

**Tisbury School Committee
in Joint Meeting with
Tisbury Select Board, Tisbury Finance and Advisory Committee,
Tisbury School Building Committee
6:30PM, Wednesday, January 13, 2021
by Zoom Cloud Conference due to Covid-19 Restrictions**

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Present: Chair Nancy Gilfoy, Jynell Kristal, Mary Ellen Larsen, Kelly Metell, Allan Rogers, India Rose, Laura Rose, Sarah York,
Select Bd: Chair Jim Rogers, Larry Gomez, Jeff Kristal,
TSC: Chair Amy Houghton, Jen Cutrer, Michael Watts,
TSBC Chair Harold Chapdelaine, John Custer, Rita Jeffers, Rachel Orr, Jim Rogers, Michael Watts,
Others: Dan Seidman, Recorder – Marni Lipke, UFASI – Lynn Welsh,
Schools: Supt. Matt D’Andrea, Asst. Supt. - Richie Smith, MVPS Interim Business Administrator Mark Friedman, Prin. John Custer, Anna Cotton, Meredith Goldthwait, Rita Jeffers, Melissa Ogden, Nicole Shirley, Anne Williamson, PTO - Siobhan Mullin,
Town: Town Administrator – Jay Grande, Administrative Assistant Alex, Treasurer – Jonathan Snyder, Planning Bd. - Ben Robinson, Ben David
Press: MV Times – Rich Saltzberg, Louisa Hufstader – Vineyard Gazette, MVTV – Kelly Marolf,

* TSBC members late arrivals or early departures.

Call Meeting to Order

- The Tisbury School Committee (TSC) was called to order at 6:37PM.
 - The Tisbury Finance and Advisory Committee (FinCom) was called to order at 6:37PM.
 - The Tisbury Select Board (SB) was called to order at 6:37PM.
 - This was not a formal meeting of the Tisbury School Building Committee 2019-2020 (TSBC) so there would not be any deliberation or actions.
- (Recorder’s note: Discussions are summarized and grouped for clarity and brevity.)

Discussion Session: Work Session: Review of Financing Alternatives and Strategy for the Tisbury School Building Project (See documents on file.)

Financial consultant Lynn Welsh of Unibank Fiscal Advisory Services (UFASI), Tisbury Treasurer/Finance Director Jonathan Snyder and Select Board Chair Jim Rogers had been working hard on best options to fund the \$55,000,000 Tisbury School building project to have the least taxpayer impact. Tisbury had three tiers of taxpayers: residential, residential exemption, and commercial.

- The \$55,000,000 total set by the Owner’s Project Manager (OPM) was set to avoid returning to taxpayers for additional/unforeseen funds. All costs included landscaping, the temporary school) and a solar ready facility—but not solar installation (see 10/20/20 Minutes).

- This price was the in the same proportion to the Town budget as was the original school built 90 years ago.
- Interest rates were remarkably low at the moment. 30 year bonds were chosen because 20-25 year bonds would be have an unacceptable impact on taxpayers (over \$1,000 per year).
- The more immediate design development and Request For Proposal (RFP)/bid spec. costs would be short term borrowed and have a minimal effect on taxes.
- Most costs would eventually be rolled into long term bonds, which would not be issued until the receipt of construction bids probably in Fiscal Year 2023 (FY23), delaying taxpayer impact to FY24.
- Although grants and alternate funding had been and were being actively pursued, no other resources were committed at this time. Warrant article language would allow bond amount reduction in favor of any additional resources or savings.
- Two options were proposed with accompanying data based on \$800,000 average (residential exemption) home value—currently paying \$7,336 annually.
- The Level principal option front-loaded costs so taxes showed diminishing annual payments from \$993 the first year to \$531 the last year—for a total 30 yr. impact of \$21,590. This reduced the total project bond cost by \$1,971,800.
- The Level debt option involved stable payments of \$738 per yr.—for a total 30 yr. impact of \$22,150.
- The type of bid had not been decided. Initially the OPM and TSBC favored Construction Manager at Risk (CMR) because of the difficulties of a renovation projects over a new building. However Town Administrator Jay Grande reported consultations with the OPM had also favored a straight bid. The Select Board would make the final decision on the advice of the TSBC (see below: Actions).
- There was a fairly lengthy exploration of solar project logistics pertaining to Internal Revenue Service (IRS) 5% exemption restrictions on private company activity on municipal buildings (which differed from non-profit building regulations). The Tisbury School was considered to be within the exemption.
- The roughly \$1,500,000+ installation cost was not included in the bonding request because the Town was considering a number of advantageous options that did not include Town funding.
- The School paid about \$300,000 in annual utility costs, which showed a swift payback for any investment.
- \$55,000,000 was acknowledged by all to be a large investment and comments were invited.
- Although it was a large sum for residents, it was even larger for those owning \$2-4,000,000 vacation homes without residential exemption.
- A number of Select Board and FinCom members favored the level debt stable payments as:
 - more equitably spread among the school users over the long term;
 - simpler for taxpayers to understand (at 92.3¢ per \$1,000 of home value);
 - easier for both elders on a fixed income, and young families struggling to purchase a first home.
- The Emergency Services Building debt would roll off the books in the next couple years, which would moderate the increase. There was a request for a Town debt status report (see documents on file).

