

Town of Southborough, MA
Neary Building Committee
Neary Building Committee Finance Subcommittee
Trottier Middle School Auditorium
49 Parkerville Road, Southborough
Saturday, April 5, 2025 @ 9 A.M.

Neary Building Committee:

Members Present: Kathryn Cook*, Andrew Pfaff*, Mark Davis*, Roger Challen, and Jason Malinowski

Members Absent: Chris Evers and Denise Eddy

Ex-Officio

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

Members Absent: Stefanie Reinhorn, Assistant Superintendent of Teaching and Learning, Mark Purple, Town Administrator, Keith Lavoie, Assistant Superintendent of Operations, Kathleen Valenti, Neary School Principal, and Steven Mucci, Principal of Woodward School,

* Also a Finance Subcommittee Member

1. Call Meeting to Order

Jason Malinowski called the Neary Building Committee to order at 9:01 AM. Kathryn Cook called the Neary Building Committee - Finance Subcommittee meeting into order at 9:01 AM.

2. Kathy Cook made a presentation with other members of the Finance Subcommittee on all financial aspects of the project. The committee answered questions from residents on some of the amounts used and the overall town budget.

3. Adjournment

Jason Malinowski moved, Mark Davis seconded, and it was unanimously voted by roll call, "To adjourn the Neary Building Committee."

MOTION TO
ADJOURN

Roll Call

For: Andrew Pfaff, Mark Davis, Jason Malinowski, Roger Challen, and Kathryn Cook
Opposed: None

Kathryn Cook requested a motion to adjourn the Finance Subcommittee.

*Andrew Pfaff moved, Mark Davis seconded, and it was unanimously voted by roll call,
“To adjourn Neary Building Committee – Finance Subcommittee.”*

Roll Call

For: Andrew Pfaff, Mark Davis, and Kathryn Cook

Opposed: None

Abstained: None

Kathryn Cook adjourned the meeting at 10:40 AM

Respectfully submitted,

Jason Malinowski

NBC Chair

List of documents used at this meeting:

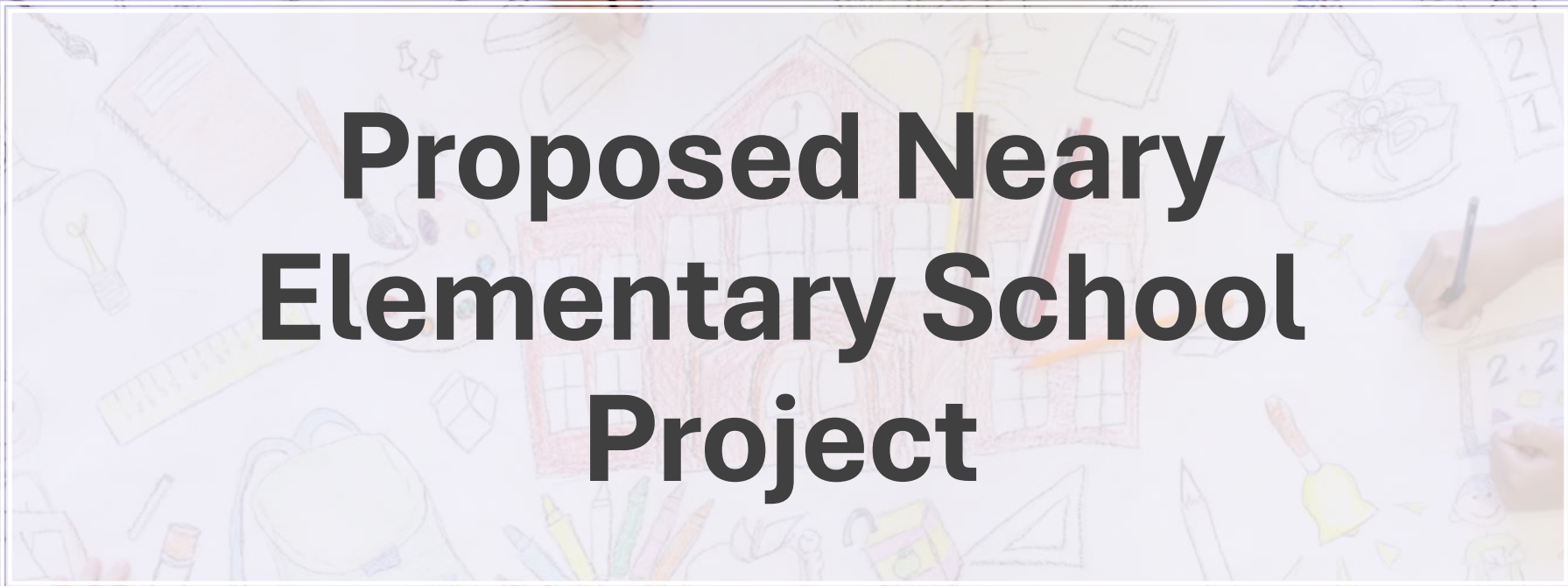
1. NBC – Finance Subcommittee Agenda of April 5, 2025
2. NBC – Finance Subcommittee Presentation

