

Oyster River Cooperative School District School Board Finance Committee

June 24, 2020
6:00 PM

AGENDA

- I. Call to Order
- II. Requested information from previous meeting
 - CIP Project Update with Focus on 2021/22
 - 5-year Assessed Value History
 - Bus Replacement Schedule/Lease
- III. Review Board Questions
- IV. Facilities
- V. Prioritize Actions Based Upon Board Questions and Committee Discussion
- VI. Determine Agenda for Next Meeting
- VII. Other

If you experience technology problems on the broadcast end, please notify us using orscd-video@orscd.org or via telephone # 603-280-4202.

Please note that we cannot assist you if the technology problem is on your end.

Virtual Location:

<https://www.orscd.org/stream>

Microsoft Teams Audio

Conference: [tel:+1 603-766-5646](tel:+16037665646)

Conf ID: code: 461362#

Members of the public who join the meeting remotely, either by telephone or computer, will be able to offer public comment prior the meeting by submitting their question/comment by 2:00 PM on Tuesday before the regularly scheduled Board meeting via U.S. mail or email to wdifruscio@orscd.org. Any submissions will be included as part of the meeting minutes. Please note that each submission needs to be 400 words or less.

Facilities CIP plan * With MS Bond Level Debt Option

6/18/2020

2 issues @ \$25M 2.7% interest

Year 2		2020 - 2021		
School	Trade	Project	Cost	
<i>Ordered by Priority</i>			<i>Target</i>	\$2,500,000.00
DW Middle School	Upgrades	Siemens LEASE PAYMENT - Year 2 of 10 *ESTIMATED Bond payment		\$418,858.00 \$625,000.00
High school	Renovation	Build Parking lot in place of Tennis courts - Strategic plan*		\$290,000.00
DW	HVAC	A/C replacements for Server rooms - Strategic plan*		\$100,000.00
Moharimet	Roofing	Roof re-coating		\$230,000.00
High school	Construction	Junior Core wall construction		\$75,000.00
High school	Flooring	Junior Core Flooring		\$13,000.00
Mast Way	Flooring	Damaged flooring replacement in 4 classrooms		\$35,000.00
				\$1,786,858.00
			<i>True CIP</i>	<i>\$743,000.00</i>

Year 3		2021 - 2022		
School	Trade	Project	Cost	
			<i>Target</i>	\$3,000,000.00
DW Middle School	Upgrades	Siemens LEASE PAYMENT - Year 3 of 10 *ESTIMATED Bond payment		\$418,858.00 \$1,871,550.00
DW	Security	Security improvements - Strategic plan*		\$100,000.00
DW	Engineering	Mechanical engineer for MOH/MW HVAC systems		\$60,000.00
Moharimet	Renovation	Renovation to old Main office, Nurse, Staff workroom, OTPT		\$335,000.00
High School	HVAC	Add AC to Cafeteria air handler		\$103,000.00
High school	Flooring	Cracked flooring replacement on 2nd floor		\$27,000.00
High School	Flooring	Gym Floor Refinishing		\$29,000.00
Moharimet	Flooring	Flooring replacements in Wings		\$50,000.00
High School	Flooring	Replace flooring in main hallway		\$51,000.00
				\$3,045,408.00
			<i>True CIP</i>	<i>\$755,000.00</i>

Year 4		2022 - 2023		
School	Trade	Project	Cost	
			<i>Target</i>	\$3,500,000.00
DW Middle School	Upgrades Bond	Siemens LEASE PAYMENT - Year 4 of 10 *ESTIMATED Bond payment		\$418,858.00 \$2,493,100.00
High school	Renovation	Build Tennis courts - Strategic plan*		\$225,000.00
Middle School	Improvement	Playground		\$200,000.00
Moharimet	HVAC	Air handler replacement - 4 systems		\$300,000.00
Mast Way	Flooring	Library, café, select classrooms flooring replacement		\$80,000.00
				\$3,716,958.00
			<i>True CIP</i>	<i>\$805,000.00</i>

