Bond Steering Committee Recommendation

Monday, July 17, 2017
Committee Membership

- Tom Bainter
- Bryan Benton
- John Craft*
- Tim Dennis
- Patrick Farr
- Weldon Hafley
- Sarah Hollenstein
- Paul Jacobs*
- Bev Johnson

- Jeff Longspaugh
- Chuck Mellott
- Craig Morgan
- Kathy Pokluda
- Larry Robertson
- Ally Surface
- Sammy Warren
- Teresa Willis

*Elected Chairpersons
Committee Purpose & Charge

Serve in a temporary advisory capacity to the Board of Education and Administration to:

• Consider the educational needs of all students and align with the district’s mission, vision and goals
• Represent the entire community, its values and perceptions in the facility planning process
• Assess and prioritize the district’s current and long-term facility needs, including new construction, renovations and capital improvements
• Bring forward recommendations to the Board of Education as to how to address the district’s facility needs, including what should be included and how much money should be requested in a possible bond election
Background on the Process
Background on the Process

- Met five times over the past three months
- Reviewed documents
- Toured various campuses
- Prioritized the needs of the district
- Formed recommendations for consideration by the Board of Education
Information Reviewed
EMS ISD enrollment in 2016-2017: 19,632 students
Next 5 years: can expect an increase of approximately 3,300 students.

- 2021-22 enrollment projection = 22,950 students
- 2026-27 enrollment projection = 26,500+ students

EMS ISD Total Tax Rate = $1.54
- Although EMS ISD’s I&S rate is only 37¢ and has 13 pennies available for additional bonding capacity, the Board and administration have worked diligently to keep those in reserve.
- The tax rate would remain the same and bonds would be sold as bonding capacity became available.
The district and its leadership have healthy image and ratings. Views of fiscal management are positive.

If a bond election were held today:
- 57% would vote for
- 31% would vote against
- 12% are unsure.

After having heard more information, overall support increases while opposition remains the same:
- 64% for
- 31% against

There is no statistical difference between the support of $400 million and $500 million.
Committee Recommendation

Bond Election – November 7, 2017

• The Steering Committee recommends that the Board of Education call a bond election in the amount of $524,755,863 for November 7, 2017.

• It is the Committee’s opinion that a bond is needed to prepare for growth in our community, to update safety and security features, to have resources available to replace aging and inadequate facilities, and more.
## Committee Recommendation

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Growth</td>
<td>$275,965,510</td>
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<tr>
<td>Safety &amp; Security</td>
<td>$6,870,522</td>
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<tr>
<td>Replace Failing Systems</td>
<td>$627,792</td>
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<tr>
<td>Replace Aging Systems</td>
<td>$43,536,622</td>
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<tr>
<td>Replace Aging/Inadequate Facilities</td>
<td>$142,070,882</td>
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<tr>
<td>Standardization &amp; Equity</td>
<td>$35,684,536</td>
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<tr>
<td>Contingency</td>
<td>$20,000,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$524,755,863</strong></td>
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Growth
$275,965,510

• New High School #4 - $260,965,510
• Land for Future School Sites - $15,000,000
Safety & Security
$6,870,522

- Playground improvements
- Security cameras
- Controlled vestibules & access control
- Perimeter fences
- Sidewalks
Replace Failing Systems
$627,792

- **PA systems** – CRES, CSMS, EES, EMES, WCES, CMS, PVMS, SHS
- **Irrigation system** – HMS
Replace Aging Systems
$43,536,622

- Gym light LED fixtures – 18 campuses
- Main building lighting – GES, SHS
- Stage – EMES, EES, BHS
- Flooring – CRES, CSES, GES, GFES, CMS, PVMS, SHS, WHS, WHDC, ADM
- Doors – EMES
- Gym ceiling – EES
- Bleachers – EES
- Choir risers – EES
- Cafeteria tables – BES, EMES
Replace Aging Systems (cont.)
$43,536,622

- Exterior improvements – 21 campuses
- Tennis windscreen – all middle and high schools
- Resurface tennis courts – CMS, EWMS, HMS, PVMS, CTHS, SHS
- Resurface tracks – CMS, BHS, CTHS
- Gym floor – CMS, HMS, BHS, SHS
- Gym sound system – CMS, BHS, SHS
- Cafeteria sound system – RPES, CMS
- Auditorium sound system – SHS
Replace Aging Systems (cont.)

