



**QuadBoard Meeting of the Select Board, School Committee,
Finance Committee and West Elementary School Building Committee**

Wednesday, October 19, 2022
Memorial Hall, Memorial Hall Library
2 North Main Street, Andover, MA 01810

I. Call to Order – 7:00 P.M.

Select Board Chair, Alex Vispoli called the Select Board to order at 7:00 PM.

Members present: Annie Gilbert, Chris Huntress, Melissa Danisch.

Finance Committee Chair, Kevin O’Handley called the Finance Committee to order at 7:00 PM. Members present: John Barry, Vice-Chair Paula Colby-Clements, Aaron Buzay, Yican Cao, Paul MacKay, Andy McBrian, Kim Perry.

School Committee Chair, Susan McCready called the School Committee to order at 7:00 PM. Members present: Tracey Spruce, Lauren Conoscenti, Sandis Wright, and Emily DiCesaro.

School Building Committee Chair, Joel Blumstein called the Building Committee to order at 7:00 PM. Members present: Magda Parvey, Susan McCready, Tracey Spruce, Andrew Flanagan, Janet Nicosia, Keith Taverna, Carol Green, Heather Eigen, Siggy Pfendler, Paul Rollins, Mark Johnson and Liz Roos.

Others present: Brian DeFilippis and Steve Rusteika from PMA Consultants, Lorraine Finnegan from SMMA, Mike Marcella and Nathan Burnham from Gilbane Inc.

II. Opening Ceremonies

A. Moment of Silence/Pledge of Allegiance

The meeting began with a Moment of Silence followed by the Pledge of Allegiance.

The Town Manager said tonight’s meeting is to provide an update on the status of the [West Elementary/Shawsheen School Building Project](#) (WESP). The intent of the meeting is for everyone to have a working knowledge of where we are in the process, how we got here, and what the necessary steps are to move the project forward beyond its’ current scope. The entire project team is in attendance. Next steps include what the respective boards and committees in attendance have to do over the course of the next week and a number of things we are waiting on, especially the approval from the Dept of Revenue. Potential meetings will be scheduled for next week as the Boards and Committees have to take a position on the Warrant Articles so the Finance Committee can produce their report to mail to residents for Town Meeting by November 1, 2022. The Town and School Facility Master Plan included the West Elementary and Shawsheen Preschool as schools in poor condition.

Joel Blumstein, Chair of the Building Committee, gave a brief introduction of the participants involved in this project including a number of community representatives with extensive and relevant experience in this area as well as the Owner's Project Manager from PMA, the architectural firm of SMMA, and the construction management company, Gilbane Inc.

Mr. Blumstein noted that the WESP School building project was listed very high on the Facility Master Plan. The School Committee decided in 2016 that WESP was their priority school to submit to MSBA and was selected on the first try by MSBA for funding. In April 2018, funds requested at Town Meeting for a feasibility study were approved. They also wanted to include the Preschool as part of this project which MSBA agreed to include. Paula-Colby Clements was the first Chair of the WESP project. The process included a June 2021 Annual Town Meeting approval of a 2/3 majority vote, followed by a ballot box vote, both of which were successful. They then moved into the design phase and construction documents phase (two estimates) and were on budget until recently. Currently, they are in Phase 2 of the project and, if all goes as planned, the new West Elementary will open in August 2024 and the new Preschool will open in August 2025.

Mike Marcella, from Gilbane Inc., provided an update on the status of the project from where they started to where they are today. They have the responsibility to construct the project, protect the educational environment of the existing school, ensure the operation of the existing school is not impacted by construction, and the safety of the students during construction. They are bordering a few conservation areas and have ensured that nothing they do migrates into those locations. Currently, the project focus is on the foundation of the new school which is just over 50% complete. They expect to have all foundations in by Thanksgiving and will then transition into slab and utility work.

