



**Consentino School Building Committee Remote Meeting
August 11, 2022**

An act relative to extending certain COVID-19 measures adopted during the state of emergency was signed by Lt. Governor Polito and allows for remote meetings and hearings by public bodies through March, 2023.

I. Call to Order.

Mayor Fiorentini called the meeting to order at 9:01 am. A roll call was held and the results were the following:

Mr.	Bevilacqua	Absent	Mr.	MacDonald	Absent
Mr.	Boucher	Present @ 9:05 am	Mr.	Pfifferling	Present
Mr.	Bucuzzo	Present	Dr.	Poor	Present
Mr.	DiBurro	Present	Ms.	Sullivan	Present
Mr.	Dorrance	Present	Mrs.	Perkins	Present
Ms.	Hernandez-Bailey	Absent	Mr.	Wood	Absent
Dr.	Marotta	Present	Mayor	Fiorentini	Present

Also present were:

Craig	DiCarlo, AIA, LEED AP BD+C, MCPPO Project Manager ~ Colliers Project Leaders
Michele	Barbaro-Rogers, AIA, MCPPO, Senior Associate, Dore+Whittier
Donald	Walter, AIA, MCPPO Dore+Whittier
Melinda	Barrett, City Council Member
Jason	Boone, ALEP, Associate AIA, MCPPO, Senior Associate, Dore+Whittier
John	Bates, AIA, LEED AP, Project Manager ~ Colliers Project Leaders

II. Review Previous Meeting Minutes for Approval

a. July 14, 2022

Mrs. McGillicuddy related that the minutes had been distributed at a later date. Several members did not have time to review the minutes.

A motion was made by Mr. DiBurro to table approval of the minutes of July 14, 2022, to the next meeting. Ms. Sullivan seconded the motion. A roll call vote was requested:

Mr.	Bucuzzo	Yes	Dr.	Poor	Yes
Mr.	DiBurro	Yes	Ms.	Sullivan	Yes
Mr.	Dorrance	Yes	Mrs.	Perkins	Yes
Dr.	Marotta	Yes	Mayor	Fiorentini	Yes

Motion passes

III. OPM Report

a. Project Budget & Schedule.

Mr. DiCarlo reviewed several budget documents with the committee [MSBA OPM Report Combined 2022-0810.pdf](#). He referenced the cost estimator expenditure that will go over budget by approximately \$13,000-\$14,000, is not MSBA reimbursable however, a necessary outlay of funds.

In reference to the schedule, Mr. DiCarlo reported that the project continued to be in schematic design phase, however, there had been a completion of the design work and cost estimation process. He noted that the results of the high level of cost estimate process will be sent to MSBA in advance of the schematic design submission on August 31, 2022. Mr. DiCarlo related that MSBA will prepare a draft project scope and budget agreement to be submitted to the MSBA Board of Directors for a vote on October 26, 2026 which will allow the project to advance to the next phase.



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IV. Design Team Report.

Mr. DiCarlo explained the cost estimation procedure whereby the project was submitted to two (2) separate, independent firms to review followed by a process of reconciliation (simple average between the 2 results) resulting in a reconciled estimate. He stated the two firms were A.F. Fogarty (City) and PM & C (Dore+Whittier). Mr. DiCarlo reviewed the document (displaying all line items) with the building committee detailing the A/E Control Budget, Estimate for Review, Revisions at Reconciliation Meeting and Reconciled Estimate (average of two results).

Mr. DiCarlo highlighted the \$83.5M in total building construction and \$9M site construction with a total cost prior to markup of \$93M. He then reviewed the markup (not included but anticipated costs) are: design/pricing contingency, performance bond, insurance, permits, CM contingency, general conditions, general requirements, overhead and profit/CM fee for a total of \$22M. Mr. DiCarlo stated there was escalation cost of \$10M resulting in a projected, anticipated total construction cost of \$124.8M. He commended the design team and school officials for a disciplined approach resulting in a slight budget increase of \$181,000. Mr. DiCarlo reviewed the proposed deduct alternates (cost savings) for the project to alleviate any overage. He commented that these were the only project team ideas suggested to date since the project is essentially on budget. Mr. DiCarlo explained the types of costs: hard costs (make a building) and soft costs (professional fees, expenses, and contingencies).

Mr. Boucher questioned the similarity with the estimate for review and asked if it was an artificial number.

Mr. DiCarlo answered it was an agreed number from all parties.

Mr. DiCarlo began a review of the draft total budget cost for the project according to MSBA guidelines (tracking spreadsheet document) compiled by the OPM and reviewed by MSBA, which included eligible and ineligible reimbursements. He pointed out the document would be continually reexamined and updated during the process. Mr. DiCarlo emphasized it was an estimate noting the district's and MSBA's contribution for the project; once completed the document will detail the maximum MSBA contribution and the minimum district contribution. Mr. DiCarlo explained that the final version will not be available until the project's construction completion, therefore, it is a best guess or estimate. He referenced that after the schematic design package submission at end of August, the MSBA will develop the project scope agreement between the district and the MSBA outlining what is included in the project along with estimated costs and project elements for approval at the October 26, 2022, MSBA Board of Directors.

