

**Special Meeting of the Pawtucket School Committee – Thursday,
September 24, 2015**

Meeting called to order 5:39pm

**In attendance : Mr. Chabonneau, Mr. Knight, Ms. Bonollo, Ms. Dube,
Mr. Araujo, Ms. McQuade, Ms. Grant**

Recited the Pledge of Allegiance

No Public Participation

Ms. Devine discussed that there were additional School Building Authority (SBA) funding applications that were being requested for approval. She went on to explain that RIDE reached out to Mrs. DiCenso to schedule a meeting regarding the \$22M in SBA funding that was being made available to all school districts. The meeting took place on Thursday, September 16th with Mrs. Dicenso, Ms. Andrea Castenada and Ms. Cindy Brown.

The discussion that took place was RIDE encouraging Pawtucket School Department to take advantage of additional projects since the needs are so great within the district. We expressed that we originally put forth the projects that were “shovel ready” and can be accomplished utilizing cash funding. RIDE went on to explain that the “loan” option was a great opportunity since it was no cash up front and “payback” would be only the portion of the project that the district would be responsible for, amoritized over the life of the loan. The example provided for a \$2M loan at an estimated 3% interest paid over 10 years would be approximately \$40K each year.

Ms. Devine explained that the additional applications put forth to the Committee were projects discussed with Mrs. DiCenso, Mr. Rebelo

and Mr. Osterman, the project manager from Colliers. Mrs. Devine walked the committee through each of the additional projects applications. 5 applications utilizing the capital reserve fund and 1 application with the intention for a loan.

Mr Knight asked if the ALP fire alarm was for the entire building.

Ms. Devine said the fire alarm replacement was just for the ALP section of the building, where the classrooms are. She said she would check on what that cost included.

Ms. Devine explained that taking advantage of the loan opportunity doesn't mean we would get the loan and that the district would have to go through the loan application process including any approvals by the City Council. She explained that the Jenks roof HVAC project consists of 7 separate units on the roof but since the estimate for the actual units was done about 1 & 1/2 yrs ago, the group decided to submit the application stating that it would replace select units. The goal is to replace as many units as can with the \$2 million should the project application and loan be approved.

Ms. McQuade made a motion to approve the SBA funding applications.

Ms. Bonollo seconded the motion

Mr. Charbonneau asked if the loan had a pre-payment penalty.

Ms. Devine stated that she received an email from RIDE that the RIHEBC loan does not contain a pre-payment penalty.

Mr. Arajuo asked that the email regarding the pre-payment penalty and the spreadsheet from RIDE with the sample of the loan repayment be part of the minutes file.

Ms. Bonollo asked if the venting system at Jenks/JMW would be changed when the units were replaced to allow for enclosed classrooms vs. open air classrooms.

Ms. Devine stated that she would have to defer to the project manager for the details and would find the answer out.

Ms. DiCenso agreed and said that changing the venting system would have to be discussed when we are ready to put the project out to bid.

Ms. Bonollo said if we are going to that much work on the roof, it would make more sense to make classrooms that are equitable to education.

Ms. Dube asked about why there were no dates checked regarding the “substantial completion” dates for the Tolman Fire Alarm and the Jenks HVAC projects.

Ms. Devine explained that the application rates points based on substantial completion dates sooner than the required August 31, 2015. There are 3 earlier date choices and if cannot make any of those earlier dates then we would not select and that section would gain no point value for those projects.

Mr. Knight asked if we were doing substantial improvement to the roof itself.

Ms. DiCenso explained that the units are on the roof and the area where the units are will be part of the project. The remaining parts of the roof are not.

Ms. Bonollo asked if there was extra money to include the roof areas themselves.

Ms. Devine stated that we would have to look at the details of the

project and what was approved in those plans that were submitted to RIDE. Per Ms. Bonollo's request we will ask if the roof is included in the details.

Mr. Knight wanted to ensure that he was clear and understanding we were approving these applications as an emergency due to RIDE not getting the original request for applications as they thought they would. Facilities Committee will still have the input on this.

