

# **Annville-Cleona School District**



## **PUBLIC INFORMATION SESSION**

on the proposed

## **Additions & Renovations to CLEONA ELEMENTARY SCHOOL**

To be held in the  
District Administration Board Room

Located at:  
520 South White Oak Street  
Annville, PA 17003

On

**Tuesday, January 26, 2021  
at 7:00 PM**

Annville-Cleona School District  
PUBLIC INFORMATION SESSION  
Additions / Renovations to  
Cleona Elementary School

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## **INTRODUCTION**

The Board of School Directors of the Annville-Cleona School District, Annville, Pennsylvania is providing this opportunity to inform the public about the School Board's consideration of a project to renovate and construct an addition to the Cleona Elementary School, located in Cleona Borough, Pennsylvania – (the "Project").

The Project is in response to a district-wide building assessment, begun in February 2020, to assess the future physical facility, the academic program needs of the district and the growing student population.

This public information session is being held for the purpose of having the District Administration, Architect and Financial Advisors present a proposal for the Project and explain the need for the building renovation and new construction.

The specific purposes for this hearing are as follows:

1. Establish the **need** for the Project by reviewing events leading to the Board's consideration to renovate and construct additions to the Cleona Elementary school.
2. Review the various **options** considered by the Board prior to their consideration to proceed with the current Project.
3. Describe the **construction elements** proposed to meet the educational program that serves as the basis for the Project under consideration.
4. Present the estimated **construction cost**, the total project cost, indirect costs and the financial needs and estimate of the local tax impact of the Project.
5. Provide citizens and residents an opportunity to offer **comments** and written testimony concerning the Project.

Please feel free to participate during the comment period at the latter part of the presentation. An official transcript of the hearing is being recorded in order for the Board to consider and study your constructive comments, insights and observations.

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## **PROJECT NEED**

The Annville-Cleona School District has given consideration to educational programming that meets the current and future needs of its students in conjunction with building capacities and requirements. The School District desires to undertake a building improvements project to accommodate projected population growth and to address the educational program and student capacity deficiencies identified in the district wide facility study. The district-wide facility study is available for review at the school district administrative offices.

The Cleona Elementary building was originally constructed in 1952 with additions and renovations in 1989. In addition, the roof was replaced in 2009. The building is one-story, masonry, load-bearing construction with brick veneer and a low-sloped membrane roofing. An exterior insulation finish system has been installed over the majority of the existing classroom windows.

The building has served the community well and has been maintained properly, but as population and student enrollment increases, additional classrooms and flexible educational spaces are needed.

The above-noted factors and the district-wide facility study indicate that the existing building is beyond its maximum capabilities and will be unable to accommodate the services required by students, community, faculty, staff and administration with ever-changing curriculums, state and federal mandates. Accommodating future educational programs and goals will increase in difficulty as the community grows and the building deficiencies continue.

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## **OPTIONS CONSIDERED**

The District analyzed several scenarios that explored the utilization of the existing building to meet the desired elementary school educational program and provide equal education to each student. Although each offered a possible solution, a few offered undesirable building organizations and/or compromised the educational program.

### Option 1

Cleona Elementary School:

- Phase 1 – addition of 6 classrooms and collaborative learning area to accommodate for the current enrollment growth. The school would remain a K-2 building.
- Phase 2 – comprehensive renovation with an addition of a gym, cafeteria, media center, administrative suite and new parking lot with parent drop-off creating a K-3 building.

Annville Elementary School would have limited capital improvements and become a 4-6 building after Phase 2 is completed at Cleona Elementary School.

Annville-Cleona High School would receive a renovation and addition to technology education labs and athletic and physical educational spaces. A classroom wing addition, media center and cafeteria addition, and administration suite renovations will be created to accommodate anticipated future growth. The Middle Senior High School Building would remain a 7-12 grade building.

### Option 2

Cleona Elementary School:

- Phase 1 – addition of 6 classrooms and collaborative learning area to accommodate for the current enrollment growth. The school would remain a K-2 building.
- Phase 2 – comprehensive renovation with an addition of a gym, cafeteria, media center, administrative suite and new parking lot with parent drop-off creating a K-3 building.

