

Arapahoe Public School
Board of Education – Special Meeting
School Library
September 26th, 2016 6:00 pm

President Todd Watson called the meeting to order at 6:01 pm.

President Todd Watson welcomed the visitors and announced that the Arapahoe Board of Education follows the rules of the Open Meetings Act which is posted.

The following members were present: Todd Watson, Dan Warner, Rod Whipple, Dennis Roskop and Lisa Anderson.

The following member(s) were absent: Kelly Breinig.

Also present was Dr. George Griffith, Superintendent and Cassie Hilker, Board Secretary. Guest(s) included Jay Spearman of Ameritas, TJ Schirmer of The Clark Enersen Partners and Tammie Middagh.

A motion was made by Warner and seconded by Whipple to excuse Kelly Breinig from the meeting. AYES: Warner, Whipple, Roskop, Anderson and Watson. Motion carried 5-0.

A motion was made by Roskop and seconded by Anderson to approve the agenda. AYES: Whipple, Roskop, Anderson, Watson and Warner. Motion carried 5-0.

President Watson asked for Public Comment.

Watson and Griffith updated Jay Spearman on the amendments to the budget.

Jay Spearman advised the board that obtaining a bond rating score could open the door to a larger pool of buyers if a good score was received. The cost to obtain a bond rating score is approximately \$13,500 per bond issue. If the District were to issue bonds in more than one series or year, the cost to obtain the bond rating score may not be cost effective for each issue of bonds. Jay then reviewed the information that was presented at prior meetings, which showed a principal bond issue of \$12,660,000 with an estimated 3.25% interest rate that resulted in a total estimated cost of \$17,462,200 (\$12,660,000 principal plus \$4,802,200 interest) over the twenty years. The average levy based upon current valuations was estimated at \$0.167. Since the bond had passed Jay was able to get better estimates on interest rate, which he shared with the board through multiple scenarios. **Scenario 1** would have 1 series of bond issues in November/December 2016, par amount of \$12,660,000, not bank qualified, no rating score. This scenario resulted in a total cost of \$16,296,605.63 (\$12,660,000 principal plus \$3,636,605.63 interest) and an average levy of \$0.156 based upon current valuations. **Scenario 2** would have two series of bond issues. Series 1 would be for a par amount of \$9,995,000 in November/December 2016, bank qualified, no rating score. Series 2 would be for a par amount of \$2,665,000 in March/April 2017, bank qualified, no rating score. This scenario resulted in a total cost of \$16,114,938.54 (\$9,995,000 principal plus \$2,745,264.79 interest and \$2,665,000 principal plus \$709,673.75 interest) and an average levy of \$0.154 based upon current valuations. Jay explained that to be bank qualified the bond amount issued has to be \$10,000,000 or less and saves approximately a tenth of a percent. **Scenario 3** would also have two series of bond issues. Series 1 would be for a par amount of \$2,665,000 in November/December 2016, bank qualified, no rating score. Series 2 would be for \$9,995,000 in March/April 2017, bank qualified, no rating score. This scenario resulted in a total cost of \$16,048,678.55 (\$2,665,000 principal plus \$731,406.67 interest and \$9,995,000 principal plus \$2,657,271.88 interest) and an average levy of \$0.153 based upon current valuations. **Scenario 4** would have two series of bond issues. Series 1 would be for a par amount of \$2,665,000 in November/December 2016, bank qualified, no rating score. Series 2 would be for \$9,995,000 in August 2017, bank qualified, no rating score. This scenario resulted in a total cost of \$15,929,639.17 (\$2,685,000 principal plus \$731,406.67 interest and \$9,995,000 principal plus \$2,538,232.50 interest) and an average levy of \$0.152 based upon current valuations. Each scenario will change based upon what the Federal Reserve does with interest rates. TJ along with Hausmann will prepare a draw down schedule that will show when funds are estimated to be spent, which will help determine the best option. Jay went on to explain the credit rating process. It takes approximately two weeks to obtain the score and is then good for 6 months. The rating is based upon the following factors: 60% of the rating is based upon the general economic conditions of the service area and is obtained from the state, 20% is based upon the current financial condition of the District and the remaining 20% is based upon the management of the District (School Board and Administration). If the board decides to go through the credit rating process and a lower rating is received it could hurt the issuance of bonds and rates. Payments will be due annually in June and December. Jay apologized for not explaining that in prior paperwork.

