

1 Joint Facilities Advisory Committee Meeting

2 Thursday, January 30th 2020

3 Meeting Minutes

4 Attendees:

5 Administrative Team: Adam Steel- Superintendent

6 Committee Members: Amy Facey- Chair, SCSB Member, Pim Grondstra- SCSB Member, David
7 Chen- SCSB Member, Ellen Grudzien- ASB Member, Tom Gauthier- ASB Member, Brian
8 Coogan- JFC Chair (previous), Shannon Gascoyne- JFC Member (previous), Christine Grayson,
9 ASD Ways and Means Member, Amherst NH, Victoria Parisi, ASD Ways and Means Member,
10 Amherst NH, and Kristen Patenaude, Amherst NH, Jeanne Ludt, SAFC Member/ SCSB Member
11 (previous) Amherst NH and Shannon Hargreaves- SHS Student.

12 Public: John Bowkett, Amherst NH and Bill Ludt, Amherst NH.

13 Meeting Minutes: Danae A. Marotta

14 I. Call to Order

15 **Chair of the Joint Facilities Advisory Committee, Ms. Facey called the meeting to order at**
16 **6:03PM.**

17 II. Discussion

18 Ms. Facey added that she wanted to talk briefly about the upcoming deliberative sessions. She
19 the encouraged the committee members to attend if possible. She then asked ASB Member, Mr.
20 Tom Gauthier, to speak about the Deliberative Session presentation.

21 Mr. Gauthier discussed that he is going to touch upon the bullet points of the budget goals and
22 Principal of C/W, Ms. Anna Parill, had taken some pictures for them regarding the needs of the
23 facilities. They are going to go through their Capital Needs Assessment for the AMS. It primarily
24 focuses on Wilkins and the issues that they have, portables, etc. and then highlighting what the
25 \$150k study is and why they need it and what they are going to get. In the previous Joint
26 Facilities Committee, they had gotten a rough estimate of work form architectural firm, Lavallee
27 and Brensinger, Manchester, NH.

28 Mr. Steel remarked that it was a quote, they had gotten quotes from three firms.

29 Mr. Gauthier added that was the information that they were given about a year ago.

30 Ms. Grudzien asked about handouts to list the facilities repairs. The slides will not be on the
31 screen long and it is detailed. She will email SAU #39 Business Administrator, Ms. Michele
32 Croteau to see what she can do.

33 Mr. Gauthier then remarked that ASB Chair, Ms. Elizabeth Kuzsma will be discussing the
34 budget.

35 Ms. Facey commented that they do have a warrant article to add \$100k to an existing School
36 Maintenance Expendable Trust Fund that was started in 2005. She then added that she would like
37 to speak more about their work with this committee.

38 Mr. Gauthier remarked that the name regarding their study was confusing and they have changed
39 it to Renovation or Replacement, and have a greater detailed plan.

40 Ms. Facey asked if they were thinking about showing the 20-year plan.

41 Mr. Gauthier replied at least the 5-year plan and the list of projects. They have it as a slide
42 already.

43 Ms. Facey asked if there were any questions. She then asked for subcommittee updates.

44 Ms. Grudzien added that they submitted an article to the Amherst Citizen, and Ms. Shannon
45 Hargreaves, SHS Student, has been working on a logo.

46 Ms. Hargreaves remarked that it is a mock up logo. She inquired about the name of the
47 Committee.

48 Ms. Facey replied it is the Joint Facilities Advisory Committee.

49 Ms. Grudzien noted that she added two tag lines to the Slack Channel. First, “are we putting
50 students first if our facilities continue to fail” and second, “our educators keep our students on
51 track, while our facilities continue to be off rail. She then added that they are going to work on
52 that one a bit more.

53 Ms. Gascoyne gave her support on the first one. She added that she is concerned about the optics
54 about the word “fail”.

55 Ms. Grayson added that she is in the facilities all the time and is viewing how they are failing.

56 Ms. Ludt asked if there was a way to say it differently.

57 Ms. Gascoyne asked for clarity on their task as a committee and if it was going to change.

58 Ms. Grudzien asked if they even need a tag line, it was impactful when Mr. Brian Coogan spoke
59 at the meeting.

60 Mr. Grondstra commented “educational systems are leading where facilities are lagging”.

61 Ms. Ludt remarked that it might make people to think that their facilities are not keeping students
62 from succeeding.

63 Mr. Steel remarked that they are doing an exceptional job with what they have with the class
64 sizes that they have. Yesterday, they had 12% of Wilkins absent with illness. It might be lower
65 with better air quality.

66 Ms. Grudzien added that some of the classrooms do not have sinks.

67 Discussion ensued.

68 Ms. Grudzien asked the committee if they were in favor of Mr. Grondstra's tag line.

69 The Committee was in favor.

70 Mr. Grudzien noted that she will add the tag line to the Slack Channel.

71 Mr. Chen agreed with Ms. Ludt in that the problem is that people will think that they are doing
72 great already.

73 Ms. Grudzien added that it is a valid point.

74 Ms. Gascoyne remarked that according to data from Mr. Steve Frades, 75% of homes in Amherst
75 do not have children.

76 Mr. Chen noted that they don't have to say that the facilities are lagging. They could say that
77 improved facilities could improve student efficiency. He added that he keeps telling
78 Superintendent Steel that they need improved HVAC conditions.