Annville Elementary School would be closed.

Construct a new Intermediate School at the middle/high school site for grades 4-6.

Annville-Cleona High School would receive a renovation including technology education labs and addition to athletic and physical educational spaces. A classroom wing addition, media center and cafeteria addition, and administration suite renovations will be created to accommodate future growth. The Middle Senior High School Building would remain a 7-12 grade building.

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Option 3

Cleona Elementary School:

- Phase 1 – addition of 6 classrooms and collaborative learning area to accommodate for the current enrollment growth. The school would remain a K-2 building.
- Phase 2 – comprehensive renovation with an addition of a gym, cafeteria, media center, administrative suite and new parking lot with parent drop-off creating a K-4 building.

Annville Elementary School would be closed.

Construct a new Intermediate School at the middle/high school site for grades 5-7.

Annville-Cleona High School would receive a renovation and addition to technology and education labs and athletic and physical educational spaces. The Middle Senior High School Building would become a 8-12 grade building.

Option 1 was chosen, as it addressed most effectively the educational program deficiencies within the allocated budget. Pending all required approvals, the Phase 1 work at Cleona Elementary School is scheduled to begin construction the end of February/beginning of March, 2021, with substantial completion estimated for mid-August, 2021.

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## **PROJECT DESCRIPTION**

### **Site**

**Total Acreage:** 12.71-acre site, currently owned by the district.

**Shape & Topography:** Irregular perimeter shape, determined by existing roads and surrounding establishments. Site is open, sloping from East Walnut Street to the south.

**Current Use:** Educational

**Public Road Access:** East Walnut Street (to be maintained), between South Center Street and Garfield Street.

**Community Use Areas:** Play areas (fields and playgrounds), library.

**Available Utilities:** Electric, telephone/data, public sewer (Cleona Borough Authority), water (City of Lebanon Authority) and gas.

**Noise Pollution:** None recognized.

**Site Circulation:** Maintain.

**Wetlands:** None identified.

**Parking Count:** 38 existing spaces (2 handicapped accessible).

**Summary of Proposed Site Improvements:** Limited to work associated with the proposed new addition, including new sidewalk, construction of new entry/canopy at rear of addition.

### **Building**

**General:** 6-classroom addition and minor renovations to facility.

**Size:** 35,280 existing square feet, 9,660 proposed square feet.

**Building Structure:** Both the existing building and proposed addition are one-story, masonry load-bearing construction with steel joist framing and EPDM roofing system.

