

Nauset Regional High School Building Project  
Brewster Finance Committee Discussion Questions w/ Responses from 10/2/19 Meeting  
Transcribed by Lynn Bruneau ("LB"), Orleans Finance Committee Chairman

LB Note: questions are numbered to match list of questions provided by Brewster Town Administrator; however, during Brewster Fin Comm meeting, it seemed as though they began w/ Question #2 and continued from there, coming back to #1 at the end w/ perhaps the addition of one or two more questions toward the end. The numbers below match the original list as provided by the Brewster Town Administrator.

Project Team representatives at the meeting included NRSB Superintendent Tom Conrad ("TC"); Brewster rep to the Regional School Committee John O'Reilly ("JOR"); Regional School Committee Chair Chris Easley ("CE"); and Building Project Committee Chairman Greg Levasseur ("GL").

In the notes below, where I **didn't understand** what was being said, I **highlighted a phrase in yellow**. Where we might want to **follow up** and get a referenced document, I **highlighted a phrase in turquoise**.

Discussion began with "background" provided largely by John O'Reilly ("JOR") - speaking from notes, not slides.

- 2012 - NRSB worked w/ architect firm which developed capital asset report focused on high school, middle school and central office. Capital Asset Committee reviewed report and focused on capital plan(s) for years 1-3, 3-7 and 7-10.
- 2013 - Extended report into a 5-year plan
- 2014 - It became clear that annual town contributions would not be enough to keep up with capital asset requirements. High school had big plumbing, electrical and lighting issues
- November 2014 - Region was authorized to work on "Statement of Interest" ("SOI") that would go to MSBA regarding long-range plans for renovations at the high school
- February 2016 - SOI submitted to MSBA; Committee met with 4 towns; could not keep supporting major projects year after year
- End of 2016 - Accepted into SOI program
- May 2017 - 4 towns voted at their Town Meetings to fund \$1.3mm feasibility study for high school
- July 2017 - Building Committee formed/named; enrollment issue discussion underway (over 4-5 months); enrollment number established for project
- Issues/considerations: existing high school programs robust, high quality; where are high school programs headed (eg, International Baccalaureate program); Choice & Tuition impact on programming; high school configuration; ideas on reconfiguration (eg, moving grades 7 & 8 to high school and grade 6 to elementary schools); eliminate Choice & Tuition
- Set enrollment at 905, including Choice & Tuition; programming second to none; continue to be robust.
- If remove Choice & Tuition - w/ lose income from both groups, c/ end up losing some programs at high school. **Ref 904 program?** High school now has full-time teachers and teaching assistants. Without Choice & Tuition students, likely would have part-time teachers which makes scheduling difficult and could impact program quality. Part-time teachers would have trouble finding accommodations in Cape economy.

- Idea of moving grade 6's to elementary schools - not included in SOI submitted to MSBA; space considerations at elementary schools. At Brewster, looking to consolidate elementary schools - adding 80 more students would complicate that discussion
- Idea of moving grades 7 & 8 to high school - not a good educational experience; focus on high school for high school-age students.
- Thus enrollment of 905 chosen for best education experience, including Choice & Tuition students; best programming.
- Tom Conrad ("TC") regarding academic program: ref to Education Reform Act about 25 years ago - removed study hall concept. Could still have "directive study" with teacher supervision focused on specific subject(s), but that is hard to schedule. Instead - built up electives, arts, applied arts - focus on "dream makers"; impact of choice (as in "choose") on scheduling. Master schedule based on course selections of students. Four years of English required but variety of levels / challenges - more sections than if all the same. Twenty years ago, 6 AP student exams - now 600, with 23 AP programs; many with college freshman experience and credit; 254 students took 557 exams; 88% got grade 3 or higher (thus prospect of college credit). Second year of International Baccalaureate program. NRHS - national "blue ribbon" school; state "Vanguard" and "Compass" award winner; also cited in US News & World Report and Newsweek as outstanding high school.

Then Discussion Questions: initials note who replied to question:

1. What is the intention with regard to bringing the funding of this project before the four member towns' voters?

Answered after other questions. CE: Looking at bond choices. TC: Meeting on 10/16 with Town Administrators and Finance Directors from 4 towns to discuss bond choices, to discuss what town officials are thinking.

2. Provide a summary on the process/criteria in establishing the 905 MSBA enrollment number. Does this include School Choice?

Ref. discussion above; MSBA accepted Committee number.

3. What does the 905 MSBA enrollment figure mean? Is that the maximum size school that the district would receive MSBA funding support for?

905 is benchmark for MSBA program - basis for square feet/student and dollars/student where some values are same state-wide, regardless of cost variances across the state (ie, typically higher construction costs on-Cape). Two-step process - establish education plan (courses), then plan/design building to provide for courses.

