

NEW STONEHAM HIGH SCHOOL

Special Town Meeting



1.11.2023

SCHOOL BUILDING COMMITTEE MEMBERS

Marie Christie	Co-Chair	Sharon Iovanni	Community Member
David Bois	Co-Chair	Cory Mashburn	Finance & Advisory Board
Nicole Nial	School Committee Member	Paul Ryder	Community Member
Raymie Parker	Select Board Member	Kevin Yianacopolus	High School Facilities
David Pignone	Select Board, Athletic Director	David Ljungberg	Superintendent of Schools
Douglas Gove	Community Member	Bryan Lombardi	High School Principal
Stephen O'Neill	Community Member	Dennis Sheehan	Town Administrator
Josephine Thomson	Community Member	Leia DiLorenzo-Secor	Town Budget Director
Jeanne Craigie	Town Moderator	Brian McNeil	Town Facilities Director
Lisa Gallagher	Middle School Admin.	April Lanni	Town Procurement Officer

Architect

Perkins&Will

OPM

Symmes Maini and McKee Associates

Construction Manager

Consigli Construction Co.

Perkins&Will

SMMA

Project Management



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AGENDA

1/ WHY A SPECIAL TOWN MEETING?

2/ PROJECT BUDGET HISTORY

3/ ADDITIONAL FUNDING REQUEST

4/ WHAT IS CAUSING THE ADDITIONAL FUNDING REQUEST?

5/ COMPARABLE PUBLIC SCHOOL PROJECTS

6/ TAX IMPACT

7/ IMPACTS OF A “YES” OR “NO” VOTE



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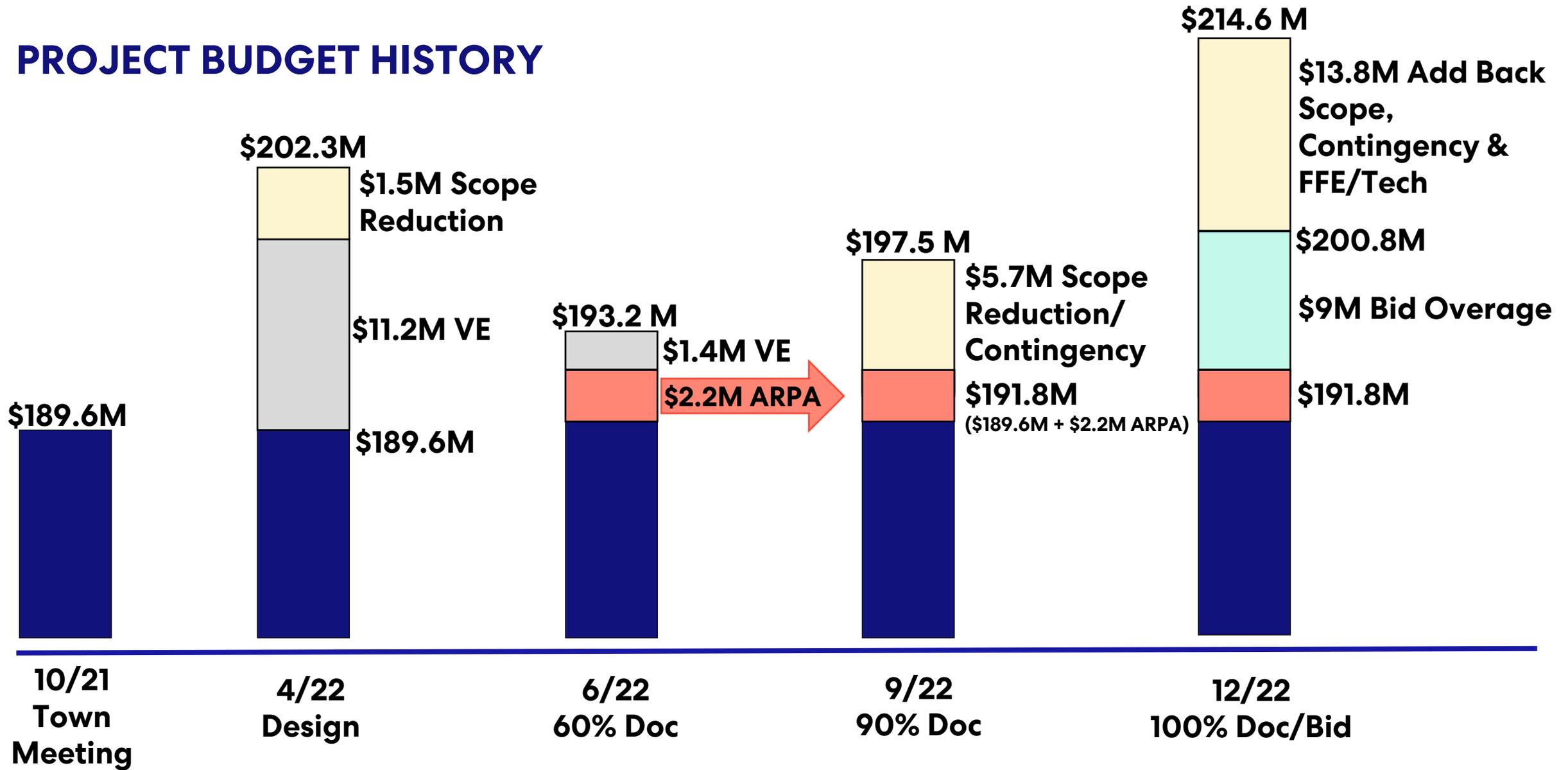
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WHY A SPECIAL TOWN MEETING?

