

Town of Brookline
Advisory Committee Minutes

May 28, 2020

Present Remotely: Vice-Chair Carla Benka, Ben Birnbaum, Harry Bohrs, Clifford Brown, Carol Caro, John Doggett, Dennis Doughty, Harry Friedman, Janet Gelbart, David-Marc Goldstein, Neil Gordon, Susan Granoff, Amy Hummel, Alisa Jonas, Janice Kahn, Steve Kanes, David Lescohier, Carol Levin, Fred Levitan, Pam Lodish, Carlos Ridruejo, Chair Michael Sandman, Lee Selwyn, Kim Smith, Claire Stampfer, Charles Swartz, Paul Warren, Christine Westphal, Neil Wishinsky

Also present: Select Board Member Nancy Heller; Building Commission member George Cole; Town Meeting members Mark Levy and Mark Gray; Deputy Town Administrator Melissa Goff; Assistant Town Administrator Justin Casanova-Davis; Town Finance Director Jeana Franconi; Assistant Town Counsel Jonathan Simpson; School Deputy Superintendent for Administration and Finance MaryEllen Normen; School Director of Operations and Facilities Matt Gillis; School Committee Members Susan Wolf Ditkoff; Assistant Head of School Hal Mason; and Town Building Department staff member Ray Masak. Also attending were Project Director Andy Felix from Hill International, Inc.; Andy Jonic and Sam Lasky from William Rawn Associates, Architects; Jim Craft and Rob Mulligan from Skanska USA Building, and members of the public

Announcements: Pursuant to this Board's Authority under 940 CMR 29.10 (8), all Advisory Committee Members will be participating remotely via telephone or video conferencing due to emergency regulations regarding the Corona virus.

The Chair has reviewed the requirements of the regulations. There is a quorum physically present and all votes taken will be recorded by roll call so all above listed Advisory Committee members will be allowed to vote.

AGENDA

1. Discussion and possible vote on WA 7 (High School Expansion)

Carla Benka offered highlights from the joint subcommittee hearing:

Taxpayer Impact

The Subcommittee learned that because the actual interest rate for bonding the original cost of the project was considerably lower than the interest rate assumed in the original projections, the \$32.2 million in cost overruns and thus greater borrowing would not increase the final impact on taxpayers beyond the original forecasts. While acknowledging this as fortunate, some Subcommittee members noted that taxpayers would still be paying for an additional \$32.2 million of project costs and that the cost overruns were 13.5% of the budget, while others noted that although taxpayers wouldn't see an increase on their tax bills beyond what had been anticipated, they also would not benefit from the lower interest rates.

MBTA and Unknowns

Delays in coordinating scheduled diversions and piggy backing on their planned work, soil issues, and COVID expenses.

Options discussed by Subcommittee members for next steps, including the following:

1. Approve Article 7 and authorize the bonding of \$32.2 million. This has the advantage of keeping the impact on tax bills negligible and possibly getting the job done. It has the disadvantage of not covering whatever additional costs may materialize.

2. Approve borrowing more than \$32.2 million to provide a contingency for an increase in costs resulting from COVID-19 and MBTA decisions related to diversions and scheduling. This has the advantage of theoretically covering currently unknown future costs but the disadvantages of not knowing final project costs or the ultimate impact on tax bills.
3. Approve bonding a smaller amount and fund the improvements for the Tappan Street gym and Cypress Field, the remaining third floor renovations, and deferred maintenance items via future CIPs.

This has the advantage of reducing the increase in the project's budget, but the disadvantage of not funding the two components of the project – the gym and Cypress Field – that benefit all Brookline residents and were part of the project as originally presented to the voters. Furthermore, improvements to the gym were intended to be part of the 1995 High School renovation, but were subsequently eliminated due to cost overruns. Moreover, further deferring maintenance items (such as investment in a new boiler for the UAB, fire protection upgrades, replacements of variable frequency drive pumps and heat exchangers) will likely lead to increased operating and/or maintenance costs down the road. Finally, there is expected to be tremendous pressure on the CIP in the coming years, and diverting CIP funds to complete the remaining portions of the high school project will necessitate postponing other CIP projects.

4. Do not support the Article.

Political linkage

While supporting Article 7, some subcommittee members expressed concern regarding the political impact of these increases on future capital projects, viewing the High School as at least politically linked to the Driscoll and Pierce School projects. Since Driscoll is at the 50% Design Development stage, now is the time to hit the "Pause" button and to rethink the project in terms of designing a new school for less money. A smaller price tag for Driscoll would counterbalance the increased cost of the High School, reduce the total cost of ongoing projects closer to levels originally presented to taxpayers, and, for practical purposes, make clear that the Town and Schools were willing to share the benefit of lower interest rates with taxpayers.

Carla introduced BHS Building Committee Co-Chair Nancy Heller who introduced members of the BHS Expansion Team and shared a presentation on the expansion.

She offered a review of original concept designs and costs for BHS expansion ranging from \$181.5 M to \$348.3M and comparison of the project scope in 2017, 2018 and currently.

Andy Felix resumed the presentation highlighting continuous dual estimating and value management efforts for the project over time and what has changed (see slides). He shared information about the unprecedented escalation in the construction market and provided a sampling of key trades. He presented the MBTA OCS Station project budget versus cost projection summary and highlighted preliminary discussions about cost-sharing. Looked at opportunities to piggy back on MBTA construction schedules – when the power lines are shut down and there are scheduled diversions allowing the Town to do construction - are still unknown but opportunities exist. All still in planning but promising.

Increased cost drivers: Market Conditions – spikes in costs May 2018 and Q1 2020; MBTA - platform foundation design, design changes, required diversions; additional charges to force account; expansion of scope; unknown conditions – unsuitable soils, existing Roberts Wing structural reinforcing which amounted to \$26M-\$32M

Where We Are Now (see slide)

Recent Impactful Events Not Reflected in the Warrant Article Cost Projections – COVID-19/ MBTA temporary suspension of operational support

Ray Masak offered an update about COVID costs gleaned from surrounding communities, particularly those in which school construction/renovation is taking place. In all of their projects, they kept moving (Fall River Durfee project) most going forward without disruption. Where we are affected? We have ordered concrete planks in VT that couldn't be delivered, MBTA delays, and carpenters walking off. MBTA shutdowns (2 nine day shutdowns) hoping we can mitigate the impacts we have seen). Consultant contracts and time periods – and with contractors there are the general requirements – rental of complex and GECs would be people. A contract delayed 5 months push into winter conditions and there are inefficiencies. Continue to get further input from other project managers to be certain that the COVID impacts are minimal but are from delays instead. It is changing daily.

Also there is uncertainty in the supply chain – which materials may be impacted in the fabrication stage in the factories and availability.

We will make every effort to take full advantage of the MBTA diversions.

Nancy reviewed choices to be made (see slide).

Deferred maintenance issues – could cut things under the 60% estimate (on slide) because they have not been put out to bid yet but they would have to move to the CIP because they still need to be done.

Jeanne Franconi – provided an overview of the debt exclusion schedule and tax impact of the debt exclusion – better rates in 2019 and 2020 and highlighted the difference between assumptions and actual dollars.

When we did debt exclusion, did not ask for the entire project cost because we had already set aside \$35M in the CIP – not yet bonded – but will be in FY 21. Bond in the fiscal year you need the funds.

To the question, would you do the project in the same way? Nancy Heller replied, yes –educationally this is a far better project than we could have done for \$290 vs \$237 current cost. Science rooms, additional performing art and cafeteria space, etc. Better than we could have had it and is a significant cost savings.

