

# Finance Committee Meeting

SEPTEMBER 8<sup>TH</sup>, 2022



# Agenda

## ○ Board Items

- Homestead/Farmstead 22-23 District Agreement
- Approve TCC Delegates
- Approve Air Filter Bid 22-36
- Reject South Auditorium Bid 22-33

## ○ Discussion Items

- Richboro Elementary Project Update – Doug Taylor - D'Huy
- Richboro Elementary Financing Update
- General Fund Budget Transfers
- Transportation Update



# Council Rock School District Finance Committee Meeting

September 8, 2022



# FINANCE COMMITTEE MEETING

## FACILITIES RELATED AGENDA ITEMS

### **I. Facilities Improvement Projects Update**

- a. Richboro Elementary School Additions and Renovations Project

### **II. History of Renovation/Expansion Projects (Last 12 Years)**

- a. Projects Completed To Date, Projects In Progress and Next in Queue

### **III. Board Agenda Items (15SEP22 Mtg.)**

- a. Professional Services

# Richboro Elementary School

## Additions and Renovations Project

### Budget and Schedule Update



# Richboro Elementary School Additions and Renovations Project

## Summary of Project Costs

**(Next Budget Update – 10NOV22 Design Development)**



D'HUY Engineering, Inc.

| Item  | Budget        | Budget w/ 5 CR Addition | Budget w/ 10 CR Addition | Comments  |
|---|---------------|-------------------------|--------------------------|---|
| Construction Costs:   |               |                         |                          | Updated 6/22/22 by SGA: Total Existing 61,415 SF.<br>Total 5 CR Addition: 7,815 SF, 10 CR Addition: 12,385 SF<br>Admin Addition: 1,085 SF + Receiving Addition: 2,600 SF (Total 3,685 SF)<br>Canopies: 2,310 SF |
| General Contractor  | \$ 12,045,600 | \$ 12,045,600           | \$ 12,045,600            |   |
| HVAC Contractor   | \$ 3,078,900  | \$ 3,078,900            | \$ 3,078,900             |   |
| Electrical Contractor   | \$ 2,979,700  | \$ 2,979,700            | \$ 2,979,700             |   |
| Plumbing Contractor   | \$ 1,301,400  | \$ 1,301,400            | \$ 1,301,400             |   |
| <b>ALTERNATES</b><br>5 CR Addition - Based on 7,580 SF<br>10 CR Addition - Based on 15,180 SF |               | \$ 3,228,800            | \$ 6,464,800             | <i>Cost per SF \$360</i>  |
| <i>General Contractor</i>   |               | \$ 1,819,200            | \$ 3,643,200             |   |
| <i>HVAC Contractor</i>  |               | \$ 394,160              | \$ 789,360               |   |
| <i>Electrical Contractor</i>  |               | \$ 363,840              | \$ 728,640               |   |
| <i>Plumbing Contractor</i>  |               | \$ 151,600              | \$ 303,600               |   |
| <i>CR Addition Site Work Allowance</i>  |               | \$ 500,000              | \$ 1,000,000             |   |
| Inflation Contingency   | \$ 800,000    | \$ 800,000              | \$ 800,000               | <i>Inflation carried from Aug 2020 with estimated July 2022 start for construction</i>  |
| ACE Grant Funds Remaining for Construction Costs  | \$ 448,000    | \$ 368,745              | \$ 368,745               | <i>Amount remaining for construction from ACE Grant after soft costs</i>  |
| <b>TOTAL CONSTRUCTION COSTS</b>   | \$ 20,653,600 | \$ 23,803,145           | \$ 27,039,145            | <b>**Based on award of Alts 1, 2, 4, 5, 6, 8A,9, 11A, 12, 14A, 15B, 16B</b>   |

**The 27JUL22 Schematic Design Budget Update reflects the same estimated costs as presented at the August 2022 Finance Committee Meeting.**

**The Design Development Budget will be prepared upon the receipt of DD docs and presented during the Act 34 Update at the 10NOV22 Finance Committee Meeting.**

# Richboro Elementary School Additions and Renovations Project

## Summary of Project Costs

**(Next Budget Update – 10NOV22 Design Development)**



D'HUY Engineering, Inc.

