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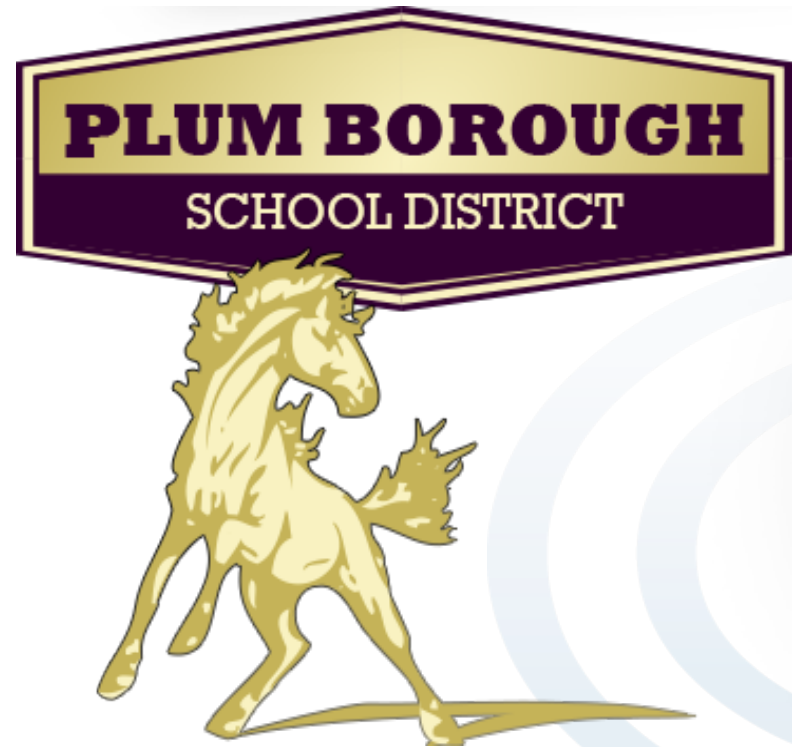
ACT 34 PUBLIC HEARING

For the

NEW HOLIDAY PARK ELEMENTARY SCHOOL

Thursday, June 20, 2013 6:00 PM
Plum Senior High School Board Room
900 Elicker Road
Plum, Pennsylvania

PDE Project No. 3608



I. WELCOME

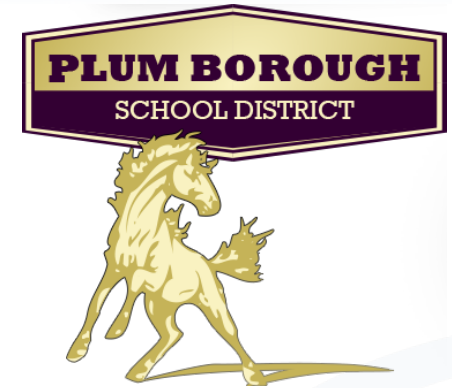
Act 34 Hearing for the New Holiday Park Elementary School

- Public Hearing
- Moderator will review procedures for comments
- Informative presentation by Professionals
- Act 34 Information Booklet is available at
Office of the Superintendent
Plum Borough School District Administration Office
900 Elicker Road, Plum, PA 15239
- Public Comment period open for the next 30 days

Plum Borough School District New Holiday Park Elementary School

P R E S E N T E R S

- Dr. Timothy Glasspool, Superintendent
- Mr. Eugene Marraccini, Director of Business Affairs
- Mr. Lee Price, Solicitor, Andrews and Price, LLC
- Mr. John McShane, Underwriter, Boenning and Scattergood, Inc.
- Mr. Clifford Pastel, Bond Counsel, Eckert Seamans Cherin & Mellot, LLC
- Mr. Steven Ackerman, AIA, Architect, L.R. Kimball
- Mr. Henry Brunett III, AIA, Architect, L.R. Kimball



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|-----|--|-----------------------------|
| I | WELCOME AND OPENING REMARKS | DR. GLASSPOOL |
| II | HEARING DULY CONSTITUTED | MR. PRICE |
| III | INTRODUCTION OF PROJECT | DR. GLASSPOOL |
| IV | PROPOSED BUILDING PROJECT | MR. ACKERMAN
MR. BRUNETT |
| V | ANALYSIS OF DIRECT AND INDIRECT COSTS
AND FINANCING OPTIONS | |
| | A. DIRECT COSTS | MR. McSHANE |
| | B. INDIRECT COSTS | MR. MARRACCINI |
| VI | PUBLIC COMMENTS | MR. PRICE |

