

SPECIAL TOWN MEETING
Tuesday, August 26, 2014, 7pm
Pike Memorial Hall, 17 Maple St.

There were 50-60 citizens in attendance.

Article 1) Rich Ruhlin was elected moderator to preside over meeting.

Article 2) To see if the Town will vote to authorize the selectmen to negotiate and execute a purchase and sales agreement with MSAD#55 for acquisition of the Cornish Elementary School; provided that said agreement must state that the acquisition is contingent upon town meeting approval of the sale, and the town meeting must vote to approve the acquisition before it may occur.

Article was moved and seconded to start the discussion. Selectmen explained that a YES vote today would allow the selectmen to enter into a purchase and sales agreement with MSAD#55 for the sole purpose to investigate and evaluate the building's structure, roof, heating and septic systems, ADA compliance. They would also have tests performed for asbestos, lead paint, mold, radon, etc. In addition there would be a deed analysis performed. There would definitely be a second town meeting to share the results and vote for or against the final purchase of the school.

An information sheet (copy attached) was distributed that listed as much of the facts/issues that the selectmen could collect to help the townspeople in formulating questions and/or concerns about this vote. On the back of this sheet was a matrix addressing some of the concerns of the townspeople regarding the future of town offices at Pike Hall if they approve the purchase of Cornish School.

Selectmen's presentation of info gathered:

Purchase and Sales Agreement was reviewed by town attorney, Durwood & Parkinson from Kennebunk, ME. The issues found:

- a) Time constraints in initial sales agreement too restrictive;
- b) Survey costs are the town's responsibility;
- c) Environmental study cost paid by Brownfields Grant;
- d) Results of tests could not be relayed to third parties and some of the financing options available would require these results;
- e) If we vote Yes today it will not be for the current Purchase & Sales Agreement. The attorney has advised a revised agreement suitable to both MSAD#55 and the town that would cost approximately \$1,000. in legal fees;
- f) Estimate for the costs of the building assessments would be \$2,000-\$4,000;
- g) Info from a school representative: roof needs replacing, ADA compliance require toilet and doorway modifications;
- h) Deed does not agree with info on town maps;
- i) Discovered that MSAD#55 obtained land (3 lots) for a purchase price of \$3.

Funding options: Asking price for school \$134,000 (funding contingent upon the results of Brownfields Study). Results of study, which will take approximately 12 weeks, will reveal price to negotiate with, costs to renovate building, and funding possibilities reviewed.

- a) Loan - local lending institution at 2% interest for 3years on \$100,000 principal (requires processing thru Maine Municipal Bond, \$1,500-\$2,000 admin. costs). Total interest over term of loan \$4,500.
- b) USDA Rural Development loan at 4% interest for 30years (processing takes 1-3 mos)
- c) Town funded taxation – last resort as would substantially increase mil rate.
- d) Developed Loan Matrix (matrix attached).
- e) Town has 2 loan obligations: ballfields and fire barn. The total yearly payment for both loans \$51,000. Ballfields has 6 years on loan remaining; firebarn 20 years on loan remaining.

Townpeople discussion and comments at meeting:

- 1- Pike Hall Committee has been reconvened. Resolution to drainage issue around building should be completed next month. Business office designer from WB Mason is reviewing interior of building on Friday, Sept. 5. Electric and heat are also being looked at to remodel this into workable office spaces and town hall. The focus is to renovate Pike Hall in phases-downstairs first. Concern is to have this cost info before townpeople have to make final decision on School purchase. Needs of concern – separate office for confidential purposes such as General Assistance, not large enough fireproof area for retention of documents, meeting State Requirements for town office space. Downstairs is not considered historic but windows have to remain original. With any renovation you have to make adjustments to meet building codes. Funding for Pike Hall – same funding options as school, we currently have funds for Pike Hall, potential grant(s) and grant writer available. The outside structure has been maintained. It will be the interior that needs upgrading.
- 2- It will cost us money to evaluate the condition of the school. But without this information how can we make an informed choice.
- 3- Issue - Are we as townpeople willing to have our town employees working in the current space that is not up to state standard? We will have to make some investment in monies to either fix Pike Hall or purchase and renovate the school, having the big room as a community center and a couple of town offices. Question presented - Does the townpeople want to proceed with the purchase and sales agreement to gather enough information to make a decision on whether to purchase the school or renovate the current offices at Pike Hall?
- 4- A facility analysis of Cornish Elementary was presented from a Citizens Committee formed by MSAD#55 in 2009 to evaluate the closing of Cornish Elementary School (copy attached). Itemized repair estimates amounted to \$149,725. Operating expenses 2008-2009 (less custodial expenses) \$55,916. Uni-ventilators are needed in each room - no figures but expensive. This report was presented to the school board in 2009; is public and available at the MSAD#55 Superintendent's Office. Info gathered on the report is from G&E Roofing Report 2005 and VFA Report 2006. A school board member stated that the report is out-dated and some things on the list have been repaired.
- 5- Selectmen requested the school district to provide information on the school concerning structural, maintenance history, etc. Initially the selectmen planned to gather this info and present it to the townpeople and only one meeting would be needed to make an informed decision. Unfortunately, the school administration and board would not allow that information without a signed purchase and sales agreement. Because of that development tonight's meeting is to obtain permission from the townpeople to sign the purchase and sales agreement to enter the school and gather info on the school's condition.
- 6- A board member from Ossipee Valley Christian School, inquiring about future purchase of school, obtained in Jan.-Feb. 2014 a list of the 10-year plan to renovate the district schools (copy attached). The person was given an itemized list of repairs with no corresponding figures. A superintendent's office personnel, who was not the superintendent, presented to the Ossipee Valley Christian School representative a paper listing the amount \$340,600 of the repairs to be done to the Cornish Elementary in that time period if the building remained as an operating school. The selectmen will investigate these facts.
- 7- Selectmen received a Market Analysis performed by Maine Valuation Company dated May 19, 2014 that the district had done on the property and a Purchase and Sales Agreement. This report listed there is asbestos present in the floor and other unknown issues with the building. It explained how the sales figure was formulated.