Year 5

2023 - 2024

**current ORHS Bond payed in full - \$750,000 available*

School	Trade	Project	Target	Cost
				\$4,750,000.00
DW Middle School	Upgrades Bond	Siemens LEASE PAYMENT - Year 5 of 10 *ESTIMATED Bond payment		\$418,858.00 \$2,707,300.00
Mast Way	HVAC	Air handler replacements - 3 units		\$250,000.00
Moharimet	HVAC	A/C replacements - Strategic Plan*		\$300,000.00
Mast Way	Parking	Parking lot upgrade and Lighting - Strategic plan*		\$300,000.00
Mast Way	HVAC	A/C replacements - Strategic Plan*		\$300,000.00
Moharimet	Parking	Parking lot upgrade and Lighting - Strategic plan*		\$300,000.00
High School	HVAC	Domestic hot water boiler replacement		\$125,000.00
Service Building	Parking	Parking lot re-surfacing		\$40,000.00
				\$4,741,158.00
<i>True CIP</i>				<i>\$1,615,000.00</i>

Year 6

2024 - 2025

School	Trade	Project	Further discussion	Cost
				\$4,750,000.00
DW Middle School	Upgrades Bond	Siemens LEASE PAYMENT - Year 6 of 10 *ESTIMATED Bond payment (peak amount)		\$418,858.00 \$2,914,912.00
Mast Way	Construction	Cafeteria Expansion	\$300,000.00	
DW	Security	Building access upgrades - Strategic plan*		\$150,000.00
SAU	Construction	New SAU building	\$600,000.00	
Athletics	Upgrades	Track/Field Grandstands	\$160,000.00	
Mast Way	Renovation	Interior renovations. Staff / single stall restrooms		\$125,000.00
Moharimet	Renovation	Interior renovations. Staff / single stall restrooms		\$200,000.00
Service Building	Renovation	Team room/restrooms/expanded concessions		\$200,000.00
High School	HVAC	Walk-in cooler controls		\$25,000.00
DW	Energy	Electric Vehicle charging stations		\$150,000.00
High School	Roofing	Gym and Aud. roof restoration (solar)		\$120,000.00
Service Building	HVAC	Furnace replacement (2) and A/C		\$100,000.00
High School	Roofing	Tower and C roof replacement		\$150,000.00
			\$1,060,000.00	\$4,553,770.00
<i>True CIP</i>				<i>\$1,220,000.00</i>

Year 7

2025 - 2026

**MS Bond payment stabilizes / CIP back to normal*

School	Trade	Project	Pending	Cost
				\$1,500,000.00
DW	Upgrades	Siemens LEASE PAYMENT - Year 7 of 10		\$418,858.00
High School	Parking	Parking lot / side walk improvements		\$200,000.00
Mast Way	Fire systems	Fire system generator system		\$75,000.00
Mast Way	Fire systems	Fire pump and tank replacement		\$75,000.00
High School	HVAC	Main 5hp Circulator pump replacement		\$65,000.00
Mast Way	HVAC	Heating radiator replacement		\$200,000.00
Moharimet	HVAC	Heating radiator replacement		\$200,000.00
Mast Way	HVAC	Kitchen hood replacement and controls		\$22,000.00
Mast Way	Renovation	Restroom renovations - rear and staff		\$150,000.00
High School	Grounds	Irrigation system		\$50,000.00
High School	Renovation	Exterior Door replacement		\$175,000.00
SAU	HVAC	Heating / A/C system replacement	\$155,000.00	
			\$155,000.00	\$1,630,858.00
<i>True CIP</i>				<i>\$1,212,000.00</i>

Year 8

2026 - 2027

School	Trade	Project	Target	Cost
<i>Ordered by Priority</i>			<i>Target</i>	<i>\$1,500,000.00</i>
DW	Upgrades	Siemens LEASE PAYMENT - Year 8 of 10		\$418,858.00
Moharimet	HVAC	Kitchen hood replacement and controls		\$22,000.00
Mast Way	Walls and flooring	Flooring replacement and hallway wall tile		\$100,000.00
High School	Flooring	Flooring replacements		\$100,000.00
Mast Way	Painting	Painting of classrooms and halls		\$100,000.00
Moharimet	Painting	Painting of classrooms and halls		\$100,000.00
Mast Way	Roofing	Rear classroom roof replacement		\$200,000.00
Service Building	Roofing	Roof replacement		\$100,000.00
Moharimet	Life Safety	Fire pump and water tank replacement		\$100,000.00
High School	Painting	Large scale painting of areas		\$100,000.00
High School	HVAC	AHU Circulator pump replacement		\$175,000.00
				\$1,515,858.00