**Proposed Scope of Work:**

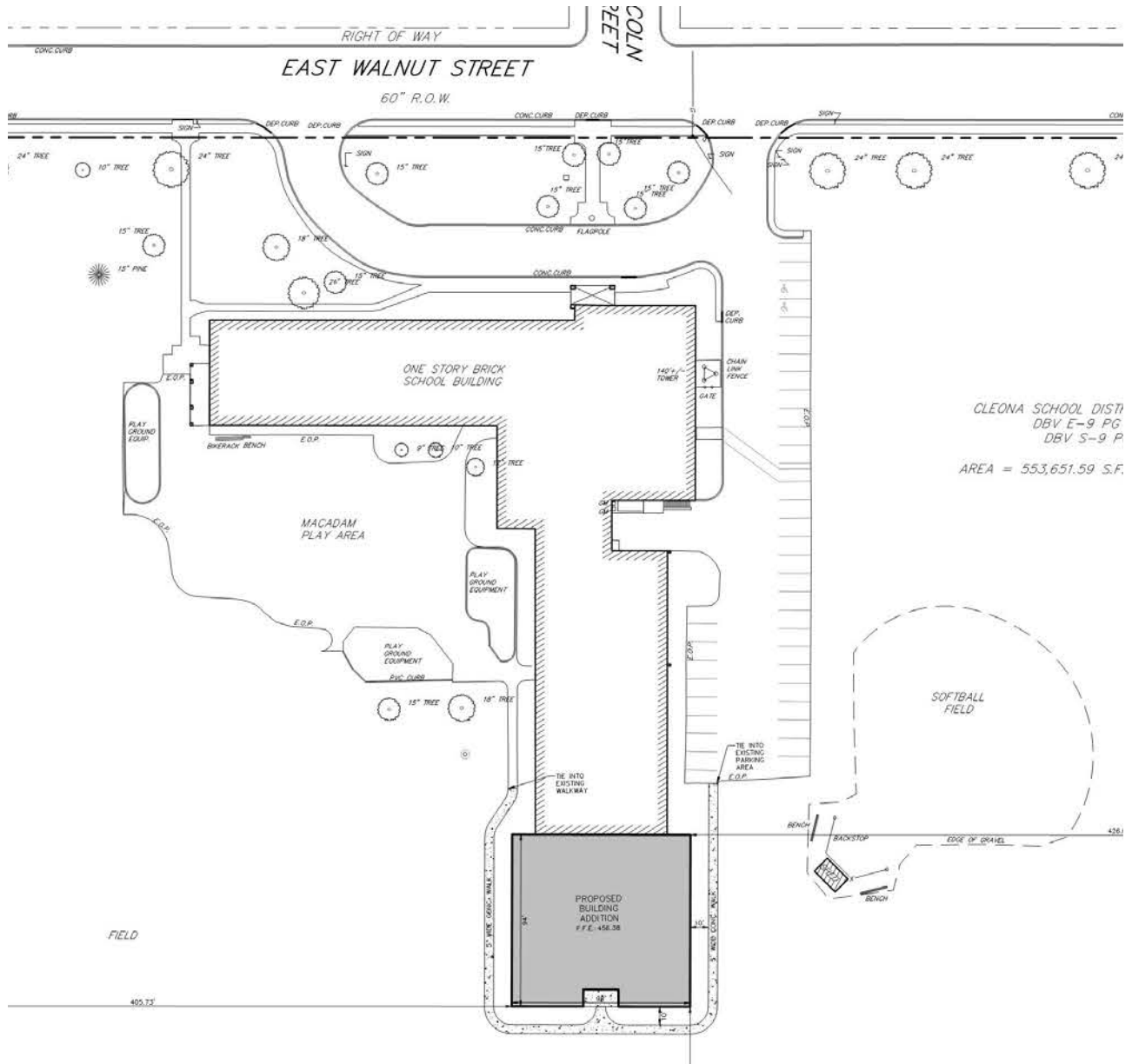
- Existing Building: limited renovations include select ceiling and lighting replacement, as well as structure modifications to accept new addition.
- Additions: 5 kindergarten classrooms, 1 special education classroom, single-occupancy restrooms, storage, electrical rooms, and a central collaborative learning area.

All spaces under the scope of work are to meet PA Department of Education guidelines, and be designed to meet all current applicable codes.