Mr. DiCarlo reported that the total project cost was:

Total Project Budget	\$162,390,554
Maximum Total Facilities Grant	\$71,556,805
Maximum District Share	\$90,833,749
Reimbursement Rate before incentive points	76.84%
Effective Reimbursement Rate	44.06%

Mr. DiCarlo explained that the lower reimbursement MSBA rate was a result of certain policies that disallowed specific items from reimbursement. He provided an example of the MSBA's square footage reimbursement rate is \$360 per square foot and did not take into account the higher market costs (\$680/square footage estimated rate), which was a painful reality. Mr. DiCarlo noted other



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instances of reimbursement percentages, such as professional fees for both the OPM = 3.5% and design fees = 10%; noting anything over that amount would be the district's responsibility.

Ms. Sullivan questioned who set the per square foot rate and why the MSBA did not reimburse based on current market prices.

Mr. DiCarlo answered that it was an MSBA policy and that the rate had recently been adjusted last year.

Mr. Walter interjected that the MSBA usually did an annual review of the rates, but typically is not able to keep up with the rising cost escalation in the construction market.

Ms. Sullivan inquired if during these exceptional times adjustments could be made for a district that did not have the financial resources and asked how appointments were made to MSBA.

Mr. Walter responded that to the best of his knowledge the MSBA had not made exceptions for communities that may have greater financial need. Regarding becoming a member of the MSBA Board, he suggested viewing the MSBA website or perhaps contacting MSBA Executive Director Jack McCarthy.

Mr. DiCarlo explained contingencies (5% = \$6M construction costs along with owner's contingency \$7.4M).

Mr. DiBurro questioned the difference in square footage reimbursement.

Mayor Fiorentini and Mr. DiCarlo stated that the reimbursement rate was very low and not comparable with the Hunking School Building Project.

Mrs. Perkins, the city's CFO emphasized the impact to the city was dramatically different today (8.11.22) with a 44% reimbursement rate from MSBA than it was several months ago (MSBA reimbursement rate 65%=\$60M city share). She noted that the retired Hale debt service had been a recommended as a funding source with the annual debt service rate along with other strategic ways (MSBA reimbursement rate 51%=\$81M) or \$4.7M. Mrs. Perkins noted that the lowering reimbursement rate this week to 44% {\$30M increase in project cost along with every interest rate percentage there is a cost to the city of \$750,000 per year over life of the loan}. She indicated the annual debt service (\$6M) impact on excess levy capacity would go down to \$2.4M and using 75% of city's available reserves) and additionally a significant tax bill impact. Mrs. Perkins noted that the overall project cost of \$152M (principal and interest). She expressed significant concerns.

Mayor Fiorentini reported the current \$4.9M excess levy capacity. He was unsure if a debt exclusion would pass for this project. The mayor commented that the project could be accomplished within the current financial situation and would make it impossible to do any other projects. He stressed the difficulties ahead with the school project.

Mr. DiBurro commented that a debt exclusion would prolong the project.

Ms. Sullivan agreed with using city funds, since this is a priority for Haverhill.

Mr. Boucher agreed with this idea and noted that equity was needed in this area for the city.



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Mr. DiBurro asked if any part of the project could be delayed to reduce costs.

Mr. DiCarlo responded that this was not an option.

Mr. Walter cautioned against this option, since the MSBA may believe the district was not meeting its own stated needs and question approval.

In regards to Mr. Bucuzzo’s question on the history of debt exclusions in Haverhill, the mayor related that the high school and middle school debt exclusions failed in the past. He noted that the Nettle and High School projects were done without a debt exclusion.

The mayor commented on the effect on the operating budget.

Ms. Sullivan asked about the results of the increased property values.

Mrs. Perkins and the mayor stated that increased property values did not have an impact.

Regarding Mr. Boucher’s question on timeline, Mr. DiCarlo answered within the next few weeks for a funding decision, i.e., debt exclusion.

Mayor Fiorentini was leaning towards using the excess levy for the project and not pursuing a debt exclusion. He noted that it was a critical project and that it would be difficult over the next decade to do any other capital project along with a tax impact. The mayor would consult with the city council and school committee.

Mr. DiCarlo emphasized the work that had been done in the design phase to align with MSBA guidelines.

The mayor strongly urged reducing costs in order to complete the project and produce a school.

Mr. DiCarlo proposed a budget revision request and reviewed the document with the committee [FSA_BRR_02_2022-0715_FINAL\(3\).pdf](#), i.e., transferring from other account the amount of \$21,200 to environmental & site, for a revised total of \$46,200 in environmental & site and \$3,800 for other. He requested a vote from the school building committee.

A motion was made to approve the budget revision as presented by the OPM. The motion was seconded by Mr. Boucher. A roll call vote was requested:

Mr.	Bucuzzo	Yes		Dr.	Poor	Yes
Mr.	DiBurro	Yes		Ms.	Sullivan	Yes
Mr.	Dorrance	Yes		Mrs.	Perkins	Yes
Dr.	Marotta	Yes		Mayor	Fiorentini	Yes

Motion passes

A motion was made by Ms. Sullivan to adjourned the meeting (9:50 am). Dr. Marotta seconded the motion. All present voted to adjourn.