

**SCHOOL ADMINISTRATIVE UNIT NO. 12**  
**Office of the Superintendent of Schools**  
**Londonderry, New Hampshire 03053**

5 A concurrent meeting of the School Administrative Unit No. 12 School Board and the Londonderry  
School District School Board was held on **Thursday, December 21, 2017** at 7:00PM at the  
Londonderry Town Office, Moose Hill Conference Room, 268B Mammoth Road, Londonderry, NH. In  
attendance were School Board members: Ms. Ganem, Mrs. Hendricks, Mr. Lekas, Mrs. Reilly and Mr.  
Young. Also in attendance were Superintendent, Mr. Laliberte, Business Administrator, Mr. Curro and  
10 School Board Secretary, Lisa Muse.

Also in attendance were Budget Committee members: Kirsten Hildonen and Tim Siekmann.

1. **Call To Order:** The meeting was called to order at 7:00PM by Mr. Lekas.  
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2. **Pledge of Allegiance:** The Pledge of Allegiance was led by Mr. Siekmann.
3. **Questions, Announcements and Presentations:** Mr. Laliberte mentioned that there is an early  
release for tomorrow afternoon. An alert was sent out today and information is on the website. Check  
20 in the morning for a cancellation. An alert will be sent out again if it changes to a cancellation.  
**3.1 FY17 Audit Report Presentation – Peter Curro: Robert Vachon and Tammy Webb:**  
They discussed that the District received an Unmodified Opinion on its financial statements for all of its  
reporting units as of and for the year ended June 30, 2017. They audit using the risk based audit  
25 approach. They focus on areas deemed to be of high risk for misstatement and fraud. Total revenues and  
other financing sources were lower than the budget estimates by \$31,000. Total expenditures and other  
financing uses were \$126,000 less than the appropriated amount. The end result is that the Districts  
ending fund balance is \$95,000 higher than originally budgeted. They further discussed the Budgetary  
Fund Balance, Net Pension Liability, Food Service Fund and the Federal Compliance Audit. Mr. Curro  
talked about liability in regard to the state municipalities. All are controlled by the retirement Board  
30 statewide and then down to the district. Mr. Vachon mentioned the NH retirement is one of the top ten  
underfunded plans in the country. Mr. Curro mentioned the audit is district wide and the coordinated  
efforts of the business office showed the report card of how the finances go to the school district. Mr.  
Young asked if there are any irregularities and Mr. Vachon said no. Mr. Young asked about the Middle  
School Student Activity Fund monies and that they were not supported by a receipt form that is signed  
35 by two individuals. He would like to know the average deposit amount. It was reported that the average  
of the deposits were \$200.00. Mrs. Hendricks asked how our fiscal health is and Mr. Vachon stated it is  
very good and continues to be very good. He said the District manages our money well. Mrs. Reilly  
asked about the revenue shortfall and how it affected the fund balance and if that would be reflected in  
next year's audit. Mr. Curro said if there is a material change on the fund balance it would be a post  
40 subsequent adjustment next year and then the fund balance would be lower at the end of next year. If  
the district was to use any of its current fund balance to reduce the effect, you would claim that as a post  
subsequent. Ms. Webb said it would eat into emergency fund balance. Mrs. Reilly asked that if we did  
not have a fund balance would that be in the report. Mr. Vachon mentioned years prior you could not  
have any emergency money and some districts do not have a balance. It would not alter his opinion on  
45 the audit and it would not be noteworthy. Mr. Curro said the auditors would make sure any transfer was  
done with all laws and rules taken into account.

Mr. John Conley, District Treasurer: He thanked the staff that runs the business office and  
thanked them for another great year. Mr. Vachon mentioned that this is one of the top three easiest  
reports they do because of our staff.

**4. Open Public Hearing on Multi-Year Lease Agreement to Relocate the School**

**Administrative Unit Office:** *Mrs. Reilly made a motion to open the public hearing on the Multi Year Lease Agreement to Relocate the School Administrative Unit Office. Ms. Ganem seconded the motion. The motion passed 4-1.*