$43,536,622

- **Roof Top Units (RTU’s)** – CRES, GES, HCES, RPES, SES, CMS, HMS, BHS, SHS, WHS, WHDC
- **Fire panel** – BES, HCES
- **Marquee** – CMS, SHS
- **Well** – EWMS, SHS
- **Roof** – EMES, SES, HMS, WMS, BHS, SHS
- **Gymnastics floor** – BHS, SHS
- **Auditorium seats** – BHS
- **Signage** – GES, SES
Replace Aging/Inadequate Facilities
$142,070,882

Athletic Renovation – Boswell High School
Replace Aging/Inadequate Facilities

(Cont.) $142,070,882

Athletic Renovation – Boswell High School
Replace Aging/Inadequate Facilities

(Cont.) $142,070,882

Athletic Renovation – Boswell High School
Wayside Middle School

- We strongly considered renovating the existing building but believe that the building is not worthy of this significant investment due to the lack of energy saving features, the need to replace windows, add insulation to the roof and wall cavity, make significant upgrades to the mechanical system and reconfigure the floor plan.
- Estimated baseline cost to renovate in 2017 - $51,667,314.
- A new school today (in 2017 dollars for apples to apples comparison) would cost just under $8,000,000 more.
- The new school is based on a 2025 cost baseline, but there was a strong opinion within the Steering Committee to move Wayside MS forward if bond capacity allows.
New Central Administration Building

- Central Office employees are currently located at eight different buildings throughout the district.
- Additional office space is no longer available; therefore, current professional development areas are being repurposed into offices or work spaces.
- Departments, which need to work together, are splintered and unable to collaborate face-to-face.
We are having issues with the quality of our well water and the amount of activity on grass fields. EMS fields are utilized year round by our students or by other groups.
Standardization & Equity (Cont.)
$35,684,536

- Replace gymnasium – BES
- Playground cover – BES, CRES, EMES, EES, GES, GFES, RPES
- Signage – all EMS ISD schools
- HVAC controls – BES, CES, GES, HCES, NES, RPES, HMS, SHS
Standardization & Equity (Cont.)
$35,684,536

Saginaw HS Locker Room and Weight Room –
(in line with square footage of CTHS footprint)
Contingency $20,000,000

- **Contingency** to cover unforeseen conditions or circumstances beyond our control
- **Allowance** for YMCA Natatorium agreement
Aging Systems Evaluation
Aging Systems Life-Cycles Funding

- The M&O budget for CIP projects ranges from $500k-$1m annually.
- $15.7m of the $39.2m CIP aging needs have life-cycles of 15 years or less.
- $15.1m of the $35.6m Stand. & Equity items have life-cycles of 15 years or less.
Aging Systems Life-Cycles Funding

• When we structure debt, we look at three specific attributes:
  – The overall principal retirement rate of the entire bond issue.
  – The interest rate curve and issuing debt to mature at specific times to take advantage of the interest yield curve.
  – Our ability to smooth payments and create capacity in future years as growth continues.

• In no instance have we allowed principal to remain outstanding beyond the useful life of the asset.

• When possible, we accelerate repayment to further reduce principal.
### Aging Systems Life-Cycles

**Less than 10 years**

- **Resurface Tennis Courts**
  - Recommended every 7-8 years

<table>
<thead>
<tr>
<th>Campus</th>
<th>Current Installation and Age</th>
<th>Recommended Replacement</th>
<th>Proposed Replacement and Age</th>
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<tr>
<td>CMS</td>
<td>2004 13</td>
<td>2012</td>
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<td>EWMS</td>
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<td>2017</td>
<td>2020 11</td>
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<td>HMS</td>
<td>2009 8</td>
<td>2017</td>
<td>2020 11</td>
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<td>PVMS</td>
<td>2007 10</td>
<td>2015</td>
<td>2020 13</td>
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<td>SHS</td>
<td>2005 12</td>
<td>2013</td>
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<tr>
<td>CTHS</td>
<td>2012 5</td>
<td>2020</td>
<td>2020 8</td>
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Aging Systems Life-Cycles
Less than 10 years

