

**SPECIAL HOLLIS SCHOOL BOARD
MARCH 21, 2017
MEETING MINUTES**

A special meeting of the Hollis School Board was conducted on Tuesday, March 21, 2017 at 9:05 a.m. at the SAU41 Administrative Office, 4 Lund Lane, Hollis, NH.

Chairman Robert Mann presided:

Members of the Board Present: Tammy Fareed, Vice Chairman
Michelle St. John, Secretary
Tom Enright
Laurie Miller

Members of the Board Absent:

Also in Attendance: Andrew Corey, Superintendent
Gina Bergskaug, Assistant Superintendent

AGENDA ADJUSTMENTS - None

PUBLIC INPUT - None

DISCUSSION

- Energy Study – Municipal Lease Update

Superintendent Corey provided an overview, and the Board discussed the terms and rates of the final two lease proposals (copies attached). Superintendent Corey recommended Municipal Leasing Consultants, 7 Old Town Lane, Grand Isle, VT.

Member Miller questioned the Equipment Acceptance date on page 2, which read February 28, 2018. As the Board expressed concern with the date, Superintendent Corey left the discussion to contact the lease consultant. Upon his return, he was able to provide the Board with an update on his conversation with the leasing firm.

DELIBERATIONS

- To see what action the Board will take regarding the Municipal Lease Proposal

MOTION BY MEMBER MILLER TO ENTER INTO A TEN-YEAR LEASE PURCHASE AGREEMENT WITH MUNICIPAL LEASING CONSULTANTS FOR THE PURPOSE OF FINANCING ENERGY CONSERVATION EQUIPMENT AND RELATED IMPROVEMENTS AT HOLLIS UPPER ELEMENTARY SCHOOL AND HOLLIS PRIMARY SCHOOL AS RECOMMENDED UNDER THE DISTRICT ENERGY STUDY AND DEVELOPMENT PLAN, AT A RATE OF 2.769% CONTINGENT UPON THE CLARIFICATION OF THE EQUIPMENT ACCEPTANCE DATE TO THE SUPERINTENDENT'S SATISFACTION. THE LEASE PURCHASE AGREEMENT WILL CONTAIN AN ESCAPE (NON-APPROPRIATION) CLAUSE. SOURCE OF FUNDING IS THE APPROPRIATION APPROVED THROUGH THE PASSAGE OF WARRANT ARTICLE #1 AT THE DISTRICT ANNUAL MEETING CONDUCTED ON MARCH 7, 2017
MOTION SECONDED BY MEMBER FAREED
MOTION CARRIED
5-0-0

ADJOURNMENT

MOTION BY MEMBER MILLER TO ADJOURN
MOTION SECONDED BY MEMBER FAREED
MOTION CARRIED
5-0-0

The March 21, 2017 special meeting of the Hollis School Board was adjourned at 9:25 a.m.

Date _____ Signed _____



203 E. PARK AVENUE, LIBERTYVILLE, ILLINOIS 60048

☎ 847-247-0771

☎ 847-247-0772

☎ www.taxexemptleasing.com

February 2, 2017

VIA E-MAIL: finance@hollisnh.org

Deborah Padykula
Finance Officer
Town of Hollis

Dear Deb:

I am pleased to provide the following quote for Town of Hollis for the financing of an energy management project. This quote is valid for 14 days and is subject to credit review and proper documentation.

Equipment Cost (Approximate):	\$2,800,000.00
Down Payment:	\$0.00
Financed Amount:	\$2,800,000.00
Payment Frequency:	Semi-Annual, in arrears (first payment due six months from lease date)
Term:	10-years
# of Payments:	Twenty (20)
Rate*:	2.99%
Payment*:	\$163,007.69
Factor^:	.05822

* Rate and payment assumes that the Customer is a tax-exempt entity and the purchase of the equipment falls within the type of equipment allowed as tax-exempt under the I.R.S. Code. In the event this purchase is not exempt, the rate and payments will be adjusted accordingly. Further, it is assumed that the transaction will be "bank-qualified" and that the customer will not issue more than \$10 million in tax-exempt leases or bonds in the current calendar year.

^ Factor is based on quoted rates. If the equipment cost changes or a down payment is made, the new payment amount can be calculated by multiplying the new financed amount by the rate factor.

