as Architectural Associate, Banmai Huynh as a Women in Finance Fellow, and Clara Chambers as a Women in Finance Fellow.

Then, the Executive Director congratulated Nina Pappacostas on her engagement and Thirtsa Savain on graduating from UMass Boston with a Bachelor of Science Degree in International Management and Economics.

Mr. Sullivan commented that he enjoys the Executive Director's presentation at every meeting. He noted that he wants to compliment Mr. Cronin for leading the roundtable, adding that it shows the value of having someone from Administration and Finance on the MSBA Board of Directors. He thanked Mr. Cronin for all his work.

## **Project Status Updates**

### **Project Overview Report**

The Deputy Director of Capital Planning provided an update for substantially completed projects. Nineteen projects were scheduled to achieve substantial completion in 2021. The MSBA has received certificates of substantial completion from eighteen projects. MSBA staff will continue to monitor the remaining project, Bristol County. Fifteen projects are scheduled to achieve substantial completion in 2022. The MSBA has received one certificate of substantial completion which is from Easthampton. Project schedules anticipate up to ten projects reaching substantial completion by the August Board meeting.

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

Next, the Deputy Director of Capital Planning presented a PowerPoint, including a summary of bid results for the Core Program. He reported that twelve projects received sub-bids in 2021. Nine of eleven projects have now reported bids within budget. No project has been added since the April Board. Receipt of the GMP for Lowell High School is anticipated in July. The eleven projects which have reported bids consist of four Construction Manager at Risk projects and seven Design-Bid-Build projects. In square foot cost, the 2021 results continue to range from \$428/sf (Easton Center School) to \$721/sf (Waltham High School).

Then, the Deputy Director of Capital Planning presented a PowerPoint, including bid results for the Core Program for 2022. He explained that for 2022, sixteen projects are scheduled to receive sub-bids.

Next, the Deputy Director of Capital Planning summarized available data for anticipated sub-bids in June, July, and August and anticipated DBB Bids or GMP Executions in June, July and August. In the three month lookahead, no additional projects are scheduled for sub-bids in June. In July, sub-bids are scheduled for Somerset, Nauset Regional and Peabody. Lawrence's Oliver Partnership and Andover are scheduled for August. Meanwhile, Guaranteed Maximum Price for Worcester is scheduled for June as is the general contractor results for Westwood. Lowell's GMP is now scheduled for July as is Somerset's general contractor bids. In August, Nauset Regional anticipates receiving general contractor bids while Peabody anticipates executing its GMP.

Mr. Cronin asked if staff collect data that shows what the bidding climate is.

The Deputy Director of Capital Planning explained that staff are in the process of reaching out to districts to compare costs to the estimates.

The Deputy Director of Capital Planning then explained that MSBA Assistant Project Manager Erin Sullivan will now share the upcoming bid maps.

The Assistant Project Manager presented slides for bidding information regarding MSBA projects. She explained that the MSBA is currently tracking 27 projects for filed sub bidding through 2024.

*The June 22, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the August 31, 2022 meeting.*

This includes all projects that have been approved for Preferred Schematic Design prior to today. The 27 projects have a total estimated construction budget of approximately \$3.0 billion.

For 2022, four projects received filed sub bids so far and staff are tracking the additional 12 for the year. Those 12 projects have a total estimated construction budget of approximately \$1.0 billion. 2022 bidding will continue with Somerset, Nauset and Peabody in July. In August, sub-bids are scheduled for Lawrence and Andover.

2023 now has 13 projects within an estimated construction budget of approximately \$1.5 billion. Westfield, Wellesley, Bristol-Plymouth, and Watertown will be among the first to bid in 2023. Winchester has been added following approval of its Preferred Schematic Design at the April Board meeting.

2024 has two projects following Revere's approval of its Preferred Schematic Design at the April Board meeting. Combined with Brookline, the projects combine for over \$460 million. The project count will continue to increase following today's board meeting.

### **Recommendation to Update the MSBA Green Schools Program Policies**

The MSBA's Design Director presented a PowerPoint and provided an update on the MSBA's Green Schools Program Policies. He explained that the MSBA has reviewed new information related to upcoming changes to the building code and changes related to indoor air quality that may affect the MSBA's Green Schools Program. His presentation provided a summary of these efforts, summarized next steps and made a recommendation to the MSBA's policy for indoor air quality that will affect all new construction and major renovation/addition Core Program projects requesting Project Scope and Budget approval after this MSBA Board meeting.

