

Massachusetts School Building Authority

Deborah B. Goldberg, State Treasurer and Receiver-General

Chairperson

James MacDonald

Chief Executive Officer

Jack McCarthy

Executive Director



Board Meeting

April 27, 2022



Table of Contents

Project Votes

- Project Removal from Accelerated Repair Program | Vote
- Invitation to Feasibility Study | Vote
- Recommendation for Preferred Schematic Design | Vote
- Invitation to Project Scope and Budget, Estimated Maximum Total Facilities Grant of \$28,058,982 | Vote

Audit Update

- Audit Status Report
- Approval of Final Audits with no appeals, MSBA Capital Pipeline Projects grants of \$28,441,286 | Vote

MSBA Updates

- Executive Director's Report
- Project Status Updates
 - Project Overview Report

Finance Update

- Sales Tax Collection | Update
- Grant Payments | Update
- FY22 Budget | Update
- FY21 Audited Financial Statements | Update

Legal

- Projects with Pending Litigation | Update

Executive Session



Project Votes



Project Removal from the Accelerated Repair Program | **Vote**

District	School	Invitation Date
Boston	Patrick J. Kennedy Elementary School	December 16, 2020



Invitation to Feasibility Study | Vote

District	School
Agawam	Agawam High School
Belchertown	Jabish Brook Middle School
Berkley	Berkley Community School
Burlington	Fox Hill Elementary School
Holyoke	William R. Peck School
Quincy	Squantum Elementary School



Preferred Schematic Design | **Vote**

District	School	Project Scope	Estimated Total Construction	Estimated Total Project Costs
Holyoke	William R. Peck School	New	TBD	TBD
Revere	Revere High School	New	\$312,848,086	\$384,355,192
Winchester	Lynch Elementary School	New	\$63,938,815	\$83,120,460
		Total	\$376,786,901	\$467,475,652



Preferred Schematic Design | Holyoke

William R. Peck School

- Year Opened: 1973
- Current Grade Configuration: 4-8
- Agreed Upon Grade Configuration: 6-8
- Agreed Upon Enrollment: 550
- Proposed Scope of Project: New Construction
- Existing Square Footage: 177,015
- Proposed Square Footage: 105,840 (Previous Schematic Design submittal dated July 10, 2019)
- Estimated Total Construction Cost of Preferred Schematic: To Be Updated

As requested by the District, staff have recommended to the Board that the district be invited to evaluate the Model School Program designers for the Athol Community Elementary School, Burlington Memorial Elementary School, Lexington Estabrook Elementary School, Lexington Hastings Elementary School, Norfolk Freeman-Kennedy Elementary School, New Bedford Lincoln Elementary School, Uxbridge High School and West Bridgewater Middle/High School, as well as the preferred schematic from the original designer.



Preferred Schematic Design | Holyoke

William R. Peck School

This staff recommendation is based upon the District meeting several conditions, including:

- The District must submit an updated educational plan for review by the MSBA and presentation to the MSBA Facilities Assessment Subcommittee prior to initiating the model school process.
- The City Council must vote affirmatively on the following:
 - Agreement to proceed based on the previously completed Feasibility Study submittal dated July 11, 2018, accepting the District's conclusion to proceed with new construction;
 - Agreement to proceed utilizing the consultants procured during the previous Statement of Interest in accordance with the letter from the Attorney General's office dated February 10, 2021, unless it selects a model school designer; and,
 - Agreement to request that the MSBA invite the District to use the MSBA's Model School Program.



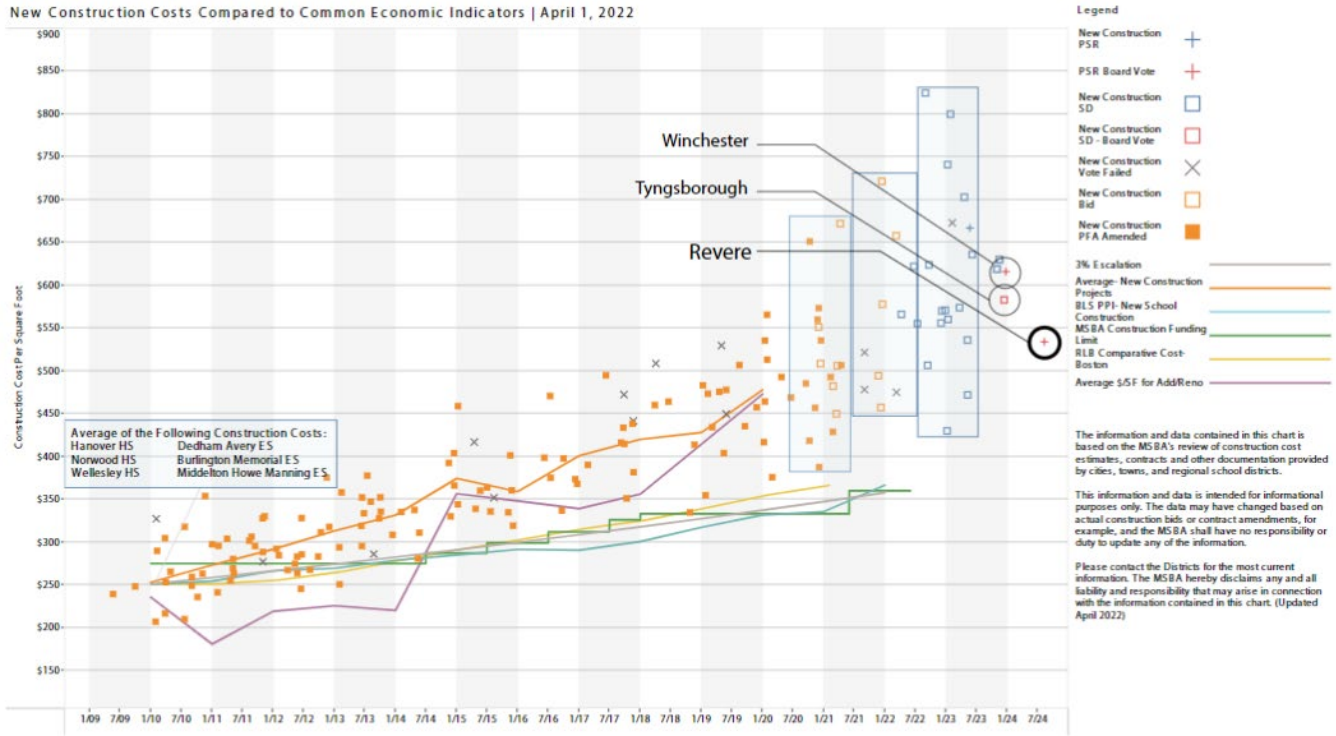
Revere High School

- Year Opened: 1974
- Current Grade Configuration: 9-12
- Agreed Upon Grade Configuration: 9-12
- Agreed Upon Enrollment: 2,450 students
- Proposed Scope of Project: New Construction on the "Wonderland" site
- Existing Square Footage: 336,011
- Proposed Square Footage: 585,435
- Estimated Total Construction Cost of Preferred Schematic: \$312,848,086



