



# Methacton School District

**MODEL:** FUTURE IMPACT OF BORROWING \$100M (RENOVATION) OR \$200M (NEW CONSTRUCTION) FOR HIGH SCHOOL CAMPUS



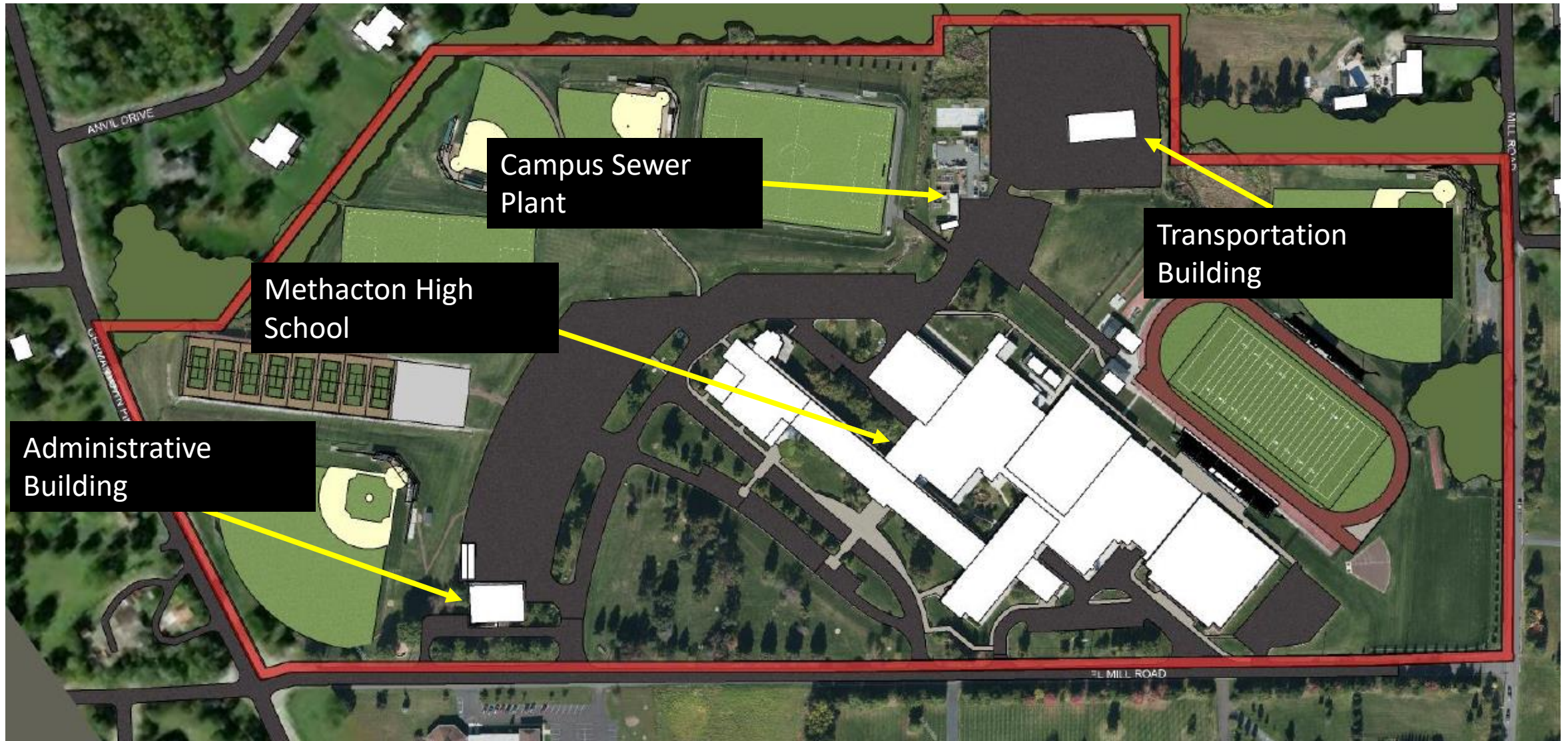
# Notice

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- Presentation is designed to provide a summary of discussion points leading to the current state of the Methacton High School Campus planning process
- Presentation is designed to provide reasonable notice of the district's ability to borrow \$100M or \$200M for capital improvement projects
- Presentation is designed to model the potential impact on budget/taxpayers of borrowing \$100M (High School Renovation) and \$200M (New High School Construction)
- The information contained within will likely change over time during the planning process
- There are no Board actions required from this presentation
- The information is not a final determination of costs for renovation or new construction or future budget years



## Methacton High School Campus



**NOTE:** Depicts the prominent structures on the high school campus



# Summary - High School Campus

<u>Structure</u>	<u>Projected Work Start</u>	<u>Minimum Costs</u>
District Admin Office	2028	\$1,198,200
Transportation Building	2025	\$332,700
<u>Methacton High School</u>	<u>2025</u>	<u>\$69,025,800</u>
<b>Total Min Campus Investment</b>		<b>\$70,556,700</b>

Does not include campus Sewer Plant maintenance/renovation/repairs or campus parking lots/paving or other exterior/site/property costs

Summary of **5 year** projected need based on 2023 Facilities Assessment  
with Conditions report to maintain existing building

**NOTE:** Depicts the minimum campus investment as per the 2023 facilities assessment

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It is imperative that we develop a comprehensive campus plan that considers the educational, operational, and financial context to ensure that future investments support the mission of the district and the vision for our high school and campus for the next 50 years.















