The Design Director explained that federal and state standards continue to require increasing levels of energy efficiency with a goal of "Zero Net Energy Buildings" by 2030. The U.S. Department of Energy requires each state to analyze and conform to the most recent edition of the two national model energy codes by updating their state energy codes to align with these energy standards. In order to meet its targeted goals, Massachusetts is currently scheduled to adopt the 2021 International Energy Conservation Code (or "IECC") in 2023 as a part of a new 10th edition of the state's building code, and a new municipal opt-in "Net-Zero Specialized Stretch Code" is also under development by the Massachusetts Department of Energy Resources and anticipated in 2023.

Since its formation, MSBA has required all Core Program projects to achieve LEED or CHPS certification. In addition, MSBA guidelines require each project to exceed the base energy code by at least 10%, and the MSBA provides an additional 2% reimbursement if the project achieves 20% better than the base energy code. As currently written, MSBA energy policy standards rise along with efficiency increases in the base energy code, and staff anticipates an increase in energy efficiency for all MSBA Core Program projects in 2023 that will follow the increases in the new energy code. MSBA staff will continue to monitor the development and implementation of these codes and will provide an update and any recommended changes, as may be needed, at a future Board meeting.

The MSBA has recognized developments regarding the quality of indoor air in buildings with tighter exterior envelopes and increasing levels of thermal insulation. There are categories within the USGBC LEED-S and NE-CHPS sustainability standards that address indoor air quality, and more specifically those that require identification and reduction of chemical products used in school

construction that may present a hazardous environment for building occupants. Although certification in LEED or CHPS require certain minimum total points using their checklists, these specific air quality points are not required to meet certification and are optional in the LEED and CHPS systems.

Based on the MSBA's outreach to organizations and design professionals as well as a review of the quantity and types of sustainable points school districts achieve on approved school projects, it appears that requiring points within the Indoor Air Quality category is achievable. With this proposed update to the Green Policy, the MSBA is encouraging school districts and their design teams to specify products that conform to material transparency through product disclosures and to specify products that do not include these chemicals. With this initial change, the MSBA looks to encourage school districts to require this for their projects and to signal to manufacturing companies that there will be demand for furniture, equipment and construction materials that are chemical free.

Staff recommends requiring each Core Program project achieve a minimum number of points from among these indoor air quality categories, similar to the MSBA requirement that Core Program projects exceed minimum energy efficiency levels by 10%. These minimum requirements would be in addition to the current policies stated earlier and for no additional reimbursement. The MSBA plans to continue its research, and as we learn more, will consider future updates to the Green Policy that will continue to emphasize these indoor air quality issues and increase specific requirements in this section.

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

**Approval of Massachusetts School Building Authority's Green Schools Program Policies**

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the changes to the MSBA Green Schools Program Policies as outlined in the June 15, 2022 Memorandum, Recommendation to Update the MSBA Green Schools Program Policies, and authorizes the Executive Director to do all acts and things necessary to comply with the Policies and to establish any additional policies and procedures for the management of the Authority's Green Schools Program Policies as he may deem appropriate or necessary.

The Chair commented that she is pleased to see these updates.

There was a discussion among Board members and MSBA staff regarding small virus particles.

Ms. Brockelman commented that she fully supports the updates to the policies. She thanked the Design Director and the MSBA staff for all their work on the updates.

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.**

### **MSBA Third Party Funding Policy Update**

The MSBA's General Counsel Christine Nolan provided an update on the MSBA's Third Party Funding Policy. She explained that the MSBA recently reviewed its Third Party Funding Policy as it relates to electric vehicle infrastructure funding that Districts may receive through an Eversource program. The MSBA has also looked at the policy in connection with certain federal covid funding that Districts may receive.

The MSBA's Third Party Funding Policy requires that the MSBA share in savings provided to Districts through most forms of third party funding. Third party funding includes insurance settlements, rebates, grants from other public entities or other parties, private donations, and other sources of project income. Pursuant to the Policy, third party funding is treated as an ineligible cost. As a result, third party funding reduces the District's cost and, therefore; the MSBA grant is lowered proportionally (based on reimbursement of the District's eligible reduced cost). Historically, in 2018, the MSBA looked at the Policy in relation to Clean Energy Incentive Rebates that a District may receive for a project and determined that Clean Energy Incentive Rebates, funded by monies that were paid by Massachusetts' customers to providers, will not be treated as third party funding under the Policy.