| Soft Costs   |            |            |            |  |
|--|------------|------------|------------|--|
| Environmental Consultant - Element Environmental Solutions, Inc. | \$ 4,560   | \$ 4,560   | \$ 4,560   | Hazardous Materials Investigation. Awarded to E2S - Actual Cost shown.   |
| Geotechnical Testing - Earth Engineering, Inc.                   | \$ 20,000  | \$ 10,000  | \$ 10,000  | Moved \$20K to Construction Testing based on Agreement amount. Awarded to Earth Engineering, Inc. - Actual cost shown. |
| Builder's Risk Insurance   | \$ 30,000  | \$ 30,000  | \$ 30,000  |  |
| Architect fees   | \$ 709,337 | \$ 709,337 | \$ 709,337 | Fixed fee, approved 11/14/19 with SGA  |
| Site Survey Allowance  | \$ -       | \$ -       | \$ -       | \$4,200 fee included in Architect's fee  |
| Civil/Land Development Allowance                                 | \$ -       | \$ -       | \$ -       | \$102,700 fee included in Architect's fee  |
| Civil Services - Rebidding Fee - Design                          | \$ 3,500   | \$ 3,500   | \$ 3,500   |  |
| Civil Services - Add'l Construction Administration               | \$ 4,350   | \$ 4,350   | \$ 4,350   |  |
| Land Development Allowance for 5 & 10 CR Alts                    | \$ -       | \$ 66,000  | \$ 66,000  |  |
| Architect Additional Design Fee (5 & 10 CR Alts)                 | \$ -       | \$ 252,000 | \$ 252,000 | Fees for redesign of SD thru Procurement for 5 & 10 CR Alts  |
| Architect - Rebidding fee  | \$ 29,000  | \$ 29,000  | \$ 29,000  |  |
| Architect Add'l Construction Administration                      | \$ 61,235  | \$ 61,235  | \$ 61,235  | End Nov 2024. Fee shown is for 6 mo. ext./9 mo. ext. for CR Alts.  |
| Architect Add'l Reimbursables Allowance for 5 & 10 CR Alts       | \$ -       | \$ 7,500   | \$ 7,500   |  |
| D'Huy Eng. - RPE fees  | \$ 487,000 | \$ 487,000 | \$ 487,000 | Fixed fee, approved 11/14/19   |
| Additional Design Phase Fee (5 & 10 CR Alts)                     | \$ -       | \$ 85,000  | \$ 90,000  | 9 months/LEED redo/Act 34  |
| Rebidding fee  | \$ 20,000  | \$ 20,000  | \$ 20,000  |  |
| Additional Construction Administration                           | \$ 183,690 | \$ 275,000 | \$ 275,000 | End Nov 2024. Fee shown in budget column was for 6 mo. ext./9 mo. ext for CR Alts.                                     |
| Legal Costs  | \$ 20,000  | \$ 20,000  | \$ 20,000  |  |
| Approvals & Permits  | \$ 300,000 | \$ 300,000 | \$ 300,000 |  |
| New Electrical Service   | \$ 25,000  | \$ 25,000  | \$ 25,000  | Electric service upgrades primary to secondary may be required.  |
| New Phone Service  | \$ 10,000  | \$ 10,000  | \$ 10,000  |  |
| New Gas Service  | \$ 5,000   | \$ 5,000   | \$ 5,000   |  |
| Computer/Data Wire Service                                       | \$ 5,000   | \$ 5,000   | \$ 5,000   |  |
| Utilities/Water/Sewer  | \$ 15,000  | \$ 15,000  | \$ 15,000  |  |
| Construction Testing - Geo-Technology Associates, Inc.           | \$ 60,000  | \$ 75,000  | \$ 75,000  | Increased by \$15K for CR Alts.  |
| TAB Services   | \$ 25,700  | \$ 35,700  | \$ 35,700  | Increased by \$10K for CR Alts.  |
| Printing, etc.   | \$ 10,000  | \$ 10,000  | \$ 10,000  |  |
| Movable fixtures and equipment                                   | \$ 450,000 | \$ 500,000 | \$ 500,000 | Increased by \$50K for CR Alts.  |
| IT Equipment   | \$ 350,000 | \$ 400,000 | \$ 400,000 | Increased by \$50K for CR Alts.  |
| Financing  | \$ -       | \$ -       | \$ -       | <b>No Costs Included for Financing.</b> To be part of financing package. Estimated Cost: approx. \$315,000             |
| Construction Contingency   | \$ 844,157 | \$ 844,157 | \$ 844,157 | Adjusted on 2/17 to keep project budget on target  |

# Richboro Elementary School Additions and Renovations Project

## Summary of Project Costs

**(DEI working on Budget Update from 27JUL22 Schematic Design Documents)**



D'HUY Engineering, Inc.

| <b>Additional Soft Costs - ACE Grant Costs</b>                         |                       |                      |                      |   |
|--|-----------------------|----------------------|----------------------|---|
| LEED Registration Costs  | \$ 1,200              | \$ 1,200             | \$ 1,200             |   |
| LEED Design Review Fees  | \$ 4,000              | \$ 4,000             | \$ 4,000             |   |
| LEED Design Review Fees - Addtl Review                                 | \$ -                  | \$ 1,500             | \$ 1,500             | Resubmission for 5 & 10 CR Alts   |
| Architect - Phase 1 fees   | \$ 19,078             | \$ 19,078            | \$ 19,078            |   |
| Metropolitan Acoustics   | \$ 25,875             | \$ 25,875            | \$ 25,875            | Acoustic analysis   |
| MEP Consultant - Consolidated Engineers                                | \$ 24,000             | \$ 24,000            | \$ 24,000            | Energy Model  |
| Civil Consultant - Terraform Engineering                               | \$ 5,000              | \$ 5,000             | \$ 5,000             |   |
| LEED Consultant: Re:Vision Architecture                                | \$ 45,400             | \$ 45,400            | \$ 45,400            | Daylight modeling   |
| Architect - Phase 2 fees   | \$ 10,390             | \$ 10,390            | \$ 10,390            | Construction Administration Fee   |
| MEP Consultant - Consolidated Engineers                                | \$ 7,000              | \$ 7,000             | \$ 7,000             | Construction Administration Fee   |
| Civil Consultant - Terraform Engineering                               | \$ 4,000              | \$ 4,000             | \$ 4,000             | Construction Administration Fee   |
| Metropolitan Acoustics   | \$ 7,600              | \$ 7,600             | \$ 7,600             | Construction Administration Fee   |
| LEED Consultant: Re:Vision Architecture                                | \$ 13,000             | \$ 13,000            | \$ 13,000            | Construction Administration Fee   |
| LEED Design Fees for 5 & 10 CR Alts                                    | \$ -                  | \$ 10,610            | \$ 10,610            |   |
| LEED Consultant Addtl Fee for 5 & 10 CR Alts                           | \$ -                  | \$ 20,560            | \$ 20,560            | Re:Vision Architecture  |
| LEED Commissioning /<br>Enhanced Commissioning - The Stone House Group | -                     | -                    | -                    |   |
| Design/CD Fee  | \$ 11,000             | \$ 21,000            | \$ 21,000            | Increased by \$10K for CR Alts.   |
| Construction Administration Fee  | \$ 49,000             | \$ 65,000            | \$ 65,000            | Increased by \$16K for CR Alts.   |
| Construction Management  | \$ 82,000             | \$ 82,000            | \$ 82,000            | LEED & ACE Grant Management   |
| Green Power and Carbon Offsets Contract                                | \$ 10,000             | \$ 10,000            | \$ 10,000            |   |
| Construction Waste Mgmt - Revolution Recovery                          | \$ 55,000             | \$ 75,000            | \$ 75,000            | Increased by \$20K for CR Alts.   |
| <b>ACE Grant Award</b>   | <b>\$ (820,958)</b>   | <b>\$ (820,958)</b>  | <b>\$ (820,958)</b>  |   |
| <b>ACE Grant Funds Remaining</b>                                       | <b>\$ (447,415)</b>   | <b>\$ (368,745)</b>  | <b>\$ (368,745)</b>  |   |
| <b>TOTAL SOFT COSTS</b>  | <b>\$ 3,225,114</b>   | <b>\$ 3,920,594</b>  | <b>\$ 3,925,594</b>  |   |
| <b>TOTAL ESTIMATED PROJECT COSTS*</b>                                  | <b>\$ 23,878,714</b>  | <b>\$ 27,723,739</b> | <b>\$ 30,964,739</b> |   |
| <b>Inflation Adjustments:</b>  |                       |                      |                      |   |
| Inflation Adjustments to Midpoint of Construction                      | \$ 3,201,308          | \$ 3,689,487         | \$ 4,191,067         |   |
| <b>Spring 2022 Rebid Project Budget</b>                                | <b>\$ 27,080,022</b>  | <b>\$ 31,413,227</b> | <b>\$ 35,155,807</b> | April-May 2022 Bidding period, June award. Construction Period: July 2022 - Nov. 2023 construction period |
| <b>Classroom Addition Costs</b>  | <b>\$ 4,000,000</b>   | Costs included above | Costs included above |   |
| <b>Inflationary Increase to DEC 2022 Bid</b>                           | <b>\$ 500,000</b>     | <b>\$ 165,000</b>    | <b>\$ 165,000</b>    | <b>Inflation from Spring 2022</b>   |
| <b>Winter 2022 Rebid Project Budget</b>                                | <b>\$ 31,580,022</b>  | <b>\$ 31,578,227</b> | <b>\$ 35,320,807</b> |   |
| <b>Savings from February 2021 Bids</b>                                 | <b>\$ (2,345,600)</b> |                      |                      |   |

