

School Facilities Study

Unatego Central School District

Advisory Committee Meeting
March 1, 2016



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Updates from January 21st Meeting





Otego-Unadilla Central School District Financial Condition

Report of Examination

Period Covered:

July 1, 2013 – May 14, 2015

2015M-245



Thomas P. DiNapoli

The NYS Comptroller's Office concluded in its January 2016 report that "if the decline in fund balance continues, the District's financial stability could become a concern. Recurring revenues are not sufficient to finance recurring expenditures."

Site Space for a New K-5 Elementary School- Second Possibility



Site Space for a New K-5 Elementary School-One Possibility



Pre-K: The District's Proposal

SUBTOTAL	CODE	PROJECT COSTS
Professional Salaries	15	\$32,717
Support Staff Salaries	16	\$7,565
Purchased Services	40	\$1,000
Supplies and Materials	45	\$18,672
Travel Expenses	46	\$200
Employee Benefits	80	\$27,453
Indirect Cost	90	
BOCES Services	49	
Minor Remodeling	30	
Equipment	20	
Grand Total		\$87,607

- Full-day for four year olds
- 18 students
- Purpose-to better prepare children for kindergarten
- Would have started in January 2016

Impact on Property Values In GMU

Table 9.9
G-MU Closed Elementary School and Total Assessed Property Value in the Town of Guilford Before and After Closing the Elementary School

Year	Assessed Property Value
1989	\$18,142,679
1990	\$18,637,522
1991	\$18,504,400
1992	\$18,509,400
1993	\$22,831,950
1994	\$23,108,552
1995	\$23,459,052
2015	\$51,784,896

Notes: (1) The district merger took place in 1990 and the new school opened in 1994



OTEGO-UNADILLA CENTRAL SCHOOL DISTRICT
OTSEGO COUNTY, NEW YORK
NEW ELEMENTARY BUILDING ON MAIN CAMPUS
SCHEDULE OF ESTIMATED DEBT SERVICE & TAX EFFORT

Financing:

- \$10,000,000 Bond Anticipation Notes issued in July, 2019 @ 1.5% due July, 2020
- \$19,450,000 Bond Anticipation Notes issued in July, 2020 @ 1.5% due July, 2021
- Bonds issued in June, 2021 through DASNY. Principal Due June 15, 2022-2051.
Interest due December 15, 2021 and semi-annually thereafter.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Year	Balance Due in Year	BAN Principal Payment	BAN Estimated Interest 1.50%	Serial Bond Principal Payment	Bond Estimated Interest 4.50%	Total Debt Service	Less Estimated State Aid	Less Interest Earnings	Estimated Local Share
2020 - 2021	10,000,000		150,000	0	0	150,000			150,000
2021 - 2022	19,550,000	165,000	293,250	5,000	872,325	1,335,575	878,129	213,750	243,696
2022 - 2023	19,380,000			410,000	872,100	1,282,100	1,030,909		251,191
2023 - 2024	18,970,000			420,000	853,650	1,273,650	1,030,909		242,741
2024 - 2025	18,550,000			440,000	834,750	1,274,750	1,030,909		243,841
2025 - 2026	18,110,000			460,000	814,950	1,274,950	1,030,909		244,041
2026 - 2027	17,650,000			480,000	794,250	1,274,250	1,030,909		243,341
2027 - 2028	17,170,000			510,000	772,650	1,282,650	1,030,909		251,741
2028 - 2029	16,660,000			530,000	749,700	1,279,700	1,030,909		248,791
2029 - 2030	16,130,000			555,000	725,850	1,280,850	1,030,909		249,941
2030 - 2031	15,575,000			580,000	700,875	1,280,875	1,030,909		249,966
2031 - 2032	14,995,000			605,000	674,775	1,279,775	1,030,909		248,866
2032 - 2033	14,390,000			635,000	647,550	1,282,550	1,030,909		251,641
2033 - 2034	13,755,000			665,000	618,975	1,283,975	1,030,909		253,066
2034 - 2035	13,090,000			690,000	589,050	1,279,050	1,030,909		248,141
2035 - 2036	12,400,000			725,000	558,000	1,283,000	1,030,909		252,091
2036 - 2037	11,675,000			755,000	525,375	1,280,375	1,030,909		249,466
2037 - 2038	10,920,000			790,000	491,400	1,281,400	1,030,909		250,491
2038 - 2039	10,130,000			825,000	455,850	1,280,850	1,030,909		249,941
2039 - 2040	9,305,000			860,000	418,725	1,278,725	1,030,909		247,816
2040 - 2041	8,445,000			895,000	380,025	1,275,025	1,030,909		244,116
2041 - 2042	7,550,000			945,000	339,750	1,284,750	1,030,909		253,841
2042 - 2043	6,605,000			985,000	297,225	1,282,225	1,030,909		251,316
2043 - 2044	5,620,000			1,025,000	252,900	1,277,900	1,030,909		246,991
2044 - 2045	4,595,000			1,075,000	206,775	1,281,775	1,030,909		250,866
2045 - 2046	3,520,000			1,120,000	158,400	1,278,400	1,030,909		247,491
2046 - 2047	2,400,000			1,170,000	108,000	1,278,000	1,030,909		247,091
2047 - 2048	1,230,000			1,225,000	55,350	1,280,350	1,030,909		249,441
2048 - 2049							1,030,909		(1,030,909)
2049 - 2050							1,030,909		(1,030,909)
2050 - 2051							1,030,909		(1,030,909)
TOTALS		165,000	443,250	19,380,000	14,769,225	34,757,475	30,774,497	213,750	3,769,228

