

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

RECEIVED

By Town Clerk/jfh at 1:58 pm, Mar 25, 2025

Town of Southborough, MA

Neary Building Committee Finance Subcommittee

Monday, March 31, 2025 8 p.m.

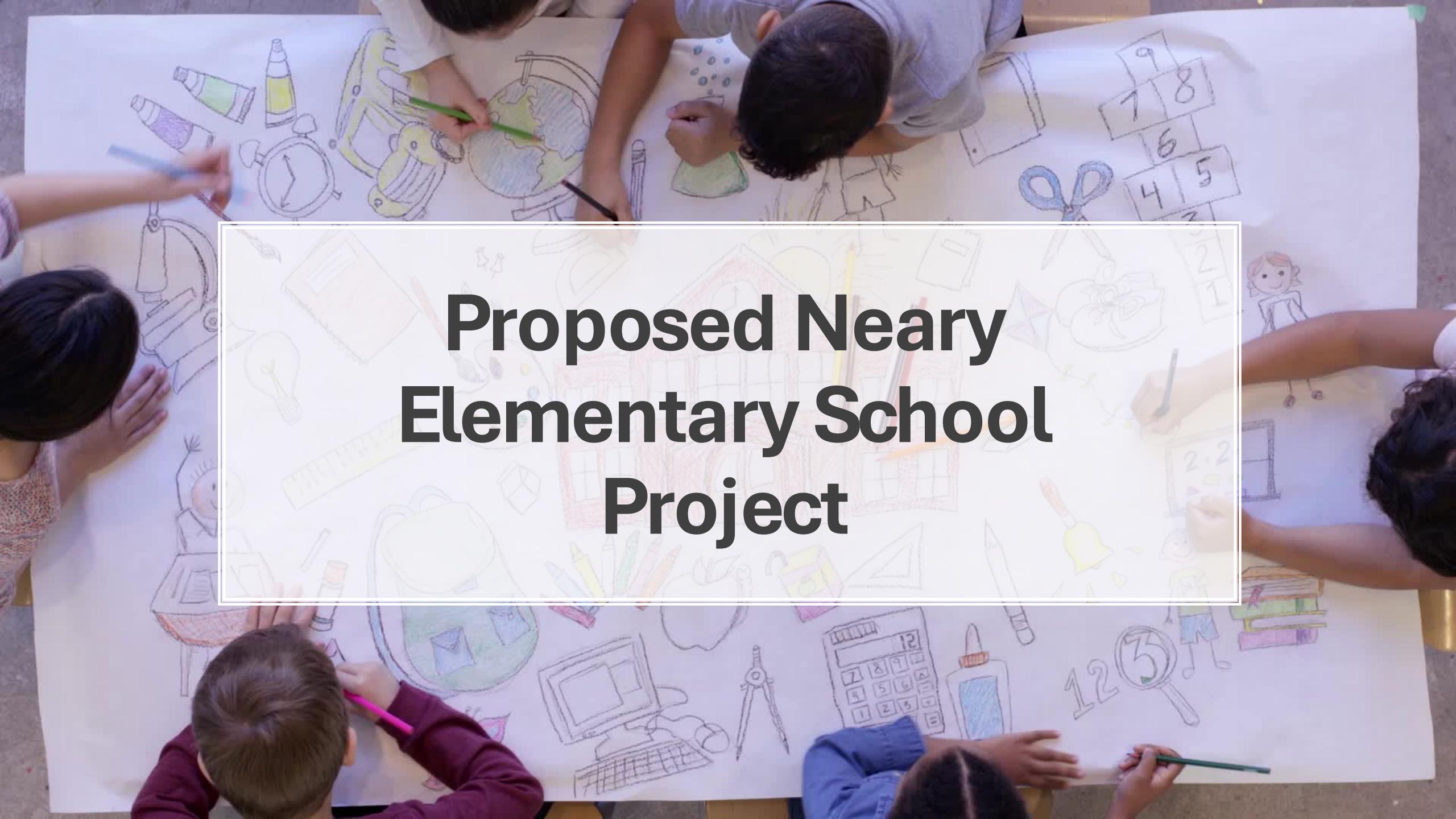
Virtual Zoom Meeting

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



Proposed Neary Elementary School Project

School Research Subcommittee Background

- **The School Research Subcommittee was formed in March, 2020**
- **The Subcommittee finished its work, and made its final presentation to the Southborough K-8 School Committee, in February, 2022**

