

Concord Middle School Building Committee
Finance Subcommittee
Meeting Minutes
December 5, 2019

PRESENT: Susan Bates, Mike Carroll (Hill International), Kate Hanley, Jon Harris, Tim Hult, Laurie Hunter, Pat Nelson, Jared Stanton

Call to Order

The meeting was called to order by Mr. Hult at 7:35 AM.

Update on Budget Status for the Feasibility and Design Phase of the Project

Mr. Carroll stated that Hill International and Concord Town Manager, Stephen Crane, are finalizing the contract with the designer, SMMA. He stated that, to date, the current contract with Hill International is for \$399,800, and that they've agreed in principle on a number with SMMA of \$889,400, noting that this leaves \$300,000 in contingencies. Mr. Carroll also noted that the number for SMMA is higher than typical MSBA projects because SMMA was asked to include items such as geotechnical and traffic studies. Mr. Carroll stated that the next 30-45 days of the project would be design heavy and noted that design services are covered through the end of Schematic Design.

Review the Invoice Approval Process

Mr. Harris reviewed a draft policy, including approvals for contracts, purchase orders, invoices, change orders; and items on prevailing wage, retention of records. The Town Manager would negotiate and approve contracts, of which copies would be given to Hill, Dr. Hunter, the contractor and the Town. Purchase orders, for funds approved but not expended, after approval by Dr. Hunter and Committee Co-Chair, would be authorized to process with various levels of approval based on amount by Concord Finance. All invoices would be sent to Hill for initial review and approval, then to Dr. Hunter to create a schedule of approved payments (including supporting documents), to be provided to the Committee Co-Chair for inclusion on the schedule for the next CMSBC meeting. The invoices would be approved by the whole Committee, which could also take out individual invoices for discussion, if needed. After approval by the CMSBC, the Concord Finance Director would authorize payment through the Concord Finance Department, with electronic copies (including supporting data) being provided to Hill and the School Dept. Change orders would be reviewed and approved by Hill, and would require signatures by the Town Manager, Superintendent, Committee Co-Chair and Contractor. Prevailing Wage would be Hill's responsibility, who would provide electronic copies for record. Records would be retained for 1 year after the payment of the borrowing by the School Department and Finance Department.

Mr. Carroll noted that Hill should not be approving the change order, but should be recommending approval.

Revisit the Overall Project Cost Context with Updated Information

Mr. Hult shared a cost document containing: overall cost (currently unknown), the presentation to the Town from April, new building vs refurbished, moving forward without MSBA. He stated that the

average square foot used in the projection was \$648 from MSBA's projection in 2019-2020 and that the Finegold Alexander Study suggested a 125,000 square foot building. He stated that this would net an \$81 million building, noting that construction growth averaged 6.93% per year. Mr. Hult stated that before Town Meeting, given the best guess at a timeline, it was estimated to cost in the \$90 million plus range. He stated that during the Town Meeting discussion, an amendment was passed encouraging the project be net zero ready, noting that this was not included in Finegold Alexander's study.

Mr. Carroll shared data from similar sized MSBA new building projects. Dr. Hunter noted that the Finegold Study was completed with no context or feedback in what was needed in a new school, and included no design process. Mr. Carroll reviewed the data, including cost per square foot, cost per student, and square footage per student. Mr. Hult noted that, in terms of square footage, they will need to take into consideration the fact that the Town would like to have the building also serve other functions for the Town.

Public Comment: Linda Nieman questioned if they were using current student body size or future estimates and Dr. Hunter stated that they are always watching enrollments and work with NESDEC on projections, noting that she doesn't see a large difference in where they are now. Mr. Carroll stated that they would not be designing to an exact number and would need flexibility. Dr. Hunter noted that the elementary enrollments are down some.

Discuss What Additional Feasibility Work May Be Required Regarding the Build New vs. Renovation Decision

Mr. Hult stated that Finegold's study was completed in 2017, which concluded that, for a 10 year outlook, it would take \$34-37 million to get Peabody and Sanborn buildings in the shape to provide reasonable educational opportunities. He stated that the 50 year renovation costs for those buildings would cost \$68 million and doing a major renovation to Sanborn was \$61 million. He stated that their new building estimate was \$68 million. He stated that the study results led the School Committee to request a new middle school building and asked what the CMSBC needs to do to validate these numbers, noting that the work was thorough and detailed. He stated that they could ask SMMA to validate the findings, within a reasonable timeframe.

Mr. Carroll stated that Hill required SMMA to do a validation of the study and an existing conditions survey of Sanborn, while understanding the educational programming from the District. Dr. Hunter noted that they do need to validate it, but that they need to be efficient about the validation.

Dr. Hunter stated that she would be hearing from MSBA whether or not they are invited in the process in the next few days. Mr. Hult stated that the cost of waiting another year would be anywhere from \$6 million to \$22 million and that the reimbursement for a project costing \$90 million would be about \$18-\$22.5 million.

Public Comments/Questions

Linda Nieman asked for an overview of the timeline and Mr. Hult stated that they are in the process of discussing several timelines, noting that the Committee would have a better timeline estimate in 2-3 weeks. Ms. Hanley stated that it would require a Town Meeting vote and a ballot vote and Dr. Hunter stated that

it would most likely require a special Town Meeting , noting that they would not be proposing anything for the April 2020 Town Meeting.

Ms. Nelson stated that it would be helpful to have background information on cost drivers and expected educational outcomes to share with the community.

Public Comment: Peter Fischelis, Concord Finance Committee Observer. Mr. Fischelis recommended getting cost information out sooner than later since it is more than expected. Mr. Hult stated that the CMSBC is trying to be as transparent as possible with what they know, noting that they need to have an informed educational program design before talking about specific numbers. Mr. Carroll noted that he is reasonably confident with the \$80-\$100 million range, noting that there may be things they could pay for up front to have overall cost savings.

A motion was made to adjourn by Ms. Bates, seconded by Ms. Hanley. The motion was approved and the meeting adjourned at 8:50 AM.

Respectfully Submitted,

Erin Higgins
Recording Secretary

Approved: 1.16.20

Abbreviations:

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| CMSBC | Concord Middle School Building Committee |
| MSBA | Massachusetts School Building Authority |
| OPM | Owner's Project Manager |
| RFP | Request for Proposal |
| ROI | Return on Investment |