Preferred Schematic Design | Revere

Revere High School





Lynch Elementary School

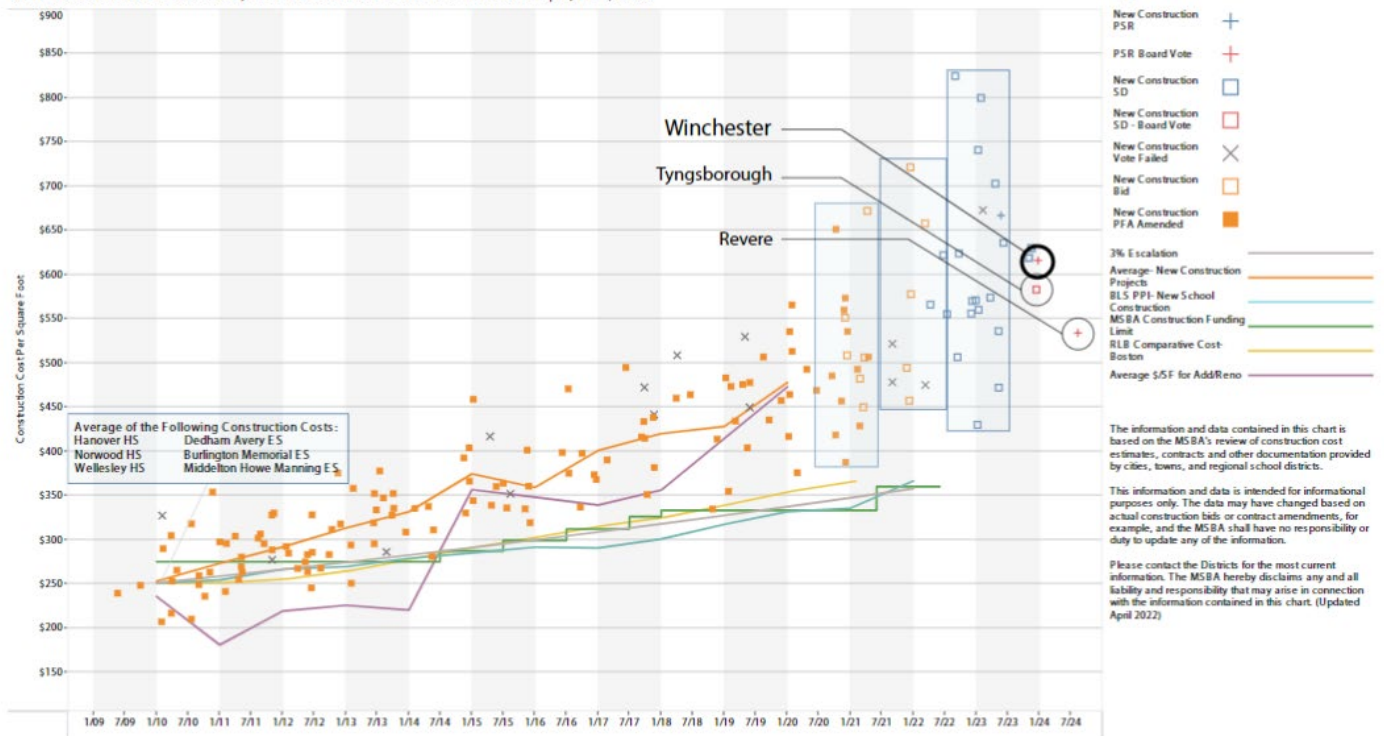
- Year Opened: 1961
- Current Grade Configuration: K-5
- Agreed Upon Grade Configuration: PK; K-5
- Agreed Upon Enrollment: 520
- Proposed Scope of Project: New Construction
- Existing Square Footage: 83,530
- Proposed Square Footage: 103,793
- Estimated Total Construction Cost of Preferred Schematic: \$63,938,815



Preferred Schematic Design | Winchester

Lynch Elementary School

New Construction Costs Compared to Common Economic Indicators | April 1, 2022





Project Scope and Budget | **Vote**

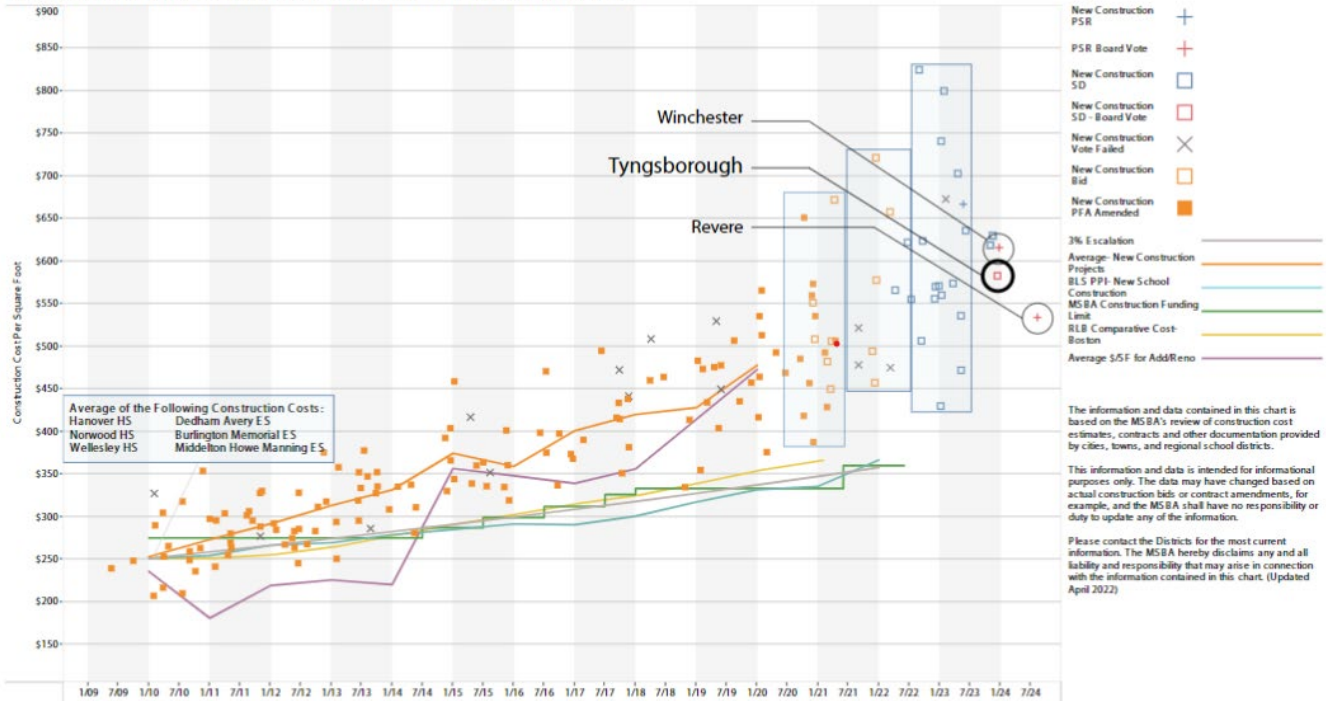
District	School	Project Scope	Total Project Budget	Estimated Maximum Total Facilities Grant
Tyngsborough	Tyngsborough Middle School	New	83,480,000	\$28,058,982
Total			\$83,480,000	\$28,058,982



Project Scope and Budget | Tyngsborough

Tyngsborough Middle School

New Construction Costs Compared to Common Economic Indicators | April 1, 2022





Project Scope and Budget | Tyngsborough

Tyngsborough Middle School

- Year Opened: 1967
- Current Grade Configuration: 6-8
- Agreed Upon Grade Configuration: 6-8
- Agreed Upon Enrollment: 480 students
- Scope of Project: New Construction
- Existing Square Footage: 80,667
- Proposed Square Footage: 112,784
- District Total Project Budget: \$83,480,000
- Estimated Basis Total Facilities Grant: \$47,896,180
- Reimbursement Rate*: 58.61%
- Estimated Maximum Total Facilities Grant: \$28,058,982

**The MSBA has provisionally included two (2) incentive points for energy efficiency, subject to the District meeting certain sustainability requirements for the project. If the District does not meet the requirements for the energy efficiency, the District will not qualify for these incentive points, and the MSBA will adjust the reimbursement rate accordingly.*