**Note: The combined bid construction cost savings was \$1,597,500 and is not reflected in the above budgeted costs**

# Richboro Elementary School Additions and Renovations Project

## Project Schedule (Bolded Activities Require CR Attendance/Approvals/Action)



D'HUY Engineering, Inc.

### Preliminary Project Schedule

| Activity  | Start Date | Finish Date |
|---|------------|-------------|
| Schematic Design Phase  | 11MAY22    | 29JUL22     |
| Design Development  | 01AUG22    | 28OCT22     |
| Construction Documents  | 31OCT22    | 27JAN23     |
| Land Development - Utilities (Water/Sewer)                          | 13SEP22    | 24FEB23     |
| ✓ <b>Planning Commission Meeting (7:00PM)</b>                       | -----      | 13SEP22     |
| ✓ <b>Zoning Hearing Board Meeting (6:00PM)</b>                      | -----      | 10OCT22     |
| ✓ <b>Planning Commission Meeting (7:00PM)</b>                       | -----      | 11OCT22     |
| <b>Review Design Development Docs at Finance Meeting</b>            |            | 10NOV22     |
| ✓ <b>Board of Supervisors Meeting (7:00PM)</b>                      | -----      | 16NOV22     |
| <b>Board Approval of Act 34 Advertisement</b>                       | -----      | 17NOV22     |
| <b>CRSD Advertise for Act 34 Hearing (20 Day Requirement)</b>       | 21NOV22    | 11DEC22     |
| <b>Act 34 Hearing – Prior to Finance Committee Meeting (6:30PM)</b> | -----      | 15DEC22     |
| Advertisement, Bidding and Contracts                                | 02JAN23    | 02FEB23     |
| <b>Review Bid Results – Finance Committee</b>                       | -----      | 09FEB23     |
| <b>Board Approval of Bids - Contracts</b>                           | -----      | 16FEB23     |
| Notice to Proceed – Submittals, Order Materials                     | -----      | 20FEB23     |
| CRSD Moves RES to Former Richboro Middle School                     | 19JUN23    | 30JUN23     |
| Construction Phase (18 Months)                                      | 04JUL23    | 01DEC24     |

**Act 34 Hearing Schedule (For Board Discussion)**

**For Board Discussion**

| <b>RICHBORO ELEMENTARY SCHOOL ADDITIONS AND RENOVATIONS<br/>Proposed Act 34 Schedule</b> |  |
|--|--|
| <b>DATE</b>  | <b>ACTIVITY</b>  |
| 10NOV22  | Present Design Development Drawings at Finance Committee Meeting |
| 17NOV22  | Board approval of the Act 34 Hearing/Advertisement               |
| 21NOV22  | Council Rock School District Advertises for the Act 34 Hearing   |
| 15DEC22  | Act 34 Hearing before Finance Committee Meeting (6:30pm)         |
| 15JAN23  | 30 Day Public Comment Period                                     |



**HISTORY OF  
RENOVATIONS/  
EXPANSION  
PROJECTS  
(2010 to PRESENT)**

**A HISTORY OF THE RENOVATIONS/EXPANSION PROJECTS COMPLETED FROM 2010 TO CURRENT, PROJECTS IN PROGRESS, AND NEXT IN QUEUE ARE AS FOLLOWS:**

| <b>PROJECT</b>                             | <b>YEAR COMPLETED</b> | <b>YEAR OF NEXT RENOVATION/<br/>REPLACEMENT PROJECT</b> |
|--|-----------------------|---|
| Churchville ES Additions and Renovations   | 2010                  | 2035  |
| Holland ES Additions and Renovations       | 2013                  | 2038  |
| Goodnoe ES Additions and Renovations       | 2015                  | 2040  |
| Holland MS Additions and Renovations       | 2018                  | 2043  |
| Newtown MS New Construction                | 2018                  | 2043  |
| Wrightstown ES Additions and Renovations   | 2019                  | 2044  |
| Rolling Hills ES Additions and Renovations | 2020                  | 2045  |
| CR STAR Center New Construction            | 2021                  | 2046  |
| Hillcrest ES Additions and Renovations     | 2022                  | 2047  |

