



## Facilities Project FAQ Document

- 1. Why now?** In the 2021-2022 school year, the district will realize a reduction in its debt service. This is a very unique opportunity that will help stabilize the tax levy and protect the district's long-term financial position by reinvesting our existing debt in the proposed project. All capital projects must be approved by the NYS Education Department and the typical time line is 8-10 months. With a goal of not increasing taxes, the District has planned for a project and approval process that is in alignment with its retiring debt. This project will NOT result in any increase in taxes.
- 2. How is it possible to complete 14.8 million dollars of work without increasing taxes?** There are several factors that make it possible for the district to complete the work without increasing taxes. First, if approved by the voters, over 5 million dollars of the project will be paid through NY State Building Aid. Second, a portion (\$610,000) of the district capital reserve fund will also be used to offset the cost of the project. Lastly, the remaining cost will be financed over 15 years; those payments are of equal value to the debt payments that will be paid off during that same year. Hence, we are reinvesting that money into a new project that will ultimately save the district money as opposed to doing the work out of our operating budget.
- 3. Will the 14.8 million dollar project become 20 million by the time it is complete?** Project costs cannot exceed the approved amount. Detailed budgeting, including possible escalation costs, were all considered when developing the scope of the project. Under no circumstance can the project exceed the approved bond amount.
- 4. How much state aid do we anticipate receiving; there have been different numbers out there?** All of our state numbers are based on estimates until after the project is approved by the New York State Education Department; hence even small changes in the scope of the project can mean a variation in aid. **The numbers that we have shared are based on the lowest amount of aid we expect to receive.** Two different aid numbers have been shared with the community in an attempt to increase transparency. The lower of the two numbers is the aid we anticipate receiving on the principal cost of the project (currently \$5.2 million); the second and larger number is the amount we expect to receive on the total project, including

interest (currently \$6.3 million). Both numbers are correct, it is just important to understand the difference between the two numbers.

- 5. Can the debt that is being paid off in 2021-22 be replaced with other line items in the budget such as additional staff (teachers) in order to lower class size or add programs?** The money we currently spend on our debt service cannot be transferred into our general operating budget, instead, that money would be returned to the tax rolls.
- 6. How much should taxpayers expect to save if the current debt is not reinvested and instead returns to the tax rolls?** The anticipated savings, based on the current years assessed values and tax levy, for an average household (\$350,000) in Putnam Valley would be approximately \$20 a month.
- 7. What happens if the bond is not passed?** If our debt service drops, so does our tax levy limit. A reduction in our tax levy, which is already capped by New York State, could require the district to seek a supermajority vote in order to meet our contractual obligations and maintain staffing and programs. If we don't address our infrastructure needs within the proposed facilities project, some of these items may need to be funded through our general operating budget; if so, they will not be eligible for any state aid and will leave these projects competing with our instructional programs for a very limited amount of funding.
- 8. What are some of the critical infrastructure needs included in the proposal that will have to be addressed through the annual budget if a capital project is not approved?** While the district has been proactive in the replacement and upgrade of infrastructure across all three buildings through our Energy Performance Contract, there were several items that we deem critical that we could not include. Such items include the replacement of windows at the middle school, heating and cooling of the middle school gym and cafe, heating and cooling of elementary school gym and auditorium, and other system upgrades to improve our overall HVAC systems.
- 9. What is the timeline for the project, when will it be complete?** If the project receives voter support in December, we will immediately begin the process of seeking State Education Department approval and will issue bids for the work. We anticipate this phase of the project taking up to 18 months during which time we will be working with the architects, teachers, students, and community members to finalize our detailed plans. It is our hope that construction will begin in the Spring of 2020 and continue until the Fall of 2021 when we hope that the project will be complete. It is important that the construction phase spans two summers so we can minimize the impact of the project on the school day.