II. HEARING DULY CONSTITUTED

The Plum Borough School District Board of Directors

- Adopted the Maximum Building Cost and Maximum Project Costs on May 28, 2013
- Authorized the Advertisement and Holding the Act 34 Hearing
- The Public Hearing has been properly advertised
- The Public Comment Period will commence today and run for 30 days
- The Board has adopted a process for public comments

III. INTRODUCTION OF THE PROJECT

Purpose of the Hearing

- Process follows the completion of the District Wide Facility Study
- Need for the Project
 - Existing school conditions
 - Opportunity to improve teaching and learning environment
 - Update educational process
- Act 34 Hearing Goals
 - Establish the need for the project
 - Review the various options considered
 - Present the estimated construction costs
 - Present the analysis of financing options and costs
 - Provide citizens and residents an opportunity to comment and to express views related to the project

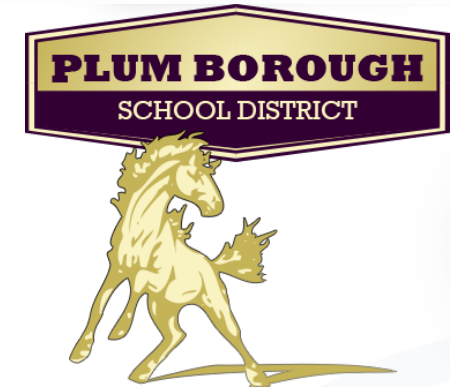
IV. PROPOSED PROJECT DESCRIPTION



Project Design Team

District Representative
Architects, Engineers
Civil Engineers
Food Service Consultants

Russo Construction Services
L.R. Kimball / CDI
PA Soil and Rock Inc.
McFarland Kistler Associates



Summary of Information to be Presented

- PDE and PlanCon and Description
- Act 34 Components and Requirements
- Goals and Results from District Wide Facility Study
- Options from Facility Study
- Background of Building and Design Process
- Review of the Proposed Building Design
 - Site Plan
 - First Floor Plan
 - Second Floor Plan
 - Exterior Imagery
- Review of PlanCon Part D Information

PlanCon

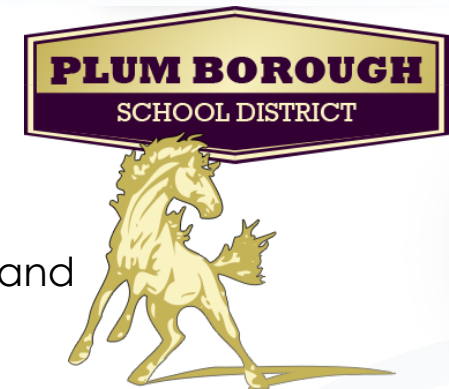
- Planning and Construction Workbook
- Requirement of Pennsylvania Department of Education (PDE)
- Process required for reimbursement
- Confirms the project complies with laws, regulations and standards
- Documents the District's planning process
- Establishes the level of eligible reimbursement from PDE
- Buildings eligible for reimbursement once every 20 years
- Reimbursement based on building student capacity as calculated by PDE
- Reimbursement is a function of the District's ability to pay (MVAR)
- Reimbursement is not a lump sum, rather a rebate after payment on debt service

PlanCon Overview

- Part A; Project Justification; information and need for the project
- Part B; Schematic Design; simple design documents based on Ed Spec
- Part C; Property Acquisition; not required for this project
- Part D; Project Accounting Based on Estimates; where we are right now
- Part E; Design Development; more refined design documents
- Part F; Construction Documents; the basis for the bids
- Part G; Project Accounting Based on Bids; summary of the bid results
- Part H; Project Financing ; information about how the project will be funded
- Part I; Interim Project Reporting; for any additional costs during construction
- Part J; Project Refinancing; for any changes to the reimbursable bond issue

Project Background

- New Pivik ES was completed and occupied in 2012
- Inclusive renovations were planned for both Adlai Stevenson and Holiday Park existing elementary schools
- Based on construction cost/ value of new Pivik ES and the alignment of district goals and efficiencies inherent with new construction, it was determined a second new elementary school was a better investment than inclusive renovations for two existing aging facilities
- Existing Adlai Stevenson elementary school will be closed and demolished to facilitate the construction of a "site adapt" new Pivik "prototype" at that location. Students will be temporarily accommodated in the existing Pivik elementary building until completion of the new elementary school in December, 2014
- New K-6 elementary school will be designated as Holiday Park ES. Existing Holiday Park ES will be closed. District will operate 4 K-6 Elementary Schools; two being new facilities (new Pivik and Holiday Park K-6 ES's, and existing K-6 Center and Regency Park ES's