Project Scope and Budget | Tyngsborough

Tyngsborough Middle School





Audit Update



Audit Status Update

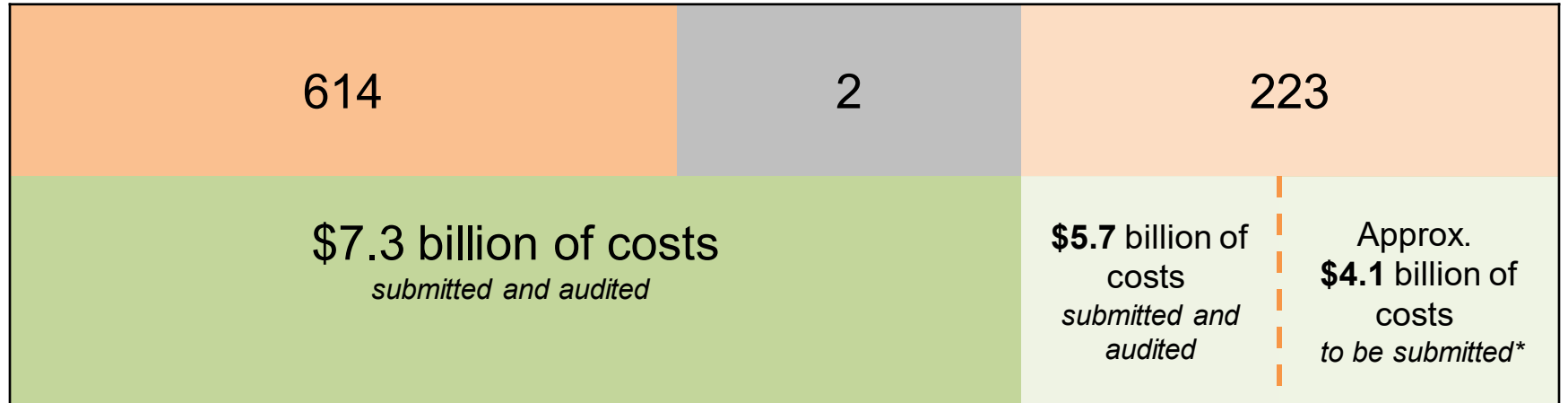
Capital Pipeline Program

■ Today's Vote

Completed Projects

Projects Currently Have Executed FSA and PFA

Estimated Costs Remaining



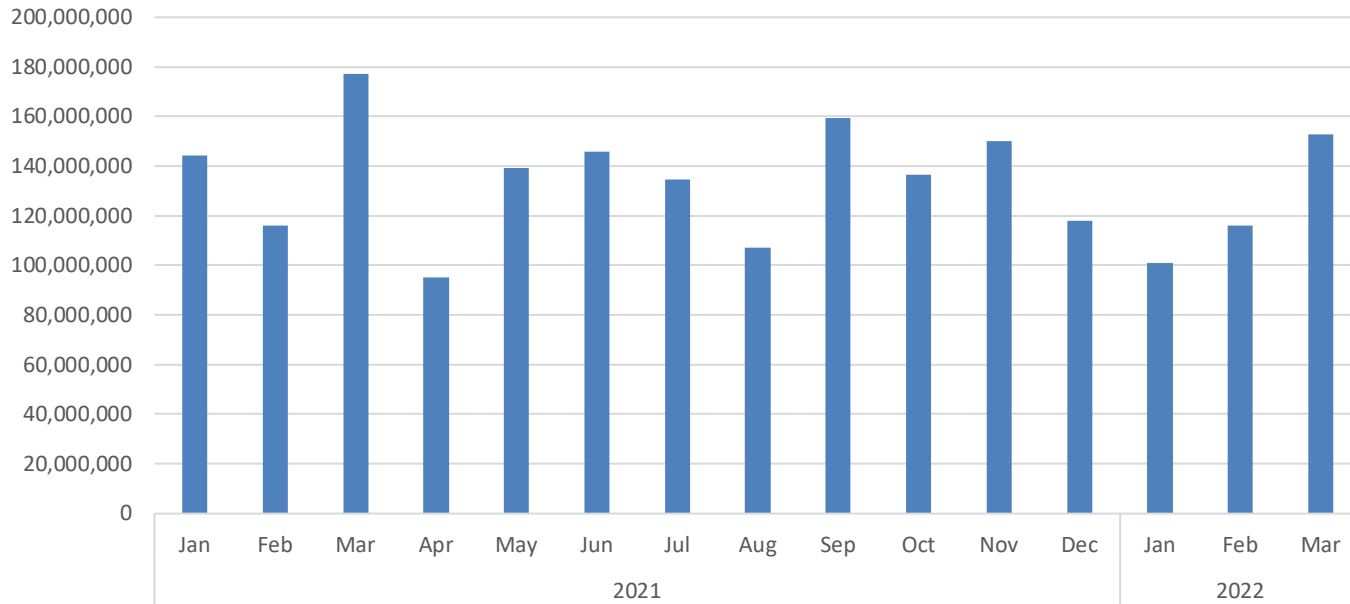
*Estimated based on Total Project Budgets from executed funding agreements and submitted costs as of April 13, 2022.



Capital Pipeline Program | Monthly Audited Project Costs

Rolling 12 month submitted costs monthly average of \$129.5 million

Total 12 Month Audited Costs = \$1.55 billion





Capital Pipeline Program | Closeout Audits

Today's Vote: April 27, 2022 Approval of Final Audits – Capital Pipeline Projects

	MSBA ID	District Name	School Name	Project Type	Project Scope	Reimb. Rate	Total Project Budget	Final Costs Submitted	Ineligible Costs	Basis for Final Total Facilities Grant	Authorized Grant for Cap Reconciliation	Final Total Facilities Grant	Grant Reconciliation FY	Additional Savings in Final Audit Grant for Cap Reconciliation
1	201301220015	Hanover	Sylvester	Core Program	Addition / Renovation	53.70%	\$31,623,075	\$32,421,584	\$4,902,363	\$27,519,221	\$15,932,606	\$14,777,822	FY17	\$1,154,784
2	201302070025	Newton	Cabot	Core Program	Addition / Renovation	40.22%	\$48,994,618	\$47,553,212	\$13,581,397	\$33,971,815	\$13,733,439	\$13,663,464	FY17	\$69,975
						TOTAL	\$80,617,693	\$79,974,796	\$18,483,760	\$61,491,036	\$29,666,045	\$28,441,286		\$1,224,759

*The Fiscal Years highlighted in bold are not included in the original FY08-FY16 Grant Reconciliation summary.



MSBA Updates

- **Executive Director's Report**
- Project Status Updates
 - Project Overview Report



Project Visits/ Meetings and Local Votes

- Since the March 2nd Board meeting, the MSBA has visited or spoken with 22 projects.
- 3 Districts have voted affirmatively to appropriate feasibility study funds or full project funds as of April 22, 2022.

Project Visits/Meetings		Local Votes	
Acton-Boxborough	Gardner	Feasibility Study Funds Wilmington	Full Project Funds Norwood Hingham (Interim Funding)
Amesbury	Lowell		
Arlington	Millbury		
Ashland	Orange		
Attleboro	Pentucket		
Belmont	Rockland		
Bridgewater-Raynham	Sharon		
Bristol County	Springfield		
Dennis-Yarmouth	West Springfield		
Easthampton	Weymouth		
Easton	Worcester		



Project Visits/Meetings

Upcoming site visits and calls anticipated in May and June:

Project Visits/Meetings	
Acton-Boxborough	Easton
Amesbury	Gardner
Arlington	Lowell
Ashland	Millbury
Attleboro	Orange
Bridgewater-Raynham	Rockland
Bristol County	Springfield
Dennis-Yarmouth	Weymouth
Easthampton	Worcester



Outreach

Since the March 2nd Board meeting, Jack McCarthy participated in 7 Outreach events:

- 3/4/2022 - Meeting with Holyoke Mayor
- 3/16/2022 – Tour of Framingham Schools with Senate President
- 3/29/2022 – Meeting with Colliers regarding healthy materials
- 3/31/2022 – Meeting regarding MSBA- Northeast Metro Project Discussion
- 4/7/2022 – Meeting with Senator Timilty
- 4/12/2022 - Meeting with Chair Peisch
- 4/14/2022 - ACEC/ MA 2022 State Market Conference



MSBA Updates

- Executive Director's Report
- **Project Status Updates**
 - **Project Overview Report**



Accelerated Repair – Bid Summary

2020 Accelerated Repair Program

- 7 of the 8 reported projects bid within the estimated budget
- Additional 11 projects are anticipated to bid by the June Board of Directors meeting



Core Program – Bid Results 2021

- 12 projects received sub-bids in 2021, 11 have reported DBB bids or GMP executions to date
- 9 reported bids came in within the estimated budget

District	School	Scope	Project Type	Bid Date	Construction Estimate *	Bid Amount *	Variance from Construction Estimate	Reim. Rate	Potential Grant Variance **
Millbury	Raymond E. Shaw ES	New	DBB	2/10/2021	\$49,269,791	\$46,273,468	-\$2,996,323	61.37%	-\$1,838,843
Rockland	Jefferson ES	New	DBB	2/24/2021	\$68,249,754	\$58,190,000	-\$10,059,754	67.08%	-\$6,748,083
Easton	Center School	New	DBB	2/23/2021	\$74,886,581	\$63,637,537	-\$11,249,044	55.93%	-\$6,291,590
Dennis-Yarmouth	Mattacheese Middle School	New	DBB	3/16/2021	\$93,744,492	\$84,013,640	-\$9,730,852	57.68%	-\$5,612,755
Sharon	Sharon HS	New	CMR	3/22/2021	\$126,242,153	\$121,544,639	-\$4,697,514	48.95%	-2,299,433
Amesbury	Amesbury ES	New	DBB	4/20/2021	\$48,946,932	\$50,040,000	\$1,063,068	58.98%	\$0
Orange	Dexter Park School	Add/Reno	DBB	7/14/2021	\$45,730,728	\$44,513,553	-\$1,217,175	80.00%	-\$973,740

*The construction estimate and bid amount include pre-construction services and alternates.

