



MASTER FACILITY PLAN RECOMMENDATION

**PRESENTATION TO THE BOARD
OF EDUCATION**

AUGUST 29, 2023

TOPICS

- ▶ Master Facility Plan Purpose
- ▶ Summary: Plan Development Phases
- ▶ Overview of Funding Options
- ▶ Detail of 3 Strategies
- ▶ Administrative Recommendation
- ▶ Open Q&A/Discussion
- ▶ Next Steps





WHAT IS A MASTER FACILITY PLAN?

- ▶ Roadmap to prioritize maintenance and capital needs
- ▶ It is a strategy to guide decision-making. It is not approval of individual maintenance or capital projects.

4 PHASES OF DEVELOPMENT

1. Discovery
2. Visioning
3. Activation
4. Analysis & Recommendations



4 PHASES OF DEVELOPING THE MASTER FACILITY PLAN

1. **Discovery**

- ▶ **Physical Condition Assessment**
- ▶ **Educational Needs Assessment**

1. **Discovery**

2. Visioning

3. Activation

4. Analysis & Recommendations

4 PHASES OF DEVELOPING THE MASTER FACILITY PLAN

2. Visioning

- ▶ **Formation of Steering Committee**
- ▶ **Development of Guiding Principles to Support Planning & Decision-Making**
- ▶ **Touring Peer Schools**

1. Discovery

2. Visioning

3. Activation

4. Analysis & Recommendations

4 PHASES OF DEVELOPING THE MASTER FACILITY PLAN

3. **Activation**

- ▶ **Development & Testing of Various Strategies**
 - ▶ **Maintenance Only**
 - ▶ **Renovation Strategies**
 - ▶ **New Construction Strategies**

1. Discovery
2. Visioning
3. Activation

4. Analysis & Recommendations

4 PHASES OF DEVELOPING THE MASTER FACILITY PLAN

4. Analysis & Recommendations

- ▶ Vetting of Strategies to Identify Educationally and Financially Viable Strategies

1. Discovery
2. Visioning
3. Activation
4. Analysis & Recommendations

STRATEGIES CONSIDERED

- ▶ Strategy A - Maintenance Only
- ▶ Strategy B - Maintenance/Additions/Renovations at 4 Elementary Schools, Maintenance/Additions/Renovations at Middle Schools
- ▶ Strategy C - Replacement of 3 Elementary Schools, Maintenance/Additions/Renovations at One Elementary School, and Maintenance/Additions/Renovations at Middle Schools
- ▶ Strategy D - Maintenance/Additions/Renovations to Transition to Grade Level Centers
- ▶ Strategy E - Close One Elementary School, Maintenance/Additions/Renovations at Remaining 3 Elementary Schools, Maintenance/Additions/Renovations at Middle Schools
- ▶ Strategy F - Close One Elementary School, Maintenance/Additions/Renovations at 3 Elementary Schools, & Transition to K-4 Elementary Buildings. Maintenance/Additions/Renovations to Middle Schools & Middle Schools Become Grade Level Centers—5/6, and 7/8.
- ▶ Strategy G - Close One Elementary School, Replace 3 Elementary Schools & Transition to K-4 Elementary Buildings, Maintenance/Additions/Renovations to Middle Schools. Middle Schools Become Grade Level Centers—5/6, and 7/8.
- ▶ Strategy H - Build new PK-8 Building, Maintenance/Additions/Renovations to Shepard and Caruso to transition campuses to PK-8 Buildings

STRATEGIES THAT EMERGED AS VIABLE

- ▶ Strategy A - Maintenance Only
- ▶ Strategy B - Maintenance/Additions/Renovations at 4 Elementary Schools, Maintenance/Additions/Renovations at Middle Schools
- ▶ Strategy C - Replacement of 4 Elementary Schools, and Maintenance/Additions/Renovations at Middle Schools



