EASTON EARLY ELEMENTARY SCHOOL PROJECT

Project Budget, MSBA Reimbursement Rate, and Tax Impact Analysis

Presented to the Select Board, School Committee, and Finance Committee on September 23, 2019
This presentation has been developed with information pulled from a variety of publicly available documents and plans available at [www.eastoneesproject.com](http://www.eastoneesproject.com).

Financial figures contained herein are based on the most current information and represent the Town’s best estimates at this time. This presentation is intended to provide policy makers and voters with quality and transparent data to inform their own independent decision making processes.

Tonight’s presentation follows years of planning and over fifty meetings and forums with committees, educators and faculty, designers, architects, and residents. The Town and Schools thank all residents - whether you serve on a committee, attended a forum or sent us an email - for your engagement and feedback throughout this process.

TOWN OF EASTON – SEPTEMBER 23, 2019
SECTION 1: EARLY ELEMENTARY SCHOOL PROJECT BACKGROUND

Project Overview 2011-2017  [slide 4]
Project Overview 2017 – Today  [slide 5]
Why are We Replacing all Three K-2 Schools?  [slide 6]
Status of EES Project Current Design – Site Overview  [slide 7]
Floor Plans  [slides 8-9]
Other Design Features  [slide 10]
Easton Early Elementary School Project ("EES Project") seeks to construct a new district-wide preK-2 school which will provide a state-of-the-art, innovative, and nurturing learning environment to EPS students for decades to come and will serve as a premier community resource and gathering space.

EES Project is made possible by the Massachusetts School Building Authority ("MSBA") grant program, which reimburses tens of millions of dollars of project costs to reduce the financial burden to our tax payers.

Easton applied for the MSBA grant program for each of the three K-2 schools by submitting Statements of Interest ("SOI") through the Select Board every year from 2011-2017 before having Center School accepted into the program by the MSBA in 2017.

- MSBA identified Center School as the most critical building need for Easton Public Schools
- During the Feasibility Process, the MSBA invited the Town to consider a district-wide solution – to fix all three K-2 schools at once

Town Meeting voters (Nov 2017) appropriated $1,000,000 of available Avalon mitigation money for the MSBA-prescribed Feasibility Study and Schematic Design Phase of the EES Project.

Following the Town Meeting appropriation, the MBSA Board of Directors officially invited Easton into the Feasibility process on December 13, 2017.
The School Planning Committee ("SPC") hired an Owner’s Project Manager ("OPM") and a Project Designer / Architect to advance the project by:

- Assisting the Easton Public Schools with development of an Educational Program for the new school for approval by MSBA
- Developing and evaluating alternative designs for the new school – ultimately selecting a district-wide new school building
- Submitting preliminary design program to the MSBA
- Developing the schematic design for us to finalize project scope, budget, and schedule

During the Feasibility and Schematic Design Phase (2018 – 2019), the SPC and other Town and School Boards held over fifty public meetings, community forums, and information sessions to discuss the project, gather feedback, answer questions, and advance the design of the EES Project.

- 31 School Planning Committee meetings
- 10 Select Board, School Committee, and Finance Committee meetings
- 10 Community and Faculty Input Sessions and Forums
- 8 Focus Group Meetings
- Ongoing tours of the schools

The Feasibility and Schematic Design Phase is concluding, the Project Budget is now complete, and now the community is at a critical milestone for the project - whether to fund it or not.
WHY ARE WE REPLACING ALL THREE K-2 SCHOOLS?

Easton’s K-2 schools are outdated, undersized, inefficient and far beyond their useful lives.

- **Center School (1954) – 65 year old building**
  - 36,500 sqft building – per MSBA guidelines – should have 57,491 sqft

- **Moreau Hall (1962) – 57 year old building**
  - 30,800 sqft building – per MSBA guidelines – should have 40,976 sqft

- **Parkview (1960) 59 year old building**
  - 39,500 sqft building – per MSBA guidelines – should have 77,900 sqft

Building a new district-wide pK-2 school through the MSBA process will cost less and achieve more than attempting to repair the existing outdated buildings.

