

Cherry Hill PUBLIC SCHOOLS

District Wide Improvement Program Presentation January 18, 2022





AGENDA

1. **District Professionals**
 - **Garrison Architects - Robert N. Garrison, Jr.**
 - **Phoenix Advisors - Sherry Tracey**
 - **Wilentz Goldman & Spitzer, PA - Tony Solimine**
 - **New Road Construction Management – Rob Notley**
2. **Project Prioritization NJDOE Eligibility Chart**
 - **Level 1 - Scope and Costs**
 - **Level 2 - Scope and Costs**
 - **Level 3 - Scope and Costs**
3. **School District Improvement Estimated Tax Impact**
4. **NJ State Funding Opportunities**
5. **Proposed Bond Referendum Schedule(s)**
6. **Q & A**



Garrison Architects & Engineering Firms



- ✓ **Site Visits and Field Surveys of the School Facilities**
- ✓ **Evaluation of Facility Needs**
- ✓ **Identification of Specific Schools' Needs to Include Essential Health and Life Safety Building Systems**
- ✓ **Proposed Facility Solutions & Systems Replacements**
- ✓ **Estimate of Probable Costs**



DISTRICT PROFESSIONALS

Garrison Architects - Robert N. Garrison, Jr.

- **FAMILY ENTERPRISE** - Garrison Architects is a second generation, family owned, multi disciplined, professional architectural corporation founded in 1969 and solely owned by principal, **Robert N. Garrison, RA, PP** until 2005 when his sons became principals.

Diverse Roles - **Robert N. Garrison, Jr.**, Director of Operations and **Brooks W. Garrison, RA**, Director of Design and Construction Administration and **Christine Garrison McBrearty**, Chief Financial Officer.

- **FIRM RESOURCES** - A current staff of sixteen (16) professionals, including six (6) licensed architects, two (2) professional planners, and two (2) certified educational facility planners; CADD & 3-D modeling system; twenty high performance desktop computers, OCE Color Scanner Plotter, and large capacity color and black and white copiers; Experienced consulting engineers in Structural, Mechanical, Plumbing, Electrical and Cost Estimating. (Relationships with some of our consultants were formed in 1983)
- **OVERWHELMING EDUCATIONAL EXPERIENCE** - Currently Architect of Record in (72) NJK12 districts (mostly in South Jersey). Since 1994, Garrison Architects has passed (74) Bond Referenda - in Lower Cape May Regional (4) in 26 years

Pro-active Intercession with NJ DOE Bureaucrats - Garrison Architect talks early and often with the Department of Education. We tell them what we are going to do, we regularly share with them what we are doing. We also extend invitations to them to visit in your district to help author Ed Specs or critique a proposed site. We bring them along side as expeditors rather than as adversaries.



DISTRICT PROFESSIONALS

Phoenix Advisors - Sherry Tracey

The objectives are: 1) to plan and develop a financing strategy and structure that will best fit your needs; 2) to coordinate the financing process; 3) to provide consulting service through the actual execution of the financing; and 4) to provide follow-up reporting and analyses after the transaction is complete.

PLAN STRATEGY AND STRUCTURE

- Examine and Analyze Financing Options and Concepts
- Analysis of Financing Structures
- Design Debt Management Plan

COORDINATE THE FINANCING PROCESS

- Establish Timetable
- Manage Financing Team
- Input During Preparation of Financing Documents
- Assist in Preparation of Official Statement
- Coordinate Approval Process of Oversight Boards

EXECUTION OF FINANCING

- Terms of Financing
- Information Meeting
- Market Monitoring and Timing
- Provide Key Financial Indices and Comparisons
- Attend Bond Sale

FOLLOW-UP REPORTING AND ANALYSIS

- Assist in Arranging/Providing for Investment of Bond Proceeds
- Provide a Permanent Debt Service Schedule
- Create Summary Reports and Analysis
- Monitor Outstanding Debt



DISTRICT PROFESSIONALS

Wilentz Goldman & Spitzer, PA - Tony Solimine

As bond counsel we have rendered opinions in connection with bonds issued by states, counties, cities, municipalities, school districts and public authorities. These transactions have financed such diverse projects as highways and bridges, water and sewer facilities, mass transit systems, universities, school districts and capital projects.