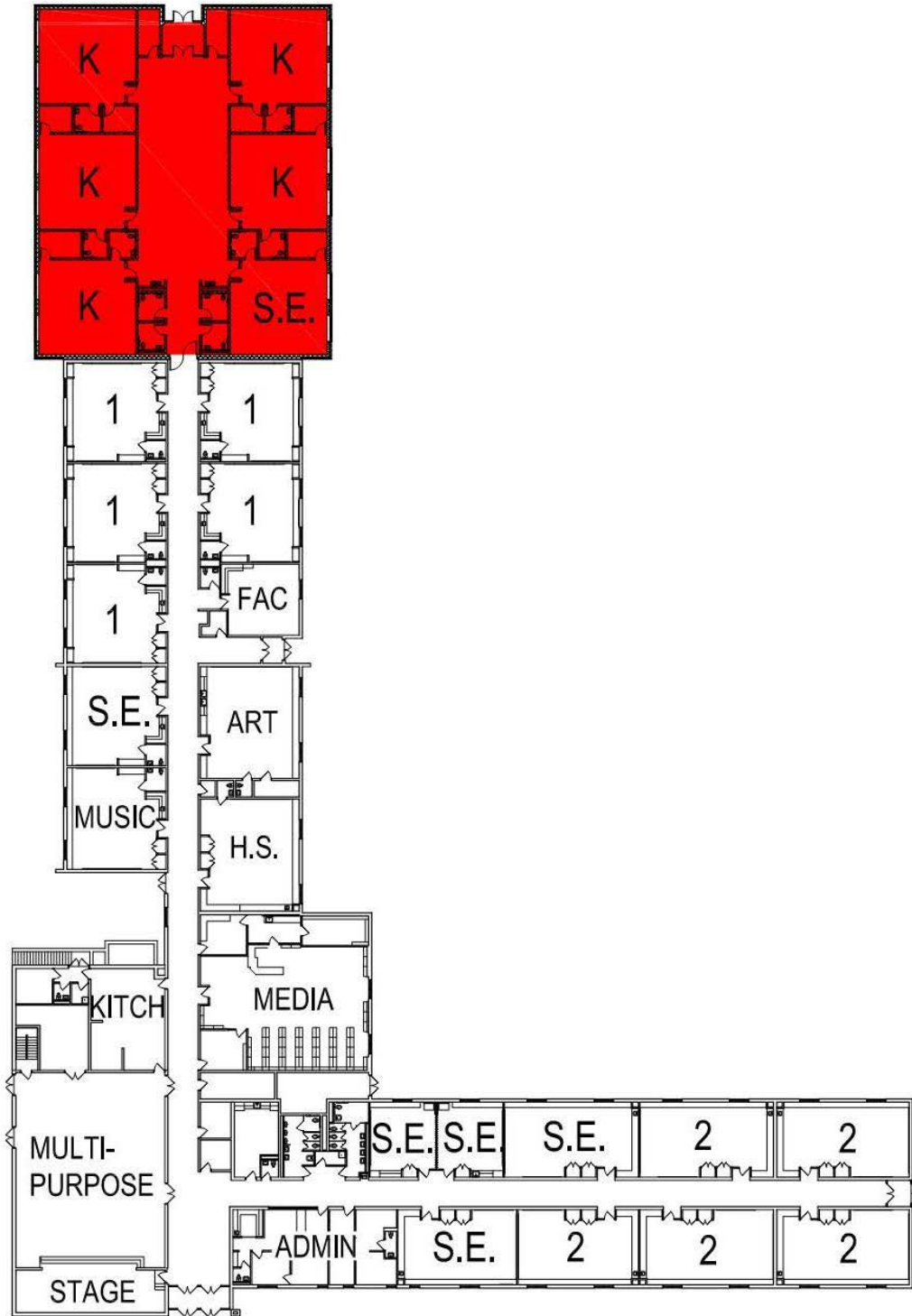
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**PROPOSED SITE PLAN**