- 8- With assistance from Southern Maine Economic Development Council the selectmen were researching the possibility of Brownsfields grants, federal funds given for the purpose of cleanup of hazardous materials. The initial evaluation (\$3,000 estimate) will be paid for by this program. Once the analysis is complete the Brownsfields funds will pay 80% of removal; town 20%. The Brownfield grant is not guaranteed. The purchase & sales agreement must be signed before this process can begin.
- 9- The upstairs of Pike Hall is considered historic; the downstairs is to the extent that the windows cannot be changed.
- 10- Town has 2 loan obligations ballfields and fire barn: \$538,000 principal remaining combined; yearly obligation \$51,000. combined
- 11- Citizens would like an update from Pike Hall Committee on the cost to renovate the town offices in basement. The purpose of this committee is to renovate and restore Pike Hall, making it functional for use. Some citizens present expressed their opinion that figures from both options of renovating Pike Hall vs. Cornish Elementary are needed to make final decision.
- 12- Question presented: What happens if we decide to go forward with purchase and sales agreement and decide not to purchase building at the conclusion of the findings? If the findings are not up to standard it will be the responsibility of the district to correct the issues. If not, that would give the town a reason to opt out of the purchase and sales agreement.
- 13- In the purchase and sales agreement if there is some issue found and the town decides to not purchase the building they cannot disclose these findings to a third party. The findings that are not resolved can be used as a negotiating tool for a drop in the sales price.
- 14- According to Maine State Statute the town has first option to purchase the school in the town the building resides. The townspeople need to decide if this is something that is in the best interest of the town. The first procedure is to allow the selectmen permission to enter into the purchase and sales agreement with the school to evaluate the condition of the building and grounds. The town owns Pike Hall and there is no process in place to remove the town office from the building.
- 15- Preliminary costs to have school evaluated are roughly \$1,000 legal, \$2,000-\$4,000 architectural engineer, \$3,000 testing for asbestos, pcv, etc. (paid for by Brownsfields grant), unsure of deed survey/correction costs. Selectmen anticipate less than \$10,000 total.
- 16- There is a provision in the purchase and sales agreement and also stated in the warrant article that the final decision of purchasing the school lies with the voters of the Town of Cornish.
- 17- Concern was expressed that town has paid the school district taxes over the years expecting them to maintain the buildings.
- 18- Pike Hall Committee Chairman explained that the object of the committee is to update Pike Hall in phases, foregoing any grants, loans, etc. They are breaking the project down into small portions and are looking to pay for these improvements by raising funds annually to get the work accomplished. This method will save the town administrative, lawyer, inspection fees, etc. The drainage problem has almost been corrected. The committee is currently looking at renovating the downstairs for offices. On Tuesday a person is coming to look at insulation for this space; on Friday, Sept. 5 a representative from WB Mason will help with office space plan. Both of these visits will be at no cost. The committee still needs to explore electrical, heating, sprinkler systems, etc. Previously, the committee did not move forward with any impending deadline because they were not aware that the school would be closing in the future. The townspeople will have to vote to raise and expend any funds to move forward with the committee's proposal. The town does not currently owe any money on Pike Hall
- 19- The townspeople and selectmen expressed support for providing an improved workspace for the town office, code enforcement, planning board, meeting space, etc.
- 20- Question presented: If this vote is approved tonight is it possible to have the final vote to actually purchase the school be conducted as a secret ballot vote? The selectmen answered they will have to consult with MMA Legal Services.