TJ congratulated the board on the passage of the bonds. Requests for Proposals (RFPs) have been sent out to Olsson Associates, Benesch, JEO and Buffalo Surveying for a site survey of the entire area. One has already been received from JEO for \$13,500. The costs for this survey have already been included in earlier proposed costs. The post bond fee for Clark Enersen is 7% of the new construction cost and 7.5% of the renovation costs. TJ will create a spreadsheet and send it to Dr. Griffith so that can be monitored and established from the very beginning. The plan is to get the drawings done by March 2017, which is 75% of our work and will be billed at that time. Over the next couple months, we will be here performing more site investigations

and will have other engineers here as well. We would like to get staff input through design meetings with small groups of staff at times that work best for the District. It is also good to get any student groups involved as well. Anderson inquired about putting together an Ag Advisory Committee as well that could provide input through one of the design meetings. We will also be working on scheduling a meeting with the fire marshal. We have found it works best to walk through with the fire marshal right away and get any suggestions early on. TJ then inquired about how the board would like to work going forward. There will be numerous decisions that will have to be made. He presented a couple options: Option 1 – Work with the building committee on design decisions and then take those recommendations to the whole board at a board meeting. Option 2 – Present design decisions to the entire board and then we will more than likely be at every board meeting from here on out. TJ has done it both ways so it is entirely up to the board. Board members decided that it would be most efficient to work with the building committee and they come out with 2-3 options to present to the board at a board meeting. TJ then presented the construction phasing: Phase 1 would include the new gymnasium, commons and the elementary wing addition and is estimated to start in April 2017 and end in March 2018. Phase 2 includes code compliance and minor renovations of the existing school and is estimated to start in March 2018 and end in August 2018; demo of the existing high school is estimated to start in June 2018 and end in July 2018; site improvements are estimated to start in June 2018 and end in August 2018. Hausmann will be tracking the budget as we go along. Hausmann is also in charge of bidding for sub-contracts and they will share those bids with the building committee / board. Since, you are a public entity it is very difficult to not take the low bid, unless you can find the company is not responsive. TJ asked the board to share any input they have received on the current design. The board had the following comments / suggestions: design it to allow for expansion in some way; need a vision as we go through this process, where are we going to have a need for space academically in the future and what would that look like; make the central office more centralized.

The board agreed to table the action item discussing, considering and approving obtaining a credit rating prior to the sale of the bonds.

The board agreed to table the action item discussing, considering and approving the timeline for selling and the amount of the initial bond offering.

The board agreed to table the action item discussing, considering and approving the procedure and timeline for the detailed plans and blueprints for the bond project.

Anderson left the meeting at 7:30 pm.

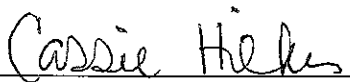
The board then continued on with their comments / suggestions: concerned with the proximity of the locker rooms to the new gym in the current drawing and wondered if that could be changed while still staying on budget; centralizing the special education facilities; establishing a tornado shelter that is centralized if possible; due to the transgender policies coming down, creating a restroom with a shower that could also be used as a referee changing room and/or for special education needs; sound system / acoustical enhancements in the current gym either in this project or could be addressed in the future; repairs to the current wrestling room. TJ explained that there is approximately \$2 million dollars to be spent on the renovations of the existing school which includes fire sprinklers, moving some walls and whatever is left over after that if anything could be used towards other things. One thing to guard against is scope creep and we will assist and keep tabs on that. It is the intention of the board to get it done right. TJ will put together some options and work on setting up a meeting with the building committee. Meetings with staff could be done after school or on a Saturday.

The board thanked Jay and TJ for coming.

Regular Board Meeting, Monday, October 10th, 2016 at 8:00 pm.

Special Board Meeting (Board/Superintendent Workshop with NASB), Thursday, October 13th, 2016 at 6:00 pm.

A motion was made by Whipple and seconded by Roskop to adjourn the meeting at 7:46 pm. AYES: Roskop, Watson, Warner and Whipple. Motion carried 4-0.


Respectfully submitted,
Cassie Hilker, Board Secretary