

Rhode Island School Building Taskforce

Monday, October 23, 2017 5:00 pm  
1 Capitol Hill  
Providence, RI 02908

# Minutes

## **I. Introductions**

Taskforce members present: Treasurer Seth Magaziner (co-chair), Commissioner Ken Wagner (co-chair), Elizabeth Burke Bryant, Joseph Dewhirst, Director Michael DiBiase, Frank Flynn, Brian Daniels, Jhonny Leyva, Dave Cournoyer, Larry Purtill, Barry Ricci, Michael Sabitoni, Neil Steinberg, Jo Eva Gaines, Dr. Patricia Flanagan, Sen. Hanna Gallo, Rep. Marvin Abney.

Taskforce members absent: Kinzel Thomas, John Hazen White, Jr.

Other attendees included: Massachusetts School Building Authority (MSBA) staff - Jim MacDonald, Chief Executive Officer; Jack McCarthy, Executive Director, and Mary Pichetti, Director of Capital Planning.

Treasurer Magaziner called the meeting to order at 5:01 p.m.

## **II. Co-Chairs' Remarks**

Treasurer Magaziner and Commissioner Wagner welcomed Taskforce members. The Treasurer reminded the body it was tasked with developing an actionable plan to improve public school buildings by December 15<sup>th</sup>, 2017. With the aggressive timeline, he noted there will be several subsequent meetings throughout the fall.

In addition to the Taskforce meetings, there will be numerous public listening sessions, with the first one being held the previous week in Newport. He noted there had been good feedback at that session and expects more helpful input from the future listening sessions. The transcripts from the sessions will be provided to the Taskforce.

## **III. Approval of the September 29<sup>th</sup>, 2017 Taskforce Meeting Minutes**

On a motion by Mr. Sabitoni and seconded by Director DiBiase, it was unanimously **VOTED:** to approve the September 29<sup>th</sup>, 2017 Taskforce Meeting Minutes.

#### **IV. Presentation from Massachusetts School Building Authority**

Treasurer Magaziner explained that as the Taskforce develops their plan, it will be helpful to look at how other states have tackled similar issues. He welcomed the members of the MSBA, who proceeded to present how their program works in neighboring Massachusetts.

Mr. MacDonald began by describing the MSBA mission and talking about its Board of Directors. He provided background on the fundamental components of the program.

Mr. McCarthy then spoke about the agency's processes and delved into the enabling legislation that governs MSBA. He then detailed the key elements of the current program process. Ms. Pichetti provided the rough time estimate of each process phase. Mr. Dewhirst asked what elements of the process are mandatory. Mr. McCarthy stated all of them are mandatory if the municipalities are engaged in the program. The cities and towns always have the option of undertaking a project on their own.

The Taskforce asked questions for clarity and explanation on several process definitions and workflows.

Commissioner Wagner asked for an overview of staffing and what resources are needed to run an agency like theirs effectively in order to estimate what would be needed in Rhode Island if adopting a similar plan.

Director DiBiase remarked the MSBA had made great achievements and should proud of its accomplishments.

#### **V. Discussion and consideration of School Construction Taskforce Principles & Goals**

The Taskforce reviewed a document that integrated notes and feedback from the previous meeting's discussion, establishing the principles and goals that will guide the Taskforce's work.

Rep. Abney remarked that he believed the outline was good but as a policy he abstains from voting on public boards on which he serves.

On a motion by Mr. Steinberg and seconded by Ms. Gaines, it was **VOTED:** to approve guiding principles and goals document  
*Representative Marvin Abney abstained.*

#### **VI. Presentation from Treasury & Discussion on School Construction Financing.**

Treasurer Magaziner led the Taskforce through Treasury's preliminary analysis. He reminded the group that the Rhode Island Schoolhouses Report showed a \$2.2 billion need, with \$627 million of those dollars are to simply make schools warm, safe and dry. This number increases as time

passes and current spending is not adequate to keep up with deferred maintenance. Under the current system, spending more could be prohibitively expensive; funds must be spent smarter to adequately address the problem.

Treasurer Magaziner reviewed 3 scenarios: one under which the status quo is maintained, one in which the existing system is used with higher spending and the last under assumptions using General Obligation (GO) bonding, PayGo and Incentive concepts. He also introduced 3 new concepts as possible solutions and highlighted each's benefits.

Treasurer Magaziner stressed that the debt incurred by increasing spending in this area will not increase debt by that amount; other debt will be falling off the books as more is added.

Ms. Burke-Bryant asked what happened to those projects in the pipeline and how they would be paid if moved to PayGo system. It was stated those projects will be prioritized.

Mr. Leyva asked why use GO bonds instead of what Massachusetts does, which using a portion of sales tax to fund it. Treasurer Magaziner stated it was essentially the same thing as it commits to spending the same amount. However, he said the option of using sales tax should not be "off the table".

Commissioner Wagner asked if it were possible to ascertain the full economic impact of increasing spending to improve schools. Treasurer Magaziner agreed such models would be helpful.

The Treasurer stated there would be a deeper conversation at the next meeting about what types of projects are to be incentivized. In the interim, the office will be looking to partner agencies such as Rhode Island Health and Educational Building Corporation and the Rhode Island Infrastructure Bank to brainstorm how to lower financial impact on municipalities. The Taskforce will explore how to prioritize projects later in the fall.

## **VII. Adjournment**

The Treasurer wrapped up the meeting by stating if the public attendees signed the attendance sheet, they would be emailed copies of presentations from the day's meeting. He also said if there were additional questions for MSBA, the Treasurer's Office would be happy to pass those along and have them answered for the next meeting. He welcomed any other feedback or thoughts on the content of the meeting.

There being no other business to come before the body, the meeting adjourned at 6:33 p.m.