Questions and Comments

Q: Is there a willingness to take some items off the list of work yet to be done in preference to others? Is there a priority list (CHOICES TO BE MADE)? A: Don't think we should take anything off the list but could we move some things and do them in the CIP later, yes but not a wise move down the line. \$32.2 we believe it is reasonable. Could we save money? Perhaps escalation won't be as much, or the MBTA costs won't be as much and we could return the funds but the money will not go to waste – if savings we could use it for some items in the CIP. If not used, return it to the Town. Not comfortable with removing anything.

Q: Approving additional funding for the high school will not cost tax payers more money – but – we are not looking at a robust financial future – any thought of reducing cost of Driscoll – overrides may be needed to operate the high school – concerned how we can be honest with taxpayers – some items unforeseen but we can take action to support our community. What are we going to say to voters and be financially responsible to voters?

A: Difficult to know the status of Driscoll because I am not on that project. Our project has nothing to do with that one. Both have been approved by the voters. We don't have a nexus in the same way.

Q: What about future overrides that have to do with the operation of these buildings? A: The School Committee will be responsible for staffing and they are currently working on a plan. This project won't come on line till late

'21 or '22. We will have to find a way. We cannot just assume that business will be as usual. Cypress Field was in CIP for \$2M and we knew it wasn't enough so we put it in our project. I believe voters of the Town wanted Cypress Field to be done. We have two big holes in the ground and we need to fill the holes in the ground.

Q: If we don't approve additional \$32 what happens? A: We won't be able to bid on scopes of work for gym, third floor renovation from labs to classrooms, Tappan Street improvements, FF&E and technology. Hope things may break our way and escalation will be less. We can only proceed as we have been and work within the money we have.

Q: Why should we not approve this right now and get a better handle on costs, plenty of money to move ahead and then at the November Town meeting we can vote on an expansion or curb it. Avoids problem of going to Town Meeting twice. A: Cypress Field is going out to bid now so unless we have the money we can't move ahead and it may end up costing us more. Appreciate the need to have specificity, but we are designing "to cartoons", it is not that specific and you make specific decisions as you go along.

Q: When the first project cost figure of \$206M was completed – were there contingencies built in? A: Yes, but I would have increased that contingency. We planned 5% for construction contingency and 3% for project contingency.

Comment: So \$197 and then added the additional contingencies. That seems low number.

Q: What assurance do we have that in 6 months costs won't rise due to other unknowns? A: Typically unknowns are when you are taking down a building and soils, much lower risk as you are building steel and other trades to complete a building. Demolition and underground is where most risk is found.

Q: If we knew upfront that we would be hit with XX to build over the MBTA would we still have done it? What opportunities are there to scaling back working over the track? A: The concrete planks and steel for the work has been purchased. That baby has been born.

Comment: Has been lowballed and Town bought into it and now we are seeing all of these new expenses. Almost like bait and switch.

Comment: Choices to be made – would like to see value of each of these choices. Philosophically I have a hard time cutting deferred maintenance.

Q: Question that we are going to be saving on low interest rates – how can we be certain that these savings will materialize and if they don't where does that leave us? A: Bonding \$32.2m at 4% seems reasonable but it can be a moving target. States and Local governments are putting a negative focus on us over the next few years. So much uncertainty – it could change week to week but we sold our bonds a week before the pandemic hit.

Comment: Concerned about using potential savings in interest as a way to resolve cost overruns and will encourage this committee to take that off the table so want to see potential cost savings on the other things on this slide.

We have already bid \$170M on this project and captured savings due to lower rates 2.44 %.

Doesn't change the riskiness of this approach since you are suggesting we spend money on revenues we haven't realized yet.

\$70M of bonds that have not yet been put out to bid, represent 40% of what has not been bonded so far and that is at risk.

Comment: This is a complex project and appreciate all the hard work. Echo point about deferred maintenance and its cost.

Q: This is a major impact project – is it typical to bid in parts as opposed to whole? Does it put the Town at a negotiating disadvantage? A: It is unusual to do it in parts. Any item above \$20K needs to be reviewed by the Town, so very interactive process. Lots of debriefing meetings and a very good process but we just saw some things that surprised the team in general, specifically escalated costs.

Q: Can't go back to the well? Is that a hard and fast rule or something that isn't done? A: There is a Department of Revenue regulation that all project cost increases must be reviewed by DOR. If there is a second increase in funding request, you have to go back to the voters.

Q: 2/3 vote of Town Meeting – what does that represent? A: Bond authorization requires a 2/3 vote.

Comment: The issue about the MBTA is valid; there were design options that did not require us to go over the tracks. We are going in and saying we are \$12M short on our operating but we want to spend \$32M for this project so a mixed message. In favor of waiting until fall Town Meeting because there is still much more unknown than known. Don't think this will fly with other budget shortfalls. I don't make a decision about spending money before I know what it is going to cost. And that is what we are doing in this process. Town would be better served by waiting on this decision. If we have to spend more on bids then so be it. The well is getting dry.

Comment: Understand this is not apples to apples and tax consequences are different, but how this is presented to and perceived by the public is tricky.

Comment: Bonding is not the same as operating – we can't borrow money for operating costs.

Comment: Troubled by a number of things and agree about waiting until November. Still have significant number of items that need to be bid and can't see proceed without knowing how much they will be. We cannot move them to an already stretched CIP. We are 15% over on this project and our bidding process and estimating is not very sound. If we are going to get one bite of the apple, we have to make it a good bite.

Comment: This Building Department has a great success on every project that we bid and this is an anomaly. Spoke with another OPM and believe COVID will have a chilling effect. Bid Tappan and the gym separately and think we will get good ones. We always are successful and come in under. Think we will get much better bids going forward.

Q: Ventilation – potential cost increases – are there other designs/construction changes we need to be considering in light of the pandemic? A: Don't know how other communities have dealt with this. Difficult to do apples to apples because communities are different - some more urban and some more spread out.

Comment: We need to take the long view here – benefits all public school kids and keep moving forward to get it done. Not any bells and whistles – update technology and labs, and space – fulfill our mission to our student community and Cypress Field is part of that – the park is used by the whole Town (providing for someone other than students and staff) – risky but if the bids are outrageous then we come up with another plan. Inclined to support, be cautious but take the long view.

Q: This project is more complicated than the ones we have done in recent times. Did we look at the way they are building the green line extension – or did we look at standards of the current green lines before plans to build over the tracks were developed? Want to understand why our contingency was so low with an unknown situation like building over the T. A: We used present requirements and standards, simplified, and then they started evolving – they saw the impact – proximity of our building and depth next to their tracks so it became more customized for their tracks and the new building. As part of the review process they had comments on both sets and replaced the train tracks before we started our work. This was as the design was being developed.

Q: I feel that the contingencies were underestimated. In design development it was over budget then you value engineered it back, then in construction it was value engineered back, so from the very beginning it was over budget. A: Yes but we found ways to bring it back in line.

Q: All of these numbers were before we bid the project before galloping escalation? A: We did release packages in January for design build.

Comment: At the Driscoll Building Meeting it was pointed out that they were at 50% review 5% over budget and comment was “this project is in trouble.” Not confident with the numbers for the future considering that Cypress steel is not up, waiting on MBTA, and yet not much contingency left for the rest of the project. Say yes to \$32M and then in 6 months we have to allocate more like \$40 because of other unforeseen costs. Costs for next 8 months are set but after 8 months we will start to see bid numbers go down because of COVID – could be positive but concerned we have 2 holes in the ground that we have to fill, do we want to have 3 holes in the ground before we finish the first 2 holes – philosophically, could be the fields or Driscoll. Need to rein this in and then move on to the next beast.

