

**HOLLIS SCHOOL BOARD  
JANUARY 28, 2020  
PUBLIC HEARINGS  
MEETING MINUTES**

Public Hearings were conducted by the Hollis School Board on Tuesday, January 28, 2020 at 6:30 p.m. at the Hollis Primary School Learning Commons.

Robert Mann, Chairman, presided:

Members of the Board Present: Tammy Fareed, Vice Chairman  
Amy Kellner  
Caryl Roy

Members of the Board Absent: Brooke Arthur, Secretary

Also in Attendance: Andrew Corey, Superintendent

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**PUBLIC HEARING  
BOND/LEASE**

Chairman Mann stated the purpose of the Public Hearings to be to review and gain public feedback on the Hollis School District proposed 2020-2021 bond for the barn renovations at 4 Lund Lane and the lease for the proposed 2020-2021 renovations of the school facilities.

Superintendent Corey provided an explanation of the request:

**Article 1**

To see if the School District will vote to raise and appropriate the sum of \$1,404,308 to construct, furnish and equip renovations to the barn and house at 4 Lund Lane in Hollis; and to authorize the issuance of \$1,404,308 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA Chapter 33); and to authorize the School Board to issue and negotiate such bonds or notes; and to raise and appropriate an additional sum of **\$26,477** from taxation for debt service payments payable on such bonds or notes during the 2020-2021 fiscal year. (2/3 ballot vote required.)

The house at 4 Lund Lane was built in approx. 1990. It is owned by the Hollis School District, and has been rented to the SAU since 2003. The SAU currently utilizes 5,612 sq. ft. in the farm house. Rental revenues are allocated to the Building Maintenance Trust, per annual warrant.

There have been significant increases in what the SAU is mandated to do in terms of technology and State requirements. There is critical crowding of 16 full-time employees. The structure is that of an old farm house meaning the rooms that were, at one time bedrooms, on the second floor are as large as 12 x 15 to as small as 8 x 10. One of the rooms houses 3 employees and another 2. The offices of H.R. and the Business Manager are separate and alone because of the confidential nature of the positions.

To gain access to many of the offices you are required to pass through another. That lack of privacy makes it difficult to conduct meetings, which has resulted in overuse of the conference room.

1 The facility is serviced by two worn residential bathrooms. The second floor bathroom continues to  
2 contain the bathtub. With its removal and the area being converted to a hallway, the need to walk through  
3 one office to get to another could be eliminated.

4  
5 Storage space is very limited. The facility discussion began because of the excessive weight in the attic,  
6 which was used for record storage. The first goal with the barn is a proper foundation and storage facility  
7 for record keeping.

8  
9 The barn, when renovated, would provide 6 additional offices, a multi-use conference event space that  
10 could be used by the various school boards and community-at-large. It would provide protected long-term  
11 document storage and allow for the retention of the historic building.

12  
13 The farmhouse would gain improved access and security for the existing offices, long-term storage of  
14 documents that are removed, and by removing and reconfiguring the bathrooms, would gain hallway access  
15 and significantly increased space. The project cost is \$1,404,308.

16  
17 As a bond request, the Article must appear first on the Warrant, and will require a ballot vote. The  
18 expectation is that the project would be completed by the summer of 2022.

19  
20 An increase in rental revenues is anticipated. Currently the rental revenue is \$23,970. Those rates are up  
21 over the past few years as a result of a decision of the Board. As additional square footage is added and  
22 more of a commercial type setting created, rates will increase between the current and going commercial  
23 rate, which is seen to be, at the lowest, around \$10 sq. ft.

24  
25 The property value was estimated at \$830,000 in 201, and with the completion of the project, would  
26 increase significantly.

27  
28 As part of the project, one of the goals would be to separate the field space from the building (through  
29 Deed) so that the field becomes part of the schools. The intent is to place the ownership of the field with  
30 the School District to ensure its continued use should there ever come a time when the SAU building is  
31 sold.

32  
33 There is currently an erosion factor around the structure of the barn. During the time when animals were  
34 housed in the barn there was a certain level of warmth, which was helpful to the foundation. Every year  
35 you go through a cold winter, the old rocks will deteriorate and move.

36  
37 The option of offsite storage is costly, and would result in difficulty when needing to access the records.

38  
39 When completed, it is believed the barn will meet the future needs for many years.