Click here to view a trailer of the EES Project
https://www.youtube.com/watch?v=1QydSwV63xA

*Video published May 21, 2019 – some design renderings may have changed.*
CURRENT DESIGN: SITE OVERVIEW

- Site/Traffic:
  - 209,000 SF of Play Space / Fields (target was 114-190K)
  - Keeps Softball Fields (will be temp. unavailable during construction)
  - Central location near Schools, Police, and Fire
  - Includes Central Admin space – consolidating all District services on one campus for easier access for parents and community members and eliminating current necessity of paying rent for space
  - Utilizes existing WWTF
  - Separate Car and Bus road “loops”
  - Meets 16 bus / 194 car parking (target was 176)
  - Queue will pull 75 + cars off of the roads while dropping students off
  - +/- Manageable traffic increase (diff. timing for each school)

- Educational
  - Meets key educational goals and objectives
  - Consolidates grade level resources
  - PK-12 Campus collaborative opportunities

- Construction
  - Moderate duration – 2 years – behind existing Parkview (minimal impact).
SECOND FLOOR PLAN
CURRENT DESIGN: OTHER FEATURES

- **Interior Design:**
  - Wayfinding by Themes for grade levels
  - **Universal Design** – central ramp creates welcoming environment for all children of Easton
  - Scaled Design – clusters of classrooms to maintain beloved “small school” feel within a larger building

- **Exterior Design:**
  - Priority on durable, long lasting, and maintainable façade materials
  - Front Porches to provide cover for students and maintain appropriate sense of scale for little learners
  - Focus on sustainability and outdoor learning spaces

New School will meet existing unmet-enrollment needs *and* provide capacity for future enrollment growth more efficiently than with three schools.

- Current Easton Enrollment of PK-2: 787
- EES design PK-2 enrollment capacity: 875
- EES Project requires 23% fewer square feet of floor space compared to three new / renovated schools
SECTION 2: EES PROJECT BUDGET, MSBA REIMBURSEMENT RATE, AND TAX IMPACT ANALYSIS

- **Project Budget** [slide 12]
- **Cost Comparison: EES Project v. Base Repairs of Existing Schools** [slide 13]
- **Funding Sources: Understanding Local Funding Mechanisms** [slide 14]
- **Cash Flow and Bond Increment Model** [slide 15]
- **Debt Exclusion Cost: Tax Impact Analyses** [slides 16-18]
- **Exempt School Debt Sunset Schedule** [slide 19]
- **Tax Relief and Financial Assistance Options** [slides 20,21]
- **The Cost of Inaction** [slide 22]
EASTON EARLY ELEMENTARY SCHOOL PROJECT BUDGET

- Total Easton Early Elementary School Schematic Design Budget (Cost) - $94.84M*
  - Local / District Share of Cost - $59M +/-
  - MSBA Grant Share of Cost - $36M +/-

- MSBA reimbursement rate of eligible costs – approx. 55.93 percent
- Effective reimbursement rate [net impact of eligible cost reimbursement on total project budget] – approx. 38 percent

*IMPORTANT NOTE: Project cost figures contained in this presentation are based on most current information – the Schematic Design budget as approved by the School Planning Committee. Exact project costs may change during final design, construction, and closeout (ETA Nov. 2019 – Oct. 2023) but total project cost can NOT exceed the amount appropriated by Town Meeting on October 28, 2019, which is currently estimated at $94.84M.
## COST COMPARISON:
### EES MSBA PROJECT VS. BASE REPAIRS OF EXISTING SCHOOLS

<table>
<thead>
<tr>
<th>EES PROJECT</th>
<th>Base Repair of Existing Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>$59M Local Cost</td>
<td>$86M Local Cost</td>
</tr>
</tbody>
</table>

- **Meets current and future enrollment needs?**
  - ✓
  - ✓

- **Meets space needs for existing student population and educational programing?**
  - ✓
  - ✓

- **Meets building and accessibility codes?**
  - ✓
  - ✓

- **Eliminates $90,000 + annual rent expenditure for Central Administration office space?**
  - ✓
  - ✓

- **Creates efficiencies by consolidating human and other resources on one campus?**
  - ✓
  - ✓

