

Board of Education, Concord School District  
**Budget Work Session #3 – Capital Facilities and Debt Service**  
**February 10, 2020**

**Board members present:** Gina Cannon, Brenda Hastings, Barb Higgins, David Parker, Jim Richards, *President*, Danielle Smith, Pamela Walsh, Jonathan Weinberg, Kate West

**Administrators present:** *Superintendent* Kathleen Murphy, *Business Administrator* Jack Dunn, *Director of Facilities and Planning* Matt Cashman

Board President Jim Richards called the meeting to order at 5:30 pm, noting the topic was capital facilities and debt service. Gina Cannon took roll call attendance. Business Administrator Jack Dunn reviewed the meeting agenda:

- Facilities overview
- Operating budget
- Summer projects
- Debt Service explained
- Future discussion
- Public information
- Future Work Sessions (*w/ proposed revisions*)

Mr. Dunn reviewed District buildings and a summary of expenditures for buildings, grounds, construction, and debt principal and interest.



Abbot-Downing (2012) – 73,446 sq ft



Beaver Meadow (1986,1993) – 66,000 sq ft



Broken Ground (1973,1988) – 64,000 sq ft



Christa McAuliffe (2012), 71,485 sq ft



Mill Brook (2012) – 64,580 sq ft



Rundlett Middle School (1957) – 186,000 sq ft



Concord High School (1926) – 535,000 sq ft

<b>TOTAL FOR ALL FACILITIES</b> 1,097,361 SQ FT 177 ACRES 14 BUILDINGS
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\* Not shown: Central Office and (6) other support buildings (White Farm, Stable, Curtisville Road, Maintenance, COMF, former Eastman School)

**SUMMARY**

- The budget covers buildings and grounds, construction, and principal and interest on debt. The proposed budget was **\$11,367,678.33**, a decrease of **(996,652.37)** or **(8.06%)**

**INCLUDES**

- (1) Director, (1) Administrative Assistant, (5) Maintenance and (39) Custodial staff
- Service contracts
- Life/safety/security contracts
- Summer projects
- Utilities
- General supplies
- Equipment
- Debt service (QSCB), BAB (eliminated – refunding 8/20)

**HIGHLIGHTS**

- Increase in supplies | \$6,000
- Utilities – decrease in electricity | (\$5,500)
- Utilities – decrease in oil | (\$1,500)
- Increase in property and general liability insurance | \$57,379
- Increase in construction services | \$290,000\*
- Decrease in principal debt | (\$270,000)
- Decrease in interest debt | (\$1,113,845)

\* - Increase offset by withdrawal from School Building Maintenance Trust Fund (\$290,000)

NOTE: See Transfers for \$1.4 million into the Facilities and Renovation Trust Fund

Mr. Dunn reviewed the three categories of facilities-related projects: repairs and maintenance; summer projects; and bonded projects.

REPAIRS & MAINTENANCE <i>(School Year – Operating Budget)</i>	SUMMER PROJECTS <i>(Contracted Work – Operating Budget)</i>	BOND <i>(&gt;= 10 years – Debt Service)</i>
Roof Repairs	Roof Repairs	Roof Replacement
HVAC Repairs	HVAC Repairs	HVAC Replacement
Floor Repairs	Floor Repairs/Replacement	Flooring
Gym Floor Repairs	Gym Floor Refinish	Gym Floor Strip
Landscaping	Landscaping	Site work/Infrastructure
Blinds/Shades/Screens Repairs	Blinds/Shades/Screens Repairs	Blinds/Shades/Screens Replacement
Life Safety Security	Life Safety / Security	Life Safety/Security
Mechanical Contractor Repairs/Replacements	Mechanical Contractor Repairs/Replacements	Mechanical Contracting
Equipment Repairs	Equipment Repairs	Equipment (including buses)

He used the example of gym flooring as a project that could either be school-year maintenance, a summer project, or a bonded project, depending on the severity or level of work required.

He provided an overview of the buildings, grounds, and debt service budget, explaining that most of the increase came from salaries and benefits, and that various property damage claims made up the increase in building insurance, under “purchased services.”

