

FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT

Special Financial Town Meeting

January 19, 2021 • 7:00 pm

Notice is hereby given to all qualified voters of the Foster-Glocester Regional School District (“District”) that a Special Financial Town Meeting will be held to authorize the District’s acquisition and financing of water system improvements at Ponaganset High School and determine other matters in connection therewith (the “Project”). This meeting will seek approval of a resolution authorizing the Co-Chairpersons and the Treasurer of the District School Committee, acting on behalf of the District, to finance the Project as outlined above through a Lease Purchase Agreement or other appropriation obligation and related documents (the “Financing Documents”) and determine other matters in connection therewith.

Approving this resolution will not raise taxes. All local costs were appropriated in previous Foster-Glocester Regional School District budgets. The District will be using fund balance, and funds provided by the State of Rhode Island, to make the payments on the lease purchase agreement. The Rhode Island Infrastructure Bank (“RIIB”) has agreed to provide financing for the Project at a subsidized interest rate and with principal forgiveness of up to \$200,000 if the Project is financed through RIIB.

Financing through RIIB will spread out the payments on the Project and enable the District to reduce the overall cost with the RIIB authorized principal forgiveness. The Rhode Island Department of Health has approved the Project. The Rhode Island Department of Education has agreed to provide State Housing Aid reimbursement for the Project at a rate of 49%, further reducing the local cost of the Project.

CAPITAL:	RECOMMENDED FY21
LOAN PROCEEDS – Sources	\$575,069.84
PRICIPAL FORGIVENESS FUNDS	<u>\$200,000.00</u>
TOTAL SOURCES TO DEPOSIT TO CONTSTRUCTION FUND	<u>\$775,069.84</u>
LOAN PROCEEDS – Uses	\$565,972.75
PRINCIPAL FORGIVENESS FUNDS	\$200,000.00
LOAN ORIGATION FEE (1%)	\$8,510.81
INTEREST	\$4,824.87
NET FEES	\$4,272.22
COST OF ISSUANCE	\$25,000.00
TOTAL COST TO FINANCE THE PROJECT	<u>\$808,580.65</u>
LESS HOUSING AID REIMBURSEMENT	(\$277,326.65)
<u>LESS PRINCIPAL FORGIVENESS</u>	<u>(\$200,000.00)</u>
<u>ANTICIPATED COST TO FINANCE NET OF PRINCIPAL FORGIVENESS AND HOUSING AID REIMBURSEMENT</u>	<u>\$331,254.00</u>
<u>TOTAL BORROWING AUTHORIZATION OF APPROPRIATION REQUESTED</u>	<u>\$775,069.84</u>