

SEEM Collaborative Board of Director's Meeting
SEEM Administrative Office
7/29/2019
9:00 am – 11:00 am

Superintendents

Dr. David DeRuosi, Saugus
Dr. Doug Lyons, Wakefield
Mr. Jon Bernard, North Reading
Dr. Glenn Brand, Wilmington
Dr. Judy Evans, Winchester
Ms. Cyndy Taymore, Melrose
Dr. Matthew Crowley, Woburn
Dr. Gregg Gilligan, North Andover

Absent Superintendents

Ms. Jane Tremblay, Lynnfield
Dr. John Doherty, Reading
Mr. John Macero, Stoneham

Collaborative Staff

Dr. Cathy Lawson, Executive Director
Mr. Greg Zammuto, Director of Finance and Operations

- A. **The Meeting was called to order by Chair of the Board, Dr. Judy Evans, at 9:00 AM.**
- B. Public Comment – There was no public comment.
- C. New Business
 - a. North Reading Public School Lease Agreement: The town of North Reading School Department is proposing a new lease for the classroom space of the Deaf and Hard of Hearing program at the Hood School. As in past years, the term is for 1 year. The current rate is \$17,600 and the proposed rate is 3% increase at \$18,000. **Motion made to accept the North Reading lease agreement as proposed, by Ms. Cyndy Taymore, seconded by Mr. Doug Lyons, all in favor, Mr. Jon Bernard abstained.**
 - b. Draft Investment Policy, First Reading: During the FY18 audit, the auditors for SEEM Collaborative, Fitz Deguglielmo, recommended that SEEM have an investment policy in place. Mr. Greg Zammuto and the Treasurer, Elizabeth Klepeis, researched investment policies and they worked on it together. These

are practices SEEM has already been in place at SEEM but this makes it a formal policy. This will be presented for a final reading at the next Board meeting.

- c. Transportation Contract – District Membership: Salem Public Schools has made a request to utilize the SEEM Collaborative Transportation Contract with North Reading Transportation. Generally any use of the contract generates revenue for SEEM. SEEM gets 3%; 1.5% for doing the billing, 1.5% for SEEM paying NRT within 30 days. NRT has assured SEEM that they have the capacity to take on Salem’s transportation needs without putting stress on operations for the other districts. **Motion made to allow Salem Public Schools to utilize the SEEM Transportation Contract, by Mr. Doug Lyons, seconded by Mr. Jon Bernard, all in favor.**

D. Old Business

- a. Space Request for Proposals (RFP) – Due to the City of Melrose requesting to end the Beebe School lease early, on or before 6/30/2020, rather than 7/31/2021, an RFP for space was issued. The RFP was requested by 5 firms and SEEM received one response from Cummings Properties who stated that the space would be ready by 7/30/2020 or approximately 120 days after possession. The base rent for year 1 is \$19.50 per square foot and will increase each year based on the Consumer Price Index. The cost of modifications is \$2,592,699. Cummings stated payment in which 50% is due at execution of the lease and 50% due upon possession. In addition to this amount, there will be costs that SEEM will incur (IT wiring, Intercom system). Follow-up conversations have taken place in which SEEM has requested concessions to receive a lower cost. As of 7/25/2019 Cummings has agreed to:
 - i. Include an allowance totaling \$315,000 which reduced the price of modifications to \$2,277,699.
 - ii. Included in the amount is a restoration amount of \$470,000. Cummings is willing to credit this amount back to SEEM in the form of a rent credit upon SEEM exercising the first renewal option.

SEEM has asked and is waiting for a response on:

If we include language in the agreement that states if SEEM doesn’t offer to renew after the initial 10-year term, SEEM will make restoration payment in full at a minimum of 30 days prior to the term ending

As an alternative to paying cost of modification from the general fund and/or surplus, SEEM contacted its bank regarding borrowing the funds. A response has not been received yet.

