

Concord School District Board of Education
Board Work Session #5
March 6, 2019

Board members Jennifer Patterson, *President*, Tom Croteau, Chuck Crush, Jim Richards, Pam Wicks, Danielle Smith, Liza Poinier

Absent Barb Higgins, Nancy Kane

Administration: *Superintendent* Terri L. Forsten, *Business Administrator* Jack Dunn, *Director of Facilities and Planning* Matt Cashman, *Director of Human Resources* Larry Prince

Board President Jennifer Patterson called the meeting to order at 5:32 p.m., noting that Board Work Session #5 was a review of Capital Facilities within the FY19-20 budget and post the budget. Business Administrator Jack Dunn reviewed the agenda:

- Goals
- Enrollment
- New positions
- Salaries
- Benefits
- Budget to post
- Work sessions and public hearings

Mr. Dunn briefly reviewed the 2019-2020 budget goals:

- Regular education
 - Class sizes within policy guidelines
 - Extended Learning Opportunities (ELOs)
- Curriculum, instruction, and assessment
 - New materials for reading instruction
 - Competency grading and reporting
- Student Services
 - Elementary Assistant Principals
 - Program development for 3R elementary
- Technology
 - One-to-one devices for all students
 - Telephone replacement
- Capital purchases and debt service
 - 5% operating budget for debt service, including new proposed debt for roof replacements
- Community relations
 - Success stories in Concord public schools
 - Middle school facility plan

Mr. Dunn provided an overview of the building, grounds and debt service portion of the budget – a total of \$12,565,118.70, an increase of 4.9% over last year. He delineated items within this portion of the budget:

- Director, maintenance and custodial staff
- Maintenance contracts
- Life/safety/security contracts – focus
- Summer projects
- Utilities
- General supplies
- Equipment
- Debt service (BAB and QSCB)

Highlights

- Decrease in professional services | (\$61,212)
- Decrease in disposal services | (\$6,000)
- Utilities – decrease in water/sewer | (\$5,800)
- Utilities – increase in natural gas | \$10,300
- Utilities – increase in electricity | +\$14,400
- Utilities – decrease in oil | (\$20,000)
- Increase in replacement vehicles | +\$9,000
- Increase in debt service principal and interest | +\$642,500

Mr. Dunn provided an overview of the projects and maintenance work that occurs throughout the school year and how this work is factored into the budget. He emphasized that the primary project for this year is roof replacement for Concord High School and Broken Ground School.

REPAIRS & MAINTENANCE (School Year – Operating Budget)	SUMMER PROJECTS (Contracted Work – Operating Budget)	BOND (>= 10 years – Debt Service)
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)

Mr. Dunn provided a detailed look into the buildings and grounds portion of the budget, including salaries and benefits, contracted services and bond payments.

Salaries (610000)

- Salaries for Director of Facilities, custodians, and maintenance
- Budget: \$1,975,225 – an increase of \$59,536, or 3.11% over FY19

Benefits (620000)

- Health, dental, NHRS

- Budget: \$822,883 – a decrease of (\$23,094) or (2.73%)

Purchased services (630000) – *aka Contracted Services*

- HVAC service
- Pest control
- Fire alarm/sprinkler service and monitoring
- Elevator maintenance
- Fire sprinkler maintenance
- Annual fire extinguisher service
- Floor refinishing and repairs
- Roof repairs
- Service agreements
- Budget: \$315,931,70 – a decrease of (\$61,212.30) or (16.23)

Purchased property (640000) – *aka repairs and maintenance*

- Service agreement materials
- Capital leases
- Summer project funds (*4600 function*)
- Budget: \$801,350 – an increase of \$11,950 or 1.51%

Purchased Services (650000)

- Property and liability insurance
- Cell phones
- Conference and travel
- Budget: \$222,185 – a decrease of (\$17,656) or (7.36)

Supplies, books and utilities (660000)

- Consumables – cleaning chemicals, paper products, drywall, paint, plumbing and electrical
- Utilities – electric, natural gas, water/sewer, oil, and gasoline
- Budget: \$1,800,018 – an increase of \$42,226 or 2.40%