Year 9

2027 - 2028

School	Trade	Project	Target	Cost
<i>Ordered by Priority</i>			<i>Target</i>	<i>\$1,500,000.00</i>
DW	Upgrades	LEASE PAYMENT - Year 9 of 10		\$418,858.00
Mast Way	Roofing	East wing to Library roof replacement		\$200,000.00
High School	HVAC	Kitchen hood replacement and controls		\$25,000.00
High School	Roofing	MPR and Café Roof replacement		\$250,000.00
Mast Way	Flooring	Flooring replacements		\$40,000.00
DW	Energy	Plug load Controls		\$48,000.00
DW	HVAC	Destrat Fans		\$34,000.00
High School	HVAC	Begin Air Handler replacement plan		\$500,000.00
				\$1,515,858.00

Year 10

2028 - 2029

School	Trade	Project	Target	Cost
<i>Ordered by Priority</i>			<i>Target</i>	<i>\$1,500,000.00</i>
DW	Upgrades	LEASE PAYMENT - Year 10 of 10		\$418,858.00
High School	HVAC	Air handler replacement plan		\$1,000,000.00
				\$1,418,858.00

Year 11

2029 - 2030

School	Trade	Project	Target	Cost
<i>Ordered by Priority</i>			<i>Target</i>	<i>\$1,500,000.00</i>
High School	HVAC	Air handler replacement plan		\$500,000.00
High School	Athletics	Field Turf Replacement		\$125,000.00
Moharimet	HVAC	Water heater system replacement		\$250,000.00
				\$875,000.00

Assessed Values for Tax Rate Setting	2019	2018	2017	2016	2015
Durham	1,196,283,337	1,189,092,535	1,019,411,430	1,007,876,992	964,931,959
Lee	458,402,871	449,628,800	443,381,344	437,828,271	420,014,895
Madbury	244,765,402	239,452,002	235,343,027	232,572,200	229,520,321

Sheet 1

ORCSD Lease and Bond Commitments

June 9, 2020

Commitment	First FY of payments (optional)	Last FY of payments	Total committed \$ (optional but desirable)	\$ FY 2020	\$ FY2021	\$ FY2022	\$ FY 2023
Bus – Wells Fargo 3 buses	2018	2022	277,025	55,355	55,355	55,355	0
Bus – WCC – 1 Thomas Minitour	2018	2020	55,755	18,585	0	0	0
Bus – MBFS – 2 Thomas buses	2019	2023	188,625	37,725	37,725	37,725	37,725
Bus – Santander – 4 Ford Transit vans	2020	2024	202,810	40,562	40,562	40,562	40,562
Bus – MBFS – 2 Thomas 77 + 1 Minitour	2020	2024	258,250	51,650	51,650	51,650	51,650
Bus – New Lease – 2 Buses	2021	2025	168,225	0	33,651	33,651	33,651
Apple 2019 – district ipads – 8/15/19	2019?	2021?	61,685	20,562	20,562	0	0
Canon 6/19/19 copier lease 5 years	2020?	2024?	?				
Dell 2018 – 6/1/18, 970 laptops inc. MS 1:1	2019?	2022?	415,719	103,930	103,930	103,930	0
Dell 2019 - 9 th gr 1:1	2020?	2023?	106,191	26,548	26,548	26,548	26,548
Dell 2016 – desktops for classrooms 6/24/18	2019?	2022?	102,419	25,605	25,605	25,605	
Dell 2020 – HS 1:1	2021?	2024?	839,768	0	209,942	209,942	209,942
HP Network switches 5/9/2019	2020?	2023?	130,782	32,695	32,695	32,695	32,695
Siemens	2020	2029	4,188,580	418,858	418,858	418,858	418,858
Fields bond		2027		172,251	169,470	166,688	163,907
HS Bond 1		2022		128,398	123,079	117,703	0
HS Bond 2		2023		1,183,200	1,137,810	1,091,400	1,043,970
HS Bond state aid		2023		-523,742	-523,742	-523,742	-523,742
Total, excluding MS Bond				\$1,792,181	\$1,963,699	\$1,888,570	\$1,535,766
MS Bond 1&2	2021	2046	~68,700,000	0	625,000	1,871,550	2,493,100
Totals				\$1,792,181	\$2,588,699	\$3,760,120	\$4,028,866
CIP as of 12/4/19 with 1/8/20 mod to 2021				1,555,320	770,000	706,000	605,000
CIP + Bonds + Leases				\$3,347,501	\$3,358,699	\$4,466,120	\$4,633,866