Q: Mention of deferred maintenance list has already been reduced, what are those items? A: (See slide) Other Deferred Maintenance in CIP but not in this project – flooring, paint, doors. Other items boilers, fire alarms and elevators should be included in the project for safety issues.

Q: If we didn't vote until November, what would happen? A: Don't know the effect of deferring until November but understand it makes sense because we will have more knowledge about COVID impacts and things unbought like diversions for the T. This project has had externalities that we just could not control. This has not happened before. Would we have built over the T if we knew the real cost, probably no, but we did due diligence and they just changed it along the way. We need to finish STEM and Cypress. It is up to the Town to decide on the other items.

Comment: Appreciate this discussion, hard questions, much that is unknown and lots of money. Consider what we have learned for future projects. There are literal holes in the ground and there is additional stress. Will we really get anything with a 5 month delay? Uncertainty whether this is cost neutral given costs of ramping down and ramping back up. Consider impact on kids, teachers, and leadership.

Comment: Need to make a distinction between Town Meeting and voter. The voter wants a whole project – they feel like they have already paid for a new field.

Q: What work could go forward with the money we have and can be done in next 5 months if more funds were not approved? As to what the message is to Town Meeting, cut \$13M here but let's spend here? A: STEM and Cypress will move forward, street scape, deferred maintenance, and technology will be put on hold. Funding in the fall, we will start the bidding then, we would have liked to have done it sooner but will do it then.

Q: Three phase process in bidding – feasibility, design development, - after design development then go to bid, and not until bids are received, goes to Town Meeting. Is this the process we used? A: At Risk Project so the bylaw has not caught up with this and process is different.

Comment: I opposed building over the tracks at every turn. It was a design scheme that added no educational value to the building but too late now. We have been affected by the MBTA so partnering with them was a bad choice, and COVID which was bad luck and it may come back in November and potentially be worse and haven't vanished from the scene. The more money we borrow on this project from the way the voters and rating agencies look at us will have an effect on our future ability to fund important projects. I don't want to delay or to just throw items into the CIP. I need a quid pro quo – it has to come out of Driscoll – it hasn't been built so obvious choice – and I can't support it unless it doesn't come from somewhere else. Someone has to take some leadership and we have to say enough is enough. I am in favor of voting down unless we have a solution that works or wait until November.

Q: I heard that the COVID impact is not material to this project –? A: We know it will impact schedule but not additional contractor costs.

Q: The COVID impact is unknown and material. Delay the decision till November – delaying the decision until November would not slow down the STEM wing and Tappan? A: Yes, confirmed.

Q: The \$32M is a lower tax impact on tax payers then originally forecast? A: Yes, that is correct.

Q: With more time we would have more information about COVID and costs that would be helpful to our understanding or it will not get any worse? A: I don't think in 3 or 5 months we will have that much more information and will still be more uncertainty in November and there could be another outbreak, new information and new uncertainty.

Comment: Leaning towards what the taxpayers have asked for – delay until November because that gives us the best possibility of giving that to the taxpayers with only going to the well once.

Comment: Undecided leaning toward voting for it and now in favor of deferring it. The one piece of information we won't get – we can't solicit bids without money in hand – it will become clearer on the effects of COVID but won't be settled by November and better information about the T. We can only do this once and if we blow it we have to go back to the voters.

Q: The acquisition cost of 111 Cypress and being sued by property owner – settled by jury trial what happens if we get an unfavorable outcome? A: Appeal – put it to the voters.

Jonathan Simpson: That is not a legal question – the fact is that there is no values add with the jury verdict. Once we take the property and with certain risk and it is a liability we have to pay and if it doesn't fit under the budget, we would have to fit it into the CIP.

Nancy O'Conner, Park and Recreation spoke to the points raised in her memo included at the end of these minutes.

A **MOTION** was made and seconded to defer Article 7 until November. By a roll-call **VOTE** of 22-5-1 of the Advisory Committee, the motion to defer passes.

An Amendment was made to allow funds for Cypress Field to go forward and it was withdrawn after it was noted that we can go to well once and if we go with only the gym and the field we have done it. We need to go in with a full package.

	Attendance	Vote 1
# Votes Yes	28	22
# Votes No		5
# Votes Abstain		1
Vote Description:		Defer Article 7 until November
	<i>Enter P for Present</i>	<i>Enter Y, N or A</i>
Carla Benka	P	Y
Ben Birnbaum	P	Y
Harry Bohrs	P	Y
Cliff Brown	P	N
Carol Caro	P	Y
John Doggett	P	Y
Dennis Doughty	P	Y
Harry Friedman	P	Y
Janet Gelbart	P	Y
David-Marc Goldstein	P	Y
Neil Gordon	P	Y
Susan Granoff	P	Y
Amy Hummel	P	N
Alisa Jonas	P	A
Janice Kahn	P	Y
Steve Kanes	P	Y
David Lescohier	P	N
Carol Levin	P	Y
Fred Levitan	P	Y
Pam Lodish	P	Y
Carlos Ridruejo	P	Y
Lee Selwyn	P	Y
Kim Smith	P	N
Claire Stampfer	P	N
Charles Swartz	P	Y
Paul Warren	P	Y
Christine Westphal	P	Y
Neil Wishinsky	P	Y
Mike Sandman		

2. Update and possible discussion on FY 21 Budget and Special Appropriations/CIP

Get a sense from the Advisory Committee what we can offer the Town Administrator for potential cuts or deferral. Four pots to consider - a few CIP projects, OPEBs, BFAC stabilization fund contribution, jobs/compensation.

Discussion

The priority is to defer OPEB payment and CIP projects that will not lose us money. Put money in Stabilization Fund and also approach the employees. OPEB is what we can control right now. That is the easiest and least painful. Protect jobs.

4,000 wheels turning at Town Hall and Mel is probably the best to set out the priorities. What are your principles and what is practical? Do you defer salary increases to keep jobs? You don't shoot darts at a dart board. You need to have priorities to review - defer raises and pension contributions to save others' jobs but don't think we can just figure this out tonight.

Preserve jobs. Town employees have an obligation to us and we have one to them. Detrimental to the individual and families so if you can avoid that you do. I would like to hear from Town Administrator some options, models, etc. What types of furlough structures are they considering? This would bring about a reduction in salary but eligible for other benefits. What scenarios have been considered in terms of savings to the budget? OPEBs in favor of deferring \$4M. Look at stabilization fund differently – make a statement to rating companies otherwise put it somewhere when we can get to it without 2/3 vote of Town Meeting. Press the Schools in terms of what they are looking at in terms of staffing and new classroom models.

Leave money from Stabilization Fund in a more flexible account.

Agree on Stabilization Fund flexibility, delay of OPEBs and defer salary increases, cuts or furloughs; health and safety related CIP items need to go forward but some that can be delayed with/without matching money.

Agree on flexible account for funds, hold back OPEBs, look to save jobs, in terms of CIP set a priorities list not just a number.

Suggest possibility of offering to unions that we look at health care contribution premium.

Health and safety of our constituents is the priority. Don't be laying off police and fire or asking them to take pay cuts. Need maximum flexibility. Don't put money in the Stabilization Fund but in something more flexible. Agree in deferring Capital Projects without penalties and OPEBs.

\$2M from Stabilization to AC control, OPEB back into budget, not sure about unions and jobs, CIP some items identified, 60% of front loading of school leases – limit that to a 2 year period and let the Schools figure out how to pay for it.

Defer pay, public safety – maintenance of equipment; until we know more we can authorize payments into those funds in November.

Support \$2M in AC accessible fund, get CIP fund as low as we can while preserving projects we need to preserve for safety issues, reduce OPEB amount but talk to Jeana and probably keep \$1M toward them as it might mean something to rating agencies. I would like to get her opinion on that.

