



**SOUTH LYON  
COMMUNITY SCHOOLS**

# **SOUTH LYON COMMUNITY SCHOOLS 2020 BOND PROGRAM**

**APRIL 20, 2020**

**i D S Barton  
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# AGENDA

- **Review August Election Financial Info**
- **Review Bond Projects/Schedules**
- **Next Steps**



# WHY GO WITH AN AUGUST VOTE?

- **Due to inflation, delaying the vote beyond August would require additional tax dollars to accomplish the same needs for the District.**
- **Many infrastructure needs are time-sensitive, and a delay would result in the use of capital funding in order to maintain safe and healthy schools.**
- **The COVID-19 pandemic has highlighted the role of brick & mortar schools, which emphasizes the importance of the proposed improvements.**
- **Operational dollars would be taken from classroom necessities to pay for these building needs if the bond continues to be delayed.**
- **Due to the current crisis it is likely less money will be in the General Fund coming in through the State in the coming years.**





# FINANCIAL INFO

# AUGUST ELECTION



555 Brianwood Circle  
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Ann Arbor, MI 48108

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## South Lyon Community Schools Counties of Oakland, Washtenaw and Livingston School Building and Site Bonds

### SUMMARY OF BONDING ALTERNATIVES PRESENTED

Table No.	Taxable Value Growth Assumptions		Dated Date	Bond Amount	Estimated Amount Available for Project Cost**	Bond Term	Est. Interest Rate	Est. Interest Cost Bonds	Ballot Information		Total Debt Millage Required	Est. Debt Millage Increase*
	2020-2024	Thereafter							1st Year Levy	Avg. Mills		
9	3.50%	3.00%	Oct 2020	\$32,000,000	\$31,238,000	14.58 yrs	3.00%	\$9,405,500	0.38	1.74	7.00	-0.90
			May 2023	66,725,000	66,602,000	20.00 yrs	4.00%	30,610,000				
				<u>\$98,725,000</u>	<u>\$97,840,000</u>			<u>\$40,015,500</u>				

**Assumptions:**

\* Aug 2020 bond election, and a July 1, 2021 first levy - assumes May 2021 interest payment payable from bond proceeds ("capitalized interest") KB

\*\* Bond amount, less cost of issuance, capitalized interest, plus estimated investment earnings during construction. 4.2.20

NOTE: TAXABLE VALUE GROWTH RATE ARE ONLY PROJECTIONS. PFM CAN NOT PROVIDE ANY ASSURANCES ON TAXABLE VALUE GROWTH RATES.

NOTE: THE AMOUNT OF TECHNOLOGY EQUIPMENT INCLUDED IN THE BOND PROPOSITION COULD IMPACT THE MILLAGE REQUIRED.

- In order for the bond to not increase taxes, the timing for the bond sales needed to change. The total amount is the same, but the value for each series will reverse from the original proposal.
- Series 1 will be \$32M and Series 2 will be \$66.76M.



# COST COMPARISON

## SOUTH LYON COMMUNITY SCHOOLS

MAY 2020	Project Cost	Issuance Cost	Investment Income	Bond Amount
Series 1:	\$74,365,400	\$666,492	(\$1,342,892)	\$73,689,000
Series 2:	\$23,478,700	\$238,361	(\$221,061)	\$23,496,000
<b>Total:</b>	<b>\$97,844,100</b>	<b>\$904,853</b>	<b>(\$1,563,953)</b>	<b>\$97,185,000</b>

AUGUST 2020	Project Cost	Issuance Cost	Investment Income	Bond Amount
Series 1:	\$31,238,000	\$875,596	(\$113,596)	\$32,000,000
Series 2:	\$66,602,000	\$606,154	(\$483,154)	\$66,725,000
<b>Total:</b>	<b>\$97,840,000</b>	<b>\$1,481,750</b>	<b>(\$596,750)</b>	<b>\$98,725,000</b>





