

# COMMUNITY FORUM

## Proposed Bond Referendum On May 19, 2015

Presented by: John Belmonte  
Assistant Superintendent for Business

March 25, 2015

## DEVELOPING A BOND

- District representatives have worked in collaboration with our Architect and Engineers to assess the District infrastructure needs
- Collaborated with building staff and administrators to assess the immediate and future needs of the buildings
- District's Needs Assessment listing was approximately \$36.5 million.



## **BOND COMMITTEE**

- District formed Community Bond Committee – kick-off meeting January 30, 2014
- Committee comprised stakeholders from across the District
- Committee met on the last Thursday of each month through June 2014 (with the exception of May 2014)
- Reviewed and analyzed District's report, obtained input from stakeholder groups, compiled their recommendations on a priority basis
- Bond Committee reported their recommendations to the Board at the July 1, 2014 Board meeting
- **TOTAL RECOMMENDATIONS TO BOARD** - Priority I & II and Unrated Priorities equaling \$24,138,000.



# CLASSIFICATION OF PROJECTS

Building infrastructure upgrades or site improvements can generally be classified into the following categories:

- ✓ Energy efficiencies
- ✓ Maintenance of facilities
- ✓ Health & Safety
- ✓ ADA compliant
- ✓ Enhancements



# WHAT ARE SOME OF THE IMPROVEMENTS CURRENTLY INCLUDED IN THE BOND?

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- Middle School Roof Replacement
- Replacement of boilers at High School & Lincoln Elementary School and Administration Building
  - Boilers range in age from 18 – 46 years old
- Dual fuel generator at IMC (Technology Building)
- HS Library Media Center
- Air Conditioning – 3<sup>rd</sup> floor Old Junior High, HS auditorium, cafeterias at Lincoln and Cherry



# WHAT ARE SOME OF THE IMPROVEMENTS CURRENTLY INCLUDED IN THE BOND?

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- Lincoln - upgrade public address system throughout building
- MS - upgrade auditorium wiring, lighting & sound system for musical productions and assemblies
- MS pool infrastructure and ventilation system
- Upgrade electrical service at Sunrise Drive Elementary School
- Bus loop in front of High School (Brook Street)
- ADA upgrades in Nurses Offices



# WHAT ARE SOME OF THE IMPROVEMENTS CURRENTLY INCLUDED IN THE BOND?

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- Additional parking at Lincoln Avenue Elementary School
- Playground upgrades at each Elementary School
- Turf field, lights & bathrooms at Depot Road and Greeley Avenue property
- Upgrade kitchen equipment
- District-wide paving and updating of storm drains
- Upgrade security intrusion alarm systems
- Upgrade emergency lighting & fire alarm systems



# Schedule of Boilers

Building	Mfg	Model	MBH (1000BTU/ Hr) Gas	Media	Type	Sections	Oil Flame Head (gph)	Approx Age	Condition
Admin	Weil McLaine	BL-1384WR	1648.7	Cast Iron Sect	Water	8	163.5	40	Average for age
* Cherry Ave	Smith Cast	28A-14	4517	Cast Iron Sect	Steam	14	31.5	25-30	POOR
* Cherry Ave	Smith Cast	28A-14	4517	Cast Iron Sect	Steam	14	31.5	25-30	POOR
Lincoln Ave	Cleaver Brooks	CB810-125	5230	Tube - Steel	Steam	N/A	37	46	Average for age
Lincoln Ave	Cleaver Brooks	CB810-125	5230	Tube - Steel	Steam	N/A	37	46	Average for age
Sunrise Dr	Smith Cast	28A-14	4517	Cast Iron Sect	Water	14	31	25-30	Average
Sunrise Dr	Smith Cast	28A-14	4517	Cast Iron Sect	Water	14	31	25-30	Average
HS	Cleaver Brooks	CB200-200	8369	Tube - Steel	Steam	N/A		21	Below Average
HS	Cleaver Brooks	CB200-200	8369	Tube - Steel	Steam	N/A		21	Below Average
HS	Smith Cast	4500A	5394	Cast Iron Sect	Steam	20		18	Poor
OJHS	Smith Cast	3500A	2100	Cast Iron Sect	Water	14	21	11	Good
OJHS	Smith Cast	3500A	2100	Cast Iron Sect	Water	14	21	11	Good
MS	Smith Cast	4500A	5994	Cast Iron Sect	Steam	22	67	11	Good
MS	Smith Cast	4500A	5994	Cast Iron Sect	Steam	22	67	11	Good
MS	Smith Cast	4500A	5994	Cast Iron Sect	Steam	22	67	11	Good

## Highlighted Buildings Recommended for Replacement

\*Cherry Avenue boilers replaced as an Emergency Capital Project – November 2014



# High School



# Middle School



# Middle School



# Middle School



# Middle School





# Lincoln Avenue



# Lincoln Avenue





# Sunrise Drive



# Sunrise Drive



# Sunrise Drive



# Administration Building



# FAQ'S

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Q: What happens if the cumulative costs for all of the planned bond projects exceed the voter approved Bond amount?

