Highgate School District
Bond Informational Meeting Minutes
March 4, 2019

1.0 CALL TO ORDER: A Special meeting of the Highgate School District Board of Directors was called to order on Monday March 4, 2019 at 6:47 p.m. by Chris Shepard, School Board Chair. The meeting was restarted at 7:00 p.m. Those in attendance included:

- Chris Shepard, Board Chair
- Lisa Wells, Vice-Chair
- Stephen Scott, Board Clerk
- David Roddy
- Richard Flint
- Lora McAllister, Business Manager
- Julie Regimbal, Superintendent

2.0. BOND INFORMATIONAL MEETING:

A bond in the amount of $2,320,000 to address several areas identified in a facilities assessment that was completed earlier this year will be proposed to tax payers on Town Meeting Day. If the bond proposal is approved by voters, the HES Board would move forward with hiring an engineering architect firm as well as a project management company to develop and oversee the projects being recommended in the bond proposal. It is anticipated that the majority of work would be completed during the summer of 2020 with some smaller projects taking place over the summer of 2019. Proposed projects include:

Life Safety/Code Upgrades and ADA Compliance – Total: $324,830

- Repair the gravel road that wraps around the white building.
- Repair / upgrade handicap access ramps (concrete is deteriorating, some are made of wood).
- Install an exhaust hood over the stove in the kitchen.
- Install sprinkler system in the white building.
- Install water tank and fire pump to support sprinkler system
- Upgrade fire alarm system.
- Upgrade lighting and electrical panels.
- Complete asbestos abatement (both buildings).

General Building Improvements – Total: $1,017,105

- Replace the roof on both the white and brick buildings (white building's roof is now leaking, shingles are at the end of life).
- Add additional insulation in the attic areas of both buildings to increase energy efficiency.
- Replace two fresh air gable end vents on the roof over the gym (they are too low and get blocked when snow is on the roof).

- Replace all exterior doors and windows in both buildings.
- Upgrade pump panel.
- Upgrade existing HVAC system.
- Upgrade heat supply piping in the slab (at end of life).
- Install air conditioning in the white building (to eliminate window units).
- Install back up generator in the white building (without power in the white building, there is no water).

Site Improvements – Total: $589,151

- Regrade and resurface parking lot – this estimate was through AOT pricing and is a conservative estimate.

This would be a 20-year bond through Vermont Municipal Bond Bank with an estimated interest rate of 3.4%. The first payment would be around $62,000, subsequent payments would be around $185,000 annually (factored into the budget). The bond reimburses projects that have been paid for already, and funds can only be used for capital projects.

If there is no merger under Act 46, the burden of repayment would be the sole responsibility of Highgate town and that tax impact in year one would be approximately $20 per year on a home valued at $200,000. It is not possible to estimate the tax impact beyond year one due to several external factors (including CLA, Yield, and Equalized Pupil number – all set by the State). As of right now, the bond can be approved by voters in Highgate only. If not approved (and if there is a merger through Act 46) the bond would have to be approved by the newly formed district.

If there is a merger through Act 46, (and if the bond is approved) the burden of repayment would shift to the newly formed district and be cost shared across all towns in the district.

Article Language:

Shall general obligation bonds or notes of the Highgate Town School District in an amount not to exceed Two Million, Three Hundred and Twenty Thousand Dollars ($2,320,000), subject to reduction from the receipt of available sate and federal grants-in-aid and other financial assistance, be issued for the purpose of financing school buildings and grounds improvements including but not limited to Parking Lot Resurfacing, Roof Replacements, Exterior Door and Window Replacement, Heating, Ventilation, Fire and Safety System Upgrades, Exhaust Systems, Asbestos Abatement for the White and Brick Buildings fo the Highgate Elementary School, at an estimated cost of Two Million, Three Hundred and Twenty Thousand Dollars ($2,320,000)?

Discussion:

- A question was raised about whether critical items were cut from the proposal and if there was a plan to address any items removed from the proposal on an annual basis.
    - It was noted that the School Board reviewed the facilities assessment on a line by line basis. The bond proposal will address all of the critical Life Safety / Code needs and that any items removed from the proposal will be phased into the annual budget. It was noted that the majority of critical issues are due to deferred maintenance.
- A question was raised about how the interest is paid on the bond.

- It was noted that in year one, interest is paid on the entire amount of the bond. Any subsequent year, interest is paid only on what is spent. It was also noted that the entire bond allowance does not have to be spent, but the district cannot ask for additional funds (beyond what is included in the proposal). It was noted that the bond bank does monitor market value and if they reinvest, any earned funds would come back to Highgate vs. staying with the bond bank.

- There were questions about what happens to the bond money if there is a merger.
  - It was noted that the bond money would be specific to Highgate Elementary School and would be used solely for that purpose. It was clarified that the bond debt would become shared across the newly formed district.

3.0. ADJOURN

The meeting adjourned at 8:00 PM

Recorded by: Rebecca Fenn, School Board Secretary
Submitted on behalf of Steve Scott, Board Clerk