The costs of the New Stoneham High School project have increased \$24.9 million over the initial budget of \$189.6 million, which was developed in 2021, due to unprecedented market volatility and supply issues.

All of the bids have been received and the final cost has been determined.

PROJECT BUDGET HISTORY



BREAKDOWN OF ADDITIONAL FUNDING REQUEST

Construction Cost Breakdown	
Construction Cost Overage above 90% CD Estimate	\$9,023,207
Construction/Project Contingency – added funds to reach 5% of construction cost	\$4,295,585
Total Construction Cost Variance	\$13,318,792

BREAKDOWN OF ADDITIONAL FUNDING REQUEST

Scope Reinstatements Breakdown	
Spartan Stadium Building	\$6,035,220
North Sports Field Turf and Lighting	\$1,595,528
Community Terrace	\$97,752
Visitor Bleachers	\$195,268
Gymnasium Bleachers Extension	\$122,697
Total Scope Reinstatements	\$8,046,465

BREAKDOWN OF ADDITIONAL FUNDING REQUEST

Other Project Costs Breakdown	
Furniture, Equipment and Educational Technology	\$1,925,000
ARPA Reallocation	\$2,200,000

SUMMARY OF ADDITIONAL FUNDING REQUEST

Project Cost Breakdown	Original Project Cost	Current Project Cost	Variance
Construction Cost and Contingencies	\$164,157,966	\$177,476,758	\$13,318,792
Scope Reinstatements	Included in above	\$8,046,465	\$8,046,465
Fees, Administration, FFE, Technology	\$25,435,628	\$27,360,628	\$1,925,000
ARPA Reallocation	n/a	\$2,200,000	\$2,200,000
Total Project Budget Variance	\$189,593,594	\$215,083,851	\$25,490,257
Economic Development Bill	n/a	-\$500,000	-\$500,000
Total Cost Variance	\$189,593,594	\$214,583,851	\$24,990,257

WHAT IS CAUSING PROJECT COST INCREASES?

Non-residential construction costs increased 26.4% from June 2021 to August 2022.

