



IRVINGTON
UNION FREE SCHOOL DISTRICT

Capital Project/Bond Proposal FAQ

1. What is a capital bond?

A school district proposes a capital bond to its voters to secure funding for larger construction projects including renovations of spaces, additions, and infrastructure repairs such as roofs, boilers and site work. With voter approval, the district then borrows the funds for these projects and then will pay the funds with the district making payments through annual installments over 15-20 years like a homeowner would on their personal residence. This makes the projects affordable to complete.

2. There have been several discussions at recent board meetings about the district proposing a capital project. What is the amount and what is being considered?

Yes, there have been several discussions and presentations which can be found on the district website. [Click here to view these discussions and presentations.](#) Essentially, the District would like to address larger dollar capital needs that can't be funded through the General Fund budget due to the limitations of existing revenue sources. The project would require the District to borrow via a capital bond. The total amount has yet to be established, but will likely be in the range of \$15-18 million dollars. The main focus of the projects under consideration is to address: 1) Safety and security, 2) Academic/Student/Staff needs, 3) Storage and protection of resources, 4) Facilities and infrastructure needs, 5) Paving & Sidewalks. For more detail on projects under consideration, [please see the following presentation](#), given at the September 4, 2018 board meeting, pages 9-16, and [listen to the discussion](#) that accompanied the presentation here.

3. Will the project address needs at all the schools?

Yes, there is scope of work for each school, including security enhancements, addressing student learning needs and infrastructure needs for each building.

4. What does it mean that the District has a capital bond that is expiring?

The bond associated with the 2004 Capital Project will have the last principal and interest payment in 2021-22. Often that is referred to as a bond that is expiring.

5.. How will you arrive at the amount to borrow? What is the impact to taxpayers?

The District's goal is to maintain the amount of borrowing to align with our current debt payments and thus have a "budget neutral" or "tax neutral" bond. Each bond has a distinct repayment schedule. The District will be paying off one of our bonds in the next few years. The District would look to establish a financing schedule to match a similar payment schedule as the bond that will be paid off. Thus, the District would not have to budget additional funds in the annual general fund budget to pay for a voter approved capital project. The term budget or tax neutral as the new payments would align with the current revenue sources of our budget and introduce no additional taxes. The estimated amount we can borrow and achieve this, depends on interest rate and anticipated state aid assistance.

6. What would happen to taxes if we didn't have a new bond?

If the District does not plan for a new capital project and resulting bond, the funds budgeted for debt payments will be reduced by approximately \$1.2 million per year beginning in 2022-23. If all of those funds went to reduce the levy, at the existing assessed valuation as today, the tax rate would be reduced by approximately 40 cents per year. However, some of these funds will need to be budgeted for capital expenses that need to be addressed before major issues result, such as the boiler and roof replacements. The longer the District waits to address infrastructure concerns (deferred maintenance), higher costs for repairs typically results along with annual expenditures to maintain failing infrastructure until the work can be completed. Additionally, it would be difficult for the District to address the security concerns such as enclosing the campus and modernizing learning spaces within the General Fund budget even if we allocated the full \$1.2 million annually toward capital expenses.

7. What preparatory work on the bond proposal has already been done?

In the spring of 2018, the district sought volunteers from the school community to serve on the Capital Project Planning Committee ("CPPC"). The focus of the CPCC was to define scope of work and get feedback from a cross-section of the community. CPCC meetings were held on May 2, May 9, May 21 and June 6, 2018. The CPCC is comprised of Board of Education members, staff and administration representatives, and community members who have expertise in finance, construction, design and security. The CPCC is also supported by the district's architectural firm H2M, a construction manager, and security and technology consultants. After needs were generated by the CPPC and existing facility reports such as our Building Condition Surveys were reviewed, the architects initiated preliminary design work to provide options to meet the capital needs. Currently, the Buildings and Grounds Committee of

the Board is collaborating with District administration and the architectural firm and construction manager to review proposals and costs to determine what should be recommended to the Board and community. In the future, the Buildings and Grounds Committee will re-engage with the CPPC and other members of the school community to seek more feedback on designs to ensure that learning and facilities goals are being attained.

8. When will the bond referendum be held?

The District is currently planning a separate referendum question on the same date as the 2019-20 budget vote in May. Once the Board approves the scope of work, the SEQR (State Environmental Quality Review) process must be finalized. Bond referendum votes can be held separately from the overall budget vote or can be on the same day but given our current timeline with scope and SEQR, a May vote is achievable.

9. How much design detail is occurring now? Have all the stakeholders been involved in the design and planning?

Per State Education Law, until voters approve a capital project, the design work can only be to determine scope of work for voter information and to estimate costs. The true architectural and construction design detail work begins after the vote. While the District has been involving stakeholders in the process as referenced above, we will enhance stakeholder involvement in design detail upon a successful vote to proceed.

10. What does the State reimburse us or aid us on? What is our building aid ratio?

New York State uses building aid to reimburse districts for a portion of their voter approved projects. Typically this includes any spaces tied to instruction. The District will look to maximize building aid throughout the recommended scope of work. The District's current building aid ratio is 29.4%; however this number has risen recently and may increase slightly.

11. What is the project timeline once the referendum passes?

An estimated timeline after the successful vote would likely be:

June 2019 - December 2019 - H2M (architect) prepares detailed construction documents for submission to SED approval

January 2020 - October 2020 - State Education Department (SED) reviews, approves and issues building permits. We may be able to utilize the SED Fast Track approval process for some of the projects and if the approval queue remains lengthy (currently up to 40 weeks)

November 2020 - March 2021 - Bidding and Awards

June 2021 - Large-scale construction starts

Some smaller projects might be able to begin in Summer 2019 and 2020 as less involved construction documents and/or SED review is required.

12. Will there be further community involvement and presentations?

Yes, the District will hold several community forums to present the scope of work. These dates will be posted on the District website and advertised in other District communications. The feedback gained in these sessions will be used in the detail design stage.

13. Where can I address my questions?

Please email your questions to CapitalBond@IrvingtonSchools.org