**OVERVIEW – BUILDINGS, GROUNDS, AND DEBT SERVICE**

OBJECT DESCRIPTION	FY21	FY22	CHANGE (\$)	CHANGE (%)
[610000] - SALARIES	2,000,221.00	2,068,418.74	68,197.74	3.41
[620000] - BENEFITS	885,153.00	938,019.39	52,866.39	5.97
[630000] - PROFESSIONAL SERVICES	372,081.70	372,081.70	0.00	0.00
[640000] - PURCHASED PROPERTY	801,350.00	1,011,100.00	209,750.00	26.17
[650000] - PURCHASED SERVICES	222,185.00	279,564.00	57,379.00	25.82
[660000] - SUPPLIES, BOOKS AND UTILITIES	1,739,018.00	1,738,018.00	(1,000.00)	(0.06)
[670000] - EQUIPMENT	67,000.00	67,000.00	0.00	0.00
[680000] - DUES, FEES & INTEREST	2,897,322.00	1,783,476.50	(1,113,845.50)	(38.44)
[690000] - PRINCIPAL AND TRANSFERS	3,380,000.00	3,110,000.00	(270,000.00)	(7.99)
<b>TOTAL</b>	<b>12,364,330.70</b>	<b>11,367,678.33</b>	<b>(996,652.37)</b>	<b>(8.06)</b>

Mr. Dunn provided a breakdown of each budget object, explaining that many of these items were fixed costs either required by law or required in order to maintain buildings.

**SALARIES (610000)**

- Salaries for Director of Facilities, Custodians, and Maintenance
- Budgeted: \$2,068,418.74, an increase of \$68,197.74, or 3.41%

**BENEFITS (620000)**

- Health, dental, NHRS, FICA
- Budgeted: \$938,019.39, an increase of \$52,866.39 or 5.97%

**PURCHASED SERVICES (630000) – aka Contracted Services**

- HVAC service
- Pest control
- Fire alarm/sprinkler service and monitoring/fire sprinkler
- Elevator maintenance
- Annual fire extinguisher service
- Floor refinishing and repairs
- Roof repairs
- Service agreements
- Budgeted: \$372,081.70 (*no change*)

**PURCHASED PROPERTY (640000) – aka Repairs & Maintenance**

- Service agreement materials
- Capital leases
- Summer project funds (*4600 function*)
- Budgeted: \$1,011,100, an increase of \$209,750 or 26.17% \*

**PURCHASED SERVICES (650000)**

- Property and liability insurance | \$57,379
- Cell phones
- Conference and travel
- Budgeted: \$279,564, an increase of \$57,379 or 25.82%

**SUPPLIES, BOOKS, AND UTILITIES (660000)**

- Consumables – cleaning chemicals, paper products, drywall, paint, plumbing and electrical
- Utilities – electric, natural gas, water/sewer, oil, and gasoline
- Budgeted: \$1,738,018, a decrease of (\$1,000) or (.06%)

**EQUIPMENT (670000)**

- Floor machines and vacuums
- Budgeted: \$67,000 (no change)

**DUES, FEES & INTEREST (680000)**

- Bond interest
- Contingency
- Budgeted: \$1,718,341.50, a decrease of (\$1,113,845.50) or (38.44%)

**PRINCIPAL & TRANSFERS (690000)**

- Bond principal
- Transfers to/from Trust Funds
- Budgeted: \$3,110,000, a decrease of (\$270,000) or (7.99%)

**SUMMER PROJECTS**

- See future slides
- Budgeted: \$540,000

**Total Operating Budget: \$11,367,678.33, a decrease of (\$1,113,845.50) or (38.44%)**

Mr. Dunn reviewed a history of summer projects.

**SUMMER PROJECTS SPENDING HISTORY**

FISCAL YEAR	BUDGET	ACTUAL
2011	173,319	185,182.55
2012	228,207	228,320.45
2013	192,921	213,054.11
2014	558,390	475,153.62
2015	528,676	466,274.49
2016	178,158	159,999.16
2017	255,000	234,281.41
2018	125,000	123,095.79
2019	260,000	263,388.88
2020	250,000	229,499.45
2021	250,000	279,838.20
2022	540,000*	TBD
<b>TOTAL</b>		

He reviewed a list of summer projects and noted that the starred items were offset by the Facilities and Maintenance Trust Fund.