A: The District can NEVER overspend the Bond amount approved by the voters. As we proceed with various projects, if there are not sufficient funds to complete the planned projects:

- District can reduce the scope of the project(s) - (do less)
- Or not continue with the project(s).



## FAQ's

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Q. How much of this proposed \$19.2 million Bond will increase our annual existing debt service to the budget?

A. We have over \$2 million of debt retiring in the 2016-17 school year – our idea is to offset some of this decrease with a new bond – but keep it under the \$2 million retiring debt. This will show a debt service decrease for the 2016-17 school year by approximately \$300,000.



# FAQ's

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Q. If we don't BOND, will our SCHOOL taxes go down?

A. NO. Even when the outstanding debt service decreases by over \$2 million, in the 2016-17 school year, taxpayers will not see a \$2 million savings because the District *will still have to fund* many high-cost capital projects (MS roof replacement, boilers, infrastructure upgrades, etc.). Not bonded, the funding for these projects would have to be included in the budget, and taxpayers will shoulder the fiscal cost at 100% in one budget year – aid is still paid back over the life of the project.  
See the following example:



# BOND VS ANNUAL BUDGET EXAMPLE



## MS Roof Through Bond

### Cost of Roof \$3.5 million

- Bonded over 15 years:
- Avg. Debt Service/year: \$320,118
- Net Cost on Tax Rate: \$102,680  
(after 68% Building Aid)

Projected Increase on tax rate:

**.11% or \$14 per year**

## MS Roof Through Budget

### Cost of Roof \$3.5 million

- \$3.5 added to budget- Capital Projects
- Building Aid paid over the life of project

Projected Increase on tax rate:

**6.16% or \$462 in year #1**

(Building aid to start in following school year and would be projected to reduce tax rate future years by approximately: 0.37% or \$28/year)





# FAQ's

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Q. Why is the District considering a Turf Field at this time?

A. The number one reason is Safety. The excessive use at the Depot Field by the Boys Lacrosse and Soccer teams causes significant damage to the playing field. A turf field can prevent student injuries due to poor field conditions.

In addition to safety concerns, a turf field:

- ✓ Allows for fewer cancelations of scheduled practices and games caused by inclement weather,
- ✓ Allows for more of our interscholastic teams to utilize the field,
- ✓ Allows for increase use by our community youth athletic organizations.



## FAQ's

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Q. The Bond Referendum includes a synthetic Turf Field. There have been safety concerns raised as to the use of rubber infill. What has the Board done to address these safety concerns?

A. The Board reviewed many studies that looked at the safety concerns raised with the use of infill rubber. At this juncture, the professionals and SED have deemed the issue to be inconclusive. In an effort to remove any concerns, the Board has approved the use of “organic infill” – organic products of cork, rice husk and coconut fiber.



# FAQ'S

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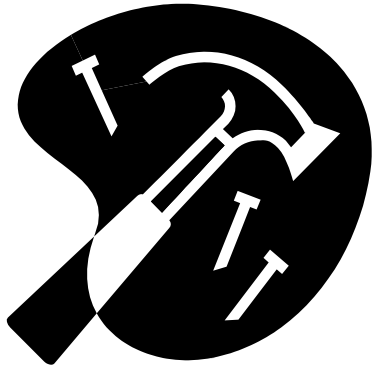
Q. What percentage and dollar value is the turf field within the bond?

A. The cost projection synthetic turf sport complex (including home & visitor grandstands, concession stand/restrooms, lighting, fencing and drainage, etc...) is estimated to be \$2,600,000. Considering a \$19.2 million bond, this about 13.5% of the total bond issue.

Q. If the cost of the turf field were removed from the bond, what is the change in cost to each household, and how would that amount affect the tax rate?

A. Considering we are anticipating a 15 year bond, the amortized annual cost of the turf project (\$2.6 million), less 68% building aid, would have the effect of adding approximately \$76,000 annual cost to the taxpayer, which translates to approximately **0.08% or 24 cents on the tax rate, or \$10 per year** – a negligible effect on the overall bond.