Subcommittee Recommendations

- (1) That the School Committee seriously consider moving away from the current model of three elementary schools and one middle school.**
- (2) That the 3 elementary schools not be consolidated into 2 schools (at Finn and Woodward).**
- (3) That Neary should not be closed, with Grade 5 moved to Trottier (while space exists at Trottier to add Grade 5, this scenario is not recommended, based on educational policy).**
- (3) That Woodward should be decommissioned, with elementary grades consolidated at Finn and Neary—this has the following advantages:**
 - a. fixing arguably one of the most discussed topics among parents of K-8 school-aged children in Southborough – i.e., too many transitions with four schools;**
 - b. consolidating the operations of K-8 into three facilities and resolving almost all major capital needs for the schools for the next 20 years); and**
 - c. providing the Town with room to solve current space issues for Town departments by using the repurposed school building, and at the same time providing excess space to allow disposal of older buildings before costly repairs are needed.**

[Note that MA School Building Authority funding rules subsequently made #3 not feasible.]

Closing Finn vs. Woodward

- Since the sub committee recommendation was delivered, additional work has been done, and the updated recommendation is to close Finn and not Woodward
- A key factor in this updated recommendation is that MSBA will not participate in (or fund) the portion of a project that involves decommissioning Woodward as a school given its relatively young age
- Additionally, the senior population does not support moving the Senior Center to Woodward

Neary Building Committee

- Ad hoc Neary Building Committee (NBC) was formed by the Select Board in Feb 2022 with charge to deal with the future of Neary School.
- Initial voting members included one member from each of: K-8 School Committee, Advisory Committee, Capital Committee, and the Select Board.
- Three at large members were also appointed all of whom have significant relevant backgrounds.
- Additionally, 7 ex-officio members were appointed from the K-8 administration including Superintendent Martineau.

MSBA

- An evaluation was done of the pros and cons of working within the Massachusetts School Building Authority (MSBA) program.
- Biggest pro is the substantial grant available from the MSBA to offset cost of project
- Conclusion was to work within MSBA program if project qualified.
- MSBA accepted Neary School project into their program in March 2022.
- May 2022 annual town meeting approved \$950,000 to fund feasibility study required by MSBA.
- Arrowstreet Partners and Skanska USA were chosen as project designer and owner's project manager (OPM) respectively.

MSBA Process

- MSBA required the NBC to review 12 possible projects to achieve goal of dealing with Neary School.
- The 12 options were then required to be reduced to the three deemed best projects.
- Three projects chosen for further consideration in May 2024 were:
 - New two-grade school for grades 4 and 5
 - New four-grade school for grades 2 thru 5
 - Rehab and expand current Neary to a four-grade school for grades 2 thru 5
- MSBA next required the three projects to be reduced to one. NBC spent the summer of 2024 evaluating the three possible projects.

August 12 2024 Vote

On 8/12/24 the seven voting members of the NBC unanimously voted to bring forth a proposal for a new four grade school to be located on the current site of Neary School

Current Neary would be demolished.

Major factors cited by the members of the NBC for their vote were:

Educational benefits of the four-grade school vs. two grade school. Substantial educational benefits expected from a modern school that allows current best practices in teaching including special ed.

Economy of scale achieved in cost of four grade school – i.e. preliminary cost estimate indicated that four grade school would cost about 50% more than a two-grade school – not double.

Schematic Design Phase

Sep 24 - Jan 25



Arrowstreet spent the next five months developing the schematic design for the new four grade school



Proposed new school is 99,564 square feet.



Proposed new school is substantially more efficient than current Neary School. Current Neary School (ex superintendent's offices) is 201 sf per student. Proposed 4 grade school is 164 sf per student.



New school planned for up to 610 students. If actual student population projections exceeds current projections, there is room on Neary site to expand at a later date.

Construction Timetable

Construction of new school expected to take two years –
July 2026 thru July 2028.

Current Neary grades will be moved to Finn and
Woodward for two school years – 26/27 and 27/28.

Finn will house grades Pre K-2 and Woodward will
house grades 3-5.

A limited number of modular classrooms will be rented
during the construction period for Finn and Woodward.

New school will open in the Fall of 2028.

Cost of New School Project

- Two sets of cost estimates have been done to date by outside estimating firms with extensive experience in estimating school construction costs.
- The most recent set of estimates (made independently by two firms) was completed in Feb. 2025.
- Once the reconciled Feb 2025 cost estimate was received steps were taken to reduce costs further including design changes.
- Members of the NBC met with the MSBA staff on March 28 to discuss the financial grant expected from the MSBA. The MSBA board will vote on April 30th to confirm the financial grant.

