Concord School District  
Board of Education  
Finance Committee Minutes

School Board Committee: Finance Committee  

Date: June 2, 2010

Finance Committee members present: Clint Cogswell, Chair, Laura Bonk. Kass Ardinger and Eric Williams were appointed as substitutes for Bill Glahn and Kevin Fleming  

Other Board members present: Jack Dunn, Jennifer Patterson

Administrators: Chris Rath, Rob Prohl, Michele Croteau, Matt Cashman

Finance Committee Chair Clint Cogswell called the meeting to order at 6:40 p.m. Mr. Cogswell appointed Kass Ardinger and Eric Williams as substitutes for Bill Glahn and Kevin Fleming, who were absent. Mr. Cogswell then turned the meeting over to Business Administrator Michele Croteau to discuss bonding issues for the Elementary School Project and the RMS HVAC QSCB.

The first agenda item was short-term bonding through Bond Anticipation Notes (BANs) for the Elementary School Project (“the Project”) in the amount of $5m with a maturity date of January 21, 2011. This maturity date was chosen in order to give the Board more flexibility in setting the date of sale of the bond. Ms. Croteau also stated that a decision needed to be made on the target date of the full bonding of the Project in order to decide if the January 21, 2011 maturity date would be reasonable.

The committee discussed the pros and cons of bonding. Director of Facilities and Planning Matt Cashman stated that one factor to consider in the selection of a date is the November 4, 2010 deadline for construction bids. Committee members also stated that, due to litigation against the NH DOE regarding its waivers for the Kimball and Conant School construction sites by two (2) members of the community, the issuing of bonds could be delayed, making the Board unable at this time to take advantage of lower interest rates and, in turn, possibly costing the District and Concord tax payers millions of dollars in additional interest. Business Administrator Croteau concurred and reminded the committee that the District’s financial advisor from First Southwest Company, Cinder McNerney, had referred to that possibility at the May 17, 2010 Finance Committee meeting, advising that it would not be wise to go out to bid for bonding until the case was settled, as this litigation would definitely affect the bond interest rate.

After further discussion, the consensus was to set a target date of October 15, 2010 to start the issuance of the full bond.

The Committee voted 4–0 (motioned by Kass Ardinger, seconded by Eric Williams) to recommend to the full Board at the June 7, 2010 monthly Board meeting to authorize Business Administrator Michele Croteau to bond up to
$5m in a BAN for the Elementary School Project with a maturity date of January 21, 2011.

The next item on the agenda was the RMS HVAC Project financing. Ms. Croteau mentioned that the District had received a resolution from Bond Counsel and a loan agreement from the NH Municipal Bond Bank (the Bond Bank) regarding financing the project via QSCBs. Ms Croteau stated that the committee needed to vote to recommend the resolution to the full Board at the monthly Board meeting on June 7, 2010.

Finance Committee Member Laura Bonk motioned:

(1) That under and pursuant to the Municipal Finance Act, Chapter 33, N.H.R.S.A., as amended, the New Hampshire Municipal Bond Bank Law, Chapter 35-A, N.H.R.S.A., as amended, and other laws in addition thereto, and to votes of the District duly adopted on May 27, 2009 ($3,680,000) and April 5, 2010 ($667,234) there be and hereby is authorized the issuance of a State Guaranteed Qualified School Construction Bond of the District (the “Bond”) in the principal amount of $4,347,234, in order to finance the costs of the Rundlett Middle School HVAC Project (the “Project”), which Bond shall be sold at the price of par to the New Hampshire Municipal Bond Bank (the “Bank”).

(2) In connection with the sale of the Bond to the Bank, the District is authorized to execute and deliver a Loan Agreement between the District and the Bank, which Loan Agreement shall be in substantially the form presented to this meeting, with such changes thereto as the Treasurer shall determine to be in the best interests of the District (the “Loan Agreement”).

(3) The Bond shall be dated as of its date of issuance, shall bear such rate or rates of interest, mature at such times and in such amounts, be subject to redemption and contain such other terms and conditions as set forth in the Loan Agreement. The form of the Bond shall be substantially in the form set forth as Exhibit B to the Loan Agreement and otherwise in such manner and form as the signatories shall approve by their execution thereof. The Bond is hereby designated as a “Qualified School Construction Bond” within the meaning of Section 54F of the Internal Revenue Code of 1986, as amended (the “Code”).

(4) That the Clerk of the District and the signers of the Bond are each hereby authorized to take any and all actions necessary and convenient to carry out the provisions of this vote, including delivering the Bond against payment therefor.

(5) That all things heretofore done and all action heretofore taken by the District and its officers and agents in its authorization of the Project and its financing are hereby ratified, approved and confirmed.

(6) That the expected useful life of the Project being financed by the Bond is hereby determined to be in excess of twenty (20) years.
Committee Member Eric Williams commented that in section (1) “and to votes of the District duly adopted on May 27, 2009,” the word “District” should be changed to “Board.” Ms. Croteau agreed and stated that she would contact Bond Counsel and get his approval on the change.

The Committee voted 4–0 (motioned by Laura Bonk, seconded by Clint Cogswell) to recommend the resolution as stated by Laura Bond with the substitution of the word “District” by the word “Board” on Bond Counsel’s approval to the full Board at the June 7, 2010 monthly Board meeting.

The meeting adjourned at 7:40 p.m.

Respectfully submitted,

Clint Cogswell, Finance Committee Chair
Michele M. Croteau, Recorder

MMC/srr