DPS 109'S DEBT LIMIT

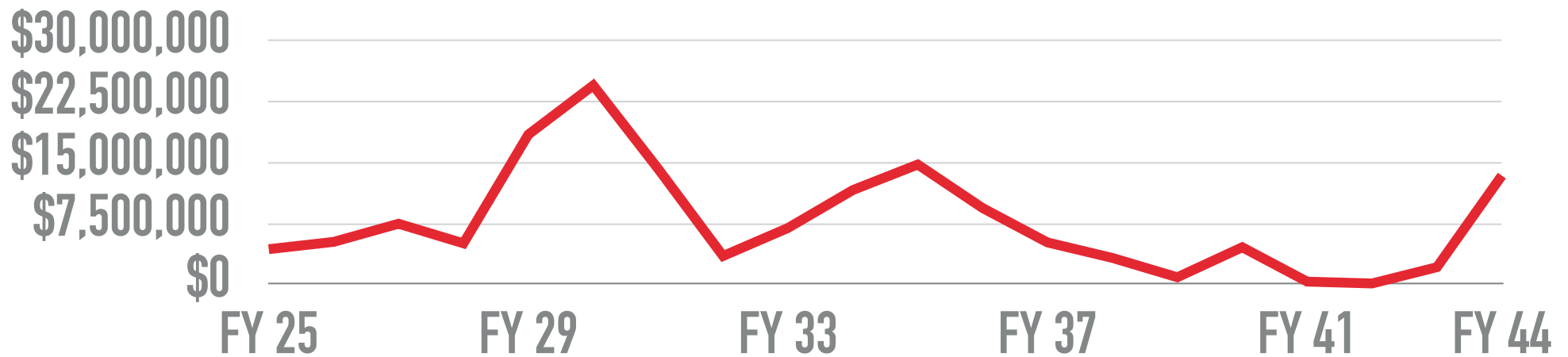
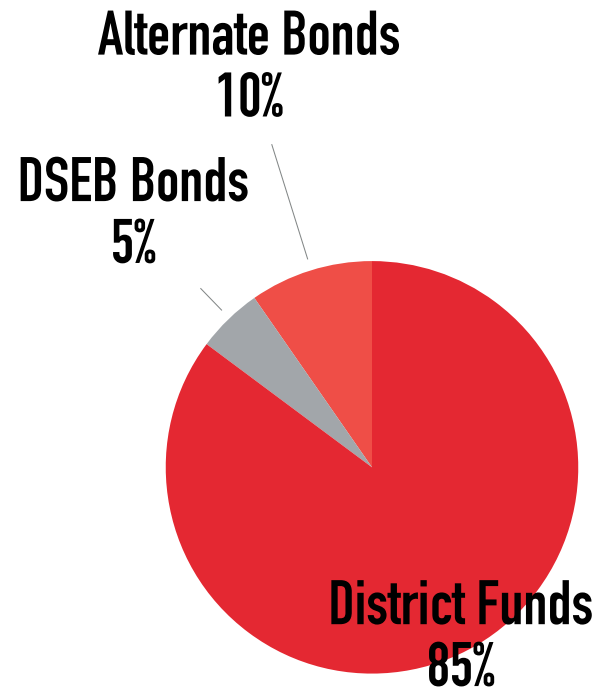
- ▶ Debt Limit (Based on 2022 Equalized Assessed Valuation)
 - ▶ $(\text{EAV} * \text{Statutory Debt Limit}) - \text{Outstanding Bond Principal} = \text{Net Debt Limit}$
 - ▶ $(\$1,692,413,846 * 6.9\%) - \$17,500,000 = \mathbf{\$99,276,555}$
- ▶ All forms of debt count against the debt limit EXCEPT Alternate Bonds.

FUNDING SOURCES FOR STRATEGIES

- ▶ In the following strategies, we utilize a variety of funding sources to finance maintenance and capital improvements.
 - ▶ **District Funds** are a combination of accumulated fund balance and typical revenue sources that we would pledge to maintenance and capital needs. In the following scenarios, we assume \$7.5 million dollars of annual district funding will be pledged in year 1, and grow at a rate of 2.5% annually over the 20-year plan.
 - ▶ **Debt Service Extension Base (DSEB) bonds** are bonds issued against the existing debt service extension base. Taxpayers would not note an increase to their tax bill associated with such a bond issue. The Board can issue these bonds subject to a petition period.
 - ▶ **Alternate Bonds** are bonds that the Board can issue subject to a petition period. Alternate bonds are paid from operating funds and will not increase tax bills.
 - ▶ **Referendum Bonds** are bonds that must be approved by the voters. Payback of referendum bonds will increase tax bills.