**PROJECTS CURRENTLY IN CONSTRUCTION OR IN PLANNING**

|  |      |                         |
|--|------|-------------------------|
| Sol Feinstone ES Additions and Renos.  | 2024 | 2049                    |
| Richboro ES Additions and Renovations* | 2024 | *Pending Board Approval |

**A HISTORY OF THE RENOVATIONS/EXPANSION PROJECTS COMPLETED FROM 2010 TO CURRENT, PROJECTS IN PROGRESS, AND NEXT IN QUEUE ARE AS FOLLOWS:**

| <b>PROJECT</b>                        | <b>PROPOSED CONST. START DATE</b> | <b>YEARS SINCE LAST RENOVATED<br/>(BASED ON PROPOSED CONST. START DATE)</b> |
|---------------------------------------|-----------------------------------|---|
| Vacated Richboro MS - TBD             | 2025                              | 62 Years Old  |
| Newtown ES Additions and Renovations  | 2028                              | 34 Years Old  |
| MM Welch ES Additions and Renovations | 2030                              | 30 Years Old  |
| CRHS North Renovations                | 2032+                             | 30+ Years Old   |
| CRHS South Renovations                | 2032+                             | 30+ Years Old   |

**OTHER MAJOR PROJECTS COMPLETED AND PLANNED (SITE RELATED)**

|  |      |                            |
|--|------|----------------------------|
| CRHS North Turf Replacement  | 2020 | Turf Replacement 2030      |
| CRHS South Stadium Construction-Phase 1  | 2021 | Turf Replacement 2031      |
| CRHS South Stadium Phase 2<br>(Including emergency egress, event egress, busses only exit drive to Holland Road) | TBD  | TBD                        |
| CRHS South Tennis Court Restoration  | 2023 | Included in the CIP Budget |



**BOARD  
AGENDA  
ITEMS  
15SEP22**

### Richboro Elementary School Geotechnical Services

1. Perform serves as and amendment to the current HCES testing services
2. Perform test borings at hillside to confirm subsurface conditions
3. Perform test borings at areas of proposed 5 and 10 classroom additions
4. Perform double ring infiltration testing for stormwater design – if necessary
5. Clean Fill Certification
6. Cost included in the project budget
7. Earth Engineering, Inc. – **Total Cost: \$10,000**

### Richboro Elementary School Retaining Wall Design

1. Delegated Design versus Owner Design
2. Benefits include timing, Owner's control, minimize potential delays
3. Same geotechnical engineer performing site conditions for CRSD
4. Cost included in the project budget
5. Earth Engineering, Inc. – **Total Cost: \$5,000**

# Thank you!



# **Richboro Elementary School Financing – Developing the Plan**

# Use of Current Resources and Financing the Project

- District's Financial Resources
  - Fund Balance
    - Not recommended to fund project
- Bank Financing
  - Smaller Projects (\$5 million and below)
  - Low or no issuance costs
  - Higher Interest Rates
- Bond Issue Financing
  - Larger Projects (45 million and above)
  - Issuance Costs
  - Lower Interest Rates (Tax Exempt Market)