- **Project designed with prospective financing strategy available?**
  - ✓
  - ✓

- **Promotes equity for all EPS students by offering same facility to all PK-2?**
  - ✓
  - ✓

### Financial Comparison
- **EES Project:** $59M
- **Base Repairs of Existing Schools:** $86M

*Base repair figure meets code, does not address space or educational needs. See PMA Consultants presentation to Select Board August 19, 2019 for detail.*
LOCAL FUNDING PROCESS AND OUTCOMES

- Local approval of funding for the EES Project is a **two-step process** in which **BOTH** mechanisms must be approved by voters of Easton in order for the project to continue.
  - If **either** Town Meeting or Election vote is **negative** – project cannot proceed.
  - If **both** Town Meeting and Election vote is **positive** – project will proceed.

- Town Meeting authorizes contingent borrowing and voters (at the Debt Exclusion Election) authorize the Town to raise the Tax Rate by the amount necessary to pay for that borrowing.
  - Once the borrowing is paid off, whatever increase to the Tax Rate occurred to pay for the bonds will go away (the increase is NOT permanent).

LOCAL / DISTRICT SHARE FUNDING MECHANISMS

(Approx. $59M)

- **(1)** Town Meeting on Monday, October 28, 2019, 7:00 PM – Ames Sports Complex at Stonehill College
  - Voters will consider and act upon an article (Article 1 on the draft 10.28.19 Warrant) to appropriate funding and authorizing borrowing by the Town to fund the **District Share** of the **EES Project cost**.

- WHICH IS CONTINGENT UPON-

- **(2)** Debt Exclusion Election on November 5, 2019, 7:00 AM – 8:00 PM – Oliver Ames High School Auditorium
  - Voters will consider authorizing the Town to exempt from the Proposition 2 and ½ levy the amounts required to pay for the bonds issued in order to construct the Easton Early Elementary School.
CASH FLOW and BOND INCREMENT MODEL

*cash flow based on schematic design budget; final borrowing timing subject to change based on market conditions and project timing

BAN #1 - $8M Feb-2020

BAN #2 - $35M Feb-2021

BAN #3 - $15.97M Feb-2022

Bond #1 - $8M Feb-2023**

** Bond #2 - $35M in Feb-2024; Bond #3 - $15.97M in Feb-2025
TAX RATE ANALYSIS KEY POINTS

- FY2019 Tax Rate - $15.96 per $1,000 of value.

- Figures available use Schematic Design Cost data shown thus far, as well as the following financial assumptions:
  - 30 year bond term [FY21 thru FY52] (BAN 2 years followed by 28 years of permanent bond financing)
  - BAN issuances in three increments – February 2020, 2021 and 2022 [assuming 3 percent interest rate]
  - Bond issuance in three increments – February 2022, 2023, and 2024 [assuming 4, 4.5, and 5 percent interest rates, respectively]
  - Rate impact escalation from FY21-25 is a function of the 2 year BAN and 3 year bond increment assumption.
  - FY2025-2050 rate impact of $1.07 per $1,000 of value represents best estimate of the cost for the rest of the life of the bonds until the final two years (FY51 and 52) where the debt drops rapidly to nothing following payoff.
  - Tax Rate Impacts shown to the left are estimates for each given year and are not cumulative (i.e. FY2021 rate of $0.07 does not add to FY2022 rate of $0.36 for a total rate impact of $0.43)
  - Tax Rate Impacts shown do not account for existing exempt school debt (OAHS project) which will reach maturity in FY27 and drop off the Rate in FY28 (see slide 21).