Finance Committee Remote Meeting Minutes

Wednesday, June 10, 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 10th Finance Committee meeting and asked the committee if they minded that they adjust the agenda to put item #III – Review of Board Questions after item # IV. Facilities – end of year funding considerations to three instead of four. All agreed.

Al stated that he would like to begin with the first item on the agenda by having Jim Rozycki report out on his CIP Project Update.

Jim R. referred everyone to the list that is in their back up and stated that they are seeing a savings due to COVID-19, and that contractors have asked to start projects earlier than expected. The only project that will be starting next week is the HS parking lot as they did not want to interrupt the scheduled graduation this Friday.

Jim Morse asked that Jim R read the list of information in case the listeners do not have the back up in front of them.

Jim R explained that the HS parking lot/tennis court project is coming in at a savings of \$5K.

The Moharimet Roof renovation is also coming in significantly under budget by about \$60K due to the timeframe initially used to collect bids was 8 months ago and always try to use the higher estimate.

The Server Room A/C's are also at a savings of approximately \$35K due to A/C use in some areas have not been needed or may not need to be replaced.

The ORHS Junior Core walls are roughly \$5K under budget and the work with Bauen Construction is scheduled to begin the week of June 22.

The ORHS cracked flooring don't have a specific number as to where we are at because I have already bought the product and Junior core flooring will come in on budget and the anticipated start time is July 27.

The Mast Way flooring is almost finished and came in at a savings of approximately \$8K.

Jim Morse asked if it was safe to say that the overall savings is about \$110K. Jim R said that he has \$104,867 right now. Use this with caution.

The Finance Committee asked questions pertaining to Mast Way and Moharimet server rooms being a dedicated location and when they would be replaced for these two locations. Jim R. explained that at MOH it will be done next week and at Mast Way he already has it quoted and a purchase order and the work can be done anytime over the summer. Jim Morse asked if the \$64K was for all of the Moharimet and Mast Way replacement. Jim R confirmed that the \$64K includes the replacement for Moharimet & Mast Way, the high school is already completed.

Michael Williams stated that the savings might be different as the estimate for the high school flooring was for \$13K and not the \$27K listed and that the amount was reversed. Jim R. clarified that he was correct and that he will revise the backup information.

Jim R did add that in terms of the parking lot, we got such a good deal and if we were to delay this project a year or two we would have seen a significant increase.

Brian Cisneros asked if the area will be utilized for student parking until the new tennis courts are installed.

Jim Morse stated that the cleared parking area will not be used for student parking, but for MS staff who's parking spaces have been lost due to the construction. He also again acknowledges the work that the Town of Durham has done to help out the District with parking, including the parking they installed along Coe Drive.

There were no additional questions.

Al moved forward to the next agenda item to discuss and asked Sue Caswell to explain her summary of expenditure balances.

Jim Morse asked if it would be possible to have Jim Rozycki continue his report out on the End of Year CIP Funding considerations so that he would not have to wait until the end of the listed agenda items. All Agreed.

Jim R. explained that this is the wish list that he provides to Sue at the end of every year and that he did his best to prioritize the list by need as he sees it.

The SAU generator is the only District building that does not have a backup system when the power goes out. The \$14K cost is the right way to go for this system.