Impact on Tuition Rates: Rent based on the proposal is \$907,725, an increase of \$655,759 over the current rate paid for the Beebe. Based on a SEEM-wide FTE of 340 students, the tuition rate would increase approximately \$1929. In

addition to this, with spreading the cost over 10 years, the cost of modifications would increase the tuition rate by approximately \$670.

The space is in Woburn behind the Woburn Mall/Market Basket. It has one other tenant. The space is 45,000 square feet with space outside for a play area. It gives SEEM an opportunity for expansion. There is room for 3 extra classrooms as well as room to move the Assessment Center there and free up space in the Central School Building to allow for expansion of the Campus Academy and/or Middle School programs. The Board discussed the proposal at length as well as other space options. Dr. Matthew Crowley stated that Woburn still has a school building available. It has been considered for a condo conversion, but that is not confirmed yet. The building would need major renovations but the city of Woburn may be willing to negotiate. Wakefield has a small school building that is empty as well. The Board also discussed the possibility of SEEM hiring a real estate consultant to help with the search. The RFP for Real Estate Consultant was approved at the last Board meeting on 5/21/2019. Following discussion, **motion made by Mr. Doug Lyons, that the Board of Directors authorize SEEM Collaborative Administration to enter into an Agreement with Cummings Properties and to enter into an agreement to borrow up to \$2,500,000 for modifications and costs associated with moving, seconded by Mr. Jon Bernard, all opposed and Ms. Cyndy Taymore abstained.**

- b. Real Estate Consultant Request for Proposals – The RFP was sent to six firms and one response was received from JLL Real Estate. JLL receives from the landlord/owner, a fee in the form of a market rate commission. This market rate ranges from \$1 to \$1.20/SF/year. The client has no obligation to pay any fees directly to JLL for any services provided under the signed agreement. They will come to the Beebe School and do some measurements and will measure any spaces identified to be sure the square footage is adequate. After discussion, **motion made by Dr. Gregg Gilligan that the Board authorize SEEM Collaborative administration to enter into a contract for “On-Call” and “As-Needed” Consultant for Real Estate and Related Services for the term September 1, 2019 through August 31, 2022 with an option to renew for two (2) years at the sole discretion of SEEM Collaborative, seconded by Mr. Jon Bernard, all in favor.**
- c. Request from City of Melrose to End Beebe Lease Prior to Expiration Date – A vote on this matter was tabled at the Board meeting of 4/22/2019. The term of the lease agreement for the Beebe School is from 8/1/16 through 7/31/2021 with an option to renew if mutually agreed, for the period of 8/1/2021 through 7/31/2026. If either party wishes not to renew, 270 day notice will be required. The City of Melrose has requested to end the lease on or before 6/30/2020, rather than the lease end on 7/31/2021 so the school can be

utilized for the Melrose Public Schools. SEEM Collaborative received one response to the RFP for space which will be available on or before July 30, 2020. This vote would authorize Mr. Greg Zammuto permission to start negotiating with the City of Melrose to end the lease as soon as possible based on when a new location is available. **Motion that the Board of Directors vote to have administration negotiate with the City of Melrose to end the lease of the Beebe School as early as possible based on occupancy date of new location, made by Dr. David DeRuosi, seconded by Dr. Matthew Crowley, all in favor and Ms. Cyndy Taymore abstained.**

- E. Other Business – In regard to a matter associated with a former employee, Ms. Cyndy Taymore questioned if the collaborative was prepared for family or press inquiries if they should receive any and suggested that an internal investigation be conducted to be certain that there were no issues while the former employee worked at SEEM. Dr. Cathy Lawson has been discussing this matter with SEEM's attorney and a response has been set should it be necessary. She is also conducting a document review of the period which the person worked for SEEM and will interview any staff who are still employed by SEEM and worked with the individual.
- F. **Motion to adjourn at 10:15 am, made by Ms. Cyndy Taymore, seconded by Mr. Jon Bernard, all in favor.**

Respectfully submitted by,
Catherine Lawson, Executive Director