<table>
<thead>
<tr>
<th>Fiscal Year Tax Bill*</th>
<th>Estimated Tax Rate Impact of EES Project Exempt Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$ 0.07</td>
</tr>
<tr>
<td>2022</td>
<td>$ 0.36</td>
</tr>
<tr>
<td>2023</td>
<td>$ 0.57</td>
</tr>
<tr>
<td>2024</td>
<td>$ 0.90</td>
</tr>
<tr>
<td>2025-2050</td>
<td>$ 1.07</td>
</tr>
<tr>
<td>2051</td>
<td>$ 0.93</td>
</tr>
<tr>
<td>2052</td>
<td>$ 0.30</td>
</tr>
<tr>
<td>2053</td>
<td>zero – bonds paid off</td>
</tr>
</tbody>
</table>

*Fiscal Year begins July 1. FY2021, for example, begins July 1, 2020.
EES PROJECT – DEBT EXCLUSION COST
TAX BILL ANALYSIS

• **Customize your tax analysis** – visit [www.easton.ma.us/eesproject](http://www.easton.ma.us/eesproject) to use our debt exclusion calculator and tailor the information to your assessed value and tax bill.

**TAX BILL ANALYSIS***

• FY2019 Median **Single Family Home** Assessed Value - $405,000
  • **ESTIMATED ANNUAL TAX BILL IMPACT FOLLOWING PERMANENT BORROWING (FY2025)** - $433.35

• FY2019 Median **Condominium** Assessed Value - $215,000
  • **ESTIMATED ANNUAL TAX BILL IMPACT FOLLOWING PERMANENT BORROWING (FY2025)** - $230.05

*Estimates are based on FY2019 Tax Rate and current median assessed property values and are subject to change. Intended for informational purposes only.
## EES PROJECT – DEBT EXCLUSION COST
### SUMMARY OF TAX BILL ESTIMATED IMPACTS

<table>
<thead>
<tr>
<th>Fiscal Year Tax Bill*</th>
<th>Estimated Tax Rate Impact of Exempt Debt <em>(Not Cumulative)</em></th>
<th>Estimated Tax Bill Cost for Median Condo (Quarterly)</th>
<th>Estimated Tax Bill Cost for Median Condo (Annual)</th>
<th>Estimated Tax Bill Cost for Median Single Family (Quarterly)</th>
<th>Estimated Tax Bill Cost for Median Single Family (Annual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$</td>
<td>$3.76</td>
<td>$15.05</td>
<td>$7.09</td>
<td>$28.35</td>
</tr>
<tr>
<td>2022</td>
<td>$</td>
<td>$19.35</td>
<td>$77.40</td>
<td>$36.45</td>
<td>$145.80</td>
</tr>
<tr>
<td>2023</td>
<td>$</td>
<td>$30.64</td>
<td>$122.55</td>
<td>$57.71</td>
<td>$230.85</td>
</tr>
<tr>
<td>2024</td>
<td>$</td>
<td>$48.38</td>
<td>$193.50</td>
<td>$91.13</td>
<td>$364.50</td>
</tr>
<tr>
<td>2025-2050</td>
<td>$</td>
<td>$57.51</td>
<td>$230.05</td>
<td>$108.34</td>
<td>$433.35</td>
</tr>
</tbody>
</table>

*Estimates are based on FY2019 Tax Rate and current median assessed property values and are subject to change. Intended for informational purposes only.
EXEMPT SCHOOL DEBT SUNSET SCHEDULE
TAX RATE PER THOUSAND OF ASSESSED VALUE

FY2015 Exempt Debt
Tax Rate Cost [RO and OA] $0.89

FY2028-50 Exempt Debt
Tax Rate Cost [EES] $1.07

- RO Exempt School Debt
- OA Exempt School Debt
- EES Project Exempt Debt
• The Office of the Assessors administers a variety of tax relief options available to tax payers depending on their age, income and other statutorily required factors:
  - Clause 17D – Widow, Widower, Person Over 70 or Minor Surviving Child - $175
  - Clause 22 – Disabled Veteran - $400 to $1000
  - Clause 37 – Blind - $500
  - Clause 41A – Tax Deferral – varies
  - Clause 41D – Elderly - $1000
  - Chapter 44B – CPA Surtax Exemption – varies

Please contact the Office of the Assessors for eligibility and application information at 508-230-0520.

• Outside of tax relief, the Department of Health and Community Services connects residents with local, state, federal, and nonprofit resources to provide financial assistance.

• Please contact the Outreach Coordinator at 508-230-0692 for general financial assistance questions.