Projected Project Costs Over Time

Estimated town share of total project cost as of:

- 05/09/24 - \$123,000,000
- 07/23/24 - \$107,811,301
- 08/08/24 - \$84,745,036
- 02/13/25 - \$70,442,765
- 03/28/25 - \$68,202,266

Project Estimated Cost as of 4-25-25

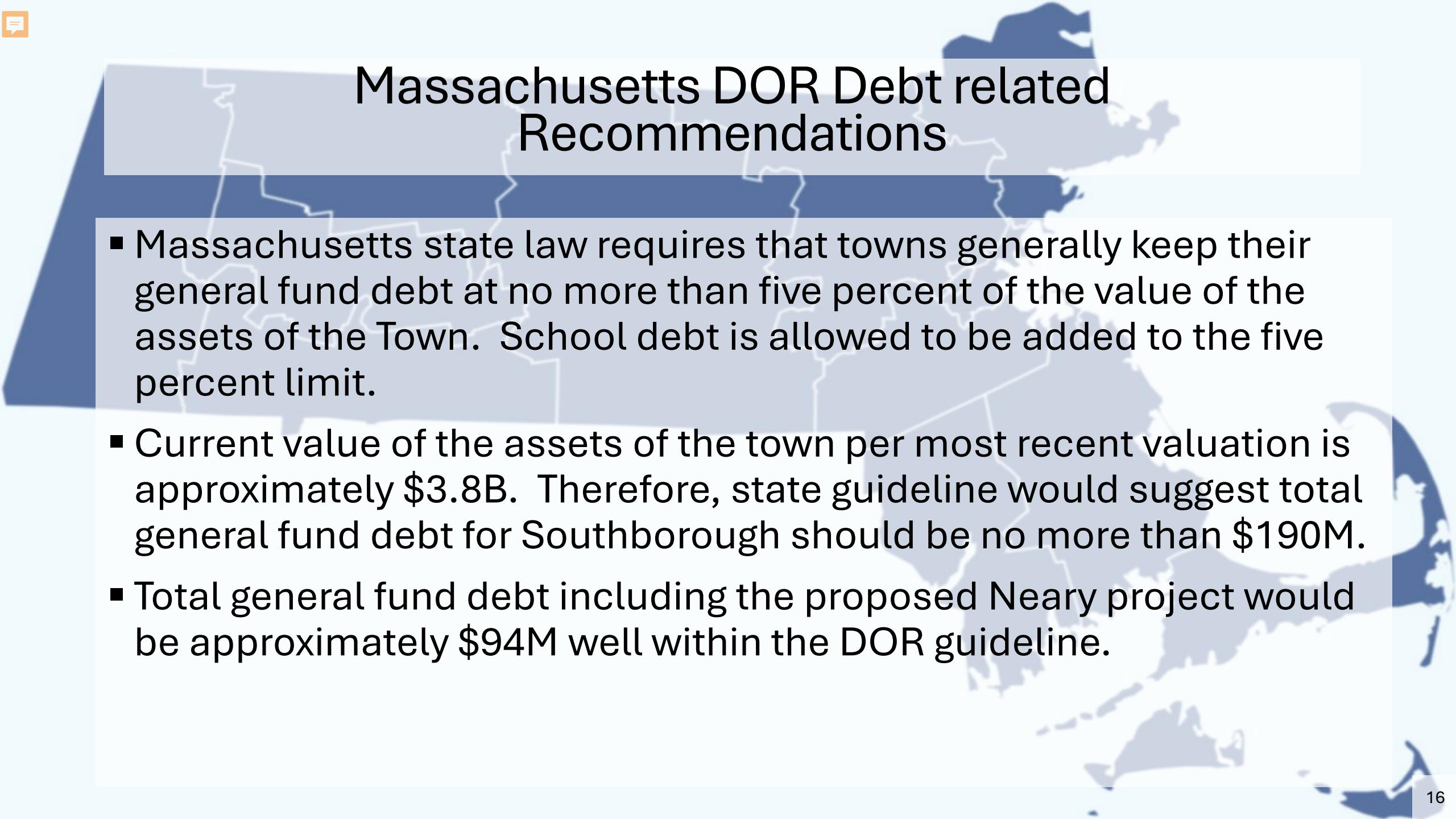
Gross estimate project cost as of 3-31-25	\$ 108,517,025
Expected MSBA grant	\$ 35,279,062
Expected cost savings from federal and state geothermal energy credits	\$ 5,035,697
Net estimated project cost to Town	\$ 68,202,266
Estimated annual debt service from permanent 30-year bond using a projected interest rate of 0.0425	\$ 4,070,000
Less: Expected K-8 operational savings from reduction in FTE	\$ 1,195,354
Net Estimated Annual Cost of Project	\$ 2,874,646
Standalone anticipated real estate taxes owed by a Residential homeowner in FY 31 using average home value projection of \$1,175,30. FY 31 used because it is the year with highest Neary projected debt service.	\$ 530