**4.1 Public Hearing on Multi-Year Lease Agreement to Relocate the School**

**Administrative Unit (SAU) Office:** Mr. Young asked if there are any other materials being provided. Mr. Curro mentioned there is a copy of the draft lease which is being provided to the Board. Mr. Curro checked with Attorney Graham to ensure that there were no conflicts having Mr. Conley with us from the attorney and read this letter into record. Attorney Graham interviewed Mr. Conley about assisting us with the search and there were no violations or conflicts. Mr. Young asked why this could not be part of the read file before the meeting. Mr. Lekas said he was told that they did not have it yet. Mr. Conley is acting as a helper for a multi-year lease at 6A Kitty Hawk. Mr. Curro introduced Mr. Dan Scanlon, representative for the Building Owner, who walked the lease to this meeting today. Also in attendance are representative from Eckman Company, who were chosen through a bidding process to do the fit up work if we move forward. Mr. Young asked if the Board had any information about the location of the building and the other Board members said yes. Mr. Young asked if there was discussion at the meeting he missed on December 7<sup>th</sup> and the Board replied yes. Mr. Curro said the public hearing is to discuss the multi-year lease agreement at 6A Kitty Hawk. They have been looking at construction costs of a new building here and office space within Londonderry. Mr. Conley located three properties and they looked at them and it was decided 6A Kitty Hawk best suits our needs. The square footage (living space) we are talking about is 9200 square feet including the restrooms outside the lobby and the shared lobby - the actual square footage is 10,175 square feet. The base cost for the lease is \$10/square foot which includes the use of building and the \$300,000 (owner share) of the projected \$700,000 fit up. An operations cost (grounds/maintenance/plowing/landscaping) of \$2.09 is the net of an abatement and that was calculated by the Town and then the 3<sup>rd</sup> piece is the districts portion of the remaining fit up costs which is \$400,000. Mr. Scanlon represented the owner and Eckman who has done preliminary work for the fit up construction. Mr. Young asked for the estimate cost per month estimate? \$12,000 per month is the rent and we pay \$400,000 to fit it up.

Mr. Siekmann asks about A/C, heat, and water costs and Mr. Zappala will provide.

Mr. Conley mentioned that he spent a lot of time in the Summer and Fall looking for space. They found three that could have worked, but this space is completely empty and we aren't trying to fit ourselves into something that someone else has already built. The owner has been great to work with. They sought three bids on the work from the District architect. All bids came in similar. They chose Eckman, having past experience in the Town with them. The fit up is frugal: its metal framed doors, not second rate but not fancy office space. The owner is willing to talk about a five year or ten-year lease. He felt that some language will still need to be worked on for the draft lease presented. Mrs. Hendricks would like to see the space drawings. Mr. Young calculated out over 10 years the approximate cost per month is \$15,333. Five years is \$18,333 per month and that is exclusive of utilities, but includes maintenance and grounds, plowing, etc. In regard to the abatement calculated by the Town, presently the owner is paying taxes to the Town and that would end and that figure is \$35,000 for the year. Mr. Curro said the value of the property he is paying on the second floor, basement and paying on the first floor as an unfinished unit. Mr. Young mentioned that the ten-year effect on the taxpayer is \$18,200 a month or for five years is \$21,200 a month because they have to pay for the lease and the fit up and they will not get the tax revenue.

Mr. Zappala went over the estimates for the utilities: electric \$20,000 - 22,000/year and \$8,000 a year for natural gas for the heat based on what we pay now. Mr. Young said a total of \$28,000 - 30,000/year for utilities. Mr. Zappala said we pay \$16,000 - 18,000 now so that can be subtracted because we won't be here. Mr. Young mentioned that the real cost to the taxpayer is \$19,200/month over ten years of \$22,200/month for a five year.

Mr. Curro did mention that it was discussed that if any Board member wanted to go by the building that arrangements would be made. Ms. Ganem said she drove by the building and its very appealing and easy to get to. Signage is being discussed with the owner.

5 Mr. Young asked Mr. Scanlon to come forward who represents the owner. He asked if this would be Class A office space. Mr. Scanlon hesitated because it is a Class A by appearance, but given the location he is not sure. It is a very attractive building built in 2013.

10 Mr. Young asked three days ago for information on this building and he can't understand how we can have a public hearing when we don't have information. Mr. Laliberte said it was his understanding based on the email that it was specific to this meeting. The hearing today was requested by the Chair at the advice of Attorney Graham and it was Attorney Graham's position was that we presented all the information in the public hearing and give the public an opportunity to give their input. As far as the materials on this, we discussed this in November and discussed it again during the Capital Projects segment during the December 7<sup>th</sup> meeting. The information was in the public packet and the Board packet. The packet was sent on to Mr. Young after the meeting and Mr. Laliberte presumed Mr. 15 Young had a chance to look at the packet and had the information. Mr. Young said in November, he spoke about the subcommittee that met regarding the District Office space. They reviewed a 14,000 square foot building to be built somewhere. He had asked at the November meeting and in that subcommittee meeting, the he wanted to find out what it would cost to reconstruct in the same spot. At the subcommittee meeting, he was told it wasn't possible. Mr. Young said we need to have a discussion 20 on the appropriateness of space. Is it appropriate that the school district be in a clam shack? He felt it should not, but it should not be in a brass and glass, Class A office space. He discussed that he has taped off the room and the square on the floor is approximate 500 square feet and that is from the subcommittee meeting and that is the space per person for a 14,000 square foot building. If drop to 10,000 square feet, that's how much every person in the district office would get at Kitty Hawk. He has 25 issues about the Moose Hill trailer and the library in the hall and those are the issues that need to be talked about in a public hearing.

