

Finance Committee Remote Meeting Minutes

Wednesday, June 24, 2020 @ 6:00 PM

Attendees: Al Howland, Brian Cisneros, James Morse, Michael Williams, Sue Caswell

Visitors: Jim Rozycki

Al Howland welcomed everyone to the June 24th Finance Committee meeting. There was a 2-minute delay in starting to get everyone's technology issues resolved.

Al stated that he would like to begin with the first item on the agenda "CIP Project Update with Focus on 2021/22" by having Jim Rozycki report out to the committee.

Jim R. referred everyone to the backup that he provided beginning with Year 3 and referenced the target in red of \$3,000,000 and explained that this was the CIP decision from 5 – 6 years ago when it was determined that this would systematically increase by \$500K per year. If everything went according to plan that is where we would be right now. Also, Siemens Lease payment showing year 3 of 10 at the Board discretion was included in the capital expenditures even though it does not show up in the capital account expenditure. Also, for year 3 it was the Board and Strategic Plan committee who wanted to coincide the years of the Strategic Plan with the year that was brought up in the Capital Plan. Additionally, looking at the 21/22 budget any modifications made that did not get approved were moved forward into the next fiscal year. Jim read a short list of items that were moved.

Al Howland noted that year 7 was a dramatic drop off. What can we defer and move back without hurting us?

Jim Morse asked Jim Rozycki if he could answer this question using their previous conversation pertaining to Moharimet.

Jim Morse relayed that the Moharimet project is not complete, the old administrative office where nurse's area is located, teachers' room and the counseling office have not been touched as it was a \$335K bill. He asked Jim R if we could do the work ourselves which would include the demolition and building walls, but trade skills would still need to be contracted out. This could reduce the dollar amount quoted. Either way this job will need to be completed next year.

Jim R confirmed that the \$335K was the quoted amount from Bauen and that the engineering has already been done and have also been working with David Goldsmith. Jim R did refer to other projects that the District had taken off and completed and is confident that they can do this renovation as well. This project is mostly in direct benefit to student life.

Jim Morse outlined what the current nurses set up is and what it will be after the renovations.

Jim Rozycki stated that with the MS construction we may be able to save some additional money by grabbing some of those contractors as well.

Al Howland asked if it would be possible to separate out the more cosmetic projects as opposed to the core projects that need to get done and used the \$60K engineering for the HVAC.

Jim R explained that there is opportunity for energy savings and asked the committee if they would allow him to take on the small projects that could come off the plan.

Michael Williams stated that it is a real possibility and by springtime we will have a better sense of the world situation and a possible yes or no decision then. He also referred to a conversation for last year for the HS HVAC

but also included the elementary school and their traditional air conditioning. He asked if they were considering an alternative like a heat pump system.

Jim R stated, “absolutely” and it is recommended that is the way to go. The more electric we go in these scenarios, the more incentives we receive from the utility companies and could greatly reduce the cost especially if this is done at the beginning of the project where he would be able to get the true number.

Jim M added that we keep estimating the Bond payment and we will have the interest and payment amount on July 15th.

Al Howland referred to the last Board meeting the way that we pushed the doors and chairs onto the saving. If we do it that way it gives us some incentive to use the savings.

Michael Williams commented on Al’s statement about the drop in the 7th year happened because the MS Bond payment is not there.

Brief discussion pertaining to the CIP.

Jim R commended the Board for the support that they have given the CIP over the years and thanked them for their careful consideration.

Brian Cisneros agreed that when we go through this list we are doing things on our schedule and not the building schedule and believes that if we stay a little bit ahead of the game it helps us to manage the funds better. We do not want to get into the same situation from a few years ago when we kept putting things off.

Michael Williams asked about the MS playground in year 4 and the funding possibly coming from interest or surplus funds from the bond.

Jim M stated that they have a list of items that they want to complete if the funding is available and that Jay Richard is working with the PTO on fundraising for the playground.

The committee had additional discussion surrounding the CIP Plan including the tennis courts, rate information and impact to revenue, the unknown COVID impact still to come, site work at the MS, and the current situations for the individual towns.

Michael W. referred to the three areas of long-term asset replacement, CIP, Technology, and for Buses, and whether we would want to roll all of them together as one.

Jim M explained that they are all on separate timetables and asked what advantage this would be in terms of this question.

Michael W. stated that looking at it in 2 – 3 years it is a significant part of the budget.

