



# **MINUTEMAN BUILDING PROJECT**

## **Frequently Asked Questions**

### **District Town Building Presentations and Surveys**

#### **March-April, 2015**

#### **1. Voting Requirement: What approval is needed for the building project?**

There are two options available to secure approval. Both are outlined in M.G.L. Chapter 71, Section 16. Under Section 16(d), the District could seek approval from Town Meetings in all 16 towns, with approval required in all 16. Under Section 16(n), the District could hold a District-wide ballot, with voters in all towns eligible to vote. The decision is made by a majority of the aggregate vote total. While the assumption has been that the “traditional method” of approval (i.e., town meeting votes) would be the option used, the district-wide ballot is also an option.

#### **2. What is the evidence that costs are in line with recent similar projects and how is relative cost measured? And are there any aspects of the plan that could be considered extravagant?**

The Design Team has looked at other schools. Every building is different, costs for this project have been established in accordance with MSBA guidelines and space summaries, which measure square footage and program space. Renovation costs are higher due to conversion of accessibility, contingency costs, escalation, and inefficiencies with 330,000 sq. ft.; new building is less expensive due to starting fresh and building within 240,000 sq. ft. There is no extravagance—the focus has been to review the various options for an educationally sound and sustainable solution.

#### **3. Some people may be skeptical, and think that there is a bias towards new construction, with exaggerated pricing for the renovation option, attempting to predetermine the outcome. How can they be reassured that the costs of the various options are realistic?**

MSBA evaluates the preferred option submitted by looking at the facts presented. Their goal is to ensure that due diligence has been done, in a non-emotional way, and that a true feasibility study has been conducted to determine the most cost effective and educationally appropriate solution.

#### **4. Why is the Education Program Plan a major consideration in the various options?**

The current school was built at a time when the Open Space Concept was an experiment. It doesn't work for what Minuteman offers now. The educationally sound Career Academy Model incorporates natural adjacencies and the design of the building must reflect this.

#### **5. What is the condition of the current building's infrastructure?**

Odeh Engineers prepared a Structural Evaluation dated 7.30.12, a Seismic Evaluation dated 10.15.12, with an Addendum dated 11.17.12, presenting the condition of the building clearly.

**6. Is the current building in violation of building code?**

Life safety of all occupants of the building is of highest priority. The building met code at the time it was built, but it does not comply with current code. Any discrepancies are due to having been grandfathered in, not due to negligence.

**7. These options have been developed with the enrollment number of 628 in mind. Is this realistic? Why is there no option for a smaller school (500-525, for example). Why is there an anticipated increase in enrollment? Is there a view of enrollment progression over the last 10 years?**

Career and Vocational Technical (CVTE) High Schools with small enrollments are UNABLE to offer a variety of programming that is needed to attract students into career majors that provide occupational opportunity. Statewide, schools of less than 600 students are typically able to offer 7 – 11 career majors. Minuteman would be forced to offer fewer programs, fewer extracurricular activities, fewer sports, and would have to cut back academic programs and offerings. This scaled back version of a CVTE High School would not be attractive, or the cost per pupil would be unsustainable in trying to continue to offer the robust diversity of programming proposed.

The development of the Educational Program Plan calls for the elimination of 2 programs, the merging of 2 programs and the creation of 2 new CVTE programs. This re-organization of the career majors into two academies is in response to the current and projected changes in the workforce. Relevant programming that prepares young people for college and career will increase the demand overall for access to Minuteman. Numerous research publications have documented the growing need for high schools to address the career development needs of all students in order to create a return on the college investment required. Minuteman goes the extra mile in allowing students to actually begin their education in their chosen field before they enter a post-secondary institution.

The building plan assumes an 8% average growth per year in Member district enrollment. This is reasonable and reflects the growth observed between the 2012 and 2013 enrollment. When Minuteman is operating in a modern, flexible, high performing building, with an effective Education Program Plan, the assumption is that we will reach capacity. Having begun with the enrollment number of 800, and then adding the Design Enrollment requirement of 435, MSBA expects a submission that accommodates an enrollment of something in between. The Districts' rationale of the adjustment to 628 is well described in the Education Program Plan.