Agree that this is the right dimension. Need to consider we will be impacted in FY 22 and need to be sure we don't bring ourselves under water and maybe bring in pensions.

Agree with taking leases out of CIP and reducing how much we pay. In general preserve the CIP. Health and safety services and maintaining the infrastructure. Defer salaries and \$2M in accessible reserve fund.

If everyone were told in February we had to level fund instead of hearing in late May we have to cut \$13M from the proposed FY 21 budget would people be viewing this situation in the same way?

Stabilization Fund diversion – rating agencies care more about not putting money in this fund more than in OPEBs.

A **MOTION** to adjourn was made, seconded and voted unanimously and the meeting was adjourned at 10:18 pm.

Documents Presented:

- Capital and School Subcommittees Report on WA 7
- Excerpts from the 2020-05-21 BHS Advisory Committee Presentation
- Memo to Advisory Committee from Park & Recreation Commission Chairs re: WA7
- Answers to Subcommittee Questions regarding the BHS Expansion from Andy Felix

Capital and Schools Subcommittees
Report on Article 7
May 28, 2020

The Capital and Schools Subcommittees of the Advisory Committee held a joint public hearing on Thursday, May 21, 2020 at 5:30 PM on Article 7. The meeting was held using the Zoom meeting platform.

Attending were Capital Subcommittee members John Doggett, Harry Friedman, Amy Hummel, Fred Levitan, Pam Lodish, and Carla Benka, and Schools Subcommittee members Cliff Brown, Dennis Doughty, David Lescohier, Janet Gelbart and Paul Warren. Also attending were Advisory Committee members Carlos Ridruejo, Kim Smith, and Carol Levin; Select Board Member Nancy Heller; Building Commission member George Cole; Town Meeting members Mark Levy and Mark Gray; Deputy Town Administrator Melissa Goff; Assistant Town Administrator Justin Casanova-Davis; Town Finance Director Jeana Franconi; Assistant Town Counsel Jonathan Simpson; School Deputy Superintendent for Administration and Finance MaryEllen Normen; School Director of Operations and Facilities Matt Gillis; School Committee Members Susan Wolf Ditkoff and Helen Charlupski; Assistant Head of School Hal Mason; and Town Building Department staff member Ray Masak. Also attending were Project Director Andy Felix from Hill International, Inc.; Andy Jonic and Sam Lasky from William Rawn Associates, Architects; Jim Craft and Rob Mulligan from Skanska USA Building, and members of the public.

Summary

Article 7 seeks Town Meeting's authorization to bond an additional \$32.2 million for the Brookline High School expansion and renovation project. If approved, the project's budget will total \$237.8 million, an amount that does not include the future cost or schedule impacts associated with COVID-19, suspension of anticipated MBTA operational support (i.e., the ability of Brookline to "piggyback" on the MBTA's closure of the "D" Line to do its own work), or potential additional future costs associated with the eminent domain taking of 111 Cypress Street.

At the end of the three-hour hearing, the Subcommittees tabled their vote (10-0-1).

Background

The project team consists of William Rawn Associates, architects; Skanska USA Building, general contractors; and Hill International, the Owner's Project Manager. The MBTA's role, as defined in a Memorandum of Agreement with the Town, is pivotal, both in terms of impacting the construction schedule of both 111 Cypress and improvements to the Brookline Hills T stop, as well as the construction costs of the latter.

In 2018, after the successful passage of a debt exclusion ballot question, Town Meeting voted to approve \$186.8 million in bonding which, when combined with other funding, provided a total of \$205.6 million for the expansion and renovation of the school. Major components of the original budget and plans were 1) the taking by eminent domain of 111 Cypress Street, and the construction of an academic building on the newly acquired site, with a portion of the building to span the MBTA tracks; 2) the demolition of the Roberts wing of the main academic building and construction of a 3-story STEM wing on the site; 3) a gut rehab of the third floor over the Schluntz Gym, converting science labs to classrooms, offices, and learning centers; 4) renovations to the Tappan Street gym; and 5) renovation of the Cypress Playground and athletic field (a project of the Parks and Recreation Commission).

Crews arrived on site in June 2019, with demolition of the Roberts wing of the main building and 111 Cypress Street starting in September. Value engineering and scope changes began early in the process in response to trade bids that came in higher than originally estimated. In addition, during the first half of 2019, the MBTA's review at the 30%, 60%, and 90% stages of plans for the platform and T station resulted in a number of costly changes.

Between July 2019 and February 2020, approximately \$25 million of construction had been undertaken. In February, because of growing cost overruns, Article 7 was submitted for the 2020 Annual Town Meeting.

Discussion

In advance of the May 21st hearing, members of both the Capital and School Subcommittees submitted questions to the High School Building Committee Co-Chairs, based on the power point presentation of the project that was made to the School Committee at the end of April.¹ Some of their questions were answered by Andy Felix's presentation at the hearing and others were addressed in the question and answer period that followed.

Cost Overages

Mr. Felix noted that the drivers of the cost overruns fell into four categories. The first, rapid escalation in construction market costs, included significant spikes beginning in May 2018, just around the time Town Meeting approved funding the project, and continuing through the first quarter of 2020. Whether the impact of COVID-19 will cause construction market costs to continue to increase or to begin to decrease is currently unknown. Building Commission meeting minutes from July 2019 and the following months indicate that, in light of the escalating costs, value engineering and scope changes were ongoing. Both the design development estimate and the 60% construction cost estimate showed that the project was over budget and value engineering resulted in decreases of \$3.2 million and \$4.8 million in the respective estimates.

Two specific unknown conditions, the second category of cost overruns, included unsuitable soils north of the MBTA tracks and the unforeseen condition of the interface between the wall of the main building and the Roberts wing. In the first instance, unsuitable soils necessitated adjustments to the installation of footings for the new academic building. Tests borings had been undertaken at various locations north of the T tracks in both 2018 and early 2019 but during construction, unstable soil conditions were found to exist between the tested areas.

With regard to the Roberts wing, Ray Masak stated that although the construction drawings to build the wing in the 1930s still existed, the as-built drawings did not. As a consequence, issues relating to the

¹<https://www.brookline.k12.ma.us/cms/lib/MA01907509/Centricity/Domain/722/2020-04-30%20BHS%20School%20Committee%20Presentation%20-%20FINAL%20R1.pdf>

structural soundness of the existing walls were unknown until demolition began.

The third category of cost overruns is entitled “MBTA.” The T became involved as a result of the design to provide access to the 111 Cypress building over the T tracks rather than via the existing Cypress Street bridge. The T required that the plans for the foundation of the Brookline Hills station platform be changed from slab on grade to helical piles, and that the platform be modified to withstand train derailments. Site access and additional diversions also increased costs.

Discussions with the T regarding the platform and station designs began in 2018, with review by the T at various stages of the plan’s development. The original budget for the T platform and station and overhead catenary was \$8.8 million; that amount has increased by approximately \$3 million. The original budget for T diversions (the cost of providing transport for riders when the station is closed) was \$1,500,000; that amount has increased by approximately \$7.4 million. Other costs associated with partnering with the T totaled approximately \$1 million; that number has increased by approximately \$1.1million.

A fourth cost driver mentioned in the discussion was “added scope.” A change in the design of the MBTA plaza in response to requests by some members of the community was offered as one example. A second example was the decision not to use the existing foundation for the STEM wing as originally planned, but rather to remove the old foundation and build on top of a new one. The new plan was recommended by the contractor to reduce risk to the campus’s infrastructure.

Not included in the \$26 million to \$32 million worth of overages are the impacts of COVID-19 and the temporary suspension of MBTA operational support. At the time of the hearing, neither the construction team nor members of the High School Building Committee were able to provide any guidance on possible additional costs but acknowledged that they could be substantial.