Where we have served as bond counsel, we have performed functions such as:

- Reviewing any invitation to bid in the event of competitive sale or the bond purchase contract in the event of a negotiated sale.
- Rendering opinions as to the accuracy of the official statement and whether the bonds are exempt from registration under securities law.
- Drafting or reviewing all documents necessary for the transaction, including:
 - resolutions
 - legal notices or advertisements
 - preliminary official statement and official statement
 - bond purchase agreement
 - trust indenture
 - loan agreement
 - paying agent agreement
 - escrow agent agreement
 - general certificate
 - federal tax certificate
 - certificate regarding issue price
 - required federal and state tax forms
 - UCC filings
 - Rule 15c2-12 disclosure agreement
 - certificate of authentication and delivery of the bonds
 - receipts settlement sheet
 - bond closing documents, such as arbitrage certificates, IRS Form 8038 and legal opinions
- Attending all meetings required for the preparation of the bond issuance, including sessions with the issuing agency, meetings with its staff and meetings with others involved in the transaction.
- Supervising the bond closing.
- Rendering legal opinions for the bond issue addressing (if acting as bond counsel) whether the bonds are valid and binding obligations of the agency, the sources



DISTRICT PROFESSIONALS



New Road Construction Management - Rob Notley

PROGRAM/REFERENDUM PLANNING

- Provide input on construction costs/phasing

PRE-CONSTRUCTION PHASE SERVICES

- Construction cost estimating
- Review construction documents
- Develop bidding strategies

CONSTRUCTION PHASE SERVICES

- Full-time, on-site construction management
- Advocate for safety/security of students, staff and public throughout construction
- Identify and resolve construction issues; lead projects to on-time/under-budget completion

POST CONSTRUCTION

- Ensure that contractors address “punch list” items
- Training of District Facilities staff in operations and maintenance (O&M) of new equipment, systems, etc.



