

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

A concurrent meeting of the School Administrative Unit No. 12 School Board and the Londonderry School District School Board was held on **Tuesday, January 9, 2018** 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 School Board Secretary, Lisa Muse

Budget Committee members present: Mr. Siekmann, Mr. Warner, Ms. Patton, and Mr. Medina.

1. **Call To Order**: The meeting was called to at 7:00PM by Mr. Lekas.

2. **Pledge of Allegiance**: The Pledge of Allegiance was led by Mr. Zappala.

3. **Questions, Announcements and Presentations**

3.1 **Filing Period for Candidates – First Day is Wednesday, January 24, 2018 and Last Day is Friday, February 2, 2018. The following positions are open:**

- **Two (2) School Board Members – 3-year term**

To make arrangements to file, please contact Mrs. Mary Wing Soares, School District Clerk at (603) 247-1679. Mrs. Soares will be at the School District Office from 3:00PM to 5:00PM on Friday, February 2, 2018, for the purpose of final filing.

4. **Consent Agenda**: *Ms. Ganem made a motion to accept the Consent Agenda. Mrs. Hendricks seconded the motion. The motion passed by a vote of 5-0-0.*

35	4.1	Retirement(s):	Geraldine Blier Kevin Murphy	Teacher Teacher	South School High School
	4.2	Resignations(s):	Maria Cardosa Rebecca Roy Melanie Savoy	Dining Services Dining Services SPED Assistant	Middle School South School Middle School
	4.3	Minutes: December 5, 7, 14, 21 and 26, 2017			
	4.4	Meetings: (Updated)			
		January 9, 2018	Deadline for cost items for all CBA's Deadline for citizens' petition articles submission		
45		January 11, 2018	Budget Public Hearing	7:00PM	Town Offices
		January 16, 2018	Regular Meeting*	7:00PM	Town Offices
		January 17, 2018	Adult Ed Graduation	6:00PM	LHS Cafe
		January 23, 2018	Regular Meeting	7:00PM	Town Offices
		January 24, 2018	1 st Day of Filing Period for Candidates		
		February 2, 2018	Last Day of Filing Period for Candidates		
50		February 9, 2018	Deliberative Session	7:00PM	LHS Café
			Meeting directly after Deliberative Session		LHS Cafe
		February 20, 2018	Regular Meeting	7:00PM	Town Offices
			*Denotes change		

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Mr. Curro mentioned that there will not be a Bond Hearing on January 16th, but there will be a Regular Board Meeting to pick up the topics that were shifted from January 9th to the 16th.

Mr. Warner confirmed that the School Deliberative is Friday night, February 9th and Town is Saturday morning, February 10th.

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5. Deliberations

15 **5.1 To see what action(s) the Board will take regarding the multi-year lease agreement to relocate the School Administrative Unit Office:** Mr. Laliberte mentioned that we have talked about this the past few months and it has been on the CIP. He wanted to take a look at the specific option to
20 lease space as an intermediate term solution. It is the most economical of the different solutions and also allows us to refocus on the space needs at the elementary schools. The lease option on Kitty Hawk Drive is included in his budget. The air quality results are included in the packet. There is also a mock-up of the space in order for them to get a price on fit up. Mr. Curro went over the statistics of the building which would be leasing the first floor plus restrooms and a shared lobby. The total square
25 footage is 10,175 and the living space is 9100 square feet. The direct office space is calculated at 5600 square feet. The base lease is \$12.09/square foot which includes snow removal, grounds, water, sewer and general repairs. Mr. Curro showed a link which showed the information being used for marketing the property. Mr. Young said he found this link the morning following the public hearing; the Thursday before Christmas.

30 Mr. Curro went over a power point presentation. The fit up cost is \$700,000 and the owner is responsible for \$300,000 and the school district is responsible for \$400,000. The terms of the agreement are ten years and is what the administration recommended for the amortization. Termination clause: The school district is responsible for all unamortized construction costs, can give an eight-month notice and the landlord keeps the security deposit of \$13,642. He continued with the financial information such as
35 base lease: \$123,015 and construction \$40,700 based on a 10-year lease = \$163,715. Estimated other costs are utilities \$28,000 and office cleaning at \$12,000. The lease would be effective 7/1/2018.