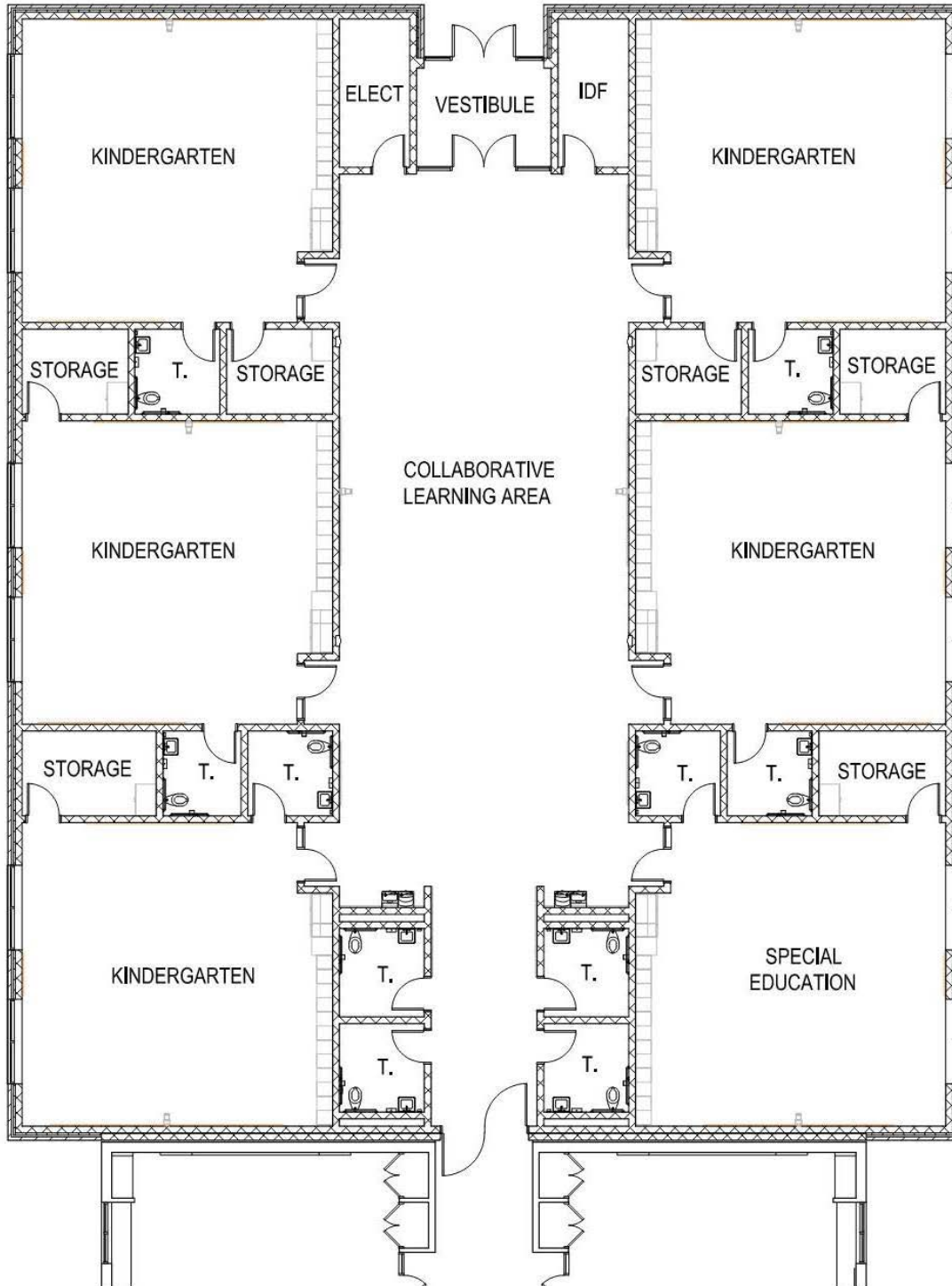
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**PROPOSED OVERALL FIRST FLOOR PLAN**



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**PROPOSED FLOOR PLAN – BUILDING ADDITION**




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**PROPOSED SIDE ELEVATION**



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## ESTIMATED PROJECT COSTS

 <b>Crabtree, Rohrbaugh &amp; Associates - Architects</b> 401 East Winding Hill Road Mechanicsburg, PA 17055 Maryland • Pennsylvania • Virginia • West Virginia		<b>CRA Project # 3445</b>	
		<b>Annville-Cleona School District</b>	
<b>Cleona E.S. Additions - Phase 1</b>			
<b>1 AREA SUMMARY</b>			
	Existing Building	35,280	SF
	New Building Area - Base Bid	9,660	SF
	<b>Total Building Area</b>	<b>44,940</b>	<b>SF</b>
<b>2 RENOVATION COST \$ / SF</b>			
	GENERAL CONSTRUCTION	LS \$ 35,000	
<b>3 NEW CONSTRUCTION COST - BASE BID \$ / SF</b>			
	GENERAL/HVAC/PLUMBING/ELECTRICAL	\$170.00 \$ 1,642,200	
<b>4 SITE WORK</b>			
	GENERAL SITE WORK	LS \$ 100,000	
<b>5 ESCALATION FACTORS</b>			
	ESTIMATING CONTINGENCY	3.00% \$ 53,316	
<b>SUBTOTAL STRUCTURE COST - BASE BID</b>			<b>\$ 1,830,516</b>
<b>6 CONSTRUCTION RELATED SOFT COSTS - BASE BID</b>			
	CONSTR. CONT., TEST/INSPEC., AGENCY FEES	LS \$ 81,941	
<b>SUBTOTAL CONSTR. &amp; CONSTR. SOFT COSTS - BASE BID</b>			<b>\$ 1,912,457</b>
<b>7 ADDITIONAL SOFT COSTS</b>			
	ENGINEER/ARCH FEES, PRINTING, CODE REVIEW	LS \$ 171,385	
<b>8 MOVEABLE FIXTURES / EQUIPMENT</b>			
	FURNITURE/EQUIPMENT ALLOWANCE	LS \$ 125,000	
<b>ESTIMATED TOTAL PROJECT COSTS - BASE BID</b>			<b>\$ 2,208,842</b>

