

MINUTES
MEETING OF THE RICHMOND BOARD OF SELECTBOARD
TOWN OFFICE CONFERENCE ROOM
3:30p.m.-SELECTMEN MEETING TUESDAY, APRIL 8, 2014

1.0 CALL TO ORDER

Selectmen Present: Tracy Tuttle, Clarence Cummins, Rose Beckwith, Peter Warner and Gary Poulin

Others: O'Neil Laplante, Virgil Hammonds and Bill Matthews.

2.0 ADMINISTRATIVE ITEMS-NEW BUSINESS

2.1 Virgil Hammonds-RSU #2 Presentation

Virgil Hammonds stated that the subsidy looks flat at this point. It could change to 8.12 mill but that would be the highest it would go for everybody. If does go to 8.12 mills, it would be an increase of \$120,000 spread among the five towns.

The amount of subsidy is determined by property valuations in each town. To help offset fluctuation the first year the state has taken account the average of 2 years of valuations and next year it will be a 3 year average.

Richmond has increased from fiscal year 2014 from \$2,064,036 to Fiscal year 2015 \$2,151,058.

Virgil stated that he met with the appropriations committee a few weeks ago and spoke against a 9.5 million cut to the education budget. It did not pass in the legislature.

This month they have been focused on finalizing the school budget, the legislative session ends next Wednesday. If there is an increase it will only be up 8.12.

The Capital Bond project consisted of developing and evaluating capital needs of all the schools. There will be a certain level of savings with energy consumption based on these energy efficient upgrades. There are two boiler replacements for Richmond. We have spent a lot of money to keep them running. Director Murray showed me rust holes that are clogged, it is not functioning very well. It is a 33 year old system. The same problem exist in Hall-Dales schools, theirs is the biggest system, going through 300 gallons of oil usage a day.

The 1.5 million bond, would mean a \$20,000 increase to the school budget next year. We are looking at the natural gas companies to provide to Hall-Dale. Gardiner has seen a 30% savings through half a winter. A majority of the bond payment will be taking care of through the potential savings. It almost could be a wash. Director Murray is guessing \$40,000 in savings from the heating costs.

We are in discussions with the State about transferring the Central Office ownership. The State is looking to dispose of its liabilities. We currently have students in that building, several Richmond students are there based a majority on their unique learning and living situations. If we can take over the building for little to no cost it would be a budget proposal not a bond question unless there is a fiscal note tied to taking ownership. The building is not covered in the bond question, but if we had to spend money for the building we would come to the town. Selectman Cummins responded that the central office is in the bond proposal? Virgil responded that yes we are putting the repairs into the bond thinking the State will give us the building. Currently we lease it for a \$1 a year. Anything in the building that goes wrong we currently repair in the inside, nothing to the outside. Selectman Tuttle asked if it's just one building. Virgil responded there two additional garage buildings.

The garage structures would be storage units one has a wood stove. There is no other heat. Right now we have storage for all of our communities in the central office, we do not have mass storage we could use those buildings as storage units and make room in the central building.

Selectman Tuttle stated that her concern is that it sounds like the decision was made internally and not with the towns. I'm not in favor of that, I think the towns should be involved, are there other places the towns could offer the RSU to use. Selectman Tuttle continued that the buildings is a dollar but expect the repair issues are more costly. Virgil stated that he has expressed to our communities what our costs are, I haven't heard anything from anyone that has a property to offer. We need a green light from the State that a building is appropriate to have students in. We have talked about looking for buildings that would meet our storage, student and infrastructure needs, it would be expensive. All of those needs currently existed because the State needed it for their own systems.

Selectman Cummins added that although it may be a good idea for the RSU to take over the building, it's the process and how you got there that the board questions. Does the school board negotiate? Virgil responded that it's been on our agendas for the last six months, it hasn't been something that's been hidden. The hard part is the State has a process and it's their desire not to articulate the details until they go through their process.

Selectman Tuttle responded that just because it's on the agenda makes no difference the towns are not part of the decision making process. Virgil stated that he doesn't know how to respond except to say, the board has business it's in the public and no one has asked the question. Selectman Cummins asked, so it will be a school board decision and not brought to the towns. Virgil responded, correct unless a fiscal note is tied to the building.