Average Life 16.93 Yrs

Average FY2022-48 \$248,591

Fiscal Advisors Projected Capital Cost Analysis



Revised Financial Summary-Option 3

Table ?
Estimated Financial Impact of Option 3

Fiscal Year Ending 2018	Object of Expense				
	Staffing	Utilities	Transportation	Capital Cost	Total Impact
2017-18	-\$0	-\$0	+\$0	+\$0	+/- \$0
2018-19	-\$0	-\$0	+\$0	+\$0	+/- \$0
2019-20	-\$0	-\$0	+\$0	+\$0	+\$0
2020-21	-\$432,997	-\$87,567	+\$2,188	+\$150,000	-\$386,367
2021-22	-\$441,456	-\$90,194	+\$2,232	+\$243,696	-\$285,722

Assumptions:

- 1-All staff savings occurs in the first year of implementation and a new school could be built by 2020-21
- 2-Staff salary increases 2.0% per year with the 2015-16 salaries as a base
- 3-Utility savings are estimated at 40% per year
- 4-Utility savings increase by 3.0% per year and are based on 2015-16 estimated rates
- 5-Transportation loss increases at 2.0% per year and uses 2015-16 as a base loss
- 6-All cost estimates in 2017-18 are based on 2015-16 estimates

Key Findings



1. District enrollments have been declining and are projected to continue to decline. This is consistent with other demographic indicators regarding the area in general.
2. Considering all schools in the district and in light of declining enrollments, there is excess capacity for housing more students than is currently being used. This excess capacity is primarily at the Unadilla Elementary School, the Middle School, and the High School.
3. The current district grade level pattern (K-2, 3-5, 6-8, 9-12) is one of the most common found in schools today for the middle grades. However researchers agree there is no “one best way” to organize the grades that improves student learning.

Key Findings

4. The district's current transportation plan to get students to and from school uses a shuttle system and, as a result, there is considerable loss of instructional time due to this shuttle system.
5. Although the community consistently supports the school budget put forward by the Board of Education, the district is in very poor financial condition.
6. The most recent (2015) Building Conditions Survey indicates it would take \$3,325,000 at Unadilla Elementary School, \$3,971,000 at Otego Elementary, \$7,315,000 at the Middle/High School, and \$317,000 at the bus garage to implement all the recommended changes.

KEY FINDINGS

Key Findings



7. The architects estimate it would cost approximately \$18-20,000,000 if the district chose to build a new elementary school and house all the grade K-5 students in this new building.
8. The closing of any school in the district may or may not impact housing values in the area. Research is inconsistent on this topic and from at least two cases examined it does not seem to have adversely impacted local assessed or full property values.
9. If the district chooses to close any school it is highly unlikely it would be able to sell the building at a price any where near the appraised value of the school.

Key Findings

10. Although the district has made a number of recent staff cuts, if the district did close one of its elementary schools, this would create more staffing efficiencies and save the district approximately \$392,000 recurring each year.
11. Closing one elementary school would also result in approximately \$35-40,000 in annual utility savings.
12. The district's outstanding debt service will be paid off after 2025. Over the repayment period remaining, the district could use some of the reduced principal and interest amounts each year to add to a capital fund or pay off any new debt.



Key Findings

13. To implement either option 2 or 3 that the committee has discussed would result in negligible impact on transportation cost. However the district would need to find additional drivers.
14. There would be a tax benefit for all residents if Otego Elementary School were closed and all K-4 elementary students attend the Unadilla school with the 5th graders moving to the middle school.
15. If the district chooses to close both elementary schools and build a new elementary school, there would be increased capital debt and some tax increase starting in 2020.



Conclusion

Study Purpose: Is there a better way...educationally and fiscally...to use the existing schools and to provide a sound instructional program now and in the future? If so, how should the facilities best be used?

Conclusion: The consultants have concluded that there is a better way educationally and fiscally to reconfigure the grades to provide a sound instructional program. While several “feasible” options were explored in depth, only one provides maximum fiscal benefits while at the same time enhancing the educational environment for local area students.



Recommendation



1. It is recommended that, effective with the 2016-17 school year:
 - a. The Otego Elementary School should be closed;
 - b. Grades K-2 should be moved from the Otego Elementary School to the Unadilla Elementary School;
 - c. Grade 5 should be moved from the Unadilla Elementary School to the Unatego Middle School.

Recommendation



2. It is further recommended that, upon closing the Otego Elementary School, the school district should implement the staffing savings identified in this study using attrition.
3. It is further recommended that the district secure voter approval to establish a capital reserve account at its earliest convenience.



Recommendation

4. It is further recommended that the district fund its capital reserve account with the monies that are saved from the staffing reductions in #2 above, with any reductions in the district's debt service (\$75,976 in 2016-17, \$414 in 2017-18, and \$49,674 in 2018-19), and any other surplus finds that are generated at the end of the fiscal year.

Recommendation



5. It is further recommended that the district convene a facilities planning committee whose role it will be to develop a long term facilities plan for the district including the design of a new elementary school to be located on the middle/high school campus.
6. It is further recommended that the Unadilla Elementary School be closed in the same year that the new elementary school is ready for use.
7. It is further recommended that the district should immediately explore the possible sale and/or leasing of the Otego Elementary School.

Questions????

