

Approved September 8, 2021

**Advisory Committee Meeting
Zoom Video Conference
Wednesday, August 25 2021, 6:30 p.m.**

Those present from Advisory Committee included Neal Goins, Tom Cunningham, Jake Erhard, Patti Quigley, Shawn Baker, Jennifer Fallon, John Lanza, Corinne Monahan, Doug Smith, Susan Clapham, Al Ferrer, Wendy Paul, Pete Pedersen.

Neal Goins called the meeting to order at 6:30 pm.

6:30 p.m. Citizen Speak

There was no one present for Citizen Speak.

6:30 p.m. Hunnewell and Hardy Project Presentation

Those present included Brian Paradee, Project Manager, W.T. Rich Company; Sheryl Strother, Finance Director; Glenn Remick, Project Manager, Facilities Maintenance Department (FMD); Jonathan Rich, Project Executive, W.T. Rich Company; Steve Gagorian, Design and Construction Manager, Permanent Building Committee (PBC); Martine Dion, Director of Sustainability, SMMA; Kristen Olsen, Project Manager, SMMA; Jeff D'Amico, Owner's Project Manager (OPM), Compass; Ryan Lynch, Project Executive, Shawmut Design; Cynthia Mahr, Assistant Superintendent, Wellesley Public Schools (WPS); David Lussier, Superintendent, WPS; Joe McDonough, Director, FMD; Alex Pitkin, Principal Architect, SMMA, Catherine Mirick, Chair, School Committee; Melissa Martin, School Committee; Tom Ulfelder, Chair, Select Board (SB); Dick Elliot, Project Managers, FMD; Tom Goematt, PBC; Meghan Jop, Executive Director; Joe Pollock, project manager

The project background was reviewed. The Town team and the project team were introduced. The Educational Program overview and district maps were reviewed. The three (3) Special Town Meeting (STM) Warrant articles were explained and reviewed. Key dates, sustainability goals, project schedules and the major differentiators between the two projects were reviewed. Project updates were provided for the Hunnewell School project and the Hardy School project. Financial impacts were reviewed and the Hardy School site land transfer was explained.

Questions

- A comment was made expressing concern for the safety of children as they potentially try to cross Route 9 to get to Hardy. A request was made to reassess the access from Route 9.
 - We will keep this in mind as the roadways around Hardy are designed.
- Do the buildings require a different type of air flow system because they are tighter buildings and is there an additional cost for this type of system?
 - The condensing and air handling systems aren't different than what we see in other schools. They are just not fired by gas sources. The electricity allows us to cool the building which will help make the system more comfortable across the spectrum of the year. The life cycle cost analysis of an all-electric system shows that the system is slightly less expensive. These are Net Zero ready buildings. The Hunnewell project is LEED certifiable. At a minimum they will have MERV 13 filters and a majority of schools install this high level of filtration. The schools will also have operable windows which will also contribute to good indoor air quality.

- A comment was made that it would be useful in the presentation to STM to show the total tax burden and the change for the tax payer, including a graphic with the amount of debt that is being retired.
 - Yes, we can do such a slide.
- A comment was made that the total debt limit for Wellesley is 5% of equalized valuation - \$450 - \$500 million. At this time there is only \$15 million outstanding and all debt is structured to tail down.
- A question was asked about the impact of these two school projects on the town's Moody's rating.
 - The town has been talking with our Moody's representative in the Town Wide Financial Plan (TWFP) for many years. There is no anticipated impact to the town's AAA rating.
- The town's incremental budget takes the form of the tax rate and an individual's tax is related to value of the property.
- Are the median tax impact numbers that were presented quarterly or annually and what do they represent as a percentage of the median tax bill?
 - It is a 5% increase to the median tax bill and the tax impact number presented is an annual number. Five percent is the maximum amount and it will go down each year. All debt is on a level principal and not level payment. It is not like a house mortgage payment. The town tries to keep the debt mountain down. It will decline from this point depending on cash flow at the time and borrowing rates at the time and it is roughly the same across the tax basis.
- A comment was made that with the expected increase for very large projects, a calculator can be developed to show the impact for specific addresses.
- A question was asked if an interest rate lock was explored.
 - We go out to bid and get the rate on the date of the sale. We are continuously monitoring and will decide based on premiums and interest rates. A 4% assumption gives room for a worst-case scenario.
- When is the actual borrowing expected to be placed?
 - It depends on how long the project is and is based on cash flow and the market circumstances. Sometimes we borrow multiple times. If rates are fantastic we might borrow more.
- What are the rates on recent borrowings?
 - Rates for short term borrowing are very low and down in the 1% range. Rates are significantly less than 4%.
- A comment was made that Hunnewell has an outsized decline in enrollment.
 - We are seeing declines across all schools although the decline is clustered in the primary schools, it is comparable across schools.
- What is the difference between LEED certifiable versus LEED certified?
 - At Hunnewell we are designing to include all LEED criteria and tracking all LEED data during construction. We are not submitting the documentation that would be required to be reviewed and approved for LEED certification as that would increase the project cost. The MSBSA requires LEED certification for Hardy. The two schools, in terms of sustainable design, energy efficiency, are equivalent. [Comment – may want to consolidate the LEEDS questions below here]
- Will the cost of the steel be a factor?
 - Prices are stable but don't show signs of coming down.
- If solar panels are put on the roof will they be able to power the buildings independently and will they be able to use the electricity or does it go back to the town?
 - In both cases there will be savings. The amount of renewable energy is 50-60% of the overall annual electric usage.