Impact on Tax Bills

BHS Building Committee Co-Chair Nancy Heller noted that because the actual interest rate for bonding the original cost of the project was

considerably lower than the interest rate assumed in the original projections, the \$32.2 million in cost overruns and thus greater borrowing would not increase the final impact on taxpayers beyond the original forecasts. While acknowledging this as fortunate, some Subcommittee members noted that taxpayers would still be paying for an additional \$32.2 million of project costs and that the cost overruns were 13.5% of the budget, while others noted that although taxpayers wouldn't see an increase on their tax bills beyond what had been anticipated, they also would not benefit from the lower interest rates.

Potential Additional Costs

Two significant unknowns in moving forward are potential additional expenses related to the MBTA's decisions regarding operational support and additional expenses related to COVID-19. Discussions with the T regarding resumption of its own construction projects after June 1 and the possibility of "piggybacking" are ongoing. However, even if there is agreement on a schedule with the T, there are no guarantees that there won't be subsequent changes and thus additional diversion costs in the future.

The impact of the pandemic on the costs of construction and construction materials as well as on the delivery of materials is also unknown. Some in the construction industry believe that a 10%-20% increase in costs is possible, while others believe the increase will be much smaller or even that reduced construction demand may lead to more competitive bidding. Much depends on when the current restrictions on various trades will be loosened, whether there will be another shutdown, and how long the pandemic lasts.

A third unknown is whether there will be future costs associated with the eminent domain taking of 111 Cypress Street, with the amount paid by the Town now in litigation with the prior owner.

Process Risk

According to Town Hall staff, the increase in funding would need to be reviewed and approved by the Department of Revenue, a requirement intended to prevent "project creep" in debt exclusion-funded projects. The vote of this Town Meeting authorizing the additional funds would

not require the approval of Brookline voters since they were asked to approve the project but not a specific limit on the amount of borrowing. However, a further request for additional funds beyond the amount approved by this Town Meeting would have to be approved by another override vote. It has not yet been determined whether any of the COVID-related additional costs might be covered by FEMA or by the CARES Act. There are currently no references to capital projects or overages in the legislation.

Options

Subcommittee members discussed a range of options for next steps, including the following:

1. Approve Article 7 and authorize the bonding of \$32.2 million. This has the advantage of keeping the impact on tax bills negligible and possibly getting the job done. It has the disadvantage of not covering whatever additional costs may materialize.
2. Approve borrowing more than \$32.2 million to provide a contingency for an increase in costs resulting from COVID-19 and MBTA decisions related to diversions and scheduling.

This has the advantage of theoretically covering currently unknown future costs but the disadvantages of not knowing final project costs or the ultimate impact on tax bills.

3. Approve bonding a smaller amount and fund the improvements for the Tappan Street gym and Cypress Field, the remaining third floor renovations, and deferred maintenance items via future CIPs.

This has the advantage of reducing the increase in the project's budget, but the disadvantage of not funding the two components of the project – the gym and Cypress Field – that benefit all Brookline residents and were part of the project as originally presented to the voters. Furthermore, improvements to the gym were intended to be part of the 1995 High School renovation, but were subsequently eliminated due to cost

overruns. Moreover, further deferring maintenance items (such as investment in a new boiler for the UAB, fire protection upgrades, replacements of variable frequency drive pumps and heat exchangers) will likely lead to increased operating and/or maintenance costs down the road. Finally, there is expected to be tremendous pressure on the CIP in the coming years, and diverting CIP funds to complete the remaining portions of the high school project will necessitate postponing other CIP projects.

4. Do not support the Article.

The hearing ended with differing views expressed by several Subcommittee members, including supporting the entire \$32.2 million increase; supporting the entire \$32.2 million increase but making it clear that there could be another funding request to address increased costs due to the MBTA and/or COVID-19; supporting sufficient funding to complete the entire project with the exception of improvements to the Tappan Street gym and Cypress Field; and supporting the project but only if the Driscoll budget were reduced by \$32.2 million or some other significant amount.

Other members urged looking at the current status of the High School project in a larger context. While supporting Article 7, they expressed concern regarding the political impact of these increases on future capital projects, viewing the High School as at least politically linked to the Driscoll and Pierce School projects. Since Driscoll is at the 50% Design Development stage, now is the time to hit the “Pause” button and to rethink the project in terms of designing a new school for less money. A smaller price tag for Driscoll would counterbalance the increased cost of the High School, reduce the total cost of ongoing projects closer to levels originally presented to taxpayers, and, for practical purposes, make clear that the Town and Schools were willing to share the benefit of lower interest rates with taxpayers.

Similarly, these members believed that the Pierce project should be included in this financial impact scenario and be postponed in light of the costs of the High School and Driscoll and until there is a greater understanding of the impact of COVID-19 on the MSBA and its funding programs. The combined costs of the High School and Driscoll and their

impact on tax bills should be given time to be accommodated and absorbed, particularly under the current economic circumstances and particularly to preserve the credibility of the Town undertaking large and expensive projects. As one member summed it up, “We must show the voters that we have their backs.”

Along the same lines of placing the High School project in a broader context, it was noted that if there is a successful passage of the Welltower articles by Town Meeting, there will be a debt exclusion vote to acquire the former west campus of Newbury College. Moreover, cuts to the FY 21 budget are likely to encourage some to push for an operating override in FY 22. Additionally, the Pierce School project will require a debt exclusion as will the renovation/replacement of the Town’s fire stations, necessitated by concerns with the environment of the stations and its impact on the health of Brookline firefighters.

Recommendation

With the hope of having more information in the near future about the MBTA’s scheduling plans and the potential impact of the pandemic on construction costs, by a vote of 10-0-1, the Subcommittees tabled their vote.

ORIGINAL BUDGET APPROVED DURING 2018 TOWN MEETING

1. Hard Costs \$137.6 Million

- New 22 Tappan Street Building
- New STEM Building
- 3rd Floor Old Science Lab Conversion / Renovation
- Deferred Maintenance
- Tappan Gym Renovations
- Construction Contingency

\$131M Project
 \$6.6M Owner Contingency

2. Soft Costs \$23.6 Million

- Professional Fees
- Commissioning Agent
- CM at Risk Preconstruction
- Utility Costs
- Testing Agents
- Moving Costs
- Project Contingency

3. FF&E & Technology \$5.5 Million

- Furniture
- Fixtures and Equipment
- A/V equipment
- IT and Telephone

4. Real Estate Costs \$23.5 Million

- Cypress Street Acquisition & Relocation
- MBTA Air Rights

\$16.4M Acquisition/Relocation
 \$7.1M MBTA Air rights, etc.