**SUMMER PROJECTS**

**GENERAL FUND**

SCHOOL	PROJECT	LIFESPAN	BUDGET
RMS	Install Card Access and Cameras	5 Years	55,000*
CO	Fluorescent to LED Conversion (Central Office) and other Building	15+ Years	17,000*
BGS/CHS	Fluorescent to LED Conversion	15+ Years	200,000*
DISTRICT	Replacement of 10 existing Electrical Panels	15+ Years	18,000*
RMS	Roof Patching	15+ Years	50,000
DISTRICT	Painting	10+ Years	100,000
BMS/CHS	Flooring	10+ Years	100,000
<b>TOTAL</b>			<b>540,000</b>

\* - Offset with funds from School Building Maintenance Fund of \$290,000

Matt Cashman explained that the fluorescent lighting to LED lighting conversion paid for itself in three years, and these bulbs also lasted much longer than fluorescent with a life expectancy up to 20 or more years. Mr. Richards asked if there were any rebates associated with this conversion. Mr. Cashman noted that rebates had been factored into the budget.

Mr. Dunn explained debt service and bond history.

**DEBT SERVICE – BOND HISTORY**

**BONDS**

YEAR	PROJECT	AMOUNT
1987-88	RMS Renovation & Expansion	\$9.5 million
1994-96	CHS Renovation & Expansion	\$32.7 million
2001	Miscellaneous Projects	\$1.1 million
2009	RMS HVAC (QSCB)	\$4.3 million
2010	Elementary Consolidation Project (BAB) & SAU*	\$55 million
2017	Steam to Natural Gas, CRTC Childcare**, Buses, Technology	\$12 million
2019	Roof Replacement @ CHS	\$1 million (reprioritized from \$12m)
2020	Roof Replacement @ BGS and CHS	\$5 million

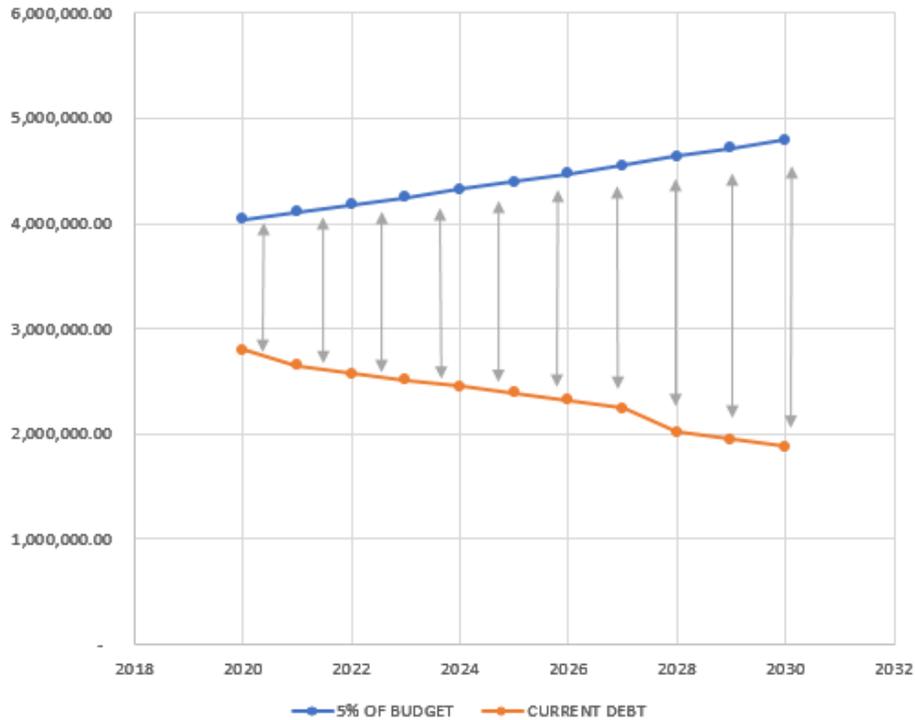
\* - Authorized \$62,539,605 | \*\* CRTC Childcare Reprioritized

**BOND AUTHORIZATIONS**

YEAR	PROJECT(S)	AMOUNT
2014	Capital Projects – BMS, BGS, RMS, CHS, and Buses ** Cancelled 10/22/14 **	\$8.6 million

Mr. Dunn discussed the Facilities and Renovation Trust Fund. The Board, since 2005, has tried to maintain 5% of its General Fund operating budget for debt for the purpose of mitigating spikes in the tax rate when significant projects came up.

