

PUBLIC BOND HEARING

An Addition/Renovation Project for
The Maude H. Trefethen School

February 19, 2015

MHT Building Committee Members

- Dick White, Chair
- Rod MacDonald, School Board Representative
- Rodney Rowland, School Board Representative
- Jim Katkin, SAU 50 Central Office
- Lynn Zacharias, MHT Principal
- Rich Landry, Architect
- Jane Lannon
- Clint Springer

Why are we here? RSA 33:8-a

Procedure for Authorizing Bonds or Notes in Excess of \$100,000.

- There shall be at least one public hearing concerning any proposed municipal bond or note issue in excess of \$100,000 held before the governing board of any municipality. Said hearing shall be held at least 15 days, but not more than 60 days prior to the meeting, or adjourned session thereof, at which the bond or note issued is to be voted upon. Notice of the time, place and subject of such hearing shall be published in a newspaper of general circulation in the municipality at least 7 days before it is held.

Agenda for Tonight

- Present bond information
- Public comments and questions about bond



- Provide project overview
- Public comments and questions about project

What is the purpose of the bond?

- The school board has proposed Warrant Article 1 in the amount of \$998,000 for the purposes of funding an addition/renovations to The Maude H. Trefethen School.
- √ Recommended by School Board
- √ Recommended by Budget Committee

What will the bond fund?

Project Scope:

- Install ceiling mounted air ventilation system
- Install fire protection system
- Upgrade lighting in all classrooms
- Replace all windows with energy efficient windows
- Renovate current restrooms
- Renovate kitchen
- Reconstruct janitor's closet to create Special Education office
- Relocate and replace boiler into new mechanical room
- Relocate electrical panel
- Create teacher's workroom and storage
- Build nurse's station with ADA bathroom
- Create flexible classroom connected to multi-purpose room

What is the project timeline?

- End of February 2015: Interview construction management firms
- Mid March 2015: Select construction management firm and award contract
- Late June 2105: Break ground on project
- Summer 2015: 10 week construction timeline
- September 2015: Project complete for beginning of 2015/16 school year

What are the terms of the bond?

- Total bond amount: \$998,000
- 10 year term, beginning July 2015
- Interest Rate Estimate* 3.5%
- Level annual principal payments
- Semi-annual interest payments based on debt outstanding
- First interest payment due Spring 2016
- First principal payment due Spring 2017

**These are estimates provided by the NH Municipal Bond Bank for the purposes of budgeting the interest payments and impact on the tax rate.*

Actual rates will be determined when the bond is in place.

Why was a 10 year term was selected?

10 Year Bond		20 Year Bond	
Int Rate*	3.50%	Int Rate*	4.00%
Bond Amt	\$998,000	Bond Amt	\$998,000
<u>Int Paid</u>	<u>\$195,000</u>	<u>Int Paid</u>	<u>\$423,000</u>
Total Cost	\$1,193,000	Total Cost	\$1,421,000

Total project cost is over \$200,000 lower with a 10 year bond.