Project Prioritization NJDOE Eligibility Chart

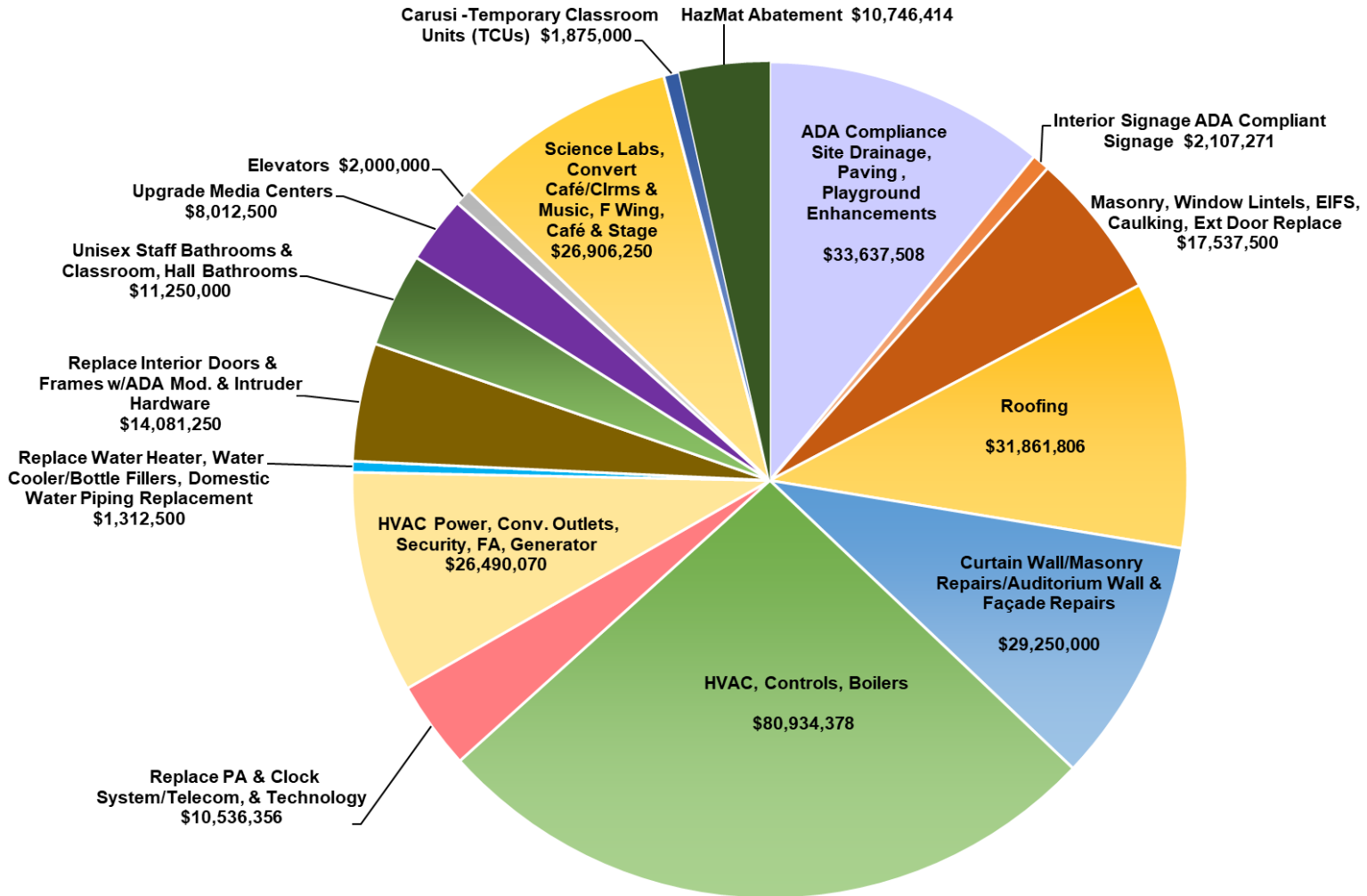
Level 1 - Scope and Costs

The most critical operational building needs, including health and safety issues, and program mandates:

- ✓ **Essential building systems upgrades** - Repair or replacement of structural, mechanical/heating cooling, and ventilation electrical, and plumbing systems.
- ✓ **Building envelope** - Repair or replacement of roof, windows, masonry, etc.
- ✓ **Building code compliance** - Interior doors, etc.
- ✓ **ADA upgrades** - Includes site and building access, toilet room renovations, playgrounds
- ✓ **Hazardous material remediation** - Asbestos, VAT, pipe insulation, plaster, etc.
- ✓ **Security and communications systems** - Public address, telephone, building entrance security.
- ✓ **Site drainage** - To remediate an existing problem; not in conjunction with new construction.
- ✓ **Elementary school playgrounds** - Includes the upgrade or replacement of existing playgrounds to meet life cycle, safety, and/or consumer product safety codes.
- ✓ **Specialized Instruction needs** - For new or existing program expansion or educational adequacy; May include renovations of Science Labs, Instructional Media Centers and/or new construction. STEM Labs, Robotics, Career Spaces, etc.