Mr. Laliberte mentioned that the total office space is 5800 square feet. The Board had asked if they could develop space for community use and Mr. Laliberte said yes that can be done. The term of the lease in the current proposal would be 10 years with an opt out earlier than that. He was asked to
40 look into the use of the existing District Office and he met with Kevin Smith, Town Manager and he has taken that to the Town Council. It will be discussed next Monday at their meeting. The Town owns the land said Mr. Curro and the School District is on the property card for the building.

45 Mr. Young asked about furniture and Mr. Curro said we are vacating and reusing our furniture. Mr. Young said the document dated November, 2017 has 130 +/- chairs. Mr. Curro said that is an architectural design and we are bringing what we have. Mr. Curro said it was freelanced by Mr. Zappala at the request of the Board for the conference room to be moved forward for after hour meetings. Mr. Zappala took the model from the architect and freelanced it. Mr. Young asked about storage space. Mr. Zappala said the storage space near the Business Office would be used to relocate files from an offsite storage facility now and the vault would be for the materials here at the District
50 Office and it is larger than what we have now. There is another small storage space for existing Human Resource files. The square footage for storage space near the Business Office is 112 square feet, the vault is 216 square feet, HR files is 200 square feet and the storage area off the reception area is 81 square feet. Mr. Young asked if we would be paying the \$20/square foot (5-year lease) for that storage space? We pay about \$3000 a year now for the financial records. So we would be paying 600 square feet X \$20/ square feet = \$12,000.

Mrs. Hendricks said it was helpful to take the tour. Mrs. Hendricks asked Mr. Zappala about the quality of air in this building and asked how in one year the air quality has altered. Mr. Zappala said he doesn't think it has changed, but we have tried to change the work habits by allowing employees to change hours so we aren't all in their together. Employees at lunch go outside to get some fresh air. If

5 the District was moved to Kitty Hawk what does he expect the quality of air in the new building. Mr. Zappala said part of the fit up is to make sure we have a mechanical engineer for proper duct work into the space to make sure we don't have the build-up of carbon dioxide.

10 Mrs. Hendricks asked Mr. Laliberte about the meeting areas and conference areas. She asked if there has been any thought about having professional development seminars up there. Driving the extra distance could be a challenge for some. Mr. Laliberte said it is more space than we need, but this works for us. The structure of Professional Development in our District is common practice to send people out to workshops. We would like to create more systems in house in Londonderry. He felt with this space he could easily picture using this as in house space for training even during the school day. Mrs. Hendricks said this could help us save some costs keeping the training in house.

15 Mrs. Reilly felt that she has asked the Administration for a lot of information and she felt the information she asked for was delivered such as adjusted rent over 5 and 10 years, fit up costs, and typical floor plan. She was satisfied with the information that has been provided.

20 Mrs. Hendricks asked about the servers at the High School and how much space that will free up. Putting them all into one room was not a great idea. Mr. Curro said we would probably only move the ones from the District Office. Whether its beneficial to move the servers to Kitty Hawk or put them in the High School somewhere else will be decided. Mrs. McCormick, IT Director said that our technology footprint in the other schools probably will not change. The central data center is at the District Office.

25 Ms. Ganem asked about the air quality and felt that if it was a school we would be moving the school and she felt it's a liability if we don't make a move.

Christine Patton asked about the financial slide about the escalator price built and if there is an elevator on site. Mr. Curro said the escalator is a financial escalator. There is an elevator already on site.

30 Mr. Young asked about the scanned images sent to him last week there was a discussion in the health documentation of option to move people out to solve the problem. How many people would have to move out? Mr. Zappala said he is not sure. The building was designed for 12 people and we have 24. The main issue is the Carbon Dioxide which is a direct result of lack of fresh air and people breathing.

35 Mr. Young asked Mr. Laliberte about the box on the paperwork that say "if we stay at the current location." He would like Mr. Laliberte to explain the bond payment. Mr. Laliberte said that was for comparison purposes if we were to repair and upgrade the HVAC system in the current building. The \$155,000 is a bond payment on a \$1.3 million renovation principle and interest. The renovation would involve the building would be vacated, remove the roof and renovate and a small addition of 1200-1500 square feet to house the mechanicals because they can't be upstairs they would be outside. The duct work would still be run into the attic area and replace the roof, additional insulation and electrical and HVAC work to tie everything together. There was another proposal with renovation with addition and that did involve exterior and walls. The moving costs would be \$225,000 for moving out and moving back. How long would this take? South School was ten weeks but that was seven days a week. Projection on this project was 4-6 months. Year one payment is \$380,000 and after that it is \$155,000. If compared, we will spend that same amount in four years leasing Kitty Hawk, but we would have our own facility in the center of town. Mr. Curro said the purpose of leasing Kitty Hawk is to address the health issues and allow the Board and community to focus on the elementary space needs.