Ms. Devine stated that she was not sure what happened to extend the date, but PSD did get in the applications by the original deadline. At that point she thinks maybe RIDE wanted to see districts take as much advantage as possible for the needs in the district.

Ms. DiCenso also stated that the \$20M was not just earmarked for Health and Safety projects but any approved school project. She thinks maybe RIDE wanted to ensure that districts with the greatest need took full advantage of the opportunities. Seeing that PSD had a capital fund and only submitted \$700K (gross amount) in projects they probably felt that we should be requesting more. She explained that we don't know if we will get the loan and they may be hoping that the Governor puts this money in the budget.

Mr. Charbonneau asked if we have to vote to add to the capital fund now in order submit the applications.

Ms. Devine said no because the applications we are submitting with the Cash payment option uses the capital fund and the Jenks project is saying we will apply for a loan.

Ms. DiCenso mentioned that if approved then we need to go through the City to apply for the loan. If we get the loan, the estimated

payment annually of \$40K will have to be decided if PSD will put it as a line item in the budget or use capital funds to pay the loan.

Mr. Knight referenced that the application for the Loan option stated that payment is due upon completion of the project.

Ms. DiCenso says that RIDE gave us a document that showed the loan is over 10 years and mentioned RIDE confirmed that there would be no pre-payment penalty for early pay off of loan.

Ms. Devine read the instructions on the total project cost loan option explanation of the application. It read "Successful LEA's selecting this option will sign loan agreements with RIHEBC. Upon the project completion the LEA will only repay their local share of the loan plus interest to RIHEBC. Per RI General Laws, this form of indebtedness does not require General Assembly approval. LEAs will forward invoices and verified requisition forms to the SBA on a monthly basis. The SBA reviews the submitted invoices and upon approval, directs the RIHEBC to release payment to the district for the eligible project amounts.

Mr. Knight would like to take the Jenks project out and approve the other application.

Mr. Knight would like to amend the motion to be to approve the 5 applications that are using the cash option to pay

Mr. Charbonneau seconded

Vote was unanimous in favor.

Ms. McQuade moved to approve the Jenks application, seconded by Ms. Bonollo.

Ms. McQuade says that by approving this application we are not

committing to anything and risk nothing by applying.

Mr. Knight agrees that we need to approve this, but would like to use the \$400K from the surplus and replenish it out of the bond in the 2016 election. He says that this money will continue each year according to information he received by making phone calls today.

Mr. Charbonneau thinks that is a conversation for down the road on how we pay, we are only approving to submit the application.

Ms. DiCenso agrees that we are voting to approve the submission only.

Mr. Knight was discussing that we should have a down payment. He has not seen anyone get approved for a loan without a down payment.

Mr. Araujo asked that Mr. Charbonneau take over the Chair position.

Mr. Araujo states that this is just an application process. We definitely need to get down to details moving forward. We have a deadline to meet. If RIDE reaches out to the Superintendent asking for other projects that speaks volumes but he is not saying that it is a guarantee. If the application is not approved then we do not go after the loan. If it is we discuss further on the process.

Mr. Knight says we have to have the funding for a loan to be approved. What people don't understand about the RIHEBC is that it is a bonding agency created by the State of RI, General Assembly under the control of the RI Department of Education. If we don't have the money, earnest money, they can say no just for that reason. I don't want to spend the \$400K, but I want it available and not doing it is leaving it not available and God Bless you all because it might not

happen.

The motion is to approve the Jenks application as presented made by Mrs. McQuade and seconded by Ms. Bonollo

Ms. Bonollo – Yes, Mr. Charbonneau – Yes, Ms. Dube – Yes, Ms Grant - Yes

Mr. Knight - Due to the fact we are not backing this with any substantial funding and we haven't got approval and we are applying for something, what we are approving something that could be refused for financial reasons. I would love to vote no but if they don't approve it for financial reasons I know how to say I told you so; Yes and my statement is for the record.

Ms. McQuade – Yes, Mr. Araujo –Yes

Vote passes in favor unanimously.

Mr. Charbonneau – Motion to adjourn , seconded by Ms. Grant

Unanimously voted to adjourn.