

**SPECIAL HOLLIS BROOKLINE COOPERATIVE SCHOOL BOARD
NOVEMBER 28, 2018
MEETING MINUTES**

A special meeting of the Hollis Brookline Cooperative School Board was conducted on Wednesday, November 28, 2018 at 6:09 p.m. at the Hollis/Brookline Middle School Library.

Chairman Tom Solon presided:

Members of the Board present: Cindy VanCoughnett, Vice Chairman
 John Cross, Secretary
 Holly Deurloo Babcock
 Krista Whalen

Members of the Board Absent: Elizabeth Brown
 Melanie Levesque

Also in Attendance: Andrew Corey, Superintendent

AGENDA ADJUSTMENTS - None

PUBLIC INPUT - None

DELIBERATIONS

- To see what action the Board will take regarding the funding options for the Turf Field Project

Superintendent Corey outlined details of the three (3) proposals (copies attached). Each of the bids identifies the principal amount to be borrowed (\$1,660,000) and the interest to be paid over the life of the bond/lease. All interest rates are fixed.

TD Bank, N.A.

Ten (10) Year Bond

3.80% - with prepayment fee
4.05% - without prepayment fee

Total interest at 3.8% - \$327,490.33
Total interest at 4.05% - \$349,035.75

Payments due on August 15th of each year beginning *August 15, 2019*.

Municipal Leasing Consultants (MLC)

MLC offers both seven and ten-year leases.

Seven (7) Year Lease

3.59% - total interest cost of \$246,774.94

Ten (10) Year Lease

3.74% - total interest cost of \$360,225.90

Prepayment option at 102% of remaining balance.

Payments due on November 30th of each year beginning *November 30, 2019*.

First National Bank

Ten (10) Year Bond

3.80% - no prepayment penalty

Total interest - \$348,406.60

Payments due on August 15th of each year beginning *August 15, 2019*.

Discussed was the meaning of principal only versus blended principal and interest payments; blended payments are a way of repaying a loan that sets equal monthly payments of principal and interest (blended) over an agreed-upon amortization period. By contrast, in a principal + interest arrangement, the borrower pays back the same amount of principal each month, plus a steadily decreasing interest payment.

Chairman Solon questioned the interest difference between the TD Bank proposal and that of First National. Superintendent Corey noted the recommendation of bond counsel to be First National based on the ability to prepay without penalty. TD Bank has a prepayment penalty by formula.

The Board engaged in a discussion of the prepayment penalty formula outlined in the TD Bank proposal, and determined the slight interest savings would be made up by a prepayment.

Chairman Solon questioned the dollar amount published at the Annual Meeting. Superintendent Corey did not recall the exact amount. Vice Chairman VanCoughnett stated her recollection it was around \$180,000. Ms. Deurloo Babcock looked up the Annual Meeting notes and indicated the amount was \$186,000.

Chairman Solon noted the delay and inability to go to the bond bank was costing approx. \$14,000 additional (annually). He questioned what the rates could be if waiting until January 2019 to let the bond. Superintendent Corey responded he could not provide a prediction. Chairman Solon remarked rates are fluctuating widely based on changes in the economy and Federal rates.

**MOTION BY MEMBER WHALEN TO ENTER INTO A TEN-YEAR BOND AGREEMENT WITH FIRST NATIONAL BANK, IN AN AMOUNT UP TO ONE MILLION SIX HUNDRED SIXTY THOUSAND DOLLARS (\$1,660,000.00), AT A FIXED INTEREST RATE OF 3.80%, FOR THE PURPOSE OF FINANCING THE ARTIFICIAL TURF ATHLETIC FIELD AT THE HOLLIS BROOKLINE HIGH SCHOOL. SOURCE OF FUNDING IS THE APPROPRIATION APPROVED THROUGH THE PASSAGE OF WARRANT ARTICLE #1 AT THE DISTRICT ANNUAL MEETING CONDUCTED ON MARCH 15, 2018
MOTION SECONDED BY MEMBER DEURLOO BABCOCK
MOTION CARRIED**

5-0-0

ADJOURNMENT

**MOTION BY MEMBER WHALEN TO ADJOURN
MOTION SECONDED BY MEMBER DEURLOO BABCOCK
MOTION CARRIED
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The November 28, 2018 special meeting of the Hollis Brookline Cooperative School Board adjourned at 6:42 p.m.

Date: _____

Signed: _____