Note: If the equipment will require a "build-out period", the financed amount will be placed into an escrow account at lease signing and funds disbursed as instructed by the customer.

I have attached an application that must be completed in order to proceed with the credit process. In addition, we will need copies of the Town's last 2-years of audited financial statements, along with a copy of its current interim financial statement. Also, we need dealer and equipment information. Once these items are gathered, please fax the information to 847-247-0772 or e-mail to curts@taxexemptleasing.com.

I appreciate this opportunity and look forward to proceeding. Please let me know if I can answer any questions. I can be reached at 847-247-0771.

Kind Regards,

A handwritten signature in black ink that reads 'Curt Schroeder'.

Curt Schroeder
Account Executive

Sample Payment Schedule

Provided by Tax-Exempt Leasing Corp.

Compound Period: Semiannual

Nominal Annual Rate: 2.990%

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	3/1/2017	\$ 2,800,000.00	1		
2 Payment	9/1/2017	\$ 163,007.69	20	Semiannual	3/1/2011

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal
Loan	3/1/2017			
1	9/1/2017	\$ 163,007.69	\$ 41,860.00	\$ 121,147.69
2	3/1/2018	\$ 163,007.69	\$ 40,048.84	\$ 122,958.85
3	9/1/2018	\$ 163,007.69	\$ 38,210.61	\$ 124,797.08
4	3/1/2019	\$ 163,007.69	\$ 36,344.89	\$ 126,662.80
5	9/1/2019	\$ 163,007.69	\$ 34,451.28	\$ 128,556.41
6	3/1/2020	\$ 163,007.69	\$ 32,529.36	\$ 130,478.33
7	9/1/2020	\$ 163,007.69	\$ 30,578.71	\$ 132,428.98
8	3/1/2021	\$ 163,007.69	\$ 28,598.90	\$ 134,408.79
9	9/1/2021	\$ 163,007.69	\$ 26,589.49	\$ 136,418.20
10	3/1/2022	\$ 163,007.69	\$ 24,550.04	\$ 138,457.65
11	9/1/2022	\$ 163,007.69	\$ 22,480.09	\$ 140,527.60
12	3/1/2023	\$ 163,007.69	\$ 20,379.21	\$ 142,628.48
13	9/1/2023	\$ 163,007.69	\$ 18,246.91	\$ 144,760.78
14	3/1/2024	\$ 163,007.69	\$ 16,082.74	\$ 146,924.95
15	9/1/2024	\$ 163,007.69	\$ 13,886.21	\$ 149,121.48
16	3/1/2025	\$ 163,007.69	\$ 11,656.84	\$ 151,350.85
17	9/1/2025	\$ 163,007.69	\$ 9,394.15	\$ 153,613.54
18	3/1/2026	\$ 163,007.69	\$ 7,097.63	\$ 155,910.06
19	9/1/2026	\$ 163,007.69	\$ 4,766.77	\$ 158,240.92
20	3/1/2027	\$ 163,007.69	\$ 2,401.13	\$ 160,606.56
Grand Totals		\$ 3,260,153.80	\$ 460,153.80	\$ 2,800,000.00



Municipal Leasing Consultants
7 Old Town Lane
Grand Isle, VT 05458-2325
Tel (802) 372-8435
Fax (802) 372-4775
www.PowerOfLeasing.com

February 28, 2017

Andrew Corey
Superintendent
SAU #41
4 Lund Lane
Hollis, NH 03049

Dear Andrew,

Municipal Leasing Consultants, an independent woman-owned business, is pleased to present the following proposal to lease certain capital equipment pursuant to the following terms and conditions:

LESSOR: Municipal Leasing Consultants, its Agents or Assignee

LESSEE: SAU #41 NH

EQUIPMENT: Energy Performance Project

EQUIPMENT COST: \$2,800,000.00 approximate

PAYMENT STRUCTURES: **Option 1: Tax-Exempt Lease Purchase
Ten (10) Years – Annual/Advance**
Ten (10) Annual Payments of \$315,647.22
First payment of \$315,647.22 due 3/28/17 and Annual thereafter
(i.e. \$2,800,000.00 x .1127312 = \$315,647.22)

RATE: **2.769%**

**Option 2: Tax-Exempt Lease Purchase
Ten (10) Years – Annual/Arrears**
Ten (10) Annual Payments of \$324,387.49
First payment of \$324,387.49 due one year from closing and Annual thereafter
(i.e. \$2,800,000.00 x .115853 = \$324,387.49)

RATE: **2.769%**

As part of the proposal process, we encourage you to contact us to discuss the intricacies of our proposal and your specific goals. There are many variations available to our proposed financing structure, which can be "fine tuned" as our dialog progresses.