STRATEGY A

▶ Net 20-Year Cost = **\$155.2 Million**



ADVANTAGES & DISADVANTAGES OF STRATEGY A

Advantages

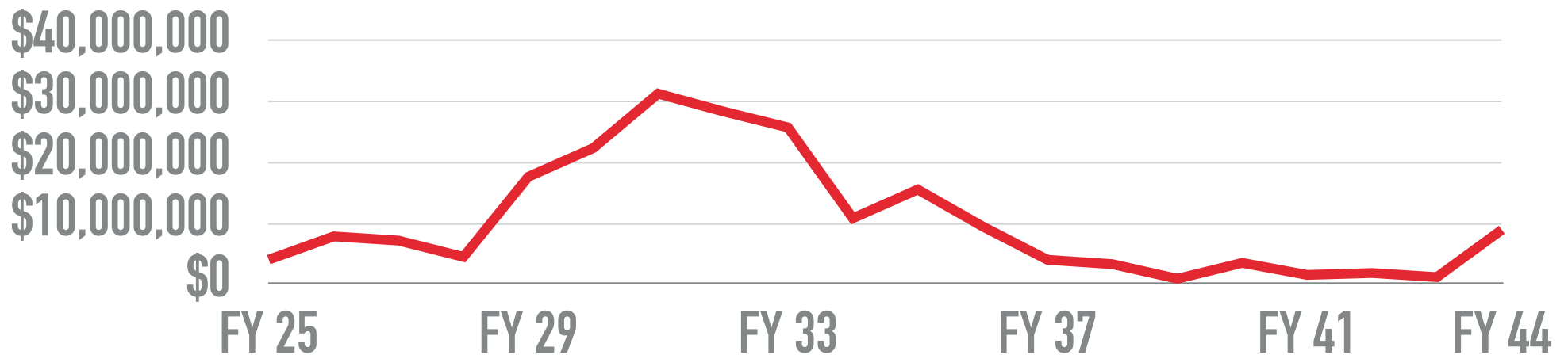
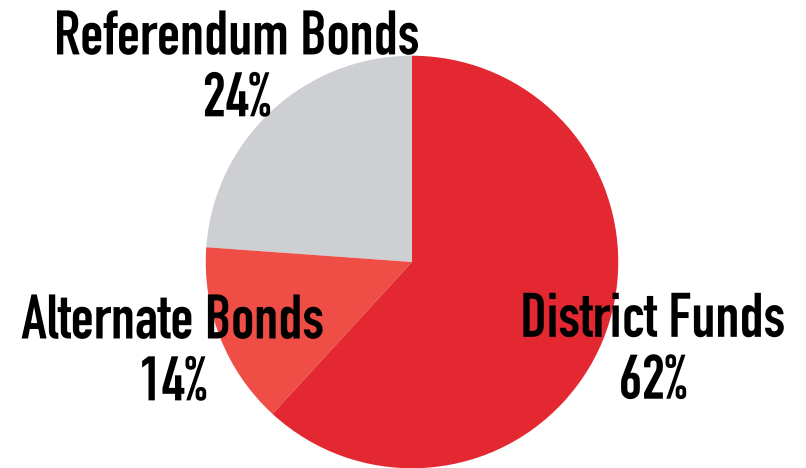
- ▶ Lowest net 20-year cost of all 3 options.
- ▶ Can be achieved without going to referendum.
- ▶ Plans for all maintenance that can be reasonably forecasted.

Disadvantages

- ▶ Offers no improvements to school facilities to address educational shortcomings.
- ▶ Replacement of HVAC equipment is costly, and the limits of retrofitting equipment to buildings not designed to accommodate air conditioning means air quality will be less than is preferred.
- ▶ Does not address sewer infrastructure. Replacement of end of life sewer piping is not practical. This option only includes an allowance for repairs.
- ▶ Scope of maintenance work needed will be disruptive to the educational environment.
- ▶ Totals to maintain buildings over the subsequent 20 years (if feasible) should be expected to be higher than this 20-year plan.

STRATEGY B

- ▶ Net 20-Year Cost = **\$209.5 Million**
- ▶ Estimated Impact of Referendum - \$373 dollars on a \$500,000 home.