**These numbers are based on preliminary information received from the district and are subject to further review and calculation.



Core Program – Bid Results 2021

- 12 projects received sub-bids in 2021, 11 have reported DBB bids or GMP executions to date
- 9 reported bids came in within the estimated budget

District	School	Scope	Project Type	Bid Date	Construction Estimate *	Bid Amount *	Variance from Construction Estimate	Reim. Rate	Potential Grant Variance **
Springfield	William N DeBerry ES	New	CMR	11/1/2021	\$77,814,250	\$77,126,270	-\$687,980	80.00%	-\$550,384
Braintree	South MS	New	DBB	12/7/2021	\$69,181,416	\$66,700,700	-\$2,480,716	53.96%	-\$1,338,594
Waltham	Waltham HS	New	CMR	12/13/2021	\$299,523,790	\$299,304,940	-\$218,850	65.71%	-\$143,806
Gloucester	East Gloucester ES	New	CMR	2/23/2022	\$52,139,531	\$52,270,320	\$130,789	64.65%	\$0
Total					\$1,005,759,418	\$963,615,067	-\$42,144,351	-	-\$25,797,230

*The construction estimate and bid amount include pre-construction services and alternates.

**These numbers are based on preliminary information received from the district and are subject to further review and calculation.



Core Program – Bid Results 2022

- 16 projects scheduled to receive sub-bids in 2022, 1 has reported DBB bids or CMR executions to date
- 1 reported bid came in above the estimated budget

District	School	Scope	Project Type	Bid Date	Construction Estimate *	Bid Amount *	Variance from Construction Estimate	Reim. Rate	Potential Grant Variance **
Ashland	David Mindess ES	New	CMR	3/8/2022	\$67,945,296	\$69,007,311	\$1,062,015	55.57%	\$0
Total					\$67,945,296	\$69,007,311	\$1,062,015	-	\$0

*The construction estimate and bid amount include pre-construction services and alternates.

**These numbers are based on preliminary information received from the district and are subject to further review and calculation.



Core Program - Anticipated Bids

Anticipated Sub-Bids in April, May, and June:

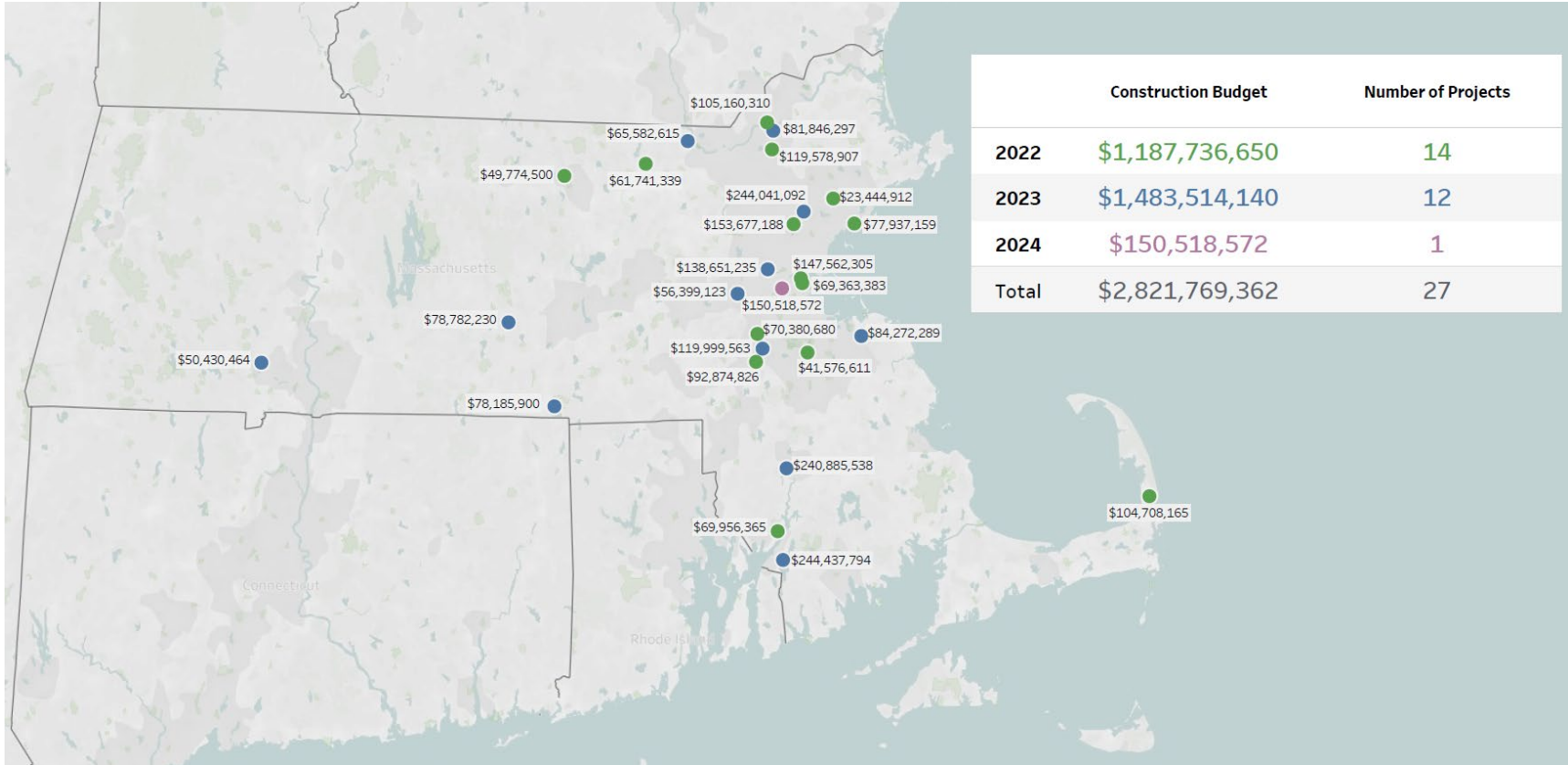
- April –None
- May – Boston JQUS (CMR)
- June – Nauset Regional (DBB), Somerset (DBB), Westwood (DBB)

Anticipated DBB Bids or GMP Executions in April, May, and June:

- April – None
- May – Lowell (CMR), Worcester (CMR)
- June – Westwood (DBB)

