

# **The Voter Proposition to Increase Capital Project Bonding Capacity**

**Vote February 11, 2020**

## **Why Are We Holding a Special District Vote On February 11?**

**The Board of Education is asking voters to consider an increase in the district's borrowing capacity so we can complete the capital improvement project overwhelmingly approved in February 2018**

## What Are Rye Neck Voters Being Asked to Consider?

1. **APPROVAL REQUESTED to apply the savings of nearly \$1.2 million on completed roof projects to the next phase of construction**
2. **APPROVAL REQUESTED to borrow up to an additional \$2.9 million, if needed, to successfully complete the second phase, due to unanticipated and significantly higher construction bids**

## Financial Impact on Taxpayers

**\$48**

### Town of Rye (Mamaroneck)

The average house (valued at \$830,000) will pay an additional \$48 per year over the 30-year repayment period

**\$119**

### City of Rye

The average house (with a full value of \$2.16 million) will pay an additional \$119 per year over 30 years

*Estimates based on 2019-20 tax rates and average assessment in each municipality*

# Community Approval of the Project Was Originally Granted In February 2018



In 2018, voters overwhelmingly approved a bond that featured two separate spending propositions:

- \$6.3 million to replace and/or repair roofs at all our schools (Phase I)
- \$21.3 million to build a new two-story Collaborative Science Center, a new MS gymnasium, other academic improvements (Phase II)

## **Phase I Roof Projects: Complete and Significantly UNDER BUDGET**

- **Completed in Summer 2019**
- **Under budget by about \$1.2 million**
- **Savings realized through lower bid results and lower than expected project contingencies**

## **Phase II New Construction: Budget Shortfall Based on High Bids**

- **Significant construction price escalation over past two years**
- **\$4.1 million shortfall in the \$21.3 million project budget**
- **Impossible to complete all of the scheduled work**

## Why Are Construction Bids Higher Than Anticipated in February 2018?

- The market price of steel has risen sharply (tariffs)
- Large number of major regional construction projects affecting pricing
- Soil composition at the MS/HS will require much more expensive pilings



## **New Bids Dramatically Exceeded Standard Construction Budget Contingencies**

- The \$21.3 million budget included more than \$2 million just to address price escalation/unforeseen conditions (like the soil composition issue)
- Even with that ‘hedge,’ excessive market escalation and the tariffs have affected our project and many others

## Construction Re-Bids Attempted to Lower Cost

- Original bids in November rejected as too high
- Projects underwent extensive review focused on value engineering and cost reductions
- Re-bids in late December provided only modest savings
- New bids currently exceed project budget by \$4.1 million

## **This Regional Problem Affects School Districts Other than Rye Neck**

- **Bronxville voters approved (December) \$3 million more in bond capacity to complete a \$21.8 million capital project**
- **Hastings voters will be asked in February to transfer \$1.3 million to address \$18.4 million capital project shortfall**
- **Two other districts are several million dollars over budget on projects and will likely need to go back to their voters**

# In the News.....Other Districts

## Bond Referendum Will Seek \$3 Million to Complete Bronxville School Capital Improvement Plan



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## BRONXVILLE NEWS

DEC 11 2019 3:06 PM



### Bond Approval

Bronxville, NY

Community members voted on Dec. 10 to approve the Bronxville School's \$3 million bond proposal to enable us to complete the necessary upgrade of the curtain wall on the exterior of the elementary school building, provide air conditioning to the first floor of the A & B wings and the construction of the interior of the building.

With the approval of the proposition, we will be able to complete the original scope of the project. Thank you for your continued support.



Neighbor News

## Notice of Special District Meeting Hastings-on-Hudson UFSD

A Special District Meeting of the qualified voters will be held on Thursday, February 6, 2020 from 7:00 o'clock A.M. to 9:00 P.M.

### Purpose of this document

On December 16, 2019 the Hastings on Hudson Board of Education will consider having a community vote in February 2020 to authorize the potential use of **\$1,347,371** from the District's existing capital reserve fund. If authorized, the capital reserve funds will augment funds to be raised through bonds for the Capital Project approved on February 28, 2019 for construction of an addition to Hillside Elementary School (Hillside) and the construction of improvements to Hillside, Farragut Middle School (MS) and Hastings High School (HS). The purpose of this document is to explain why the Board of Education is considering asking voters to authorize the use of capital reserve funds for the Capital Project.

