

School Building Project : Questions Folks Have Been Asking

Total Project Cost.....\$71,814,344

Reimbursement by State.....\$42,678,266

Cost to Region.....\$29,136,077

Based on a bond interest rate of 4% over 25 years the average annual debt service obligation by the Town to region would be \$236,000

Why does warrant say \$71,814,344? Must **authorize** borrowing the total amount for the project.

What percentage of the cost is the **state paying?** **66.53% of High School cost, 55.63% for rest of project.**

What if the **state does not pay** us what it says it is going to? **The MSBA funds are not part of the state budget so the money is waiting to be used.**

If when project is bid **it costs more**, what do we do? **Re-bid or cut back** on project to make it fall within the authorized project cost.

What if the project has **cost overruns?** Have to have a Town Meeting and another ballot vote to increase the project cost. Will have to go through this **exact same process again.**

When do we start **paying** on permanent debt? When project is substantially complete, **FY 2015 or FY 2016.**

I heard it was going to cost me over \$300 a year to pay for this, but I thought **regionalization would save me money!** The short answer is it **will not cost you**, because the money you save from regionalizing pays the cost of the debt payment.

Here is how it works: The **town saves between \$250,000 and \$290,000 a year by regionalizing and the yearly debt payment is around \$236,000.** We start saving in FY 2013 and our first full payment on the permanent debt is not due until FY 2016. The Finance Committee plans to set aside those savings along with the yearly savings to pay the debt payment each year. This is the plan!

If this is the plan, what is this 2 ½ Proposition, debt exclusion in the article all about? It is our back-up plan. The state says our plan is fine, nothing wrong with it, but what if things change and you do not have it in your budget? They want a guarantee that we will pay and their **guarantee is the debt exclusion.** Any year that we cannot pay out of the budget, we will do the debt exclusion.

Granville School Will NOT Close!

Nothing in it for GVS! Plans for GVS: Building envelope (roof, windows, doors);ADA upgrades; Energy Improvements; Grading playground and drainage repairs; HVAC and lighting upgrades