40  
41 Two public forums have been conducted following a lengthy period of discussion at numerous Board  
42 meetings. The approval of the voters last year to fund the study, is what has resulted in the forward  
43 movement of the process.

44  
45 Chairman Mann commented the issue of keeping the property relevant to the operations has been  
46 something that has been a concern since his time on the Board. Over that time, several facility studies have  
47 been conducted and community members have been engaged in the review of the facility. Getting a first-  
48 hand view of the activity that occurs in that space provide a perspective one cannot receive simply from  
49 visiting the lobby. As an asset of the District, the maintenance of the facility is crucial.

Over time, the Board has, with the help of experts, reviewed the studies in regard to needs, potential floor plans, etc. The barn has always been looked at as existing, unutilized space. Those discussions have really culminated to this point where we now have architectural designs, and barn experts have reviewed the project to validate it is worth pursuing.

Superintendent Corey stated the funding mechanism chosen is a 20-year bond. When considering a bond versus a lease, leasing companies are seeking items they could take back if you were to default. In the case of putting in foundations, changing walls, electrical, HVAC, etc., the majority of the project would not lend itself to being taken back. The bond also has a higher threshold for passage; 66% required.

This option truly allows the community to come out and make the determination of whether or not to move forward. A 20-year bond was looked at understanding a student gets a benefit from the SAU throughout their entire educational career in Hollis. It is believed advantageous to spread the cost over more years to more citizens who will come through and receive the product of the school district, which in this case is the SAU.

Bond rates have been favorable. It is believed a cost effective mechanism for the taxpayers. Although never intended to cover the cost of a bond, with renovations in place, the maintenance costs associated with the structures should be reduced thereby allowing revenue generated from rental income to be retained. If determined by the Board, some of the revenue could be utilized towards the bond.

***Chairman Mann opened the floor for public testimony.***

Drew Mason, 61 Baxter Road, Moderator / alternate member, Zoning Board of Adjustment

Noted the lot is in the Residential and Agricultural Zone as well as the Historic District, and questioned if the proposal includes any changes to the exterior.

Superintendent Corey responded the exterior would mimic the barn as it is now.

Mr. Mason questioned if there would be resulting zoning issues in regard to the increase in usage of the space, and was told there would not be. He noted an office use is not a permitted use in the RA zone, and his unfamiliarity with what special exceptions, etc. exist on the lot.

Superintendent Corey stated in terms of volume, there is no anticipation of increase in services provided. What is anticipated is the ability for appropriate space for the services conducted.

Michael Harris, 158 Pepperell Road

Commended the Board and Administration on the work that has been completed stating his belief it is very thorough and the project a worthy one. He is hesitant to support the project because of the financing involved. He stated his belief if the rental rate and duration of lease to the SAU were better understood it may ameliorate some of the concern.

Superintendent Corey noted a variety of scenarios have been reviewed in regard to what is believed could be commanded from a rental perspective. Chairman Mann remarked the way the rental split works out is about 60% Hollis/40% Brookline. All three districts are charged a rental fee for the use of the facility. Being sought is identification of the revenue required to cover the greatest majority of costs, understanding the facility is not a commercial property.

1 Additional scenarios have been run around the issues based on previous conversations with the Budget  
2 Committee. The Board will look for opportunities to share that information either in session or via  
3 submission to the Budget Committee.  
4

5 Mr. Harris stated an understanding that increasing the rental rate also increases the cost for the Hollis  
6 School District as all three school districts support the costs of running the SAU, including the space the  
7 employees/functions are housed in. However, the responsibility for the bond is that of the Hollis School  
8 District alone. Asked if additional information would be shared with the Budget Committee prior to the  
9 Annual Meeting, Chairman Mann stated he would be happy to. He is uncertain time will permit a full  
10 presentation, but the information can be shared.  
11

12 The request was made that the different scenarios be presented as well as the term of the rental lease.  
13 Chairman Mann stated he would ensure the information is provided.  
14

15 Should the Warrant Article not pass, Article 11 would come into play:  
16

17 **Article 11**  
18

19 *In the event that **Article 1** is not approved, to see if the School District will vote to raise and appropriate a*  
20 *sum of **\$200,000** to stabilize the barn foundation and frame at 4 Lund Lane in Hollis.*  
21

22 Superintendent Corey stated the intent to be the stabilization of the barn to allow for additional time; once  
23 the foundation is changed, its useful life is changed. Additional details on this article will be discussed  
24 during the Public Hearing with the Budget Committee.  
25