# Pre-Conceptual Scenarios (with estimated costs)

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OPTIONS	SUMMARY	ESTIMATED COST RANGE
Option 1	In-Place Renovation	\$95M - \$99M
Option 2	Renovation plus Auditorium & Natatorium Additions	\$112M - \$118M
Option 3	Renovation plus Auditorium, Natatorium Additions, & Classroom Additions	\$148M - \$156M
Option 4	New Construction	
	Option 4A 308,000sq'	\$175M - \$183M
	Option 4B 345,000sq'	\$195M - \$205M



Priority	Option 1 \$95M - \$99M	Option 2 \$112M - \$118M	Option 3 \$148M - \$156M	Option 4 <sup>A&amp;B</sup> \$175M - \$205M
Educational Space Improvements				
New Curriculum Opportunities				
Campus Safety Improvements				
ADA & Inclusive Accessibility				
Building Layout & Circulation				
Sustainability & Energy Efficiency				
HVAC System Improvements				
Natatorium Improvements				
Auditorium Improvements				
District Office Improvements				
Disturbance During Construction				

**NOTE:** Depicts likelihood of each option (not/partially/completely) addressing MHSCPC recommendations



# Direction

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## MOTION: (March 26, 2024)

Approve the administration to prepare recommendations for a comprehensive High School campus plan that:

- Engages the Board approved Architect, Owners Representative, and Solicitor
- Provides no less than 3 concept designs with estimated costs, timelines, and impact for a new high school
- Provides for public input on concept designs
- Provides recommendations and feedback to be presented at a special meeting in the future





# High School Decision Timeline

6/18/2024 Board Work Session	Present concept design process & Board decision process & timeline
7/23/2024 Board Meeting	Status Update
8/20/2024 Board Work Session	Present concept designs & outline next steps
8/22/2024 HS Teacher Workshop	Present concept designs & gather feedback
8/27/2024 Board Meeting	Present budget impact analysis/costs/risks/limitations
8/29/2024 HS Student Workshop	Present concept designs & gather feedback
9/04/2024 Open Public Forum	Present concept designs, budget impact & gather feedback
9/09/2024 Open Public Forum	Present concept designs, budget impact & gather feedback
9/12/2024 Open Public Forum	Present concept designs, budget impact & gather feedback
9/17/2024 Board Work Session	Present all feedback & seek direction on concepts
10/2/2024 Open Public Forum	Present updated concepts designs given direction
10/9/2024 Special Meeting (Voting)	Present status/vote on resolution to build new HS/vote on concept design/vote to proceed with schematic design
10/29/2024	Regular Voting Meeting <i>If more time is needed</i> -Present status/vote on resolution to build new HS/vote on concept design/vote to proceed with schematic design

**NOTE:** Depicts the schedule of feedback and decisions



# RECAP

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## Considering

- 2023 Facilities Assets with Conditions assessment
- Recommendations from HS Campus Planning Committee
  - 63 recommendations

## 4 Options

- In place renovation (based on the Master Facilities Plan)
- In place renovation with auditorium and natatorium additions
- In place renovation with auditorium, natatorium, and academic classroom additions
- New construction

## Decision

- March 2024 – Board determines to proceed with investigating potential of new construction

## Concept Designs and Costs

- Presented concepts, costs, and preliminary fiscal outlook
- Gather student, parent, staff, and community feedback

# District Overview

Located in Montgomery County, PA and encompasses 32 square miles

Serves school age students from Lower Providence & Worcester Townships

Operates seven school buildings: four elementary (grades K-4); one upper elementary (grades 5-6); an intermediate school (grades 7-8); and a high school (grades 9-12)

Serves nearly 4,600 students and manages a budget of over \$134,100,000.

## Methacton SD by the Numbers

- District Population – 36,133
- Number of Employees – 627.25
  - ✓ 408.5 Teachers
  - ✓ 32 Administrators
  - ✓ 184.75 Support, Maintenance, Grounds, and Custodial Staff
- Total Enrollment – 4,632
  - ✓ 836 Special Education
  - ✓ 266 Gifted
  - ✓ 994 Low Income
- Average Class Size <25
- 2024-25 Budget: \$134,105,665

Municipality	Population	Median Household Income	County Median	% of County Median	National Median	% of National Median
Lower Providence Township	25,844	<b>\$115,068</b>	\$107,441	<b>107.10%</b>	\$75,149	<b>142.97%</b>
Worcester Township	10,747	<b>\$152,500</b>	\$107,441	<b>141.94%</b>	\$75,149	<b>202.93%</b>

Source: DCED Municipal Statistics and US Census Bureau

**NOTE:** Depicts summary demographic make-up of district



# Residential Development

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In progress/recently completed/proposed

Name	Description
BET Apartments	1144 Unit Apartment Complex - Worcester
Residences at Park Pointe	1579 Mixed Use/Multi Family Units/Townhomes - Lower Providence - Proposed
Ridge and Crosskeys	12 Unit Apartment Building - Lower Providence
Shannondell Phase III	500 Independent Living Units - Lower Providence
St. Gabriel's	422 Multi Family Units - Lower Providence - Proposed
The Reserve at Center Square	125 Single Family Residence & 125 Townhomes - Worcester
Village at Eskie Park	25 Single Family Residence - Lower Providence
Westrum Homes	48 Townhouse Project - Worcester
<b>Total</b>	<b>3,980 Units</b>