NESDEC is revisiting enrollment projections that are now nearly 6 years old, and conducted during an economic down turn. Many of our larger sending schools are experiencing increases in enrollment, and the projections must be updated. Statewide there has been about a 3.0% decline in high school aged students; however during this same time enrollment at regional vocational technical high schools has increased 6.25%.

**8. What accounts for the large cost difference between Option #4 and Option #5, the two non-MSBA options?**

In Option #4, aspects of the Education Plan are incorporated, with the reconfiguration occurring over a longer period of time. In Option #5, there is no inclusion of the Education Plan; the building simply would be repaired. The costs reflect industry standard escalation estimates and the challenges of major repairs in an occupied building.

**9. What’s the consequence of not having NEASC accreditation?**

Parents are concerned about having their children attend accredited schools. You lose accreditation, you lose credibility. Some post-secondary institutions are suspect of applicants from high schools that are not accredited, putting at risk a students’ ability to be accepted into the college or university of their choice. There is a higher risk of decreased enrollment given the perceptions associated with an unaccredited high school.

**10. Could you please give me some clarification on the assumptions used in formulating the specific costs for each town district?**

Major Assumptions:

Debt Service effective FY 20

Projected Enrollment (based on 8% annual increase in member enrollment):

In-District 524

Out-of-District 104

TOTAL 628

Inflation Rate: 2% annually (FY 17-FY20) for Foundation Budget, Transportation, and Operating Assessment

Transportation Reimbursement = 60%

**11. I believe you are specifically citing capital costs for the new facility. Can you confirm that these costs are in addition to Sudbury's annual assessment from Minuteman to avoid general misunderstanding?**

Correct. The capital costs are related to the building project cost options only. Annual assessments would be in addition to the building costs, and include our operating costs and current annual debt due to our ESCO project. Estimates on the total annual assessments (both operating and capital) under both the revised agreement and current agreement for each project option can be found on pages 3 to 6.

**12. If there is a transition period during which member student enrollment is less than 628 but is expected to ramp up, how long is this period? What proportions of in-district and out-of-district students are expected over time?**

The analysis is a projection on our debt service in FY20, when we expect to issue the bonds on the project. We are also projecting an 8% enrollment growth in-district, based on the excitement of a new building, a revised educational program plan, and a new focused and strategic recruitment and retention program we have started this year. We have seen student interest increase in our open house and shadow day events, and launched a very successful “Women in STEM” program for 8<sup>th</sup> grade girls that will provide more interest from girls in attending Minuteman. By FY20, we project to have 524 in-district students, and 103 out-of-district students. The breakdown of this projected enrollment by in-district towns is on page 19.

**13. How are the numbers affected if one or more of the current sixteen member towns withdraws from the Minuteman district under either of the regional agreements?**

Based on what we know now, when a new regional agreement is adopted, we would expect Boxborough, Weston, Dover and Wayland to withdraw from the district. Assuming all 4 withdraw and continue to send their students as nonresident tuition students, the annual debt service for the new building project option to Sudbury would be \$246,490. This would be an increase of \$11,883 from our current projection with all 16 towns remaining. The operating assessment would increase about \$9,000, so the total assessment is estimated to increase about \$20,000 per year.

**14. Do these assumptions include the assessment of capital fees to tuition students as allowed under the March 27 revision of Chapter 74 law and regulations (603 CMR 4.00)? If so, how are the numbers affected if these capital fees are not included?**

Yes they include capital fees being charged to nonresident students based on the new regulation changes. We have not received any formal guidance on the calculation, but as we understand it, the district would charge the per student cost of the annual debt service in addition to the nonresident tuition rate. Since we are assuming 103 nonresident students, the per pupil cost on the new building model is estimated at \$7,527 per student, which would generate about \$780,000 to offset member town debt service assessments.

On your second question, to the extent we do not collect the \$780,000 capital fee, it would be incurred by the member towns. The projected debt service from the new building to Sudbury would be \$305,437, which would be an increase of about \$70,000. Having said that, we realize the major obstacle in moving this project forward has been the inability to charge a capital fee for nonresident students. Now that we have the authority to do so by regulation, we will be assessing this fee in addition to nonresident tuition.