4. Is there any chance we could get more funding from the MSBA to offset the cost of building a school to house and educate Choice students? As proposed, Choice students would constitute 20-25% of the student body.

No - MSBA already considered Choice students w/in the 905. MSBA pays for some things but not everything - eg, 8 cents/dollar for moving dirt; zero for admin offices.

5. Would there be any change in the way funding support would be calculated if we built a smaller school - one that would meet the needs of the four member towns? Would the formulas remain the same (though obviously amounts would change given presumably a lower cost to build a smaller school)?

Lots of suppositions in question. MSBA funding is based on 905 students. If we changed now, we would have to notify MSBA of "pause" and we might lose our place in line. NRSB was included in program in its second year of "application" process. Tisbury just lost in a local election by 11 voters. Now they are scrambling to fund needs locally, with no state funding (dealing with mold, lead paint, etc.). Would formulas change? Maybe. A smaller enrollment would imply a different education plan. It took 6 months to develop the 905 enrollment number. We would have to re-start the process.

6. Would it be possible to alter the submission to the MSBA, for instance, with a plan to build a smaller school, without restarting the entire MSBA approval process?

No.

7. What is the cost per student and per square foot in comparison to other recently completed high school projects? Looking to determine the reasonableness of the \$140mm proposed costs.

Ref. to MSBA website with costs/square foot for all projects with project years. Monomoy was \$294/sq ft. Cape Tech \$414/sq ft. A newer school \$471/sq ft (2017-2018). Projects vary - some include new construction-plus-renovation; others are all-new; off-Cape construction costs are likely lower. NRSB project cap is \$140mm. Have been "tweaking" schematic design since September 1; starting mid-October have been working on infrastructure system costs (eg, heating, etc.). Continuing to refine schematic through November for submission to MSBA in December.

8. What is the difference between the proposed Nauset project vs. the completed Monomoy project?

Monomoy was all new construction; Monomoy enrollment of 700 was set by MSBA; they were told to include 8<sup>th</sup> grade to increase student population. Monomoy design is based on a "model" - not their own unique plan - thus some discounting in project costs. TC noted this isn't done any more - no more "model design" programs. NRSB reimbursement isn't as high as NRSB project is part renovation, part new construction. NRSB project will go to towns in spring with revised cost estimates based on schematic design but not engineered plans (no funding for detailed engineered plans).

Discussion re "Choice" related to Monomoy. Were there lots of "Choice" students at Monomoy? TC noted all Cape schools participate in "Choice" program. For a while, Chatham lots of local kids into their middle school. Nauset is now getting Chatham and Harwich students. When Monomoy was built, they were unsure if their students w/be coming back into their new high school. Nauset is the only 9-12 grade high school on the Cape; most are 8-12. Most Nauset Choice students stayed at Nauset and didn't go back to Monomoy - staying at Nauset due to robust programming.

9. What would be the cost to build/renovate NRHS in a way to support only the expected enrollment from the four member towns whose taxpayers are paying for it? (without Choice & Tuition students)

GL - "Crystal ball" question - he's not evading it. Have determined cost for a code compliance project (\$91mm). Would still need to move showers and lockers from basement (additional cost).

LB note: this doesn't seem to be an answer to the question.

10. What are the impacts Choice, Truro, Provincetown and International students (plus/delta) with the building size and construction costs of the project?

All are included in the planning - the 905 number. MSBA assumes these too. TC - discussion re. International student program. Initially state agencies brought in international students; valued for diversity on campus plus tuition. Noted 10/1 enrollment data shows number of international students. Used to be 12-17+ international students through these programs but no longer. Now leverage private school model to locate/place international students. Use/used international student tuition money for special things like I-pads, etc

Ref. Truro and Provincetown - when their own school programs closed - turned to Choice & Tuition programs. The updated tuition number (\$18.4k/student) includes a capital cost component (approx. \$480/student). Towns provide transportation; special needs students are funded by towns. Most of these students come to Nauset as tuition students.

11. If Truro and Provincetown join the region, what would be the impact to the four existing towns? Presumably they would contribute to the cost of the project? Is there any other way they could contribute to the cost? Also could there be displacement of Choice students into the system? If so, what is the potential reduction?

Have begun initial discussions w/ Truro and P'Town regarding their joining the region - discussions will continue. If they joined the region, all costs would be shared (as for the other 4 towns). This would not displace Choice students.

Fin Comm question/confirmation - if they joined, they would be an "equity partner", not just paying tuition. Yes. CE - MSBA offers an increase in the percentage that they will pay if you extend your region (however likely not in this case - it's too late for consideration for the Project).

TC/others - two towns didn't want to pay for past debt (related to Monomoy project). For Choice - state pays \$5k/student. Tuition includes consideration of annual town capital costs. Joining the region is still in discussion - however, likely this is years down the road. New tuition numbers were recently agreed (\$18.4k/student).