Goals of the District Wide Facility Study completed in February 2010

1. Parity (curriculum and facilities)
2. Improve Quality of Learning and Work Environment
3. Geographic Balance
4. Value
5. Cost Impact
6. Operational Efficiency

Study was done to analyze each building to:

1. Establish condition of the existing buildings
2. Confirm level of compliance with building and life safety codes
3. Determine if building meets educational requirements of District
4. Develop options for all District buildings
5. Develop approximate costs for all options

Summary of District Wide Facility Study Options Considered

Original 17 options ranged from “do nothing” to “replace all”
Resulted in 3 main options that best met the original goals

Option ES 1C

Maintain existing grade structure, renovate all 5 elementary schools, with additions.

Option ES 2A

Maintain existing grade structure, renovate Adlai Stevenson, Holiday Park and Pivik. Center and Regency Park to remain as is

Option ES 2B

Maintain existing grade structure, renovate and expand Adlai Stevenson and Holiday Park, build new Pivik, Center and Regency Park to remain as is

Summary of District Wide Facility Study Options Considered

AND CURRENTLY

Option ES 2D

Maintain existing District K-6 grade structure; **2 new elementary schools**, (New Pivik ES replaced existing Pivik ES ,completed in 2012; and currently new Holiday Park ES replacing existing Adlai Stevenson ES) no work at Center ES and Regency Park ES, closure of second K-6 District facility (existing Holiday Park ES). District operates with 4 total K-6 elementary schools by geographic re-districting. Parity of District curriculum and facilities achieved while reducing operational expenditures related to aging facilities.

Second new K-6 elementary school in addition to recently completed Pivik ES will be designated as “Holiday Park” ES which will be constructed on the site of the current Adlai Stevenson ES. Existing Holiday Park ES will be the second K-6 District ES closure in addition to the former existing Pivik ES

- Decision was made by the Board:
Option ES 2D consisting of a second new elementary school and consolidation to a total of 4 K-6 District facilities would best meet District goals and significantly reduce operational expenditures at the same time
- Additional cost savings would be inherent in utilizing the same design for Pivik ES and “site adapting” that building onto the current Adlai Stevenson site
- Design of the recently completed new Pivik Elementary School was well received in the District and provides the District with a state of the art contemporary teaching and learning environment for many years to come
- Same “Pivik” design with minor tweaks to be used as a template for the second new elementary school (Holiday Park)
- New building will be about 75,000 SF, same as new Pivik ES
- Student capacity of new building is 725 FTE, same as new Pivik ES

Schedule and Major Milestones

- Schematic Design Phase*
- Design Development Phase*
- Act 34 Hearing and Public Comment*
- Construction Document Phase*