The HS chairs are an item that has been put on and taken off several times, the condition of the current chairs is bad and there are also not enough chairs for all of the students. Both Suzanne and I have campaigned hard for replacements. If approved these would go along way in not only replacing chairs that are old but would also be an asset if the MPR and cafeteria were needed to be used in the coming school year for student break out or overflow.

The door replacements for Mast Way are highly used and wearing out, these replacements were part of the Homeland Security and Lee PD recommendation for replacement. The high school Gym doors are really beat and worn. These will need to be replaced next year either way. Also, the high school gym floor re-sanding is a time sensitive project to complete with possible FY20 funds.

The interior door at Moharimet is currently solid and should be replaced with a door with glass for safety issues so that there is a visual of the hallway. The exterior clock sign at Moharimet can be replaced with a sign with the new logo. The flooring in the East and West wing and "Y" section of the bear are all in need of replacement. The parking lot, road around back of school and area where modular was placed all need resurfacing, as well as a generator enclosure fence.

The last item is the fire alarm system at the high school. He pointed out that it is not broken and there are no issues with it. We want to upgrade the system to a non-proprietary panel and components and also includes an IP based dialer.

Sue asked how much is just the device? Jim R. stated \$3K.

Additional discussion surrounding this system.

Al stated that the Board received this list at their last meeting, and it is also on the next agenda. It was suggested that Jim R. and Suzanne present pictures of the current chairs and the proposed ones along with a brief summary of why new chairs are needed and make a presentation to the Board. Also suggested was that Jim R get in touch with the Moharimet PTO with a suggestion that the sign could be a gift from the class of 2028.

Brian suggested that as additional back up for the Board, he should provide pictures of the existing and proposed chairs for a visual.

Michael stated that there are several door replacements on the list and asked if they were all the same vendors and if they are priced individually or as a group. Jim R answered that they are priced individually. Michael also asked what the plan improvements were for the parking lot at Moharimet?

Jim R explained that he wanted to resurface the whole parking lot, also the road that runs around the back of the property, and where the modular was is developing sink holes.

Al believes that we will need to also take a look at the CIP Budget for the FY21-22.

Additional discussion surrounding the CIP Budget, timeline for spending for current year clarified, and discussion surrounding chairs now.

Michael Williams asked if we needed to make a recommendation to the School Board or are we just providing the information as backup for the next meeting?

Brian asked if the Finance Committee should at the next Board meeting, after our review, recommend the HS Chairs be purchased using this year's budget.

Jim R. stated that he will provide a slide presentation at the next Board meeting.

There was a brief discussion and no additional questions. Jim R. left the meeting at 6:30 PM

Al know asked Sue to review the 5-year expense balance trends.

Sue explained that this comparison is what the balances are as of June 30th of each year, with the exception of the current year as we have not reached that point yet. She also stated that she should have looked at the retirement incentives for the year(s that we had one and included that as well, as that may have impacted the balances. She informed the committee that she can still do that if they want.

Al asked that if we approve a retirement incentive that would need to come out of the fund balance next year.

Sue explained that it can come out of either year, but if she knows what that number is, and she can cover it, she tries to take it out of the current year. She also stated that when she looked at the budget today in terms of fund balance, it will probably be more than the \$750K.

Jim M for the finance committee, would like to have a better estimate.

Al stated that means the 24th. Sue stated yes.

Michael noted that Salaries and Benefits runs 78-80% of the total budget. These balances look more consistent than with operations.

Jim M gave some examples of costs for these swings.

Scenarios on Revenue

Sue provided the committee with back up if increased adequacy goes away.

She used the current proposed budget for FY22 without adding anything which general fund budget, the warrant articles for bond and for the Teachers equaling \$47,326,181. Then added in Warrant Article for the teachers of \$771,534 and then added in the Bond \$750,000 plus \$625,000, but Tim is rechecking this. I also asked for new schedules from the Bond Bank. Sue also clarified that the Board voted for Level Debt not Level Principal. The only thing I added for the revenue was \$150,000 for Barrington Tuition. In terms of Adequacy I took out \$421,277 from Lee and \$237,411 from Madbury which they will receive this year. She did not touch the assessed value. She also provided this form in an excel format for the finance committee to use.