- The MLP met and voted to procure and install solar panels on Hunnewell school.
- Will there be elevators in both schools?
 - Yes – the schools will be ADA compliant.
- Is the 5% tax increase just for Hunnewell or for both schools?
 - It is for both schools
- A question was asked if the total number of children in public versus private schools is tracked if there is a trend and if it is related to COVID.
 - It is consistent at 20-25%. The pattern overall is historically relatively stable.
- A question was asked about the overall maintenance budget impact and if the creation of FMD puts us in a better place
 - MSBA requires a detailed operational budget for the first year of the school. On the expense side for a new Hardy, it is about \$200,000 per year. Hunnewell would cost about the same. FMD has not yet determined custodial staff but would like to use existing number of staff but may need an additional .5 custodial staff. Costs would be less than running the HHU schools together, although the district noted that aside from the principal and school nurse, there would not be a lot of cost savings on the staff side. The square footage of the two new buildings is 32% larger than the three schools combined. But there should be maintenance savings, as the operating budgets will be a little less which has to do with the efficiency of the buildings.
- Has the MLP made a decision on paying for the photovoltaics at Hardy?
 - They have not but it is expected that they will be paying for Hardy's photovoltaics. The solar panel market is changing quickly.
- Is MLP using enterprise money or will the photovoltaic purchase be a tax impact budget item?
 - MLP has WeCare funds and we plan to use some of those but we just do not yet know the specifics.
- What is the dollar amount to make the step from LEED certifiable to certified?
 - There are many steps and coordination that needs to happen so it is difficult to quantify but it would be more than \$20,000 and could be more than \$50,000.
- Is there any benefit or funding source for Wellesley from the LEED certification?
 - There is no benefit. With the MSBA LEED certified is a requirement. With Hunnewell Wellesley has flexibility to not go through documentation. Happy to ask Marybeth Martel about this.
- Hardy's soft costs are \$6.5 million more than Hunnewell. What's driving the difference?
 - Hunnewell had a previous \$5.7 million approved for the design phase. The design phase has not been appropriated under Hardy. There are additional contingencies throughout the Hardy project – appropriating a few years earlier. Hunnewell has gone through two appropriations – \$1 million and \$5.7 million. Cost of Hardy site is \$4 million more and there are more contingencies.
- The building costs between the two schools are different, what's the driver?
 - Hardy is slightly bigger and has 2 additional years of escalation. There is mitigation and additional work on the site. Escalation, size and duration are driving higher costs at Hardy. In addition, there is site circulation that needs to happen on the site at Hardy, so there are more roads and more asphalt. Hunnewell located in town will use town roads. More asphalt needed at Hardy. Additional work on Route 9 will be required based on discussions with Mass DOT. Hardy is a larger site and will have a larger ball field, etc.
- With the respect to the PEY on the net zero slide there is a note to keep it under 30 – where did that agreement come from?
 - This is coming from Wellesley and is requirement in the RFP. It is a policy in the town as part of sustainable guidelines for town buildings. Hunnewell is the first project to use these guidelines. It is not mandated.

