

# 2018 Bond Planning



# Annual Budget & Bonds

## ▶ Annual Budget

- Subject to voter approval each year
- Inclusive of all operating costs
- Subject to state tax cap (limits amount of annual increase)
- About 75% teacher/staff salaries, benefits, pensions, technology, supplies/materials, etc.
- Limited funds for capital repairs

## ▶ Bonds

- Require separate voter approval from budget (majority of voters)
- Used to spread cost of project/repairs over time
- Subject to state building aid reimbursement
- Recent examples: HS locker room renovation, Colonial Expansion, MS Construction

# Bond Background and Timeline

- ▶ July 2016: Cracks/bulging found in Hutchinson façade, sidewalk bridges and safety measures put into place
- ▶ Fall 2016–Winter 2017: District analysis of Hutchinson repairs and other district needs
- ▶ December 2016: Recommendation to completely replace Hutchinson facade
- ▶ May 2017: Bids awarded to KGD & Calgi for pre-bond work
- ▶ July–October BOE meetings: Deeper analysis of Hutchinson and district-wide needs
- ▶ October 2017: Deliberation regarding Hutchinson options and decision on Hutchinson School
- ▶ October–Present: Further deliberation regarding district-wide needs

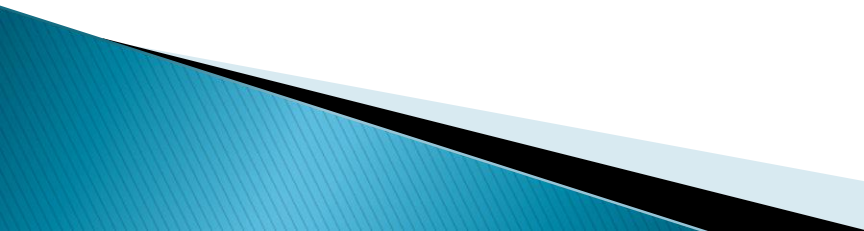
# Why a New Hutchinson School?

- ▶ Professional Cost Estimator quoted façade/building envelope replacement at \$8 million
- ▶ Level of work triggers need for accessibility upgrades (elevator, lift, bathrooms, ramps)
- ▶ Portable Classrooms nearing end of useful life/recommended to be part of permanent extension
- ▶ Minimal cost = \$18 million
- ▶ Study and review of Hutchinson found other concerns:
  - ▶ Capacity
    - 3 suboptimal classes in basement
    - Increased enrollment projected in demographic study
    - Lack of sufficient related-services space
  - ▶ Safety
    - Portables not connected to main building
    - Configuration of current building

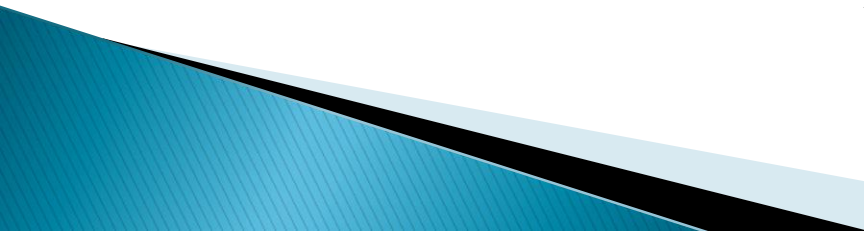
# Why a New Hutchinson School?

- ▶ Board reviewed 7 options for renovation/expansion of Hutchinson as well as concept of new Hutchinson School
- ▶ Worked with Architects, Construction Manager & Capital Markets on preliminary costs/debt service implications
- ▶ Used Decision Analysis to “score” options
- ▶ Decision Analysis led the majority of the Board to support the new school option
- ▶ Ranked Highest in:
  - Addressing capacity
  - Supporting educational program
  - Providing safety
  - Providing stewardship of resources
  - Cost: \$42 million + interest over 30 year period