**15. Could you include the expected interest rate on the bond and how the costs would change with a) no MSBA reimbursement and b) a 31% MSBA reimbursement for the project?**

The expected interest rate on the bond is 3.5%, which is higher than current rates.

We are in the process of prioritizing the non-MSBA repair work in order to project what the borrowing requirements would be over the 10 year project. We believe the repair costs in the early years of the project will be substantial as we address the roof and structural repairs. In addition, this amount of building investment will trigger our requirement to make the building fire and ADA compliant, which will add to the scope of work. For these reasons, we have not projected the debt service on those options, but we are working to address the question.

We have not looked at the 31% reimbursement number at this time. We're interpreting the question as to what the decrease to our current 40% reimbursement rate by not having full approval to proceed by June 2016 will cost the district. In addition to the reimbursement reduction, the loss of time will increase the construction escalation costs to the project. Also, with MSBA approving

about 150 projects a year, of which only 15 or so are core construction projects such as this one, it is not likely that our project would be selected by MSBA without a significant event to demonstrate a sustainable district moving forward.

**16. My recollection is that the project would begin in 2018 and the bonds would extend from 2020 to 2050. Whatever the correct assumptions are on this, could they be included as well?**

Those assumptions are correct. We would do short-term bond anticipation notes during the 2 to 3 year course of construction, and then issue a 30 year level debt service bond (rather than declining debt). This, of course, is subject to change subject to economic conditions and construction schedules.

**17. How does the cost per student compare to other local new construction school projects? If higher, why? Is it reasonable to compare the cost per student of a vocational school to the cost per student of a traditional school? If not, why not?**

CVTE High Schools have a higher cost per square foot, due to M.G.L. Chapter 74 minimum shop size and square foot per student requirements. The estimate for a new building provided here are in line with other recently completed, or estimated vocational technical high schools. Examples include Putnam Vocational in Springfield, North Shore Regional, and Taconic High School in Pittsfield.

**18. Why have other schools been able to renovate, yet Minuteman's project appears to be unreasonably costly. Is it simply that Minuteman is older, or is there more to it than that?**

The existing building layout includes multiple levels and single loaded corridors, which are a more costly configuration to meet handicap accessibility and new educational program requirements. The age and type of construction, including materials now deemed hazardous, all contribute to a very difficult renovation.

**19. Had Minuteman been making more repairs over the last 5-10 years, it would be in better shape now. How does Minuteman respond to the question of poor management?**

Minuteman has been in the MSBA grant program for over seven years, and the original expectation at the time of submission is that we would be occupying a new building today. To the extent this process has been substantially delayed, the district has continued to perform the necessary repairs to keep the building in operation. However, recent repair projects have resulting in cost overrides in the 30% to 35% percent range, as the actual construction of the building was not in accordance to current as-built drawings on file. As the delays on moving forward with a new building project continue, much of the building systems are in excess of their expected useful life.

Prior to 2007, it is clear that the onerous requirement for unanimous approval of all 16 communities to bond large repair projects was a deterrent to the District seeking substantial renovations.

**20. In what manner will the new building impact the operating cost of the school?**

We project that a new building will reduce our operating costs. The total square footage of 240,000 square feet that the new building is designed for is about 90,000 square feet less than the current building, and given a new energy efficient building would expect to see a 35% to 40% savings in utility costs. The target enrollment of 628 is less than our current enrollment and as a result we are estimating a reduction in staffing by about 20%. These operating costs will be further delineated as a component of our submission to the MSBA.

**21. How have faculty, staff, students been involved in the process of the design?**

Faculty, students, and staff have been actively involved. The Superintendent has held numerous meetings with these groups, seeking their advice and input.

