



TO: The Honorable the Members of the Board of Regents

FROM: John L. D'Agati *John L. D'Agati*

SUBJECT: Petition of the City School District of the City of Tonawanda for Consent to Exceed the Constitutional Debt Limit

DATE: July 2, 2020

AUTHORIZATION(S): *Sharon L. Tabor*

SUMMARY

Issue for Decision (Consent)

Should the Board of Regents consent to allow the Tonawanda City School District to increase the indebtedness of the school district under the provisions of the State Constitution and the Local Finance Law?

Reason(s) for Consideration

Required by Article 8, Section 4, Paragraph (h) of the State Constitution and by Local Finance Law section 104.00(c).

Proposed Handling

This petition for consent will come before the Full Board at its July 2020 meeting for discussion and action.

Procedural History

The Board of Regents is required to give consent for such petitions prior to the petition being forwarded to the State Comptroller for final consideration. The Board of Regents has discussed in the past similar requests from school districts to exceed their debt limit and is familiar with the guidelines and procedures for granting consent.

Background Information

The Department received a petition from the Board of Education of the City School District of the City of Tonawanda seeking consent of the Board of Regents to an increase in the indebtedness of the City School District of the City of Tonawanda.

The State Constitution requires that any increase in the constitutional limit on local indebtedness for a school district wholly or partly within a city of less than 125,000 inhabitants receive: (1) the approving vote of 60 percent or more of the duly qualified voters; (2) the consent of the Regents; and (3) the consent of the State Comptroller.

According to the petition, the Tonawanda City School District is located in the City of Tonawanda. The district covers approximately 3.5 square miles and has an estimated population of 15,130. The documentation supporting the petition verifies that more than 60 percent of duly qualified voters approved the increase at a special meeting held on October 22, 2019. The amount requested for approval by the Board of Regents is \$47,469,266, to be used to partially fund* a capital project consisting of the reconstruction and renovation of, and the construction of improvements, additions and upgrades to the Fletcher Elementary School building and facilities (and the sites thereof), and the related consolidation of the district's three elementary schools into a single improved Elementary School Campus at Fletcher.

*The plan for financing the total \$53,469,267 project consists of (a) the expenditure or application toward the Project of \$5,000,000 from the district's capital reserve fund, (b) the expenditure or application toward the project of \$1,000,000 of other available (or anticipated) district funds, and (c) the issuance of bonds and/or bond anticipation notes by the Board of Education of the Tonawanda City School District in an amount not to exceed \$47,469,266.

Staff has reviewed the petition and supporting documentation and recommends that the requested consent be granted.

Related Regent's Items

N/A

Recommendation

It is recommended that the Board of Regents take the following action:

VOTED: That the Board of Regents hereby gives consent to the issuance of bonds and/or bond anticipation notes by the Board of Education of the City School District of the City of Tonawanda in an amount not to exceed \$47,469,266 for a capital project consisting of the reconstruction and renovation of, and the construction of improvements, additions and upgrades to, the Fletcher Elementary School building and facilities (and the sites thereof), and the related consolidation of the district's three elementary schools into a single improved

Elementary School Campus at Fletcher, in excess of the constitutional debt limit of said school district.

Timetable for Implementation

Upon approval by the Board of Regents, the petition will be forwarded to the State Comptroller for final consideration.