

Goffstown School District

GOFFSTOWN SCHOOL BOARD PUBLIC BOND HEARING MINUTES

Thursday, January 12, 2012 @ 6:00pm

**Goffstown High School – Media Center
27 Wallace Road, Goffstown, NH 03045**

School Board Present:

Hank Boyle
Dian McCarthy
Keith Allard
Ginny McKinnon
Jennifer Theroux

Administration Present:

Stacy Buckley
Ray Labore

CALL TO ORDER

Stacy Buckley called the public hearing to order at 6:00 PM.

OPENING OF PUBLIC HEARING –

Mrs. Buckley informed the attendees that the Goffstown School District was bringing forward 2 bond articles for vote in March that includes 4 projects. Mrs. Buckley gave an overview of the 4 projects as follows:

First Bond Article

“...for the purpose of construction, renovation and equipment at the Maple Avenue Elementary School and at the Bartlett Elementary School and for costs incidental and related to the foregoing purposes.”

Mrs. Buckley presented a short history regarding the formation of the Elementary Building Committee. The committee was formed in 2008 to look at options for dealing with overcrowding and renovations needed in both Bartlett and Maple Avenue schools. They looked into many options and the best option and price was to add onto and renovate both Maple Ave and Bartlett School. The school board reinstated the committee and re-named it the Elementary Facilities Committee. Through last year’s budget process and ballot the committee was approved to utilize impact fees to cover the cost of the architectural and engineering studies for the elementary schools. Over the past year, the committee has been working diligently with CMK Architects. They have provided specs and drawings of the projects in preparation for the passing of these projects in March. If the voters approve the projects, they are ready to go out to bid.

Mrs. Buckley presented an overview of the Bartlett Elementary project: We are looking at keeping the new addition in the current wing and tearing down the 1922 section of the building as it is not a functional building. There is poor ventilation in the classrooms and the current classroom space is less than 700 sq ft., the standard classroom space is 900 sq ft. A new 2-story wing will house ten classrooms. There will be a new kitchen added to the back of the building allowing for a more functional kitchen as currently the kitchen line and refrigerators are in the gym creating a safety issue when we have classes in the gym. Bartlett’s new addition will include 10 classrooms housing the library, arts, music related services, special ed and regular classrooms. Mrs. Buckley stated that Bartlett is at capacity.

Mrs. Buckley presented an overview of the Maple Avenue project: There are 2 components to the Maple Ave project. The first addition will provide a new main office entrance housing the principal, assistant principal, guidance counselor and school nurse into a single administrative work area. In the back of the building there will be a three story addition housing 10 classrooms. This will also provide the opportunity to re-configure current use of space. The new rooms will provide needed space and room for growth for our students.

Estimated cost for the Bartlett project is \$6,987,907 and the estimated cost for the Maple Ave project is \$8,072,692. There is \$344,970 in a capital reserve fund that was appropriated several years ago that was earmarked for Bartlett project. The cost for both projects is \$15,060,599. This will get us two elementary schools that will be in top notch shape and renovations to existing spaces should sustain us for the next 20 years.

Second Bond Article

“...for the purpose of developing an athletic complex at Goffstown High School to include a complete track and field, artificial turf surface, lights and field seating and for the purpose of renovating and expanding the Goffstown High School Dr. Craig Hieber Auditorium and for costs incidental and related to the foregoing purposes.”

Mrs. Buckley presented an overview of the Goffstown High School projects: Presently our track and field practices are held at Barnard Park which is a subpar facility. The track is falling apart, the surface is cracked and there is no parking. The CAST Committee formed at GHS that assisted us at looking at track and field needs. CAST paid to conduct a study on how best to improve the GHS athletic complex and have recommended building an athletic complex here at the high school the thought being, if we are to invest money we should invest in our facilities. The plan is to take the football field and wrap a track around it, lay artificial turf, invest in lighting and allow for stadium seating. This presents multiple opportunities to hold practice sessions and games as the football field is a grass field and we cannot practice on that. With artificial turf, we can have multiple practices on any given day. With lighting, we can provide opportunities for the community to get together and enjoy night games. The estimated project cost is \$2,278,580.

Mrs. Buckley presented an overview of the Dr. Craig Hieber Auditorium project: The 1990 high school renovations did not include the theatre. Some of the issues that need to be address are: broken seats that can no longer be repaired or replaced, handicap accessibility, new lights and sound. The theatre renovation work would include a construction of a small addition to the back of the theatre for new storage as a trailer that was used for storage was demolished by an ice storm several years ago. The theatre and drama departments now store their equipment in two portable trailers for which we pay a monthly rental fee. This addition will provide storage and a workshop area that will meet fire safety codes. The estimated architectural and engineering cost is \$531,000 including the architectural fees. Total bonding for these two projects \$2,809,580.