**Note:** Depicts local investment in community and future revenue growth





# Student Enrollment

Local enrollment report as of 6/2024

Grade Level	AH	AH-MVA	EV	EV-MVA	WD	WD-MVA	WR	WR-MVA	SV	SV-MVA	AC	AC-MVA	HS	HS-MVA	Total
Kdg	84	0	66	0	86	0	80	1							317
1st	85	0	84	0	102	0	104	0							375
2nd	90	0	88	0	87	0	83	1							349
3rd	86	0	83	0	83	0	92	1							345
4th	110	0	71	0	79	0	86	0							346
5th									350	1					351
6th									371	0					371
7th											316	0			316
8th											344	1			345
9th													386	1	387
10th													374	2	376
11th													370	7	377
12th													367	8	375
Bldg Totals	455	0	392	0	437	0	445	3	721	1	660	1	1497	18	4630

10 Year Enrollment projections as of 7/2022

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
High						4,598	4,589	4,626	4,659	4,631	4,629	4,632	4,667	4,734	4,753	4,781
Medium	4,843	4,777	4,764	4,742	4,652	4,598	4,558	4,579	4,593	4,541	4,537	4,525	4,538	4,586	4,574	4,566
Low						4,598	4,533	4,536	4,524	4,457	4,411	4,369	4,356	4,373	4,330	4,297

**Note:** Depicts actual enrollment between medium/high projections with flat enrollment through 2031



# Master Facilities Plan

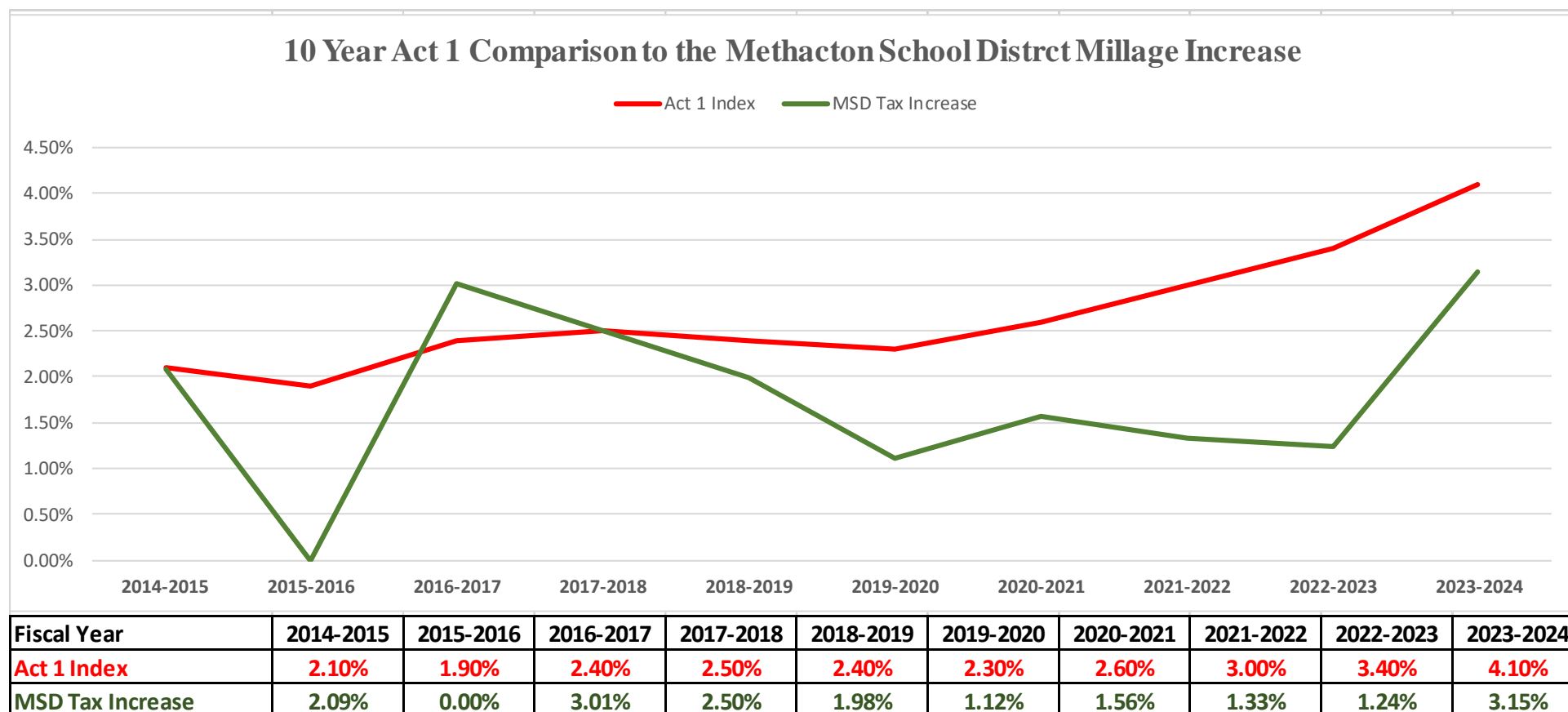
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## Master Facilities Plan

- 10 year plan (all facilities except Arrowhead/Facilities Building)
- \$221,031,927 in estimated facilities renovation costs (including HS renovations)
- District has approximately \$16M in Capital Projects Fund reserves