Initial Project Budget: Joel Blumstein reported on the total project budget voted by Town Meeting and at the Ballot Box in June 2021 for \$151.6M that includes the MSBA grant of \$38.4M and the remaining cost of Andover's share of \$113.2M. As part of this process, they have done early bid awards for site enabling, concrete, site work, and structural steel which is typical for a project this size to get the project going. Information on the early bids that have been awarded shows a net deficit of approximately \$1.1 million.

Brian DeFilippis, Owner's Project Manager from PMA Consultants, reported on the budget deficit noting that we are trending downward at this point. The supply chain disruptions, labor shortages, and inflation are a few of the reasons behind the budget deficit. They also need to replenish the construction and owner's contingency. Utilizing the descoping process, they have reduced the estimated deficit from \$18,979,000 to \$17,514,841.

Joel Blumstein reviewed the list of value engineering items that took place in May of 2022 to address the \$5.5M deficit estimated at that time. They removed or reduced items that

they thought they could do without and still maintain the scope and educational value of the project.

Mr. DeFilippis discussed the trade bids. Seven trade bids were awarded and eight have been extended until the end of the year, all are low-bidders and pre-qualified. The trade bids are approximately \$6.4M over budget. With respect to the non-trade/subcontractor bids, Gilbane is going through a diligent process of reviewing the bids which takes about 2-3 weeks; it is a very detailed review for each bid. Higher risk and higher dollar items are addressed first.

In mid-November, Gilbane will submit a draft Guaranteed Maximum Price (GMP) to SMMA (Architects) so that the final GMP will be ready in time for the Special Town Meeting. He also explained that when they realized they were going over-budget they went through the unscoped project numbers and put together a bounded number and identified specific risk factors until they have more negotiations.

Lorraine Finnegan, from the Design Firm SMMA, provided information on the deficit impact happening on school projects within the Commonwealth and primarily in the Route 495 area. She reviewed the chart of districts and the type of schools (Elem/MS/HS), their construction budgets, construction bid/estimate, as well as the percentage over budget in many towns and communities in the Commonwealth.

Options considered to address the budget deficit but not recommended (because that would significantly impact the project) included the greenhouse, gym partitions, gym equipment, site improvements and landscaping, turf field, athletic field equipment, and window treatments. We would save a maximum of \$5.8M if these items were eliminated. If we cannot get the funds to cover the deficit, these items may have to be eliminated.

The Building Committee discussed these items at their last meeting but they are not recommending their removal as it would significantly cut into the scope of the project approved at the Annual Town Meeting. They also do not support putting the project on hold and waiting to re-start at a later time, citing likely cost increases. Continued descoping of the project will reduce the budget shortfall.

The members of the sitting Committees asked many questions about the WESP building project presentation and what the result of eliminating or reducing specific items would mean for the project itself and what the cost would be if we held off awarding remaining bids for another six months. The response was that it would push the schedule out which would compound the cost. It is a domino effect; you would have to stop and redesign and figure out what you can pull from the Education Plan used to develop the design for the building. We would be looking at increased costs if there were a delay and scheduled awards with contractors would be affected. We could be faced with possible delay charges.

It would be helpful to know if there is a delay clause before entering into Town Meeting.

The deficit is not a result of mismanagement but as a result of the economy and other inflationary circumstances across the country.

The Town Manager said the West Bldg. Committee voted to recommend that the Select Board consider calling a Special Town Meeting for the purposes of asking voters to approve an additional debt authorization to fund the gap for the project deficit.

The Select Board voted to hold a Special Town Meeting on December 1, 2022 at the Collins Center.

The Town Manager said the total of Article I is \$17.5M which will change as the descoping process continues. It includes the increase of additional construction costs of \$15,706,494, the increase for the construction contingency of \$1,391,739, and the increase for owner's contingency of \$416,608. Article 2 includes reauthorizing the existing West Elementary Feasibility Funds of \$463,731 for a net total of \$17,051,110 for Article 1 and Article 2. This number will change as the descoping process continues.