79 Mr. Coogan remarked that he would say that improved facilities would add value to Amherst.

80 Ms. Facey added that there are people that will say that their kids were fine and convince me that
81 they need work.

82 Ms. Grudzien added that there are people in Town that want new facilities.

83 Mr. Coogan noted that when he hears the word "value" he thinks about home values.

84 Ms. Grudzien added that it is all in the way that you read it and where you are with your home
85 investment.

86 Ms. Ludt remarked that she does not want to leave out Mont Vernon. They do send their children
87 to AMS and Souhegan.

88 Mr. Grondstra agreed with Ms. Ludt.

89 Ms. Grudzien remarked that she will keep working on it. She noted that they have a meeting
90 after this meeting. Their goal with the article was to introduce the concept and then add more
91 specifics. They will be discussing their social media plans tonight.

92 Mr. Coogan, member of the Data Review subcommittee, remarked that he has some legacy data
93 and studies that have been done from other communities, and financials.

94 Ms. Gascoyne commented that the Speakers Bureau subcommittee met last week and will be
95 meeting to tour AMS on Wed, Feb 5th 9:00AM.

96 Discussion ensued.

97 Mr. Grondstra remarked that Ms. Gascoyne provided him with 5 points for the Speakers Bureau
98 subcommittee and the meeting date of Feb 5th. He asked for the other subcommittees to send him
99 their information so that they can keep track. He showed the committee a spreadsheet with
100 examples and graph. As they continue their work it can expand.

101 Ms. Grudzien asked if he can put this in Slack.

102 Ms. Facey thanked Mr. Grondstra. They are just getting starting their work and will be helpful to
103 keep track.

104 Ms. Ludt remarked that they might have done this already but is it was possible to meet with
105 Building Administration. It might be good to get them involved.

106 Ms. Facey replied that she will add it as a next step item. If anyone has any other requests to
107 please send her an email. She asked for other questions for subcommittees.

108 There were no further comments or questions.

109 Mr. Steel polled the committee with how they think the ways are to finance a renovation or new
110 construction. The committee answered Bond/Note, Donation/Grant, Budget/Cash and CRF/ETF.
111 He added that he will go through each option. By understanding these 4 things they can better
112 talk about it with the taxpayers.

113 • Budget/Cash

114 Pro- 50% Simple majority.

115 Con- a big number doesn't work/ certain capacity.

116 • Donation/ Grant

117 Pro- Free, no tax impact, no concern for passing necessarily.

118 Con- With grants there maybe strings attached or you might need to maintain something that you
119 didn't have to before. RSA 198:120B requires them to have a Public Hearing for amounts
120 accepted over \$5k. There could be potential for a liability.

121 • CRF/ETF

122 Pro-budget cash option/ simple majority, no interest associated.

123 To withdraw: Agents to expend with a Public Hearing or the voters would have to vote and it
124 would be a simple majority.

125 Ms. Ludt added that you are accruing interest.

126 • Bond/Note

127 This is a 60% plus 1 to pass, there is also a RSA 33-Municipal Finance Act

128 Mr. Chen mentioned that there is one other way with a Reverse Bond.

129 Ms. Grayson asked when you are setting up a CRF/ ETF who makes the decisions.

130 Mr. Steel explained that it is a political decision to put an article on the ballot. When you use it as
131 a savings account for emergencies you always want the School Board as the agents to expend.

132 Ms. Ludt inquired if the \$100k, that Souhegan has on as a warrant article, was going into the
133 existing maintenance fund.

134 Mr. Steel replied, yes, it is going into an existing expendable trust fund. He then asked for a
135 number to use in an example.

136 Ms. Grudzien replied, \$30m.

137 Superintendent Steel explained what would happen with a \$30m, school construction project just
138 as an example. The first thing, with a school construction project, is that they would ask for
139 authorization from the voters to sell bonds as municipal agents and then are indebted to those
140 bonds to pay back the people that they sell the bonds to. So, they get authorization from the
141 voters to do that. The important thing to note is that it always takes 3/5 plus 1 (60% plus 1) of the
142 votes to get there and second, the authorization to sell bonds never expires and goes well into the
143 future. Almost always, they get sold in one transaction but that is not always the case. If it passes
144 in March, it hits the tax rate that next fall. If not all of the bonds sell at once, then it becomes an
145 incremental tax impact. He then gave a timeline with the first year of design. NH RSA 33 states
146 that you can't sell Municipal bonds or notes no longer than 30 years or the life of the work. 30
147 years would be the maximum.