Mr. Labore presented a financial overview of both bonds. We have 4 individual projects bundled into two bonds. The elementary project was tagged at \$15,060,599 the high school project \$2,809,580. Quotes were received from the Municipal Bond Bank for 20-year bond for the elementary facility projects. These quotes are consistent with what the school district has done in the past for major construction. The school district requested quotes for 10 and 15 year bonds for the high school project. The school district engaged with Devine Millimet for our bond counsel fees, these are the charges the school district will see that includes legal opinion and research required to issue bonds for

this kind of construction. Financing for the two bonds totals \$17,870,179, at a rate of 4.25% the interest charges associated with a 20 year bond will be \$6,754,800 and the total debt service on elementary bond would be \$21,815,399. Because the high school project is for a shorter period of time, we are looking at an interest rate of 3.75% resulting with a total interest cost of \$844,758 and a total payback amount of \$3,654,338. These are the charges if we were to process the bonds individually. Combined, the total amount is \$17,870,179 with interest of \$7,599,558; total debt service is \$25,469,737 after a 20 year period. Mr. Labore cautioned everyone that we will not know what the interest rates are until we get out there and negotiate.

PUBLIC COMMENT

Christie Garrison – Would you get a better interest rate for both? Mr. Labore replied - it is dependent on the time period we would be dealing. Right now, if we were to get the go ahead the interest rates are low and construction rates are very low as well. If we get the go ahead we would go out and negotiate for the best interest rate available.

Mr. Labore stated that in addition to the interest charges there are other fees that will be associated with these bonds. If we proceed with the elementary bond the Bond Bank would charge the school district \$20,000 in issue costs and fees. If we go with the high school bond alone they would charge us \$15,000. If we bundle the cost would be \$20,000 and the district would save \$15,000. It is the same thing for the bond counsel fees for a single bond issue. Legal work for the elementary school project would cost us approximately \$9K. Even though the high school project bond value is much smaller it would be the same cost \$9,000 for a total of \$18,000 if they were issued individually - combined \$9,000

Mr. Labore reviewed what the school district's potential tax rate would be if we were to be successful with the votes in March. The 1st year debt service would be due in January 2013. The first year debt service for the elementary projects on \$364,487 would result in a 0.27 tax rate and the high school project on \$59,703 would result in a 0.04 tax rate. Combined for \$424,190 the tax rate would be 0.31. In subsequent years we would start paying on principal as well as interest and it goes up a bit higher. For year 2 of the elementary project the estimated amount would be \$1,379,617 for the principal payment and two interest payments due to the bond holders which would result with \$1.04 on tax rate. Regarding the high school project only, for year two the estimated cost would be \$291,385 for principal and interest the charges resulting in a 0.22 tax rate. Combined, for a total of \$1,671,002 the tax rate would be \$1.26. It is difficult to predict what would happen after that.

Christie Garrison – Just to be clear, you are saying that if they both pass, it would be \$1.26 per thousand. Ray Labore replied that we would be looking at a total debt service of just under \$1.7 million dollars and our estimate would be a tax rate of \$1.26. Stacy Buckley also addressed Christie's question and stated that the school district understands that these are not easy times. One of the things we have to recognize is that our buildings are not getting better. If you walk into our elementary schools they are crowded. Tonight there is a Planning Board meeting which will be looking at approving a 48 unit apartment complex over by Bartlett School. If approved, we may be looking at additional portables at our schools. We are out of space so now is the time to do this project as the interest rates are low and if the voters approve the projects in March, we will be ready to proceed. We received 9 bids for construction management services at the close of the business day today. We got an exceptional deal on the architectural studies as we started out with bids of \$900,000 and we paid just over \$300,000. We can't continue with these facilities. Ten years from now these buildings are going to be in really sad shape if we don't do something now.

Christi Garrison– Had a question about the impact fees - You did studies with impact fees, is there any impact fee money left over that we can appropriate for this? Mr. Labore addressed Christie's question and stated that there was a small amount left under \$100,000.

Christie Garrison – Can you explain with the MVMS bond being paid for, how that would affect or does that affect the tax rate? Mr. Labore replied yes, that we are seeing a reduction in our tax rate now. Had we been able to dovetail this project with the MVMS we would have seen there was no change at all in debt service. There will be a bit of a dip but it will come back up.