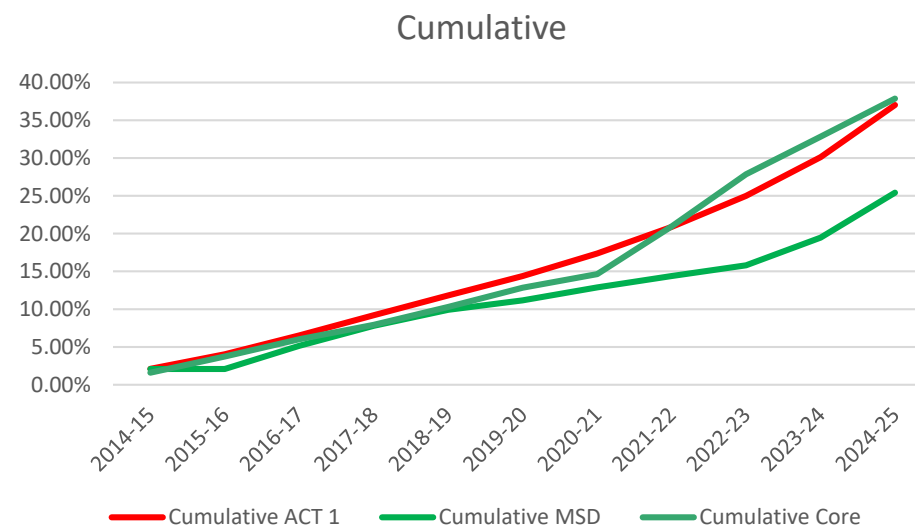
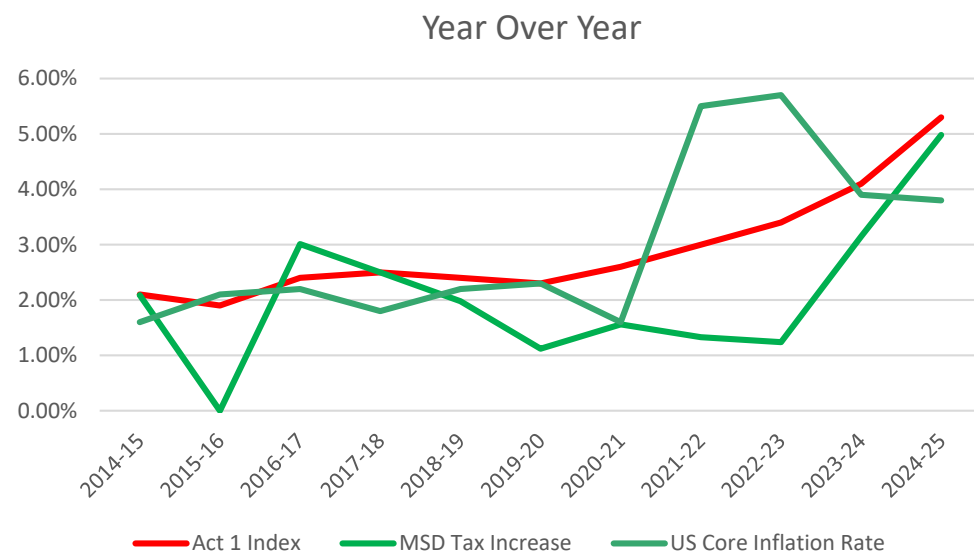
# Historical Tax Increase v. Act 1 Index



**Note:** Depicts District has generally remained below the Act 1 Index and has been fiscally prudent in managing annual operations



# Historical Act 1 Index vs. Inflation



- Comparison of the Act 1 Index, MSD Real Estate Tax Increase and US Inflation Rates
- Demonstrates significant effort to contain costs below inflation





# Impact of Potential Borrowing

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- Using \$100M borrowing model (high school renovation)
- Using \$200M borrowing model (new high school construction)
- Revenue and expenditure assumptions
- Share 5 and 10 year model
- Impact to taxpayers
- Future budget considerations
- Additional planning required



# Revenue Assumptions

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Using 24/25 budget as base year

## Local Revenue

- Earned Income Tax (EIT) / Real Estate Transfer Tax based on trend
- Interest income is flat at 24/25 levels
- Assessment Growth based on trend

## State Revenue

- PSERS revenue based on PSERS projected rates and projected salary increases
- Basic Education and Special Education is flat at 24/25 levels

## Federal Revenue

- Title Funds is flat at 24/25 levels



# Expenditure Assumptions

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- Using 24/25 budget as base year
- Salaries and Benefits are based on contractual requirements and trend
- Transportation based on contract
- Special Education services are based on trend
- Other department/building budgets based on trend
- Transfer to Capital Projects Fund continues as follows: \$1,725,000 (yr1), \$1,825,000 (yr2), \$1,925,000 (yr3), and \$2,025,000 (yr4)