Jim M stated that the technology, bus and capital improvement leases are on different cycles the technology lease is on a matured 4 year cycle, bus lease is just coming to an end of its 10 year cycle and the Siemens lease is on a 7 year cycle. Al referred everyone to the sheet in the backup – ORCSD Lease and Bond Commitments – and referenced bus leases, computer leases, bond comparison numbers where we need to build in \$1M to the budget.

An additional discussion ensued where Jim M explained to the committee a discussion, he had with Tom Newkirk surrounding the current District make up of hiring for positions that become open. He is asking administration to really look at if these positions and ask themselves if they are needed. He is trying to accomplish having a fund balance for use in the 2021/22 budget. Jim stated that there are only two places that a school district can save money not to impact taxes. Increased revenues outside of taxes and do not spend money that has been approved. We have to be really smart because we need to decrease expenditures, but not impact programs that we have.

Brian asked about the guaranteed savings that we expect from Siemens and where they show up.

Sue Caswell stated that we do have the report and it was better than expected. This information will be shared with the Board at the next meeting as back up.

Al asked Jim R when he expected to hear the pitfalls from the tennis courts.

Jim R. heard that today and there were no hidden problems.

There were no additional questions.

Brian asked if in the future and moving forward that the Finance Committee information be provided to the full Board not in an email but included in the portfolio of each individual meeting as a separate item. He also suggested that the Finance Committee agenda item be moved up on the agenda.

Jim M stated that this is a perfect time as the policy committee will be meeting in July and the policy on Agenda Preparation and Format will be a discussion item for change and we can put the Finance committee agenda item under the Superintendent Report.

Al moved forward to the next agenda item to discuss and asked Sue Caswell to explain her sheet on 5-year Assessed Value History

Sue Caswell explained the figures are the assessments used for tax rate setting of the town portion of the rate.

The committee asked if there were any big projects that are happening in any of the towns. There was a discussion surrounding the project in Lee and the timeframe for completion, UNH and their loss of revenues due to COVID 19.

Michael stated that the Town of Madbury just released their preliminary assessment numbers and it looks like it is up around 19 – 20% range.

Jim M informed the Committee that the Phase 1 re-opening plan is on the July 7th Board meeting and he also spoke with Tom about a workshop for the Phase 1 re-opening updated information on July 15th. There will be unique costs for opening school that he has spoken with Jim R and Doris about including PPE, short term personnel costs for janitors at the MS and HS need to have male/female teams for regular cleaning. Also having Jim R. research information about Ultraviolet lights.

Al asked where we are with the fund balance. Sue stated that as of today it looks like we have about \$1M. We need to wait for the bills at the end of June and she expects them to be about an additional \$150K.

Al asked if there were any questions on the Lease information that Michael provided?

Sue stated that she will update this information and update the gaps.

Jim referred to the distribution of staff information that Michael asked about. There were questions surrounding the tracks across the schedule. Question about the likelihood of staff leaving after the first five years. Jim confirmed that we have a very stable workforce and that we usually lose staff to retirement or a spouse getting a job out of state.

There was additional discussion surrounding staff at the administrative level and department heads moving on, concern for 10 -20 retirement in coming year and the effect that would have on the rest of the staff.

Al asked if there were any additional Board questions. There were none.

Jim stated that building next agenda Tom received a letter from Lee and he will be responding to them. Suggest at next meeting we should structure that agenda around town participation. When do you want to meet in July?

Al confirmed regular Board meeting on the 8th, 15th possible workshop on Phase 1 re-opening. Possibly the 22nd? Two areas of cooperation on the agenda: 1. Solid waste for organics and 2. Cooperative Parks and Recreation program.

Discussion surrounding town attendance by an individual with a level of authority to speak on behalf of the town, how the towns and UNH all work independently from each other.

Jim asked if Al wanted to work with him to craft out an agenda and get it out to the towns for feedback and have it ready for the next meeting.

Michael explained that he will not be available for the 15th Board workshop or the finance meeting on the 22nd.

Various alternate dates were suggested, and it was decided that the 14th for workshop could be a possibility. Suggestion for July 29th as the next finance committee meeting but will not be streamed or recorded.

Brian suggested that when we report out to the Board, that we did not pose it as a recommendation of this committee and give the reasons for the recommendation and that our purpose is to make a recommendation to the Board. We need to be clearer on our issues.

Questioned if this meeting should continue remotely or in person. They will be in person moving forward.

No additional questions or comments.

Meeting ended at 7:20 PM – Next meeting will be on July 29th at the high school without taping or streaming.

Respectfully submitted,
Wendy L. DiFruscio