- The prior 12 years averaged 2.32% annual increases

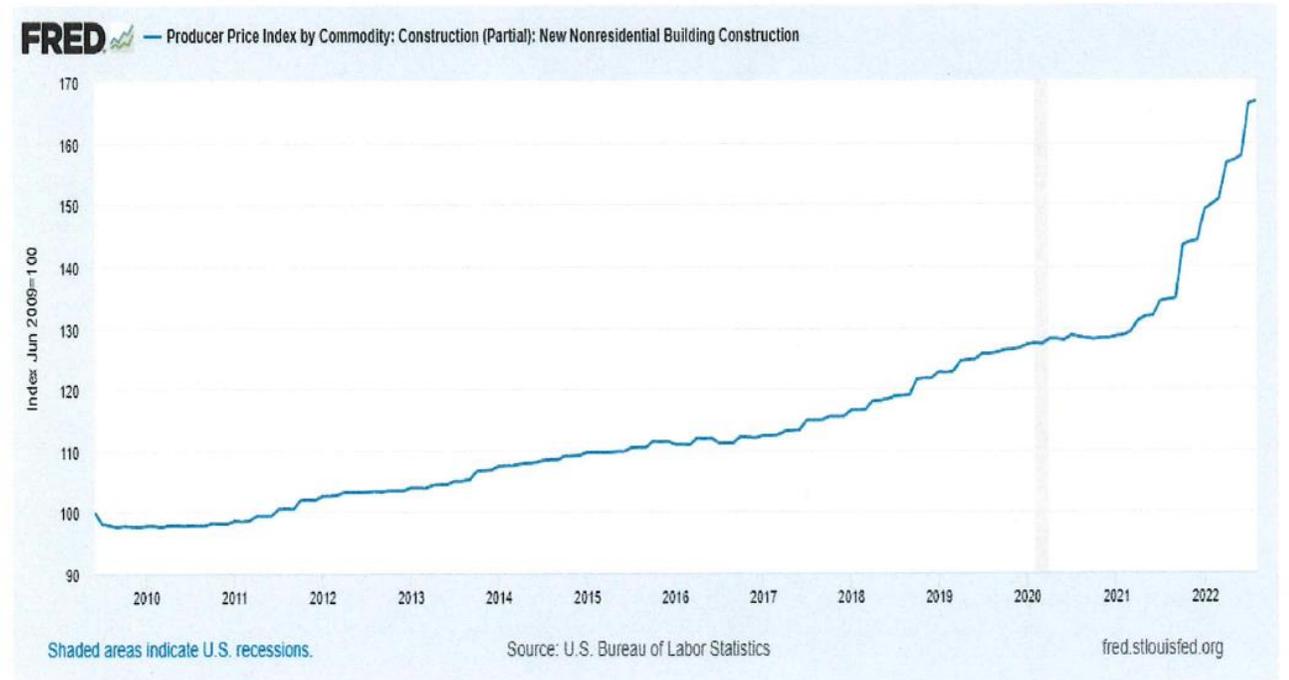
Economic factors include:

- Highest inflation rates in 41 years
- Job and labor market challenges
- War in Ukraine

Actual increase associated with New Stoneham High School: 14.7%

Producer Price Index for New Non-Residential Construction

From June 2009 to June 2021, this index increased by 31.8%, or 2.32% annually. From June 2021 to August 2022, this index increased by 26.4%, or 1.70% monthly/22.5% annually.