# 5 Year Budget Projection (add \$100M Capital Borrowing)



	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
	Budget	Projection	Projection	Projection	Projection
<b>Revenue</b>					
Local	\$105,212,483.77	\$109,171,008.79	\$113,482,470.76	\$118,259,185.50	\$121,552,998.77
State	\$28,850,666.95	\$29,611,885.29	\$30,177,733.09	\$30,809,835.95	\$31,481,919.62
Federal	\$355,034.27	\$355,034.27	\$355,034.27	\$355,034.27	\$355,034.27
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Revenue Total</b>	<b>\$134,418,184.99</b>	<b>\$139,137,928.35</b>	<b>\$144,015,238.12</b>	<b>\$149,424,055.72</b>	<b>\$153,389,952.66</b>
<b>Expenditures</b>					
Salary	\$54,864,409.44	\$57,104,430.49	\$58,817,563.39	\$61,002,634.81	\$63,270,080.15
Benefits	\$34,963,477.78	\$36,863,363.50	\$38,408,916.10	\$40,102,688.31	\$41,910,257.16
Buildings	\$762,541.85	\$763,304.40	\$764,067.71	\$764,831.76	\$765,596.60
Operational	\$30,708,493.29	\$31,573,812.16	\$32,206,709.91	\$32,861,054.11	\$33,537,685.86
Debt & Transfers	\$12,806,742.77	\$12,833,017.80	\$13,817,981.01	\$14,692,846.73	\$13,906,332.89
<b>Total Expenditures</b>	<b>\$134,105,665.13</b>	<b>\$139,137,928.35</b>	<b>\$144,015,238.12</b>	<b>\$149,424,055.72</b>	<b>\$153,389,952.66</b>
Beginning Balance	\$17,308,356.31	\$17,620,876.17	\$17,620,876.17	\$17,620,876.17	\$17,620,876.17
Net Change	\$312,519.86	\$0.00	\$0.00	\$0.00	\$0.00
Ending Balance	\$17,620,876.17	\$17,620,876.17	\$17,620,876.17	\$17,620,876.17	\$17,620,876.17

Projected Tax Percentage Increase **WITH \$100M** in Budget → 2.208% 3.130% 3.550% 1.790%

Projected Tax Percentage Increase **WITH OUT \$100M** in Budget → 1.400% 2.300% 1.200% 1.100%

Projected Tax Increase on average assessed property on borrowing alone → \$49.45 \$51.22 \$150.13 \$47.69

NOTE: Budget includes annual operational assumptions + borrowing of \$100M



# 5 Year Budget Projection (add \$200M Capital Borrowing)



	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
	Budget	Projection	Projection	Projection	Projection
<b>Revenue</b>					
Local	\$105,212,483.77	\$109,532,493.27	\$115,093,851.72	\$120,601,301.28	\$126,847,048.01
State	\$28,850,666.95	\$29,611,885.29	\$30,177,733.09	\$30,809,835.95	\$31,481,919.62
Federal	\$355,034.27	\$355,034.27	\$355,034.27	\$355,034.27	\$355,034.27
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Revenue Total</b>	<b>\$134,418,184.99</b>	<b>\$139,499,412.83</b>	<b>\$145,626,619.08</b>	<b>\$151,766,171.50</b>	<b>\$158,684,001.90</b>
<b>Expenditures</b>					
Salary	\$54,864,409.44	\$57,104,430.49	\$58,817,563.39	\$61,002,634.81	\$63,270,080.15
Benefits	\$34,963,477.78	\$36,863,363.50	\$38,408,916.10	\$40,102,688.31	\$41,910,257.16
Buildings	\$762,541.85	\$763,304.40	\$764,067.71	\$764,831.76	\$765,596.60
Operational	\$30,708,493.29	\$31,573,812.16	\$32,206,709.91	\$32,861,054.11	\$33,537,685.86
Debt & Transfers	\$12,806,742.77	\$13,194,502.29	\$15,429,361.98	\$17,034,962.51	\$19,200,382.13
<b>Total Expenditures</b>	<b>\$134,105,665.13</b>	<b>\$139,499,412.83</b>	<b>\$145,626,619.08</b>	<b>\$151,766,171.50</b>	<b>\$158,684,001.90</b>
Beginning Balance	\$17,308,356.31	\$17,620,876.17	\$17,620,876.17	\$17,620,876.17	\$17,620,876.17
Net Change	\$312,519.86	\$0.00	\$0.00	\$0.00	\$0.00
Ending Balance	\$17,620,876.17	\$17,620,876.17	\$17,620,876.17	\$17,620,876.17	\$17,620,876.17

Projected Tax Percentage Increase **WITH \$200M** in Budget → 2.600% 4.420% 4.200% 4.4990%

Projected Tax Percentage Increase **WITH OUT \$200M** in Budget → 1.400% 2.300% 1.200% 1.100%

Projected Tax Increase on average assessed property on borrowing alone → \$72.41 \$132.47 \$196.05 \$233.14

**NOTE:** Budget includes annual operational assumptions + borrowing of \$200M



# 10 Year Projections (with \$100M Capital Borrowing)

Assumes similar revenue, staff, benefits, operating costs trends as found in 5 Year Budget Projections

	Fiscal Year Ending	Total Local Effort	Projected Property Tax Percentage Increase
	6/30/2026	9,276,234	2.21%
Run Rate	6/30/2027	9,990,109	3.13%
Target Achieved -->	6/30/2028	9,735,667	3.55%
	6/30/2029	9,737,886	1.79%
	6/30/2030	9,736,375	1.8% - 3.08%
	6/30/2031	9,737,963	1.8% - 3.08%
	6/30/2032	9,737,975	1.8% - 3.08%
	6/30/2033	9,736,450	1.8% - 3.08%
	6/30/2034	9,734,825	1.8% - 3.08%
	6/30/2035	8,490,750	1.8% - 3.08%
	6/30/2036	8,493,325	1.8% - 3.08%
	6/30/2037	8,494,300	1.8% - 3.08%
	6/30/2038	8,494,025	1.8% - 3.08%