June 20, 2013 / today
Project Documentation Phases
completed July 2013

- Bid Phase
- Construction Administration Phase
- Project Completion

July 29, 2013
October 2013 to December 2014
December 2014

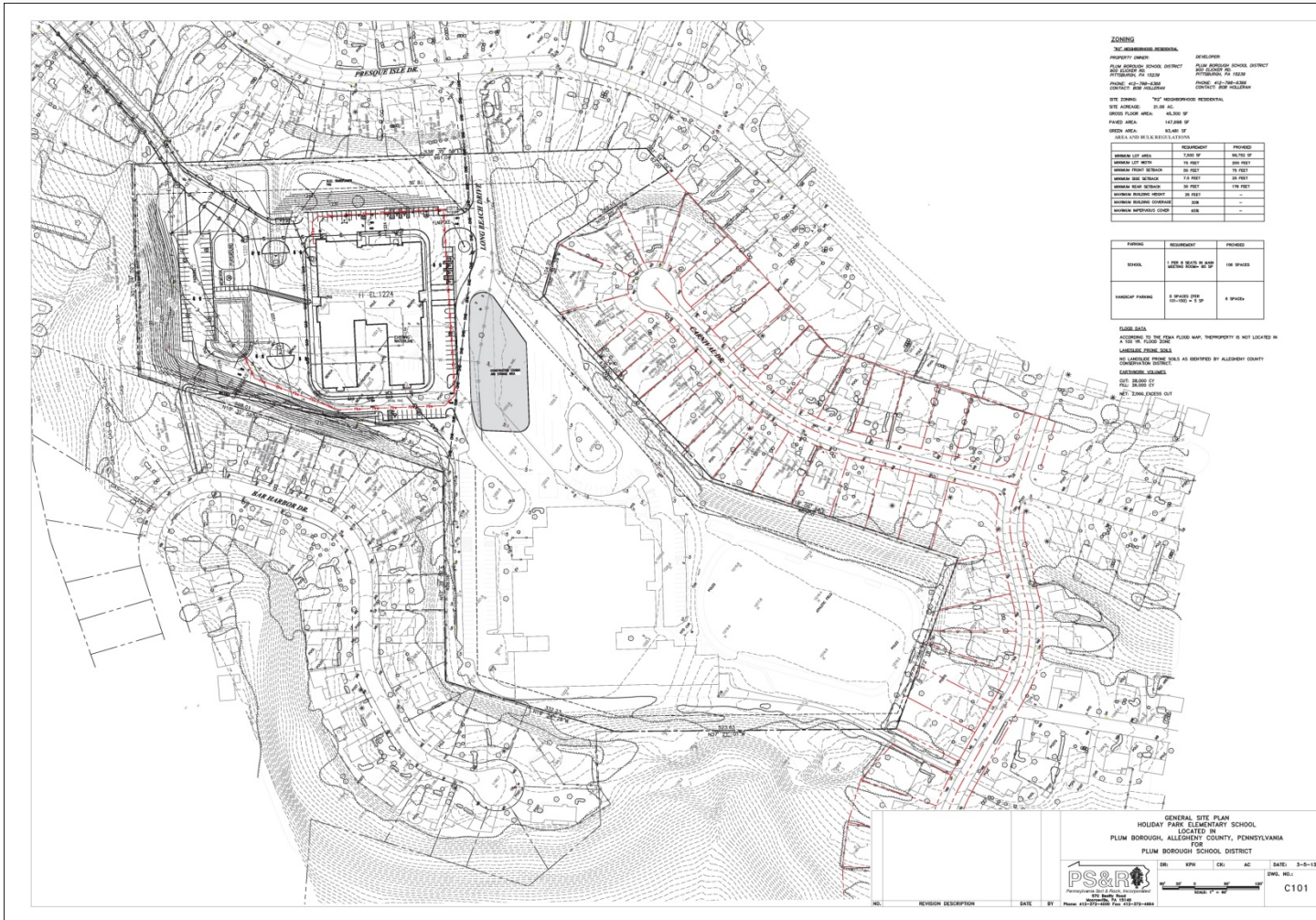
- * By site adapting an existing completed design, the project phase schedule can be significantly condensed enabling the project to be ready to go out to bid the end of July 2013, essentially about 5 weeks from today

Site Plan Development

- Green space surrounded by existing residential area
- Hard play area adjacent to building
- Soft play area with equipment by District
- Existing site access to current JHS and AES ES remains in place
- Logical site circulation and traffic patterns
- Separate bus and parent drop-off areas
- Adequate parking on site for staff, visitors and buses
- Fully accessible site, entrance and building for all building users