Jim M. suggested that Sue provide 5 years of information and think of this document as a working document.

Al hopes that we will be able to determine where the state is as we move forward.

Jim stated that he spoke with Todd Selig and he has their fund amount but is unsure what the numbers are for Lee and Madbury, he also stated that the school district funds are tied to our Title I funds, which are not large.

Michael asked for clarification surrounding the Bi-annual state budget and where the district is now.

Brian stated that the towns need to understand that the state aid is not to offset our budget, we are using it to offset their tax rate.

Jim informed the committee that they just received a letter from the state pertaining to retirement costs for the District's portion would be more.

There were no additional questions.

Michael Williams stated that he had two unrelated questions that he would like to ask Sue.

Al told Michael to ask these questions now.

Michael's first question was that the Bond Warrant Article did not define a timeframe and are we locked in at 25 years or could we go longer, we would pay more interest but in the long run have a savings of about \$250K-\$300K

Jim stated that this was a question for the Bond counsel. He also stated that the Loan Agreement is on the agenda on Wednesday and Tom wanted to make sure that the Board is okay with him signing this agreement.

Additional discussion on this question happened.

Michael's second question was pertaining to the reserve fund for special education, know that it can be used as a source of revenue, but not to authorize new expenditures. The fund is to guard against unexpected expenses in special education. How does it benefit us if we can't expend directly from this fund?

Jim explained that it works like a trust fund and he gave an example.

There was a lengthy discussion.

Retirement Incentive List

Jim explained that this is a list of potential employees that he had the Guild provide him that stated that they would be willing to retire if a retirement incentive was offered. Jim gave an example of the savings that would happen if an experienced teacher was to retire and the hiring of someone with less experience. Another example was a school counselor position who you probably won't be hiring at a lower rate, but for the experience. There is also the possibility on not replacing a teacher if the student numbers shift.

Al asked how you would know when you wouldn't need a teacher.

Jim explained by using past history and the projections. He also explained the nominations coming up at the next meeting will show the current salary, the new person salary and the budgeted amount for the next year.

Question asked on the deadline for submitting and how that is determined. What guidelines are being suggested, is there a certain number that is being recommended. Clarifying the age eligibility for retirement. Recommendation of leaving the list open ended, but if limited, Board recommendation to change that decision, and discrepancy of using the current year and the following year.

Michael stated that it would be interesting to see the balance of years of service for the teachers broken down by 0-5 years, 6-10 years, 11-15 years, 16-20 years, 20+ years.

Al asked when this would be coming before the Board. Jim stated next Wednesday.

Al referred to information on District leases for transportation that Sue supplied. Jim explained that this was information that Michael requested.

Sue then asked if everyone received the Budget calendar. Discussion about why date was chosen.

Lengthy discussion ensued.

Michael brought up discrepancy on Budget Calendar compared to School Calendar of the Public Hearing. He also mentioned the timeframe for the Budget Goal structure. Jim feels that we should start working on the Budget goal this summer. When will we get the payment schedule? Jim – August. Sue will verify.

Agenda Items for the next meeting: Bus Replacement Schedule/Lease, CIP 5 year with Focus on Fy21/22, Adjusted 5 year Revenue Sheet.

Michael updated the committee on the status of the joint meeting with the towns.

No additional questions or comments.

Meeting ended at 7:45 PM – Next meeting will be a remote meeting on June 24, 2020

Respectfully submitted,
Wendy L. DiFruscio

216 Employees
 1 LOA Coverage

Years of Service at ORCSD
 Updated: June 16, 2020

Step 20/21	Last	First	Hire Date	School 1	Position 1
30+ Years at ORCSD Completed = 8 or 4%					
26 - 30 Years at ORCSD Completed = 20 or 9%					
21 - 25 Years at ORCSD Completed = 21 or 10%					
16 - 20 Years at ORCSD Completed = 36 or 17%					
11 - 15 Years at ORCSD Completed = 32 or 15%					
6 - 10 Years at ORCSD Completed = 33 or 15%					
1 - 5 Years at ORCSD Completed = 57 or 26%					
First Year at ORCSD = 9 or 4%					