

**OFFICE OF THE SUPERINTENDENT OF SCHOOLS
106 Hancock Rd.
Peterborough, New Hampshire**

CONTOOCCOOK VALLEY SCHOOL DISTRICT

BUDGET & PROPERTY

Tuesday, October 8, 2019

**SAU #1 Board Room
6:00 PM**

Agenda

Committee Members:

- Jim Fredrickson, Chair
- Rich Cahoon
- Richard Dunning
- Niki McGettigan
- Stephan Morrissey
- Kristen Reilly

- 1. Call to Order**
- 2. Approval of Minutes – September 11, 2019**
- 3. 2020-21 Budget Plan & Process - Status Update**
- 4. Solar Project – Path Forward**
- 5. HVAC**
- 6. Capital Improvement Plan (Update/Prep for Nov. 2nd Budget Work Session)**
- 7. Cost of Education (Elementary Schools & General) – Update**
- 8. Trust Fund Summary – Update**
- 9. Encumbrances – Updates Discussed at Oct. 1st Board meeting**
- 10. Ice Hockey – Conant Contribution**
- 11. Other**

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BUDGET & PROPERTY

Wednesday, September 11, 2019

**SAU #1 Board Room
6:00 PM**

Minutes

Committee Members:

- Jim Fredrickson, Chair
- Rich Cahoon
- Richard Dunning
- Niki McGettigan
- Stephan Morrissey
- Kristen Reilly

Present: Jim Fredrickson, Rich Cahoon, Dick Dunning, Stephan Morrissey, Kristen Reilly

Others Present: Kimberly Saunders, David Jack, Tim Grossi, John Jordan, Michelle Russell, Katherine Heck, Jonathan Bass, Emily Manns, Bob Hayden, Melody Russell, Dory D., Steve Walker, Elijah (Revision)

1. Call to Order

Jim Fredrickson called the meeting to order at 6:00 p.m.

2. Approval of Minutes – June 11, 2019

Dick Dunning moved to approve the minutes of June 11, 2019. Kristen Reilly second. Unanimous.

3. Solar Project – Update

Bob Hayden said that he originally met with the district team to talk about the opportunities and pitfalls of solar. He has worked in the same capacity for the City of Nashua. Revision Energy was superior for multiple reasons; they used a local investor who was interested in the region without a PPA. A PPA allows tax benefits of 30% ITC and 100% year 1 depreciation for profit entities. There is a huge difference between that and a school.

It is the want of the developer to build the largest project possible. It gives them the ability to reduce costs based on volume.

With those two problems, Revision Energy is the largest regional solar developer in the region. For the school, there is an area of the roof that went to a membrane roof. The first phase of this project would be done through a letter of intent. It would allow to support the additional load of the panels. Review is needed to determine if the snow load is equal to current law requirements. The letter would include the cost of the project and volume outputs. Revision Energy would talk about the parts they are using. Technology is such that if a panel fails only that panel stops working. Construction would be prior to December 31st; ITC drops from 30% to 26% on January 1st.

Project cost is \$672,000. The cost to the school district is initially zero. 8.3 cents per kwh largely behind the meter. It will replace .14 per kwh currently charged. Currently, 350,000 kwh is used.

Once the tax credits have been monetized, being bought out increases the amount of savings dramatically. By year 6, buyout cost is reduced. 25 net savings of 565K.

Life of the solar panels was discussed; systems installed in the 70's are still going. Degradation expectations are always included in the discussion.

At 6 years, consideration of buying out the project should take place.

Elijah shared the history of Revision Energy. The mission is to excel the transition to renewable energy. The company is fully employee owned.

What is needed to go forward? A letter of intent to move forward with Revision Energy. Using the impact investor that differentiates them to everyone else. They are the right company for a job like this. It is a great time to access the maximum tax credits.

Stephan Morrissey noted policies in place to bid out. Bob Hayden said that monetary is initially zero.

Timetable – Bob Hayden said that a letter of intent is first step. Elijah said that utility interconnection takes the longest; up to 90 days. Permitting, procuring products, and actual construction would follow.

Steve Morrissey said that is a time crunch. Start date is defined, safe harbor provision, that signed contract must be in place and portion of project costs must be borne.

Dick Dunning said that the overall cost is \$672K. Is the bottom line that we are going to save taxpayers \$565K over 25 years? Roughly \$70K savings per year.

How much did the roof project just cost? The response was \$243K. The expected life of the roof is 30 years without this project. Solar protects the roof from the sun and degradation of it.

Jim Fredrickson said that an educational component for our students would be nice.

Michelle Russell spoke about her having met with Michelle Voto and Jen Kiley. Students can be as involved as the district wants them to be.