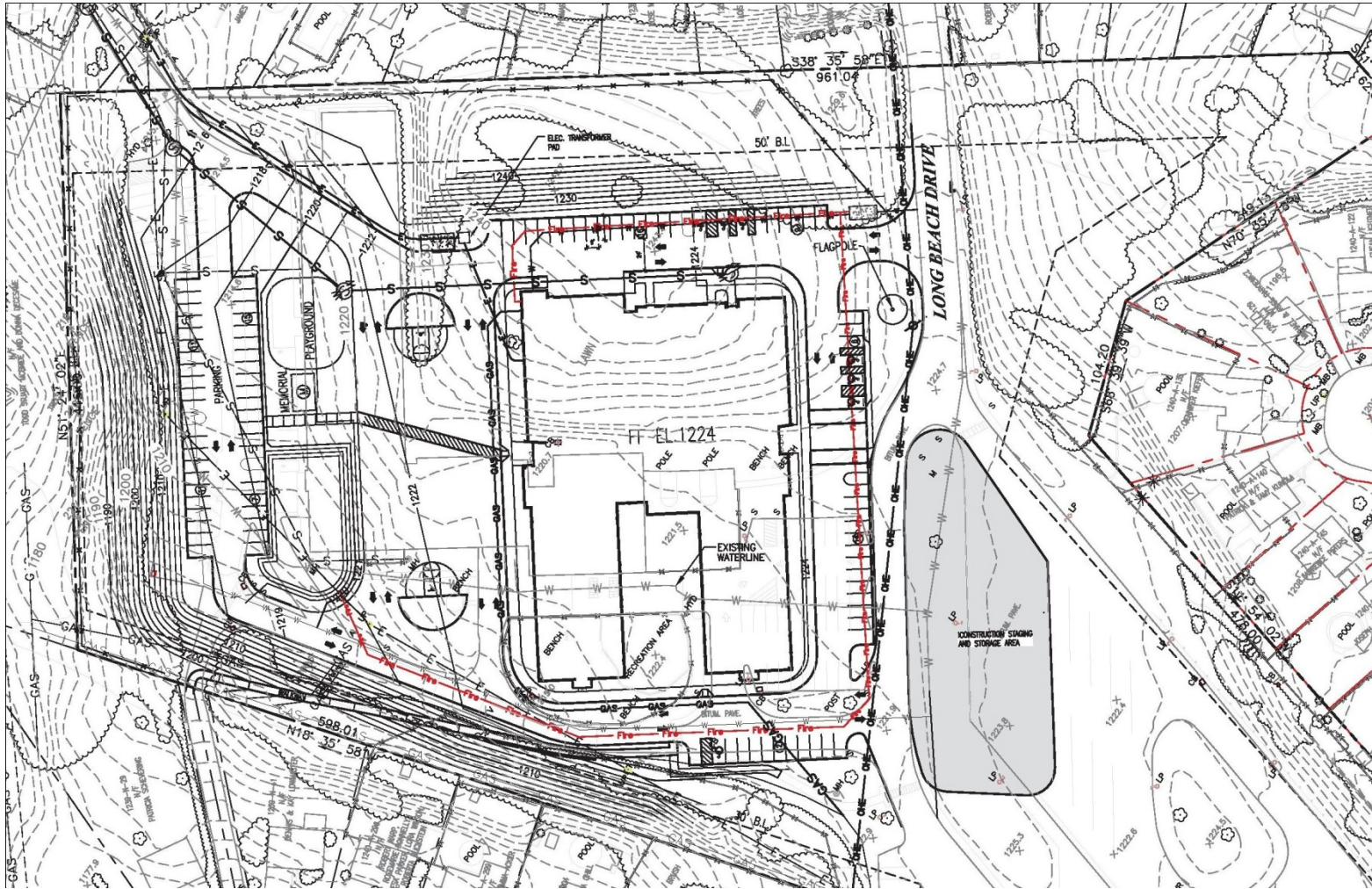
Plum Borough School District New Holiday Park Elementary School

PROPOSED PROJECT DESCRIPTION



Plum Borough School District New Holiday Park Elementary School

PROPOSED PROJECT DESCRIPTION



First Floor Highlights

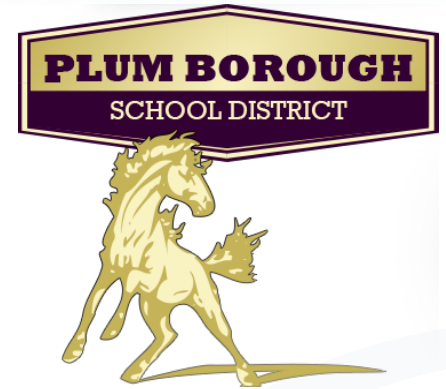
- Main entrance with visual and physical security control
- Administration Suite monitors building access
- Administration and Nurses Suite adjacent to main entrance
- Two classroom wings to reduce scale of building, provide identity
- Kindergarten classrooms with dedicated corridor, with direct access to exterior
- Separate, dedicated student entrance from bus drive at rear
- Library/Media Learning Center in core of building near main entrance
- Computer Lab adjacent to Library/Media Center
- Full size gymnasium for school and community use
- Separate Multi-Purpose Room for scheduling flexibility
- Elevator in core area for full access to building
- Art room adjacent to courtyard





Second Floor Highlights

- Separate Music and Instrumental Classrooms
- Elevator Access
- Multiple stairs at each end of classroom wings
- Stacked toilet rooms for efficiency and location
- Faculty Rooms on both floors
- Natural light and ventilation for all classrooms