**22. What are the educational benefits/challenges of each of the options?**

Of the three MSBA options, Option #1 (Renovation) is the least desirable because it limits us to the existing building footprint. To further cooperation between and among programs, the existing structure must change. Doing renovation work while students are in class will also cause significant disruption. Option #2 (Renovation and Addition) is educationally more desirable than Option #1 because it creates new space that can be used more efficiently. From an educator's standpoint, Option #3 (New Building) is most desirable. It creates new space that is specifically designed to match the educational need. Further, it can be built while students are studying in the existing building.

**23. Why can't the Education Plan be implemented in the current building?**

The building was designed to create barriers between programs. It was designed to isolate. This runs directly counter to the current educational theory that programs should work together, not in isolation. In addition, there are probably six (6) different levels/floors in the building. The new Educational Plan requires an integrated delivery of educational services. That requires a restructuring of the facility that would be expensive and time consuming.

**24. How does the project impact the lease agreement with the MIT LINC Daycare Center, currently under a lease agreement?**

The MIT LINC Daycare Center lease expires on October 31, 2016, and they have indicated their intention not to seek a renewal lease from the district.

**25. Why is "Renovation" less expensive than "Renovation/Addition"?**

Based on the latest estimates that are shown on the Minuteman website, the renovation option is the most expensive, due to required major repairs to the existing infrastructure, changes to the building required to meet MSBA and Chapter 74 guidelines, the construction duration and inefficiencies contained in the existing building layout.

**26. Do the projected project costs include the cost of new equipment, if any? If so, what is the breakdown between actual building costs and equipment costs?**

The projected project costs include furniture and equipment costs, in accordance with MSBA guidelines. MSBA will fund \$2,400 per student for technology, furniture and equipment. We anticipate that some existing equipment will be reused in any option. Minuteman has been working closely with a number of businesses interested in supporting the equipment needs in a new facility.

**27. What are you going to do with this building if you build a new school?**

The options are being, and will continue to be, explored that may include demolition and creation of athletic fields, development opportunities, leasing, or some combination of these to bring resources to the district to offset construction costs.

**28. Do the cost estimates include money for equipment?**

See response to Question #26.

**29. How did the SC get to 628 design student enrollment?**

See response to Question #7.

**30. Do we anticipate out-of-District Students? What will be their Capital Assessment and why?**

Out-of-district students have been coming to Minuteman for many years and we expect that numbers of out-of-district students will continue to attend Minuteman. In February of 2015, the Board of Elementary and Secondary Education passed a new regulation, allowing districts such as Minuteman to charge a capital fee for out-of-district students. We see this as a major victory for Minuteman and should be viewed as a win for its 16 member towns. At this point, we don't know how much the capital fee will be.

**31. You need to explain the 5 year transition going from 800 to 628 students.**

The transition has already begun. We have submitted closure plans for 2 programs to the Department of Secondary and Elementary Education (DESE). We have included a small amount of money in the FY16 Budget to develop the 2 new programs in accord with the DESE Program Approval process.

Any closure plan must include a description of how students currently enrolled in programming will be accommodated to successfully complete their CVTE program. We will need to maintain the staffing, supplies and equipment for these student in these programs for several years. This will result in a temporary over staffing as we close programs and ramp up new programs.

The implementation of Inter Municipal Agreements (IMAs) with former members or non-member communities will also be a factor in the transition to a smaller school in that admission will be offered to qualified students from members first, and then students from communities that have signed an IMA.

**32. What would the cost be for a new 435 student building?**

\$135,728,770

**33. What are we doing to encourage out-of-district communities to join Minuteman?**

The administration has held informal talks with out-of-district communities over the years, though no formal talks are currently underway. Several out-of-district towns know that Minuteman would like them to consider joining the Minuteman district. The new state regulation outlined in Question #30 might make it more appealing for out-of-district towns to consider joining the Minuteman district.

**34. What is the cost IF some towns leave the District as related to the Building project?**

The towns considering withdrawal send less than a TOTAL of 15 students. Further, it is expected that many of those towns will continue to send their students to Minuteman by entering into an Inter Municipal Agreement (IMA). Since these students will be paying a capital fee in addition to the tuition rate, and based on a building at the 628 student capacity limit, the capital fee paid will lower the debt service assessed to in-district towns.