45 Mr. Young said the administration believed that leasing Kitty Hawk Drive will get off the table and allow the community to focus on the space needs and he felt this won't be the case. He felt the space is too deluxe. He mentioned the Town is interested in renovating the District Office space and their intent would be to create some kind of community center out of it. They would strip it down to a big open space, HVAC, and provide a safe environment and it would be \$300,000. They are also saying if it had a more detailed renovation it could be \$1.2 million. He was asking about time for fit up because he was wondering if we could do this during the Summer and we could move the District Office into one of the school gyms at no cost. He felt a simple renovation is the frugal way to go. He agreed there

5 are issues next door that need to be resolved, but he felt Kitty Hawk is not where the District Office should be. Mr. Young continued that we are talking about \$200,000 for five years which is a million dollars. He would like to see it on a warrant and let the people decide if the District should be in that facility. The cost for every home would be 4 cents/\$1000. Mr. Young said the concept about having meetings there like the SERESC facility, that was a Class A office space, that organization which is
10 supposed to be focused on special needs is no longer available because they were too focused on their space and not focused on their mission.

Mr. Siekmann mentioned to solve the carbon dioxide its \$1.3 million, but it doesn't solve the space issue. He asked the Board what is the criteria for moving the District Office. Is it cost, speed and efficiency, expansion, etc. Mr. Lekas said his criteria is that he is concerned about the people in the
15 District Office. Once you start renovating the District Office, you don't know what you are going to find. He felt the problem needs to be solved right now and if we put it on the warrant article and the public says no you have to wait another year before you can talk about it again.

Mr. Warner asked if we have given any consideration of extending the Town part of the building over the floor space two floors high. Mr. Lekas said that is on the chart which is \$4 million. He asked
20 about smaller space or not Class A space. Mr. Laliberte mentioned that we looked for space in the 5,000-10,000 square feet in Town and the realtor said there were three spaces identified. One was not suitable, the second one was out by the airport and it was \$3/square feet more expensive and fit up would have been higher due to demolition and the third option was Kitty Hawk.

Mr. Young said his reason for asking about pulling out people to solve the health problems is
25 that he felt a renovation is what is needed to resolve health problems. He agreed the office is overcrowded and he thought maybe part of the organization that doesn't need to be in the same building could be moved. He felt the District Office should be connected to the Town Hall and to find space that can be shared like conference rooms and core facilities. Mr. Young asked if the inspector has ever come in. Mr. Zappala met with him and updated him on the situation and he said there are no laws
30 about carbon dioxide levels. There are medical recommendations, but no enforcement.

Mr. Young mentioned that Kitty Hawk states that they are willing to subdivide on the website. Mrs. Reilly said the response from the owner was he was not willing to do that and that they were only looking to do a 5000/5000 square foot split.

Mrs. Hendricks asked about if we leave the site and the Town wanting a community center. Mr.
35 Laliberte said that was speculative. Mrs. Reilly clarified that the School District is on the tax card.

Mr. Siekmann asked what would happen with the existing District Office in the meantime and what would it cost to maintain? Mr. Zappala said it would most likely be mothballed it and may be used for storage. If we keep it, we will need a roof in 2-3 years. Mr. Lekas mentioned that if we were to
40 demolish it, the Town could take it.

Mr. Curro said under the law if the Board was to approve the motion with the administration to move forward with the lease we would want to move as quickly as possible and wrap up by end of January. If the lease was agreed to by the Board that constitutes a commitment which readjusts the default budget. The default budget can be adjusted to any commitments agreed to up until the day of printing the ballot.
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Mr. Young has a point of order to mention that if this motion is made for five years, this Board will be encumbering future Boards for \$1 million in lease costs and \$1.63 million for ten years and that doesn't include any increases. Mr. Curro mentioned that the lease whether it be five or ten years will have in it the unamortized construction costs responsible from the District.