12. What would the annual operating costs be for a school built to support only the expected enrollment from the four member towns whose taxpayers are paying for it (to be compared with current projected operating costs)?

JOR - he does not support a school to be built only for the 4 member towns; he supports the 905-size project. A smaller school w/ impact programs. (Thus he isn't answering the question asked.)

Fin Comm Bob Young - important for transparency to understand all number considerations.

JOR - not just a dollars-and-cents decision; other important factors.

13. What programming would be cut if we built a smaller school? Why would it be cut - lack of participation or cost? If it related to participation, this raises the question as to why we would build facilities to support other towns' or Choice students. If it is related to cost, what would be the cost to offer this programming even with a smaller school?

TC - ref. to revenue \$1.1mm this year (\$5k/student x 219 "Choice" students) - which helps to fund as many as 21 teaching positions. (LB note - no reference to net loss due to cost per pupil being closer to \$20k+/student vs. reimbursement of only \$5k/pupil.) Ref. to master schedule. Students pick 7 courses over a 2-day schedule which drives master schedule; automated system schedules 96-97% of student scheduling; rest done by hand. If eliminated Choice students, could lose 75 sections of instruction (if classes dropped below 10/section) across all subjects and levels, including electives and required courses.

TC - ref. to part-time teachers. Ref. to drama courses. Teachers teach 5 sections. Can teachers only work 60% of a full schedule and still afford to live on the Cape?

14. What is the total cost to educate a student per year? Current and projected 5 years in the future? Please also address this in the context of the analysis that was prepared by the Brewster Finance Committee that shows that the cost/student for the four member towns is about \$29k/year and rises from this baseline.

Giovanna Venditti (NRSD Finance Director) responded: district info sent to state annually; info on state website; 2019 numbers just submitted to state. Numbers shown for in-district students, special needs, Choice, etc. (Numbers not given during meeting.)

15. The State reported cost to educate each student in 2017 for NRSD was about \$21k/year. If our analysis is correct, the cost to the member towns' taxpayers is about \$29k/student, that's a major difference. That \$8k/year difference multiplied by the member towns' enrollment of 624 students equals nearly \$5mm per year as a potential savings - which would go a very long way in supporting debt service on the new school.

GL - "that's above my pay grade"

JOR - tried to go through the Brewster Fin Comm analysis; would like to understand the source of the \$29k analysis. (This will be done together, off-line, reporting back to the Brewster Finance Committee.)

16. What is the maximum capacity with the current building project?

Maximum capacity will be 905 - for core space, using new/current state standards. Currently there are 921 students at the high school.

JOR - ref to tour at NRHS w/ MSBA representatives - "blown away" by programming and use of space (eg, hallways, etc.). Encourages all to schedule tour of high school

17. What can the School Committee and the administration of NRHS as well as the middle school commit to in writing to Brewster as reductions in annual operating costs once debt is incurred

for the NRHS project to assist Brewster in finding the \$3+mm in funding each year it will need if the NRHS project is approved as it stands?

JOR - ref. to 2014-2015 discussion w/ towns and SOI process. He was a Committee member then. Focus then was on annual capital payments. (No reference in his response to operating expenses.)

18. Will fees/charges for other programs and users be adjusted and can this income be applied to the debt?

There are facility use fees for all buildings which are used for building up-keep; no charges for sports. Ref. to summer program for group of psychiatrist. TC - currently this program uses 4 rooms; likely they would like to expand their program; they like the campus style of the buildings; the fee w/be renegotiated w/ the new buildings.

JOR - law may require that fees are applied to building up-keep and not debt; however, he will confirm.

19. The project reflects a 4% contingency. How was this determined?

GL - various contingencies included - total is actually approx. 10% of total. Ref. to MSBA cost estimating sheets which drive the costing process. Examples include mid-course correction, construction, insurance, etc. State reviews everything.

20. What percent of annual escalators was factored into the project to offset increased cost to completion?

Ref. to half-way through contingency (mid-course correction). Currently refining design to reduce escalator(s). Project estimate of \$140mm is cap. If they decide not to use Construction Management at Risk approach, that would reduce cost by \$5.9mm

21. Was the project "value engineered"? If yes, what were the dollar savings?

Nothing has been engineered yet. Working w/ schematic design.

22. (First extra) - (I was surprised by an extra question - so I missed the actual question)

MSBA project program required the Building Committee to look at several strategies:

- First - consider new building on a new site. Committee asked each of 4 towns if there was a 40-acre site available. No such site in any town. Also would have had to ask 4 towns for permission to move NRHS from current site.
- Second - consider new building on current site. Stopped thinking about it when estimates topped \$150mm.
- Third - mix of renovate-plus-new, with "renovate" including resolution of code violations.

