

**TOWN OF OLD ORCHARD BEACH
TOWN COUNCIL WORKSHOP
Wednesday, October 5, 2016
TOWN HALL CHAMBERS
6:30 p.m.**

A Town Council Workshop of the Old Orchard Beach Town Council was held on Wednesday, October 5, 2016. Chair O'Neill opened the meeting at 6:30 p.m.

The following were in attendance:

**Chair Shawn O'Neill
Vice Chair Joseph Thornton
Councilor Kenneth Blow
Councilor Jay Kelley
Councilor Michael Tousignant
Town Manager Larry Mead
Assistant Town Manager V. Louise Reid
Finance Director Diana Asanza**

Old Orchard Beach School Board:

**Michelle Violette - Vice Chair
Peter Flaherty
Stu Hogan
John Sutte - Superintendent
Jeff Larimer – Harriman Architects**

Absent: **Carol Marcotte – Chair
David Boudreau**

The Town Council Chair welcomed the members of the School Board introducing the School Superintendent, John Suttie, and Jeff Larimer from Harriman Architects.

The Presentation this evening also includes the Facilities and Planning Study Presentation as it regards future building projects for the RSU23. The overview of the proposed FY17 budget, including the position cuts and reductions, will be followed by a power point presentation of the possible options for replacement or renovations of the three School facilities; elementary, middle and high school. The presentation was put together by Harriman Associates, which does a lot of school renovation projects and building projects in Southern Maine. While the Town Council does not have a direct voice in the School budget or in proposed School bonding, the Council does have a role to play with the Old Orchard Beach residents in voicing opinions regarding the tax rate going forward.

The presentation includes discussion of the three Schools: Old Orchard Beach High School, Jameson School and Loranger School.

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Jameson School:



Loranger School:



High School:



The project history was described including the following:

Facilities Assessment in 2010 to 2011 of James School, Loranger School and the OOB High School.

Facilities Plan – 2011 to 2012 – Future planning study for Schools in OOB, Saco, and Dayton.

RSU #23 Changes – June 30, 2014 – Saco & Dayton leave RSU.

Updated Facilities Assessment – 2015 – Review and Update of previous Assessment.

Facilities Planning Study – 2015-16 – Options for three Old Orchard Beach Schools.

Jeff Larimer indicated that his firm has been involved since 2011 and that previously there had been an assessment done of the condition of the School buildings (2010). In 2015 the School Administration again opened up the process of updating the report and has worked with Harriman Associates since then.

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Jameson School:

Current Configuration:

Grades PreK – 2

Population – 212 Students

Year Opened – 1954

Additions – 1978, 1989 and 2000

Area – 32,880 square feet (155 square foot per student)

Deficiencies:

\$1,728,600 in deferred maintenance and upgrades.

**Windows
Flooring
Roofing
ADA Compliance
Heating System/Ventilators
Emergency Lighting
Security/Intercom/Clocks
Fire Alarm systems**

Loranger Middle School:

Current Configuration:

Grades 3-8

Population: 361 Students

Year Opened – 1936

Additions: 1964, 1967 and 2000

**Area – 77,792 square feet (excluding Recreation Department)
215 square foot per student**

Deficiencies:

\$1,776,800 in deferred maintenance and upgrades

**Flooring
Roofing
ADA Compliance
Sprinkler System
Heating System/Ventilators
Electrical Distribution System
Security/Intercom/Clocks
Fire Alarm System**

Old Orchard Beach High School:

Current Configuration:

Grades 9 – 12

Population – 260 Students

Year Opened – 1980

Additions: Unknown

Area – 66,672 square feet (267 square foot per student)

Deficiencies:

\$1,541,200 in deferred maintenance and upgrades:

**Windows
Roofing – original roofing
ADA compliance
Sprinkler System
Heating System/Ventilators
Electrical Distribution System
Security/Intercom/Clocks
Fire Alarm system.**

Options Considered:

Option 1 – Maintenance Upgrades only.