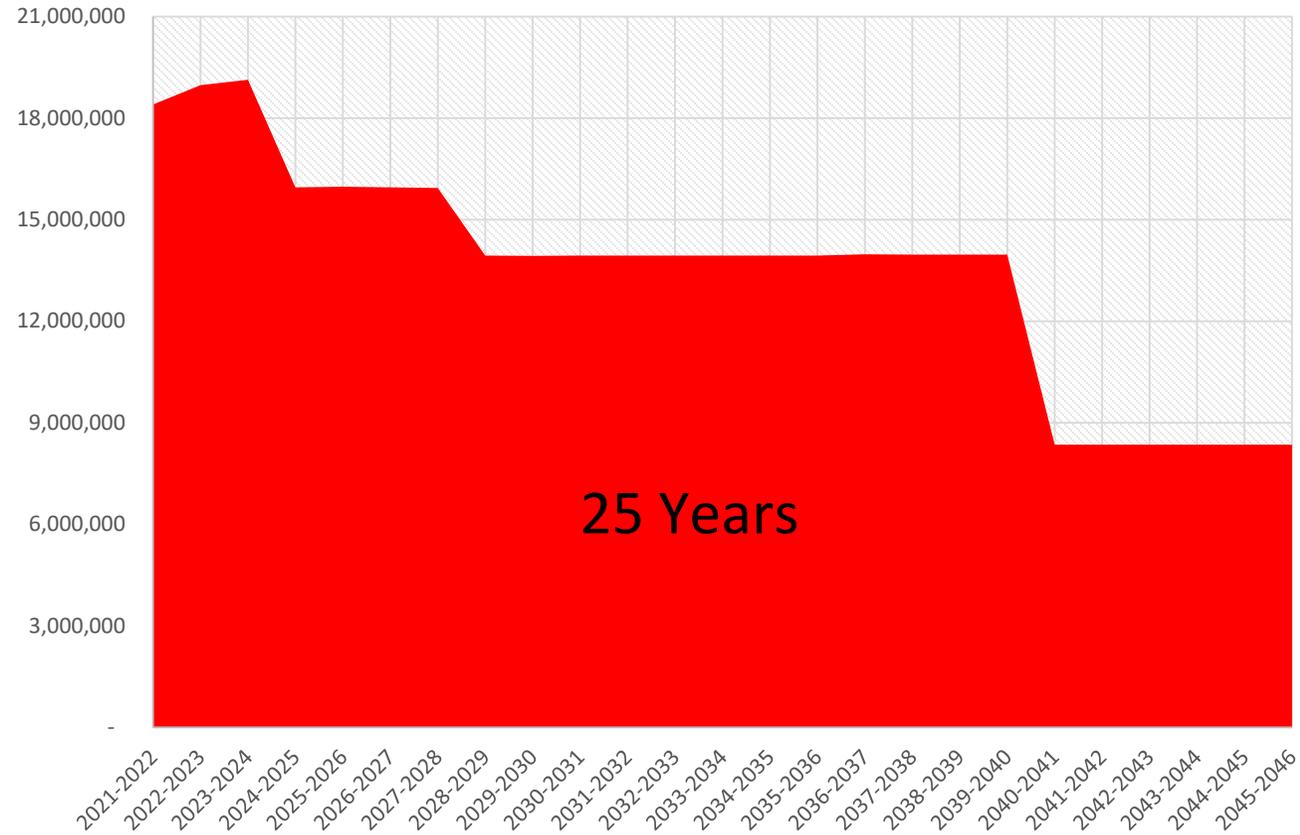
# Planning the Financing of the Project

- Project Costs based on Design Team Input
  - Using \$35.5 million in presentation
- Cash Flow - Project Duration
- Develop Financing Plan
  - Current Budget for Debt Service (2022-2023 Budget: \$ 18,766,401)
  - Tax Increase
  - Capitalized Interest
  - District's Financial Reserves
    - Debt Service Fund: \$ 2,749,449 as of June 30, 2022