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**ANALYSIS OF FINANCING ALTERNATIVES**

We have analyzed four alternative methods of financing the proposed designing, constructing, furnishing, and equipping renovations to the Cleona Elementary School (the "Project"). We also estimated the direct costs of financing as required by the Department of Education regulations issued November 4, 1978.

**ANALYSIS OF ALTERNATIVES**

The four alternatives of financing that we examined are:

1. Cash or a short-term loan.
2. General obligation bond issue.
3. A local authority issue.
4. A financing through the State Public School Building Authority (SPSBA).

Analysis of the School District's financial statements for recent years and of the financing projections prepared in connection with this Project, and discussions with the School District's Administration indicated that a decision to permanently finance the entire project with cash cannot be determined until the School District finalizes its comprehensive capital program and plan of finance. The School District will consider paying cash for the project up-front and reimburse itself later from long-term debt as part of a Series of 2022 bond issue

We then analyzed in detail the three alternatives which would require the School District to incur long-term debt. For each alternative, we estimated a bond issue size and calculated the average annual debt service requirements. We then constructed a repayment schedule assuming equal annual payments over 20 years at current interest rate levels for the General Obligation, Local Authority, and SPSBA Bond Issues. Financing costs for the local authority and SPSBA were slightly higher, which resulted in a larger bond issue and higher average annual payments. Bonds issued through either a local authority or the SPSBA would be classified as revenue bonds instead of general obligation bonds. Interest rates on revenue bonds are slightly higher than interest rates that would be received on general obligation bonds. This would result in higher annual debt service payments for the School District. The General Obligation alternative offers the School District the advantage of lower interest rates, more favorable refunding provisions and keeps more control with the local school board. Based on these analyses and past performance, the least costly alternative for financing the Project is the General Obligation Issue.

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**COMPARISON OF LONG TERM FINANCING METHODS**

<u>ITEM</u>	<u>GENERAL OBLIGATION</u>	<u>LOCAL AUTHORITY*</u>	<u>SPSBA</u>
Construction & Related Costs	\$2,273,670	\$2,273,670	\$2,273,670
Contingency & Supervision	57,048	57,048	57,048
Costs of Issuance	40,000	50,500	47,000
Bond Insurance	<u>10,000</u>	<u>15,000</u>	<u>12,500</u>
 Total Costs	 2,380,718	 2,396,218	 2,390,218
Less: Interest Earned	2,380	2,396	2,390
Plus: Original Issue Discount	<u>1,662</u>	<u>1,178</u>	<u>2,172</u>
 BOND ISSUE	 2,380,000	 2,395,000	 2,390,000
 Average Annual Payment at 3.50%** for 20 years	 \$165,636	 \$170,396	 \$170,040

\* A Local Authority would have annual administrative expenses, which have not been included in these calculations.

\*\* Local Authority and SPSBA Annual Payments are calculated assuming 3.75% as a result of higher interest costs associated with selling revenue bonds.

The School District is considering other ways to reduce the debt service and local effort needed to fund the Project.