### DEBT SERVICE DIFFERENTIAL\*



#### REFERRED TO AS

- Facilities and Renovation Trust Fund
- Maintain 5% of Budget for Debt Service or 5%Rule
- Debt Differential
- "Inman Rule"

#### SUMMARY

- Since 2005, the Board has tried to maintain a level capital debt service of 5% of its General Fund operating budget in order to avoid spikes in the tax rate

#### CURRENT DEBT USED FOR 5%

- (2017) – steam-to-gas conversion project (ADS, CMS, RMS, CHS)
- (2012) – 3 elementary schools (ADS, CMS, MBS)
- (2010) – RMS HVAC
- 5% of the 2022 Budget: \$4,259,739.81
- Net debt service: \$2,831,741.76

#### DEBT NOT USED

- Leases
- Buses
- Technology
- CHS Roof (2018) – reprioritized funds
- CHS Roof (2019)

**GRAPHICAL DATA – EXAMPLE FOR EXPLANATION PURPOSES**

YEAR	5% OF BUDGET	CURRENT DEBT	SAVINGS
2022	4,259,739.81	2,831,741.76	(1,427,998.05)
2023	4,323,635.91	2,690,154.67	(1,633,481.24)
2024	4,397,137.72	2,393,510.88	(2,003,626.84)
2025	4,386,488.25	2,271,136.39	(2,115,351.86)
2026	4,461,248.02	2,214,890.79	(2,246,357.23)
2027	4,537,237.76	2,156,439.47	(2,380,798.29)
2028	4,614,796.42	2,092,431.41	(2,522,365.00)
2029	4,693,577.25	2,026,661.10	(2,666,916.15)
2030	4,786,735.70	1,822,094.81	(2,964,640.89)

Mr. Dunn explained that the District used a debt payment plan that paid more interest up front, but less total interest overall, which creates greater savings in the long term.

He recommended the Board replace the currently-scheduled open budget work session with a joint Capital Facilities/Finance Committee meeting on Monday, March 8 to discuss the middle school project, including proposed timelines and payment schedules.

He reviewed the upcoming meeting and public hearing schedule and Board member contact information.

**2021-2022 BUDGET WORK SCHEDULE – REVISED (changes in BLUE)**

DATE	DAY	TIME	LOCATION	TOPIC	NOTE
Feb. 3 <sup>rd</sup>	Wed.	5:30pm	Central Office – Board Room	WS#1: Presentation to School Board	
Feb. 6 <sup>th</sup>	Mon.	5:30pm	Central Office – Board Room	WS#2: Salaries and Benefits	
Feb. 10 <sup>th</sup>	Wed.	5:30pm	Central Office – Board Room	WS#3: Capital Facilities & Debt Service	
Feb. 15 <sup>th</sup>	Mon.	5:30pm	Central Office – Board Room	WS#4: Student Services	
Feb. 17 <sup>th</sup>	Wed.	5:30pm	Central Office – Board Room	WS#5: Curriculum & Technology	
Mar. 1 <sup>st</sup>	Mon.	5:30pm	CHS – McAuliffe Auditorium	WS#6: Revenues, Transfers and Fees	BOARD MEETING – 7PM
Mar. 3 <sup>rd</sup>	Wed.	5:30pm	CHS – McAuliffe Auditorium	WS#7: SRO Discussion	PUBLIC COMMENT LINK
Mar. 8 <sup>th</sup>	Mon.	5:30pm	Central Office – Board Room	WS#8: OPEN SESSION Budget to POST (5 votes required)	** POST BUDGET **
Mar. 10 <sup>th</sup>	Wed.	5:30pm	Central Office – Board Room	WS#9: CHS and CRTC Enrollments	
Mar. 15 <sup>th</sup>	Mon.	5:30pm	Central Office – Board Room	WS#10: OPEN SESSION	
Mar. 17 <sup>th</sup>	Wed.	5:30pm	Central Office – Board Room	Joint Finance/Facilities Committee Meeting	RMS PLANNING
Mar. 22 <sup>nd</sup>	Mon.	7:00pm	Mill Brook School	WS#11: PUBLIC HEARING #1	
Mar. 24 <sup>th</sup>	Wed.	7:00pm	Concord High School	WS#12: PUBLIC HEARING #2	PUBLIC COMMENT LINK
Mar. 29 <sup>th</sup>	Mon.	5:30pm	Central Office – Board Room	WS#13: OPEN SESSION	
Mar. 31 <sup>st</sup>	Wed.	5:30pm	Central Office – Board Room	WS#15: Vote on FY22 Budget	** 5 VOTES IN THE AFFIRMATIVE TO PASS**