Option 2 – Full Renovations/Upgrades

Option 3 – New PreK – 8
Renovate High School

Option 4 – New PreK – 8
New High School

Option 5 – New PreK - 12

New Pre K-8 & Renovated High School:

Closes James and Loranger Schools

Schools would remain in use while the new School is being constructed to eliminate disruptions.

School properties would be turned over to the Town for redevelopment.

Construct a new 600 student PreK-8 Elementary/Middle Schools.

Renovate and expand the existing High School.

Renovations would be phased;

Work would occur while Schools remains in operation;

May require use of portables during construction.

Reduces number of Schools from 3 to 2.

Total Estimated Construction Costs \$32,527,650

Total Estimated Project Costs 40, 659,563

Potential Tax Impact See Chart Below

New Pre K-12:

Closes Jameson School, Loranger School and OOB High School

Schools would remain in use while the new is being constructed to eliminate disruptions;

properties would be turned over to the Town for redevelopment;

The High School could possibly be reused by the Town.

Constructs one new 900 student PreK-12 combined Elementary/Middle/High School.

Reduces number of Schools from 3 to 1.

Total Estimated Construction Costs:	\$44,195,250
Total Estimated Project Costs	55,244,063
Potential Tax Impact	See Chart Below

Potential Timeline:

Presentation to the Committee/Town Council	April 26, 2016
Public Information Presentation: Goal – determine if there is support for one or none of the options.	May 2016
Develop Concept Design of Preferred Option	Fall 2016
Referendum	Spring of 2017

The Finance Director for the Town of Old Orchard Beach, Diana Asanza, indicated that the tax impact varies of course depending on the number of years to pay and the interest rate. The assumption that we used was 25 year financing and a 4% interest rate. We ran scenarios using 3%, 4% and 5%. It's not possible to predict what that amount will be when the time comes, could be higher or lower. This is just an average amount. She then presented the information below.

Option A Construct a new PreK-8 Elementary \$40,659,563

**600 Students
Renovate and Expand High School
Reduces from 3 to 2**

25 Years	High Rate = 5%	Avg. Annual Payment/Tax Rate Impact	Peak Annual Payment/Tax Rate/Impact
Average Annual Debt Service	\$	2,860,000	\$ 3,829,375
Average Tax Rate Impact		1.83	2.45
Impact on \$200,000 Home	\$	365.99	\$ 490.04

25 Years	Medium Rate = 4%	Avg. Annual Payment/Tax Rate Impact	Peak Annual Payment/Tax Rate/Impact
Average Annual Debt Service	\$	2,652,000	\$ 3,448,500
Average Tax Rate Impact		1.70	2.21
Impact on \$200,000 Home	\$	339.37	\$ 441.30

25 Years	Low Rate = 3%	Avg. Annual Payment/Tax Rate Impact	Peak Annual Payment/Tax Rate/Impact
Average Annual Debt Service	\$	2,443,000	\$ 3,067,625
Average Tax Rate Impact		1.56	1.96
Impact on \$200,000 Home	\$	312.62	\$ 392.56

Option B Construct One New – PreK-12 \$55,244,063

**900 Students
Reduces Schools from 3 to 2**

25 Years	Medium = 5%	Avg. Annual Payment/Tax Rate Impact	Peak Annual Payment/Tax Rate/Impact
Average Annual Debt Service	\$	3,951,278	\$ 5,274,415
Average Tax Rate Impact		2.53	3.37
Impact on \$200,000 Home	\$	505.63	\$ 674.95

25 Years	Medium Rate = 4%	Avg. Annual Payment/Tax Rate Impact	Peak Annual Payment/Tax Rate/Impact
Average Annual Debt Service	\$	3,664,000	\$ 4,748,344
Average Tax Rate Impact		2.34	3.04
Impact on \$200,000 Home	\$	468.87	\$ 607.63