Exterior Elevations

- Steel frame construction with masonry exterior
- Low maintenance, durable materials throughout
- Good insulating values on roof and in walls
- Adequate windows for daylight and ventilation
- High performance glazing to reduce heat loads
- Insulated metal panels to reduce weight for upper levels
- Translucent glazing in gymnasium for natural light without glare
- Main entrance highlighted with special masonry materials
- Low slope roof for maximum efficiency
- Compliance with all codes and regulations
- High performance, energy efficient sustainable building





Building Systems Overview

- HVAC; hydronic 2 pipe system (typical for District) with alternate for A/C
 - Gas fired boilers in mechanical room, individual room unit ventilators
 - Rooftop air handlers for larger volumes
 - DDC controls for system
- Plumbing; full domestic water supply and sanitary system in compliance with ADA requirements. Gas fired water heaters
- Electrical; power from Duquesne Light Co. enters building underground.
 - Full data and communication system, with WIFI, energy efficient lighting.
 - Outlets and equipment to meet needs of educational requirements.
- Safety and Security; full fire alarm and security system with occupancy sensors, secure access control and video monitoring

Project Status

- Submissions made to Plum Borough for Land Development Application in March
- Submissions made to Planning Commission in March
- Submissions made to Department of Environmental Protection for Site Plan Review in March
- Submissions made to U.S. Army Corps of Engineers for Site Plan Review in March
- Plan Review by Third Party Code Officials for code compliance
- Plan Review by Allegheny County Plumbing
- Plan Review by Allegheny County Health Department

- The Project will comply with all federal, state and local requirements.

Cost estimates based on historical bid results from new Pivik Elementary School adjusted to current market indexes as well as reflecting differences in site specific conditions between the 2 buildings, ie, abatement and demolition of existing AES ES

- Estimates consist of two components:
 - **Hard construction costs:** bricks and mortar, concrete, steel, and design contingency
 - Hard costs to be bid by contractors from bid documents
 - **Soft costs:** for professional fees, survey, testing, printing, governmental approvals and financing charges
 - Soft costs are not part of bid costs

Cost Estimates

Summary of Plan Con Part D Project Accounting Based on Estimates

General Construction	\$11,344,000
HVAC	\$ 1,660,000
Plumbing	\$ 756,000
Electrical	\$ 2,032,000
Additional Construction Related	\$ 1,845,000
Construction Contingency @ 5%	\$ 789,600
Soft Costs	\$ 1,380,260
Financing Costs	\$ 273,380
Total Project Costs	\$ 20,080,240
Total Project Cost	\$ 20,080,240 MAXIMUM
Total Revenue Sources	\$ 20,080,240

Act 34 Terms and Costs

- Maximum Building Construction Cost

Defined as the cost of the construction of the building only, including hard and soft costs

Does not include cost of site development or fees associated with site

Sets the maximum building cost per Act 34 requirements

Adopted by Board Action on May 28, 2013, will not change throughout entire project

Set by Act 34 calculations based on this specific project cost

\$13,868,950

- Maximum Project Cost

Defined as the total cost of the project including both hard and soft costs, site and fees

Not limited by Act 34 or Board Action

Includes all costs as indicated by current estimate

Provided for informational purposes only, it is not a fixed cost

\$20,080,240

Act 34 Calculations

Based on educational facilities at the time the Act was adopted in 1973
Act 34 limit sets the cost of the building based on per student expenditure
Revised annually to meet the needs of today's educational facilities

New Holiday Park ES Act 34 Student Capacity	1177
Current Act 34 per student maximum expenditure	\$14,740
Act 34 limit on the cost of the building	\$17,348,980

- This is the maximum cost of this building allowed based on Act 34 limit

Act 34 allows 8% variance in costs due to estimate

Act 34 MAXIMUM BUILDING COST adopted by Board **\$13,868,950**

Act 34 maximum building cost on bid day (+ 8%) **\$14,978,466**

- If the bids on building costs exceed **\$14,978,466** a Second Act 34 Hearing is required.

V. ANALYSIS OF DIRECT AND INDIRECT COSTS AND FINANCING OPTIONS



A. DIRECT COSTS



Analysis of Financial Alternatives

Four Alternatives were examined

1. Cash or short-term loan
2. General Obligation bond issues
3. Local Authority issue
4. Financing through the State Public School Building Authority (SPSBA)

Review of the Alternatives

1. District cannot afford to pay cash
2. Financing costs for SPSBA and Local Authority bonds slightly higher
3. General Obligation bond issue (Build America Bonds) is the most attractive

School District has issued General Obligation Bonds which reduce debt service and local effort needed.

