



Office of the
SELECT BOARD

TOWN OF NEEDHAM

**TOWN HALL
Needham, MA 02492-2669**

To: Town Meeting Members
From: Select Board
Date: October 21, 2021
Re: Finance Committee Amendment to Article 7: Appropriate for Emery Grover Building Design

The Select Board urges your adoption of Article 7 as published in the Special Town Meeting Warrant. The Town has studied numerous sites for School Administration over the past decade, and restudied them over the past year under the feasibility study authorized by Town Meeting. The School Committee concluded from these studies that the renovation of Emery Grover at its current location is the best solution for the Town. After reviewing the initial proposal, the School Committee reduced the size and the scope of the project to save an estimated \$8 million in construction costs. This proposal, supported unanimously by the School Committee, represents the lowest burden to the tax levy of all options studied, due in part to the eligibility of Community Preservation Act (CPA) funds not available for any other identified site. Additional delay will only add to the cost of any project, considering that construction costs escalate over time, and stop-gap measures are needed to ensure health and safety.

The Finance Committee has indicated that the Town should delay this decision to determine whether there is another site or building option for School Administration, and to better understand how such a project may fit into the Town's capital plan. This delay is unnecessary. Last summer, the Facility Financing Working Group (FFWG) was formed by the Town Manager, comprised of two School Committee members, two Select Board members, and four Finance Committee members. The task of the FFWG was to review financing scenarios for multiple school building projects, timelines, and scenario and sensitivity analysis documents.

Information presented to the FFWG clarified that the school building projects in the School Master Plan will need to be phased due to Massachusetts School Building Authority (MSBA) requirements and the importance of State funding for the projects. This phasing will result in the important, decade-long endeavor to rebuild our schools; however, it is the position of the Select Board and School Committee that this timeline must be considered separately from the immediate need of a new School Administration building at Emery Grover.

Financing plan options presented to the FFWG included all known projects on the Town's five-year Capital Improvement Plan, as well as projects from the recently completed School Master Plan. The FFWG evaluated the impact of these projects on the Town's debt guidelines. The Select Board uses these debt guidelines to create a capital plan timeline that is fiscally prudent for the Town. Every year, the Board votes to advance projects that conform to our debt practices; the advancement of Emery Grover is no different. With thoughtful planning, use of

the Debt Service Stabilization Fund, Free Cash, and CPA funding, we feel strongly that Emery Grover and other needed Town projects can be accommodated within the 3% debt levy limit. We understand that we may exceed the 10% debt guidelines when we rebuild Mitchell and Pollard schools, as occurred when the Needham High School and Sunita Williams School projects were approved. In its deliberations about the maximum amount of funding that the Community Preservation Committee would recommend for the Emery Grover project, they purposefully limited the amount to \$6 million in recognition of the many items that they would like to see funded in the future, with a special emphasis on housing.

There are also numerous additional concerns about the practicality of the Amendment if passed. It is unclear if the dollar amount proposed in the Amendment would be sufficient to perform the necessary work. The cost and scope were never vetted by the Permanent Public Building Committee or Town officials. Moreover, there are concerns whether a Building Permit or Certificate of Occupancy would be issued for a temporary use of the Hillside School when a permanent solution for housing School Administration staff has yet to be defined. The Superintendent has indicated to the School Committee that if Article 7 is rejected, he will be submitting an immediate request for leased space for School Administration in the FY2023 Operating Budget, which will place increased pressure on Town spending.

The Select Board recommends adoption of Article 7 as published in the Warrant and rejection of the proposed motion to amend.