

Town of Southborough, MA
Neary Building Committee Finance Subcommittee
Neary Building Committee
Friday, February 28, 2025 1 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: None

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

1. Call Meeting to Order

Kathryn Cook called the Neary Building Committee - Finance Subcommittee meeting into order at 1:01 pm.

2. Approve minutes from 1-24-25 and 2-10-25

Kathryn Cook asked for a discussion and a vote.

Andrew Pfaff moved, Mark Davis seconded, and it was unanimously voted by roll call, "To approve the January 24th and February 10th meeting minutes as presented."

MOTION TO APPROVE
MEETING MINUTES

Roll Call

For: Andrew Pfaff, Mark Davis, and Kathryn Cook

Opposed: None

Abstained: None

3. Approve all outstanding invoices

Kathryn Cook asked for a discussion and a vote.

Andrew Pfaff moved, Mark Davis seconded, and it was unanimously voted by roll call, "To approve the Skanska invoice #1323833-000-14 in the amount of \$6,480."

MOTION TO APPROVE
OUTSTANDING INVOICES

Roll Call

For: Andrew Pfaff, Mark Davis, and Kathryn Cook

Opposed: None

Abstained: None

Kathryn Cook asked for a discussion and a vote.

Andrew Pfaff moved, Mark Davis seconded, and it was unanimously voted by roll call, "To approve Arrowstreet invoice #729940 in the amount of \$96,500."

MOTION TO APPROVE OUTSTANDING INVOICES

Roll Call

For: Andrew Pfaff, Mark Davis, and Kathryn Cook

Opposed: None

Abstained: None

4. Discussion of all financial aspects of proposed Neary School building project including the new project estimates and the updated Town five year budget projection. All matters relating to the financial aspects of this project could be discussed. (None at this time)
5. Other business that may properly be brought forth (None at this time)
6. Public Comment (None at this time)
7. 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 1:04 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 February 28, 2025
2. NBC – Finance Subcommittee Meeting Minutes of January 24, 2025
3. NBC – Finance Subcommittee Meeting Minutes of February 10, 2025

Town of Southborough, MA
Neary Building Committee Finance Subcommittee
Friday, February 28, 2025 1 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. Approve minutes from 1-24-25 and 2-10-25
3. Approve all outstanding invoices
4. Discussion of all financial aspects of proposed Neary School building project including the new project estimates and the updated Town five year budget projection. All matters relating to the financial aspects of this project could be discussed.
5. Other business that may properly be brought forth
6. Public Comment
7. Adjournment

Submitted by: Kathryn M. Cook, Chair

Town of Southborough, MA
Neary Building Committee Finance Subcommittee
Neary Building Committee
Friday, January 24, 2025 1 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 into order at 1:06 pm.
2. Approve minutes from 12-30-24
Kathryn Cook asked for a discussion and a vote.

Andrew Pfaff moved, Mark Davis seconded, and it was unanimously voted by roll call, "To approve the minutes for December 30th."

MOTION TO APPROVE MEETING MINUTES

Roll Call

For: Andrew Pfaff, Mark Davis, and Kathryn Cook

Opposed: None

Abstained: None

3. Approve all outstanding invoices
Kathryn Cook asked for a discussion and a vote.

Andrew Pfaff moved, Mark Davis seconded, and it was unanimously voted by roll call, "To approve Arrowstreet invoice #729900 in the amount of \$87,500."

MOTION TO APPROVE OUTSTANDING INVOICES

Roll Call

For: Andrew Pfaff, Mark Davis, and Kathryn Cook

Opposed: None

Abstained: None

Andrew Pfaff moved, Mark Davis seconded, and it was unanimously voted by roll call, "To approve the Skanska invoice #1323833-000- 15478-13 in the amount of \$5,400."

MOTION TO APPROVE OUTSTANDING INVOICES

Roll Call

For: Andrew Pfaff, Mark Davis, and Kathryn Cook

Opposed: None

Abstained: None

4. Discussion of plan for next meeting tentatively scheduled for 2-7-25

Jim Burrows, Project Manager at Skanska, confirmed that Skanska, Arrowstreet, and the estimators planned a reconciliation meeting for February 5, 2025, with internal reviews on February 4, 2025, aiming to finalize estimates. Concerns were raised about the budget exceeding \$81.6 million, emphasizing the need for value engineering.

Submission to the Massachusetts School Building Authority is set for February 25, 2025, with budget approval required by February 14th, to make the deadline. Though a later submission on the 17th remained an option.

Discussions covered project scope, security assumptions, and reimbursement points for maintenance and Green Schools. Town budget projections remained uncertain. Cost management strategies, including tariff impacts and estimate accuracy at different design stages, were reviewed. The meeting also addressed site usage, field availability, MSBA site costs, and detention basin concerns, ensuring proper planning before the town meeting.

