

BOE Finance Sub-Committee
June 8th, 2017

**Town of Preston
Board of Education
Finance Sub-Committee Special Meeting
Thursday, June 8th, 2017
PVMS Library
6:00 pm**

1. Call to Order

Chairman Nugent called the meeting to order at 6:00 pm.

Sean Nugent (SN)
Jan Clancy (JC)
Melissa Lennon (ML)
Superintendent Welch (SW)
John Spang (JS)

Guests: Administration staff, Andy Bilodeau, Andy Depta

2. Pledge of Allegiance

3. Approval of Minutes

A motion was made by JC and seconded by SN to approve the May 4th, 2017 minutes as submitted. All in favor; the motion carried.

4. Old Business

- **Pension Plan for Unaffiliated Personnel**

A request was made of Dr. Welch to resend the March 27th, 2017 packet to the full BoE so that they are ready to discuss this topic and decide on the path forward. The FC was not willing to make any recommendations related to this topic.

- **BOF Debrief: FY 18 Operating BoE 5-Year Capital Plan**

The group discussed the two handouts provided by SN (attached). One hand out addressed comments made at the recent Town Budget Public Hearing that the BoE never returns money to the Town. This hand out provides information pulled together by the Town Treasurer (Sue Nysten) that shows that an annual average of \$129,274 has been returned to Town between FY05 and FY16. The total dollars returned during that time was \$1,551,293. The second hand out provides a more enhanced picture of the BoE budget between FY12 and FY17. This hand out also shows the various budget components based upon a BoE request budget of \$11,690,889. More work is required to complete this hand out which would include fiscal year actuals. This second hand out represents a good and useful start.

Melissa reported on two topics related to the new 5-Year Capital Plan. ML stated that the BoF has decided to defer any discussion on the 5-Year plan until July rather than have a separate date set for the BoE.

Action: A motion was made by SN and seconded by JC to have ML request a separate discussion between the BoF and BoE on the 5-Year Capital Plan. All in favor; motion carries.

The second item ML reported on was the discussion had by the BoF regarding accelerating the purchase of a new wheelchair lift vehicle using surplus funds from FY17. The BoF requested an 'official request' from the BoE with a solid business case justification. SW indicated that this topic will be on the agenda for the next BoE meeting in late June.

Both SW and JS commented that they have identified a new 2016 model of the wheelchair vehicle that could be purchased at \$15,000 less than budgeted. JS also indicated that he had discussions with the BoF chairman who indicated that the wheelchair should be paid out of the Town's Capital Non-Recurring Fund rather than out of any surplus the BoE may have at the end of FY17.

- **April 2017 Financial Report**

JS had not completed the full report for May but was able to provide an indication as to where he felt the BoE would end FY17. JS indicated that he felt that the BoE would end in the black based upon his current assessment of line item run rates and projected year-end spending. JS will have firmer numbers when we meet to review and discuss in July.

- **Annual Facility Capacity Assessment**

The committee reviewed, edited, and discussed the draft Facility Assessment letter drafted by SN.

Action: A motion was made by JC and seconded by SN to submit the edited version to the full BoE and to post the final version on the BoE home page. All in favor; motion carries.

7. Adjournment

A motion was made by JC and seconded by SN to adjourn the meeting at 7:00 pm.
All in favor. Motion carries.

Next meeting scheduled for Thursday, July 6th at 6:00 pm at PVMS.

Respectfully submitted,

Sean Nugent

June 8th, 2017

Preston Board of Education

Re: Preston Schools Facility Assessment

Preston Board of Education,

When the Finance Committee was formally established this past January, we included the requirement that this committee also evaluates our facilities capabilities on an annual basis. This letter is to provide the recommendation of the Finance Committee for FY18 based upon our investigations.

In reaching our recommendation, we looked at a number of parameters (class size, student population at each school both today and into the future, number of classrooms at each school, programs, and building infrastructure/support systems). We also looked into developing an analytical tool to assist us in this assessment effort. While we believe there is value in having a tool to assist in this annual review, we feel that more work is required to align the tool with our operating cost information and to develop a tool that is easy and readily transferable to future boards. As such, this year's recommendation is based upon a subjective discussion/evaluation within the Finance Committee.

Currently we utilize 26 classrooms at PVMS and 16 classrooms at PPMS for a total of 42 classrooms. These numbers do not include nor account for other spaces typically associated with educational facilities such as ours; we would need to also account for space associated with kitchen, cafeteria, library, restrooms, offices, and the school nurse.

Currently our student population at PVMS is roughly 290 while PPMS is 124. A review of the original building design capacity of both (PVMS = 450 and PPMS = 200) would suggest that consolidation of both schools into PVMS would be feasible. However, this overly simplified assessment fails to take into account two key utilization criteria: (a) the original design assessment did not account for programs such as OK Kids, Art, World Language, Instrumental Music, Computer Lab and Special Education needs and (b) the space design requirement differences for those in UPK through 5th grade vs. those in 6th through 8th grade. The two populations require different size desks, chairs, benches, and rest rooms just to name a few. Understanding and factoring the design and program requirements together indicates that either a new facility is required or an expansion of either PVMS or PPMS would be required.

A back-of-the-envelope estimate for either indicates that the cost to construct a brand new building would be roughly \$25 million. The cost to construct a new wing on PVMS would be roughly \$8 million. However, we would need to address three needs if PVMS were used: (a) the installation of a sprinkler system throughout all of PVMS, (b) the construction of a water tower to support the sprinkler system, and (c) the acquisition of additional land for both the water tower and potentially to support the expansion. If the PPMS site were used for the expansion, the construction of a new wing for UPK through 5th grade would be roughly \$16 million. Additional needs to make this option viable have not been fleshed out and would be required in order to evaluate this option further.

There are a number of unanswered questions related to the options presented in the previous paragraph. First, as we are operating under the

original agreement and grant with the State associated with the construction of PVMS, it is unclear as to what level of State funding the Town would be eligible. Second, a real estate assessment is required to determine which site (PVMS or PPMS) offers the greatest return to the Town following the closure of that site as a school location. Third, site infrastructure requirements related to water, sprinkler systems, and so forth require further delineation.

Based upon the elements and options the Finance Committee discussed, we recommend that we continue to operate as a two-school system. We also strongly encourage the development of an analytical assessment tool, which can account for student populations, budget requirements, construction costs, re-use of surplus facilities by the Town, and real estate favorability.

Sincerely,

Sean Nugent
Chairperson, BoE Finance Committee

cc: Dr. Jack Welch, Superintendent