Mr. Curro mentioned that he does not recall a 14,000 square foot being presented, but we did talk about a 9,000–10,000 square foot building. He said the estimated cost to renovate the District Office without adding any space was \$1.3 million. That would be to take off the roof, take down the HVAC 30 units and put them where the accounting department is located. Then an estimated \$3.36 million to put a two story office building where the District Office is now. We talked about double moves vs a single move. We looked at construction and tried to find office space that is available. Mr. Curro mentioned at the December 7<sup>th</sup> meeting that we could show the building if anybody wanted to look at it.

35 Mrs. Hendricks asked where the other locations were. Mr. Conley said the second choice was Technology Drive and Delta Drive was another property and Tinker Avenue.

Mr. Curro mentioned in between years two and five we are going to have to look at a space needs committee to discuss office, elementary and Moose Hill space needs. This lease could take the SAU off the radar for a few years and then come back and address long term needs of the District Office. That is why the idea of leasing was embraced.

40 Mr. Lekas asked how many people are in the District Office now and Mr. Curro said 24.

Mrs. Reilly mentioned that this was discussed in detail at the December 7<sup>th</sup> meeting. She had suggested another column to see a one story option that was less square footage around 7000 that would address the same needs that would be office space. She is familiar with the space at Kitty Hawk and she realized there are limitations to a lot of the spaces in Londonderry.

45 Mr. Curro had two architectural firms come out and they both recommend 8500- 9000 square feet for our needs.

Mr. Laliberte said there is a key distinction to be made here. We were asked to provide information on a number of different options. The discussion around Kitty Hawk is because that is the only choice we have in the short term that doesn't involve a bond or capital project. It allowed us to 50 focus our attention on the schools and that is why he was comfortable putting this in his budget to the

Board. He is not advocating that we go down a bond or new construction. If the Board isn't interested in this option, he needs to know if we should keep looking.

Tony DeFrancesco, 1 Cheshire Court: He is now actively engaged in commercial and residential real estate. He got his license in 1998 and in the past several years has sold a few commercial properties. When he first heard the District was looking, he started looking to see what was out there. He heard about Kitty Hawk a week ago as an option. He came up with the same property as the only option. In Londonderry currently, in his opinion, there is no better space for the District Office right now than that facility. It has a Class A look, but at that price that is well below a Class A price. There are a few more spaces with a lot more money that could make it work, but with the upfront prices it would be cost prohibitive. As a tax payer, he felt it's a perfect location. He has no vested interest. When designing a building there is a lot more that goes into it than square boxes. You have to consider the hallways are wider than a home and Conference space/rooms eats up a lot of square footage.

Mr. Lekas felt the rental of the SAU would be prudent to focus on the students. He does agree 10,000 square feet is more than 24 employees need, but he would like to see the potential floor plan.

Mr. Curro reminded the Board that Mr. Conley has been looking since July. Mrs. Reilly is a commercial appraiser and she has been looking for years, but she can't find one that fits our criteria.

Mrs. Hendricks would love to see the place on December 26th. Mr. Conley will make that happen. They need to make that appointment as it has to get posted. The District will post it in the morning for a meeting at 10:30AM on December 26<sup>th</sup>.

Mr. Young mentioned that he is frustrated because he should not have had to go through all these numbers and they should have been presented as part of the package. His burden number includes Mr. Zappala's numbers and the loss of tax revenue over 10 years. We could go be in this facility for 16 or 17 years before we would use up the \$4.2 million. It makes it look like a good idea, but there is no asset after the end of the 17 years.

Mrs. Reilly wanted in writing with the Town that next door we get the right of first refusal to lease somewhere else if we leave the property that this is our space if we want to do something with it. She felt strongly that keeping the District Office on the municipal campus in the center of town. For any kind of capital improvement, she would like to have that long term. She wanted it in writing not a verbal.

