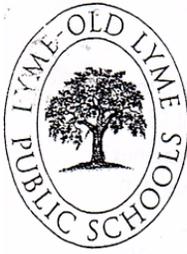


**District 18's letter regarding their decision not to locate the
Central Office in the proposed Town Hall**



LYME - OLD LYME PUBLIC SCHOOLS

Impassioned with Pride and Purpose

RECEIVED OCT 06 2006

October 5, 2006

Mr. Timothy Griswold
First Selectman
Town of Old Lyme
Memorial Town Hall
52 Lyme Street
Old Lyme, CT 06371

Dear Tim:

Re: Locating the Central Office in the Town Hall

This letter serves as a formal written response to your letter of September 25, 2006. At the October 4 Regular Board of Education meeting, the Board voted to not pursue the inclusion of the school district's Central Office in the proposed Old Lyme Memorial Town Hall expansion project. The Board of Education supported the October 2, 2006, recommendation of the High School Building Project Committee regarding the relocation of the Central Office (see attached). That said, we are all grateful to the Town of Old Lyme for your hard work and efforts to include the school district's Central Office functions into the proposed renovation of Old Lyme Memorial Town Hall.

After several discussions between John Forbis, Old Lyme Memorial Town Hall Building Committee Chairman, and Dan Hagan, High School Building Project Committee Chairman, it is evident that the proposed Central Office portion of the Memorial Town Hall Expansion Project does not meet the design requirements included in the district's critical needs list. In addition, based on the information reviewed to date, it is difficult to determine long-term costs to the school district. The shortcomings of the proposed expansion project relative to the Central Office include the following:

Space Allocation - The current leased Central Office space on Davis Road is 3,420 square feet. The district's additional space requirements include a larger second conference room (200 square feet) and storage space (600 square feet). This results in a revised space requirement of 4,220 square feet. The current Memorial Town Hall plan provides the school district with 3,570 square feet.

DAVID J. KLEIN, SUPERINTENDENT

4 Davis Road West, Old Lyme, Connecticut 06371 T: 860-434-7238 F: 860-434-9959

E: dklein@region18.org www.region18.org

Cost of Office Space - Memorial Town Hall Project Architect, Paul Bailey, estimated that relocating the Central Office into Memorial Town Hall will initially cost the School District \$800,000. The district's estimated cost of a separate Central Office building on the campus is \$1,016,000. Adjusting the cost of the proposed Central Office in the Memorial Town Hall expansion project by 20% (3,570 square feet to 4,220 square feet) to adequately meet the district's Central Office space needs results in a comparable cost to a separate Central Office building located on the campus. Further, the school district has not received a formal financing proposal from the Town of Old Lyme, nor has an agreement been developed between the towns of Old Lyme and Lyme regarding this issue.

Future Unknown Costs to the School District - Based upon discussions between the Memorial Town Hall Architect, Paul Bailey, and Jeff Bianco of BGW Architects, and the school district's architect for the High School Building Project, we are concerned about the possible financial impact of sharing future Memorial Town Hall improvement costs with the Town of Old Lyme. More specifically, we have been informed that the original windows and heating system will not be replaced as part of the Memorial Town Hall expansion project. Further, it is unclear to the school district what the long term plans are regarding the existing septic system and the impact of the increased loading on the existing system caused by the proposed expansion.



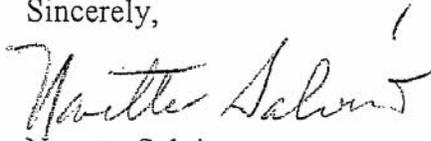
Office Space Design - The current Memorial Town Hall project proposal locates the Central Office on the second floor and the Business Office on the first floor. In addition, due to the sensitive and confidential nature of the daily business conducted at the Central Office, a separate Central Office entrance is required.

Site Requirements - Our current office at 4 Davis Road provides 25 parking spaces to support the Central Office Staff and the many guests who attend day and evening meetings. The proposed Memorial Town Hall expansion project provides 38 parking spaces to support both the Central Office and Memorial Town Hall staff, which does not include accommodations for day and evening meetings. This will be a major strain on the Memorial Town Hall site as well as Lyme Street parking.

Based upon the information provided above, we respectfully decline your invitation to merge the Central Office with the Old Lyme Memorial Town Hall project. However, the Board of Education remains open to considering clarifications or revisions to the existing Memorial Town Hall design that satisfactorily meet the design requirements identified in the Critical Needs List. In addition, the long-term financial obligations to the school district would have to be fully delineated.

In closing, thank you again for your hard work and commitment to working together for benefit of the Towns of Lyme and Old Lyme. If you wish to discuss this matter further, please don't hesitate to call me at 434-4376.

