



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

**TO:** The Honorable the Members of the Board of Regents

**FROM:** Charles A. Szuberla, Jr. *Charles A. Szuberla Jr.*

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

**DATE:** October 19, 2015

**AUTHORIZATION(S):** *Mary Ellen Eina*

## SUMMARY

### **Issue for Decision (Consent Agenda)**

Should the Regents consent to allow the Rensselaer 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 Board of Regents at the October 2015 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 Rensselaer City School District seeking consent of the Board of Regents to an increase in the indebtedness of the Rensselaer City School District.

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.

It appears from the records of the State Education Department that the Rensselaer City School District is located wholly within the city of Rensselaer. The documentation supporting the petition verifies that more than 60 percent of duly qualified voters approved the increase at a special meeting held on May 19, 2015. The increase in indebtedness will be used to allow the District to exercise its option to purchase from the RCSD Corporation, a Not-for-Profit Corporation ("the Corporation"), the "District Campus" (an approximately 47 acre parcel of land, a grades PreK-12 building and related ancillary recreational and athletic facilities currently comprising the campus of the Van Rensselaer Elementary School and Rensselaer Junior/Senior High School and leased by the Corporation to the District pursuant to a lease purchase agreement). The District's financial advisor has advised the District that, at current interest rates, the debt service on bonds issued to finance the acquisition of the District Campus will be significantly less than the lease payments. Staff has reviewed the petition and supporting documentation and recommends that the requested consent be granted.

## **Recommendation**

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 Rensselaer City School District in an amount not to exceed \$68,000,000 for the acquisition of approximately 47 acres of land and the buildings and recreational and athletic facilities located thereon comprising the campus of the Van Rensselaer Elementary School and Rensselaer Junior/Senior High School and the furnishings, equipment, machinery or apparatus located thereon and therein and required for the purpose for which such buildings and facilities are to be used, from the RCSD Corporation pursuant to a lease purchase agreement dated as of August 16, 2006, and the issuance of such bonds and/or bond anticipation notes 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.