# COST SUMMARY

<u>CATEGORY</u>	<u>COST RANGE</u>
• Building Infrastructure	\$37.3M
• Building Additions	\$27.6M
• Building Improvements	\$6.47M
• Site Improvements	\$2.2M
• Site Athletics	\$10.12M
• Technology	\$9.22M
• Furniture / Equipment	\$3.92M
• Bus Purchase	<u>\$1.01M</u>

**Project Total: \$97.84M**  
**[issuance & interest costs]**  
**Total Bond: \$98.725M**





# PROJECT SCHEDULE REVIEW



# PROJECT SCHEDULE

- **SERIES 1 (2021-2022): \$32M**
- **SERIES 2 (2023-2025): \$66.725M**

**Note: The dollar amount spent cannot change within Series 1 & 2, however the projects themselves are able to move between Series (within reason).**



# PROJECT SCHEDULE - ADDITIONS

Category	Priority 1 Projects	Phase (Series)	Series 1 (2021-2022)	Series 2 (2023-2025)
<b>Building Additions</b>				
ECC - add multi-purpose space & staff space (3,500 sf)	1,257,300	2		1,257,300
Bartlett - build 4 classroom addition (8,000 sf)	2,873,800	1	2,873,800	
Salem - build 4 classroom addition (8,000 sf)	2,873,800	2		2,873,800
SL High - build replacement pool (22,550 sf)	13,319,400	1-2	6,659,700	6,659,700
SL High - add storage space (1,000 sf)	251,000	2		251,000
East High - build aux gym addition (20,000 sf)	7,184,500	1	7,184,500	
East High - expand CTE area (5,000 sf)	1,868,000	2		1,868,000
<b>Additions Subtotal:</b>	<b>29,627,800</b>			

- The building additions for additional classroom capacity is split between the 2 series, which factors in the need for anticipated growth over the next 5 years.
- The timing of the SLHS Pool Addition/Renovation needs are unchanged; Splitting the costs between both series will balance out the cash flow requirements.



# PROJECT SCHEDULE - BUILDING

Category	Priority 1 Projects	Phase (Series)	Series 1 (2021-2022)	Series 2 (2023-2025)
<b>Building Renovations</b>				
Exterior Building - Roofing Work	3,877,900	1-2	500,000	3,377,900
Interior Building - District Wide Renovations	4,252,000	1-2	818,590	3,433,410
Interior Building - Renovate SL High Science Rooms	1,774,800	1	1,774,800	
Interior Building - Renovate SL High CTE Area	511,200	2		511,200
Interior Building - Update SL High Media Center	1,544,100	2		1,544,100
Interior Building - Update East Media Center (furn/tech)	355,000	2		355,000
Interior Building - East - renovate planning rooms to class	170,400	1	170,400	
Interior Building - East - renovate foods room to class	127,800	1	127,800	
Interior Building - SL High - renovate lecture hall	117,100	2		117,100
Interior Building - Flooring (select areas)	1,131,500	1-2	565,750	565,750
Infrastructure - Mechanical Work	5,969,300	1-2	750,000	5,219,300
Infrastructure - Electrical Work	2,016,900	1-2	500,000	1,516,900
Lighting Upgrades (select areas)	8,057,700	2		8,057,700
Food Service Improvements	3,189,700	1-2	500,000	2,689,700
<b>Renovations Subtotal:</b>	<b>33,095,400</b>			

- Districtwide Renovations are primarily moved to Series 2 except for the Science Rooms at SLHS (upgrades to the labs are a priority to maintain quality spaces for instruction), as well as changes to spaces at SLEHS that are needed for added classroom capacity.