• Please contact the Veterans Services Officer for assistance for veterans and their dependents for a wide range of programs and services at 508-230-0690.
TAX RELIEF and FINANCIAL ASSISTANCE OPTIONS

- The Select Board have placed an article on the November 12, 2019 Special Town Meeting Warrant to establish a tax relief fund to supplement the Town’s existing tax relief programs.

- If adopted, this will provide the Town with an additional resource to provide taxation relief.

DRAFT November 12, 2019 Special Town Meeting Warrant

ARTICLE 8. ACCEPTANCE OF M.G.L. CHAPTER 60 § 3D
To see if the Town will vote to accept M.G.L. Chapter 60 Section 3D to establish an elderly and disabled taxation relief fund; or act or do anything in relation thereto.

Submitted by Select Board

Explanation: Acceptance of this statute allows the Town to create a taxation relief fund for the purpose of defraying the real estate taxes of elderly and disabled persons of low income. Under M.G.L. c. 60 s. 3D, the Town would design and designate a place on its property and/or motor vehicle excise tax bills, or to mail with such tax bills a separate form, whereby the taxpayers of Easton may voluntarily check off, donate and pledge an amount not less than $1 or such other designated amount which shall increase the amount otherwise due. Donations to the taxation relief fund will be deposited into a special account in the Treasury and shall be in the custody of the Collector/ Treasurer. If accepted, this fund and program shall be administered by a Taxation Aid Committee to consist of the Chair of the Board of Assessors, the Collector/ Treasurer and three residents to be appointed by the Select Board. The Committee shall adopt rules and regulations to carry out the provisions of this section and to identify the recipients of such aid.
### WHAT IS THE COST OF INACTION?

<table>
<thead>
<tr>
<th>OPPORTUNITY COSTS</th>
<th>OPERATING COSTS</th>
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<tbody>
<tr>
<td>• The EES Project is removed from the MSBA school building program, <strong>the new school will not be built</strong>, and the potential for a $36 million grant from the MBSA will be lost.</td>
<td>• All work done to date and <strong>$1,000,000 spent doing so would be lost</strong>.</td>
</tr>
<tr>
<td>• The MSBA timeline <strong>cannot be extended</strong> and District must start the application process (SOI) <strong>from beginning</strong>.</td>
<td>• No work or funds spent on the EES Project can be “reused” in future feasibility studies – <strong>the Town would need to appropriate new funds and start over from nothing</strong>.</td>
</tr>
<tr>
<td>• The MSBA may <strong>not reimburse</strong> future feasibility costs.</td>
<td>• Ongoing repair work for the three primary schools will continue to stress limited building maintenance human resources at the cost of other needs.</td>
</tr>
<tr>
<td>• Based on current (EES Project) experience, <strong>starting anew would push a new K-2 school out until the 2030s</strong>.</td>
<td></td>
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<table>
<thead>
<tr>
<th>CAPITAL COSTS</th>
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<tbody>
<tr>
<td>• The Town will be left with the three primary schools as they are with over <strong>$86M in needed repairs</strong> and no funding mechanism to address them.</td>
</tr>
<tr>
<td>• Primary schools <strong>are past useful lives and are deteriorating</strong>.</td>
</tr>
<tr>
<td>• Emergency repairs will increase in frequency and cost.</td>
</tr>
<tr>
<td>• Capital repair thresholds (30 percent of assessed value) will become increasingly difficult to avoid and will necessitate costly reactive building projects.</td>
</tr>
<tr>
<td>• Those building projects would need to be funded out of another override request or through draconian cuts to departmental budgets and services to finance the bonds.</td>
</tr>
<tr>
<td>• <strong>Community will end up paying more money for worse building projects.</strong></td>
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SECTION 3: EES PROJECT TIMELINE AND NEXT STEPS

Timeline: Today through the November 5 Debt Exclusion Election [slide 24]
Timeline: EES Project Schedule through Completion [slide 25]
Learn More About the EES Project: Helpful Resources [slide 26]
The EES Project has reached a critical milestone – whether the community wishes to fund the project or not.