5. Other Costs \$9.6 Million

- Campus Landscaping, Sidewalks and Student Safety
- Swing Space at Old Lincoln School
- Real Estate Contingencies

6. Cypress Field \$5.8 Million

Total Preliminary Project Costs **\$205.6 Million**

CONTINUOUS DUAL ESTIMATING AND VALUE MANAGEMENT EFFORTS

1. DESIGN DEVELOPMENT ESTIMATE

HARD COSTS	\$133.5 M
VALUE MANAGEMENT	- \$3.2 M (47 Accepted VE items)
SOFT COSTS (INCLUDES \$5.8 FOR CYPRESS FIELD)	\$75.3 M
TOTAL:	\$205.6 M

2. 60% CONSTRUCTION COST ESTIMATE

HARD COSTS	\$136.2 M
VALUE MANAGEMENT	- \$4.8 M (43 Accepted VE items)
SOFT COSTS (INCLUDES \$5.8 FOR CYPRESS FIELD)	\$74.2 M
TOTAL:	\$205.6 M

3. CURRENT PROJECTED COST

GMP HARD COSTS (CYPRESS, STEM, ELEVATOR MODERNIZATION, MBTA (GMP UNDER REVIEW))	\$83.7M \$48.8M \$1.1M \$11.9M	\$145.6 M	
ESTIMATED HARD COSTS (TAPPAN, 3RD FLOOR, DEFERRED MAINTENANCE, STREETSCAPE)		\$22.6 M*	includes \$2M contingency (\$1.5M bare min.) related to additional MBTA operational support risks
ESTIMATED HARD COST (CYPRESS FIELD)	\$10.7M \$4.8M \$3.6M \$1.4M	\$5.8 M*	
SOFT COSTS		\$63.8 M	
TOTAL:		\$237.8 M**	

* NOT BID YET

** DOES NOT INCLUDE COST OR SCHEDULE IMPACTS ASSOCIATED WITH COVID-19 AND TEMPORARY SUSPENSION OF MBTA OPERATIONAL SUPPORT.



WHAT CHANGED?

1. UNPRECEDENTED ESCALATION IN THE CONSTRUCTION MARKET

intended only to show a sampling; we have separately comprehensive tracking logs for all trades/non-trade bids longer than sample table below.

STEM + 22 TAPPAN **SAMPLING** OF KEY TRADES

Trade	60% Estimate Value	Trade Subcontract Award Value	Delta	% Delta	# Bidders Contacted	# of Bids Received
Sitework and Deep Foundations	\$ 5,176,108	\$ 7,121,042	\$ 1,944,934	38%	11	6
Concrete - Foundations & Flatwork	\$ 5,084,570	\$ 5,910,040	\$ 825,470	16%	12	4
Misc. and Ornamental Metals	\$ 1,742,224	\$ 3,352,185	\$ 1,609,961	92%	12 Pre-qual trades	6
HVAC	\$ 10,836,149	\$ 11,783,900	\$ 947,751	9%	15 Pre-qual trades	9
Architectural Millwork/Casework	\$ 1,522,419	\$ 2,411,887	\$ 889,468	58%	10	7
Waterproofing/Joint Sealant	\$ 670,335	\$ 1,200,660	\$ 530,325	79%	15 Pre-qual trades	7
Drywall	\$ 6,711,736	\$ 9,972,950	\$ 3,261,214	49%	18	4
Tile	\$ 988,176	\$ 1,471,062	\$ 482,886	49%	8 Pre-qual trades	5



MBTA OCS / STATION BUDGET VS. COST PROJECTION SUMMARY

DRAFT - PRELIMINARY DISCUSSION FOR MBTA COST SHARING

MBTA OCS/Station project budget vs cost projection summary

	Original Budget	Encumbered to date	2021 Forecast	Total	var
MBTA Overhead Catenary/Station/ADA construction	\$ 8,822,350	\$ 11,890,647	\$ -	\$ 11,890,647	\$ (3,068,297)
MBTA-requested 4th Catenary Steel Portal replacement - change order	\$ -	\$ -	\$ 360,533	\$ 360,533	\$ (360,533)
ToB Legal fees associated with Air Rights Easements	\$ 150,000	\$ 226,224	\$ -	\$ 226,224	\$ (76,224)
MBTA Force Accounts (Diversions only)^	\$ 1,500,000	\$ 4,190,735	\$ 4,750,000	\$ 8,940,735	\$ (7,440,735)
MBTA Force Accounts (all other* costs)	\$ 900,000	\$ 1,264,318	\$ 268,601	\$ 1,532,919	\$ (632,919)
non-F.A. misc. costs (survey license, flaggers during early survey, etc...)	\$ -	\$ 4,480		\$ 4,480	\$ (4,480)
TOTAL	\$ 11,372,350	\$ 17,576,404	\$ 5,379,134	\$ 22,955,538	\$ (11,583,188)

*MBTA legal fees, Capital Delivery oversight, Flagman, Safety, Power, Com/Signals, Maintenance of Way and various other MBTA Depts.)

^ no-piggybacking for 2019-2020, estimated ToB-funded (19) weekend diversions and (20) weeknight diversions. For 2021, estimated (12) weekends and (118) weeknights

ABOVE DOES NOT INCLUDE PROJECTIONS FOR COVID-19 RELATED IMPACTS WHICH ARE STILL BEING DETERMINED

UNFORESEEN COST INCREASES

MARKET CONDITIONS

\$17M - \$19M

- SIGNIFICANT SPIKE IN COSTS BETWEEN MAY 2018 AND Q1 2020 *

**SIMILAR TO MSBA SCHOOL CONSTRUCTION COST INCREASES*

MBTA

\$8M - \$11M

- PLATFORM FOUNDATION DESIGN
- PLATFORM DESIGN CHANGES
- MBTA REQUIRED ADDITIONAL DIVERSIONS AND OTHER FORCE ACCOUNT COSTS

UNKNOWN CONDITIONS

\$1M - \$2M

- UNSUITABLE SOILS NORTH OF MBTA TRACKS
- EXISTING ROBERTS WING STRUCTURAL REINFORCING

TOTAL

\$26M - \$32M**

***NOT INCLUDED - UNKNOWN COVID 19 IMPACTS: MBTA TEMPORARILY SUSPENDING STAFF SUPPORT FOR PROJECT DIVERSION FOR 3 WEEKS*



WHERE ARE WE NOW

	Project Budget	Projected Costs	Variance over/(under)
Hard Costs	\$137.6 Million	\$161.6 Million	\$24 Million
<ul style="list-style-type: none"> 22 Tappan New STEM Building 3rd Floor Old Science Lab Conversion/Renovation* Deferred Maintenance* Tappan Gym Renovations* Construction Contingency 			
Soft Costs	\$23.6 Million	\$23.3 Million	(\$0.3) Million
<ul style="list-style-type: none"> Professional Fees Commissioning Agent CM at Risk Preconstruction Utility Costs Testing Agents Moving Costs Project Contingency 			
FF&E & Technology	\$23.3M	\$4.8 Million	(\$0.7) Million
<ul style="list-style-type: none"> Furniture Fixtures and Equipment A/V equipment IT and Telephone 	<ul style="list-style-type: none"> \$7M Owner Contingency \$4.8M FF&E/Tech \$16.4M site acquisition \$10.3M MBTA softcots/Force accounts \$2M Old Lincoln ----- \$63.8M Total shown on slide 19 	<ul style="list-style-type: none"> \$16.4M Acquisition/Relocation \$11.9M MBTA construction \$10.3M MBTA softcosts/force accounts \$300K misc. 	
Real Estate Costs	\$23.5 Million	\$38.9 Million	\$15.4 Million
<ul style="list-style-type: none"> Cypress Street Acquisition & Relocation MBTA Air Rights & Station Improvements Real Estate Contingencies 	<ul style="list-style-type: none"> \$16.4M Acquisition/Relocation \$7.1M MBTA Air rights, etc. 		
Other Costs	\$9.6 Million	\$3.4 Million	(\$6.2) Million
<ul style="list-style-type: none"> Campus Landscaping, Sidewalks and Student Safety * Swing Space at Old Lincoln School 	<ul style="list-style-type: none"> \$757K streetscapes \$2M Old Lincoln \$6.9M RE Contingency 	<ul style="list-style-type: none"> \$1.4M streetscapes \$2M Old Lincoln 	
Cypress Field *	\$5.8 Million	\$5.8 Million *	N/A
Total Project Costs	\$205.6 Million	\$237.8 Million **	\$32.2 Million

\$131M Project
\$6.6M Owner Contingency

\$135.7M Cypress, STEM & Elev Modernization
\$10.7M Tappan
\$4.8M 3rd Flr
\$3.6M Def'd Maint
\$7M Owner Contingency

\$23.3M
\$7M Owner Contingency
\$4.8M FF&E/Tech
\$16.4M site acquisition
\$10.3M MBTA softcots/Force accounts
\$2M Old Lincoln

\$63.8M Total shown on slide 19

\$16.4M Acquisition/Relocation
\$7.1M MBTA Air rights, etc.

