

Town of Southborough, MA
Neary Building Committee Finance Subcommittee

Monday, March 31, 2025, 8 p.m.

Virtual Zoom Meeting

Pursuant to Chapter 20 of the Acts of 2021, An Act Relative to Extending Certain COVID-19 Measures Adopted During the State of Emergency, signed into law on June 16, 2021, this meeting will be conducted via remote participation. No in-person attendance by members of the public will be permitted.

Neary Building Committee:

Members Present: Kathryn Cook, Andrew Pfaff, and Mark Davis

Members Absent: None

Ex-Officio

Members Present: Rebecca Pellegrino, Assistant Superintendent of Finance, and Brian Ballantine, Town Treasurer/ Finance Director

Members Absent: None

1. Call Meeting to Order

Kathryn Cook called the Neary Building Committee - Finance Subcommittee meeting to order at 8:02 pm.

Jason Malinowski called the Neary Building Committee meeting to order at 8:02 pm.

2. Discussion of all financial aspects of proposed Neary School building project including current project estimated cost and the updated Town six-year budget projection. All matters relating to the financial aspects of this project could be discussed. This discussion is intended for those that are attending the meeting and will include an interactive discussion with those attending including taking all questions.

Jason Malinowski began by sharing that Kathryn Cook, chair of the Finance Subcommittee, will focus on the finances of the proposed project for the Town Meeting in May 2025. Jason shared a few upcoming events, which include April 3, 2025, when the Committee meets with the Select Board, Advisory Committee, and the Southborough School Committee. On April 5, 2025, it will be the same presentation that was presented during this meeting. Finally, there will be upcoming presentations on educational programming and building design. Presentations will be recorded and posted online.

In 2020, Kathryn Cook noted the formation of the School Research Subcommittee to address Neary School issues. In February 2022, the Subcommittee proposed relocating fifth grade to

Trottier Middle School while keeping Neary School open. Initially, they suggested decommissioning Woodward School and consolidating elementary grades at Finn and Neary Schools to reduce operations to three facilities. However, the updated plan is to close Finn School instead, as the Massachusetts School Building Authority (MSBA) will not fund the decommissioning of Woodward School, which is newer. Additionally, local seniors oppose relocating the Senior Center to Woodward School.

In 2022, the Neary Building Committee was formed to plan for Neary School's future. The MSBA accepted the project in March 2022, with funding for a feasibility study approved at the May Town Meeting. Arrowstreet and Skanska USA were appointed as the design firm and project manager. After evaluating twelve potential projects, the MSBA narrowed it down to three, which were then reduced to one. On August 12, 2024, the Committee proposed constructing a new four-grade school on the current site, with the existing building to be demolished. The Schematic Design phase ran from September 2024 to January 2025. The new school will be 99,564 square feet and accommodate 610 students, with construction planned for June 2026 to summer 2028. During this time, current Neary School grades will temporarily relocate to Finn and Woodward Schools.

Cost estimates for the Neary School project were conducted independently by two outside firms with experience in school construction cost estimation. These estimates were reconciled in February 2025. Efforts to further reduce costs, including design changes, were also received. The Town Treasurer, Brian Ballantine, has prepared a projection of the total town budget, including the Neary School project, through the fiscal year 2032. Initially, the estimated town share of the total project cost was \$123,000,000. As of March 31, 2025, the total project cost has been revised to \$108,517,025. The expected MSBA grant is \$35,279,062, and the anticipated cost savings from federal and state geothermal energy credits amount to \$5,035,697. Consequently, the total town share is now \$68,202,266. Once the bond is permanently issued, the annual increase in the town budget for the project will be \$2,874,646. This translates to a tax impact of \$703 on the average home valued at \$1,245,274. Additionally, the new school is expected to save \$1,195,354 of operational budget savings for grades K-8 from a reduction in FTE. Kathryn does not have confidence that the project can get back in line with the MSBA process if the project fails at Town Meeting.

Public Comment:

Patricia Burns, 10 Winter St, inquired about the reduction in headcount mentioned. Superintendent Martineau shared that the plan includes hiring another librarian for Finn School; however, this position was omitted from the FY'26 budget, resulting in ongoing savings if consolidation occurs. Additionally, an instructional technology position will not be added in the FY'26 budget, which also contributes to potential savings from the project. Instead of hiring a third World Language educator, the two current educators will support the fourth grade, thus saving the expense of adding a third teacher if the building project proceeds. Two of the three positions are included in the FY'25 budget but not in the FY'26 budget, leading to a reduction of two full-time equivalents (FTEs) from FY'25 to FY'26.

Jon Colognesi, 4 Wentworth Drive, requested further details on the cost reductions estimated over the past 12 months. Kathryn Cook noted that the square footage was reduced from 118,000 to 99,564 square feet, representing an 18% decrease. The architects were instructed to refine their designs, resulting in cost-saving changes. The MSBA grant increased from an anticipated 18% to 32.5%, with an additional 4% awarded for making the building environmentally friendly. She expressed confidence that the current budget is sufficient to build the planned facility. Andrew Pfaff mentioned that the cost per square foot is higher than in recent projects, suggesting a conservative estimate. Additionally, there is an 11% contingency fund, encompassing both design and owner's contingencies, which provides flexibility.