- 10. Why do we need a health and wellness center?** When the facilities planning committee was first convened, the need for additional athletic facilities was immediately identified, and we had hoped to add an auxiliary gym to the scope of the project. Thoughtful consideration of district-wide needs and the multi-purpose functionality of an indoor turf shifted us toward a Health and Wellness Center. Now the proposed project includes space that is not exclusively for sports. This space will be used throughout the school day as an academic space for active learning opportunities (physical education, health, physics, engineering etc.) as well as helping us to meet the needs of our student-athletes and community programs.
- 11. Does the project increase the number of classrooms at the middle school?** At the conclusion of the project, we anticipate having an additional two classrooms available to teachers, one of these is the current ALL Room which will receive minor renovations to make it into a more useful classroom. The active learning lab will then be moved to the new library. There are also renovated spaces for music lessons, now held near the serving line in the cafeteria.
- 12. What will change with a new kitchen at the middle school?** While the middle school is currently able to cook/heat up food, the facility does not have the same capacity to prepare and cook a wide variety of fresh foods as is the case at the high school. The new kitchen will improve the ability to prepare food and increase the options available to our students.
- 13. Can the project budget be presented in more detail?**  
At this time, the district can only provide cost estimates on the scope of the work. The most up to date budget estimates are available below and include construction costs per square foot, contingency costs, and escalation.

We hope that this information is helpful and remind everyone that it is strictly a guideline. What is certain and concrete is the total amount that can be spent. Once the referendum amount was approved by the Board of Education the amount of the project cannot change without a new resolution and new voter approval. The actual cost for each individual part of the proposed plans can fluctuate based on bids and current market prices for supplies and materials etc.

Our architects are not only experienced but are familiar with our District and the existing facilities. The proposed scope encompasses the existing footprint of the buildings and provides additional space for the wellness center. All of the proposed spaces, whether renovated or new will be vetted properly as the process go forward.

It is important to note that the idea of a health and wellness center was developed because the cost of a "traditional style" auxiliary gym was too high to propose with the end goal of a **zero** tax impact. The center, however, fulfills goals for athletic practices in all weather conditions as well as community use when school is not in

session and on weekends, etc. The versatility of the design provides for multiple use and simultaneous use. Providing more physical space for students, conducive to our learning programs such as science and other subjects during the academic day is another benefit and would be the greatest rationale for securing NYS Building Aid on that facility.

The plans are not yet approved by the New York State Education Department. The NYS Education Department does not approve the individual amounts for each part of the construction budget within the project. Only the Board of Education and the voters can approve the amount of money to be spent.

**Capital Project Budget Estimates:**

<https://drive.google.com/file/d/1OVDI9rx6-nak2Tgb1Epu5y-2x8DJr6L6/view?usp=sharing>

**14. Are the New York State Building Aid Numbers Final?**

No. The New York State building aid estimates are just estimates and are provided with current advice from our fiscal advisor consultant based on current building aid ratios and anticipated interest rates. While we are unsure about state aid for the health and wellness center at this time, the District will pursue obtaining aid for this portion of the project based on our intent to use the center for classroom space that supports the academic and social-emotional needs of our students.

As we continue the planning phase of the project, we will work with our Facilities Project Manager in the Office of Facilities and Planning at the NYS Education Department.

Our Business and Finance Officer can be contacted with further questions.

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**15. Why was the bond vote not held on Election Day?**

The district inquired with the Putnam County Board of Elections regarding the possibility of holding our bond referendum on election day. However, due to the fact that the school district spans multiple towns and counties, it was determined that such a vote was impossible. The Board of Election has no existing framework to support a school referendum on the ballot during a general election.

**16. How will the 14.8 million be spent?**

Although we have previously addressed this question on the FAQ, here is a quick breakdown of the anticipated project costs.

- Middle School Renovations: \$9,190,000
- Elementary School Renovations: \$750,000
- Health and Wellness Center: \$4,770,000
- Cross Country Course: \$100,000

**17. What is a Health Wellness Center? Why are we calling it a Health and Wellness Center?**

The facilities committee thought the name of the Health and Wellness Center was important to capture the wide range of benefits and opportunities this space would provide. These include addressing students' social, emotional, as well as physical health and academic needs. This space will serve as a classroom, a health center, a practice space, a recess area, a space that can support a wide variety of community programs. The space is not simply an indoor turf or auxiliary gymnasium but multipurpose, multi-use Health and Wellness Center.