The Town Manager stated that for a town to acquire property the board cannot accept it unless it's brought to town meeting, but the school board can. Virgil replied as long as there is no fiscal note tied to it.

Virgil stated that the questions have arose is it worth the investment, we can't see finding another property that meets our needs anywhere close to the cost of the upgrades.

Selectman Warner asked what dollar amount is allocated for the central office.

Selectman Tuttle asked do we have an amount as to what it's going to cost. It feels like we are going blindly into taking over a building with a costly fix up.

Virgil responded he would get those figures. The bond request would only speak to those issues. The reason the board can come and put this up for referendum is with the knowledge that a majority of the bond payment would be covered with the savings. The piece we have been struggling with is how do we plan and we are responsible for repairing the schools, do we take one project a year, and continue to budget 2 to 3 hundred thousand a year or do we take care of the major problems with this bond.

Selectman Cummins asked during your budget process do you set aside money in reserve funds. Virgil responded no. Selectman Cummins asked if it has been considered.

Virgil replied that it's been clear to only budget for essentials. We can't just budget on employees and training, we need to budget some money, we originally started with \$50,000 now we are up to \$100,000. The money was spent on the automation process, there have been cracked asbestos tiles, non-compliant handicap issues. A lot of work has been done over the past few years. Our maintenance team has been certified for a lot of this work.

Selectman Tuttle stated that we were made aware that Richmond would not be hooked up to natural gas.

Virgil responded that Summit said we are going through Brunswick next year so it only makes sense for us to go south they have lines leading up to Hallowell and Farmingdale.

Selectman Warner stated that the proposal talks about industrial condensing boilers that would be a significant cost. Are we paying or pricing out a condensing boiler that's 95% sufficient. Virgil responded that right now we are just talking about the natural gas boiler conversion, if that doesn't happen we can explore those options. It's not just about the boiler itself it's the lack of efficiencies in distributing the heat throughout the building. We would need to consider these options. Selectman Warner stated that buying a condensing boiler is not set in stone.

Selectman Tuttle asked where these bond numbers came from. Virgil responded that he and the Director have spoken to various schools and vendors to get estimates in order to come to a figure. If the bond was approved they would still need to go to bid.

Selectman Warner asked if the projected savings includes the cost of increase in natural gas. Virgil replied the greater ability to connect has created a greater demand, so we have talked about that. Right now it's clear we are losing a lot of money with the inefficient boilers.

Selectman Cummins added that we don't know if Richmond is going to get natural gas will they replace a gas burning boiler with a propane boiler that can be switched backed to gas. Virgil responded potentially a propane system with an easier conversion to gas if it comes through.

Selectman Beckwith added that the Marcia Buker boiler was replaced last year at a cost of \$65,000.

Virgil replied that yes and it's an automatic system not manual. So when students are not there it fluctuates. The Dresden school has seen a savings. When the Marcia Buker boiler went out it took all of our money for contracted services to replace the boiler.

The Town Manager asked if you are confident that the central office transfer will happen. Virgil responded yes and the reason I'm confident is the state director has been a part of all the discussions.

Selectman Warner asked if there is anything next year or the year after that will be big ticketed item. Virgil responded, no these are the big ones our Director hasn't spoken to anything else that are priorities.

Virgil added that a flyer on the bond question will be mailed to every household in every town.

Selectman Beckwith made a motion to approve the referendum question on the Capital Bond Projects, Selectman Warner seconded, motion passed (5-0).

Selectman Cummins is concerned with the numbers that other schools will show they are receiving more money because they have more repairs to be made.

The Town Manager added that a couple of years ago Richmond had an air system replaced and we were the only ones who benefited.

2.1 Dresden CEO Contract

The Town Manager stated that if the board wants to continue with the contract with Dresden on partnering CEO services the contract has been updated and the Dresden Selectboard approved it at their last meeting. We did not change anything except the amount Dresden pays Richmond quarterly for these services to \$2,040.75. Selectman Warner asked if it would be wise to change the contract dates to coincide with the budget process. The Town Manager replied we can suggest that to Dresden. The contract is subject to funding if a budget is turned down the contract is void. Selectman Cummins added that maybe we could increase the contract to 14 months.

Selectman Warner made a motion to approve the contract with Dresden for CEO services, Selectman Poulin seconded, motion passed (5-0).