Neary Project Estimated Real Estate Tax Impact

FY	Average Single	YOY	%	Net Impact of	% of Tax Bill
	Projected Tax Bill	Increase	Increase	Proposed Neary Project	Related to Neary Project
2026	14,272	1,048	7.92%	0	0.00%
2027	16,142	1,870	13.10%	0	0.00%
2028	17,268	1126	6.98%	463	2.68%
2029	17,968	700	4.05%	531	2.96%
2030	18,729	761	4.24%	534	2.85%
2031	19,495	766	4.09%	602	3.09%
2032	20,619	1,124	5.77%	589	2.86%

Future Debt Financed Capital Projects

DEPT	DESCRIPTION	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
CONSERVATION	BREAKNECK HILL REMEDIATION - 1,500,000	\$156,075	\$151,325	\$146,575	\$141,825	\$137,075	\$132,325	\$127,575
CONSERVATION	BREAKNECK HILL REMEDIATION - 2,100,000	\$191,625	\$186,375	\$181,125	\$175,875	\$170,625	\$160,500	\$155,500
DPW	DPW TRACTOR - 210,000	\$54,125	\$47,000	\$45,000	\$43,000	\$41,000	\$0	\$0
DPW	DPW TRASH TRAILER - 125,000	\$30,625	\$29,375	\$28,125	\$26,875	\$25,625	\$0	\$0
DPW	WILLOW STREET CULVERTS / SINKHOLE (3,075,000)	\$0	\$358,750	\$348,500	\$338,250	\$328,000	\$317,750	\$307,500
DPW	JOHN & MITCHELL STREETS (SINKHOLE) - (900,000)	\$0	\$105,000	\$102,000	\$99,000	\$96,000	\$93,000	\$90,000
DPW	NORTHBOROUGH ROAD SINKHOLE (2,050,000)	\$0	\$0	\$239,167	\$232,333	\$225,500	\$218,667	\$211,833
FIRE	FIRE TRUCK - 600,000	\$69,750	\$67,250	\$64,750	\$57,375	\$55,125	\$52,875	\$50,625
FIRE	FIRE TENDER - 400,000	\$65,250	\$62,750	\$60,250	\$52,875	\$50,625	\$48,375	\$46,125
FIRE	AMBULANCE - 551,000	\$0	\$96,425	\$92,981	\$89,538	\$86,094	\$82,650	\$79,206
FIRE	FIRE LADDER TRUCK - 1,300,000	\$180,725	\$174,475	\$168,225	\$161,975	\$155,725	\$144,600	\$138,600
FIRE	AMBULANCE A29 - 600,000	\$0	\$0	\$0	\$0	\$105,000	\$101,250	\$97,500
FIRE	BRUSH FIRE TRUCK (S-24) (600,000)	\$0	\$0	\$0	\$0	\$0	\$80,000	\$77,500
FIRE	ENGINE 23 (PUMPER) (1,300,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$130,000
FIRE	AMBULANCE A28 (600,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FIRE	PORTABLE RADIOS - FIRE (400,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
POLICE	PS RADIOS - 488,000	\$111,625	\$106,875	\$102,125	\$97,375	\$0	\$0	\$0
RECREATION	CHOATE TURF FIELD (1,000,000)	\$0	\$225,000	\$217,500	\$210,000	\$202,500	\$195,000	\$187,500
SCHOOL	NEARY RENOVATIONS PHASE 2 - 450,000	\$23,700	\$23,575	\$0	\$0	\$0	\$0	\$0
SCHOOL	NEARY RENOVATIONS PHASE 3 - 626,000	\$35,275	\$29,725	\$0	\$0	\$0	\$0	\$0
SCHOOL	TROTTIER SCHOOL BOILER - 624,903	\$77,375	\$74,625	\$71,875	\$69,125	\$66,375	\$58,750	\$56,250
SCHOOL	FINN ROOF REPLACEMENT * (2,100,000)	\$0	\$0	\$210,000	\$204,750	\$199,500	\$194,250	\$189,000
SCHOOL	FINN/CORDAVILLE HALL - USER GROUP RENOVATIONS - 3,000,000	\$0	\$0	\$0	\$300,000	\$292,500	\$285,000	\$277,500
SCHOOL	TROTTIER ROOF REPLACEMENT (5,800,000/3,489,280)	\$0	\$348,928	\$340,205	\$331,482	\$322,758	\$314,035	\$305,312
SCHOOL	BOILER REPLACEMENT * (1,500,000/900,000)	\$0	\$0	\$0	\$0	\$0	\$120,000	\$116,250
SCHOOL	WW UPDATES FOR EARLY CHILDHOOD CENTER (500,000)	\$0	\$0	\$125,000	\$120,000	\$115,000	\$110,000	\$105,000
SCHOOL	WW ROOF REPLACEMENT * (2,750,000/1,650,000)	\$0	\$0	\$0	\$0	\$165,000	\$160,875	\$156,750
TOWN	PUBLIC SAFETY BUILDING PROJECT - 7,311,000	\$453,963	\$441,213	\$428,463	\$415,713	\$405,513	\$390,313	\$382,813
TOWN	PUBLIC SAFETY BUILDING PROJECT - 14,683,500	\$829,169	\$827,169	\$829,169	\$829,919	\$829,419	\$828,019	\$829,144
TOWN	PUBLIC SAFETY BUILDING PROJECT - 1,550,000	\$117,000	\$113,000	\$109,000	\$105,000	\$101,000	\$97,000	\$89,250
TOWN	PUBLIC SAFETY BUILDING PROJECT - 247,400	\$51,250	\$0	\$0	\$0	\$0	\$0	\$0
TOWN	PUBLIC SAFETY LAND - 449,000	\$26,869	\$26,119	\$25,369	\$24,619	\$24,019	\$23,419	\$22,969
DPW	ROAD & SIDEWALK (5,000,000)(12 Years)		\$666,667	\$645,833	\$625,000	\$604,167	\$583,333	\$562,500
DPW	ROAD & SIDEWALK (5,000,000)(12 Years)				\$666,667	\$645,833	\$625,000	\$604,167
DPW	ATWOOD PROPERTY CLEAN UP		\$175,000	\$170,000	\$165,000	\$160,000	\$155,000	\$150,000
TOWN	LIBRARY ADDITION FY31 project 14MM 20 year							\$1,400,000
TOTAL		\$2,474,401	\$4,336,621	\$4,751,237	\$5,583,570	\$5,609,978	\$5,571,986	\$6,946,369