**Estimates provided by the NH Municipal Bond Bank as of 1/9/15. Actual rate will be determined when bond is placed.*

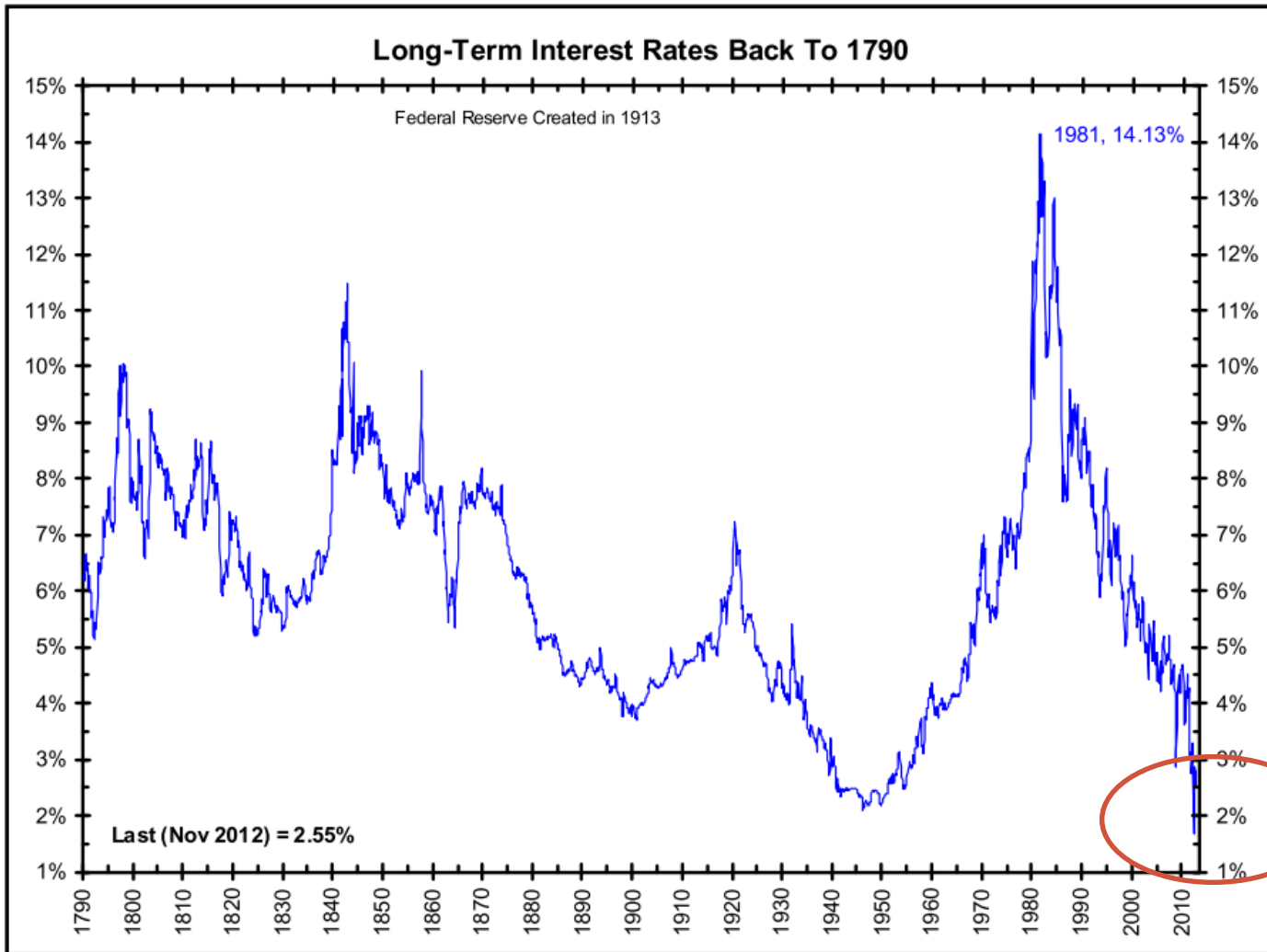
What does this mean for tax payers?

Estimated Annual Tax Impact for \$1M Home Over 10 Years



This assumes a bond value of \$998,000 with no change in assessed value over the 10 years.

Long Term Interest Rates are Low



What is the process for financing?

- The NH Bond Bank is one option for placing this bond.
- The building committee is also talking to private banks to shop for better rates and fees.

What banks have been considered?

- ✓ First Colebrook Bank
- ✓ Optima Savings
- ✓ TD Bank
- Provident Bank
- SIS
- All have expressed interest in this business.
- We believe we will be able to improve the terms and cost, but are budgeting conservatively for the purposes of the warrant article.
- A 2.5% interest rate would reduce total interest cost to approximately \$140,000 – a \$55,000 savings

Questions about the bond?

MHT BUILDING PROJECT UPDATE

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Design/Build Process Update

Sent Request for Qualifications to 6 firms:

- √ Turnstone Corporation - submitted
 - √ Meridian Construction - submitted
 - X Hutter Construction – schedule conflicts
 - X Bonnette, Page, & Stone – schedule conflicts
 - X Pro-Con Construction – project size is too small
 - ? Whitcher Construction – did not respond
-
- Interviews will be conducted late February
 - Construction manager selection made in early March
 - Contract will be awarded

Next Meetings

- Annual School District Meeting: March 10, 7:00pm, @ Rec Center