5. Other business that may properly be brought forth (None at this time)

6. Public Comment (None at this time)

7. 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 1:40 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 January 24, 2025
2. NBC – Finance Subcommittee Meeting Minutes of December 30, 2024

DRAFT

Town of Southborough, MA
Neary Building Committee Finance Subcommittee
Neary Building Committee
Monday, February 10, 2025 1 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 (left at 2:36 pm)

Members Absent: None

Ex-Officio

Members Present: Brian Ballantine Town Treasurer/ Finance Director

Members Absent: Rebecca Pellegrino, Assistant Superintendent of Finance

1. Call Meeting to Order
Kathryn Cook called the Neary Building Committee - Finance Subcommittee meeting into order at 1.04 pm.
2. Approve minutes from 1-24-25 – The Subcommittee will take a vote during their next meeting.
3. Approve all outstanding invoices (None at this time)
4. Discussion of all financial aspects of proposed Neary School building project including the new project estimates and the updated Town five year budget projection. All matters relating to the financial aspects of this project could be discussed.
Jim Burrows, Project Manager at Skanska, reported that the total cost of the project is \$110.984 million, with a town share of \$77.9 million. At the time of the Preliminary Schematic Review (PSR), the town share cost was \$83.4 million. The effective rate increased by 3.6 points due to a rise in the square foot allowance, site allowance, and an increase of 1.45 points in the base reimbursement rate. The Massachusetts School Building Authority (MSBA) assigned a maintenance incentive point of 1.42, to which Skanska added four additional points for Green Schools.

The MSBA reassessed the calendar year of the Neary project's Project Funding Agreement (PFA) and subsequently increased their grant. The maintenance rate of 1.42

was determined based on the Statement of Interest submitted, along with a maintenance plan. Jim will gather more information on how the rates and formula points are established.

Kathryn Cook highlighted the need to reduce the \$77 million cost to make it more acceptable to the public. Jim mentioned that they obtained two independent estimates—from PM&C (Arrowstreet's estimator) and PCM (who conducted Skanska's estimates)—which showed a reconciled difference of only 0.045%. PM&C is designated as the estimator of record, and the reconciled estimate will be submitted to the MSBA as a pre-schematic design notification. Jim clarified that construction costs have decreased to \$89.2 million, down from \$91 million during the PSR phase. He also noted that they accounted for geothermal wells in the site cost according to MSBA reporting requirements. The total cost for the HVAC system is \$8.860 million, plus an additional \$2.22 million for the geothermal component. He emphasized that an unknown scope of work has been identified and priced since the PSR estimate, which previously relied on assumptions due to the absence of schematic-level drawings.

Larry Spang from Arrowstreet pointed out that curtain wall costs rose from \$100 to \$120 per foot, influenced by market rates. He noted that the PSR estimate included a 15% contingency, which has now been reduced to 10%, with the 5% difference moving into detailed design costs. All types of contingency still carry a 2.5% construction contingency and a 1.5% soft cost contingency that will remain throughout the project. Within the construction costs, there is a design and estimating contingency at 10%, along with a Construction Manager Contingency of 3%. Both of these can decrease during the design process, depending on the Construction Manager's comfort level with the design.

Mark Davis raised questions about potential tariffs, noting that the budget does not account for the impact of these tariffs, which remain an unknown factor and will be addressed at the time of bidding.

Andrew Pfaff expressed concerns about the increase in square footage without a corresponding change in the school's overall size.

Kathryn Cook emphasized to Arrowstreet that it is crucial to conduct value engineering (VE) now, as she fears the project may fail without measures to reduce the town share cost. Arrowstreet and Skanska will return to the Subcommittee with VE proposals that could help lower costs. She also pointed out that the bond amount approved at the town meeting must cover the full cost of the geothermal system, even considering potential reimbursements later.

Jim Burrows will clarify with the MSBA if the cost submission can be modified if a significant cost reduction occurs before the town meeting. He also noted that if the town allocates funds from another source within the project scope, the MSBA will deduct that amount from their grants. Jim cannot promise that they can reduce the project budget by \$8 million without making significant cuts to the building.

5. Other business that may properly be brought forth (None at this time)

6. Public Comment

Sam Stivers, from the Southborough Select Board, expressed support for finding ways to reduce costs, as he is worried about getting approval at the town meeting. He praised the level of detail and knowledge of the participants.

7. Adjournment

Kathryn Cook requested a motion to adjourn.

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

MOTION TO ADJOURN

Roll Call

For: Andrew Pfaff, and Kathryn Cook

Opposed: None

Abstained: None

Kathryn Cook adjourned the meeting at 2:42 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 February 10, 2025