- 21- The selectmen and Pike Hall Committee investigated Dayton and Naples town offices to explore the option of building a new energy efficient building for that purpose. Cost was \$200,000-\$250,000.
- 22- One concern is about the future of Pike Hall if the townspeople approve the vote to move forward with the purchase of the school and move the town offices to that location. Pike Hall, built in 1924, holds a lot of memories of local events (wedding, dances, plays, etc), and is on the National Historic Register. The town hall has held the town offices for the last 15-20 years. Issues to be resolved with Pike Hall are parking, ADA compliance, use/purpose, installation of elevator, rear exit on back of building, plexiglas on balcony, etc. Many towns have converted a building like this into an arts center, etc. There are modifications required by the State Fire Marshall, insurance companies to make this building open to everyone. The last figure to renovate this building completely open to the public was \$350,000 (Cadillac version) and that was a while ago. Pike Hall requires year-round heating to stop plaster from peeling from walls upstairs. Recently the roof was shingled and exterior of building painted on all sides. Pike Hall is structurally sound. The dilemma is a purposeful interior use of this building. What do you want to do and how much do you want to spend is the question.
- 23- Can the Town of Cornish shut this building down? Yes, because the building is owned by the townspeople.
- 24- The Par Sem Committee is very active and has helped to save the Parsonsfield Seminary academic buildings; that could be a possibility for Pike Hall. This committee is very small. As with any committee there are a very few who do most of the work and this must be considered when anticipating that a concerned citizens group will be formed for Pike Hall.
- 25- The Board of Directors explained that this process of sale of Cornish Elementary was the recommendation of the school district's lawyers. A local real estate sales agent states that this is a typical business transaction in all real estate sales. Another school board member was under the assumption that the town would have the school inspections funded by DEP. According to DEP if any issues were discovered the school would have to address and correct these findings. The school did not want to be forced into this position where they didn't have the means or desire to address the issues discovered from the inspection. If by entering into a purchase and sales agreement the school would know the interested buyer and be able to negotiate price based on results of building condition.
- 26- In reference to deed concerns: The seller should be able to provide a marketable title. The deeds in possession by the School District are Quit Claim Deeds but for a few thousand dollars purchasing title insurance is an option.
- 27- Some townspeople felt the school district is placing up roadblocks by requiring the signing of a purchase and sales agreement before the building can be inspected. School board members state they are following protocol according to advise of their lawyer. They also stated that this was the same procedure followed with the sales of the other elementary schools within the district. The school district is not withholding any information from the town as to the condition of Cornish Elementary School.
- 28- Another obstacle noted is that the Cornish Elementary is located in a district of town that the Land Use Ordinance does not allow government building and/or professional offices. That would require another town meeting to change the use within the zone.
- 29- If we do not purchase the school it would potentially be sold and used as a business to generate jobs and taxes? The town does not know what the School District's future plans are.
- 30- An option was presented of purchasing Cornish Elementary and using the additional space as a potential lease to the School District if the State Legislature mandates public preschool throughout the State of Maine.

- 31- The decision to allow the selectmen to enter into the purchase and sales agreement should not be a consideration in what would happen to Pike Hall. It should be what is best for the town. Pike Hall will not fall apart. As stated before it is a beautiful historic building with potential.
- 32- In summary for the process to be completed these are the issues to consider:
- a) Brownfield grant requires disclosure of findings to third party,
 - b) Selectmen need to sign access agreement to engage engineer to evaluate school,
 - c) \$200,000 remediation grant limit – 80% grant; 20% town,
 - d) Time frame: 3 months total
 - 3 week period - Environmental “paper” study
 - 5 week period - Samples collected for mold, asbestos, lead, etc.
 - 4 week period - Evaluation report provided to town
 - e) Structure assessment funded by town,
 - f) Not enough time given in purchase and sales agreement. Lawyer feels time frame too restrictive but assures the selectmen that if the townspeople chose to move forward with the agreement those issues can be worked out between town and school district’s lawyers.
 - g) At the conclusion there should be an accurate price to fix any problems at school in order to evaluate the decision to go forward with actual purchase of school at the next town meeting.
 - h) The Pike Hall Committee feels they will also have accurate costs to fix the downstairs only. The repair of the second and third floor will not be as accurate.
- 33- Presently noted in evaluating Pike Hall vs. Cornish Elementary: larger parking lot, building can be fixed easier as not as old and listed on historic register.
- 34- Currently there isn’t any deed restrictions on Cornish Elementary but if the town chooses not to purchase building the School District could potentially place restrictions, specifically mentioned was not allowing an educational facility. Charter schools are a new trend but do reduce the public school funding as parents/children chose that option.

There was a motion to cease discussion and move question. Over a 2/3 majority voted in favor to go forward with voting. The results were: 16 votes to authorize the selectmen permission to negotiate and execute a purchase and sales agreement with the MSAD#55 provided said agreement must state that the acquisition is contingent upon town meeting approval of the sale, and the town meeting must vote to approve the acquisition before the sale may occur, 26 votes against. Article Defeated.

Article 3) To see if the town will vote to transfer and appropriate \$1,000.00 from Surplus for legal services and/or title work necessary for the acquisition of the Cornish Elementary School. In lieu of the previous article defeated this article was also defeated.

Motion to adjourn.

A True Copy of the Meeting Minutes,

Attest: _____

Clerk of Cornish