# Assumed Debt Service Budget Remains Consistent

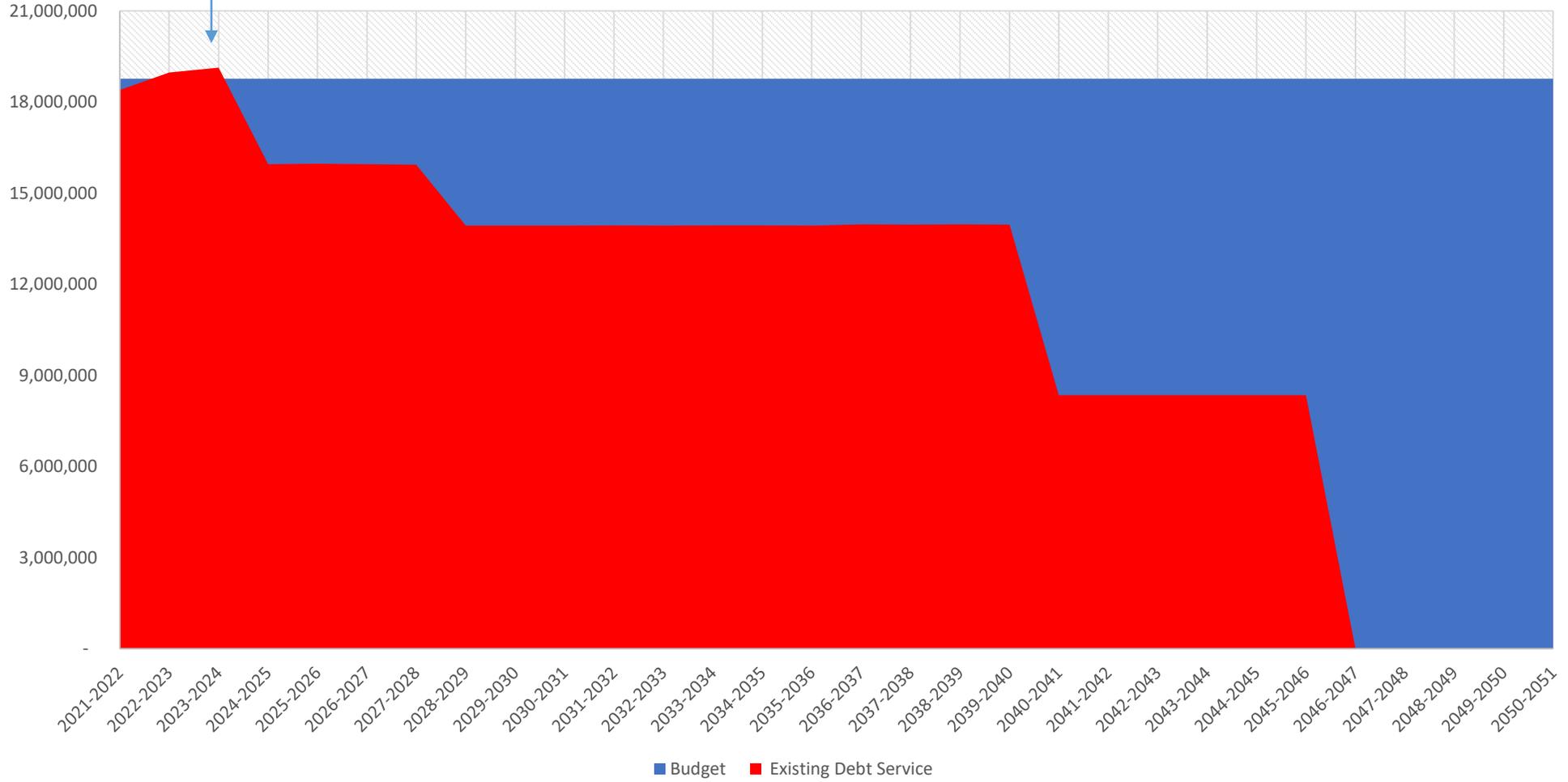


# Debt Service Payments Due Based on Current Borrowings



# Our Starting Point In Developing our Plan

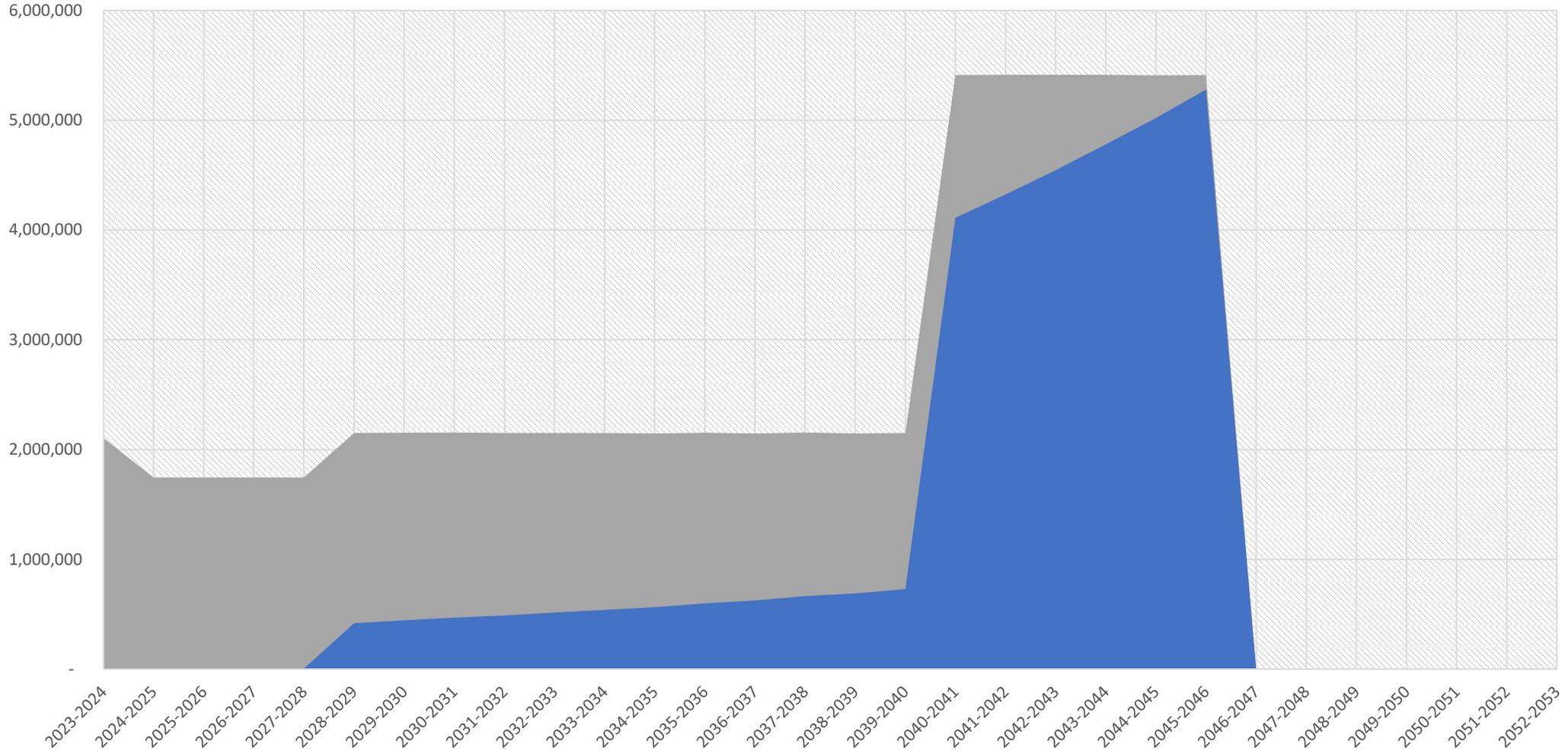
In the 22-23 and 23-24 fiscal year our debt service exceeds the budget by \$207,782 and \$367,940 respectively.



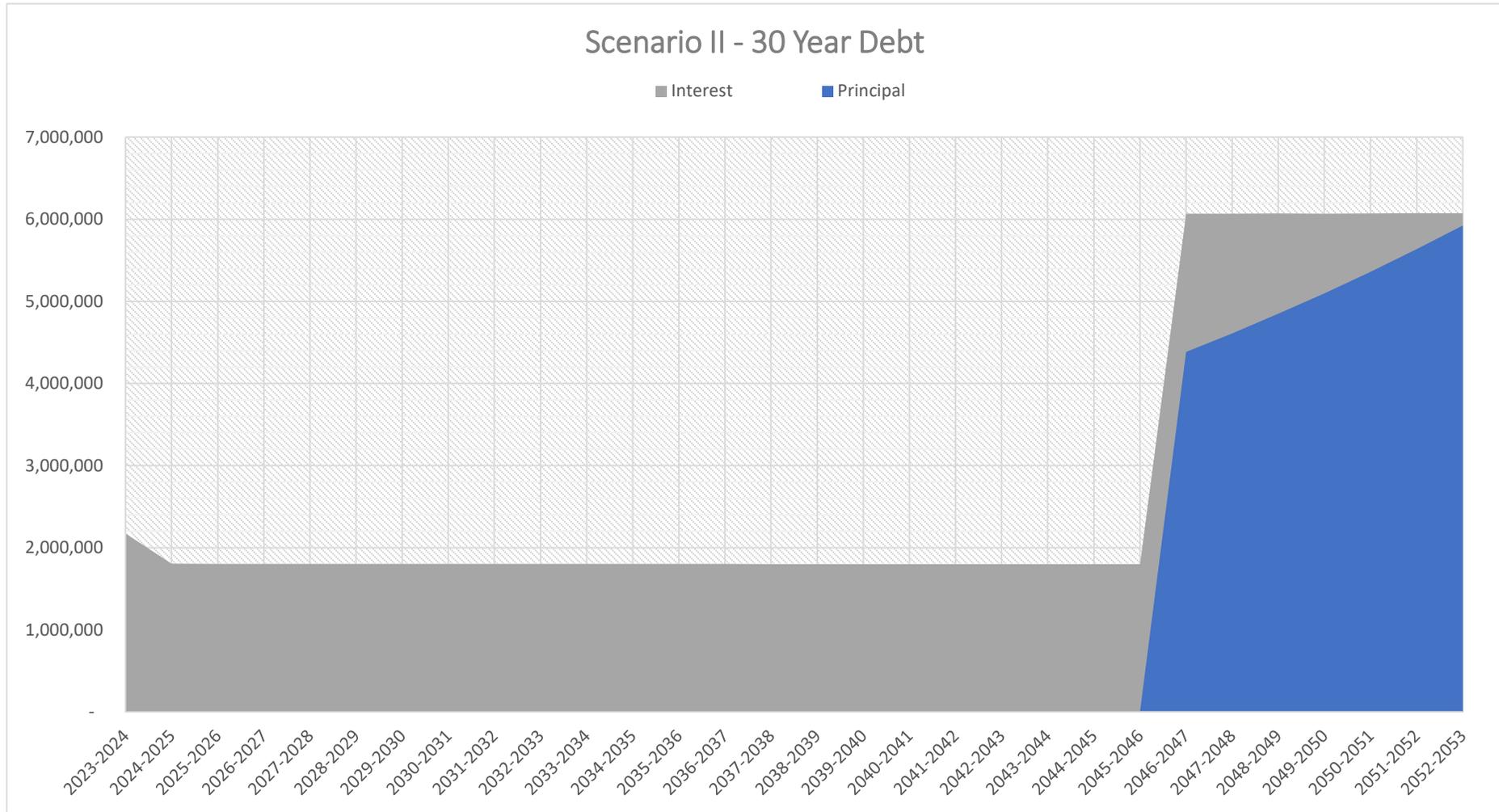
# Richboro Elementary School Debt Service

