I. Call to Order

Chair Shuldman called the work session to order at 5:30 PM.

II. Introduction

Chair Shuldman stated the purpose of the work session was to speak with City Manager John Bohenko and City Attorney Robert Sullivan in order to better understand the bonding issue and legalities of bonding facing the city in regards to the middle school project and as a whole.

III. Presentations

The City Manager, John Bohenko, provided school board members with two spread sheets on different bonding issues facing the city in coming years, explaining that the city’s net debt is kept at or below 10%. Mr. Bohenko stated that for FY09, the rate is at 6% with 4% added in for expenditure increases. The City Manager planned to provide City Council members with the same spreadsheets the following night.

Water or sewer treatment bonding issues were not shown on the provided spreadsheets and Mr. Bohenko believed that in year 2013, there would be a spike due to bonding on the middle school and treatment facilities. When asked what happens when there is a spike in the city’s net debt, Mr. Bohenko stated that all future projects would be frozen until the net debt returned to or under 10%. He urged JCJ Architects and the future construction manager to provide him with the best information possible throughout every phase of the project.

Chair Shuldman stated it is impossible to know what the full project will cost until the project has been sent out to bid. JCJ stated that the marketplace would dictate construction costs. The longer it takes for construction to begin, the higher final costs in construction will most likely be.
However, for every phase of the project, JCJ Architects has included escalation costs. If the presented timeframe were to be extended, construction costs would most likely be affected. For future purchases (such as furniture and technology) that will not be purchased until year three of the project, escalation costs have been included in JCJ’s proposal to reflect actual projected costs at the time of purchase.

Ms. Stevens stated that she believed the board, as a whole, was not effectively communicating with the City Council and asked Mr. Bohenko if he had any suggestions as how to better communicate with them. Mr. Bohenko suggested that at some point, due to recent economic circumstances and the eminent domain issue, school board members and city council members participate in a joint work session. This would most likely delay the original time frame, but might be helpful to effectively communicate and provide complete information for both sides to digest before voting.

Attorney Bob Sullivan then addressed the board, explaining the process of eminent domain. The city is currently waiting for the city assessor to come back with the fair market value price on the Peirce property. The city is obligated to pay the amount the assessor values the land at and the Attorney General must agree to this price. The decided amount will then be brought before City Council. Attorney Sullivan anticipates that the city will have a number from the assessor’s office within a few months, but the entire process may take up to six months or a year. There will be at least two court hearings the city will need to go through to complete the process.

Eminent domain will take any issues or restrictions on the land and erase them. When the school is built, the entire parcel will be turned over to the school department for as long as it is a school, including the parking area.

Chair Shuldman then addressed the board to get a sense of how board members were feeling about voting on site, size and cost at the regular board meeting to follow. Did they want to continue with the timeline or arrange a work session with City Council?

The board unanimously agreed to postpone the vote to allow parking and field issues to be solved and further look into the cost of two new middle schools being built in New Hampshire. The board felt it prudent to assess the differences in cost from the Portsmouth Middle School project and Kearsarge Middle School and Weare Middle School in order to strongly defend the cost and size of their proposal to City Council, as well as explain differences in quality of materials used.

IV. Adjournment

Adjournment – At 7:02 p.m., voted to adjourn.

Respectfully submitted by:

Dr. Robert J. Lister
Superintendent of School