The preceding costs are estimates and thus, the payment amount would be changed in proportion to the actual cost. The Vendor(s) will be paid upon the Lessee's authorization and the execution of mutually acceptable documentation.

THE ABOVE QUOTES ARE FIXED FROM **FEBRUARY 28, 2017 TO MARCH 28, 2017** IN ANTICIPATION OF **CLOSING / FUNDING** BY THIS DATE. THEREAFTER, THE RATE WILL FLOAT AND NOT BE LOCKED IN UNTIL DOCUMENTS ARE PREPARED FOR CLOSING AND WILL BE BASED ON THE LIKE TERM SWAP RATES.

EQUIPMENT ACCEPTANCE DATE:

This proposal is based on both the assumption and the condition that any and all equipment will be delivered to and accepted by Lessee prior to February 28, 2018.

OPTION AT LEASE EXPIRATION:

At the lease expiration, the Lessee shall have the right to purchase the equipment for One dollar (\$1.00), assuming the lease is not in default and all terms and conditions of the lease have been met.

NET LEASE:

This lease will be a net lease transaction with maintenance, acceptable insurance coverage, taxes and any legal fees the responsibility of the Lessee.

LEASE AMORTIZATION SCHEDULE:

Amortization schedules with separate principal and interest cost breakdown will be provided with the final documentation.

WARRANTIES:

Lessor is bidding only as to the provision of lease purchase financing for the purchase cost of the equipment and will have no responsibility to the Lessee or any other person for the selection, furnishing, delivery, servicing or maintaining of the equipment. All equipment manufacturer or vendor warranties will be passed to the Lessee under the agreement.

NON-APPROPRIATION:

The lease payments shall be subject to annual appropriation for each fiscal year.

BANK OR NON-BANK QUALIFICATION:

Lessee reasonably anticipates the total amount of tax-exempt obligations (other than private activity bonds) to be issued by Lessee during calendar year 2017, will not exceed ten million (\$10,000,000.00) dollars.

FINANCIAL STATEMENTS:

If applicable, Lessee shall furnish Lessor with its financial statement for the last three (3) fiscal years and its current year fiscal budget.

AUTHORIZED SIGNORS:

The Lessee's governing board shall provide MLC with its resolution or ordinance authorizing this Agreement and shall designate the individual(s) to execute all necessary documents used therein.

LEGAL OPINION:

The Lessee's counsel shall furnish MLC with an opinion of counsel letter covering this transaction and the documents used herein.

REIMBURSEMENT:

If Lessee intends to be reimbursed for any equipment cost associated with this agreement, intent for reimbursement from the proceeds of this Agreement must be evidenced, and must qualify under the Treasury Regulation Section 1.150.2.

DOCUMENTATION:

All documentation will be provided by Lessor, its Agents or Assignee, and must be satisfactory to all parties concerned.

ESCROW FUNDING:

- *If applicable*, an escrow account will be established to make disbursements. The proceeds of the lease will be deposited into an Escrow Account. The fee on this account will be \$250.

We will need the following prior to disbursements from escrow:

1. Payment Request and Acceptance Certificate signed by authorized signer
2. Vendor Invoice with payment instructions (wire or check)
3. W-9 for Vendor
4. Insurance Certificate – Listing the applicable property and liability coverage and listing the lease number, equipment and any VIN#s or serial numbers.

PREPAYMENT OPTION:

The Lessee will have the option to prepay on any payment date for 102% of the remaining balance.

BASIS OF PROPOSAL:

This proposal is based upon financing being provided by Lessor and should not be construed nor relied upon as a commitment. Such a commitment is subject to formal credit review, approval and execution of mutually acceptable documentation. The contract, and not the proposal, will set forth the agreement between the parties.