\$757K streetscapes
\$2M Old Lincoln
\$6.9M RE Contingency

\$16.4M Acquisition/Relocation
\$11.9M MBTA construction
\$10.3M MBTA softcosts/force accounts
\$300K misc.

\$1.4M streetscapes
\$2M Old Lincoln

* NOT BID YET

**NOT INCLUDED - UNKNOWN COVID 19 IMPACTS: MBTA TEMPORARILY SUSPENDING STAFF SUPPORT FOR PROJECT DIVERSION FOR 3 WEEKS

MBTA OCS / STATION BUDGET VS. COST PROJECTION SUMMARY

DRAFT - PRELIMINARY DISCUSSION FOR MBTA COST SHARING

MBTA OCS/Station project budget vs cost projection summary

	Original Budget	Encumbered to date	2021 Forecast	Total	Var
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TOT Legal fees associated with Air Rights Easements	\$ 150,000	\$ 226,224	\$ -	\$ 226,224	\$ (76,224)
MBTA Force Accounts (Diversions only) ¹	\$ 1,500,000	\$ 4,190,735	\$ 4,750,000	\$ 8,940,735	\$ (7,440,735)
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non-F.A. misc. costs (survey license, flaggers during early survey, etc...)	\$ -	\$ 4,480	\$ -	\$ 4,480	\$ (4,480)
TOTAL	\$ 11,372,350	\$ 17,576,404	\$ 5,379,134	\$ 22,955,538	\$ (11,583,188)

¹ MBTA legal fees, Capital Delivery over/under, Flagman, Safety, Power, Conv, Signals, Maintenance of Way and various other MBTA Dep'ts.)

² no piggybacking for 2019-2020, estimated Tot funded (19) weekend diversions and (20) weeknight diversions. For 2021, estimated (12) weekends and (18) weeknights

ABOVE DOES NOT INCLUDE PROJECTIONS FOR COVID-19 RELATED IMPACTS WHICH ARE STILL BEING DETERMINED

WHERE ARE WE NOW

	Project Budget	Projected Costs	Variance over/(under)
Hard Costs			
22 Tappan New STEM Building	\$137.6 Million	\$161.6 Million	\$24 Million
3rd Floor Old Science Lab Conversion/Renovation *			
Deferred Maintenance *			
Tappan Gym Renovations *			
Construction Contingency			
Soft Costs			
Professional Fees			
Commissioning Agent			
CM at Risk Preconstruction			
Utility Costs			
Testing Agents			
Moving Costs			
Project Contingency			
FF&E & Technology			
Furniture			
Fixtures and Equipment			
A/V equipment			
IT and Telephone			
Real Estate Costs			
Cypress Street Acquisition & Relocation			
MBTA Air Rights & Station Improvements			
Real Estate Contingencies			
Other Costs			
Campus Landscaping, Sidewalks and Student Safety *			
Swing Space at Old Lincoln School			
Cypress Field *	\$5.8 Million	\$5.8 Million *	N/A
Total Project Costs	\$205.6 Million	\$237.8 Million **	\$32.2 Million

* NOT BUDGET

**NOT INCLUDED - LINKAGES/COVID-19 IMPACTS MBTA TEMPORARILY SUSPENDING STAFF SUPPORT FOR PROJECT DIVISION FOR 3 WEEKS

Lisa Portscher

Subject: FW: From John Bain and Nancy O'Connor

From: "Nancy O'Connor" <nwalshoconnor@gmail.com>

Subject: From John Bain and Nancy O'Connor

Date: May 28, 2020 at 3:00:12 PM EDT

To: "Carla & Dick Benka" <rcvben@earthlink.net>

Carla,

Kindly share with the Advisory Committee

From: John Bain, Chair Park and Recreation Commission

and Nancy O'Connor, Vice Chair Park and Recreation Commission

We are writing to request that the Advisory Committee approve Article 7 to authorize the Town to bond an additional 32.2M for the High School Renovation and Expansion Project. The additional funding is required to complete critical improvements that benefit the entire community including Cypress Playground, Tappan Gym, the MBTA platform, civic space and public way improvements.

The Cypress Playground Renovation Project, currently out to bid, is scheduled to break ground summer 2020. It was the understanding of the Park and Recreation Commission that a budget of \$5.8M was approved by Brookline Town Meeting for the Cypress Playground Renovation Project through the FY19 budget review process. The budget originally proposed by the Park and Recreation Commission was \$6.625M with \$2.4 million from property tax/free cash and \$4.25 million in debt exclusion funds. The project scope and budget was established through 3 scoping sessions held with the public in 2017. The scope was reduced and budget established at 5.8M for presentation to Town Meeting. Town Meeting's approval was made subject to the condition (adopted as an amendment moved the evening of Town Meeting) *that no money in any way related to design, Capital Improvements Program, 2020-2025 Town of Brookline, MA VII-51 procurement, or construction of Cypress Field can be encumbered or expended in furtherance of installing plastic turf on Cypress Field.* The Park and Recreation Commission proceeded in good faith with the public design review process, Town Meeting vote and approved budget for the park renovation project. We now understand that, due to unforeseen costs associated with the overall project, this portion of the work is potentially at risk. In addition, long overdue improvements at the Tappan Gym will remain unfunded and civic space improvements at the MBTA station, Tappan and Greenough will not be realized if Warrant Article 7 is not passed.

The Public Design Review Process for the Cypress Street Playground Improvement Project began December 12, 2018, and continued with seven public Design Review Committee meetings, culminating with a final Park and Recreation Commission meeting on November 12, 2019 approving the design. Through the 11-month public design review process, the

team prepared a design that met the Town's goals of a safe, inclusive, multi-generational and accessible park design that would serve the community, the neighborhood, the High School student/teacher body, the Athletic Department and the Recreation Department.

Since the budget was originally established in 2017, there have been significant changes/increases in the construction market that have caused the Town to revisit scope, materials and phasing of the project in order to deliver a successful project within the established budget. The Town has worked very hard to value engineer and reduce scope of the project while still supporting the overall design intent of the renovation. Any further reductions or changes to the design would likely necessitate a new public design review process. While we do not yet have bid proposals in hand, the overall design/construction management costs and base project engineer's estimate is at 5.8M with an additional 1M in alternates. A great deal of time, effort and expense has already gone into the planning for these improvements. The Cypress Playground project, along with the Tappan Gym and civic space improvements, have a great deal of support in the community. It would be a great disappointment if this portion of the project were not to proceed as planned and designed.