Sincerely,

A handwritten signature in cursive script that reads "Nanette Salvino". The signature is written in black ink and is positioned above the printed name.

Nanette Salvino

Board of Education Member

NS/jd

cc: Board of Education

David J. Klein, Superintendent

File

**First Selectman Tim Griswold's response
to District 18's letter**

20 October 2006

Ms. Nanette Salvino
Board of Education Member
Regional School District 18
4 Davis Road West
Old Lyme, CT 06371

Dear Nan:

I am in receipt of your October 5th letter in which you conveyed the Board of Education's decision to not relocate of the District's Central Office to the Old Lyme Memorial Town Hall, as part of the Town Hall expansion project.

While I accept the Board's decision, John Forbis, Chairman of the Town Hall Expansion Committee, and I want to respond (response enclosed) to points raised in your list of "shortcomings". We believe your letter does not fully recognize the synergy of having the District and the Town use certain common spaces together in an effort to save taxpayer money.

In your paragraph **Cost of Office Space**, you state "The District's estimated cost of a separate Central Office building on the campus...". I sincerely hope the District has not chosen a separate, free-standing building as its final choice without fully exploring the synergy and cost efficiency of locating the Central Office in the High School.

In any event, we are pleased that the Town was able to provide the District an option against which you all may evaluate other options. I wish you success with the High School renovation project and thank you for your input.

Sincerely,

Timothy C. Griswold
First Selectman

cc: Selectmen
 Town Hall Facilities Committee Members
 David Klein, Superintendent

**Detailed response from Town Hall Expansion Committee re:
District 18's decision**

Old Lyme Town Hall Renovation and Expansion

- 1 -

Analysis of Schools Response

This summary addresses Nan Salvino's October 5, 2006 letter regarding: Locating the Central Office in the Town Hall. Each section corresponds to a section in the letter and leads with quotation(s) or a summary of the comments from the letter. Then the section addresses the Old Lyme Town Hall Expansion Committee's perspective, including costs summarized from the resident's point of view. In this case, 80% of the benefits would accrue to residents of Old Lyme and 20% would accrue to residents of Lyme.

Space Allocation & Synergy

School's Letter: "The current leased Central Office and the additional requirements (e.g., larger second conference room and storage space) results in a revised requirement of 4,220 square feet (versus 3,420 square feet today)."

Response: At the first meeting with representatives of the School, we mutually agreed that locating the Central Office at the Town Hall would only make sense if there were substantial synergies that would create savings for the residents of Old Lyme and Lyme. Based on this discussion, the Old Lyme Town Hall Committee directed Paul Bailey, Architect, to seek out a solution that would meet the School's program (design requirements) and would result in such savings.

At the second meeting with the School, we demonstrated that one of the attractive features of consolidating the Central Office and the Town Offices was improving the utilization of conference rooms, utilizing available storage space (lower level) in the existing Town Hall, and leveraging shared facilities (e.g., bathrooms, break-rooms, copy room(s), entries and hallways). The differences between the "revised requirement" and the "Town Hall proposal" can be summarized as follows:

- Sharing one large conference room because the School demand peaks in the day while the Town's demands peaks in the evening. (savings of 400 square feet).
- Sharing of bathrooms, break-room, copy room(s), entries and hallways (savings of 250 square feet).
- Utilizing existing storage space without new construction.
- Utilizing two small conference rooms for smaller meetings and the Meeting Hall for larger meetings.

When Dan Hagan introduced the School's comments to the Town Hall Expansion Committee on August 23, 2006, Dan indicated that the School comments did not take into account the sharing of a Conference Room or other synergies, the basis of the original discussion in the early summer. This letter seems to indicate that the School still does not embrace any of these synergies even though that was their original stated intent when discussions were opened.

October 19, 2006

The Town Hall Expansion Committee, after serious studies by Paul Bailey, did incorporate a) the addition of a small kitchenette in the Central Office on the second floor (sink, refrigerator, microwave and coffee pot) and b) the expansion of the toilet facilities on the second floor to accommodate staff and meetings on the second floor. However, the School never inquired or held a serious review of these items.

Cost of Office Space

School's Letter (summary): "Paul Bailey, Memorial Town Hall Architect, estimated that relocating the Central Office into Memorial Town Hall will initially cost the School District \$800,000. The district's estimated cost of a separate Central Office building on the campus is \$1,016,000. Adjusting the cost of the proposed Central Office in the Memorial Town Hall by 20% (3,570 square feet to 4,220 square feet) to meet the Central Offices needs results in a comparable costs (\$800,000 x 1.2 = \$960,000)."

Response:

background: The \$800,000 cost estimate for locating the Central Office in the Town Hall assumes that construction will be completed in the summer of 2008. Faithful & Gould Cost Estimators, included a 7% per annum construction cost inflation rate.