The impact to the taxpayer for the \$17M would be an increase of approximately \$74 per year based on the current single family home value of \$759,453, which yields an average single family tax bill of \$11,088. There is a lot of uncertainty in the bond market and the current interest rate environment. Holding off for another six months would increase multiple costs.

Susan McCready provided information on the impact of a 'Yes' vote and a 'No' Vote. Impact of a Yes vote: The project stays on schedule, all contract prices are locked in, opening dates for the schools are maintained, and property taxes increase an additional \$74 per year.

Impact of a No vote would include: Construction pauses, project scope reduction and building redesign, Educational Plan impacts, bids expire, potential cost increases to complete the project, continued use of outdated and inefficient facilities and increased maintenance costs, and school opening date is delayed.

Joel Blumstein responded to several questions from the public regarding the cost if delayed, i.e. have you considered what the recession dollars could be, what has the Town/School done to cut back/delay future expenses to offset the cost of this deficit to taxpayers. Questions and answers are available on the Town and School websites.

In the spring, they were at 90% design and had two different estimators look at the cost and determined they were \$5.5M over budget. They took steps to address that budget shortfall and stay within the total project budget of \$151.7 million. When the bids came in at the end of August/September that is when the 14% increase was revealed.

Will they have the final dollar amount before Town Meeting? The Town Manager responded that they will have the final dollar amount before Town Meeting.

Can funds from the Town Operating Budget be used? Response: Using the Operating Budget Funds would have a significant impact on the Town Budget. If they are successful at Town Meeting, they will lock in the remaining contracts, greatly minimizing the chances of any future budget requests. If they don't need to borrow all the money and they borrow less the impact on tax payers will be less. They will have the ability to repurpose funds not needed.

There was a lengthy discussion on the effect that a delay or pausing the project would have on the costs. It is important to know what the escalation cost would be if the project was delayed.

What has the Town done to delay other future projects to help reduce the impact of this project? Explain why two of the elementary schools on the chart are estimated at half of what the WESP project is.

The Town Manager said we are in a partnership with MSBA and we have to go with their set process which is not in the Town's control. We are required to use the MSBA demographic study that relates to enrollment. We have the Operating Budget and CIP budget and plan to fund the West El/Shawsheen project primarily through exempt debt. If the community wanted to fund this project within Prop 2.5, it would wipe out 4 years of projects typically funded within the levy limit. There is a lot that needs to be done over a short period of time.

DOR can allow an increase in exempt debt without a ballot box vote, if a project comes in over budget due solely to economic conditions. The Select Board could decide to hold an election even if not required by the DOR.

Twelve Communication/Outreach Forums, both in-person and virtual, have been scheduled. A major communication will be going out by the end of the week.

III. Special Town Meeting Articles

A. Select Board, Finance Committee, School Committee and West Elementary Building Committee to receive project update and consider voting to take a position on the following articles:

Article 1	West Elementary School Construction
Article 2	West Elementary/Shawsheen Pre-School Construction Project Re-Authorization of Feasibility Study Funds

On a motion by Susan McCready and seconded by Liz Roos, the WESP School Building Committee voted to recommend approval of Articles I and II on the Warrant for Special Town Meeting of December 1, 2022.

The Select Board will take a position at their meeting on October 24, 2022.
The Finance Committee will take a vote at their next meeting.
The School Committee will vote at their meeting on Tuesday, October 25th.

IV. Adjourn

The meeting adjourned 8:55 PM.

The Select Board, on a motion by Chris Huntress and seconded by Annie Gilbert, voted 4-0 to adjourn.

The School Committee, on a motion by Tracey Spruce and seconded by Lauren Conoscenti, voted 5-0 to adjourn.

The Finance Committee, on a motion by Paula Colby-Clements and seconded by John Barry, voted 8-0 to adjourn.

The Building Committee, on a motion by Siggy Pflendler and seconded by Liz Roos, voted 9-0 to adjourn.

Respectfully submitted,
Dee DeLorenzo
Recording Secretary

/JB rev.