Sincerely,

John Bain, Chair Brookline Park & Recreation Commission

Nancy O'Connor, Vice-Chair Brookline Park & Recreation Commission

From 5/25/20 email

1. Slide 21 - In the original budget, under Real Estate Costs, what was the amount assumed for Real Estate Contingencies? What is the current amount? **Similar to Question 3 below.**
2. Slide 21 - "Other Costs" decrease by \$6.2m. What has been eliminated? is it just Real Estate Contingencies (that were described in 2018 as MBTA-related contingencies) being moved to Real Estate Costs (at \$6.2 million) or something else? **Items have not been eliminated, but re-categorized to the R.E. Cost code.**
3. Slides 11,19 - Is it correct that the original MBTA-related budget (without the contingencies) was \$7.1 million (\$23.5 million minus \$16.4 million for costs related to the Eminent Domain taking of 111 Cypress Street)? **It was around \$5.1M, plus \$2M in contingency.** Is the current MBTA-related budget (without the contingencies) projected to be \$22.9 million (as shown on Slide 19)? **Yes which is \$22.5M, plus a specific MBTA-requested potential change order of \$360K that ToB plans to pre-negotiate w/MBTA buy-in, otherwise not proceeding with it.**
4. Slides 14, 21 - Soft Costs are projected to be \$23.3 million, but Slide 14 shows them at \$63.8 million. Why the difference?
Slide 14, the \$23.3M is technically only partial softcosts because Project contingencies, FF&E, MBTA force account costs, Swing Spaces etc. were previously broken down into other categories on this slide. Slide 21 softcosts at \$63.8M simply combines multiple values from slide 14 representing all things that are not considered hard construction costs.
5. Slides 14, 21 - Hard costs are projected to be \$161.6 million, but Slide 14 shows them at \$168.2 million. Why the difference?
Slide 14 the \$161.6 did not include \$1.4M Streetscapes which is listed under "Other Costs" category and the \$11.9M MBTA station construction bid is under the "Real Estate" section. On Slide 21, Streetscapes is combined within the \$22.6M with the other projects not-yet bid, and the MBTA construction \$11.9M is included within the \$145.6M GMP. Refer to notes on the slide for further clarification/breakdowns.
6. Slide 14 - The projected cost for the gym, field, remaining deferred maintenance, 3rd floor, and streetscape improvements totals \$28.4 million (\$5.8 million for Cypress Field plus \$22.6 million for the rest). Could you provide a breakdown for the various components (other than the field)?
Tappan Gym = \$10.7M, 3rd Floor old Science = \$4.8M, Balance of deferred maintenance = \$3.6M, Streetscapes = \$1.4M which totals \$20.5M. There's an additional \$2M forecast contingency related to MBTA unforeseen operational support changes that got lumped in this line on Slide 14; refer to question 8 also.
7. Slides 14,16, 20 - How was the estimated range of \$17 million - \$19 million for Market Conditions determined if the sampling of key trades in Slide 16 shows an approximate \$10.3 million increase, presumably after the vast majority of items had already been bid (according to Slide 14).
Slide 16 as noted in the title was intended to show a "Sampling" of certain key trades that were significantly over for STEM & 22 Tappan, but it we didn't list them all for our overall tracking log and lastly that slide 16 did not show the MBTA construction bid overage (refer to separate slide 19). The range of \$17M-\$19M is basically the anticipated GMP value of \$145.6M, less the 60% reconciled estimate budget of \$125.9M only for STEM, 22 Tappan, MBTA construction and

elevator modernization which is approx. \$19.7M. Negotiations are on-going to further reduce/agree on the final GMP value.

8. Could you confirm the statement at the subcommittee meeting that \$1.5 million is the amount of the financial “cushion” currently budgeted for addressing MBTA issues that are not related to COVID 19? What assumptions are behind that amount? How is that number derived from Slides 19, 20, and 21?

We had reserved an additional \$2M contingency (\$1.5M is the bare minimum) for addressing any other MBTA unforeseen operational support changes. That’s approximately 6-7 weekend diversions plus any other MBTA staffing support changes.

9. Could you confirm the statement made at the subcommittee meeting that the estimate for completing the new construction (STEM and Cypress Street) as well as minimal renovation for the 3rd floor is \$16.1 million?

Yes, \$4.8M for 3rd Flr, \$3.1M Furniture, \$1.5M Technology, \$200K security, \$3.6M deferred maintenance, \$1.4M streetscapes, and a minimum \$1.5M for MBTA contingency (see question 8 above).

10. My meeting notes say that the cost of the changes to the original design for the T plaza, which were requested by the community, are estimated to be \$300,000. Could you confirm this number and indicate where it shows up in the budget projections?

Yes during the 60% estimate reconciliation, Skanska’s estimate was an Add of \$300K (Summer 2019) for the increased scope to the plaza. Actual costs are reflected in final GMP bids (some awarded contracts, others awards on-hold pending final GMP execution); actual bid breakout values if necessary can be provided at later date.

11. What is the average cost of one day of an MBTA diversion?

As indicated in the executed Force Account agreements, MBTA estimates the average full weekend (2-days) diversion cost to be around \$200K/each, and an early weeknight diversion to be \$19,000/each.

12. How many diversion days are estimated to be needed to complete the work for the Cypress Street building and the MBTA- related construction?

Based on coordination with MBTA for several months (prior to COVID-19 events), our budget forecast for Warrant Article 7 had assumed (19) weekend diversions and (20) weeknight diversions would be ToB-funded for both construction activities in between November 2019 thru December 2020 which totals \$4,190,735 shown encumbered on Slide 19. We also included an additional forecast of \$4.75M of diversions needed in 2021 for (12) weekend diversions and (118) weeknight diversions; also on Slide 19. Those forecasts were based on what MBTA had informed our project team as of February 2020 for non-piggybacking opportunities our project schedule anticipated.

13. Are any of the cost overages recoverable by the Town (exclusive of COVID-19-related funds)?

Assuming you’re referring to MBTA-related cost overages, ToB will continue to negotiate with MBTA to reduce forecasted overages.

14. Lastly, questions about the GMP structure:

- a. At what point in a construction project is a GMP usually agreed upon? Per ToB/Skanska contract terms, the GMP was supposed to be within 2-weeks of Trade bid results which were received as of end of September 2019 for STEM and end of October 2019 for 22 Tappan St. However, those Trade bids (and prior released super-structure and sitework

packages) were cumulatively over budget at that point in time and we still had not yet received bids results for some of the larger non-Trades. We were looking for opportunities from the non-trade bids to bring the projected increases down. At that point, COVID events impacted our negotiations.

- b. Is it usual for GMPs to be done on an incremental basis? **Yes under a CM @ Risk delivery method.**
- c. What's the difference between operating without a GMP and operating on a time-and-materials basis? **With CM@Risk delivery method, it's a transparent competitive bidding/procurement process that ToB and Hill participate in and review Skanska's bid results and make recommendations to Building Commission for approval of Pre-GMPs and final GMP.**

From 5/27/20 email

15. Can you give me a general idea of the difference between the budgeted cost and the actual cost of taking down the Robert's wing (including additional engineering/architectural charges)? My question relates to the slide on p. 14 of the May 21 presentation on Unforeseen Cost Increases. The estimate for Unforeseen Conditions is \$1m - \$2m. Unsuitable soils is one of the contributing factors and Existing Roberts Wing Structural Reinforcing is another. I believe Andy pegged the cost of unsuitable soils-related change at \$250,000 but I don't believe that he gave a figure related to the Roberts Wing. That's why I asked. Changes to the STEM basement level, at least as I understand it, have been treated as Expanded Scope (slide on p. 15) If I'm misinterpreting the presentation or am off-base in some other way, could you please let me know? Just trying to make sure that I can give an accurate report to the AC tomorrow.
- Regarding unsuitable soils, when Warrant Article #7 was issued, the estimate was just over \$250K. Skanska has recently submitted formally the change order (CO) for \$248,901 for costs associated with drilling (8) piles and modifying foundations (Design Bulletin #53). The CO review and negotiations are still ongoing.**
- As for the variety of unforeseen changes related to Roberts Wing Demo, when Warrant Article #7 was published, the forecast was initially around \$1.6M. However some of the latter work is still being completed onsite, and some final costs starting to come in. Final change orders for this work probably won't be resolved until after Town Meeting.**