



5 Year Capital Projects Plan

INITIAL DISCUSSION
JANUARY 7, 2014



5 Year Capital Projects Plan

- ▶ Provide the Board with possible major Capital Projects needed over the next 5 years.
- ▶ Provide the Board with information necessary to make critical decisions.
- ▶ Establish initial discussion and gain direction from Board.
- ▶ Start the dialogue around establishing a fiscally sustainable organization.

Capital Reserve Fund Usage (6 year review)

<u>FY</u>	<u>USAGE</u>	<u>ACCT BAL.</u>
<i>As of 11/30/13</i>	774,871	1,068,461
2012-2013	1,050,929	1,843,332
2011-2012	736,625	2,894,260
**2010-2011	918,682	3,630,885
2009-2010	1,145,410	3,299,568
*2008-2009		4,444,978

Methacton is spending on average of \$925,303 over the past 5 years (including current year).

** Base Year*

***Transfer of \$1.25 million from GF*

Arcola

2014-15	178,000	HVAC,PORT BLEACHERS,HVAC CONTROLS, PAINT BOOTH
2015-16	434,000	ROOF, FIELD UPGRADES, HVAC, STAGE LIGHTING, UPGRADE GYM, FIELD SIGN, GYM SOUND
2016-17	246,000	SYS, TEAM ROOMS,CLOSET, ATH ENTRANCE, LIGHTS
2017-18	-	
2018-19	25,000	HOME ECO CABINET UPGRADES
TOTAL	883,000	

Arrowhead

2014-15	25,000	HVAC
2015-16	175,000	SECURE ENTRANCE
2016-17	-	
2017-18	-	
2018-19	<u>1,540,000</u>	ROOF REPLACEMENT
TOTAL	1,740,000	

Audubon

2014-15	45,000	BOILER ROOM
2015-16	25,000	HVAC CONTROLS
2016-17	15,000	CURB/SIDEWALK REPAIRS
2017-18	200,000	REPAVE PARKING LOT
2018-19	-	
TOTAL	285,000	

Eagleville

2014-15	33,000	HOT WATER REPLACE,LIGHTING UPGRADES
2015-16	-	
2016-17	175,000	SECURE ENTRANCE
2017-18	-	
2018-19	10,000	CURBING/SIDEWALKS
TOTAL	218,000	

Farina

2014-15	6,000	CONTROLS UPGRADE
2015-16	204,000	ROOF REPLACEMENT
2016-17	-	
2017-18	-	
2018-19	40,000	BOILER REPLACEMENT
TOTAL	250,000	

High School

2014-15	251,000	PAVING, FLOORING, LIGHTING UPGRADES
2015-16	90,000	HVAC, FLOORING, LIGHTING, HVAC CONTROLS
2016-17	200,000	PAVING
2017-18	104,000	AUDITORIUM LOBBY/GYM ROOF, SIDEWALKS/CURBING
2018-19	10,000	DUST CONTROL - TECH ED
TOTAL	655,000	

Skyview

2014-15	20,000	CAMPUS SIGN
2015-16	-	
2016-17	-	
2017-18	-	
2018-19	-	
TOTAL	<hr/> 20,000	

Woodland

2014-15	-	
2015-16	-	
2016-17	-	
2017-18	15,000	CURBING/SIDEWALKS
2018-19	-	
TOTAL	<hr/> 15,000	

Worcester

2014-15	175,000	SECURE ENTRANCE
2015-16	14,000	LIGHTING UPGRADES
2016-17	25,000	CONTROLS UPGRADE
2017-18	25,000	HVAC CONTROLS UPDATE
2018-19	-	
TOTAL	239,000	

5 Year Capital Perspective

<u>FY</u>	<u>AC</u>	<u>AH</u>	<u>AU</u>	<u>EA</u>	<u>WD</u>	<u>WR</u>	<u>HS</u>	<u>SK</u>	<u>FA</u>	<u>TOTAL</u>	<u>CAPITAL RESERVE</u>	<u>SURPLUS/ (DEFICIT)</u>
2014-15	178,000	25,000	45,000	33,000	-	175,000	251,000	20,000	6,000	733,000	843,461	110,461
2015-16	434,000	175,000	25,000	-	-	14,000	90,000	-	204,000	942,000	110,461	(831,539)
2016-17	246,000	-	15,000	175,000	-	25,000	200,000	-	-	661,000	(831,539)	(1,492,539)
2017-18	-	-	200,000	-	15,000	25,000	104,000	-	-	344,000	(1,492,539)	(1,836,539)
2018-19	25,000	1,540,000	-	10,000	-	-	10,000	-	40,000	1,625,000	(1,836,539)	(3,461,539)
									TOTAL	4,305,000		



Funding Strategy

- ▶ Performance Contracting
- ▶ \$5.5 Million Bond for field project
- ▶ Build Projects into Budget
- ▶ Sparingly Utilize Capital Reserve
- ▶ Fundraising/Alternative Revenue Sources
- ▶ Surplus Sharing over time with Fund Balance

Funding Strategy

PERFORMANCE CONTRACTING

Guaranteed Energy Savings Act, 62

Overview:

Allows School Districts to contract with a Energy Service Company (ESCO) to perform “construction energy savings” improvements/upgrades at no additional annual cost to the District.

How it Works:

The PDE pre-qualifies a list of eligible ESCO companies. District will work with PDE in solicitation of Request for Proposals (RFP). After evaluation of submitted proposals, awarded ESCO will conduct an Energy Audit followed by a District review and then possible award of work. Awarded ESCO will provide a written guarantee to District that energy savings will fully pay for all work performed.

Typical Projects Completed:

Lighting, HVAC, Mechanical, Control Equipment, Insulation, Windows

Payback Period:

Act 62 allows for a 15 year payback period for completed work

Funding Strategy

\$5.5 Million Bond for field project

- ▶ Bond financing recommendation to cover field project \$5.5M.
- ▶ Included these projects as listed on the bond.
- ▶ A portion of these projects may be offset by fundraising efforts or alternative resources.

Funding Strategy

Budget/Capital Reserve Plan

Year	Budget Allocation	Capital Reserve	Total
▶ 2014-2015	\$100,000	\$100,000	\$200,000
▶ 2015-2016	\$200,000	\$100,000	\$300,000
▶ 2016-2017	\$300,000	\$100,000	\$400,000
▶ 2017-2018	\$400,000	\$100,000	\$500,000
▶ 2018-2019	\$500,000	\$100,000	\$600,000

Funding Strategy

Fundraising/Alternative Revenue Sources

- ▶ Establish a “Vision for the Future” of Methacton School District
- ▶ Create long-term perpetual funding (Giving) opportunities for all
- ▶ Create an atmosphere of community and opportunity

Funding Strategy

Surplus Sharing over time with Fund Balance

- ▶ Create an understanding regarding overall budget and future outlook.
- ▶ Establish core practice of splitting any surplus between the Fund Balance and Capital Reserve.
- ▶ Over time, we need to reach 8% in Fund Balance and recommending 3% in Capital Reserve.

Moving Forward (More Work Ahead)

- ▶ Work with Property Committee to define details of each project and establish prioritization and schedule.
- ▶ Define projects best suited to be funded under available means.
- ▶ Provide future updated recommendation to the Board