Scenario I - 23 Year Debt

■ Interest ■ Principal



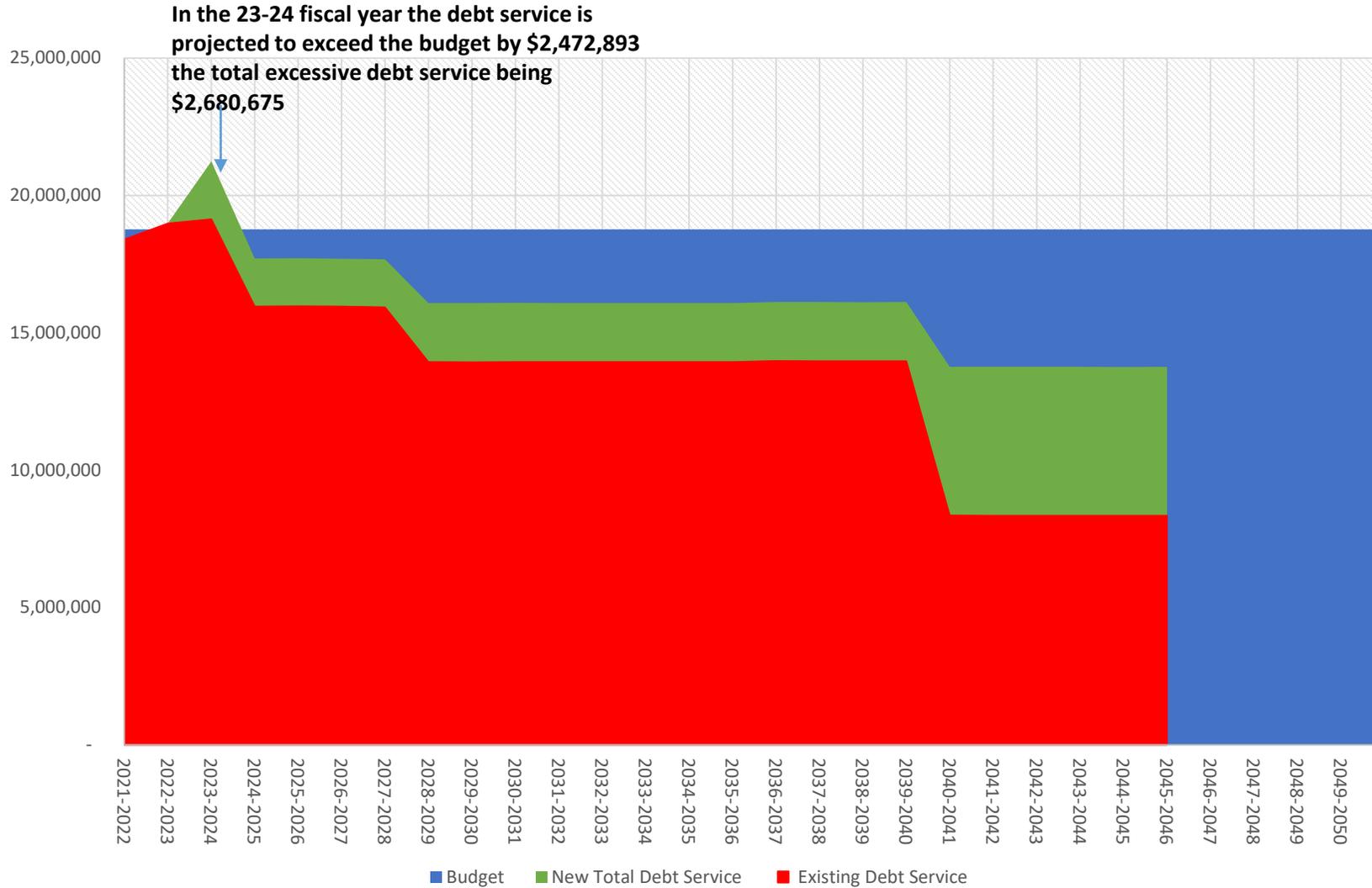
# Planning the Richboro Elementary School Debt Service