**NOTE:**

1. Run Rate Target = Is projected year with which the district will reach annual level payments (interest and principal) given \$200M borrowing
2. For years 2030-2038, chart depicts estimated budget tax increase between (1.8% (previous 10yr Avg.)) and (3.08% (next 5 years)) assuming no additional debt beyond \$200M



# 10 Year Projections (with \$200M Capital Borrowing)

Assumes similar revenue, staff, benefits, operating costs trends as found in 5 Year Budget Projections

	Fiscal Year Ending	Total Local Effort	Projected Property Tax Percentage Increase
	6/30/2026	\$9,638,140.00	2.60%
	6/30/2027	\$11,605,270.00	4.42%
Run Rate	6/30/2028	\$12,081,050.00	4.20%
Target Achieved -->	6/30/2029	\$15,055,636.00	4.49%
	6/30/2030	\$15,154,500.00	1.8% - 4.09%
	6/30/2031	\$15,154,338.00	1.8% - 4.09%
	6/30/2032	\$15,156,475.00	1.8% - 4.09%
	6/30/2033	\$15,155,825.00	1.8% - 4.09%
	6/30/2034	\$15,153,825.00	1.8% - 4.09%
	6/30/2035	\$15,156,125.00	1.8% - 4.09%
	6/30/2036	\$15,155,200.00	1.8% - 4.09%
	6/30/2037	\$15,157,925.00	1.8% - 4.09%
	6/30/2038	\$15,159,275.00	1.8% - 4.09%

**NOTE:**

1. Run Rate Target = Is projected year with which the district will reach annual level payments (interest and principal) given \$200M borrowing
2. For years 2030-2038, chart depicts estimated budget tax increase between (1.8% (previous 10yr Avg.)) and (4.09% (next 5 years)) assuming no additional debt beyond \$200M



# Tax Impact -2025-2026 Budget Year

Projected 25-26 FY										
Tax Increase Based on	Tax Increase Based on	Total Projected			Tax Increase Based on	Total Projected	Tax Increase	Tax Increase	Tax Increase	
Budget with No New	Projected Budget with	Tax with	Property	Assessment	Projected Budget with	Tax with	Differential	Differential	Differential	
Borrowing	\$100M Borrowing	\$100M Borrowing	Value*		\$200M Borrowing	\$200M Borrowing	\$100M vs \$200M	No Borrowing vs \$100M	No Borrowing vs \$200M	
\$31.58	\$50.00	\$2,300.00	\$200,000.00	\$65,789.47	\$58.55	\$2,308.55	\$8.55	\$18.42	\$26.97	
\$47.37	\$75.00	\$3,450.00	\$300,000.00	\$98,684.21	\$87.83	\$3,462.83	\$12.83	\$27.63	\$40.46	
\$63.16	\$100.00	\$4,600.00	\$400,000.00	\$131,578.95	\$117.11	\$4,617.11	\$17.11	\$36.84	\$53.95	
\$78.95	\$125.00	\$5,750.00	\$500,000.00	\$164,473.68	\$146.38	\$5,771.38	\$21.38	\$46.05	\$67.43	
\$84.78	\$134.23	\$6,174.64	\$536,924.80	\$176,620.00	\$157.19	\$6,197.60	\$22.96	\$49.45	\$72.41	MSD AVG
\$157.89	\$250.00	\$11,500.00	\$1,000,000.00	\$328,947.37	\$292.76	\$11,542.76	\$42.76	\$92.11	\$134.87	
\$315.79	\$500.00	\$23,000.00	\$2,000,000.00	\$657,894.74	\$585.53	\$23,085.53	\$85.53	\$184.21	\$269.74	

## NOTE:

1. Tax Increase is based on change from previous year
2. Tax Increase Differential is difference of tax increase of budget with \$100M and \$200M





# Tax Impact -2025-2026 Budget Year

Projected 26-27 FY										
Tax Increase Based on Budget with No New Borrowing	Tax Increase Based on Projected Budget with \$100M Borrowing	Total Projected Tax with \$100M Borrowing	Property Value*	Assessment	Tax Increase Based on Projected Budget with \$200M Borrowing	Total Projected Tax with \$200M Borrowing	Tax Increase Differential \$100M vs \$200M	Tax Increase Differential No Borrowing vs \$100M	Tax Increase Differential No Borrowing vs \$200M	
\$52.63	\$71.71	\$2,371.71	\$200,000.00	\$65,789.47	\$101.97	\$2,410.53	\$30.26	\$19.08	\$49.34	
\$78.95	\$107.57	\$3,557.57	\$300,000.00	\$98,684.21	\$152.96	\$3,615.79	\$45.39	\$28.62	\$74.01	
\$105.26	\$143.42	\$4,743.42	\$400,000.00	\$131,578.95	\$203.95	\$4,821.05	\$60.53	\$38.16	\$98.68	
\$131.58	\$179.28	\$5,929.28	\$500,000.00	\$164,473.68	\$254.93	\$6,026.32	\$75.66	\$47.70	\$123.36	
\$141.30	\$192.52	\$6,367.15	\$536,924.80	\$176,620.00	\$273.76	\$6,471.36	\$81.25	\$51.22	\$132.47	MSD AVG
\$263.16	\$358.55	\$11,858.55	\$1,000,000.00	\$328,947.37	\$509.87	\$12,052.63	\$151.32	\$95.39	\$246.71	
\$526.32	\$717.11	\$23,717.11	\$2,000,000.00	\$657,894.74	\$1,019.74	\$24,105.26	\$302.63	\$190.79	\$493.42	