148 He let the committee know that he sent a file in Slack regarding Municipal Bonds. He gave an
149 example with the amount of \$30m noting that the valuation for the Town, all the property that
150 pays taxes, is roughly \$1.7b. In the "yellow" is the number of years to pay back the bonds and
151 the interest rate is an estimate. Down below is the Debt Schedule. The way it works, for this
152 example, is that they sold all of the bonds right away, maybe that Fall. In the first year, FY'21
153 the only thing they pay is the interest payment. The estimated tax rate impact would be 0.55
154 cents. If the average home in Amherst is \$350k the tax bill would go up by \$192 the first year. In
155 year two, the principal payments generally stay the same. The tax impact for a bond, goes up in
156 the first year and then goes down after that.

157 He then explained a second, complication with arbitrage. By the time you actually pay your first
158 bill, you have made interest. Voters approved only \$30m and then you run into complications
159 with materials and you don't have to get a second authorization by voters.

160 Ms. Ludt asked about the year with the design phase.

161 Mr. Steel noted that you have the big day and you sell the bonds. But before that you have to
162 figure out how much to put on the ballot. The year before, they need to come up with a number.
163 There are two ways to do that. He explained that they need to find a number that they are
164 comfortable with. For \$3m they can get a close number, full set of architectural plans and ideas.

165 Mr. Gauthier asked if it is based off your overall number or is that 10% based on estimated costs.

166 Mr. Steel replied yes, the average cost for an architect would be between 6-8%. They will need
167 to find how close of a number they want to get to.

168 Ms. Parisi asked if they are at -2 on the timeline.

- 169 Mr. Steel replied, yes.
- 170 Ms. Gascoyne remarked that she appreciates this conversation because in the way they are
171 talking in the community will bring them close.
- 172 Mr. Steel replied that it will get them in the ball park.
- 173 Ms. Grudzien asked if they can bond a large renovation project.
- 174 Mr. Steel replied, yes.
- 175 Mr. Gauthier asked since the \$150k is in the budget already and if they were to have a \$1m
176 Unassigned Fund Balance, next June, could they expend that towards this project because they
177 have already put money in the budget towards that.
- 178 Mr. Steel replied, yes. He clarified that he would want to have the Souhegan construction
179 estimated. You can describe the tax impact as one.
- 180 Mr. Bowkett asked what if the voters approved a \$30m bond over 20 years and the project comes
181 in at \$27m. He asked what do you do with the \$3m.
- 182 Mr. Steel replied that there are two options. If you sold \$30m in bonds, after the project is
183 completed, you can give it back to taxpayers to offset the tax rate. Or, you do not sell the \$3m in
184 bonds, however, it can only be for that specific purpose.
- 185 Ms. Facey asked if the committee finds this helpful.
- 186 Ms. Grudzien replied, yes.
- 187 Ms. Facey added that there is a lot more to learn but it is important to gain this information.
- 188 Ms. Ludt mentioned that there is no way to overcome sticker shock.
- 189 Mr. Steel commented that is why it makes sense to add commercial property because it changes
190 the valuation number.
- 191 Discussion ensued.
- 192 Ms. Parisi asked if this budget does not pass what are the options.
- 193 Mr. Steel replied that they the ASB will not have at least one dollar to spend for architectural and
194 design fees.
- 195 Mr. Gauthier added that it would not be wise.
- 196 Mr. Steel remarked that you want to show the voters a good idea as cost and you would want to
197 do some engineering on the site. It is site work that can cause a problem.
- 198 Ms. Ludt questioned a site for new construction.
- 199 Mr. Steel replied that Birch Park had been mentioned as a site.
- 200 Ms. Ludt asked about site exploration.

201 Mr. Steel added that they would still want to do site exploration and they would not want any
202 surprises with the septic. They would also want to do a traffic study.

203 Discussion ensued.

204 Ms. Grayson asked about the budget passing and a possible unreserved fund balance.

205 Mr. Steel added that it does need to be appropriated again and the Board would need to commit
206 by June 30th, meaning it would have to be encumbered.

207 Ms. Facey noted that the Souhegan Coop. Board inquires about the unreserved fund balance on a
208 regular basis.

209 Ms. Gascoyne asked if they were close to the approximate number.

210 Mr. Steel replied it is possible, there is a lot of exploration items that are costly and then to have
211 people to weigh their options. In his experience you need almost 9 months of time to market the
212 project. It is better to explain the process sooner than later.

213 Mr. Bowkett commented that they need to know the number of students, types of amenities, etc.
214 There are a lot of other side issues to look at.

215 Mr. Bill Ludt remarked that the Birch Park is owned by the Amherst School District.

216 Ms. Facey remarked that they can create side subcommittees.

217 Discussion ensued.

218 Ms. Facey noted that she wants to discuss next steps and meeting times.

219 III. Meeting Adjourned

220 **Ms. Facey adjourned the meeting at 8:00PM.**

221 **The next meeting is scheduled for Thursday, February 13th 6:00PM at the Brick**
222 **School/SAU.**