Mr. Curro said timing is getting critical on two aspects. If we are moving forward and sure up a lease and go view the building, the owner is looking to wrap this up by around January 9th. Mr. Lekas doesn't feel that they can promise anything by January 9th. Mr. Lekas said let's broach this subject again on January 4<sup>th</sup>.

**5. Adjourn Public Hearing on Multi-Year Lease Agreement to Relocate the School**

**Administrative Unit Office: Mrs. Hendricks motioned to come out of public hearing. Mrs. Reilly seconded the motion. The motion passed 5-0-0.**

<b>6. <u>Meetings</u></b>	<b>January 4, 2018</b>	<b>Budget Workshop</b>	<b>7:00PM</b>	<b>Town Offices</b>
	<b>January 9, 2018</b>	<b>Regular Meeting</b>	<b>7:00PM</b>	<b>Town Offices</b>
	<b>January 9, 2018</b>	<b>Deadline for cost items for all CBA's</b>		
		<b>Deadline for citizens' petition articles submission</b>		
	<b>January 11, 2018</b>	<b>Budget Public Hearing</b>	<b>7:00PM</b>	<b>Town Offices</b>
	<b>January 16, 2018</b>	<b>Bond Hearing (if necessary)</b>	<b>7:00PM</b>	<b>Town Offices</b>
	<b>January 17, 2018</b>	<b>Adult Ed Graduation</b>	<b>6:00PM</b>	<b>LHS Cafe</b>
	<b>January 23, 2018</b>	<b>Regular Meeting</b>	<b>7:00PM</b>	<b>Town Offices</b>
	<b>January 24, 2018</b>	<b>1<sup>st</sup> Day of Filing Period for Candidates</b>		
	<b>February 2, 2018</b>	<b>Last Day of Filing Period for Candidates</b>		

## 7. Budget Workshop

5 **7.1 Dining Services: Amanda Venezia:** Mrs. Venezia mentioned that FY17 ended in the black of \$8,098. There has been increased participation across the Middle School and High School. Vending sales are \$26,000 for the High School and \$4,500 for the Middle School. She discussed the current free/reduced percentages. For the FY19 budget: food sales are a dynamic number. Labor has a decrease from the FY18 budget. They have streamlined efficiency. Equipment for FY19 budget: van lease, vending machines and replacement middle school freezer condensing unit. The Staff training increased by two sessions per year for assistants, additional training for managers and the director. She discussed catering revenues, commodities, free and reduced reimbursed from the general fund. The Capital Improvement Plan was discussed from FY19 to FY22. She showed the new online menu through Nutrislice which provides allergens and pictures.

Mr. Young asked about the fees for the Nutrislice which Mrs. Venezia mentioned is \$1500/year.

15 Mrs. Hendricks congratulated Food Services for being in the black two years in a row. She loved the allergen information and the Alexa presentation.

Mrs. Reilly asked about the vending machine sales and who is purchasing. Mrs. Venezia said the majority of purchases are from new customers or outside of the timing that the café is open.

Mr. Siekmann asked about the software savings (new vendor), the decrease in milk sales is because they added water, and the equipment lease increase is due to the new van and vending machines

20 **7.2 IT: Kendra McCormick:** She discussed the new staff and what they are focusing on for the future. They are working on being more proactive. Collective feedback from staff and administration is that they want more technology available on demand. The shift towards mobile labs make it more accessible and available. i-Ready increased reliance on technology and they are looking at types of devices being offered. The Chromebook pilot is being offered. Those provide lower maintenance and management costs. The pilot will be at the High School, Middle School and South School. She is looking at improving the inventory management system and expanding professional development.

25 Mrs. Reilly mentioned she noticed that the budget is being slashed in half. Mrs. McCormick discussed that she shifted resources. She felt a lot of software was being accounted for under professional services and she budgeted them as software. Mrs. Reilly wanted to make sure we can provide the services on this budget without coming back to the well. Mr. Curro said there has been countless hours working on the IT Platform and what the priorities are. There will be a presentation down the road on the Chromebook pilot.

35 Kirsten Holdenen asked if she anticipated current year spending to end near her projected budget. Mrs. McCormick said this is tough to predict due to repair and maintenance. Tim Siekmann is very excited about the Chromebook pilot. He liked seeing the budget split out and the cost analysis is much deeper. He asked about the software and upgrading servers if the cloud based has been looked at. Mrs. McCormick does not think they will go to the cloud for security reasons.

40 Mr. Young asked about the inventory system and asked if we are already using one. Mrs. McCormick said the system right now is on a building to building basis, but not district wide. The goal would be to be able to help move equipment around. She would like the District to get on a centralized inventory.