Kristin raised concerns about potential tariff changes and their economic impact, asking if there are contingencies in place for material prices if they decrease before construction begins and whether the project would not be charged the same prices as today. Kathryn Cook explained that if the project is approved on May 10th and May 13th, the actual construction costs will be determined during the bidding process after detailed construction documents are prepared. These will reflect current prices at that time and will establish a cap on the project's budget. Jason Malinowski added that the construction management process being used by the NBC involves a CM at Risk procurement model, which fosters collaboration rather than solely focusing on the lowest bid.

Joanne Pearson, 101 Newton Street, mentioned that the library might seek improvements or additions and plans to reapply for grants in the future. She also raised concerns about the reliability of federal funding for geothermal projects given the current federal administration, stating that if federal funding is not secured, town taxpayers would have to cover that cost. Kathryn Cook responded that while it is a possibility, they are optimistic about receiving funding. Jason Malinowski further noted that congressional action would be required to rescind federal funding and clarified that much of the allocated money is directed toward Southern states. There will be opportunities for adjustments during the design process.

Laura Vaughan, 198 Woodland Road, inquired whether the lack of federal funding and the decision not to spend an additional \$4 million on the green initiative would affect the state's reimbursement. Jason Malinowski responded that a decision would need to be made regarding the pros and cons of how to proceed, and ultimately, it would be up to the NBC members to decide. Kathryn Cook mentioned that the vote on May 10th has a cap on the amount of debt, so the Committee will need to operate within that limit.

Tom Gittins, 73 Flagg Road, asked if the Committee had accounted for new furniture for the new building. Kathryn Cook confirmed that it has been included in the project cost and the MSBA grant. The project expenses cover all aspects, including the costs associated with moving to temporary schools and the necessary modular units.

Ken Boy, 10 Ashley Road, questioned why there are no reductions planned for a principal, assistant principal, or office staff in the FTE reductions. Superintendent Martineau explained that they anticipate savings in office staff, and when the new building opens, they plan to add an assistant principal, resulting in a reduction from three elementary principals to two principals and one assistant principal. Ken also suggested it would be beneficial for townspeople to see the current context of their home valuations, not just projections for 2032.

Nicole Boloz, 11 Vale Terrace, asked if the overall town budget through FY '32 includes all construction projects, including the Finn School, the Senior Center, and the library. Kathryn Cook confirmed that it encompasses everything, including taxes.

Josie Buteau, 12 Mount Vickery Road, inquired whether the town budget also includes the cleanup project for the Breakneck Hill dump and if the building website states the need for a new building. Kathryn Cook replied that the \$3.6 million in debt is included, while Jason Malinowski added that the website outlines the necessity of the Neary School Project in multiple areas.

Betsy Russo, 5 Strawberry Hill Road, inquired about how many years the \$703 project cost would affect the average homeowner and whether the state funding is guaranteed. Andrew Pfaff replied that it would be distributed over 30 years. Kathryn Cook pointed out that the MSBA has confirmed the funds have already been appropriated by the legislature and are available.

Ashvin Kalyanaraman, 32 Framingham Road, expressed concern that the construction cost seems low and asked if a greater budget would be considered if the project moves forward. Andrew Pfaff explained that estimators will determine the project cost, and once the construction documents are finalized, the project will go out to bid, allowing for multiple quotes for the actual work. Mark Davis added that the two estimates are based on the Schematic Design stage.

3. Adjournment

Kathryn Cook requested a motion to adjourn.

Andrew Pfaff moved, Mark Davis seconded, and it was unanimously voted by roll call "To adjourn."

MOTION TO ADJOURN

Roll Call

For: Andrew Pfaff, Mark Davis, and Kathryn Cook

Opposed: None

Abstained: None

Kathryn Cook adjourned the meeting at 9:14 pm.

Jason Malinowski adjourned the Neary Building Committee at 9:15 pm.

Respectfully submitted,

Mariana Silva, Central Office Administrative Assistant

Office of Superintendent

List of documents used at this meeting:

1. NBC – Finance Subcommittee Agenda of March 31, 2025
2. Proposed Neary Elementary School Project Presentation

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Neary Building Committee Finance Subcommittee
Monday, March 31, 2025 8 p.m.
Virtual Zoom Meeting

This meeting may be watched and/or participated in remotely with the meeting link at: <https://ma-southborough.civicplus.com/674/Virtual-Meetings>.

Agenda

1. Call Meeting to Order
2. Discussion of all financial aspects of proposed Neary School building project including current project estimated cost and the updated Town six year budget projection. All matters relating to the financial aspects of this project could be discussed. This discussion is intended for those that are attending the meeting and will include an interactive discussion with those attending including taking all questions.
3. Adjournment

Submitted by: Kathryn M. Cook, Chair