Comparison of General Obligation, SPSBA and Local Authority

<u>Item</u>	<u>General Obligation</u>	<u>SPSBA (1)</u>	<u>Local Authority (2)</u>
• Construction & Related Costs	\$ 19,806,860.00	\$ 19,806,860.00	\$ 19,806,860.00
• Bond Insurance	\$ 66,527.01	\$ 66,775.09	\$ 66,819.46
• Bond Discount	\$ 151,312.50	\$ 151,875.00	\$ 151,987.50
• Fixed Costs of Issuance	\$ 71,000.00	\$ 74,000.00	\$ 89,000.00
• Deposit to Debt Service Fund	\$ 1,358.39	\$ 4,244.92	\$ 3,873.39
• Less: Net OID/OIP	\$ (77,942.10)	\$ (146,245.00)	\$ (146,459.25)
• Bond Issue	\$ 20,175,000.00	\$ 20,250,000.00	\$ 20,265,000.00
• Debt Service Increase	\$ 1,097,203.04	\$ 1,101,294.38	\$ 1,102,026.25
• Incremental Cost Difference	Base	\$ 4,091.34	\$ 4,823.21

(1) A local authority and SPSBA annual payments are calculated assuming approximately a 3 basis point premium resulting from higher interest costs associated with selling revenue bonds versus direct obligation bonds

(2) A local authority would have annual administrative expenses plus additional legal fees for their solicitor

State Reimbursement

- The School District is eligible for state reimbursement for a portion of the principal and interest which the School District pays each year on the bonds.
- The amount of reimbursement is determined by two factors: the percentage of the Project determined by PDE to be reimbursable, and, the School District's Market Value Aid Ratio (MVAR).
- Estimated eligible reimbursement is about \$3,716,935
- Based on a pro-forma for a bond issue sized for this project, the reimbursement percentage is about 25.84%.
- The School District's current MVAR is 70.84% (.7084)
- The effective reimbursement is 18.26%

For each dollar spent on the project, the State will reimburse the District 18.26 cents

Debt Service

	<u>Project Cost</u>
• Series of 2010 – Debt Service Increase	\$ 88,645
• Series A of 2012 – Debt Service Increase	249,483
• Series E of 2013 – Debt Service Increase	605,830
(1) TOTAL	\$ 943,958
• Estimated Reimbursement	\$172,367
• Estimated local Effort	\$771,591
• Millage Equivalent of Annual Debt Service	0.69
• Millage Equivalent of Annual Reimbursement	0.13
• Millage Equivalent of Annual Local Effort	0.56
<p>• Assumes gross reimbursable costs of \$5,246,944; MVAR percentage of 70.84%; and the valuation of one mill of Real Estate Taxes at \$1,377,655.</p>	
<p>• (1) The Debt Service Increase was calculated based on a wrap-around structure meaning that the 2010 bonds, 2012A, and 2013E bonds will, for the most part, amortize in the year 2032 and thereafter in order to maintain the lowest millage impact. It is assumed this will be a onetime increase in order to service the 2010, 2012A, and 2013E bonds.</p>	
<p>• Note: The estimated FY14/15 net debt service was approximately \$5,819,749 or 4.22mills. The estimated millage associated with the project should be phased in FY 14/15</p>	

B. Indirect Costs



Indirect Costs

As a result of the completion of this proposed Project, based on calculations and reviews of the potential for additional costs, it was determined there will be no additional indirect costs associated with services to be provided to accomplish long-range objectives of the School District. **In fact, there will be significant savings with the new building due to energy efficiency, reduction of aging facilities, and staffing.** As a result, the indirect costs associated with the project will be \$0.00 annually with the following indirect costs savings .