**18. Will the Health and Wellness Center receive any state aid?**

While the process the State Education Department uses in determining what aspects of a project receive aid is complicated, we remain hopeful that the Health and Wellness Center will in fact receive some additional state aid. However, since this is not a guarantee, the decision was made to assume (worst case scenario) that this part of the project would receive no aid so we can remain confident that our budget can support completion of the project without raising taxes.

**19. Do we have an expanding sports program?**

Although participation rates on some of our junior varsity teams have fluctuated over time, our demand for athletic space has only increased since the opening of the high school. This is especially true throughout the winter season when space is already limited. Wrestling has grown into one of our largest and most successful programs, competing annually at the New York State level. Cheerleading became a recognized sport in 2014, and our team has experienced great success at the local and state level and we continue to see participation numbers grow. Both boys and girls basketball have been very successful resulting in extended seasons and high numbers of participation.

**20. Will a no vote deny our students the classroom renovations and/or result in staff layoffs?**

In the event that the community does not support the bond referendum on December 4, the school district would reconvene its facilities planning committee before making any recommendations to the Board of Education regarding the potential of another referendum. The Board of Education would ultimately make the decision on any future bond proposals.

If the decision is made to not propose another bond, some of the infrastructure work will still need to be completed (without state aid) and the District would be forced to pay for these renovations out of the same budget that supports instructional programs and staff. However, the District would make every attempt to minimize any impact on instructional offerings.

If the committee recommends a second vote to the Board of Education, a determination would need to be made whether to put the same project back before the voters or decide if the District is willing to concede some of the needs that would be addressed in the current proposal. A second vote runs the risk of not receiving state approval in a timely manner which could delay the start of the project past the anticipated construction timeline which begins in the spring of 2020. If that window is missed, the project completion date could be delayed a year.

**21. Why were the infrastructure needs at the Middle School not addressed as the need arose and instead held back until this project?**

The short answer is the **state tax cap**. The state tax cap places significant fiscal constraints on school districts by limiting the amount of taxes a district can levy. While the District maintains a detailed 5 year capital improvement plan that is updated annually with input from the district's professional consultant, staff and community, it is not financially prudent to address high-cost capital improvements as part of an annual budget. The District is constantly prioritizing its capital improvement needs and we have an opportunity now to address some of these infrastructure needs as part of a larger project which makes them eligible for state aid. The Putnam Valley School District's current state aid ratio is 59%.

Completion of major repairs, outside of a capital project, eliminates the possibility of state aid and takes away from annual budgets which currently focus on educational programs. District's are challenged to stay on top of growing lists of infrastructure needs as buildings age and must seek community approval to complete this type of work. Instead of asking the community to support a bond that would have raised taxes, the District is proposing a project that addresses some of our more significant infrastructure needs without increasing taxes.

More affordable, high-priority repairs, replacements and improvements are completed when possible, within our annual budget. For instance, this past year, it was determined that building security was our highest priority which is why security vestibules were recently installed at both the MS and HS.

**22. How can the District use capital reserve funds to address infrastructure Needs?**

Unexpended funds at the end of each school year can be allocated to our capital reserve fund as a way to save for future building improvements necessary to maintain our facilities.

Capital Reserve Funds cannot be used without voter approval in a separate referendum specifying the improvements that are proposed. On December 4 the referendum will include the use of capital funds totaling \$610,000.

### **23. Who can vote?**

To be a qualified voter in this election you must be:

- A citizen of the United States
- At least 18 years old
- **A resident of Cortlandt Manor, Lake Peekskill, Carmel or Putnam Valley** who reside within the Putnam Valley Central School District for at least 30 days immediately prior to the election at which he or she seeks to vote.
- And, REGISTERED TO VOTE (you are a registered voter if you are registered with the school district OR Putnam or Westchester County Board of Elections.) If you've voted in any public election in the last four years, you are an active registered voter.