We appreciate the opportunity to provide this proposal and look forward to working with you in the future. If the foregoing meets with the Board's approval, please date and sign the acceptance below and return the signed proposal to the undersigned via email or fax to 802-372-4775 and subsequently remit payment of \$695.00 for the Documentation Fee. Failure to consummate this transaction once credit approval is granted will result in a \$695.00 fee being assessed to the Board. Formal credit approval will be pursued upon receipt of the signed proposal and complete credit package. **Credit approval normally takes ten (10) to fourteen (14) business days.**

If you have any questions or need further information, please do not hesitate to contact me at 802-372-8435.

The foregoing is acknowledged and accepted as of the _____ day of _____, 2017.

SAU #41, NH

By: _____

Title: _____

Sincerely,

Reneé M. Piché

Reneé M. Piché
President

Hollis School SAU #41 10 yr Arrears

Compound Period : Annual

Nominal Annual Rate : 2.769 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	03/28/2017	2,800,000.00	1		
2 Payment	03/28/2018	324,387.49	10	Annual	03/28/2027

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	03/28/2017				2,800,000.00
2017 Totals		0.00	0.00	0.00	
1	03/28/2018	324,387.49	77,532.00	246,855.49	2,553,144.51
2018 Totals		324,387.49	77,532.00	246,855.49	
2	03/28/2019	324,387.49	70,696.57	253,690.92	2,299,453.59
2019 Totals		324,387.49	70,696.57	253,690.92	
3	03/28/2020	324,387.49	63,671.87	260,715.62	2,038,737.97
2020 Totals		324,387.49	63,671.87	260,715.62	
4	03/28/2021	324,387.49	56,452.65	267,934.84	1,770,803.13
2021 Totals		324,387.49	56,452.65	267,934.84	
5	03/28/2022	324,387.49	49,033.54	275,353.95	1,495,449.18
2022 Totals		324,387.49	49,033.54	275,353.95	
6	03/28/2023	324,387.49	41,408.99	282,978.50	1,212,470.68
2023 Totals		324,387.49	41,408.99	282,978.50	
7	03/28/2024	324,387.49	33,573.31	290,814.18	921,656.50
2024 Totals		324,387.49	33,573.31	290,814.18	
8	03/28/2025	324,387.49	25,520.67	298,866.82	622,789.68
2025 Totals		324,387.49	25,520.67	298,866.82	
9	03/28/2026	324,387.49	17,245.05	307,142.44	315,647.24
2026 Totals		324,387.49	17,245.05	307,142.44	
10	03/28/2027	324,387.49	8,740.25	315,647.24	0.00
2027 Totals		324,387.49	8,740.25	315,647.24	
Grand Totals		3,243,874.90	443,874.90	2,800,000.00	

Hollis School SAU #41 10 yr Advance

Compound Period : Annual

Nominal Annual Rate : 2.769 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	03/28/2017	2,800,000.00	1		
2 Payment	03/28/2017	315,647.22	10	Annual	03/28/2026

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 03/28/2017				
1 03/28/2017	315,647.22	0.00	315,647.22	2,800,000.00
2017 Totals	315,647.22	0.00	315,647.22	2,484,352.78
2 03/28/2018	315,647.22	68,791.73	246,855.49	2,237,497.29
2018 Totals	315,647.22	68,791.73	246,855.49	
3 03/28/2019	315,647.22	61,956.30	253,690.92	1,983,806.37
2019 Totals	315,647.22	61,956.30	253,690.92	
4 03/28/2020	315,647.22	54,931.60	260,715.62	1,723,090.75
2020 Totals	315,647.22	54,931.60	260,715.62	
5 03/28/2021	315,647.22	47,712.38	267,934.84	1,455,155.91
2021 Totals	315,647.22	47,712.38	267,934.84	
6 03/28/2022	315,647.22	40,293.27	275,353.95	1,179,801.96
2022 Totals	315,647.22	40,293.27	275,353.95	
7 03/28/2023	315,647.22	32,668.72	282,978.50	896,823.46
2023 Totals	315,647.22	32,668.72	282,978.50	
8 03/28/2024	315,647.22	24,833.04	290,814.18	606,009.28
2024 Totals	315,647.22	24,833.04	290,814.18	
9 03/28/2025	315,647.22	16,780.40	298,866.82	307,142.46
2025 Totals	315,647.22	16,780.40	298,866.82	
10 03/28/2026	315,647.22	8,504.76	307,142.46	0.00
2026 Totals	315,647.22	8,504.76	307,142.46	
Grand Totals	3,156,472.20	356,472.20	2,800,000.00	