Equipment (670000)

- Floor machines and vacuums
- Budget: \$91,000 – a decrease of (\$20,000) or 18.02%

Dues and fees (680000)

- Bond interest
- New roof debt interest
- Contingency
- Budget: \$2,976,526 – an increase of \$722 or .02%

Principal and transfers (690000)

- Bond principal
- New roof debt
- Budget: \$3,560,000 – an increase of \$595,000 or 20.07%

Summer projects

- Painting, oil tank removal

- Budget: \$250,000

Total operating budget: \$12,565,118.70 – an increase of 587,471.70 or 4.90%

Director of Facilities Matt Cashman showed photos of the extensive roof damage and water leakage at CHS and BGS. He explained that the District has hired the Garland Company to perform a roof survey to determine specific needs and areas of concern. He provided a detailed diagram of the type of roof, explaining its composition, function and benefits.

Jim Richards asked whether certain parts of the roof could be replaced rather than the entire structure. Mr. Cashman explained that this would not work as it would affect the structural integrity of the roof. Pam Wicks asked if this is the same roofing that was added to the third grade wing at BGS. Mr. Cashman confirmed that it is. He showed an aerial view of BGS' roof and noted an estimated completion date of August 2019, assuming a May 2019 start date. Chuck Crush asked how this type of roof ranks in terms of quality. Mr. Cashman explained that while there are more expensive options, this is a top-tier roofing system with a 40-year warranty and a 40+ year lifespan. Tom Croteau asked about advantages or disadvantages to replacing the CHS roof section by section. Mr. Cashman explained that, given the enormous square footage of that roof, damages will continue and increase the longer the replacement is delayed, particularly in terms of water leakage. He added that it makes financial sense to get everything done at once rather than piecemeal. Liza Poinier asked if this project will be put out to bid. Mr. Cashman explained that it will be, and that all District projects of this nature are put out to bid. Mr. Richards said he noticed in the aerial photos the equipment on top of the school roofs, and asked what would happen with those, when those might need to be replaced and whether they might be damaged during construction. He also wondered how those structures might affect the new roof's 40-year warranty. Mr. Cashman explained that the structures are air handlers and that, while it would be ideal to replace all of them at once, it would be prohibitively expensive. He explained that this type of roof is extremely durable and very capable of supporting equipment such as air handlers. Mr. Richards asked if it would be prudent to fully replace one school's roof and air handlers at once, then the other school's roof and air handlers. Mr. Cashman explained that while he has considered this, the water leakage at both schools is so severe that his recommendation is to proceed with the roof replacements before anything else. Mr. Richards asked when the air handlers will need to be replaced. Mr. Cashman responded that they are near their "ends of life," but that regular maintenance has helped maintain their integrity, and that he expects getting perhaps 6-10 more years out of them. He noted that replacement will cost approximately \$250,000 to \$300,000. He emphasized the importance of maintaining District equipment to maximize its lifespan and that, in spite of care and maintenance over the years, the roofs are simply at the end of their lives and must be replaced.

Mr. Dunn noted that a key goal is to complete both roof replacements over the course of 3-4 months during summer vacation. He noted the economy of scale and savings of replacing everything rather than piece by piece, using the example of the recent steam to natural gas conversion. Danielle Smith asked if there would be any impact on staff and students when the roof projects commence in May, as the school year will still be in

progress. Mr. Cashman explained that the District has undertaken building projects that overlap with the school year before, and that it can be done successfully. Mr. Croteau commented that these buildings are huge investments, and that it is of critical importance to maintain safe buildings. He asked that, if money is a concern, the Board should consider trimming budget areas other than this one. Mr. Richards asked whether any local companies are capable of handling such a project. Mr. Cashman explained that while this is a large and fairly specialized project, there are strict qualification requirements for any companies wanting to bid, including not sub-contracting out work to other firms, which will help the District select the best company for the job.