BUDGET DEFICITS IN COMPARABLE PUBLIC SCHOOL CONSTRUCTION PROJECTS

The impact of the unpredicted market conditions impacting the supply chain and unprecedented price escalation is occurring state-wide:

School District	Type of School	Construction Budget	Construction Bid/Estimate	% Over Budget
Andover	Elementary School	\$119,200,000	\$136,300,000	14.3%
Groton	Elementary School	\$61,000,000	\$70,500,000	15.6%
Westwood	Elementary School	\$70,000,000	\$74,000,000	5.7%
Peabody	Elementary School	\$23,400,000	\$26,800,000	14.5%
Somerset	Middle School	\$69,000,000	\$79,000,000	9.5%
Concord	Middle School	\$80,700,000	\$86,000,000	6.6%
Boston	Middle-High School	\$146,800,000	\$177,000,000	20.5%
Lowell	High School	\$270,000,000	\$308,000,000	14.1%
Worcester	High School	\$230,000,000	\$257,000,000	11.7%
Nauset	High School	\$104,700,000	\$134,400,000	28.4%

WHAT IS THE PRELIMINARY TAX IMPACT ANALYSIS?

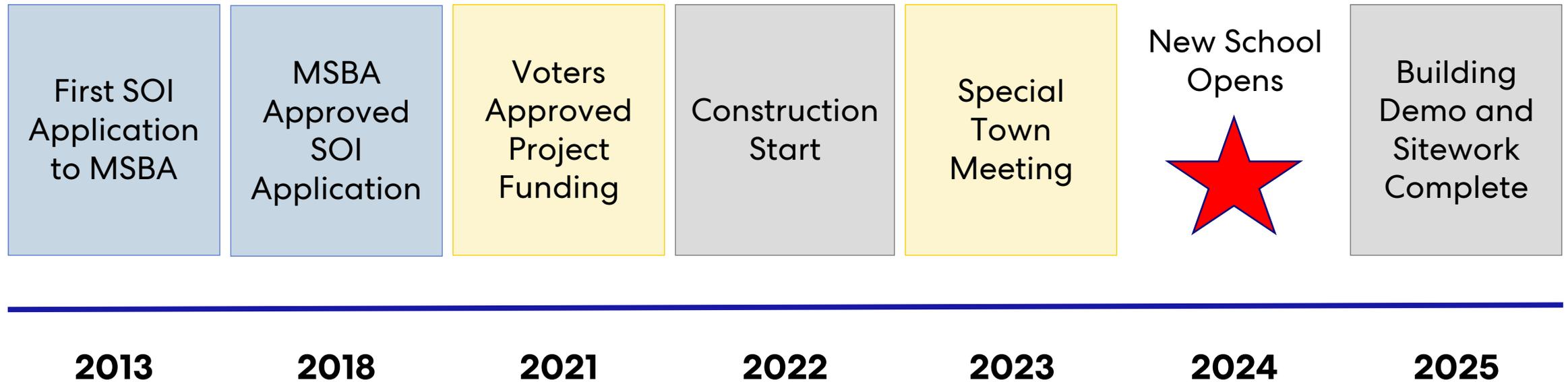
Additional Funding Request	\$24.9 million
Estimated Cost/Year Per \$100,000 Valuation	\$31 per \$100,000
Estimated Average Cost/Year Increase for the Average Residential Taxpayer	\$202 per Year

Based on average home value of \$655,919, 30-year bond at 5.75%

Finance terms are estimated and subject to change

TIMELINE TO 2024 NEW SCHOOL OPENING

- Detailed design plans and specifications have been completed and bid
- Construction site work, building foundations and structural steel have been awarded
- \$56.5 million in design and construction has been contracted



CONSTRUCTION STATUS



Perkins&Will

SMMA

Project Management



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CONSTRUCTION STATUS



IMPACTS OF A “YES” OR “NO” VOTE

Impact of a “Yes” Vote

- Project stays on schedule
- All contract prices are locked in
- School opening dates are maintained
- Property taxes increase for additional funding

Impact of a “No” Vote

- Risk of losing accreditation
- Significant educational impacts for students
- Continued use of outdated and inefficient facilities and increased maintenance costs
- Extended impact to athletic fields capacity and use
- Potential construction pause
- Bids expire, potential cost increases to complete project
- Potential delay in new School opening
- Major project scope reduction and building redesign to stay within existing budget
- MSBA grant at risk



Aerial View

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