Similar to how the MSBA looked at Clean Energy Rebates, and based on district inquiries, the MSBA has recently looked at how the MSBA will treat funding that a District may receive through Eversource's Electric Vehicle ("EV") Make Ready Program. Eversource has instituted an EV Make Ready Program, through which Eversource funds the EV infrastructure and implementation costs for customers that are part of the EV charging station program. The EV Program is funded by ratepayer dollars which the Department of Public Utilities allows Eversource to use for the installation of the infrastructure. MSBA staff looked at whether EV funds received by Districts would constitute third party funding under the Policy, and, after examining this issue, MSBA staff has determined that, similar to the Clean Energy Incentive Rebates, the MSBA will not treat funding that a District may receive through the Program as third party funding. This is consistent with the MSBA's Policy to treat funding that is directly or indirectly paid by Massachusetts' customers differently than other sources of funding.

The MSBA also looked at its Third Party Funding Policy in connection with certain federal covid funding that Districts may receive. In response to the Covid Pandemic, the United States Federal Government passed legislation to provide funding to municipalities across the country to mitigate certain costs related to the ongoing Covid Pandemic. There are Districts in Massachusetts that may elect to use this federal funding to offset costs related to MSBA school projects. In response to District inquiries, MSBA staff has looked at whether these covid funds received by Districts should be treated as Third Party Funding. After examining the impact the use of federal covid funding could have on the MSBA's grant program and in an effort to assist Districts during an unprecedented time, MSBA staff has determined that the federal covid funding which may be used by Districts on MSBA

projects will not be treated as third party funding under the Policy, provided certain requirements are satisfied.

The MSBA is instituting best practices to ensure that Districts are not requesting or receiving reimbursement for costs that have already been paid or will be paid with federal funds and will issue guidance to explain that Districts cannot be paid twice for the same cost. Further, the MSBA will require that District officials and local counsel provide several certifications to the MSBA when Districts elect to use federal covid funding for an MSBA grant eligible project to ensure that such use of funds is compatible with both programs.

There was a discussion among Board members and MSBA staff regarding Eversource's EV Make Ready Program.

Mr. Deninger commented that the MSBA's policy regarding federal covid funding is a good decision given the unprecedented time.

Mr. Cronin agreed.

## **Finance**

### **Sales Tax Collection Update**

The Chief Financial Officer presented a PowerPoint and provided an FY2022 SMART Collections update. The FY2022 collections for July through April are \$76.8 million (8.56%) higher than the same period of FY2021.

She presented a slide with a graphical depiction of FY2018 – FY2022 Monthly SMART collections, and then year-to-date SMART collections by year from FY2018 – FY2022, as well as quarterly.

### **Grant Payments Update**

The Chief Financial Officer provided an update regarding MSBA grant payments for projects, noting that the MSBA has made \$589,479,993 in grant payments to date in Fiscal Year 2022. This is for 186 Capital Pipeline Program projects in 125 districts.

### **FY22 Spending Update**

Next, the Chief Financial Officer thanked the MSBA's Director of Budget and Finance Administration, Julie Leonard, and provided the Board with an update on FY2022 spending. She presented a PowerPoint with the FY2022 budget compared to the actuals for the Operating and Capital Budget, Administrative Expenses, Capital Pipeline Support Services, Operating Expenses, and the Grant Program.

## **Legal**

### **Litigation Update**

*The June 22, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the August 31, 2022 meeting.*

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

First, she noted that, in past Board updates, she reported that reimbursement payments for Worcester have been placed on hold because of pending litigation related to the project. Placing payments on hold is standard when there is pending litigation. Currently, the City is proceeding with the project at its own risk and without receiving reimbursement payments. The MSBA has continued to work with the City to receive project submittals and provide feedback.

As reported at the last Board meeting, on July 27th, the Superior Court allowed the City's motion for dismissal, but the Plaintiffs are appealing the decision. Oral arguments were heard before the Appeals Court on March 17th. The Appeals Court issued its decision on June 13<sup>th</sup>, affirming the Superior Court's dismissal of the case. The Plaintiffs have until July 5<sup>th</sup> to file for further appellate review. The MSBA has been periodically updated by the City's legal department. The MSBA will continue to monitor this case and provide updates.