Mr. Cashman showed an aerial view of CHS roof system. Mr. Richards clarified that replacing these roofs now, given their warranty, means the District would not have to worry about them again until approximately 2050-2060. Mr. Dunn highlighted that because of the stabilization fund and planning over the last 10 years, this would not dramatically affect the tax rate – it has been factored into the debt service.

Mr. Dunn reviewed the District’s history of debt service. He highlighted a bond authorization in 2014 of \$8.6 million, which encompassed capital projects and new buses.

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
2020	Proposed – Roofs @ CHS, BGS	\$5 million

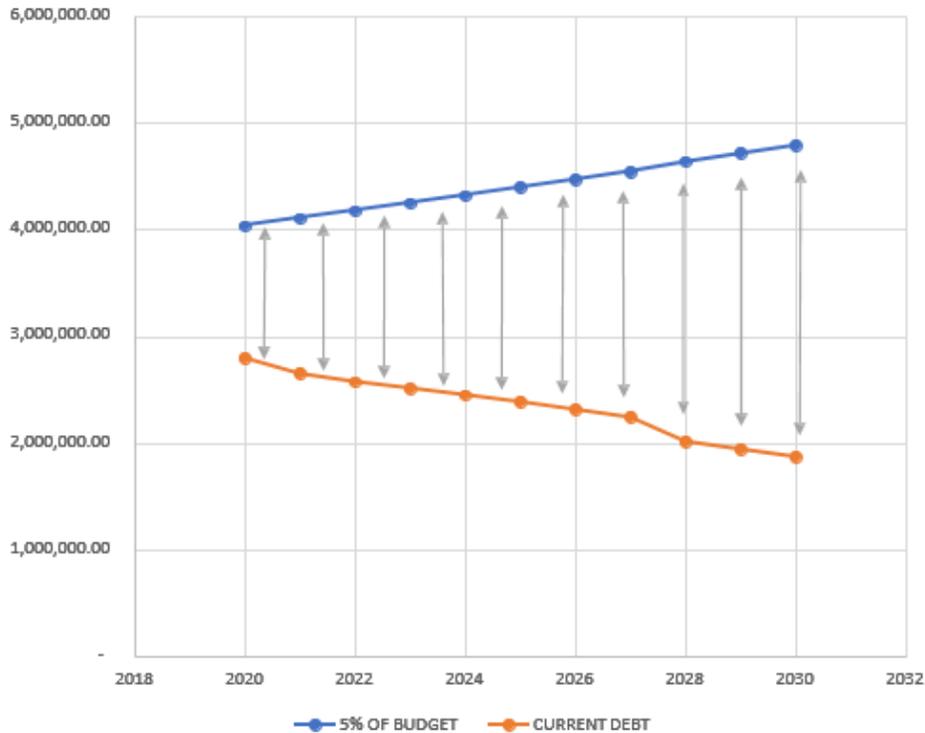
* - Authorized \$62,539,605 | ** CRTC Childcare to be Reprioritized

BOND AUTHORIZATIONS

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

Mr. Dunn described the Facilities and Renovation Trust Fund, noting that on the graph, the space between the two lines represents the difference between the current debt and the 5% budgeted, which is what goes into the Facilities and Renovation Trust Fund. He explained how the current debt is being used and what is not included in that debt. He summarized that at this level, 5% debt service allows for capital projects without causing spikes in the tax rate.

DEBT SERVICE DIFFERENTIAL *



Current debt used for 5%

- (2012) – 3 elementary schools (ADS, CMS, MBS)
- (2010) – RMS HVAC
- 5% of the 2020 budget: \$4,035,955.30
- Net debt service: \$2,715,301

Debt not used

- Leases
- Steam to gas project
- Buses
- Technology
- CHS roof (2018) – reprioritized funds