Massachusetts DOR Debt related Recommendations

- Massachusetts state law requires that towns generally keep their general fund debt at no more than five percent of the value of the assets of the Town. School debt is allowed to be added to the five percent limit.
- Current value of the assets of the town per most recent valuation is approximately \$3.8B. Therefore, state guideline would suggest total general fund debt for Southborough should be no more than \$190M.
- Total general fund debt including the proposed Neary project would be approximately \$94M well within the DOR guideline.

Estimated K-8 Operational Budget Savings

- There is an expected significant operational savings with the new school.
- The new school will be significantly more energy efficient than current Neary.
- Transportation cost will be lower with 3 schools vs. 4 schools.
- FTE headcount expected to be reduced.
- Estimated savings from FTE headcount reduction alone are:
 - FY 27 - \$1,107,039
 - FY 28 - \$1,149,383
 - FY 29 - \$1,193,500
 - FY 30 - \$1,239,471
 - FY 31 - \$1,287,379

Use of Finn Post Closing as a School

- Finn will be repurposed as a Town building.
- By keeping Finn open we will add to our overall inventory of town space for other purposes, like a full-time available gymnasium for town use and with the addition of a new gym at Neary, where the existing gym is too small for use by town sports, the town Basketball program will have increased space available.
- Discussions are currently underway to decide how to use Finn.
- Current expectation is that the repurposing of Finn would involve moving certain Town departments to Finn which would include making the bottom floor of the Senior Center available for senior use.
- Estimated cost of operating Finn as a Town building has been included in the seven-year Town budget.
- COA representing the Senior population has voted to keep the Senior Center at the current location rather than relocate to Finn.

Calendar



Two successful votes are required for project approval:



May 10, 2025 Special Town Meeting – 2/3 favorable vote required



9 a.m. Algonquin Regional High School gymnasium – auditorium



May 13, 2025 – Town Election – Proposition 2 ½ vote to exclude debt from annual levy cap – majority favorable vote required