1. The School District will consider the use of bond insurance on the future Bonds. The cost of such insurance may increase the size of the Bond Issues but reduce the interest rate the School District must pay on the Bonds, and result in lower debt service.
2. The School District will consider the use of a wrap-around structure on the future Bonds in order to take advantage of a drop off in old debt service which will minimize the millage impact.
3. The School District will consider paying cash for the project up-front and reimburse itself later from long-term debt as part of a Series of 2022 bond issue.
4. For discussion purposes only, we have provided: Table 1- Series of 2022 \$2,380,000

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**STATE REIMBURSEMENT**

The School District does not anticipate receiving reimbursement from the State on this project due to the PlanCon moratorium that is currently in place.

**INDIRECT COSTS**

As a result of the completion of this proposed Project, it is only reasonable to assume that there will be additional indirect costs associated with services to be provided to accomplish long range objectives of the Annville-Cleona School District. It is reasonable to assume that they will be needed at a cost of approximately \$39,250.

School District officials have estimated the additional annual indirect costs associated with the Project to be as follows:

Support Personnel	\$23,595
Additional Custodial Supplies	\$4,000
Additional Fuel and Utilities	\$7,200
Additional Contracted Maintenance & Repairs	\$2,600
Additional Insurance Premium	<u>\$1,855</u>
 Total	 \$39,250

Assuming a collected mill currently provides \$898,088, the indirect cost savings will have a millage equivalent of 0.04 mills annually.

**TOTAL MILLAGE EQUIVALENT**

The total millage equivalent of the Project assuming wrap around payments is:  
\$2,380,000 G.O. Bonds on Table 1 = 0.12 mills

The millage equivalent from the estimated bond issue of 0.12 mills plus the indirect costs of 0.04 mills equals a total millage equivalent of 0.16 mills.



