

**Board of Trustees**  
Administration and Finance Committee  
Wednesday, August 22, 2018  
11:30am – 12:30 noon  
Tower Building, Alumni Room

**MINUTES**

Members attending: Linda Snyder (Chair), Karen Keane, Peter Nessen (via phone due to geographic constraints), Bill McQuillan (via phone due to geographic constraints), David Nelson (ex-officio)

Members absent: David Lee

Others present: Bob Perry (liaison), Don Arpino, Cam Roberts, Susana Segat (board secretary)

**Call to Order**

Chair Snyder called the meeting to order at 11:30am. She stated that the purpose of the meeting was to make trustees aware of the challenging situation regarding the galleries project and to provide an opportunity for questions and discussion.

**Galleries Project Report**

President Nelson noted that the so-called Galleries Project has now expanded into being called the South Building Project. Code issues and uncovered conditions have held up the building permits, causing the building to remain closed for an extra year. Improvements planned for South two or three years down the road need to get done now. He explained that the administration, DCAMM and MSCBA leadership have planned to meet within the next two weeks to determine next steps. The college is seeking the following from MSCBA: a comprehensive project recovery plan; a definitive schedule with milestones and delivery dates; and a reliable management process with timely reporting. In the meantime, the campus community has reacted well to the year-long extension of the construction project and many offices/classrooms are being relocated for the year.

VP Perry recounted the financial history on the project. The original RFP for this project outlined a \$9M construction scope with a Total Project Cost (TPC) of \$12M. Two years of project postponement, construction phasing, extended general conditions, escalating construction costs and additional soft costs brought the TPC to \$17.3M. The cost of the current project as well as the cost to address uncovered conditions now exceeds the building thresholds that permitted deferral of building systems, life safety and MAAB requirements, which must now be addressed before the building can be occupied. The costs of the code required work is estimated at \$5-6M. It is estimated that the costs will not be verified until schematic design of the work is priced by the contractor and accepted. VP Perry reported that the college would be asking DCAMM for an immediate release of \$5.4M of the college's planned deferred maintenance allocation.

Trustees discussed the budget and the planned forensic analysis of the conditions that led to this juncture. President Nelson explained that the college is managing the situation. He has asked the MSCBA for a recovery plan, a week-by-week schedule, a monthly budget, and regular reports. Even though it is not their responsibility, our internal team is working with the state building inspectors to make sure we are able to execute a Guaranteed Maximum Price (GMP) contract for the work by the first week of December. The college has been told by the contractor that if that date is met, the construction can be completed by August of next summer (2019). Chair Snyder told trustees that as soon as the recovery plan is available, it will be shared with this committee for further comments.

On a question about messaging and donor relations, President Nelson assured trustees that this is not being neglected by the administration. The positive aspect of this expanded project is that deferred maintenance has now been accelerated and the building will be much improved sooner. He noted that what he does need is external help to get confidence in the agencies responsible for the work. Chair Snyder agreed that the college has to commission an analysis of this project so we can better understand how to avoid a much larger scale similar problem with the future Tower project.

Trustees discussed how they could each help. Chair Snyder asked Trustee Nessen to review the financials, Trustee McQuillan to review the recovery plan, and Trustee Keane to review the program impacts of the year-long relocations. Chair Snyder thanked them for their work and support.

On a motion duly made and seconded, the meeting adjourned at 12:25pm.