## NOTE:

1. Tax Increase is based on change from previous year
2. Tax Increase Differential is difference of tax increase of budget with \$100M and \$200M



# Tax Impact -2025-2026 Budget Year

Projected 27-28 FY									
Tax Increase Based on	Tax Increase Based on	Total Projected	Property		Tax Increase Based on	Total Projected	Tax Increase	Tax Increase	Tax Increase
Budget with No New	Projected Budget with	Tax with			Projected Budget with	Tax with	Differential	Differential	Differential
Borrowing	\$100M Borrowing	\$100M Borrowing	Value*	Assessment	\$200M Borrowing	\$200M Borrowing	\$100M vs \$200M	No Borrowing vs \$100M	No Borrowing vs \$200M
\$28.29	\$84.21	\$2,455.92	\$200,000.00	\$65,789.47	\$101.32	\$2,511.84	\$17.11	\$55.92	\$73.03
\$42.43	\$126.32	\$3,683.88	\$300,000.00	\$98,684.21	\$151.97	\$3,767.76	\$25.66	\$83.88	\$109.54
\$56.58	\$168.42	\$4,911.84	\$400,000.00	\$131,578.95	\$202.63	\$5,023.68	\$54.21	\$111.84	\$146.05
\$70.72	\$210.53	\$6,139.80	\$500,000.00	\$164,473.68	\$253.29	\$6,279.61	\$42.76	\$139.80	\$182.57
\$75.95	\$226.07	\$6,593.22	\$536,924.80	\$176,620.00	\$271.99	\$6,743.35	\$45.92	\$150.13	\$196.05
\$141.45	\$421.05	\$12,279.61	\$1,000,000.00	\$328,947.37	\$506.58	\$12,559.21	\$85.53	\$279.61	\$365.13
\$282.89	\$842.11	\$24,559.21	\$2,000,000.00	\$657,894.74	\$1,013.16	\$25,118.42	\$171.05	\$559.21	\$730.26

## NOTE:

1. Tax Increase is based on change from previous year
2. Tax Increase Differential is difference of tax increase of budget with \$100M and \$200M



# Tax Impact -2026-2027 Budget Year

Projected 28-29 FY									
Tax Increase Based on	Tax Increase Based on		Property Value* Assessment		Tax Increase Based on		Differential	Differential	Differential
Budget with No New	Projected Budget with	Total Projected			Projected Budget with	Total Projected	\$100M vs \$200M	No Borrowing vs \$100M	No Borrowing vs \$200M
Borrowing	\$100M Borrowing	Tax with \$100M Borrowing			\$200M Borrowing	Tax with \$200M Borrowing	Differential		
\$26.32	\$44.08	\$2,500.00	\$200,000.00	\$65,789.47	\$113.16	\$2,625.00	\$69.08	\$17.76	\$86.84
\$39.47	\$66.12	\$3,750.00	\$300,000.00	\$98,684.21	\$169.74	\$3,937.50	\$103.62	\$26.64	\$130.26
\$52.63	\$88.16	\$5,000.00	\$400,000.00	\$131,578.95	\$226.32	\$5,250.00	\$128.16	\$35.53	\$173.68
\$65.79	\$110.20	\$6,250.00	\$500,000.00	\$164,473.68	\$282.89	\$6,562.50	\$172.70	\$44.41	\$217.11
\$70.65	\$118.34	\$6,711.56	\$536,924.80	\$176,620.00	\$303.79	\$7,047.14	\$185.45	\$47.69	\$233.14
\$131.58	\$220.39	\$12,500.00	\$1,000,000.00	\$328,947.37	\$565.79	\$13,125.00	\$345.39	\$88.82	\$434.21
\$263.16	\$440.79	\$25,000.00	\$2,000,000.00	\$657,894.74	\$1,131.58	\$26,250.00	\$690.79	\$177.63	\$868.42