# FINANCING CAPITAL PROJECTS



# WHY CONSIDER A BOND?

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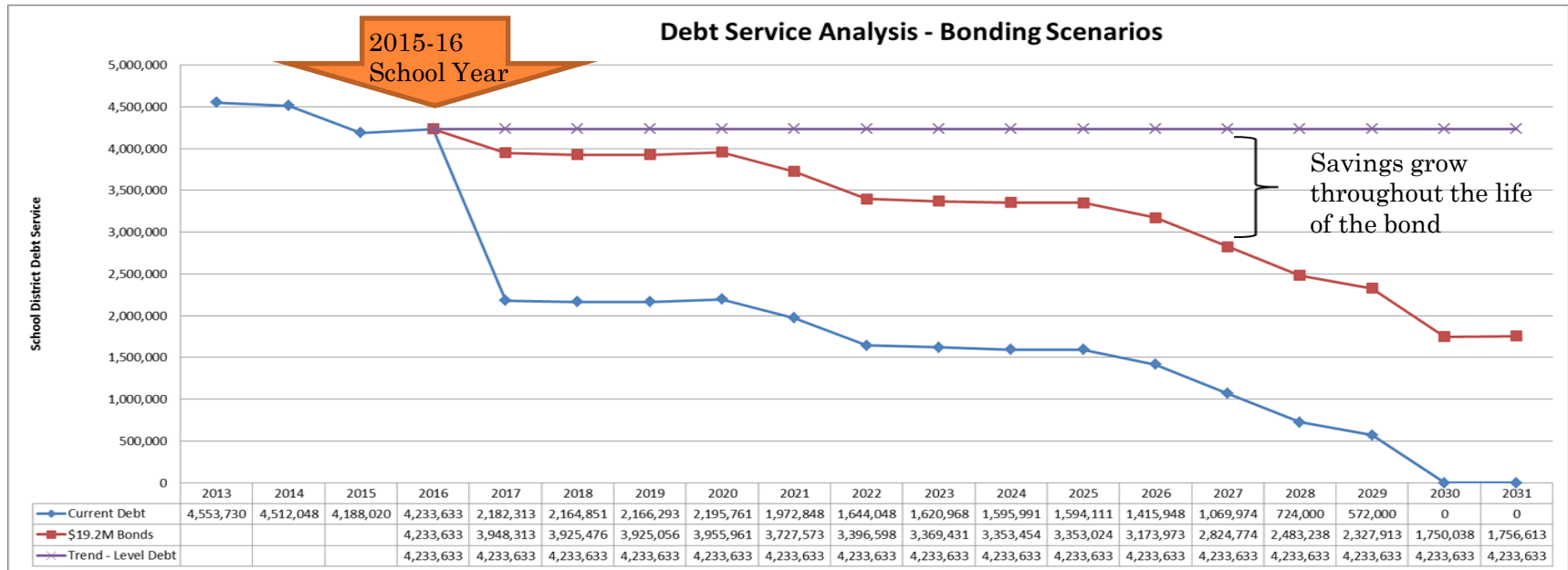
## Bond Issue:

- ✓ Allows for the repayment of debt over a period of time,
- ✓ Better aligns the receipt of building aid with the annual debt service payments,
- ✓ District's building aid ratio is 68% - we get back 68 cents on every '**approved**' capital dollar,
- ✓ Aggressively managed District debt over last 14 years to minimize the impact on the tax rate, thus enabling the District to provide for necessary facility upgrades,
- ✓ **Window of opportunity** to provide for infrastructure upgrades and enhancements.





# LOOKING AT THE CHANGE IN DEBT SERVICE FROM 2015-16 AND BEYOND



From the 2015-16 to the 2016-17 school year, the District will see a decrease of approximately \$300K in debt service which will provide for a **reduction in budgetary expenditures**



# LOOKING AT NEW DEBT IN ISOLATION

\$19.2M Bond Cost	Assumes 85% Aidable	Aid Rate 68%	Cost to Taxpayers
1,766,000	1,501,100	1,020,748	745,252
1,760,625	1,496,531	1,017,641	742,984
1,758,763	1,494,948	1,016,565	742,198
1,760,200	1,496,170	1,017,396	742,804
1,754,725	1,491,516	1,014,231	740,494
1,752,550	1,489,668	1,012,974	739,576
1,748,463	1,486,193	1,010,611	737,851
1,757,463	1,493,843	1,015,813	741,649
1,758,913	1,495,076	1,016,651	742,261
1,758,025	1,494,321	1,016,138	741,887
1,754,800	1,491,580	1,014,274	740,526
1,759,238	1,495,352	1,016,839	742,398
1,755,913	1,492,526	1,014,917	740,995
1,750,038	1,487,532	1,011,522	738,516
1,756,613	1,493,121	1,015,322	741,290
	Average Annual Cost:		741,379

Based on 2015-16  
projected tax base

Estimated Annual Cost to Taxpayer: \$96.00  
Estimated Monthly Cost to Taxpayer: \$8.00





# QUESTIONS