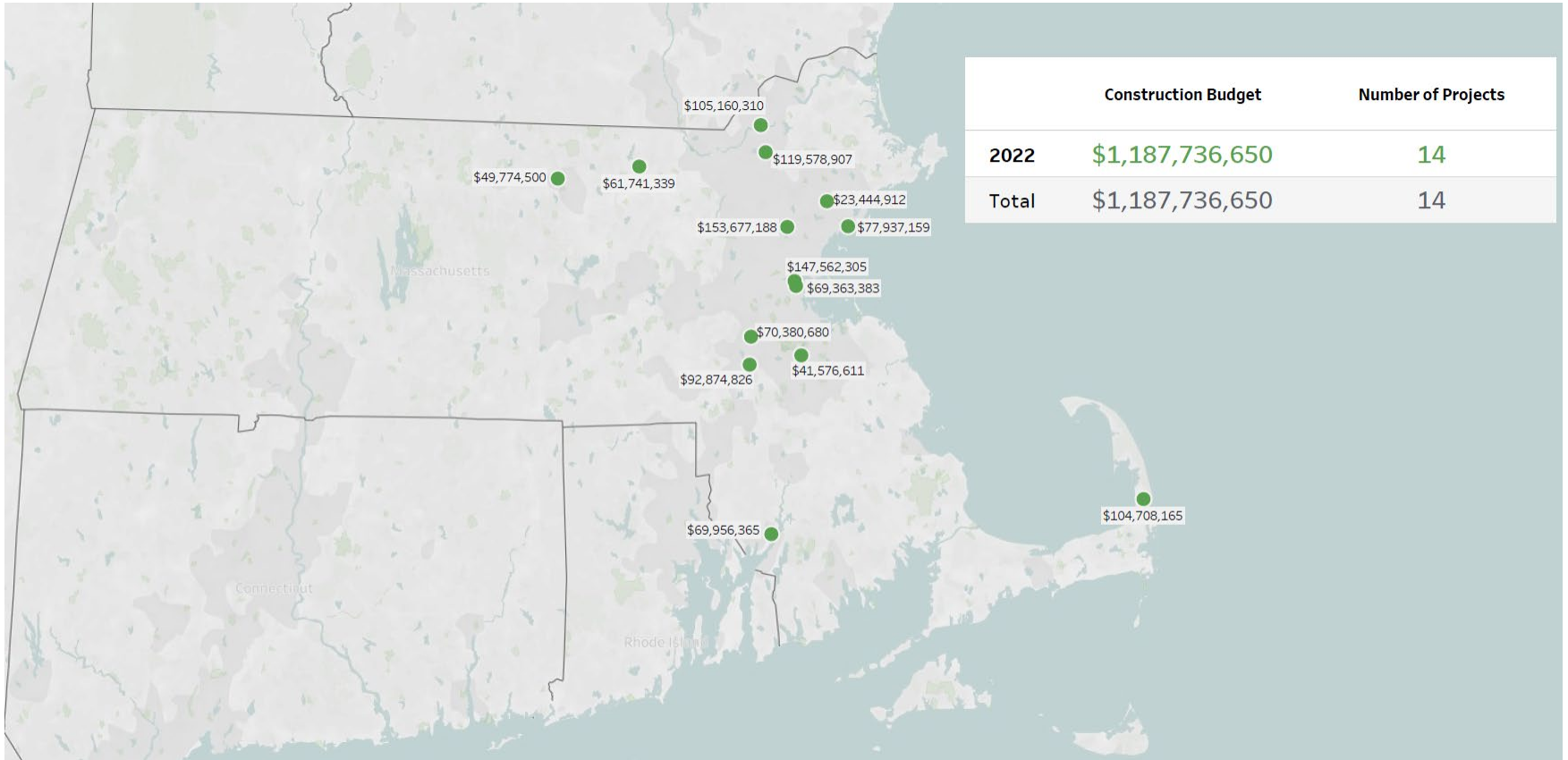


Upcoming MSBA Bids



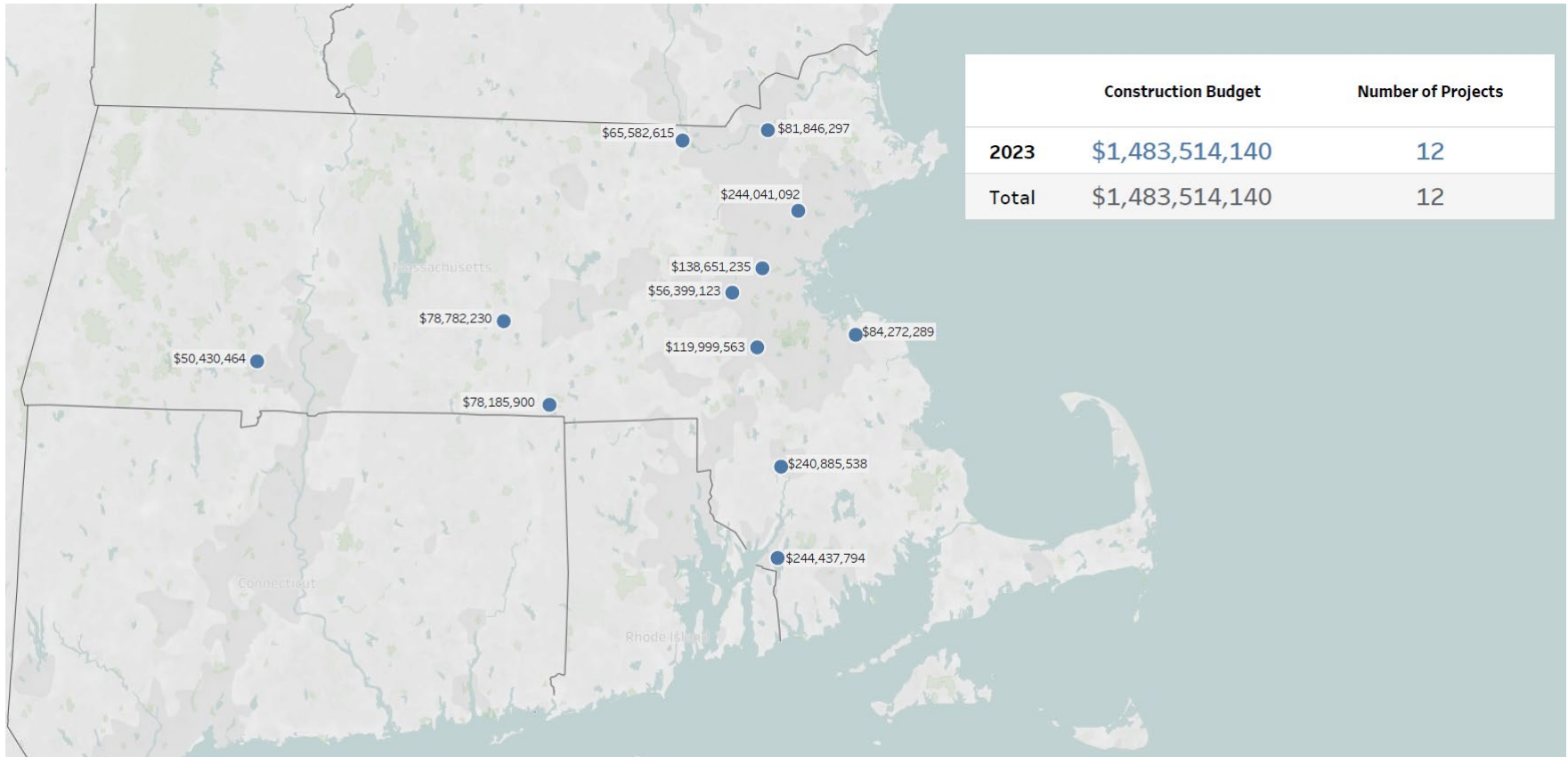


Upcoming MSBA Bids 2022





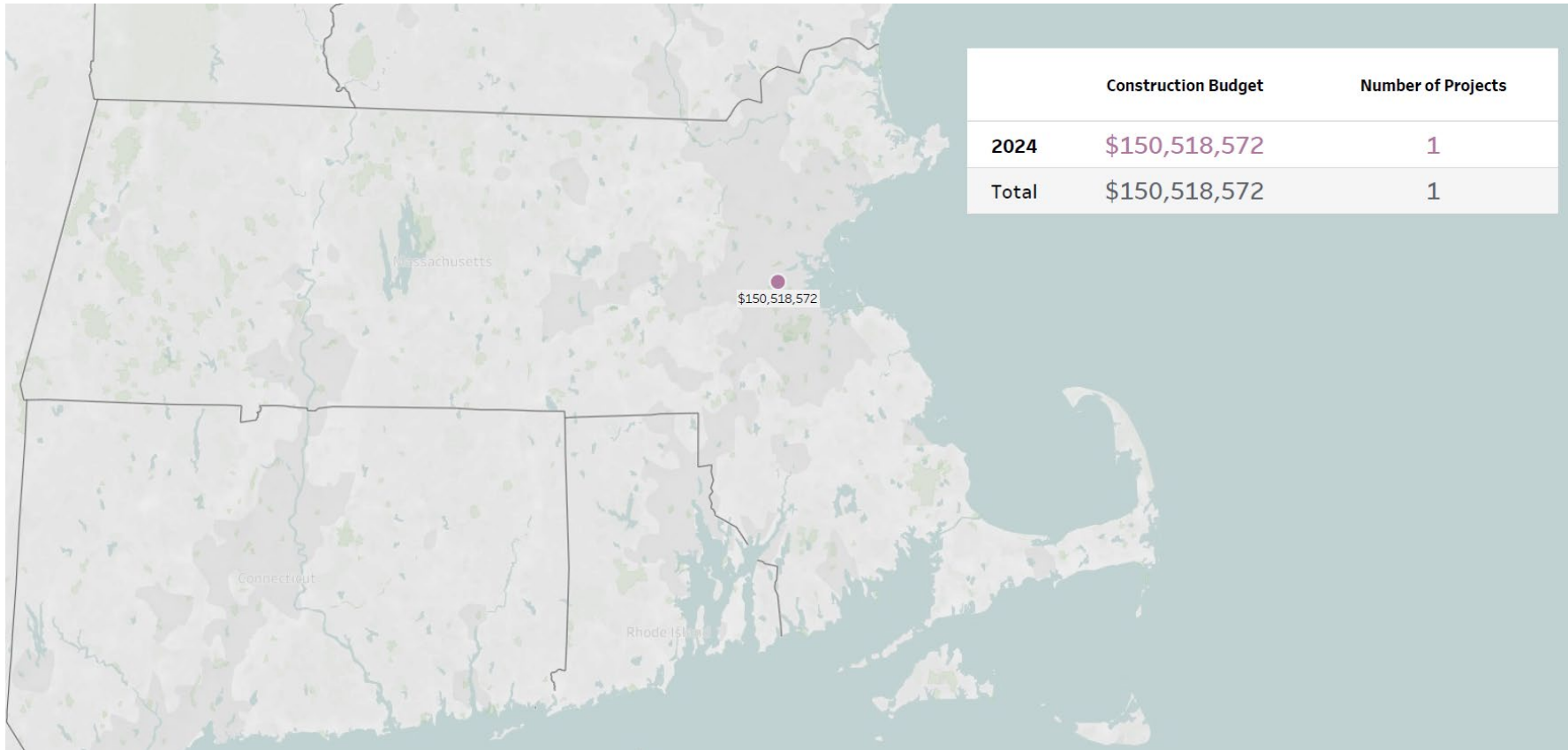
Upcoming MSBA Bids 2023



	Construction Budget	Number of Projects
2023	\$1,483,514,140	12
Total	\$1,483,514,140	12



Upcoming MSBA Bids 2024





Finance Update

- **Sales Tax Collections Update**
- Grant Payments Update
- FY 2022 Budget Update
- Authorization for Defeasance - *Vote*
- Bond Counsel Services – *Vote*
- Disclosure Counsel Services - *Vote*
- Financial Advisory Services - *Vote*



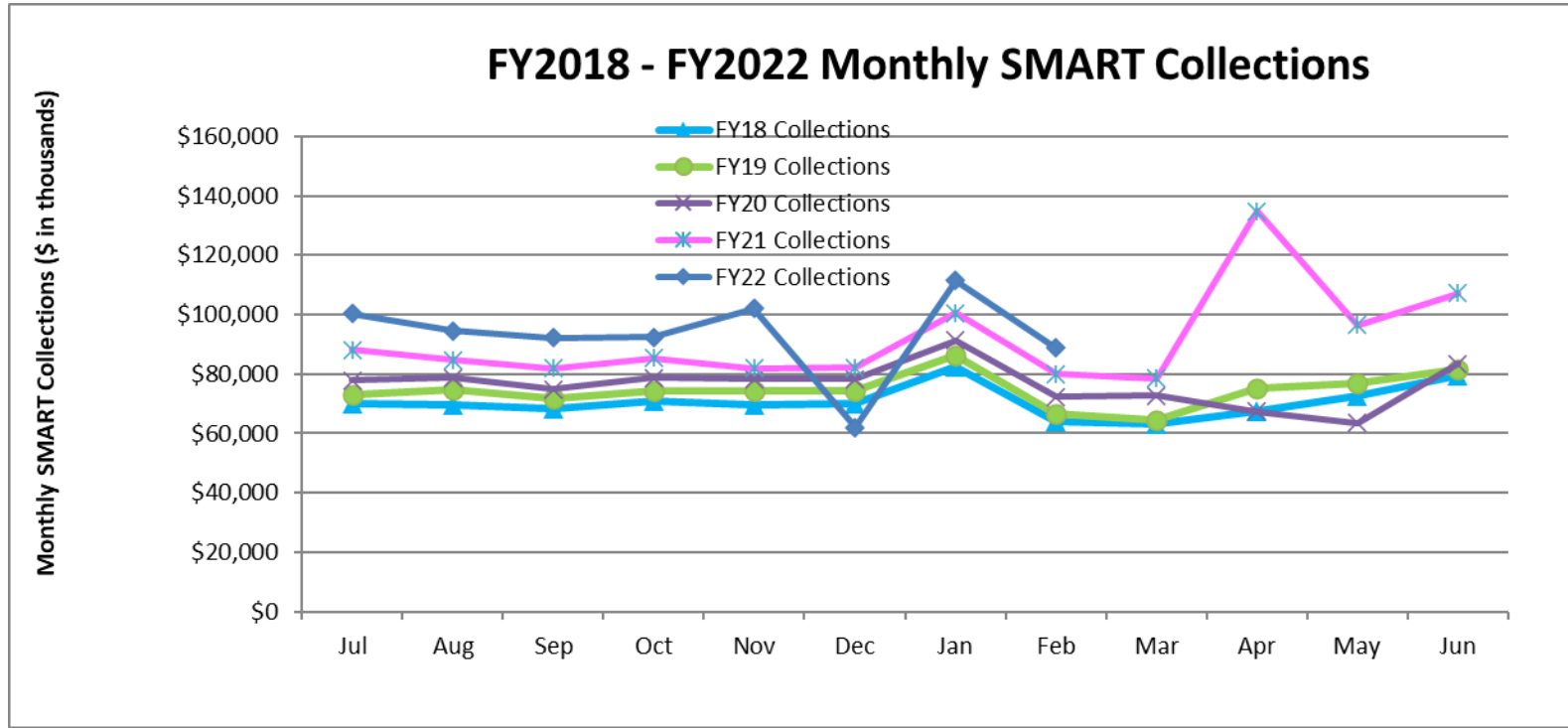
SMART Collections Update

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