# PROJECT SCHEDULE - BUILDING

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<b>Building Renovations</b>				
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Interior Building - District Wide Renovations	4,252,000	1-2	818,590	3,433,410
Interior Building - Renovate SL High Science Rooms	1,774,800	1	1,774,800	
Interior Building - Renovate SL High CTE Area	511,200	2		511,200
Interior Building - Update SL High Media Center	1,544,100	2		1,544,100
Interior Building - Update East Media Center (furn/tech)	355,000	2		355,000
Interior Building - East - renovate planning rooms to class	170,400	1	170,400	
Interior Building - East - renovate foods room to class	127,800	1	127,800	
Interior Building - SL High - renovate lecture hall	117,100	2		117,100
Interior Building - Flooring (select areas)	1,131,500	1-2	565,750	565,750
Infrastructure - Mechanical Work	5,969,300	1-2	750,000	5,219,300
Infrastructure - Electrical Work	2,016,900	1-2	500,000	1,516,900
Lighting Upgrades (select areas)	8,057,700	2		8,057,700
Food Service Improvements	3,189,700	1-2	500,000	2,689,700
<b>Renovations Subtotal:</b>	<b>33,095,400</b>			

- Roofing work in Series 1 is reduced to only the amount needed to improve areas needing attention within the next few years.
- Series 2 Roofing will align with future needs on the planned timeline.
- Infrastructure improvements critical within the next 2 years are included in Series 1.



# PROJECT SCHEDULE – SITE WORK

Category	Priority 1 Projects	Phase (Series)	Series 1 (2021-2022)	Series 2 (2023-2025)
<b>Site Work</b>				
Repaving (parking lots & sidewalks)	7,634,500	1-2	1,000,000	6,634,500
SL East - Modify southwest lot for parent drop-off	369,200	2		369,200
SL East - Expand northwest lot for students (180 spaces)	738,300	2		738,300
Elementary - Playground Improvements	1,233,200	1-2	616,600	616,600
Site Athletics - Work at Existing Facilities	3,684,700	1-2	500,000	3,184,700
Site Athletics - East turf replacement	664,500	1	664,500	
Site Athletics - turf (2) varsity softball fields (entire field)	1,490,800	1	1,490,800	
Site Athletics - turf (2) varsity baseball infield only	1,135,800	1	1,135,800	
Site Athletics - turf (2) multi-purpose practice fields	2,589,800	2		2,589,800
<b>Site Work Subtotal:</b>	<b>19,540,800</b>			

- **Turf fields that remain within Series 1:**

- **SLEHS stadium field replacement:** This field will be at the end of its useful life in less than 2 years.
- **Softball & Baseball field (both schools):** Improvements required to decrease operational maintenance costs, address poor drainage conditions, and provide safe and reliable fields.





# PROJECT SCHEDULE - OTHER

Category	Priority 1 Projects	Phase (Series)	Series 1 (2021-2022)	Series 2 (2023-2025)
<b>Other Items</b>				
Furniture, Furnishings, Equipment (FFE)	3,909,800	1-2	500,000	3,409,800
District Wide Technology - 5 year plan	6,725,000	1-2	2,500,000	4,225,000
District Wide Technology - Refresh (series 2)	2,500,000	2		2,500,000
Purchase Buses (2 per year = 10 total)	1,012,400	1-2	404,960	607,440
Admin Building (roofing, mech, windows, etc)	1,428,800	2		1,428,800
<b>TOTALS:</b>	<b>97,840,000</b>		<b>31,238,000</b>	<b>66,602,000</b>
Issuance:	1,481,750		875,596	606,154
Interest:	(596,750)		(113,596)	(483,154)
	<b>98,725,000</b>		<b>32,000,000</b>	<b>66,725,000</b>
<i>Note:</i> costs include escalation and contingency costs include indirect costs such as general conditions and professional fees project may still move between bond series if necessary Admin building project does not include all cost for City portion of the building.				

- **Technology needs have been realigned to provide replacement devices and infrastructure needs. The remaining non-infrastructure scope can be deferred for a few years.**





# NEXT STEPS

# TIMELINE FOR AUGUST 2020 VOTE

- **Reboot Informational Campaign – April-August  
(continuation of campaign from January)**
- **Election Day – August 4, 2020**





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**THANK YOU!  
QUESTIONS?**

**i D S Barton  
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