Hillside Infrastructure-Submitted in December 2019

- Roofing
- Re-pointing of parts of the building
- Floor replacement in lower corridor
- Window replacement project

All projects are priced within the pre-bond budget
Farragut Infrastructure-Submitted January 2020

- Roofing project
- New boilers
- Re-pointing of building
- Replace parapet
- Floor replacement
- Replace cafeteria lift

All projects are within pre-bond budget
Questions and Answers related to Hillside Addition

• What if you do not need the entire 1.3 million dollars from the capital reserve that you are requesting? What happens to the excess?

Although we are asking for authorization of the entire amount available of $1.3 million dollars, the architects along with administration are looking for ways to bring in the current budget for the Hillside project. If the entire amount is not needed, the money will remain in the capital reserve and not be transferred.
Questions and Answers related to Hillside Addition

- If an emergency repair was needed, how would the district address it?

If funds aren't available to be transferred within the current operating budget year to address the repair, the board could authorize the use of the non appropriated fund balance to address such a need. The operating budget does include funds in the B&G code for emergencies. The capital reserve and repair reserve funds are established for the use of planned capital and repair work, an emergency repair would not necessarily be funded through either of these reserves as it would need to be immediately addressed. Many emergency repairs are covered under our insurance, such as a broken pipe or a boiler crack.
Questions and Answers related to Hillside Addition

- Why are we using the capital reserve for this Hillside project? Is this the correct use of these funds?

The capital and repair reserve were set up to address the upgrades and repairs of District facilities as described by the state law. The decision to transfer the repair monies to capital was to allow for the project to be eligible to receive state reimbursement for the work on the entire amount. In order to receive building aid on a project, it needs to be voter approved.
Questions and Answers related to Hillside Addition

- The district currently has other capital and infrastructure needs as noted on the current BCS, with the current recommended use of the reserve funds. How will these be funded?

The building conditions survey (BCS) is a working, living document to help districts plan for capital needs. There is no requirement to do this work within the current time frame. It is important to understand these future needs and to plan for them as part of the larger budget and capital planning process. The majority of work on the list can be done over the next 10 years, this would also allow for the District to replenish the reserve when there are opportunities to do so. As an example, the district currently is exceeding the budgeted revenues for both local sales tax as well as tuition revenues. The recommendation to the board at the end of the current fiscal year will be to appropriate these addition revenues into the capital reserve to be used to offset future projects.
Questions and Answers related to Hillside Addition

- **If Hillside currently has over 10 classrooms that are 900+ square feet why are we building addition larger size classrooms?**

Although there are other classrooms at Hillside that meet the required square footage for a Kindergarten class, when the full programming was done of the space it was decided that designing the new classrooms to accommodate the K wing would be the best use of the new classrooms and would best support the programs and ages of the students. In addition all of our current 1st grade as well as half of the 2nd grade classes are in larger classrooms to accommodate for the bathroom to be located within the classroom. As part of our focus on security, having our younger students not having to walk to a bathroom facility was also a consideration.
What would be the cost savings if we reduced the size of the proposed classrooms down to 770 square feet?

Although some of the cost increase is based on the increase in size, the reduction to these classroom spaces would not save us significant dollars, based on information from our construction manager. The reason for this is the price per square foot that is used is a blended cost. This means that you will not necessarily see a cost savings equal to the price per square foot simply by reducing 200 square feet of classroom space. As an example the cafetorium space construction cost is more costly per square foot than the storage but when they price it out we are given an effective square foot number. Part of the price increase is also due to the shift in the building and the required site work needed to accommodate the new layout of the building.
Questions and Answers related to Hillside Addition

- Why do the retractable seating? Is this something we can perhaps do later?

The retractable seating was a factor that increased the cost of the Hillside addition. Both the cost of the seating as well as the additional square feet necessary to house seats are part of the increase in overall cost. Although we believe the seating is necessary and will best serve the use of the space, when the bid documents are created this item will be listed as an alternate. If the overall cost of the bids are favorable and we feel that we can hold off on awarding the alternate or another need arises we could then hold off on the purchase. We would still want to have the space designed to allow for the seats to be added at a later time if we felt we needed to hold off on the purchase.
Questions and Answers related to Hillside Addition

- What were some of the factors that lead the board to seek additional funding for this project? Why didn’t they just redesign the addition?

The decision to seek approval of using the capital funds through a vote was based on both the agreement that the current design presented to us by PBDW is the right design to support Hillside currently and allow for any additional construction that may need to occur in the future. The other factor is that the cost associated with a redesign that would not only require additional funds spent on professional services but also cause a delay in the project of the year and the cost escalation associated with the delay. The current escalation cost we have been given is a 4% increase a year, this would translate to $320,000 in potential additional cost.
Questions and Answers related to Hillside Addition

- **Will the use of the capital reserve affect our bond rating?**

  Having a healthy reserve balance is very important when you are looking to borrow and receive a favorable rating. It will be important the lessen the amounts of fund balance we have been using to balance our operation budget so that we have a good amount in reserves, especially in using money towards this project. Being our reserve balance is currently at a good level and we have our full 4% in appropriated fund balance we expect a favorable rating in the Spring when we will borrow. We also should be well below our prebond estimates as the rates have dropped significantly.