Mr. Dunn reviewed the impact of new debt, explaining how maintaining the Facilities and Renovation Trust Fund will help offset the cost of a new RMS building in approximately 4 to 5 years. Mr. Richards stated that the current roof replacement project, according to the chart's numbers, will push out the RMS project by approximately 3 years. Ms. Patterson noted that since so many factors are involved, this timeline is more conceptual than actual. Ms. Poinier asked if the RMS roof is a concern and if it would need to be repaired or replaced before the building itself is replaced or rebuilt. Mr. Cashman explained that it would not make sense to put much money into the building when it only has a few years left. Mr. Crush commented that, while he feels the roof projects are obviously needed, the RMS building project is a major consideration for the Board to keep in mind over the next few years. Ms. Patterson added that the RMS building issue is not entirely about its structural integrity but also relates to the building's

outdated layout and style and whether it is conducive to education. Ms. Wicks encouraged constituents to contact state representatives to support state aid for facilities projects.

Mr. Richards asked which, if any, summer projects are included in this budget. Mr. Cashman explained that the same types of summer projects as last year are factored in and are done when time and budget resources allow, including painting in elementary schools, maintenance of underground oil storage tanks, flooring replacements and furniture, and that he would be happy to discuss these projects at future meetings. Mr. Crush asked for clarification on the increases in the salary and utility categories. Mr. Cashman explained that the numbers are due to increases in salaries and utility payments, respectively. Mr. Richards asked if the district has sought rebates for incremental energy efficiency projects. Mr. Cashman explained that he regularly looks for these types of opportunities in order to save the District money and improve energy efficiency. He added that he has an upcoming meeting to perform a lighting survey at some of the elementary schools to perhaps install energy-efficient options, which would provide rebates. Mr. Richards noted that regularly seeking these incremental improvements for rebates throughout the school year is a great thing for the District to pursue as it could pay off both financially and environmentally.

Mr. Dunn noted that future facilities discussion items include a 5-10 year facility plan and Rundlett Middle School. He provided a summary of the budget to post, noting a total of \$90,754,228, or an increase of \$1,753,922 from last year. Mr. Crush asked for the tax rate percentage last year. Mr. Dunn stated that he would have to look it up, but that it was 1.21% for just local taxes.

Ms. Patterson stated that with respect to posting the budget, it made sense to discuss issues and possible changes at upcoming meetings. She added that she expects public comment on staffing changes, the new proposed positions, and Student Service roles. Mr. Crush echoed Ms. Patterson's comments and noted his own concerns about salaries and how the new positions align with and support the District's mission. Mr. Croteau noted that the Board should be mindful of community members who might not be as vocal or present at public forums and keep in mind the Board's responsibility to both those and more active and vocal constituents. Ms. Poinier asked that the Board be sure to offer the narrative that the posted budget is a working draft and there will be ample opportunity for members of the public to make their voices heard. Ms. Patterson added that all meeting materials are available on the District website for the public to read and consider. Mr. Richards echoed Mr. Crush's concerns about salary levels and agreed that the budget should be posted as presented. Ms. Wicks emphasized that the Board welcomes emails from the public should anyone have concerns or thoughts that may not fall within the public hearings' five-minute speaking time limit, and that Board members could read or summarize these comments to allow those voices to be heard. She noted that it is easier to remove items from the budget than it is to remove anything before posting and have to re-add them.

Mr. Croteau made a motion to post the proposed budget.

The Board voted 7-0 to post a budget the Preliminary 2019-2020 Fiscal Year Budget for public comment with all funds of \$90,754,228 and with the General Fund portion totaling \$85,306,147 with an amount of \$60,435,047 to be raised in local and state taxes (motioned by Mr. Croteau, seconded by Ms. Wicks).

Mr. Dunn reminded the public that meeting dates, materials and contact information are available on the District website. Mr. Croteau asked if the Board could leave about 15 minutes at the end of the open sessions on March 13 and 25 to discuss any issues that come up in the meantime. Superintendent Forsten agreed and added that she can provide Board members with a list of issues that have been noted so far.

The Board voted 7-0 to adjourn (moved by Mr. Crush, seconded by Mr. Richards).

The meeting adjourned at 7:05 p.m.

Respectfully submitted,

Jim Richards, *Secretary*
Lauren Hynds, *Recorder*