Town of Southborough, MA
Neary Building Committee Finance Subcommittee
Trottier Middle School Auditorium
49 Parkerville Road, Southborough
Saturday, April 5, 2025 @ 9 A.M.

REVISED 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

The background is a light-colored collage of various school-related illustrations. It includes a central drawing of a red schoolhouse with a yellow roof and a chimney. Surrounding the schoolhouse are numerous school supplies: pencils, pens, a ruler, a protractor, a compass, a lightbulb, a backpack, a pencil case, a bell, a notepad, and a small drawing of a child. The text 'Proposed Neary Elementary School Project' is overlaid in the center in a large, bold, black font.

Proposed Neary Elementary School Project

Background

- School Research Subcommittee formed in March 2020

- Research Subcommittee finished its work and made final presentation to Southborough K-8 School Committee in Feb 2022

- Subcommittee recommended:

- School Committee gave serious consideration to moving away from current model of three elementary schools and one middle school

- Not consolidate three elementary schools into two at Finn and Woodward

- Not close Neary and move Grade 5 to Trottier. While space exists at Trottier to add Grade 5 this scenario is not recommended based on an educational policy.

- Decommission Woodward and consolidate elementary grades at Finn and Neary. Recommendation would allow fixing arguably one of the most discussed topics among parents of school aged children in Sboro – i.e. too many transitions. Would consolidate the operations of K-8 into three facilities and resolve almost all major capital needs for the schools for the next 20 years.

- Consolidation would provide the Town with room to solve current space issues for Town departments using the closed school building and provide excess space to allow disposal of older buildings before costly repairs are needed.

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.

Overall Town Budget thru FY 2031

- Sboro Town Treasurer has prepared a projection of total town budget including Neary project thru FY 2032.
- Overall expected YOY increases in the average residential tax bill are:
 - FY 26 - 7.97% - \$1,054.10 increase to average residence
 - FY 27 - 9.97% - \$1,423.16 increase to average residence
 - FY 28 - 5.99% - \$ 940.33 increase to average residence
 - FY 29 - 2.05% - \$ 340.62 increase to average residence
 - FY 30 - 3.38% - \$ 573.76 increase to average residence
 - FY 31 - 3.36% - \$ 589.10 increase to average residence
 - FY 32 - 3.75% - \$ 681.25 increase to average residence

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 3-31-25

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 the first full year of perm bond using average home value projection of \$1,245,274	\$ 703