# Which plan is best? ... It depends

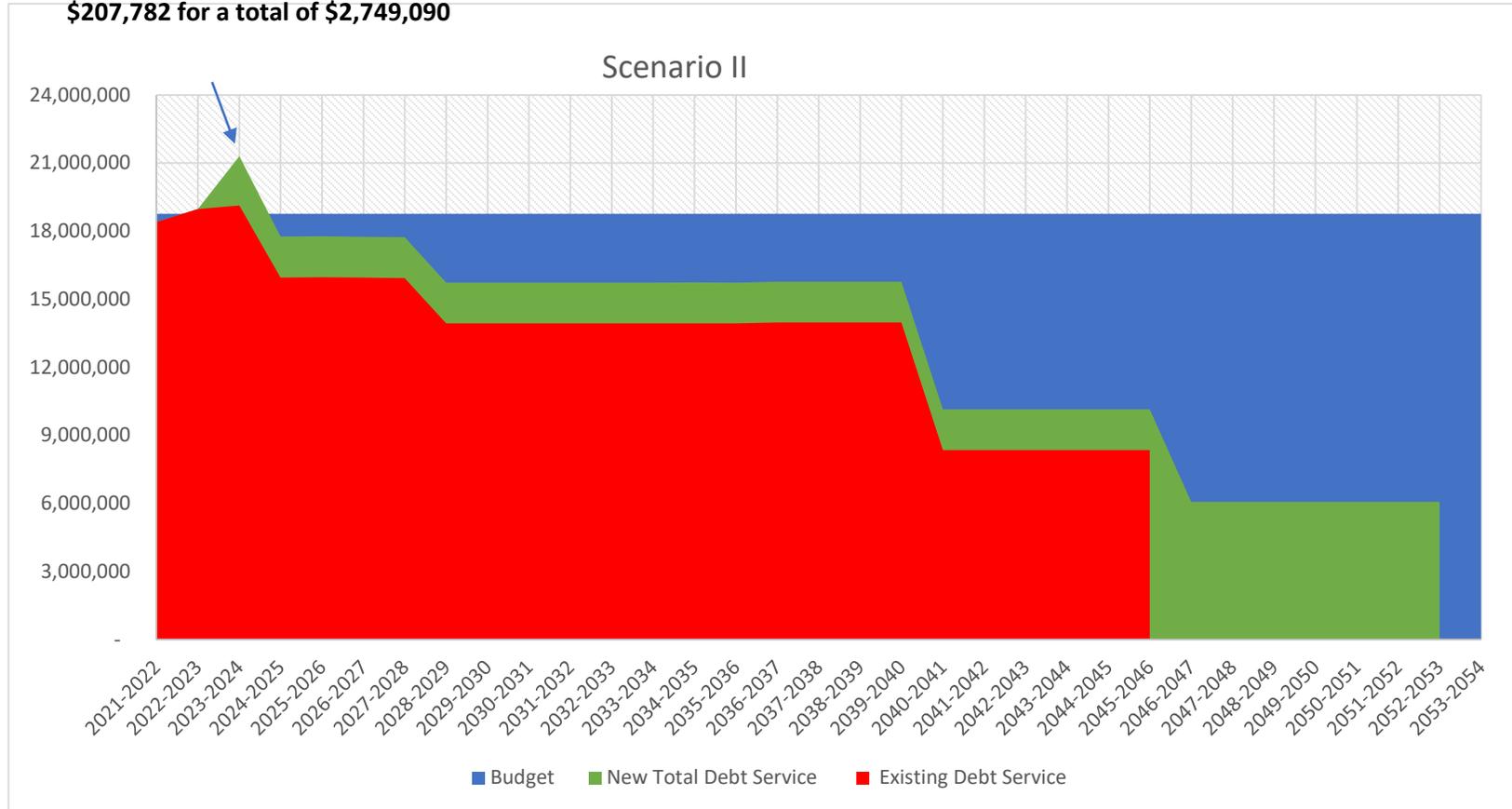
|  |  | <b>23 Year Duration</b> | <b>30 Year Duration</b> |
|--|--|-------------------------|-------------------------|
| Maturity                               |  | 2045-2046               | 2052-2053               |
| Total Debt Service                     |  | \$ 67,379,078           | \$ 84,284,368           |
| Provides Capacity for Future Borrowing |  | <b>Provides Some</b>    | <b>Provides Most</b>    |
| Impact on Future Borrowing Costs       |  | <b>More Costly</b>      | <b>Less Costly</b>      |

# Richboro Elementary School - 23 Year Debt Service



# Richboro Elementary School - 30 Year Debt Service

**In the 23-24 fiscal year the debt service will exceed the budget by \$2,541,308 and 22-23 fiscal year by \$207,782 for a total of \$2,749,090**



# General Fund Budget Transfers – October Board Meeting

- **Section 687 of Pennsylvania School Code** limits the transfer of unencumbered balances to the last nine months of the fiscal year.
- During our review of the 2022 – 2023 budget, we discovered amounts not included in the ongoing operational costs:

| <b>Description</b>                    |                                 |
|---------------------------------------|---------------------------------|
| Copier Lease                          | \$ 385,350                      |
| Insurances                            | 550,627                         |
| Board Services                        | 62,500                          |
| Tax Collections                       | 397,794                         |
| Legal Services                        | 125,000                         |
| Intermediate Unit                     | 139,174                         |
| South Athletics                       | 271,519                         |
| Middle School Athletic Transportation | 30,000                          |
| Resource Officers                     | 128,100                         |
| Crossing Guards                       | 56,000                          |
| <b>Total</b>                          | <hr/> <b>\$ 2,146,064</b> <hr/> |

# General Fund Budget Transfers – October Board Meeting

- The 2022-2023 Budget includes the following two amounts that are not required to maintain our operations.

|                          |                 |
|--------------------------|-----------------|
| Capital Reserve Transfer | \$ 3,500,000.00 |
| Budgetary Reserve        | 1,210,000.00    |
|                          | <hr/>           |
|                          | \$ 4,710,000.00 |

- I am recommending transferring funds from the Capital Reserve Transfer account into the accounts that do not have funds budgeted.

# **Student Transportation Update**

# Student Transportation Update – Durham Leadership Team

- Current status of bus routes
  - Staffing
  - Routes
- StopFinder App
- Review of the first several days