- How will Hunnewell's identity in the swing space be preserved?
 - The priority is to minimize disruption as much as possible and students will be placed in as few schools as possible. Hunnewell students will be kept together and taught by Hunnewell teachers to maintain the identity of Hunnewell students.
- Hardy school capacity number is 365 students but each school has 230 students now. Why are we building such a big school?
 - Three sections per grade is the size we want. If the enrollment trend were to continue, and decline is maintained we will look at future consolidation. We need these size schools going forward. We are consolidating 3 schools into 2 schools. There are 170 students at Upham.
- A comment was made that it would be helpful to Advisory to look at the data from the redistricting and what the numbers will be in each of these schools after redistricting.
 - In January and February, 2020 throughout redistricting process, various maps were developed based on the analysis of the outside consulting group. Maps were developed with a vision to allow equal distribution of students and to allow the ebb and flow over the years. These are the size schools we want built regardless of which school is built.
- A comment was made that there will be people in the community that will say that enrollment is declining so why spend the money on two schools. It was suggested that the benefits of building both schools be laid out
- Who decides if swing space costs are going to be part of vote or taken out?
 - We are working with bond counsel to determine if costs can be borrowed. This was presented to the SB on 8/31 as it impacts language in the article. Swing space costs include relocation and moving costs but busing is a large portion of the cost and this is an operating cost. \$1.1 of \$2.4 million is for busing to various schools. The Therapeutic Learning Center will need to be replicated in as many schools as needed and additional staff will need to be hired to provide the services. \$2.4 million is worst case scenario. These costs will come down if we use fewer schools for swing space.
- A question was asked if using Upham for swing space had been considered.
 - This possibility is being considered.
- A comment was made that it would be better to see the preliminary enrollment numbers and concern expressed that the enrollment numbers might affect the approval of two buildings.
 - Next week real numbers can be presented and 2019 numbers re-examined. The presentations from the redistricting work are on the website. We are building schools for 50 years and enrollment fluctuates over time
- Concern was expressed about the traffic around Hardy, particularly around Lawrence Road.
 - PBC has engaged SMMA to study the site plans and it is clear queuing needs to be removed from Weston Road. The traffic consultants, Beta, are surveying households driving kids to school and the impact of queuing on Weston and queuing on site.
- A question was asked if the traffic studies will be meaningful once redistricting occurs.
 - The traffic studies are being done on the projected redistricting map.
- Overlay debt service with school projects – from TWFP. What might look like as debt service rolling off.
- What is the plan for community engagement?
 - We are still working on this and starting to put a plan together.
- Is there any risk that enrollment will go up and we will have to look at exterior space for swing space?
 - No, we don't see that as something to be concerned about.
- A comment was made that the MSBA reimbursement percentage appears to be capped so in effect we aren't getting the full benefit of the 2%.
 - The town is getting the full 2%. It is not a cap but how many dollars are eligible.

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- Items for School Committee to come back to address:
 - How we got from numbers from 2018 STM to these numbers
 - Recap of Dover Amendment and what this means
 - Enrollment projections – more specific numbers
 - Stacking up debt chart as projects come off.
 - Benchmarking on costs on schools – Data to help to give sense of costs where this sits in the spectrum of comparable projects that have been executed over a period of time.
 - We are working with Compass on benchmarking on schools in Massachusetts and Net Zero ready schools will show a premium in costs.

Liaison Reports

There were no liaison reports.

Minutes Approval

John Lanza made and Corinne Monahan seconded a motion to approve the August 18, 2021 minutes.

Roll call vote

Patti Quigley - yes
John Lanza – yes
Jennifer Fallon – yes
Jeff Levitan - absent
Corinne Monahan - yes
Shawn Baker – yes
Doug Smith – yes
Jake Erhard – yes
Tom Cunningham – absent
Susan Clapham - yes
Al Ferrer - yes
Wendy Paul - yes
Pete Pedersen - absent
Madison Riley – absent

9:50 p.m. Adjourn

Patti Quigley made and Corinne Monahan seconded a motion to adjourn.

Roll call vote

Patti Quigley - yes
John Lanza – yes
Jennifer Fallon – yes
Jeff Levitan - absent
Corinne Monahan - yes
Shawn Baker – yes
Doug Smith – yes
Jake Erhard – yes
Tom Cunningham – absent
Susan Clapham - yes
Al Ferrer - yes

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Wendy Paul - yes

Pete Pedersen - absent

Madison Riley – absent