FY21 Receipts	\$ 88,108	\$ 84,707	\$ 81,869	\$ 85,292	\$ 81,978	\$ 82,039	\$ 100,578	\$ 79,993	\$ 78,442	\$ 134,696	\$ 96,553	\$ 107,227	\$ 1,101,482
\$ Change vs. FY20	\$ 10,167	\$ 5,954	\$ 7,081	\$ 6,618	\$ 3,749	\$ 3,785	\$ 9,248	\$ 7,727	\$ 5,752	\$ 67,249	\$ 32,955	\$ 23,889	\$ 184,175
% Change vs. FY20	13.05%	7.56%	9.47%	8.41%	4.79%	4.84%	10.13%	10.69%	7.91%	99.71%	51.82%	28.66%	20.08%
FY22 Receipts	\$ 100,316	\$ 94,496	\$ 92,282	\$ 92,365	\$ 102,050	\$ 61,929	\$ 111,428	\$ 88,825					\$ 743,691
\$ Change vs. FY21	\$ 12,208	\$ 9,789	\$ 10,413	\$ 7,073	\$ 20,072	\$ (20,110)	\$ 10,850	\$ 8,832					\$ 59,126
% Change vs. FY21	13.86%	11.56%	12.72%	8.29%	24.48%	-24.51%	10.79%	11.04%					8.64%

- FY 22 collections for July through February are \$59.1 million (8.64%) higher than same period of FY 21