26 Chairman Mann stated this is not the desired approach of the Board as it is not believed to be optimal for  
27 the community. The expenditure would simply result in the stabilization of the barn. There would be no  
28 operational value gained.  
29

30 Drew Mason, 61 Baxter Road  
31

32 Stated his understanding part of the renovation/bond request is to help alleviate the issue of weight load on  
33 the structure/storage. If the bond article does not pass, what will be done to address that issue? Chairman  
34 Mann stated the District would provide a date certain when the documents would need to be removed from  
35 the property. The Governing Board would need to determine where the documents would be stored and  
36 how to address the associated cost.  
37

38 Mr. Mason questioned if a stabilized foundation on the barn would help alleviate that situation, and was  
39 informed there is no operational value from the stabilization. Superintendent Corey commented on the  
40 concern with preserving the documentation, e.g., temperature controlled environment.  
41

42 Michael Harris, 158 Pepperell Road  
43

44 Spoke of the intent to move the barn a few feet, and questioned if monies expended to stabilize the  
45 foundation would be monies thrown away when the time comes to move the foundation.  
46

47 Superintendent Corey responded the foundation that would be put in would be the permanent foundation;  
48 the barn would be raised.

**Article 2**

To see if the School District will vote to authorize the School Board to enter into a 10-year lease purchase agreement for \$3,109,900 to finance the acquisition and installation of energy conservation equipment and related improvements at Hollis Upper Elementary School and Hollis Primary School as recommended by the Hollis School District Facilities Committee; and to raise and appropriate the sum of **\$365,762** for payments due under the lease purchase agreement during the 2020-2021 fiscal year. This lease purchase agreement will contain an escape (non-appropriation) clause. (Majority vote required.)

Superintendent Corey stated the remediation project would address some of the pieces not addressed during the HSTEP project as well as items identified from the Capital Improvement Plan (CIP).

Hollis Primary School was constructed in 1952. The most recent upgrade was in 1978. Major energy upgrades were done in FY18. The basic structures of both school buildings are in excellent shape. The School Board, in conjunction with the Budget Committee, conducted a review of items remaining from the HSTEP project and major items from the CIP to identify a list of items that could be addressed in this manner. It is believed to be a safe, reliable, and efficient way to upgrade the buildings and provide additional decades of useful life.

The Hollis Upper Elementary School also underwent upgrades during the FY18 project.

Critical elements for each of the buildings have been identified. At HUES, the items include the air handler 3 (large roof unit), which has reached end of life and must be replaced, regardless of the outcome of the vote on the proposed project. All of the heat unit ventilators need to be replaced; classroom units that provide heat and airflow. There are a few areas identified where beams need to be insulated (foam). There is the desire to recondition the Munter's Unit as it is believed it could be made more energy efficient.

At HPS, the underground oil tank would be removed and replaced with propane (would put all entities on the same fuel; larger volume discount when purchasing with Town). The change to propane will allow for the consolidation of boilers. The 19 air source heat pumps would be completed resulting in that aspect of the project being complete. One of the major, and most expensive pieces, is the sprinkler system. The building is currently not sprinkled. The Fire Chief is supportive of that being done. The fire panel (Phase II) has been scheduled to be done. In addition, there is interior and exterior door work.

There are significant upgrades in each of the buildings; building maintenance system upgrade at HUES that would put everything on one system that could be remotely monitored by the lead custodian.

At HPS, there are catch basins that are beginning to erode and need replacement. The absence of a septic grease trap is grandfathered in. Were the District ever to have to replace the septic system the grease trap would have to be addressed. It is believed the right time to address this issue.

Due to funding constraints, the lights were not switched over to LED as part of the HSTEP project. The Return on Investment is expected to be 15% of the electric bill over time, eventually paying for themselves. At HPS, there is the desire to also move to a more controlled heating environment.

Costs associated with the critical elements are \$521,636 (HUES) and \$1,530,136 (HPS). The large discrepancy is the sprinkler system, which would require installation of plumbing and its own water tank to provide the volume necessary to meet the need.

1 The cost of the significant items is \$16,000 (HUES) and \$36,130 (HPS). The totals are \$970,636 (HUES)  
2 and \$1,851,666 (HPS).