According to a separate memorandum from Jeffrey Dale Bianco, Architect, dated October 7, 2006 the cost of constructing a free standing 4,300 square feet building on the School's campus is estimated to be \$1,250,000 (4,300 x \$290/sf) if it were built today, 2006-2007. The School also assumed that they would receive \$234,375 State reimbursement based on rate of 50% of the municipal rate (school's administrative facilities reimbursements are lower than for education facilities).

On the other hand, as publicly reported, the School has estimated that the entire project will not be completed until 2010. The State's mandated review and construction cycle is a significant factor in this time estimate. The district's estimated cost of a separate Central Office does not contain an allowance for as much as three years of inflation.

One additional observation, we wonder why the school's letter did not evaluate co-locating the Central Office with the High School and take advantage of potential synergies.

October 19, 2006

cost of construction: The first section laid out the advantages of leveraging synergy at the Town Hall. The impacts of inflation and synergy are quite dramatic:

- The School's estimate of construction cost would rise to \$1,531,500 [$\$1,250,000 \times 1.225$ (7% per annum, 3 years)]
- The required State reimbursement would rise to \$287,109 [$\$234,375 \times 1.225$]
- The Net Capital Cost would rise to \$1,244,391
- The estimated cost of the Central Office in the Town Hall would remain at \$800,000 due to "synergy savings" of shared space/facilities and completion of the project in 2008.
- The net savings will be \$444,391 (after the State reimbursement)

From the perspective of the resident there are several other costs that were not factored into the School evaluation, totaling \$181,786. These types of savings were identified in the Expansion Committee's presentation to the Board of Education on July 12, 2006.

- Two additional years of Davis Road lease costs (\$55,224) and common charges (\$10,669) [both new sites would incur utilities], adding an additional \$131,786.
- Cost of additional parking (see below), adding an additional \$20,000
- Cost of site preparation, adding an additional \$30,000.

Therefore the estimated savings between the two proposals equals as much as \$626,177, split 80/20 between the towns of Old Lyme and Lyme.

School's Letter: "Further, the school district has not received a formal financing proposal from the Town of Old Lyme, nor has an agreement been developed between the towns of Old Lyme and Lyme regarding this issue."

Response: We mutually agreed to examine the economics from the point-of-view of the residents of Old Lyme (and Lyme) and, if these were favorable, to proceed with a definitive agreement. It was not prudent to incur the cost of preparing a detailed proposal until the first steps were completed.

Future Unknown Costs to the School District

School's Letter: "Based upon discussions between the Memorial Town Hall Architects, Paul Bailey and Jeff Bianco of BGW Architects, and the school district's architect for the High School Building Project, we are concerned about the possible financial impact of sharing future Memorial Town Hall improvement costs with the Town of Old Lyme."

October 19, 2006

Response: The following discussion clarifies the facts regarding the original windows and the heating system. Otherwise, if this were a concern, it should have been raised between the principals for more definitive discussion.

School's Letter: "More specifically, we have been informed that the original windows and heating system will not be replaced as part of the Memorial Town Hall expansion program."

Response: As discussed with Dan Hagan and Nan Salvino on August 23, 2006, we explained that we were evaluating a heating and air conditioning system that would a) include new systems for the South and North additions and b) include a hybrid system for the existing building that would add a new cooling system and reuse the existing heating system (subject to detailed engineering studies). This approach appears to cost effectively meet the heating air conditioning standards for the entire building.

Furthermore, since the specific space for the Central Office was located in the North Wing, the School would not be subject to the hybrid system. Therefore, there is no basis for the concern raised in the Board of Education letter.

Subsequently, we have decided to investigate whether replacing some or all of the windows in the existing building. However, this must be cost effective for this decision to be taken. Since the Central Office was to be located in the North Wing (which has always had new windows), the School would not be impacted by this decision as raised in the Schools letter.

School's Letter: "Further, it is unclear to the school district what the long term plans are regarding the existing septic system and the impact of the increased loading on the existing system caused by the proposed expansion."

Response: In 2004 the Town had the septic system snaked with the Shoreline Sanitation snake camera and we were pleased that the system was observed to be in good working order and to be able capable of accommodating additional staff. Ron Rose, Old Lyme Building Official and Sanitarian, concluded that the current system can accommodate the Central Office's 12 additional employees with only straight-forward modifications. This information has been available for some time; however, the School never asked for this information, until the October 5th letter form the Board of Education.

Office Space Design

School's Letter: "The current Memorial Town Hall project proposal locates the Central Office on the second floor and the Business Office on the first floor. In addition, due to the sensitive and confidential nature of the daily business conducted at the Central Office, a separate Central Office entrance is required."