45 **7.3 Buildings and Grounds: Chuck Zappala:** Mr. Zappala discussed how the School District is one of the largest in New Hampshire among public schools. He discussed the staff, buildings, work orders and use of facilities. He discussed the FY18 budget request if \$2,484,345 which is an increase of about \$465,000 over the current year. He went over the major increases, utilities, Energy Conservation Program and Supply Accounts. He went over the special planned projects which are usually completed in the Summer. He also discussed the Maintenance Trust Fund and how that is funded through a separate warrant article. This is used for large, one-time projects. Mrs. Hendricks asked about the replacement of the bleachers in the budget and Mr. Zappala mentioned that this is a

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separate article. Mrs. Reilly felt that it should come out of a budget. The cost is \$300,000 to purchase. Mr. Young asked if any bleachers are still under lease and Mr. Curro said no. Mr. Young asked how many adult heads are in the buildings. Mr. Laliberte said 746 people.

**7.4 Equipment Trust:** No information was discussed

**7.5 District Office:** Mr. Curro discussed page 301 and the detailed budget along with the professional service lines. Legal fees cover all fees in the district except special education needs. He touched on the equipment lease line. Student Transportation is discussed and contract expires 6/2019. Presently, we have 44 busses and 14 midday runs. The budget is asking for one more bus for the Kindergarten program. The budget also contained a multi-use bus. Health/dental insurance is discussed along with retirement. Mrs. Reilly mentioned the legal charges are very high. Mr. Curro said \$50,000 has always been budgeted. Kirsten Hildonen asked about the office of superintendent budget. Mr. Curro said it's a catch all for almost any unanticipated event. In regard to the copier budget, this is being reviewed along with printers and the service contracts.

**7.6 Estimated Revenue: Lisa McKenney:** Mrs. McKenney mentioned that the current year is budgeted at \$20.5 million and this year it is \$20.6 million. She explained that revenue comes from State, Local, Fund Balance and the balance from Taxation. The State revenue is \$19 million for FY19. In regard to Adequacy, over the long run, we have lost \$3.8 million in adequacy mostly from stabilization funds. The State property tax is going up \$223,000, Medicaid \$400,000, and Transportation \$25,000 (MST and Alvirne). For Local revenue, the largest item is tuition from LEEP \$90,000, Alternative/Adult ed \$15,000, Summer school \$20,000 and Hooksett tuition had an increase of \$205,000. Projecting 98 students at \$11,500/student – 26 new students coming in. Pupil activities is \$15,000 and community activities is mostly use of facilities. There was the use of fund balance at \$150,000 to fund equipment in the capital reserve.

Mrs. Hendricks asked if funding private schools from public education funds would have a negative impact on our budget and Mr. Curro said yes it would. Mr. Laliberte mentioned that they are following this and we didn't appear in the top 40 districts as far as the impact goes. He will keep the Board informed of this as it develops.

Mr. Young mentioned the Town Manager indicated that our tax base has increased 25% and it doesn't add up to Mr. Young that if it increased then why is the tax rate flat or up a bit. Mr. Curro thinks commercial industrial tax base went up 25%.

**8. Non-Public Session: Non-Public Session requested under RSA 91-A:3, Section II (c). Please see attached Confidential Memorandum. Mrs. Reilly made a motion to enter non-public session under RSA 91-A:3, Section II (c). Ms. Ganem seconded the motion. The motion passed by a roll call vote.**

**9. Adjournment:**

The meeting was adjourned at 10:17PM.

Respectfully submitted,

Lisa Muse  
School Board Secretary

Londonderry School Board  
Non-Public Minutes  
Thursday, December 21, 2017

5 PRESENT: Board Members: Ms. Ganem, Mrs. Hendricks, Mr. Lekas, Mrs. Reilly and Mr. Young  
Superintendent of Schools: Mr. Laliberte  
Assistant Superintendent: Mr. Black  
Director of Business Administration: Mr. Curro  
Director of Human Resources: Mrs. Swenson

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Mrs. Hendricks moved, seconded by Mrs. Reilly and passed unanimously (5-0) to enter non-public session under RSA 91-A:3, Section II (c) at 10:17PM

15 Discussion about a personnel matter

Mrs. Hendricks moved, seconded by Mr. Young and passed unanimously (5-0) to exit non-public session at 10:47PM

20 Mrs. Hendricks moved, seconded by Mr. Young and passed unanimously (5-0) to adjourn public session at 10:48PM

Respectfully submitted,

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Scott A. Laliberte  
Superintendent of Schools