Board members discussed the merits of holding both public sessions at the same location, but opted to leave the scheduled locations as they were, for the time being.

Board members discussed the merits of including or removing the School Resource Officer (SRO) position from the posted budget, acknowledging that this might be a polarizing issue within the community either way. Pamela Walsh suggested swapping topics for the meetings on March 1 and March 3 to provide more time to discuss the SRO

position before posting the budget on March 3. Mr. Richards emphasized that the SRO position would not represent a major impact on the budget regardless whether it was included in the budget. Mr. Dunn clarified that the total budgeted amount for this position was \$88,000, which included salary and benefits. Board members discussed the importance of allowing enough time for community discussion and input on the topic, as well as internal Board input regarding the SRO position, and decided to amend the upcoming meeting schedule as follows:

DATE	DAY	TIME	LOCATION	TOPIC	NOTE
Feb. 3 <sup>rd</sup>	Wed.	5:30pm	Central Office – Board Room	WS#1: Presentation to School Board	
Feb. 5 <sup>th</sup>	Mon.	5:30pm	Central Office – Board Room	WS#2: Salaries and Benefits	
Feb. 10 <sup>th</sup>	Wed.	5:30pm	Central Office – Board Room	WS#3: Capital Facilities & Debt Service	
Feb. 15 <sup>th</sup>	Mon.	5:30pm	Central Office – Board Room	WS#4: Student Services	
Feb. 17 <sup>th</sup>	Wed.	5:30pm	Central Office – Board Room	WS#5: Curriculum & Technology	
Mar. 1 <sup>st</sup>	Mon.	5:30pm	CHS – McAuliffe Auditorium	WS#6: Revenues, Transfers and Fees	BOARD MEETING – 7PM
Mar. 3 <sup>rd</sup>	Wed.	5:30pm	CHS – McAuliffe Auditorium	WS#7: SRO Discussion	
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Mar. 17 <sup>th</sup>	Wed.	5:30pm	Central Office – Board Room	Joint Finance/Facilities Committee Meeting	RMS PLANNING
Mar. 22 <sup>nd</sup>	Mon.	7:00pm	Mill Brook School	WS#11: PUBLIC HEARING #1	
Mar. 24 <sup>th</sup>	Wed.	5:30pm	Concord High School	WS#12: PUBLIC HEARING #2	
Mar. 29 <sup>th</sup>	Mon.	5:30pm	Central Office – Board Room	WS#13: OPEN SESSION	
Mar. 31 <sup>st</sup>	Wed.	5:30pm	Central Office – Board Room	WS#15: Vote on FY22 Budget	** 5 VOTES IN THE AFFIRMATIVE TO PASS **

Barb Higgins made a motion to adjourn.

**The Board voted 9-0 to adjourn (motioned by Ms. Higgins, seconded by Brenda Hastings).**

The meeting adjourned at 7:00 p.m.

Respectfully submitted,

Gina Cannon, *Secretary*  
 Lauren Hynds, *Recorder*