3  
4 Superintendent Corey spoke of the success of the HSTEP project. He remarked, if having to choose  
5 between the two projects being proposed, this Article benefits the students most, and is the one he supports  
6 the most. There is the need for a SAU office, but these are items that will provide a better learning  
7 environment for the students as well as give the community two buildings that will go on for many many  
8 years.

9  
10 An evaluation was done of what it would cost to construct new buildings; \$17 Million (HPS) and \$24  
11 million (HUES).

12  
13 Chairman Mann spoke of the two forums that have been conducted on the proposals during which Vice  
14 Chairman Fareed and the consultants explained the various aspects of the projects in great detail. The  
15 videos of those forums can be accessed through the District's website.

16  
17 ***Chairman Mann opened the floor for public testimony.***

18  
19 Tom Gehan, 104 Broad Street

20  
21 Questioned the duration of the bond and lease. Superintendent Corey stated the proposed bond to be 20  
22 years (life expectancy of project is greater) and the lease 10 years. The lease would cover items for which  
23 the useful life would be less than that of the term of the bond.

24  
25 Michael Harris, 158 Pepperell Road

26  
27 Commented Moderator Mason suggested, after bringing up the bond at the Annual Meeting, it could be  
28 tabled, and this article taken out of order.

29  
30 Asked what the interest rates would be for the lease, Kelly Seeley, Business Administration stated her  
31 recollection it was 3.1% for the bond although they were assured it would likely be lower, and in the area  
32 of 3.35% for the lease. Superintendent Corey reiterated both companies have indicated the expectation the  
33 rates would come in more favorable, but for the purpose of budgeting, these are the figures that were  
34 provided.

35  
36 Noted was the statement provided "Our 20 year interest rate in our January 2020 bond sale was 2.15%, and  
37 we expect the interest rate for July 2020 to be much lower than 3.75%. We used 3.75% to be conservative  
38 for budget purposes."

39  
40 Vice Chairman Fareed wished to relay were members of the public to question why the District would pay  
41 interest rates on bonds/leases to address needed repairs, etc., rather than simply addressing each item as it  
42 comes up, it is with the understanding, in the absence of planning, there would be years where the cost of  
43 the repairs would be so great that the result would be large fluctuations in the tax rates. By addressing the  
44 needs in the proposed way, the costs can be spread out more evenly over time, and drastic spikes in the tax  
45 rate avoided. Addressing the needs in a shorter period of time is also intended to avoid further degradation  
46 of the buildings and thus the conditions the students and employees are faced with. In addition, the burden  
47 of the cost would be shared across multiple generations of students.



Drew Mason, 61 Baxter Road

Commented on being involved in a large project, and of having been told by the construction manager that commercial construction costs are increasing 5-7%/year.

Chairman Mann remarked as has been stated on numerous occasions, if the items are not addressed through this project, they will continue to be identified in the CIP. The timeframe for addressing them would be pushed out, and the dollar costs greater over time.

**Article 12**

*In the event that **Article 2** is not approved, to see if the School District will vote to raise and appropriate a sum of **\$557,000** for the purchase and installation of an air handler for Hollis Upper Elementary School and nineteen (19) air source heat pumps at Hollis Primary School as recommended by the Hollis School District Facilities Committee.*

Superintendent Corey stated these to be the two components that have to be done. If neither article were to pass, there would be the potential that some time next year we would have to take the funding from somewhere else within the budget should either item fail.

He reiterated the belief interest rates will come in lower than quoted. He commented on the \$557,000 that would be paid in one year were the air handler to fail, being nearly the equivalent of two years of lease payments for all of the other items combined.

Michael Harris, 158 Pepperell Road

Agreed the article does not make sense. Vice Chairman Fareed's point was well taken in that level funding is preferred to spikes in the budget from year to year.

Superintendent Corey suggested the Board discuss the potential strategy of introducing the first warrant article, and then look for a motion to table so that this article could be addressed.

Chairman Mann stated the School Board would convene its regular meeting approx. half an hour prior to the Public Hearing on the proposed FY21 budget, and would take a position on each of the Articles. The Board will recess its meeting to participate in the Public Hearing, and will reconvene once the hearing has concluded. Should additional input be provided through the hearing process, and the Board wish to make adjustments based on testimony received, it reserves the right to do so.

***The Public Hearing was declared closed at 7:26 p.m.***

Date \_\_\_\_\_

Signed \_\_\_\_\_