25 Years	Low Rate = 3%	Avg. Annual Payment/Tax Rate Impact	Peak Annual Payment/Tax Rate/Impact
Average Annual Debt Service	\$	3,376,000	\$ 4,748,344
Average Tax Rate Impact		2.16	2.70
Impact on \$200,000 Home	\$	468.87	\$ 540.31

Valuation - \$1,562,897,690

One of the questions raised was the relationship of the Town and the School. There is a Facility Agreement (Exhibit 5-A2) –Disposition of Real and Personal Property/Old Orchard Beach) with the Town of Old Orchard Beach which indicates that the facilities at 40 EE Cummings Blvd, 148 Saco Avenue, 20 Jameson Hill Road and 28 Jameson Hill Road is intended to cover the actual building, parking lots, walkways and fields on premise. The buildings and fields shall be used and maintained by the School Department subject to the General Conditions above. The Town shall enjoy at all other times of non- use a priority over all other parties. Walkways shall be maintained by the School Department. The Town is responsible for the plowing of Parking Lots and Entry Ways.

Special Conditions were noted:

Head Start.

OOB Town Recreation Department Offices.

OOB Town Recreation Fitness Room.

OOB Town Recreation After School Programming.

OOB Town Recreation Summer Day Camp and use of Department Buses.

OOB Town Recreation use of Fields for various programs.

OOB Town Recreation use of Buildings for various programs.

Town Voting.

Public Safety Training (Weight Rooms, Outdoor Track and Parking Lots, Seminars, Shooter in the Building.

Emergency Evacuations Sites.

Various Town Workshops and Special Event Fund Raisers.

The completion of our Safe Routes to Schools Grant work and all related modifications of said plan (example – EE Cummings Blvd. and other trails to be determined to connect the OOB Department.

Salvation Army's use of our Parking Lots and Classrooms.

This is not intended nor should it be construed that this is a complete list of special or alternate use of the School Department Facilities.

Discussion:

There was good dialogue during the meeting relative to these projects. Councilor Tousignant asked if any of these costs were included in the Town's budget to which the Finance Director indicated they had not been part of the Town's Comprehensive Plan nor funding in the budget. He suggested that adding a cost of thirty to forty million dollars to the budget is a great challenge considering the number of competing projects the Town has such as Waste Water, Road issues, Drainage issues, sidewalks, etc.

Mr. Larimer gave a detailed list of processes in which it is necessary to even request consideration for funding from the Department of Education in the building or renovation of school buildings. There is a priority list kept by the Department of Education on those schools requesting State funding for building projects. A timetable is set by the Department of Education but this timetable involves a process that is very competitive, need-based, application process and how much funding the Legislature makes available to help build or renovate schools. Even when a school is selected for funding, building depends where the school is placed on the project approved list. It should be noted that under the Essential Programs and Service Model, the State typically will participate in much of the debt service cost for major capital construction and renovation that has received State Board of Education approval. However, high valuation of Old Orchard Beach's real estate will definitely affect our place on a list of acceptance by the Department of Education. Several times during the discussion it was noted that there has been a decline in enrollment but there still is a need for the Schools in our community to be maintained; older schools tend to be costly to maintain; very energy inefficient, and non-code compliant. There have been many safety issues within and outside the School buildings which has been a concern to the Board and many of the parents. Mr. Larimer indicated that there is a lot to prepare in order to submit such a proposal for consideration to the Department of Education including selection of an architect; pre-design conference; adapt to the Department of Education's process for review of materials submitted; and understanding the State and Local and Local Only cost parameters and the impact that all this has on funding. The RSU23 Superintendent, John Suttie, indicated that he felt there were three factors triggering this need for replacement or renovation to the Schools and that was health and safety deficiencies, outdated and poorly operating building systems, and program changes.

Again, as suggested and discussed throughout the evening, before the School Board embarks on a major renovation project, it must determine whether it is better to replace the existing system with a new School or renovation to the three Schools. Those in decision making process need to determine whether the cost of replacing outdated systems, upgrading life and safety deficiencies, and accommodating program expansions within the K-12 Schools far exceed the cost of building a new facility. There may be good reasons to renovate an older building rather than build a new one. There will be a need to analyze renovation and replacement to evaluate whether it is more economical or reasonable to renovate an older School rather than abandon or demolish it.

