Concord School District Joint City Council/School Board Committee

School Board Committee: Joint City Council/School Board

Date: February 17, 2012

Committee members present: Chris Casko, Chair, Barbara Higgins

City representatives present: Mayor Jim Bouley, Tom Aspell, Brian Lebrun, Dan St. Hilaire, Matt Walsh

Other Board members present: Kass Ardinger, Jack Dunn

Administrators: Chris Rath, Michele Croteau, Matt Cashman

Guest presenter: Michael Castagna

Committee Chairperson Chris Casko called the meeting to order at 7:30 a.m., noting that there were five agenda items.

1. Report from Castagna Consulting Group

Mr. Michael Castagna reviewed the report prepared for the School District, addressing suggested uses of the buildings that will be vacated as part of the Elementary School Consolidation project. He explained that the report was compiled after consideration of previous building analysis such as the Dore & Whittier report and interviews with stakeholders including as District staff, City representatives, local businesses, Chamber of Commerce, investors and community members. Prior to discussing the suggested uses of the facilities, the following key points were shared:

- The opinion of value ranged from a high of \$600,000 for Walker to a low of \$200,000 for Dewey;
- The average value was \$15 \$25 / square foot;
- He worked closely with Liz Hagen for historical reviews. Walker is on the Historic Register and other facilities may be eligible.

The following suggestions were presented for alternate building use:

- Dewey eight (8) garden-style condominiums;
- Rumford, including an adjacent vacant lot 17 apartment units; site provides
 for the possibility of leasing "extra" parking slots as additional revenueproducing option; discussion ensued regarding consideration of retaining play
 space currently configured on the site;
- Eastman assisted living and dementia care facility; zoning provides for 65 units but proposed design includes 85 units; removal of the addition which is 50+ years old is suggested for optimal use of the site; alternate possibilities include (1) use by NHTI as an art facility (NHTI's primary choice would be the

Walker site), or (2) use by the Army Reserve for approximately 50 employees. Mr. Castagna noted that concern was expressed at the "community listening sessions" regarding the suggested use of the site for assisted living / dementia care, in addition to concerns about increased traffic. It was acknowledged that a traffic study would be beneficial as part of any site re-use plan. A suggestion was raised at the meeting that the site also be evaluated for possible development as apartments;

- Walker this is seen as a very versatile site; the suggestion is to add to the
 existing building to create a 3,000 square foot facility for use as assisted living,
 providing 41 units; additionally, a smaller standalone structure is suggested for
 the corner of the site for use as an art and business incubator space; suggested
 design is sensitive to the historic nature of the existing facility; additionally
 there is a memorial park on the site which needs to be considered in any
 construction planning; organizations potentially interested in the secondary
 structure include Creative Concord, NHTI, NH League of Craftsmen, and
 Chamber of Commerce;
- Dame the primary suggestion for this site, which had support from both the surrounding community and the City, is for use as a Community Center; there is a need for community services in the area and space to support organizations such as Boys & Girls Club, YMCA and Girls, Inc.

2. Valuation

Tom Aspell indicated that in a typical growth year the City can expect the valuation to increase 1 to 1.5%. Last year's valuation was predicted at 0.43% but actual growth was 0.37%. The City expects to have an estimate for this year by April 20th but does not expect that it will be higher than last year. Last year's growth was the lowest in 50 years. It is anticipated that it could be 3 to 4 years before the impact of the new elementary schools is reflected in valuation growth.

3. Impact Fee Report

Tom Aspell provided an overview of the Impact fees collected by the City. Below is a three-year history:

CSD	MV
2009 \$45k	\$14k
2010 \$84k	\$ 6.7k
2011 \$54k	\$ 5.0k

Mr. Aspell stated that impact fees are assessed on new development. The growth this year is five units. The estimate for CSD through the end of January is \$31,398.

The City increased the rates for impact fees by 6% about one year ago and this past Monday approved another 6% rate increase.

4. TIF Program

Mr. Aspell and Matt Walsh explained the current TIF programs. There are three active programs: Capital Plaza, Horseshoe Pond and the former Sear's Block. It was

explained that the City is planning to purchase additional property and expand the duration of the Horseshoe Pond TIF. Where it was predicted that this program would close earlier than its originally planned expiration date, with this new purchase the program is now expected to expire 2016. There has been \$47M in new development since 1998 through this type of program.

5. School District Budget

Three documents were distributed and reviewed by School District staff. The first, slides coinciding with a power point presentation on the Superintendent's Proposed Budget for 2012-2013, was reviewed by Superintendent Rath. The current proposal is for a budget totaling \$75,736,756 of which \$70,844,312 is for the General Fund. This represents a 0.5% increase in the General Fund over the current year. Superintendent Rath noted that this projection is prior to costs associated to settle the four collective bargaining agreements before the Board, which will expire at the end of this year. These agreements cover the Teachers, Educational Assistants, Administrative Assistants and the Maintenance/Transportation group.

It was noted that the budget includes maintaining the Board's commitment to debt service of \$3.2M. Business Administrator Croteau distributed a chart to illustrate the projected debt service from FY 2012 through payoff of the new \$55M in bonds issued for the Elementary Schools Consolidation Project in 2041. It shows the Board's debt service goal of \$3.2M, the total of principal and interest payments each year, and the net debt service funded by the District once State building aid, interest rebates on the Build America bonds and Qualified School Construction bonds, and use of the stabilization fund (Facilities Purchase and Renovation Expendable Trust Fund) have been applied to the debt. Ms. Croteau pointed out that there are only three years in which the net debt service is projected to exceed the \$3.2M goal set by the Board, and that the increase is nominal in those years. The Board would be in a position as early as 2016 to begin to replenish the stabilization fund if it wished to do so.

Lastly, Ms. Croteau distributed a document showing the District's General Fund budget from FY 2008/2009 to the proposed Superintendent's proposed budget for FY 2012/2013. She explained that the two spikes in the General Fund, 4.99% and 7.36% in 2009/10 and 2011/12 respectively, were both driven by increases in cost from the NHRS and health insurance. In FY 2010 the budget decreased by .62% and the proposed 2012/13 budget is a decrease of .81%.

The meeting adjourned at 9:10 a.m.

Respectfully submitted,

Chris Casko, *Chairman* Michele Croteau, Recorder