**TIMELINE and LEARNING MORE:**
SEPTEMBER through NOVEMBER 5th DEBT EXCLUSION ELECTION

**IMPORTANT DATES**

**Sept. 23 – Select Board Meeting**
6 p.m. - Frothingham Hall Community Center, 15 Barrows St.  
Final figures about the full project cost, approximate tax impact, and reimbursement amount from the Massachusetts School Building Authority (MSBA) will be presented to the Select Board. The Board will vote to schedule a debt exclusion override election for Tuesday, November 5, 2019.

**Oct. 7 & Oct. 22 - Community Forums**
5 p.m. and 7:30 p.m. - Simmons Lecture Hall, Oliver Ames High School, 100 Lothrop St.  
Project designers to discuss the most up-to-date design plans, take feedback, and answer questions from residents. Information about the project costs, MSBA grant reimbursement, and local tax impact to be presented.

**Oct. 28 - Special Town Meeting**
Ames Sports Complex, Stonehill College, 320 Washington Street, 7:00 p.m.  
Residents will vote on whether or not to appropriate and authorize the necessary borrowing of funds for the project.

**Nov. 5 7AM to 8PM – Town Election Day**  
Oliver Ames High School, 100 Lothrop Street, Town-wide Polling Location  
Residents will vote whether to approve funding for the Easton Early Elementary School Project, via debt exclusion override.

Learn More about EES
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
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<tbody>
<tr>
<td>19Aug19</td>
<td>Select Board vote to call Oct 28 EES Project Special Town Meeting</td>
</tr>
<tr>
<td>21Aug19</td>
<td>SBC Estimate Review &amp; Value Management Exercise</td>
</tr>
<tr>
<td>04Sept19</td>
<td>SBC Vote to Approve Submission of Schematic Design to MSBA</td>
</tr>
<tr>
<td>23Sept19</td>
<td>Select Board vote to place project on ballot – call for debt exclusion election to occur on Nov 5.</td>
</tr>
<tr>
<td>28Oct19</td>
<td><strong>Town Meeting vote for funding appropriation – 7 PM @ Ames Sports Complex, Stonehill College</strong></td>
</tr>
<tr>
<td>30Oct19</td>
<td>MSBA Board Meeting – SD Approval</td>
</tr>
<tr>
<td>05Nov19</td>
<td><strong>Debt Exclusion Election for EES Project Funding – 7AM to 8PM @ OAHS Gymnasium</strong></td>
</tr>
<tr>
<td>06Nov19 -&gt; 22Dec20</td>
<td>Detailed Design (DD, 60%, 90%, 100% submissions to MSBA) – assumes Perkins is authorized to proceed after MSBA board and local funding approvals, but prior to formal execution of Project Funding Agreement with the MSBA (usually takes a few months)</td>
</tr>
<tr>
<td>23Dec20 -&gt; 09Feb21</td>
<td>Bidding (added one week to durations due to holiday)</td>
</tr>
<tr>
<td>10Feb21 -&gt; 09Mar21</td>
<td>Contracts executed &amp; construction permitting (SWPPP, NOE, CGP permitting, etc)</td>
</tr>
<tr>
<td>28Oct22</td>
<td>New Building Substantially Complete</td>
</tr>
<tr>
<td>02Jan23</td>
<td><strong>Furnishings, Equipment, Technology installed, punchlist monetized, move complete, building ready for students</strong></td>
</tr>
<tr>
<td>02Jun23</td>
<td>Phase 2 (abatement, demo, site improvements) complete</td>
</tr>
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</table>
LEARN MORE ABOUT THE EES PROJECT

- Visit the official project website at www.eastoneesproject.com
- Use our debt exclusion calculator at www.easton.ma.us/eesproject
- Voter and election information at www.easton.ma.us under “Residents” and “Voter and Election Information”
- Catch up on ECAT coverage of School Planning Committee meetings at www.eastoncat.org or channels 98 and 23 on Comcast and Verizon.
- **Take a Tour!** EPS will be hosting tours of each of the three K-2 schools every Saturday in October from 9-11AM and every Wednesday in October (except the 9th) from 5-7PM.
THANK YOU

Questions and comments? infoeesproject@easton.k12.ma.us

Project Page www.eastoneesproject.com
Debt Exclusion Tax Calculator www.easton.ma.us/eesproject