- There would be other school warrant articles on the 2021 Town Meeting warrants. Everyone was also reminded of a future Martha's Vineyard Regional High School project (shared among all 6 towns)—but constituting further substantial debt for the Town.
- The average home value at the time of the previous (failed) project proposal was \$750,000.
- The Select Board would wait to hear from the TSC and FinCom before caucusing on the subject.
- The Town was looking at building a temporary school at some location. The OPM provided estimates and final numbers would be applied when available. This portion might still be short term borrowed.
- Ms. Welsh explained the current bond market rates and the possibility of a \$1,700,000 to \$2,000,000 premium received on the day of the bond sale that could be immediately applied to the total. However premiums vanished in high interest rates and consequently depended on the bond market at the time of the sale. Other differentials also came into play such as the cheaper one time bonding versus bonding in portions.
- These complex, uncertain issues would not be helpful to voters and it was agreed the article should be kept simple: permission to borrow the total \$55,000,000, so that if approved it would still allow flexibility to obtain the most advantageous borrowing configuration.
- **ON A MOTION DULY MADE BY MR. MICHAEL WATTS AND SECONDED BY MS. JEN CUTRER THE TISBURY SCHOOL COMMITTEE MEETING UNANIMOUSLY ADJOURNED AT 7:48PM: MS. HOUGHTON—AYE, MR. WATTS—AYE, MS. CUTRER—AYE.**
- *Mr. Jeff Kristal moved and Mr. Larry Gomez seconded a motion to adjourn at 7:48PM, which passed unanimously: Mr. Kristal—aye, Mr. Gomez—aye, Mr. Jim Rogers—aye.*

Reserve Fund Transfer

Jay Grande relayed a Select Board authorized request from the TSBC for up to \$25,000 to generate voter education materials on the School Building Project warrant article, made necessary by Covid-19 restrictions on public gatherings. The legality and parameters were reviewed by Town Finance Director, Town Counsel and Town Accountant and fit into Reserve Fund guidelines as an unexpected cost. It would be the first FY21 Reserve Fund draw.

- The continued local infection surge (currently in the red zone) limited inside options. For example previous plans to utilize the MV Film Center had to be abandoned when Gov. Baker's new Covid restrictions reduced capacity, and a PowerPoint was not possible in Town Meeting tent.
- The TSBC and OPM discussed options like: direct mailings to voters, newspaper inserts, and documentaries to be viewed on websites and MVTV.
- 25% of Tisbury students were Brazilian Portuguese speaking and all publicity would be bilingual.
- *SARAH YORK MOVED TO AUTHORIZE A RESERVE FUND TRANSFER NOT TO EXCEED \$25,000 FOR TISBURY SCHOOL PROJECT VOTER EDUCATION AND ADVERTISEMENT; JYNELL KRISTAL SECONDED; MOTION PASSED UNANIMOUSLY: 8 AYES, 0 NAYS, 0 ABSTENTIONS: ALLAN ROGERS—AYE, JYNELL*

KRISTAL—AYE, LAURA ROSE—AYE, SARAH YORK—AYE, INDIA ROSE—AYE, MARY ELLEN LARSEN—AYE, KELLY METELL—AYE, NANCY GILFOY—AYE. TSC Chair Amy Houghton expressed much gratitude for FinCom support of school needs.

Future Meetings (See below: Meetings/Events.)

The Select Board set Special and Annual Town Meeting (STM/ATM) for June 5, 2021 outside in a tent. Town Moderator Deborah Medders raised the issue of a separate STM to vote the School Building Project Article.

- Tent costs and logistics pushed such a meeting to be within a day or two of the regular STM/ATM.
- The School Building Project would be the elephant in the room and involve lengthy debate, prolonging an already long regular STM/ATM due to a number of articles postponed from the 2020 STM/ATM (see 5/12/20 Minutes).
- Quorum issues were a problem for both options, especially in the current Covid restrictions and weather dependent venue. The 2020 STM/ATM had quorum difficulties at the end of the long meeting. On the other hand there would also be quorum issues for two meetings in short succession.
- There were suggestions for a School Building Project STM a month or even a week before the regular STM/ATM.
- There was a question of where in the Warrant order such an article would be, especially for those with childcare issues.

Items Not Reasonably Anticipated by the Chair - None

Adjournment

- LAURA ROSE MOVED TO ADJOURN AT 8:13PM; MARY ELLEN LARSEN SECONDED; MOTION PASSED: 8 AYES, 0 NAYS, 0 ABSTENTIONS: KELLEY METELL—AYE, ALLAN ROGERS—AYE, JYNELL KRISTAL—AYE, LAURA ROSE—AYE, SARAH YORK—AYE, INDIA ROSE—AYE, MARY ELLEN LARSEN—AYE, NANCY GILFOY—AYE.

Appendix A: Meetings/Events:

- AISC – 5:30PM, Thursday, January 21, 2021 - Zoom
- TSBC – TBD 5:00PM, Monday, January 25, 2021 - Zoom
- MVRHSC – 5:00PM, Monday, February 1, 2021 – Zoom
- TSC – 4:30PM, Tuesday, February 9, 2021 – Zoom

Appendix B: Actions

Harold Chapdelaine – include CMR and straight bid on TSBC agenda.
Jon Snyder – please print budget hard copy for FinCom records.

Appendix C: Documents on File:

- Agendas (3 p.) 1/13/21
- School Project Financing: Town of Tisbury, MA, Board of Selectmen/Finance Committee Meeting, January 13, 2021 Via Zoom (3 p.)
- Request for Transfer from the Reserve Fund 1/8/21
- Gilfof/Snyder cover email re: Tisbury debt outstanding and debt service forecast (3 p.) 1/14/21

continued

Minutes respectfully submitted by Office On Call/Marni Lipke.

Marni Lipke – Recorder

Date

Amy Houghton – TSC Chair

Date

Minutes approved as amended 2/9/21