

Holyoke councilors debate funds for middle school study

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HOLYOKE — The City Council’s Finance Committee debated approving a \$475,000 bond for a middle school feasibility study. The committee met Monday with city and Holyoke Public School Officials.

In response to Councilor at-large Kevin Jourdain, Mayor Joshua A. Garcia said Holyoke lacked a capital plan and could not determine future needs that may trigger a debt exclusion or tax override.

“However, I am certainly committed to working with Holyoke employees and the council to build a capital plan for the city, to project the long and short-term needs,” Garcia said. “It’s also important to note the city has a demonstrated need for a new school building.”

Jourdain said his concerns centered around if the city of Holyoke couldn’t make bond payments if capital need emerged that caused liquidity problems or financial stress. A potential tax override would not be for the middle school but could be for police services or trash pickup.

Jourdain estimated a \$1.8 million yearly bond payment, with \$500,000 paid by the school department. He would support the building project if Holyoke could afford it, one that does not “crash” the city’s finances.

Garcia responded the feasibility study would determine those costs, including the construction price tag.

City Auditor Tanya Wdowiak agreed with Garcia and Cinder McNerney of Hilltop Securities that the Feasibility Study was a key in figuring out future bonding. The MSBA reimbursement rate factors into project and bonding costs.

State School Receiver Anthony Soto said the City Council passed a resolution that examined the city’s financial picture. McNerney conducted an analysis a year ago that showed the project would not negatively impact, he said.

Jourdain wants a letter from the mayor and other officials stating that no future tax overrides or debt exclusions would happen. “I want to make sure we’re override free,” he said.

Councilor At-large Joseph McGiverin said Holyoke still pays on a \$500,000 bond for the previous feasibility study. Ward 6 Councilor Juan Anderson-Burgos said Jourdain’s letter request was his way to vote “no” on the bond.

“I feel deep in my gut you don’t want the schools. You don’t want to pay for any of it. You want them (MSBA) to pay for it all. It’s not going to happen,” Anderson-Burgos said. “You’re asking for something you (Jourdain) know they can’t get.?”

Jourdain countered that two-thirds of voters opposed a tax override to fund the original projects. He wanted assurances the voters’ will was being met.

Before Monday's meeting, the School Building Committee's Finance Group reviewed costs associated with a new middle school. The City Council Finance Committee continued the discussion Monday evening.

Chair David Yos led the brief meeting and joined fellow member City Councilors Peter Tallman and Will Puello. The meeting was not broadcast.

The City Council must secure the \$475,000 bond by an April 27 deadline imposed by the MSBA. Then, the authority's board meets in June and will decide if Holyoke moves onto the next stage in the process.

Besides designing a school from scratch, the MSBA offers municipalities a model school or pre-planned design, an affordable option the School Building Committee is considering.

In November 2019, Holyoke voters rejected bonding for two new middle schools. However, a one-school solution has gained traction in the past year and stays within the city's bonding capacity.

An outside firm determined the City of Holyoke could float a construction bond at 4.5% annual interest that maintains a debt load of \$4.8 million annually. In addition, the Finance Group briefly discussed a promise by the Holyoke Public Schools to contribute \$500,000 annually toward the bond repayment.

The group tabled the item for a future meeting, along with a discussion on the city's bonding capacity.

Whitney Anderson, the Holyoke Public Schools finance and maintenance director, said the Building Committee settled on Peck School as the site. If approved, Peck School would be razed and replaced.

Anderson told the committee demolishing Peck School entails abatement and demolition. He added the MSBA would reimburse Holyoke for the costs, but the reimbursement rate was unknown.

In the 673-page Schematic Design Report to the MSBA in 2019, the "hard cost" for the Peck School site was \$55.7 million. The cost included abatement, demolition, building, location and escalation cost.

At the time, abatement was \$1,450,979 and \$1,759,501 to demolish the 1970s era school. In the report, the district noted a potential \$500,000, one-time saving "in expenditures anticipated on the existing Peck School, which is in poor condition."

In addition, the district would save \$600,000 annually with the new school, "based on a combination of the reduced areas of the building and the increased efficiency of the HVAC system."

For now, the \$475,000 bond signals to the MSBA that Holyoke was serious about pursuing a new school.