Future Debt Financed Capital Projects

DEPT	TM DATE	DESCRIPTION	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31
CONSERVATION	TM24	BREAKNECK HILL REMEDIATION - 2,100,000	191,625	186,375	181,125	175,875	170,625	160,500
CONSERVATION	TM23	BREAKNECK HILL REMEDIATION - 1,500,000	156,075	151,325	146,575	141,825	137,075	132,325
DPW	TM24	DPW TRACTOR - 210,000	54,125	47,000	45,000	43,000	41,000	-
DPW	TM24	DPW TRASH TRAILER - 125,000	30,625	29,375	28,125	26,875	25,625	-
FIRE	TM24	FIRE LADDER TRUCK - 1,300,000	180,725	174,475	168,225	161,975	155,725	144,600
FIRE	TM21	FIRE TENDER - 400,000	65,250	62,750	60,250	52,875	50,625	48,375
SCHOOL	TM06	NEARY RENOVATIONS PHASE 2 - 450,000	23,700	23,575	-	-	-	-
SCHOOL	TM08	NEARY PHASE 3	35,275	29,725	-	-	-	-
SCHOOL	TM20	SCHOOL BOILER - 624,903	77,375	74,625	71,875	69,125	66,375	58,750
FIRE	TM29	BRUSH FIRE TRUCK (S-24) (600,000)	-	-	-	-	-	80,000
TOWN	TM17	PUBLIC SAFETY BUILDING PROJECT - 7,311,000	453,963	441,213	428,463	415,713	405,513	390,313
TOWN	TM98	PUBLIC SAFETY LAND - 449,000	26,869	26,119	25,369	24,619	24,019	23,419
TOWN	TM17	PUBLIC SAFETY BUILDING PROJECT - 14,683,500	829,169	827,169	829,169	829,919	829,419	828,019
TOWN	TM17	PUBLIC SAFETY BUILDING PROJECT - 1,550,000	117,000	113,000	109,000	105,000	101,000	97,000
TOWN	TM17	PUBLIC SAFETY BUILDING PROJECT - 247,400	51,250	-	-	-	-	-
DPW	TM25	WILLOW STREET CULVERTS / SINKHOLE (3,075,000)		358,750	348,500	338,250	328,000	317,750
DPW	TM25	JOHN & MITCHELL STREETS (SINKHOLE) - (900,000)		105,000	102,000	99,000	96,000	93,000
DPW	TM26	NORTHBOROUGH ROAD SINKHOLE (2,050,000)			239,167	232,333	225,500	218,667
FIRE	TM28	DISPATCH AND EMERGENCY RADIO EQUIPMENT REPL (900,000)					-	-
RECREATION	TM26	CHOATE TURF FIELD (1,000,000)		35,000	116,667	113,333	110,000	106,667
SCHOOL FINN	TM27	ROOF REPLACEMENT * (2,100,000)_			210,000	204,750	199,500	194,250
SCHOOL TROTT.	TM25	ROOFING REPLACEMENT (5,800,000/3,489,280)		348,928	340,205	331,482	322,758	314,035
SCHOOL WW	TM26	UPDATES FOR EARLY CHILDHOOD CENTER (500,000)			125,000	120,000	115,000	110,000
SCHOOL FINN	TM28	FINN/CORDAVILLE HALL - USER GROUP RENOVATIONS - 3,000,000				300,000	292,500	285,000
SCHOOL TROTT.	TM29	BOILER REPLACEMENT * (1,500,000 /900,000)						120,000
SCHOOL WW	TM29	ROOF REPLACEMENT * (2,750,000/1,650,000)					165,000	160,875
			2,293,026	3,034,404	3,574,714	3,785,949	3,861,259	3,883,545



Massachusetts DOR Debt related Recommendations

- Mass. DOR recommends that towns generally keep their general fund debt at no more than five percent of the value of the assets of the Town.
- 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.



Massachusetts DOR Debt related Recommendations

- The DOR also recommends that the annual debt service for towns generally not exceed ten percent of general fund revenues.
- The bonds to be issued for the Neary project are expected to be permanently financed in May 2031. FY 32 projected revenue is approximately \$92M. FY 32 projected debt service is almost \$8M including the projected Neary debt.
- Total debt service including the projected Neary debt is 8.7% - less than the DOR recommended upper limit.

Estimated K-8 Operational Budget Savings

- There is an expected significant operational savings with the new school.
- Transportation savings, if busing brought in house (currently contracted)
- Other savings likely, but not quantifiable at this time.
- All estimates to date assume Finn operational costs remain in budget to keep building as a town building
- 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