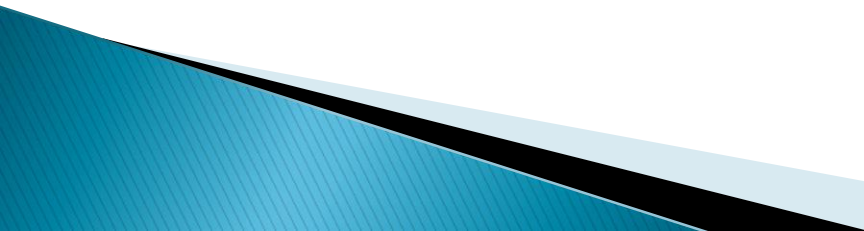
# Research and Community Engagement

- ▶ In-depth study began in July
  - ▶ 13 Regular BOE Meetings/Work Sessions on Bond
  - ▶ 2 Tours/Town Halls at Hutchinson School to Discuss options
  - ▶ 5 more Town Hall Meetings (Colonial, Siwanoy, Prospect Hill and MS/HS)
  - ▶ Multiple BOE Coffees
  - ▶ Focus Groups & Outreach to various community groups
  - ▶ Review of 2 demographic/ capacity studies (Western Suffolk BOCES & Ross Haber Associates)
  - ▶ Consultation with Architects/Construction Manager & Capital Markets
  - ▶ Refinement of options/costs by Bond Steering Committee
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# Key Decisions/Next Steps

- ▶ Over past several months, Board has focused on District-wide needs
  - ▶ December 2017 – Board narrowed preliminary scope for State Environmental Quality Review Act (SEQRA)
  - ▶ December–March: Due diligence/initial design/environmental review
  - ▶ March 2018 presentation of final scope/costs/referendum question(s)
  - ▶ Final bond vote May 2018
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# What else will be in the bond?

- ▶ Board studying a variety of needs across the District
  - ▶ Input has been solicited from administrators, community and experts
  - ▶ Key considerations: capacity, infrastructure, systems, cost to taxpayers
  - ▶ A variety of options were looked at to determine the most practical and efficient way to address issues over the short and long-terms
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# Addressing Capacity

- ▶ District has done two demographic/capacity studies
- ▶ Colonial & Prospect Hill are at capacity and expected to grow in next few years
- ▶ HS/MS is over capacity and rooms are over-utilized
- ▶ No dedicated rehearsal space for HS/MS Orchestras
- ▶ Options discussed:
  - Converting District offices to HS/MS classroom/orchestra space
  - Moving self-contained special ed. Class from Colonial
  - Using push-in approach to art/music
  - Allowing families to opt-in to new school
  - Creating special programming at the new school to attract students from other elementary districts
  - Rezoning new developments
  - Elementary building extensions

# Projects Reviewed for SEQRA

- ▶ New Hutchinson School
- ▶ Create 6 additional classrooms at Hutchinson beyond original proposal
- ▶ Create 6 additional classrooms and an orchestra rehearsal room at PMHS (replacing District offices)
- ▶ Classroom addition at Prospect Hill
- ▶ Funds for possible property acquisition at Colonial
- ▶ Science lab upgrades at PMHS
- ▶ Electrical panel/systems upgrade at Colonial, Siwanoy, Prospect Hill (necessary for A/C & technology)
- ▶ Field upgrades
- ▶ Roof/parapet replacement on PMHS annex/repointing at annex and MS
- ▶ Replacement of MS HVAC Units
- ▶ Playground upgrades at Colonial/Siwanoy
- ▶ **NOT ALL PROJECTS WILL BE IN FINAL SCOPE!!!**

# District Finances / Cost

- ▶ AAA Rated by S&P
- ▶ Low debt to market-value ratio. (1.2% debt compared to total market value)
- ▶ Almost all current debt drops off in about 12 years
- ▶ Net debt service is 2.1% of current budget after building aid applied
- ▶ Building Aid Ratio of 39.7% on aidable portion
- ▶ **NO** final cost of bond scope yet
- ▶ Cost of new school approx. \$42 million = \$1.9 million in debt service per year for 30 years (approx. \$480 per home valued at \$810,000)

# Questions?

More info at

[www.pelhamschools.org/bond](http://www.pelhamschools.org/bond)

