



## TONA 2020 NOTES December 17, 2013

Our debt limit will need to be exceeded if the Tonawanda Community voted to build an elementary campus at the Fletcher elementary site. In New York State, only small city school districts are allowed to exceed the debt limit. Some small cities that have exceeded their debt limit are Jamestown, Kingston, Niagara Falls, Elmira, and Corning.

If the BOE decided to put the project up for a referendum, then a 60% majority vote is needed since the district would exceed the debt limit. The District would also have to apply for a waiver on the project, which would need to be approved by the NYS Regents and the State Comptrollers office. According to our District Financial Consultants, waivers are usually approved. Maximum Cost Allowance at Fletcher will need to be reviewed. There is a cost allowance for each classroom that would be built. The goal would be 100% return of our cost that is eligible for aid. High cost/low aid improvements such as a pool or auditorium will need to be reviewed. Presently, the district building aid ratio is at 85.2%.

Once the conceptual framework was complete, the BOE would have to approve placing a referendum up for vote. The committee discussed a provisional timeline as to when the vote might occur. In the spring of 2015, the community would vote on the Capital Project. The scope and design by the architects would be done prior to the vote. If 60% or more of the community approve the project, then the architects/engineers develop plans and specifications and submit to SED (Spring 2016). The State Education Department needs 8 - 12 months to approve the plans (Spring 2017). Once SED approves the project, bids are submitted and construction could begin in the fall of 2017. To build a large addition on Fletcher and reconstruct the existing building, it might take two years to complete. With an aggressive schedule, the one elementary campus could be ready for students by September 2019.

Currently, the District qualifies for an amount of \$3,800,000 without exceeding our debt limit. A project with this scope will substantially exceed the debt limit.

It was mentioned that the district should investigate a Federal initiative called *Leadership Energy and Environmental Design (LEED)*. The focus of LEED is to help lower operating costs and increase the asset value. If the capital project qualifies for LEED standards, then it is possible that we might get additional aid. Architect selection could be key. The Request for Proposal should specify the need for energy and environment efficiencies. Initially, energy efficient designs might be more expensive, but in the long run it could save the district money.

The finance committee co-chairs will meet in early January with the superintendent and interim business official to discuss other funding possibilities such as Greenway funds and contacting our state legislators.

The tax rate impact was reviewed. An \$80,000 assessed value home will cost an additional \$40 (\$30,000,000 project) - \$53 (\$40,000,000 project) per year on the tax rate. When unused elementary buildings are sold, proceeds could be used to help pay the debt. A debt service reserve could be established to fund future payments.

The District Financial Consultants suggested that a small team from the TONA 2020 committee meet with the facility/capital project approval department in Albany. The team would explain to SED representatives why Tonawanda is considering consolidation of our elementary buildings. The group will need to show cost savings and program improvements.

At a recent Erie 1 BOCES superintendent meeting, the District Superintendent stated that it is more difficult for districts to get capital project approval from SED. He said it is important to focus on program improvements, specifically, new state curriculum initiatives and how the project will help with program implementation (This meeting was after the TONA 2020 meeting).

The rationale for one elementary campus was reviewed. The 2010 long range planning report listed several reasons as to why the pre k - 5 building will be better for Tonawanda students and community.

The committee, by consensus, decided that the next steps in moving ahead would be to present our findings to the Board of Education at the end of January. Two committee members volunteered to present our framework. Once the BOE hears the presentation, they will need to decide if the TONA 2020 committee should proceed forward. If approval is granted, then a small team will head to Albany to share our conceptual framework with SED facilities and planning representatives.

The next TONA 2020 committee meeting will be in February (tentative) as we wait for BOE approval to move forward and then SED preliminary confirmation on the project.