Budget & Property needs to dig into information and bring it forward to the School Board for the October 1st meeting. A special B&P meeting can take place prior to the October 1st meeting to discuss solely solar.

Melody Russell urged the district to pursue this project.

4. 2020-2021 Budget Plan & Process

Kimberly Saunders reported that clear direction to staff has been communicated. We are going to change our process based on feedback about the need for more transparency. Individual meetings will take place.

Dick Dunning said that it is important for a good budget process to defend both increases and decreases. Dick further said that specialized caseloads, support staff (guidance, admin assistants, etc.) by building is important information needed.

Rich Cahoon said that sharing the various iterations prior to arriving at Version I would be helpful. The cost of special education is not realized by the community.

Discussion took place about the hiring delta. It typically amounts to what is returned to the taxpayer. The starting point for the budget would be \$46.8M.

David Jack spoke about the impact of changes that would have an effect on the ability to fund trust funds and the impact on the tax rate.

What is the reasonable percentage to hold? 1.5-2.0% would be acceptable.

John Jordan agreed that district assessment is what is looked at by the towns.

Kimberly Saunders said that the biggest issue is not the budget, it has been declining revenue.

The district continues to look at areas that reductions can be implemented.

Discussion took place about different approaches.

Rich Cahoon said that he would like to bring the unexpended fund balance down slowly. Doing it over time is the better approach.

Kimberly Saunders said that programming pieces will need to be looked at for consideration.

David Jack said that 88% of the budget is contractual; the remaining 12% doesn't add up to much.

Preparing what a default budget would look like should be done.

5. Cost of Education (Elementary Schools & General)

David Jack reported that the FY'19 budget and DOE25 is the most recent data.

Rich Cahoon reported that a 2% price per year increase is built in to the solar proposal; prices have not resulted in that in recent years.

Kimberly Saunders said that the decision is a values decision and not a money saving decision. More at a break-even point. There is nothing wrong with making a values driven decision.

6. Capital Improvement Plan (Update & Coordination with SAC)

John Jordan said that a master spread sheet that shows all of the town's capital improvement plans and the school districts to allow to look for joint ventures and smoothing of spending is proposed.

7. Antrim Gym Update

Jim Fredrickson reported that Myron Steere, Tim Grossi, and he met with some Antrim Selectmen. The plan to do work on the gym floor, share costs to run the gym, and existence of several special trust funds was discussed. \$10,500 is available in the trust fund. Antrim has gone ahead and sanded the floor and proposed to use trust fund monies. The agreement with the district involves participation in the discussion. From a fiscal point of view, they are not asking for any money. The trust is dedicated to AES and GBS. Flexibility of use of the facilities is an issue outside of this discussion.

ConVal is the caretaker of the funds, it is not Trustee of the Trust Fund monies. We are simply storing it for them.

Kimberly suggested that Budget & Property Committee place the Antrim Agreement and Shea Field Agreement on future agendas.

David Jack asked how we want to approach their request for money.

Jim Fredrickson suggested that we discuss what type of approval they need. Does the board need to vote? It was agreed to put this on the School Board agenda to vote.

8. Other

a. FCVA Safe

Kimberly Saunders reported that FCVA approached the district about putting a safe in the concession stand at the high school. The group asked to check with auditors and our municipal insurer. A hold harmless agreement was asked for by Primex. Kimberly asked the Budget & Property Committee to consider taking this agreement to the board.

Jim Fredrickson asked if this (the agreement) is Primex language. It is the language of the district attorney?

Katherine Heck reported that the organization has good internal controls and upped those controls. Money must be deposited within 24 hours.

Rich Cahoon asked what the auditors have said on this topic. Kimberly Saunders said that the auditors say that it is up to the district.

Rich Cahoon moved to recommend that the board allow the safe. Stephan Morrissey second.

Katherine Heck agreed to bring the agreement to the committee. **Unanimous.**

b. Geese

Tim Grossi reported that he was contacted by HES with goose concerns. We have in excess of one hundred geese eating on the fields at some schools. Tim reported that he contacted a wildlife biologist several years ago with ways to remediate them. Geese are migratory, they return to where they were born. They multiply. JP Pest Services was contacted, they do not touch this topic.

John Jordan reported that the Town of Hancock used drones to deter nesting geese.

Rich Cahoon said that he is opposed to fake alligators and other means.

Tim Grossi reported some of the tactics that will be used to deter the geese. In the spring, they will return. A contracted service would be needed. It could be controversial. We have the ideal conditions for geese; green grass, tall grass, and ponds.

Dick Dunning motioned to adjourn at 8:06 p.m. Stephan Morrissey second. Unanimous.

Respectfully submitted,

Brenda Marschok