Level 1 - Estimate of Probable Costs



Level 1 Estimated Total Cost: \$308,538,803



Project Prioritization NJDOE Eligibility Chart

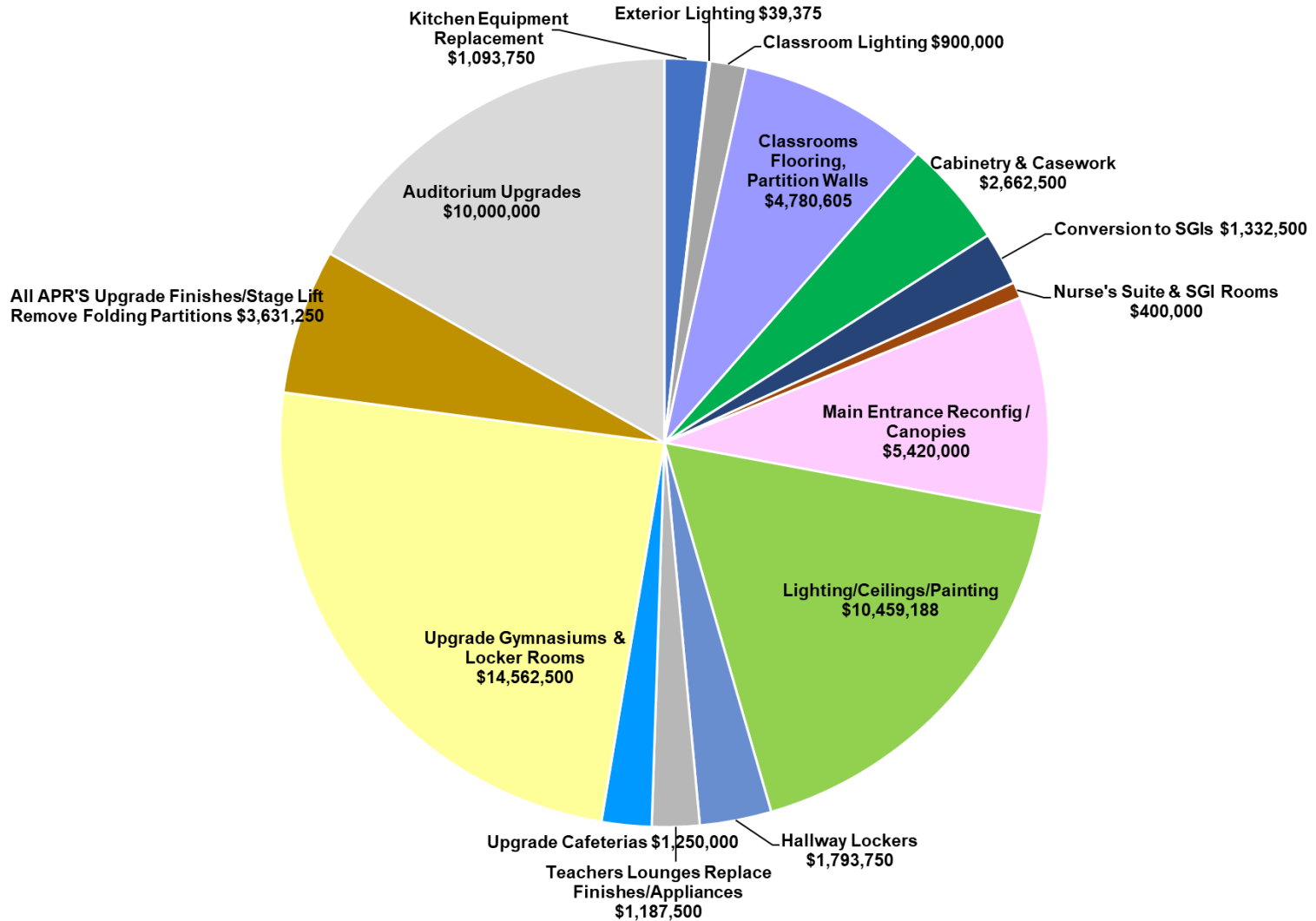
Level 2 - Scope and Costs

The renewal of existing buildings, overcrowding, and/or improving the quality of existing instructional spaces:

- ✓ **Repair/replacement of existing building systems and components not included in Level 1** Interior finishes - floors, walls, ceilings, etc. including interior lighting, casework/furniture, kitchen equipment, front entrance canopy
- ✓ **Existing site upgrades** - Includes upgrades to sidewalks, paving, fencing, and exterior security lighting.
- ✓ **Renovation, reconfiguration and/or new construction of capacity-generating classrooms to ease overcrowding or substandard conditions** - New small group instruction rooms, Nurses' Suites, All Purpose Rooms etc.
- ✓ **Technology infrastructure upgrades** -For classroom instruction in accordance with Department's Technology Plan; Does not include equipment.