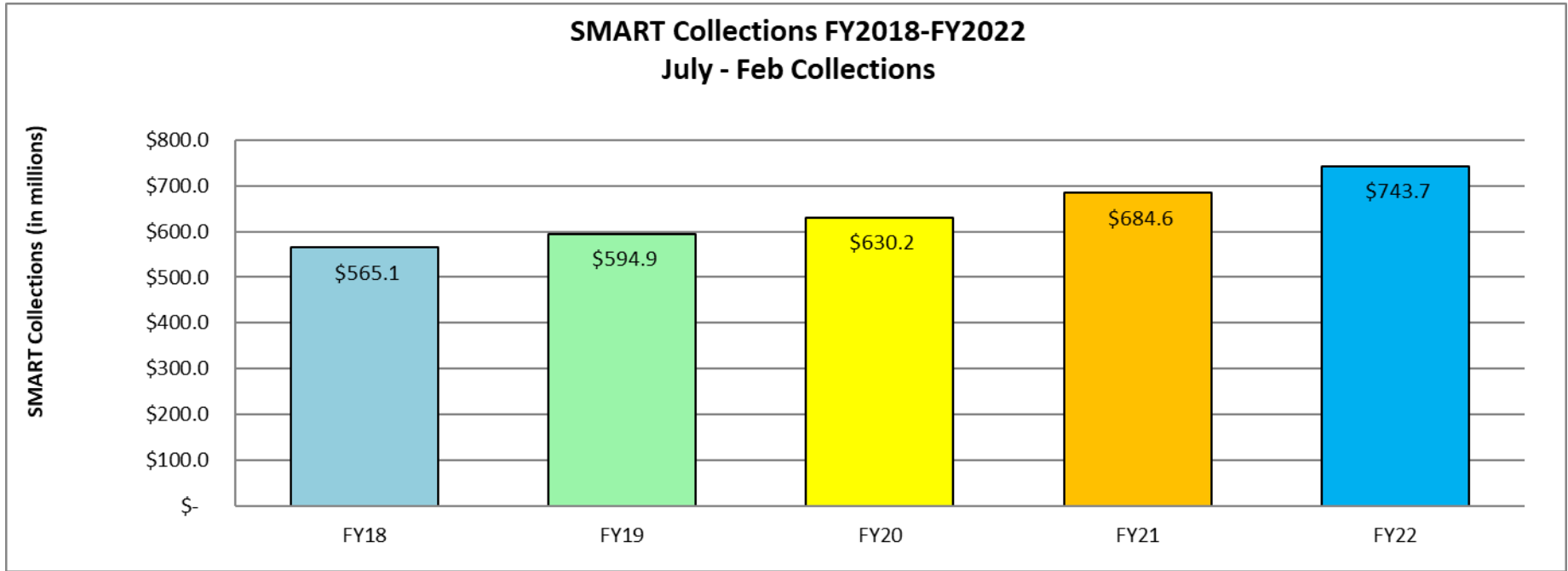


SMART Collections Update





SMART Collections Update





Finance Update

- Sales Tax Collections Update
- **Grant Payments Update**
- FY 2022 Budget Update
- Authorization for Defeasance - *Vote*
- Bond Counsel Services – *Vote*
- Disclosure Counsel Services - *Vote*
- Financial Advisory Services - *Vote*



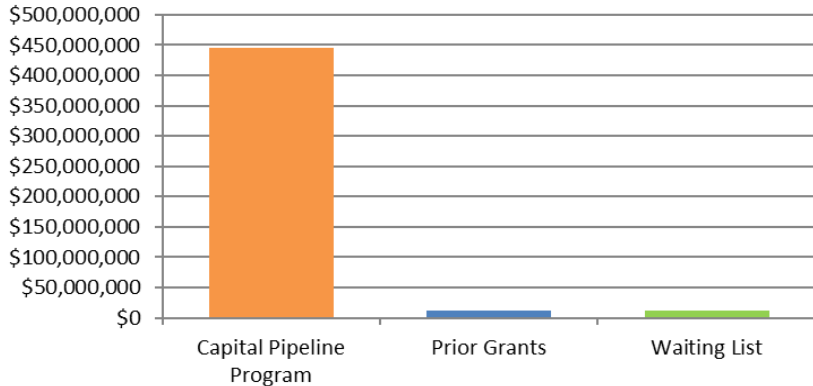
Grant Payments | FY2022 YTD Update

FY22 YTD Grant Payments Summary*

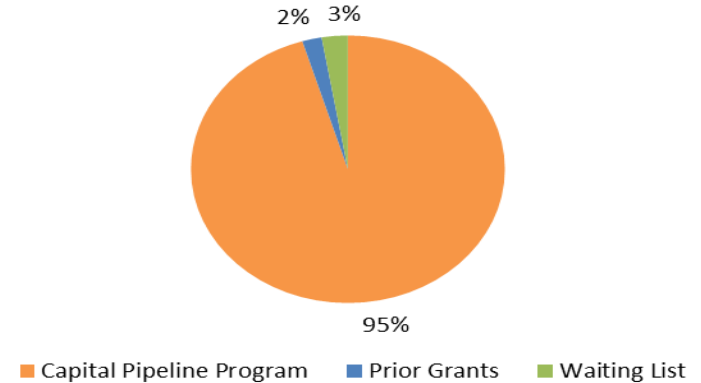
Program	Grant Payments	YTD % by Program	# Projects	# Districts
Capital Pipeline Program	\$ 445,476,726	95%	139	101
Prior Grants	\$ 12,149,173	2%	14	13
Waiting List	\$ 12,533,998	3%	20	16
Total	\$ 470,159,897	100%	173	120

*Reflects grant payment data as of April 1, 2022.

FY22 Grant Payments - YTD by Program



FY22 Grant Payments - YTD % by Program



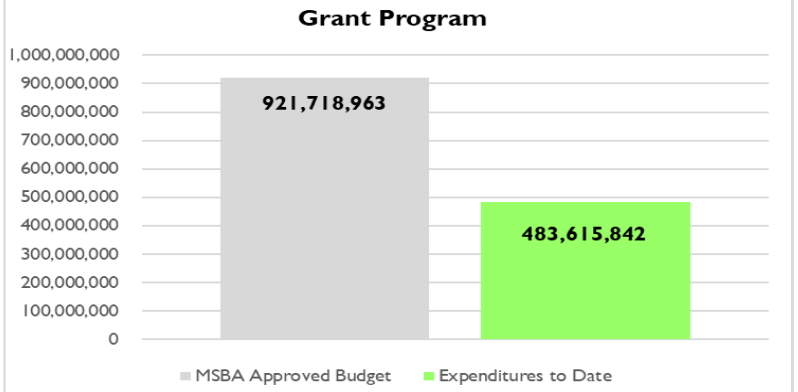
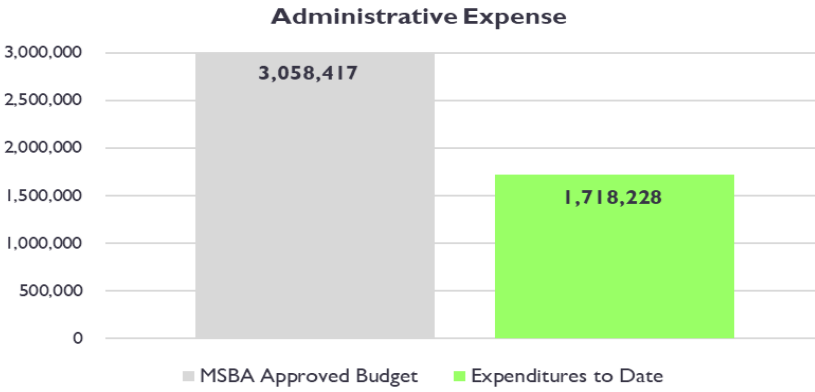
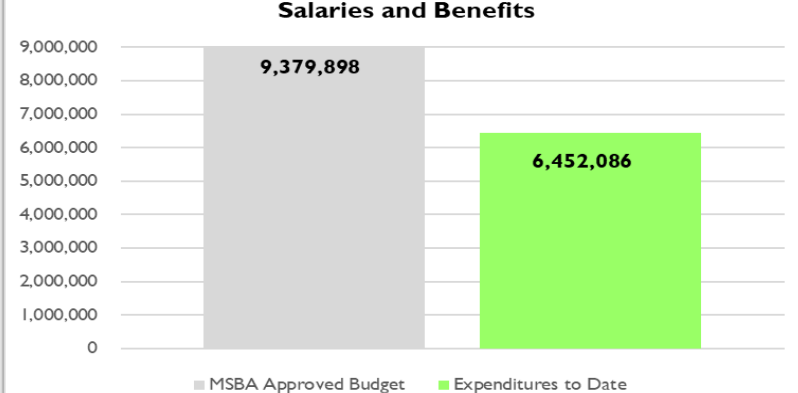
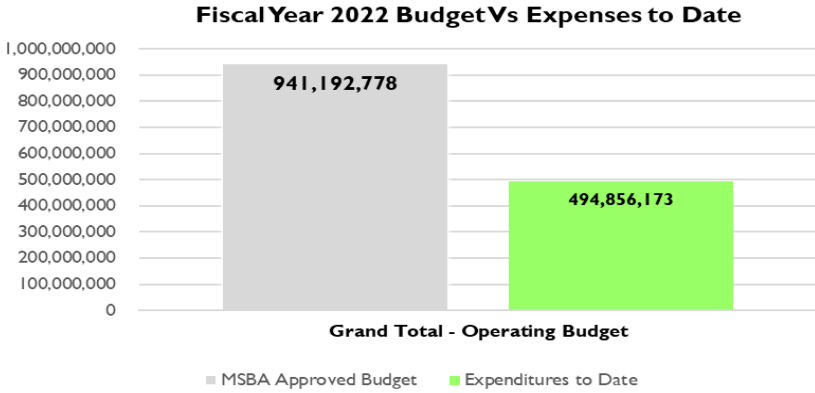