Christie Garrison stated that we needed to get that information out that MVMS is paid for now.

Bill Bates – I understand about the economy but something has to be done, I understand. The way I'm looking at this as a tax payer and because of what I do, I'm trying to figure out how to sell it to the people of the community. Stacy Buckley stated that it was an investment in our community and if we wait too long, it will cost more in the long run if we do not fix our buildings now. Mr. Bates stated that engineering and construction costs are at an all time low and I know exactly what you are saying, but we still have a bad economy and consumer confidence is very low and that is what we are battling. My questions are around how we attack this and how we get people to climb on board. One of the things that Christie said is that the net effect is to package it to people and sell it in a way that yes, it's going to be more out of pocket but it's going to be palatable and it is not going to be that different.

Bill Bates - My question is on this whole debt service. You talked about the Municipal Bond Bank – that's one, are there other traditional methods you are considering? Are you going to shop around? Mr. Labore stated that the school district certainly is going to shop around and that in previous years the school district engaged with First Southwest for refunding bonds which is going to save the school district \$580,000. NH Municipal Bond Bank goes out and sells bonds twice a year. Mr. Labore stated that there are other competitive providers.

Bill Bates – There's the building itself. The plans are to de-construct Bartlett Elementary before constructing that will be disruptive to the learning environment? Have you thought about phasing to the point where you bus people over to Maple? Stacy Buckley explained that the construction will be done in two phases. Maple Ave renovations and expansion will be constructed first and that will provide more classrooms and we would bus Bartlett students for the one year. We will keep the students that are in the front wing at Bartlett and when Maple Ave is completed, we will bring back all grade levels to Bartlett. This will also be a great opportunity for Bartlett and Maple Ave students to meet before they transition to MVMS when entering the 5th grade.

Bill Bates – Does that include potentially moving the Bartlett trailers over? Mrs. Buckley stated that the Maple and Bartlett portables will be re-purposed for high school and used for the alternative ed program which would be a cost savings of about \$25,000 a year as we pay rent at Northeast Sheet Metal to house that program.

Jane Steckowych – So it's going to be a bond no matter what? Financing is going to be some kind of a bond? Will we need a 2/3rd vote? Ray Labore stated that a 3/5^{ths} or 60% majority vote is needed in order to proceed with the bonding process.

Larry Emerton – I commend you for attacking this. I have been involved with the five schools for many years. My point is this, I'm in-charge of the Lions Club and we just approved a \$7,000 to

\$10,000 expense on our fields and we would not want to go forward with that if you are going to go through with not letting your people play on our fields as you pay \$5,000 per year to use Lions Field. Mrs. Buckley addressed Mr. Emerton's concerns and stated that those fields will continue to be used as they are used for baseball and this would not meet baseballs needs. Jane Steckowych stated that there are a lot of teams who don't have practice space who would be using Lions Field.

Christie Garrison – Regarding the 48 apartment buildings that they are being considered, do apartment buildings pay impact fees, how much is that and how much can be used for a capital project? Mrs. Buckley stated that we can use impact fees for capital projects, anything that has to do with expanding and growth. Mr. Labore stated that the Planning Board approved impact fees resulting in approximately \$6.3K for a single family home – apartments are in the high \$3K to low \$4K. If you look at a 50 unit complex at \$4000 per unit that's what would contribute to overall.

Christie Garrison – and that goes only to the school or can the town use it? Stacy Buckley replied it's only for the schools.

Bill Bates – I certainly understand the concept of bundling of projects, but have you also thought about singly attacking one problem first - probably Bartlett first with the idea that this is the neediest area, the most dire situation? Eventually doing something that way would make a lower net tax impact. Mrs. Buckley stated that the School Board has looked at every option within the plan and concluded that if the elementary school projects were to be separated, that would put both schools at odds with each other as both schools need renovations and additional student space. Keith Allard stated that the Maple Ave project has to be done in order to do the Bartlett construction.

Bill Bates – That makes sense after you describe it. My whole point is how to sell it while trying to lighten the net tax impact. This is not easy. Stacy Buckley responded - we are all in a difficult position. Mrs. Buckley invited anyone who is interested in touring the schools to call the SAU and we will make arrangements.

Mrs. Buckley thanked all for coming and closed the hearing at 6:48pm.

Respectfully submitted by:

Denise F. Morin
School Board Secretary