Level 2 - Estimate of Probable Costs



Level 2 Estimated Total Cost: \$59,512,918



Project Prioritization NJDOE Eligibility Chart

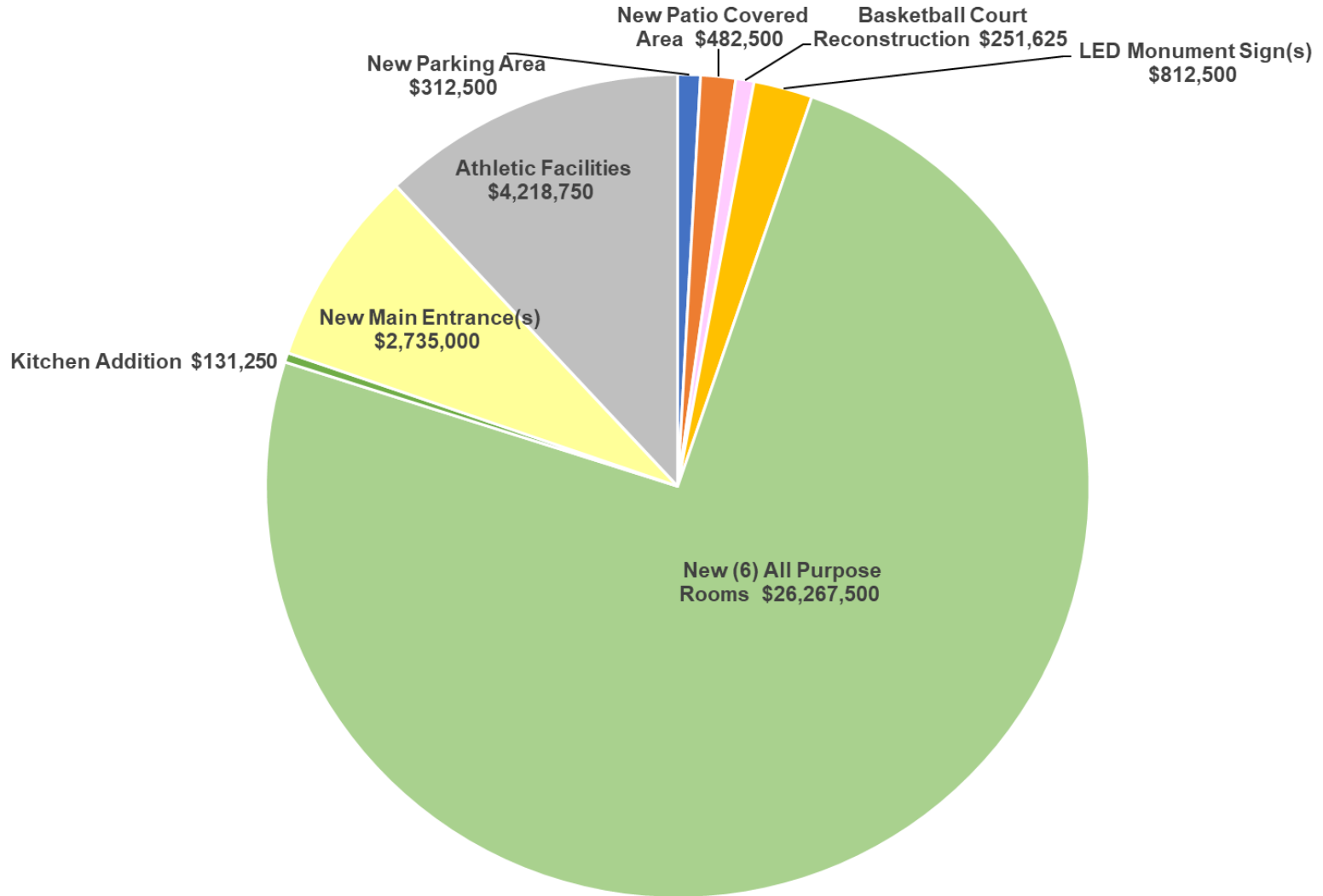
Level 3 - Scope and Costs

Major projects that include renovations and/or new construction:

- ✓ **New All-Purpose Rooms**
- ✓ **Athletic fields and related work**
- ✓ **New patio covered areas**



Level 3 - Estimate of Probable Costs



Level 3 Estimated Total Cost: **\$35,211,625**



School District Improvement Estimated Tax Impact

All Projects

| | |
|-----------------------------|-----------------|
| Cost Estimate | \$403,263,345 |
| State Share (Assume 31.40%) | (\$126,612,994) |
| Taxpayer Share | \$276,650,351 |

| Tax Impact Per Year on \$276.6 M Local Share | Average Assessed Home |
|---|--------------------------|
| \$511.05 | \$ 225,473 |

**Tax Impact based on 2.75% over 20 years as
calculated by the District's financial advisor.**

Renovations = Architect's estimate of eligible projects @ 40% State Aid
New Construction – Eligible Square Footage x \$143/SF @ 40% State Aid



School District Improvement Estimated Tax Impact

Level 1 Projects

| | |
|--------------------------|-----------------|
| Cost Estimate | \$308,538,803 |
| State Share (Assume 34%) | (\$104,903,193) |
| Taxpayer Share | \$203,635,610 |

| Tax Impact Per Year on \$203 M Local Share | Average Assessed Home |
|--|-----------------------|
| \$376.17 | \$ 225,473 |

Tax Impact based on 2.75% over 20 years as calculated by the District's financial advisor.

Renovations = Architect's estimate of eligible projects @ 40% State Aid
 New Construction – Eligible Square Footage x \$143/SF @ 40% State Aid



School District Improvement Estimated Tax Impact

Levels 2 & 3 Projects

Cost Estimate \$94,724,543

State Share (Assume 22.92%) (\$21,709,795)

Level 2 = 31.45% / Level 3 = 8.5%

Taxpayer Share \$73,014,748

| Tax Impact Per Year on \$73 M Local Share | Average Assessed Home |
|---|-----------------------|
| \$134.87 | \$ 225,473 |

Tax Impact based on 2.75% over 20 years as calculated by the District's financial advisor.