Finance Update

- Sales Tax Collections Update
- Grant Payments Update
- **FY 2022 Budget Update**
- Authorization for Defeasance - *Vote*
- Bond Counsel Services – *Vote*
- Disclosure Counsel Services - *Vote*
- Financial Advisory Services - *Vote*

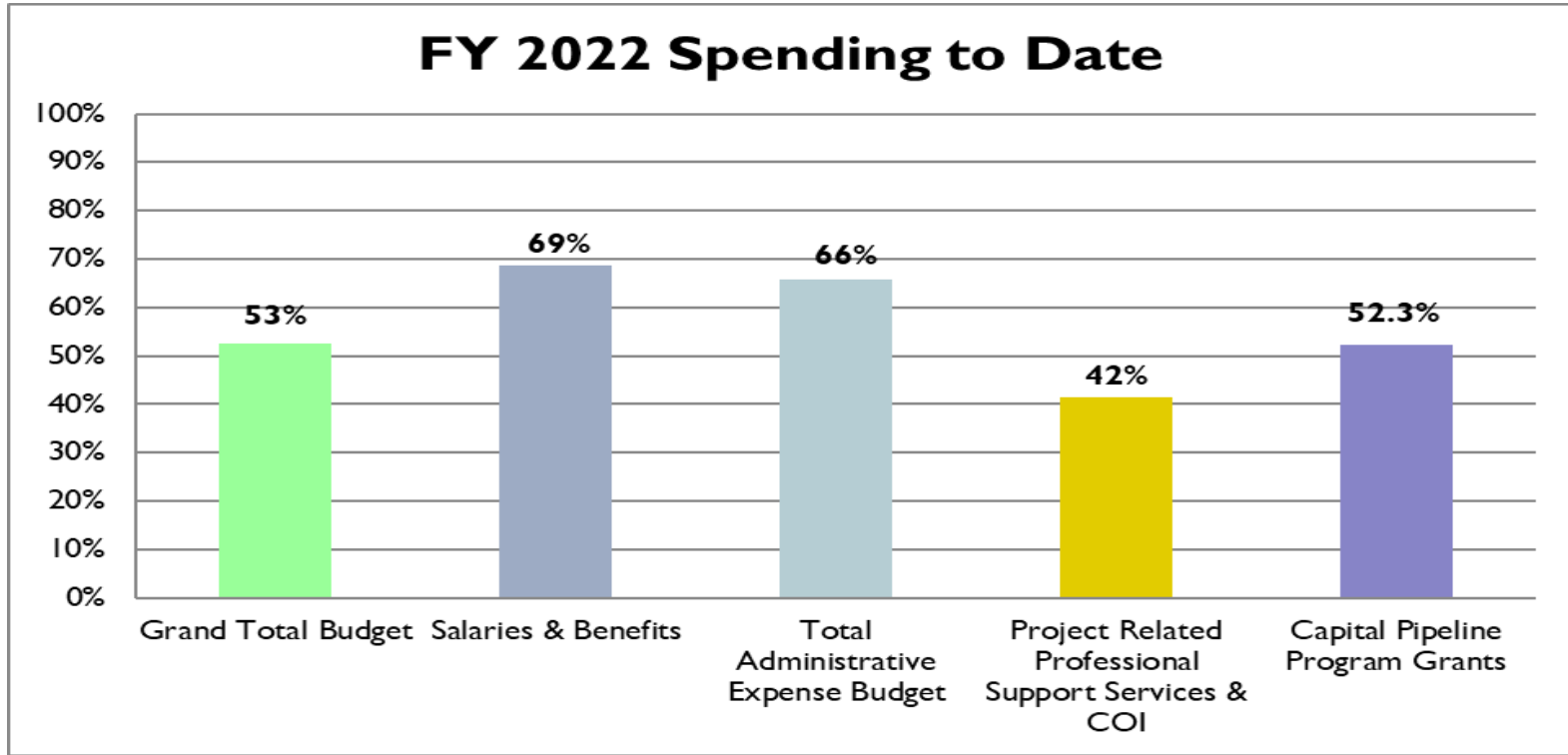


Fiscal Year 2022 Budget vs Actuals





Fiscal Year 2022 Spending to date





Finance Update

- Sales Tax Collections Update
- Grant Payments Update
- FY 2022 Budget Update
- **Authorization for Defeasance - *Vote***
- **Bond Counsel Services - *Vote***
- **Disclosure Counsel Services - *Vote***
- **Financial Advisory Services - *Vote***



Authorization for Defeasance

- **Rising interest rate environment creates enhanced economic opportunity to utilize cash defeasance strategy of paying off high coupon debt with available cash**
- **Request for authorization to defease outstanding debt up to a par amount of \$400 million:**
 - Use of DSRF invested in GIC maturing in July 2022 to defease remaining 2012A & B Bonds callable in August 2022
 - Use of available and unrestricted cash to strategically defease high coupon debt on longer end of debt service curve
 - Goals: reduce/flatten overall fixed-rate (debt) costs and maximize savings



Bond Counsel Services

- **MSBA issued RFR for Bond Counsel Services in December 2021**
 - All 3 responses met Phase I Review: Hinkley Allen, Locke Lord and Mintz Levin
 - Phase II review included evaluation of:
 - Qualifications and Professional Experience and Key Personnel
 - Understanding of MSBA program
 - Approach to providing services requested
 - Supplier Diversity and Investment in Massachusetts
 - 5 member PMT met March 15, 2022 to discuss and determine scores
 - Mintz Levin (the incumbent) scored the highest and is recommended for selection to provide Bond Counsel services
 - Term of 3 years; 2 options to renew for one year at MSBA discretion; same terms and conditions
 - Value of services over full potential term may exceed \$250K
 - Pursuant to the MSBA's By-laws, the Board must authorize the Executive Director to enter into agreements that exceed this amount



Disclosure Counsel Services

- **MSBA issued RFR for Disclosure Counsel Services in December 2021**
 - All 5 responses met Phase I Review; Adler, Pollock & Sheehan, Greenberg Traurig, Hinkley Allen, Locke Lord and Mintz Levin
 - Phase II review included evaluation of:
 - Qualifications and Professional Experience and Key Personnel
 - Understanding of MSBA program
 - Approach to providing services requested
 - Supplier Diversity and Investment in Massachusetts
 - 5 member PMT met March 15, 2022 to discuss and determine scores
 - Greenberg Traurig (the incumbent) scored the highest and is recommended for selection to provide Disclosure Counsel services
 - Term of 3 years; 2 options to renew for one year at MSBA discretion; same terms and conditions
 - Value of services over full potential term may exceed \$250K
 - Pursuant to the MSBA's By-laws, the Board must authorize the Executive Director to enter into agreements that exceed this amount



Financial Advisory Services

- **MSBA issued RFR for Financial Advisory Services in November 2021**
 - All 7 responses met Phase I Review; Crews & Assoc., Frasca, Hilltop, Masterson Advisors, Omnicap, PFM and PRAG
 - Phase II review included evaluation of:
 - Demonstrated experience
 - Knowledge and understanding of MSBA program
 - Qualifications, Licensing and Education
 - Capacity and Organizational Structure
 - Proposed overall approach
 - Supplier Diversity and Investment in Massachusetts
 - Best value
 - 5 member PMT met January 24, 2022 to discuss and determine scores
 - PFM and Omnicap scored the highest and both firms are recommended for selection to provide Financial Advisory services
 - Term of 3 years; 2 options to renew for one year at MSBA discretion; same terms and conditions for both
 - Value of services over full potential term may exceed \$250K for each firm
 - Pursuant to the MSBA's By-laws, the Board must authorize the Executive Director to enter into agreements that exceed this amount.