Next, the General Counsel spoke about litigation that is related to the East Gloucester Elementary School project in Gloucester. She explained that, as reported at prior Board meetings, in December 2020, the Authority was named as a defendant in a lawsuit related to the East Gloucester Elementary School project in the City of Gloucester. The MSBA was named along with the City of Gloucester and the Massachusetts Executive Office of Environmental Affairs. The plaintiffs were not seeking any monetary relief against the MSBA and the suit appeared aimed solely at stopping the project. The defendants, including the Authority, filed dispositive motions, all of which were heard and taken under advisement by the Superior Court on July 22, 2021. On August 2, 2021, the Superior Court ordered that the City of Gloucester's Motion for Summary Judgment was allowed; the Massachusetts Executive Office of Environmental Affairs' Motion to Dismiss was allowed; and the Authority's Motion for Summary Judgment was allowed. As reported at previous Board meetings, the Plaintiffs appealed the decision and then the appeal was dismissed as against the MSBA. The appeal was also dismissed as against the Executive Office of Environmental Affairs but not the City of Gloucester. The parties appeared before the Appeals Court last week on June 14<sup>th</sup> and presented oral arguments. As planned, the MSBA filed an amicus brief also called a friend of the court brief, with the Court clarifying the meaning of the MSBA's regulations cited in the Plaintiffs' brief and addressing other matters of institutional interest to the MSBA. The City's attorney referred to this brief in his argument last week. As the appeal remains pending, the Project Funding Agreement that was authorized for this Project by the MSBA, has not been executed. The MSBA will continue to update the Board.

The Chair thanked the General Counsel for the update.

## **Finance**

### **FY23 Budget Recommendation**

The Director of Budget and Finance Administration provided an overview of the FY23 budget recommendation and presented on various line items in the budget. In her presentation, the Director of Budget and Finance Administration presented the FY23 budget recommendation focusing on the following categories: Salaries and Benefits, Occupancy and Utilities, Arbitrage rebate, OPEB, Information Technology, Capital Pipeline Support Services, and Capital Program Grants. She



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explained that the Total Operating Budget for FY23 is \$21,181,837 compared to the FY22 budget of \$19,473,815, which is a 9.0% increase. She then explained that the MSBA's FY23 Grant Program budget is \$763,077,879, which is a 17.0% decrease from the FY22 Grant Program budget of \$921,718,963.

The Director of Budget and Finance Administration concluded her presentation by presenting a slide of the overall FY23 recommended budget. She explained that the FY23 budget recommendation of \$784,259,716 is a 17.0% decrease from the FY22 budget of \$941,192,778.

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

**Vote to Approve the Massachusetts School Building Authority  
Fiscal Year 2023 Operating and Capital Budget**

VOTED: That the Board of Directors of the Massachusetts School Building Authority hereby approves the Massachusetts School Building Authority Fiscal Year 2023 Operating and Capital Budget in the amount of \$784,259,716 with such changes or reallocations of funds as may be deemed necessary or desirable by the Executive Director for the efficient operation of the Authority.

Mr. Cronin congratulated the Finance team on completing the first budget using the new financial system.

Mr. Sullivan commented that the Board is confident in the leadership at the MSBA, adding that he is very supportive of the MSBA.

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.**

The Chair thanked the MSBA staff. She commented that she attended the groundbreaking ceremony for the William E. Carter School in Boston yesterday. She encouraged everyone who is available to attend the ribbon cutting ceremony. She commented that the new school will have a big impact on the City.

The Executive Director commented that he will make sure that the Board members receive an invitation to the ribbon cutting ceremony. He thanked the Board and the MSBA staff for all their hard work.

*The June 22, 2022 Board Meeting minutes were approved by the MSBA's Board of Directors at the August 31, 2022 meeting.*

Mr. Sullivan commented that the MSBA is the best run agency.

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

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 11:53 a.m.

List of documents and exhibits used at the meeting:

- PowerPoint Presentation
- April 27, 2022 Board Meeting Minutes
- Project Removal from the Accelerated Repair Program
- Authorization to Execute Project Funding Agreements – Accelerated Repair Program
- Invitation to Feasibility Study
- Recommendation for Preferred Schematic Design
- Invitation to Project Scope and Budget
- Audit Status Report
- Recommendation for Approval of Final Audits, Capital Pipeline Program
- Project Overview Report
- Recommendation to Update the MSBA Green Schools Program Policies
- MSBA Third Party Funding Policy Update
- Sales Tax Collection Update
- Grant Payments Update
- FY23 Budget Recommendation