Renovations = Architect's estimate of eligible projects @ 40% State Aid
New Construction – Eligible Square Footage x \$143/SF @ 40% State Aid



School District Improvement Estimated Tax Impact

Another option.....

Use Capital Reserve Funds to offset the tax impact:

- ✓ **Still get Debt Service Aid**
- ✓ **By appropriating capital reserve funds towards the payment of Debt Service, the District can reduce the taxpayer share of the payment of debt service.**
- ✓ **This would be proposed annually in the budget and would require Board approval each year.**
- ✓ **In any given year, the Board could choose not to approve this as part of the budget.**



School District Improvement Estimated Tax Impact with Capital Reserve Funds

Level 1 Projects

| | |
|--------------------------|-----------------|
| Cost Estimate | \$308,538,803 |
| State Share (Assume 34%) | (\$104,903,193) |
| Taxpayer Share | \$203,635,610 |

| | |
|--|-----------------------|
| Tax Impact Per Year with Annual \$3 M Capital Contribution | Average Assessed Home |
| \$291.21 | \$ 225,473 |

Tax Impact based on 2.75% over 20 years as calculated by the District's financial advisor.

Renovations = Architect's estimate of eligible projects @ 40% State Aid
New Construction – Eligible Square Footage x \$143/SF @ 40% State Aid



School District Improvement Estimated Tax Impact with Capital Reserve Funds

All Projects

| | |
|-----------------------------|-----------------|
| Cost Estimate | \$403,263,345 |
| State Share (Assume 31.40%) | (\$126,612,994) |
| Taxpayer Share | \$276,650,351 |

| | |
|--|-----------------------|
| Tax Impact Per Year with Annual \$3 M Capital Contribution | Average Assessed Home |
| \$426.09 | \$ 225,473 |

Tax Impact based on 2.75% over 20 years as calculated by the District's financial advisor.

Renovations = Architect's estimate of eligible projects @ 40% State Aid
New Construction – Eligible Square Footage x \$143/SF @ 40% State Aid



Next Steps....

- ✓ **Determine scope of projects**
- ✓ **Decide on number of referendum questions**
- ✓ **Explore capital reserve contribution option**
- ✓ **Finalize applications for Board approval on January 25, 2022**



NJ STATE FUNDING OPPORTUNITIES



DEBT SERVICE AID



ENERGY REBATES



CHERRY HILL SCHOOL DISTRICT

CAPITAL RESERVE ACCOUNT



PROPOSED BOND REFERENDUM SCHEDULE(S)

| Event | Responsible Party | | | | Minimal Critical Timing | Bond Referendum Date |
|--|-------------------|-----------------|--------------|--------------------|-------------------------|----------------------|
| | Architect | School District | Bond Counsel | Other | | |
| Building Program/Scope Schematic Design Update LRF | • • • | • • • | | | | 2020 - 2022 |
| Architect submits to NJ DOE | • | | | | N/A | January 2022 |
| LRF | • | | | | N/A | January 2022 |
| NJDOE Issues PEC Offer | • | • | • | | N/A | June 2022 |
| NJDOE issues FEC | | | | | N/A | July 2022 |
| Board Approves Special Election | | • | | | 60 Days | July 29, 2022 |
| Filing of Supplemental Debt Statement | | | | Auditor | 60 Days | July 29, 2022 |
| Co-Muni Clerk, Board of Elections Notice | | • | | | 60 Days | July 29, 2022 |
| Planning Board Submission/Meeting | • | • | | | 55 days | August 3, 2022 |
| Publication of Vote by Mail Notices | | | • | Clerk | 50 days | August 8, 2022 |
| Certified Proposal (Questions) Statement to County Clerk | | • | • | | 21 Days | Sept. 6, 2022 |
| Publication and Posting of Notice of Special Election | | | • | Board of Elections | 10 Days | Sept. 17, 2022 |
| Furnishing of Sample Ballots | | | • | Clerk | 8 Days | Sept. 19, 2022 |
| Obtain Certification of Grade Level Instruction | | | • | | 1 Day | Sept. 26, 2022 |
| Special Election | | | | Board of Elections | | September 27, 2022 ? |



Q & A