When asked by Councilor Blow if there was a designated site for the building of a new school, Peter Flaherty indicated that the discussion had led to whether there was sufficient space on the remaining field area of the Ballpark and that some consideration was being given to asking the Town for possible relocation to the Ballpark area. Also the field area behind the High School was another consideration. The lack of determining a site appeared to be a critical block to moving this forward but Councilor Tousignant did specify and request that whenever this goes to Referendum, which is a decision the School Board makes, that he is requesting it be on a November ballot, not a June ballot, because of the difference in the input and the interaction of the number of citizens who participate.

School Board Vice Chair, Michelle Violette, thanked the Council for their willingness to listen to the proposals this evening and said she appreciated this opportunity of communication which she felt should be done more often. She also acknowledged the complexity of everything and the competition for funds for projects that the Town Council deals with all the time. She emphasized that this was a first step in the formulating a workable plan and again thanked the Council for their support and willingness to listen.

Superintendent John Suttie thanked the board for their time, and spoke about school choice and how that would affect future enrollment. Mr. Suttie stated OOB schools would see a major spike in enrollment because we offer such unique programs that other communities cannot offer. We would actually have to set enrollment limits. This should be a factor when we are planning schools for the next several decades. Mr. Suttie also made it clear that this evening was about beginning the discussion about what the community will choose regarding the school buildings. He stated that the entire community is welcome and should participate in the discussion and that there are many smart people who can contribute to a decision that is best for the students and the tax payers and he looks forward to the sharing of ideas.

Jerome Begart reminded us that these are preliminary numbers and that the reference to the fifty acres at the Ballpark, there needs to be recognition that there are water and drainage issues in the location and that establishing the exact location of available land for building is a priority. He also suggested that a landscaping firm and a hydrologist will need to be hired who can research distribution, circulation and physical properties of underground and surface waters which is an issue in the Ballpark area.

During the discussion previously it was suggested that the Town could consider using the High School for Town Hall Departments and the Recreation facility which also houses day care; as well as the two parcels of land on Jameson and Loranger property could be used for redevelopment by the Town or for sale by the Town, as this is prime property.

Michael Gray, former Chair of the Town's Finance Committee, indicated this needs to be part of discussion with the formulation of the Comprehensive Plan; and that it needs to, and has not been, part of the CIP plan as well in and during the budget process. He also indicated that the RSU website needs to be updated to be current on issues such as this. The taking on of debt is a serious consideration for all residents of the community and for the Administration of the Town who has fiduciary responsibility to see that we live within our means. He reminded everyone that the decision to borrow money can be the least understood financial process.

Next steps included determination if this is locally funded or State funded and which Option is the one that we move forward on. What is the land on which a new School would be built should we go with Option B? Recognition was noted that the State funded Option includes a two or three year application process. In determining the site assessment, one must recognize how buildable is the site (looking at slate, drainage, and other construction issues), the cost, and the accessibility to those attending the School. It is important to know when and will the site analysis begin as this is a determining factor before the plan can go anywhere.

Questions to be considered in the coming months:

- 1. Where would a new building go and what is the cost?**
- 2. How feasible is it that Old Orchard Beach would get any State support and should we wait for that process?**
- 3. Should High School students be tuitioned to other communities and what are the savings if that is done?**
- 4. What would be done with the land/buildings now occupied by Jameson and Loranger?**

The Chair thanked everyone for coming and agreed that continuing communication to continue. The meeting ended at 8:00 p.m.

Respectfully Submitted,

**V. Louise Reid
Town Council Secretary**

**I, V. Louise Reid, Secretary to the Town Council of Old Orchard Beach, Maine, do hereby certify that the foregoing document consisting of twelve (12) pages is a copy of the original Minutes of the Town Council Workshop of October 5, 2016.
V. Louise Reid**