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SERIES OF 2022										
TABLE 1										
Total Issue = \$2,380,000										
										Settled Dated
										5/15/2022 5/15/2022
1	2	3	4	5	6	7	8	9	10	11
Date	Principal	Coupon	Interest	Semi-Annual Debt Service	Proposed Fiscal Year Debt Service	Less: State Aid	Proposed Local Effort	Existing Local Effort	Total Local Effort	Millage Equivalent
10/1/2022			30,354.26	30,354.26						
4/1/2023			40,174.75	40,174.75	70,529.01		70,529.01	1,960,990.71	2,031,519.72	0.08
10/1/2023	25,000	2.170	40,174.75	65,174.75						
4/1/2024			39,903.50	39,903.50	105,078.25		105,078.25	1,980,090.85	2,085,169.10	0.04
10/1/2024	25,000	2.180	39,903.50	64,903.50						
4/1/2025			39,631.00	39,631.00	104,534.50		104,534.50	1,978,919.54	2,083,454.04	
10/1/2025	25,000	2.190	39,631.00	64,631.00						
4/1/2026			39,357.25	39,357.25	103,988.25		103,988.25	1,977,470.14	2,081,458.39	
10/1/2026	20,000	2.220	39,357.25	59,357.25						
4/1/2027			39,135.25	39,135.25	98,492.50		98,492.50	1,989,531.52	2,088,024.02	
10/1/2027	25,000	2.280	39,135.25	64,135.25						
4/1/2028			38,850.25	38,850.25	102,985.50		102,985.50	1,977,683.45	2,080,668.95	
10/1/2028	25,000	2.430	38,850.25	63,850.25						
4/1/2029			38,546.50	38,546.50	102,396.75		102,396.75	1,977,976.37	2,080,373.12	
10/1/2029	25,000	2.580	38,546.50	63,546.50						
4/1/2030			38,224.00	38,224.00	101,770.50		101,770.50	1,978,516.14	2,080,286.64	
10/1/2030	25,000	2.720	38,224.00	63,224.00						
4/1/2031			37,884.00	37,884.00	101,108.00		101,108.00	1,979,645.10	2,080,753.10	
10/1/2031	25,000	2.860	37,884.00	62,884.00						
4/1/2032			37,526.50	37,526.50	100,410.50		100,410.50	1,982,852.61	2,083,263.11	
10/1/2032	25,000	2.960	37,526.50	62,526.50						
4/1/2033			37,156.50	37,156.50	99,683.00		99,683.00	1,985,881.34	2,085,564.34	
10/1/2033	25,000	3.050	37,156.50	62,156.50						
4/1/2034			36,775.25	36,775.25	98,931.75		98,931.75	1,987,043.39	2,085,975.14	
10/1/2034	30,000	3.130	36,775.25	66,775.25						
4/1/2035			36,305.75	36,305.75	103,081.00		103,081.00	1,983,285.29	2,086,366.29	
10/1/2035	30,000	3.210	36,305.75	66,305.75						
4/1/2036			35,824.25	35,824.25	102,130.00		102,130.00	1,986,450.00	2,088,580.00	
10/1/2036	105,000	3.260	35,824.25	140,824.25						
4/1/2037			34,112.75	34,112.75	174,937.00		174,937.00	237,056.69	411,993.69	
10/1/2037	165,000	3.310	34,112.75	199,112.75						
4/1/2038			31,382.00	31,382.00	230,494.75		230,494.75		230,494.75	
10/1/2038	170,000	3.360	31,382.00	201,382.00						
4/1/2039			28,526.00	28,526.00	229,908.00		229,908.00		229,908.00	
10/1/2039	175,000	3.400	28,526.00	203,526.00						
4/1/2040			25,551.00	25,551.00	229,077.00		229,077.00		229,077.00	
10/1/2040	185,000	3.440	25,551.00	210,551.00						
4/1/2041			22,369.00	22,369.00	232,920.00		232,920.00		232,920.00	
10/1/2041	190,000	3.480	22,369.00	212,369.00						
4/1/2042			19,063.00	19,063.00	231,432.00		231,432.00		231,432.00	
10/1/2042	195,000	3.520	19,063.00	214,063.00						
4/1/2043			15,631.00	15,631.00	229,694.00		229,694.00		229,694.00	
10/1/2043	205,000	3.560	15,631.00	220,631.00						
4/1/2044			11,982.00	11,982.00	232,613.00		232,613.00		232,613.00	
10/1/2044	210,000	3.600	11,982.00	221,982.00						
4/1/2045			8,202.00	8,202.00	230,184.00		230,184.00		230,184.00	
10/1/2045	220,000	3.630	8,202.00	228,202.00						
4/1/2046			4,209.00	4,209.00	232,411.00		232,411.00		232,411.00	
10/1/2046	230,000	3.660	4,209.00	234,209.00						
4/1/2047			0.00	0.00	234,209.00		234,209.00		234,209.00	
<b>TOTALS</b>	<b>2,380,000</b>		1,502,999.26	3,882,999.26	3,882,999.26	0.00	3,882,999.26	27,963,393.13	33,824,719.55	0.12
PE%=	0.00% <i>Estimated</i>									
CARF%=	48.18% (2020-2021)									
1 MILL=	\$898,088									

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## **INFORMATION SESSION NOTICE**

Please take notice that an information session will be held in the board room of the District Administration Office, located at 520 South White Oak Street, Annville, Pa. on Tuesday, January 26, 2021 at 7:00 p.m. for the purpose of reviewing all relevant matters relating to the construction and equipping of the proposed additions and renovations to the Cleona Elementary School.

A description of the Project, including facts relative to educational, physical, administrative, budgetary and fiscal matters of the project, will be presented and will be available for consideration at this information session.

The Board of School Directors of the Annville-Cleona School District by resolution duly adopted has authorized the following maximum project costs in connection with the project:

Construction Cost (base bid)	<b>\$1,830,516</b>
Construction-Related Soft Costs	<b>\$81,941</b>
Additional Soft Costs	<b>\$171,385</b>
FF&E	<b>\$125,000</b>
Estimated Total Project Costs	<b>\$2,208,842</b>

Any and all interested parties may attend and be heard at the information session. Interested parties that want to be placed on the agenda may submit their names and written testimony to the District Office (address listed above) until 12:00 noon on Friday, January 22, 2021. All testimony will be limited to five minutes per speaker.