• Resurface Tracks
  – Recommended every 7-8 years

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<tr>
<th>Track Resurfacing</th>
<th>7-8 years</th>
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<td>Campus</td>
<td>Current Installation and Age</td>
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<tr>
<td>CMS</td>
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<td>BHS</td>
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<td>CTHS</td>
<td>2012</td>
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</table>
Aging Systems Life-Cycles
Less than 10 years

- Replace Synthetic Turf on Main Competition Fields
  - Recommended every 10 years (surface layer only)

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<tr>
<th>Campus</th>
<th>Current Installation and Age</th>
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<th>Proposed Replacement and Age</th>
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<tbody>
<tr>
<td>BHS</td>
<td>2008 9</td>
<td>2018</td>
<td>2021 13</td>
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<td>SHS</td>
<td>2014 3</td>
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<td>2024 10</td>
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<td>CTHS</td>
<td>2012 5</td>
<td>2022</td>
<td>2022 10</td>
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Aging Systems Life-Cycles
11-15 years

- Sound Systems
  - In 10 years, sound systems typically become outdated and manufacturers no longer provide support.
  - Depending on usage, with proper maintenance, systems can last beyond 10 years.

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<thead>
<tr>
<th>Campus</th>
<th>Current Installation and Age</th>
<th>Recommended Replacement</th>
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<tbody>
<tr>
<td>CMS Gym</td>
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<td>2007 10</td>
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<td>SHS Gym</td>
<td>2005 12</td>
<td>2015</td>
<td>2021 16</td>
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<tr>
<td>RPES Cafeteria</td>
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<td>SHS Auditorium</td>
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<td>2021 16</td>
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**Aging Systems Life-Cycles**

11-15 years

- **Refinish Gym Flooring**
  - Gym floors are resurfaced annually as on-going maintenance.
  - Twice during their life-cycle, wood floors should be sanded prior to resurfacing. This is recommended every 15 years.

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<tr>
<th>Campus</th>
<th>Current Installation and Age</th>
<th>Recommended Sanding</th>
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<td>BHS*</td>
<td>1995 22</td>
<td>2010</td>
<td>2022 27</td>
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<tr>
<td>BHS*</td>
<td>2006 11</td>
<td>2021</td>
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<td>SHS</td>
<td>2005 12</td>
<td>2020</td>
<td>2022 17</td>
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### Aging Systems Life-Cycles
11-15 years

- Replace Carpet and/or VCT
  - Recommended every 10-12 years

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<td>CRES</td>
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<td>CSES</td>
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<td>GES</td>
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<td>ADMIN</td>
<td>2001 16</td>
<td>2013</td>
<td>2021 20</td>
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Combination of Both Bonds

- These schedules are all subject to growth. How soon we can build is a function of taxable assessed values (TAVs), interest rates, and construction prices.
- There was a strong opinion within the bond steering committee to move Wayside MS forward if bond capacity allows.

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<tr>
<td>MS 6 (2008 Bond)</td>
<td>$682,755,863</td>
<td>$10,500,000</td>
<td>$52,500,000</td>
<td>$35,805,001</td>
<td>$40,857,774</td>
<td>$47,137,816</td>
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Previous Authorization:
- Bond Issuance Requirement: $158,000,000
- Previous Authorization: $10,500,000
- Remainder to be Authorized: $524,755,863
Next Steps
Next Steps

• Consider calling a bond election for November 7, 2017.
• Educate voters on facts of the bond election.
Important Dates

• Important dates to know for a November 7, 2017 election:
  – Monday, August 21, 2017: Deadline to call election (78 days prior)
  – Voter Education Efforts: August – November 7, 2017
  – Deadline to Register to Vote: October 10, 2017
  – Early Voting: October 23 – November 3
  – Election Day: Tuesday, November 7, 2017
Questions?