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CITY OF SALEM

In City Council,

Ordered:

October 26, 2023

BOND

ORDERED: That the City of Salem appropriate the amount of Two Million Dollars (\$2,000,000.00) for the purpose of paying costs associated with a feasibility study regarding a potential new school building at the existing Salem High School site located at 77 Willson Street, Salem, Massachusetts, including the payment of all costs incidental or related thereto, and for which the City may be eligible for a grant from the Massachusetts School Building Authority ("MSBA"), said amount to be expended under the direction of the Salem High School Building Committee; that to meet this appropriation, the Treasurer, with the approval of the Mayor, is authorized to borrow said amount under and pursuant to M.G.L. Chapter 44, Section 7(7) and/or M.G.L. Chapter 70B, or pursuant to any other enabling authority, and to issue bonds or notes of the City therefor; and the City acknowledges that the MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any costs the City incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the City; provided, however, that the amount of borrowing authorized pursuant to this order shall be reduced by the amount of any such grant set forth in a feasibility study agreement that may be executed between the City and the MSBA for the project.

In City Council October 26, 2023

Referred to the Committee on Administration and Finance under the rules by a roll call vote of 11 yeas, 0 nays and 0 absent

ATTEST:

ILENE SIMONS
CITY CLERK



CITY OF SALEM, MASSACHUSETTS

Dominick Pangallo
Mayor

October 26, 2023

Salem City Council
Salem City Hall
93 Washington Street
Salem, MA 01970

Dear Councillors:

As you may recall, last year the Massachusetts School Building Authority (MSBA) approved the Salem Public School's (SPS) application to enter the eligibility phase for the MSBA Core Program for school building construction, specifically for the reconstruction of Salem High School (SHS). SPS has completed additional preliminary steps required by MSBA for this project to advance, including the Initial Compliance Certification, formation of the School Building Committee (SBC), and certification of maintenance practices, enrollment projections, and career and technical programming. The next and final step in the eligibility phase is the community authorization of funding to proceed to the feasibility study phase.

The enclosed bond Order authorizes borrowing of up to \$2,000,000 for the Feasibility Study for this critical school building project. It has been reviewed and approved by the City's bond counsel and the language has been provided by MSBA. The dollar amount is based on feasibility bond authorization amounts for similar districts.

This building project is itself built upon the framework established by the SPS Facility Master Plan, completed in 2022. That plan, developed over a year-long process of data collection and public feedback sessions and surveys with stakeholders, concluded with several recommendations for the future structure of SPS's facilities, grade alignments, and school placement policies. It was a catalyst to make our entry into the MSBA Core Program possible and serves as the foundation for the SBC and the district's work and thinking related to this project.

The SBC is now at work preparing for the selection of the Owners Project Manager (OPM) and, subsequently from there, the design team. In order to commence the Feasibility Study, funding is now required. A portion of the Feasibility Study will be funded by the MSBA reimbursement grant and, therefore only the Study costs not covered by the grant will be borrowed from this authorization.

The Feasibility Study is a substantially more detailed document specific to this building project, unlike the district-wide Facility Master Plan. It comprises a thorough analysis of:

- The school's educational program.
- An initial space summary.
- Documentation of existing conditions.
- Design parameters particular to the building.
- Evaluation of alternatives.
- Recommendation of the most cost effective and educationally appropriate preferred plan.

The final study document includes two items: a Preliminary Design Program and a Preferred Schematic Report. If the MSBA approves of these, the project will be able to proceed to the schematic design phase – the third phase (after the eligibility phase and the feasibility study phase) for the Core Program.

To ensure this critical project remains on the intended timetable, the enclosed bond Order requires the City Council's approval before January. We and the members of the SBC request the Council's approval of this order. The SBC co-chairs and both of us would welcome the opportunity to meet with Councillors to answer any questions about this order or about the project in general. This is one of the earliest steps on a lengthy and thoughtful journey to a future SHS building and SPS district facility portfolio that most appropriately meets the health, safety, and educational needs of our students now and into the future. We are excited about the opportunities ahead because of this project and appreciate the partnership with the City Council that will make it possible.

Sincerely,



Dominick Pangallo
Mayor
City of Salem



Stephen Zrike
Superintendent
Salem Public Schools



City of Salem, Massachusetts

Finance Department
93 Washington Street
Salem, MA 01970
www.salem.com

Dominick Pangallo, Mayor

Anna Freedman, Finance Director

October 19, 2023

The Honorable Dominick Pangallo
Mayor of Salem
93 Washington Street
Salem, Massachusetts 01970

RE: Bond Authorization for MSBA Feasibility Study

Dear Mayor Pangallo:

Please find enclosed a proposed order for the City Council's consideration to appropriate and provide authorization to borrow \$2,000,000 for the purpose of paying costs associated with a feasibility study regarding a potential new school building at the existing Salem High School site. As background, Salem has been invited by the Massachusetts School Building Authority (MSBA) into the Eligibility Period of its building project process. If Salem successfully completes the preliminary requirements to the satisfaction of the MSBA within the 270-day Eligibility Period, the City would be eligible to receive an invitation from the MSBA Board of Directors to the Feasibility Study phase. The deadline for a Salem City Council vote on the bond authorization for the feasibility study is January 26, 2024.

Pursuant to MSBA requirements, a city must vote to appropriate and authorize the full amount of a feasibility study's cost, including both the local share and the MSBA's share, if any. We do not yet know how much will be reimbursed by MSBA, but ultimately, Salem will only borrow for the amount that will not be reimbursed. The text of the bond authorization states that the amount of borrowing authorized pursuant to the order shall be reduced by the amount of any such grant set forth in a feasibility study agreement that may be executed between the City and the MSBA for the project. The \$2,000,000 cost indicated for the feasibility study is based on other recent feasibility study bond authorizations for similarly sized districts.

Please note that both MSBA and Salem's Bond Counsel have reviewed the text of this order prior to it being filed. The FY2024 Capital Improvement Plan anticipated the need for this bond authorization and, as such, accommodates this additional projected debt in our borrowing portfolio.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anna Freedman".

Anna Freedman
Finance Director

Feasibility Study Appropriations: Examples

School Name	Current Grades/ Enrollment	Consolidation/Configuration Agreed upon Study Enrollments	FS/SD Appropriation Amount	Project Scope
Saugus HS	6-12: 1,311	K-2 (district-wide): 620 3-5 (district-wide): 645 6-12 (district-wide): 1,360 9-12 (district wide): 700	\$1,850,000	New Construction
Pentucket RHS	7-12: 949	9-12 (district-wide): 605 7-12 (district-wide): 965	\$ 1,050,000	New Construction
Wakefield Memorial HS	9-12: 846	9-12 (district-wide): 1,000	\$2,000,000	New Construction
Nashoba RHS	9-12: 894	9-12 (district-wide): 925	\$1,500,000	New Construction
Revere HS	9-12: 1,996	9-12 (district-wide): 2,450	\$2,000,000	New Construction