Concord School District
Board of Education
September 11, 2019

Board members present: Tom Croteau, Barb Higgins, Nancy Kane, Jennifer Patterson, Liza Poinier, Jim Richards, Danielle Smith, Pam Wicks

Board member absent: Chuck Crush

Administrators: Superintendent Terri Forsten, Business Administrator Jack Dunn, Director of Facilities Matt Cashman

Board Vice President Tom Croteau called the meeting to order at 7:00 p.m.

Business Administrator Jack Dunn reviewed the loan resolution by bond counsel and proposed that the Board set the date, time and place for a public hearing on the resolution.

In 2010, the District borrowed $55 million in “Build America” bonds to build three new elementary schools (Christa McAuliffe School, Mill Brook School and Abbot-Downing School); the District was authorized to borrow $62.5 million but only used $55 million. This was a 30-year bond. The bond is now approaching the “10-year call date,” a time when the District might realize potential savings by refunding (refinancing) these bonds for the final 20 years. The number of years left on the bonds cannot be extended, and no new money can be borrowed. Bond counsel has advised the District on the process. Once the Board has authorized refunding the bonds, the District’s financial advisor will monitor the market for the best time to act.

The Public Hearing must take place 15 days from this date but not more than 60 days from the time the resolution is introduced. Of the Board members present, two indicated they were unable to attend the Public Hearing on September 30.

Mr. Croteau opened the floor to public comment.

Concord resident Tony Schinella asked why the Board would consider refunding the elementary school bond at this time.

Mr. Dunn described the “Build America” bonds under the Obama administration where slightly higher interest was paid, but the government refunded for that interest (a subsidy). During the sequestration, the refund dropped between 6.8% and 7.2% (the District has not received between $70,000 and $80,000 per year). At the time of the initial bond, the 30-year net interest rate was 3.62%, one of the best deals the financial advisors had seen in 25 years. They have done an analysis over the last few years to determine whether it has been a good time to refinance, even with early penalties, due to historically low bond interest rates. Each time it was determined that it would cost $8 million or more to refinance. Now, however, there is the potential for $200,000 in annual savings over the final 20 years, if the bond is
refunded. Looking ahead to the replacement of the middle school, these potential savings could smooth out increases in the tax rate.

In response to a question from Mr. Croteau about the effect of returning this money to the taxpayers, Mr. Dunn replied that the typical Concord taxpayer would experience approximately $20-$30 in tax relief.

In response to a question from Jim Richards about whether the bond refunding option would expire, Mr. Dunn replied that the authorization would exist until the Board rescinded it.

Mr. Dunn noted that the rate would be established on the day the financial advisors go to market; the financial advisors are very conservative in their estimates.

Jim Richards moved to post the following resolution and to set the meeting date and time. He read the resolution aloud.

The Board voted 8-0 to post the following resolution, and set the date, time and place for the public hearing:

Loan resolution voted: 1. That under and pursuant to the Municipal Finance Act, Chapter 33, N.H.R.S.A., as amended, and any other enabling authority, that the District Treasurer, with the approval of the School Board, is hereby authorized, to issue and sell, general obligation refunding bonds of the District to provide for debt service savings under N.H.R.S.A. 33:3-d, in an aggregate principal amount not to exceed forty million dollars ($40,000,000) (the “Bonds”). The proceeds of the Bonds shall be used to pay (i) all or part of the outstanding principal amount of and redemption premium and interest on any bonds of the District that are outstanding as of the date of adoption of this resolution, and (ii) all costs of issuance of the refunding bonds. 2. That the Clerk of the School Board and the signers of the Bonds are each hereby authorized to take any and all actions necessary or convenient to carry out the provisions of this vote, including delivering the Bonds against payment therefor. 3. That the District adopts the Continuing Disclosure Procedures in substantially the form presented to this meeting, with such changes, not inconsistent therewith, as the District Treasurer shall approve. 4. That all things heretofore done and all action heretofore taken by the School Board and its officers and agents in its authorization of the Projects and their financing are hereby ratified, approved and confirmed. 5. This vote shall take effect upon its passage.

The meeting date and time was set on September 30, 2019 at 5:30 p.m. (prior to the Finance Committee meeting) at the Central Office Board room, 38 Liberty Street, Concord, NH 03301 (moved by Mr. Richards, seconded by Barb Higgins).

Board members signed a statement that each had received a letter with the above resolution, and also signed the DOE 25 Financial Report.
Pam Wicks moved to adjourn the meeting.

The Board voted 8-0 to adjourn (motioned by Pam Wicks, seconded by Lisa Poinier).

The Board adjourned at 7:18 p.m.

Respectfully submitted,

Jim Richards, Secretary
Linden Jackett, Recorder