# Why hold a bond vote in February?

# The clock is ticking



DECEMBER

**17**

Second-round construction bids received, with a 60-day hold on pricing

FEBRUARY

**11**

Bond referendum seeking voter approval to increase borrowing capacity by \$4.1 million

FEBRUARY

**15**

Expiration of 60-day hold on construction pricing

## **Will We Need to Use all \$2.9 Million?**

The district and our construction partners will be working with all due diligence to avoid having to borrow any more of the \$2.9 million in additional capacity than is absolutely necessary. Borrowing will be done in phases.

## **If Voters Do Not Provide Approval**

- **Both projects cannot be completed with the current \$21.3 million in existing funding. If voters do not provide approval, it is likely that the Board would ask voters for significant public input on how to proceed, because the two projects are interdependent.**
- **Without the additional funding approval, the district will face re-bidding in a climate of escalating costs and competition**



# The Bond Proposition:

## **BOND PROPOSITION (CONSTRUCTION OF ADDITIONS TO AND RECONSTRUCTION OF MIDDLE SCHOOL / HIGH SCHOOL – REALLOCATION AND ADDITIONAL FUNDING)**

Shall the following resolution be adopted, to-wit: RESOLVED, that the Board of Education of the Rye Neck Union Free School District, Westchester County, New York, is hereby authorized to construct additions to and reconstruct the Middle School / High School, including construction of a Middle School gymnasium and original furnishings, equipment, machinery, apparatus, appurtenances, site improvements, and incidental improvements and expenses in connection therewith, previously authorized at a maximum estimated cost not to exceed \$21,325,000, at a revised maximum estimated cost of \$25,388,000, to reallocate for such purpose an unexpended \$1,163,000 of \$6,280,000 previously authorized by the voters on February 13, 2018 as part of the roof reconstruction project, and that the remaining \$2,900,000, or so much thereof as may be necessary, shall be raised by the levy of a tax upon the taxable property of said School District and collected in annual installments as provided by Section 416 of the Education Law; and in anticipation of such tax, obligations of said School District shall be issued.

## Financial Impact If Approved

To finance up to \$2.9 million in additional new borrowing capacity, taxpayers will see a modest increase in the tax levy

- **Town of Rye (Mamaroneck):** average house (valued at \$830,000) will pay an additional \$48 per year over the course of the 30-year repayment period
- **City of Rye:** the average house (with a full value of \$2.16 million) will pay an additional \$119 per year

## Further Information

- **Bond Calculator** -estimate the annual impact on your taxes based on your home's assessment

*be sure to click on correct tab at the top: Rye Town (Mamaroneck) or Rye City*

- <http://admin.ryeneck.org/rn-webapplications/2020-taxcalculator/bondcalculator.htm>

- **Rye Neck Capital Project Information**

- [http://www.ryeneck.org/school\\_board/information\\_regarding\\_bond\\_project\\_2018](http://www.ryeneck.org/school_board/information_regarding_bond_project_2018)



# Bond Discussion Opportunities:

- |        |  |
|--------|--|
| Jan 13 | Boosters Club Meeting - 7pm, MS/HS Dining Hall               |
| Jan 16 | Bond Hearings 10 am & 7 pm, HS Library Community Room        |
| Jan 22 | Board of Education Meeting - 7 pm, HS Library Community Room |
| Jan 29 | PTSA Meeting, 7 pm, HS Library Community Room                |
| Jan 31 | Daniel Warren - 9 am, Daniel Warren Auditorium               |
| Feb 3  | F.E. Bellows – 9:15 am, Cafeteria in Bellows Annex building  |
| Feb 5  | Board Planning Session, 7:30 pm, Admin Building              |

## Further Information:

[http://www.ryeneck.org/school\\_board/information\\_regarding\\_bond\\_project\\_2018](http://www.ryeneck.org/school_board/information_regarding_bond_project_2018)