Ms. Ganem made a motion to approve a 10 years lease of approximately 10,175 square feet of leasable office space at 6A Kitty Hawk Landing, Suite 100, Londonderry for use as the administrative offices of the Londonderry School District, for the initial lease price of \$16.09 per rentable square foot, which calls for an annual increase in rent of a minimum 2% per year and a maximum 4% per year as determined by the annual CPI and provides that the School Board is allowed to terminate the lease for the school district's convenience on 8 months prior written notice to the landlord,
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5 *whereupon the District will be responsible for its security deposit and the payment of any un-*
reimbursed build-out costs that were paid by the landlord at the commencement of the lease, and
provides further that in the event School Board determines sufficient funds for the payment of the
10 *lease have not been appropriated for any fiscal year the School Board may terminate the lease*
whereupon the District will be responsible for any un-reimbursed build out costs fronted by the
landlord; and conditioned on such other terms, conditions and early termination expenses as the
Superintendent, Business Administrator, the District's insurer, and the District's legal counsel
determine are in the best interest of the District, and to hereby authorize the Superintendent to
execute the lease upon satisfactory negotiation of the remaining provisions of the lease.
15 *Mrs. Hendricks seconded the motion.* Discussion.

15 Mrs. Reilly asked for clarification about the default budget information. Mr. Curro said the
definition of the default budget is that it is the current budget plus or minus contractual or ongoing
operations. So at any time up until the printing of the ballot if there is a lease or contract you are
committing X dollars starting in FY19 to be used for the lease of 6A Kitty Hawk because you have a
commitment. So if a lease is done, the default budget would be increased by \$165,000 from whatever
20 number it is now to recognize there is a contract. Mrs. Reilly asked if the voters would see that it is in
there. Mr. Curro said it would not be separate. *The motion passed by a vote of 4-1. Mr. Young voted*
"hell no."

25 There is a five-minute break.

6. Budget Workshop

6.1 **Discussion of the Proposed FY19 Budget:** Mr. Curro said we passed out a new tax
sheet, proposed warrant and traditional default reductions. The one change was the estimated tax base
went from \$3.935 to \$3.908 which changes the tax rate numbers. We got that number from the Town a
30 couple of weeks ago. Mr. Curro suggested adopting the \$73,473.218 and then any changes made is
what we would present at the public hearing.

Mrs. Hendricks asked what the budget from last year was and it is mentioned that it was
\$72,182,314. *Mr. Young made a motion to adopt a school board budget of \$72,903,347. No second.*

35 Mr. Laliberte went through the default reductions list. He explained they tried to look for areas
that would not impact the instruction of children and we tried to look for elements of the budget that we
could spread out and take out in smaller pieces to reduce long range impact. He explained they talked
about the LMS after school activities and these would be reduced. The additional bus would reduce the
run time for kindergarten. Moose Hill would be the last recommendation because it would increase
class sizes.

40 Mrs. Hendricks confirmed that the proposed budget includes all of the items on the sheet.

Mr. Young asked about the Moose Hill trailers for the students and asked if they were eliminated
doesn't that put us in a position that we aren't in compliance. Mr. Curro said there is a classroom that is
open in the AM and in the PM there is a kindergarten class. If the two modulares weren't installed, the
Tiger Room in the trailer would take that classroom and that ½ kindergarten class would not be there so
45 those 18 kids would be dispersed into the seven remaining classes boosting class size up to 20/21. The
special needs would have their room, but the kindergarten class size would increase. Mr. Curro said the
two modulares would alleviate that and give some space to the library. Mrs. Hendricks said the library
would be an actual room and Mr. Curro said yes unless a lot more children show up in August.

50 Mr. Young asked about the District Office lease and if we took that off if we had the ability to
mitigate the air quality concerns then we wouldn't have gone through all of this. Mr. Laliberte chose to
put that there because he is not comfortable having that off that list. He would rather have us figure
something out than have kids put out. The first thing we would cut out is at the top – it is in descending
order.

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5 Mr. Curro said on the modulars there is the option to put the Moose Hill modulars on as an article and if it fails we would have to go to court. That is why it is in the proposed budget.

Mrs. Hendricks said we knew last year's budget was lean and she asked if the year is tight. Mr. Curro said we are ok. ***Mrs. Hendricks made a motion to accept the superintendents recommended budget of \$73,473,218. Ms. Ganem seconded the motion.*** Discussion.

10 Mr. Young said he wanted to make sure the Board knows that historically the budget is usually padded by \$400,000 - \$500,000. ***The motion passed by a vote of 4-1.***

15 ***7. Adjournment: Mrs. Hendricks made a motion to adjourn the meeting. Ms. Ganem seconded the motion. The motion passed by a vote of 5-0.***

The meeting was adjourned at 8:56PM.

Respectfully submitted,

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Lisa Muse
School Board Secretary

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