October 19, 2006

Response: This comment was raised in the School's comments, dated August 21, 2006. At that time, we explained that the Business Office is adjacent to the north stair connecting the first and second floors. Thus the Business Office is no more than thirty feet from the upstairs administrative section. This location enabled the Town to dedicate over 1,500 square feet for handicapped-access, place the second large conference room in close proximity to the remaining Central Offices, and increase the size of the second floor bathrooms (reference School's comments, dated August 21, 2006).

At no time did the School formally request a separate Central Office entrance. In fact, given the location of the North Staircase, such an entrance is both feasible and could be incorporated into the plans. The drawings indicating such a well-positioned staircase were e-mailed to John Rhodes in early September 2006.

Site Requirements

School's Letter: "Our current office at 4 Davis Road provides 25 parking spaces to support the Central Office Staff and the many guests who attend day and evening meetings. The proposed Memorial Town Hall expansion project provides 38 parking spaces to support both the Central Office and Memorial Town Hall staff, which does not include accommodations for day and evening meetings. This will be a major strain on the Memorial Town Hall site as well as Lyme Street parking."

Response: The overall facts regarding the number of parking spaces are correct, except that the School's original program also included 1 handicapped accessible space. We have also mutually agreed that that the visitor demands peak during the day for the Central Office and visitor demands peak during the evening for meetings of Boards and Commissions.

However the Expansion Committee has arrived at a different conclusion. The Town parking proposal for 38 cars will accommodate 18 spaces for Town Hall staff, 2 handicapped-accessible spaces, 12 spaces for Central Office staff, and 6 spaces for Central Office visitors. The demand for visitor parking at the maximum would be 7 additional spaces which we do not think will be an undue burden on Lyme Street.

new paving and curbing: Many municipal and community facilities rely on Lyme Street for visitor parking. More recently, Old Lyme has upgraded the paving and curbing of Lyme Street which enables the Street to efficiently and safely handle the level of parking and traffic in the foreseeable future. These practices have enabled municipal and community facilities to remain in the village center and to maintain the special village character of Old Lyme. (reference: *2000 Plan of Conservation & Development, Old Lyme*).

community policies: The proposed solution is consistent with the policies guiding development promulgated by the Planning Commission and the Historic District Commission. The *2000 Plan of Conservation & Development, Old Lyme*, adopted August 10, 2000, spells out several key land use recommendations:

- **Historic Village District:** “The Lyme Street area, the town’s civic center, has preserved an historic context which smoothly blends civic, religious, and residential uses into a pleasing streetscape. Great care must be taken to maintain the special village character and balance of uses in the area.”
- **Community Facilities:** “Municipal and community facilities are included in this category. Many of the Town’s existing civic facilities are located along Lyme Street. New facilities should continue to be located there to reinforce the town’s ‘civic center’.”

We are also guided by the policies of the Lyme Street Historic District, administered by an appointed Historic District Commission functioning under specific provisions of the Connecticut Statutes. The Historic District Handbook lays out the key guidelines

- A historic district confers important advantages (including protecting the character of the nucleus of the village) even though it involves some inconveniences for those affected by its restrictions.
- The simple guiding question: Is a given action likely to enhance-or at least preserve-the qualities that identify Old Lyme and that set it apart from other Connecticut towns?

The Old Lyme Town Hall Expansion Committee believes that the policy of visitor parking on Lyme Street is the appropriate policy for the Town Hall renovation and expansion. This also materially reduces the required size of the parking area for the Town Hall. Consequently, we thought, and continue to think, that the de facto visitors parking policy would be adequate for both the Town Offices and Central Office visitors.

The School Board option for an additional 7 off-street spaces appears to be much more expensive than the prudent use of Lyme Street under the de facto visitor’s parking policy.

Summary

In summary, the Expansion Committee believes that the proposed design has been responsive to both the original program and the revised comments provided on August 23, 2006. We believe that it is only appropriate to ask the School Board to consider whether the additional program elements are worth up to \$600,000 in additional or avoidable costs

October 19, 2006

(to the residents of Old Lyme and Lyme) of fully providing these revised/additional requirements you have identified in your letter:

- Building a separate additional 400 square foot large conference room, especially when the shared arrangement is backed up with two smaller conference rooms and the Meeting Hall seating up to 100 people.
- Building 250 square feet of separate shared facilities (e.g., bathrooms, break-rooms, copy room(s), entries and hallways) when these are readily available.
- Relocating the Business Office from the first to second floor which could trigger a less favorable location of the second conference room and bathrooms.
- The cost and environmental impact of creating a duplicate parking area for a net increase of 7 parking spaces cars that can otherwise be parked on Lyme Street.
- Continuing to pay rent and common charges at Davis Road for up to two additional years.
- Foregoing a very convenient Central Office entrance for the School.

October 19, 2006