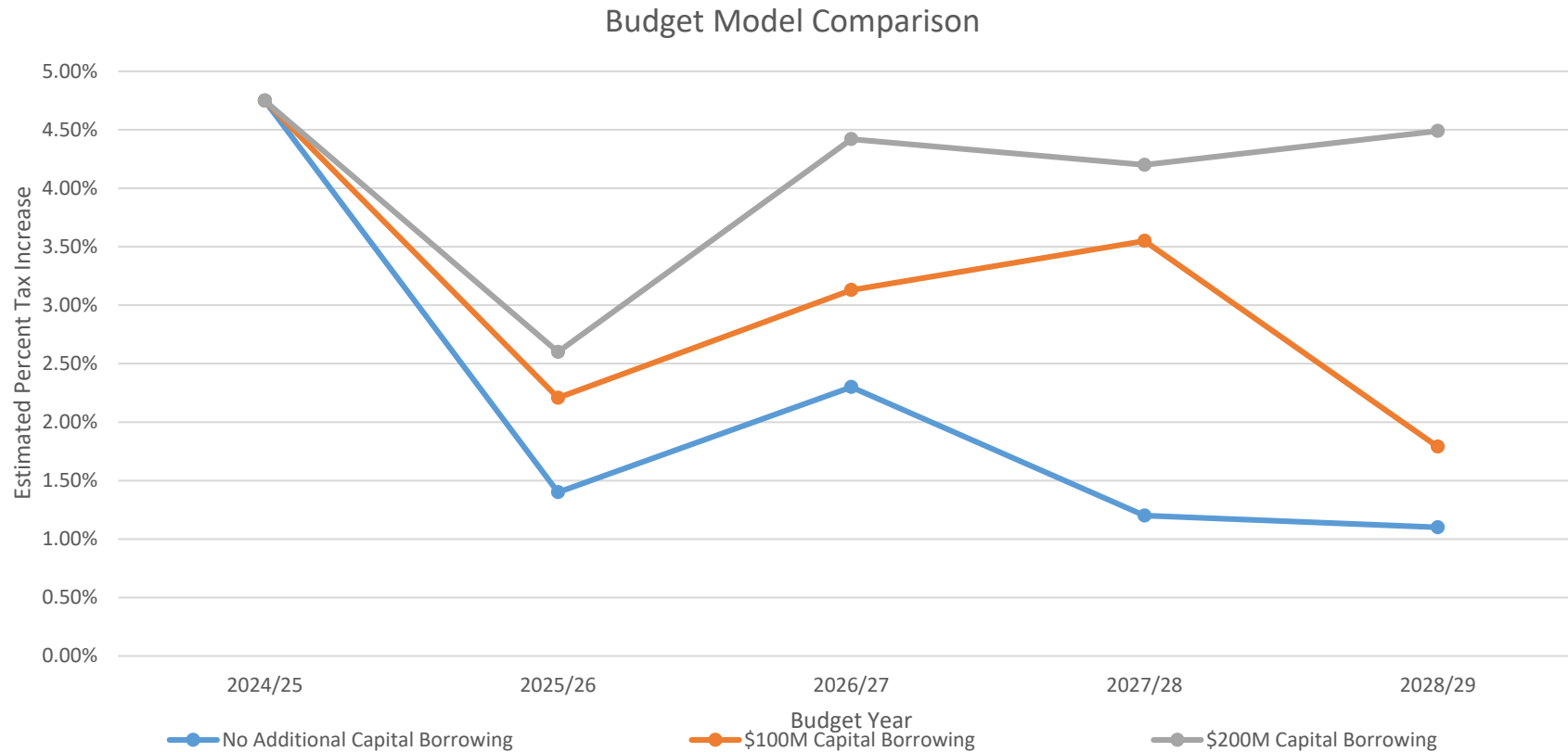
## NOTE:

1. Tax Increase is based on change from previous year
2. Tax Increase Differential is difference of tax increase of budget with \$100M and \$200M

Budget Model Comparison					
Budget Year	2024/25	2025/26	2026/27	2027/28	2028/29
No Additional Capital Borrowing	4.75%	1.40%	2.30%	1.20%	1.10%
\$100M Capital Borrowing	4.75%	2.21%	3.13%	3.55%	1.79%
\$200M Capital Borrowing	4.75%	2.60%	4.42%	4.20%	4.49%



# Budget Model Comparison (Reach Run Rate Level)



**NOTE:** Depicts a summary of tax % comparisons between No Additional Borrowing / \$100M / \$200M



# Future Budget Considerations

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- Staffing costs are predicted to rise faster than normal due to scarcity of available workers, scarcity of new professionally certificated workers and from competition geographically for support/professional/administrative staff
- Special Education costs will need to be contained specifically associated with 3rd party contractors
- Transportation costs are locked in for 4 more years, but driver scarcity, fuel costs, and demand/trend for electrified vehicles could play a future impact on the operating budget
- Student enrollment is predicted remain stable over next 10 years
- The economy will dictate revenue (EIT and interest rates) and will dictate the costs associated with PSERS and utilities/goods/services all having impact on Act 1 Index

# Initial Impact Summary



- Methacton School District's future budget projections with \$200M borrowing reasonably provides for all of the following:
  - Continued focus on student performance/program development/exceptional educational experience/academic excellence
  - Continued focus on recruiting, retaining, and developing employees
  - Continued focus on addressing facilities needs including construction of a new high school campus
- Methacton School District has capacity to borrow \$200M without requiring referendum
- Capital borrowing will be required regardless of path forward (New Construction vs. Renovation) and will have an impact on annual budget/tax payer.
- Borrowing \$100M for renovations will require tax increases close to the Act 1 Index in 2 of the 4 projected years to reach budget run rate
- Borrowing \$200M for new construction will require tax increases close to or at the Act 1 Index in each of the next 4 years to reach budget run rate
- It is estimated that the average assessed property will see between \$22.96 (Yr1) and \$185 (Yr4) differential between \$100M borrowing and \$200M borrowing to reach budget run rate target



# Additional Planning Required

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- Development of comprehensive capital borrowing strategy
- Determine timing of borrowings
- Determine risks associated with Act 1 assumptions
- Review Master Facilities Plan term, sequence, and scope
- Determine best use of Capital Projects Fund
- Determine operational costs savings (renovation/new construction) on annual budget
- Continue stringent review of annual budgetary costs
- Seek alternative revenue sources
- Gather and consider feedback from the public





# Methacton School District

**MODEL:** FUTURE IMPACT OF BORROWING \$100M (RENOVATION) OR \$200M (NEW CONSTRUCTION) FOR HIGH SCHOOL CAMPUS