23. (Next extra) - Why "CA campus model"? What about security concerns? Student movement inside/outside?

TC - project will address/improve security - eg, with student parking in front only. "CA-style" campus is greatest strength. Ref. to student "block" schedules - 4 85-minute classes/day plus lunch. Move around

between, crossing courtyard. No lockers in courtyard, plenty of space. No bell system, not needed. What if rain/cold? Students simply move faster.

After the Q&A discussion, the Finance Committee members spoke individually, asking a few more questions and/or offering overall comments:

Honey Pivrotto: Clearly have to have a core volume of students/programs for full-time teachers who can afford to live locally. Programming drives the cost structure. Challenge for them - the \$3mm/year in debt service (though the amount will depend on bond interest rates). This is/will be largest project for Brewster. TBD how they will come up with funding; however, she supports the project. She has experience w/ large hospital projects; understands engineering TBD. Brewster "share" is largest; cost impact/household also TBD. No commercial operations in Brewster to fall back on.

Bill Meehan: Question about programming - did they consult w/ other schools - eg, Cape Tech - to identify/eliminate any overlap? TC - ref to autonomous cars and drones and NRSD partnership w/ programs at MIT. He has met w/ Bob Sanborn, Cape Tech Superintendent and they plan to explore partnering together w/ MIT on high tech programs to share opportunities/avoid duplication.

Age of original school? Have we waited too long for renovation? GL - 1972 with major renovations in 1996-1997 - \$10mm for new "N" building (30k sq ft); new bathrooms and water pipes and well and septic system; maintenance building; track and ball fields. Not new heating system then - badly needed now. Not "too long" but now can't keep fixing big things one at a time.

Meehan - commended thoroughness/professionalism of project planning; ref. risk of \$140mm project.

Pete Dahl - what spaces, if any, that MSBA won't fund? GL - MSBA will only fund auditorium based on 600 students; "locals" would like one for 750 to accommodate local/other events - c/be income generator. TBD whether MSBA will fund marine science program - unique at NRHS (partner w/ Woods Hole). Zero for gymnasium, admin offices. Further design work will clarify what is funded and what not.

Pete - ref to current favorable interest rates; also noted that longer term borrowing spreads burden, keeps costs lower now. Overall, he supports project.

Tom Fitzgibbons - ref. to prior similar project experience, eg w/ costing templates. Noted that providing quality education now w/ sub-standard facility. Confirmed that design hasn't been value-engineered. Ref. to need to bring facility up to code. Ref to importance of superior education.

Larissa Haynes - born/raised on Cape (DY high school) - believes in project. Ref. to bonding impact analysis (LB note - examples show 20, 25 and 30-year bonds at 4+% interest rates and potential taxpayer impacts for various scenarios); try to take advantage of bonding rates.

Bob Young - would like further clarification in some areas (eg, per student cost analysis; what w/be cut if programming only for 4 towns). His analysis shows \$29k/student vs. Choice and Tuition payments - so why continue to support those students at those rates? (He will be working w/ John O'Reilly to confirm numbers.) He also concerned about \$3mm/year debt service for Brewster.

Don Arthur - agrees w/ need for Bob's analysis. In Brewster, 59% of population over 55 - doesn't want to increase tax burden if taxpayers can't afford it. Ref. to budget for maintenance for new building?

Ref. also to other costs included/to be included in cost-per-student, including OPEB, facility maintenance, etc. Ref. to Building Project team meetings w/ Town Administrators and Finance Directors - but also w/ Select Boards and Finance Committees.

Frank Bridges - daunting challenge. Concern w/ project as presented; ref to flaws in process. MSBA has put us in a box, with limitations - perhaps ignoring factors like aging population. Ref. to Brewster average income (eg, vs. Orleans). Challenging to sell ideal to communities - will have to justify cost of education - should have done this sooner. He will try to support this, but it will be hard for him.

Mike Fitzgerald (Chairman) - wondered if Fin Comm questions could be posted (eg, on their website) - and Project team responses to questions. He will connect Fin Comm members w/ Project team to follow-up as appropriate. Also encouraged Project team to get to/meet w/ other Select Boards and Finance Committees. He prefers a 30-year bond - a more equitable spread of cost over time.

John O'Reilly - if there were a meeting of representatives from 4 town Select Boards and Finance Committees, it likely w/be helpful to have a goal for such a meeting - eg, discuss financing? Or what? Sooner? Or later - after schematic? Closer to Town Meetings?

Chris Easley - noted that they have tried to have towns involved all along.

Mike Fitzgerald - reps from all town together to share ideas/communicate.

Greg Levasseur - agenda for Committee's November meeting includes Construction Management at Risk topic w/ speaker from Barnstable (w/ topic experience). Also - schematic design "decision" to MSBA at the end of December/first of January.