School District officials have reviewed the following indirect costs associated with the Project to be as follows:

Indirect Cost Savings Summary: Salaries & Benefits

Line #	Description of Annual Indirect Costs (one year)	Adlai Stevenson	Existing Holiday Park	Combined Totals	Less: New Holiday Park	Equals Estimated Net Savings
Salaries & Benefits						
1	Administrative Personnel Salaries & Benefits - Principal (1)	\$(102,961)		\$(102,961)	0	\$(102,961)
2	Professional Teaching Staff Salaries & Benefits (6)	(195,000)	\$(195,000)	(390,000)	0	(390,000.00)
3	Secretarial Support Personnel Salaries & Benefits (1)	(54,500)		(54,500)	0	(54,500.00)
4	Paraprofessional Support Personnel Salaries & Benefits (3)	(45,406)	(25,857)	(71,263)	0	(71,263.00)
5	Custodial & Maintenance Personnel Salaries & Benefits (1)	(37,000)	(37,000)	(74,000)	0	(74,000.00)
6	Total Estimated Salaries & Benefits Savings:	\$(434,867)	\$(257,857)	\$(692,724)	\$	\$(692,724)

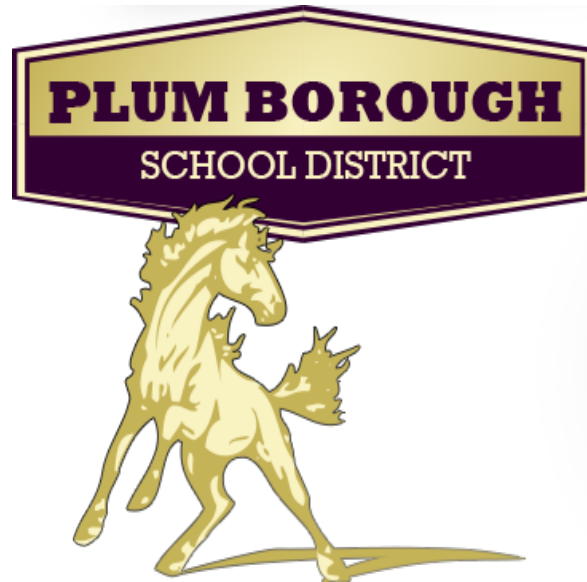
Indirect Cost Savings Summary: Other Costs

Line #	Description of Annual Indirect Costs (one year)	Adlai Stevenson	Existing Holiday Park	Combined Totals	Less: New Holiday Park	Equals Estimated Net Savings
Other Costs						
7	Custodial & Maintenance Supplies	\$(10,000)	\$(10,000)	\$(20,000)	\$4,000	\$(16,000)
8	Contracted Maintenance & Repairs	(18,800)	(18,800)	(37,600)	2,000	(35,600)
9	Student Transportation Costs (busing)	(3,000)	(3,000)	(6,000)	3,000	(3,000)
10	Trash Removal	(3,840)	(3,840)	(7,680)	3,840	(3,840)
11	Grass Cutting / Snow Removal Services	(1,500)	(1,500)	(3,000)	1,500	(1,500)
12	Security Monitoring Services	(440)	(440)	(880)	440	(440)
13	Carpet Cleaning Service	(250)	(250)	(500)	0	(500)
14	School Police for Events	(150)	(150)	(300)	150	(150)
15	Property Insurance	(10,600)	(10,600)	(21,200)	10,600	(10,600)
16	Fire Extinguisher Service	(400)	(400)	(800)	400	(400)
17	Painting	(45,000)	(40,000)	(85,000)	0	(85,000)
18	Replacement Equipment	(14,500)	(14,500)	(29,000)	0	(29,000)
19	Dust Mops / Walk off Mats Service	(150)	(150)	(300)	150	(150)
20	Total Estimated Other Costs Savings:	\$(110,710)	\$(105,710)	\$(216,420)	\$26,080	\$(186,180)

Indirect Cost Savings Summary: Utilities and Grand Totals

Line #	Description of Annual Indirect Costs (one year)	Adlai Stevenson	Existing Holiday Park	Combined Totals	Less: New Holiday Park	Equals Estimated Net Savings
Utilities						
21	Water	\$(2,332)	\$(2,250)	\$(4,582)	\$(2,250)	\$(6,832)
22	Sewage (est.)	(5,300)	(5,300)	(10,600)	(5,300)	(15,900)
23	Gas	(31,193)	(28,597)	(59,790)	24,000	(35,790)
24	Electric	(28,597)	(23,736)	(52,333)	22,000	(30,333)
25	Communications (telephones) & Network Fees	(2,080)	(2,080)	(4,160)	2,080	(2,080)
26	Total Estimated Utilities Cost Savings:	\$(69,502)	\$(61,963)	\$(131,465)	\$40,530	\$(90,935)
Grand Totals						
27	Grand Totals:	\$(787,017)	\$(370,530)	\$1,157,547	\$133,220	\$(969,839)

PUBLIC COMMENT PERIOD



THANK YOU