ADVANTAGES & DISADVANTAGES OF STRATEGY B

Advantages

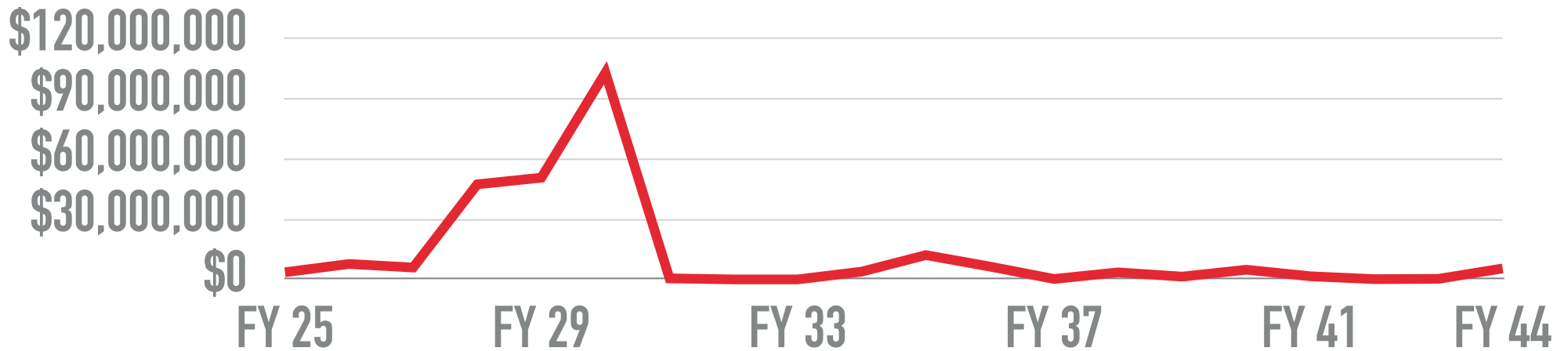
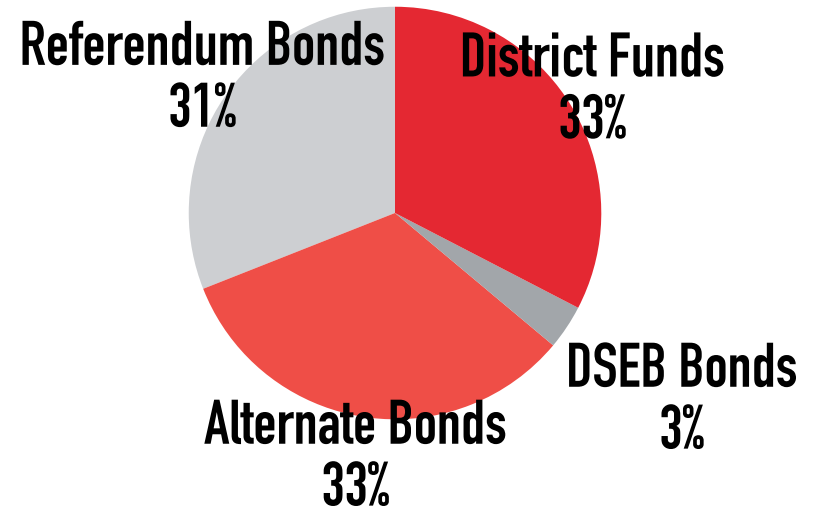
- Plans for all maintenance that can be reasonably forecasted.
- Makes modest improvements to elementary facilities that would be appreciated.

Disadvantages

- Concerns about end of life cycle sewer piping and poor HVAC system performance would not be addressed.
- Does not “check enough boxes” on educational needs.
- Scope of work will be disruptive to the educational environment. Possibility that we would need to relocate at least a portion of classrooms at some schools during construction.
- Requires a referendum, but the age and condition of existing facilities suggests the investment will not be a wise use of funds.

STRATEGY C

- ▶ Net 20-Year Cost = **\$258.1 Million**
- ▶ Estimated Impact of Referendum - \$563 dollars on a \$500,000 home.



ADVANTAGES & DISADVANTAGES OF STRATEGY C

Advantages

- ▶ Addresses all educational needs at the 4 elementary schools.
- ▶ Accounts for maintenance at the middle schools for the next 20 years, and makes some modest improvements.
- ▶ Elementary schools would be 30% larger and designed for modern air quality and safety needs.
- ▶ Construction would be far less disruptive to educational programming. New facilities could be constructed adjacent to existing schools while they remain in operation.
- ▶ In the next 20-year period, projected expenditures to maintain these facilities would be significantly lower than were the district to keep the original 4 buildings in operation.
- ▶ Would position future Boards of Education and the community to address the aging middle schools in the middle to late 2040's.

Disadvantages

- ▶ Highest cost in the short term - net \$102 million dollars more than maintenance only.
- ▶ Requires a referendum.

3 PHASES FOR STRATEGY C

- ▶ Phase 1 - FY 24 to FY 26
 - ▶ Complete renovations & maintenance work at middle schools. Relocate Buildings & Grounds from Shepard to stand alone facility on Caruso grounds.
 - ▶ Engagement with community regarding facility plan, and work with Village and Park District regarding elementary school construction plans, site plans, and timelines.
- ▶ Phase 2 - 2026
 - ▶ Referendum (\$80 million) ballot question in 2026.
 - ▶ Should referendum be approved, construct 2 new elementary schools in FY 28 & 29.
- ▶ Phase 3 - 2028
 - ▶ Issue \$85 million dollars of alternate bonds.
 - ▶ Construct remaining 2 new elementary schools in FY 30.

ADMINISTRATIVE RECOMMENDATION & DISCUSSION

DEERFIELD PUBLIC SCHOOLS DISTRICT 109



WHAT HAPPENS NEXT?

Updates at www.dps109.org/ourfuture

DEERFIELD PUBLIC SCHOOLS DISTRICT 109

