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GRANDVIEW HEIGHTS
SCHOOLS

FINANCIAL ADVISORY COMMITTEE

Initial Findings Report

MAY 29, 2018



Introduction

Approximately one hundred years ago our community made an investment in Grandview Heights Schools and its facilities. Generations have benefited from this investment. The average age of Grandview Heights Schools' buildings is ninety years. With many of our buildings beyond their useful life, it is time to consider making a new investment in our school facilities.

We, members of the Financial Advisory Committee (FAC), would like to thank the Grandview Heights Schools for their willingness to work collaboratively with our committee and the community throughout this process to ensure that this is the community's plan. Tough questions were asked, issues were raised when necessary, and school district officials were quick to respond and help us come to an initial decision that we strongly believe will provide much needed, updated facilities at a reasonable cost to taxpayers.

We look forward to our continued work with the school district and the community, especially in gathering feedback. Community feedback is vital to this process. The Board of Education's intent is to use the information provided by the FAC and our community in their decision on whether or not to place an issue on the November 6, 2018, ballot.



FINANCIAL ADVISORY COMMITTEE COMMUNITY MEMBERS INCLUDE (SEATED FROM LEFT): Ray DeGraw, Mayor, City of Grandview Heights - Ex-Officio Member; Kent Studebaker, Mayor, Village of Marble Cliff - Ex-Officio Member; David Ward, VP of Finance and Asset Management, The Daimler Group; Jennifer Voit, Director of Primary Care Network, Nationwide Children's Hospital; (standing from left): Jack Kukura, Chief Investment Officer, Ohio Capital Corporation for Housing; Mike Morosky, Partner, Lazear Capital; Steve Papineau, Owner/CEO, Shelby Management; and Doug Daughters, Director of C&I Sales, IGS Energy. Not pictured: Mike Curtin, Retired Vice Chairman & COO, The Dispatch Printing Company and former State Representative; Katie Matney, Chief Philanthropy Officer, The Women's Fund of Central Ohio; Teri Alexander, President, Alexander Financial Planning; Melanie Mueller, Senior Analyst, Grange Insurance; Ricky Day, Principal, Day Companies; Clarence Simmons, President/CEO, SIMCO Real Estate Development and Construction



Initial Findings

As a Superintendent's Committee, we have been working with district officials on both the funding of the facility plan and a possible operating levy. The FAC consists of fourteen residents of the district, each with considerable business, finance, and leadership experience.

The FAC met seven (7) times from January to May 2018. We were given time to research the issues, share concerns, discuss desires, and explore ideas. In addition, experts in school construction and design and bond financing were available to provide analysis, answer questions, and offer additional information when requested by members. These meetings were facilitated by district officials, and we were directed to help determine seven (7) outcomes regarding funding, phasing, and scope of the Facilities Plan.

OUTCOME #1: THE SCOPE OF THE FACILITY PLAN

INITIAL FINDING: Pursue a bond levy to fund safety and security upgrades to all school buildings, build a new 4-8 building, comprehensively renovate Grandview Heights High School, and only address essential repairs at Stevenson Elementary at this time, including Americans with Disabilities Act (ADA) compliance requirements and school safety upgrades to the building. A comprehensive rebuild of Stevenson Elementary will need to be revisited at a later date.

The total estimated project cost is \$55,250,000.

OUTCOME #2: FACILITY PLAN FUNDING

INITIAL FINDING: 5.84 additional bond millage (net of 1.66 existing bond millage expiring in 2019).

Cost to residents: An additional \$204 per \$100,000 of property valuation annually.

OUTCOME #3: OPERATING LEVY NEEDS

INITIAL FINDING: 1.0 mill operating levy.

Cost to residents: An additional \$35 per \$100,000 of property valuation annually.

What is the Millage Impact?

$$\begin{array}{r} 7.5 \\ - 1.66 \\ + 1.00 \\ \hline 6.84 \text{ MILLS} \end{array}$$

Your property tax would increase by this amount Per Year.

NEW MILLAGE

New 4-8 building, comprehensively renovate Grandview Heights High School, and safety and ADA upgrades for Stevenson Elementary.

EXPIRING MILLAGE

From 1994 bond.

OPERATING LEVY MILLAGE

To maintain daily operations.

TRUE TAX IMPACT

Total cost to residents is approx. \$239 per \$100,000 of property valuation annually.



OUTCOME #4: FACILITY PLAN PHASING

INITIAL FINDING: All students are to remain in our existing school buildings throughout the entire construction process, thus eliminating the need for modular space and significantly reducing disruption to the educational process.

Phase I: 23 months

- Demolish Edison Intermediate Gym/Commons Addition & Remediate Edison: June 2019—Aug 2019
- Build New 4-8 Building: Jan 2020—May 2021
- High School, Stevenson Elementary, academic portions of Edison Intermediate & Annex to remain online

Phase II: 17 months

- Move high school students into 4-8 building: Summer of 2021
- Renovate high school: June 2021—Nov 2022
- Repair Stevenson Elementary: June 2021—Aug 2021; June 2022—Aug 2022
- Academic portions of Edison Intermediate & Annex to remain online

Phase III: 8 months

- Move high school students into renovated high school: Dec 2022
- Move middle school students into 4-8 building: Dec 2022
- Demolish Edison Intermediate & Annex: Jan 2023
- Complete 4-12 campus site improvements: Jan 2023—July 2023

OUTCOME #5: POTENTIAL FUNDING OF RENOVATIONS TO K-12 ATHLETIC COMPLEX

INITIAL FINDING: Garner additional feedback from the community through survey data regarding this topic. Selective renovations to the Athletic Complex would add \$2 million to the overall cost.

Cost to residents: \$15 per \$100,000 of property valuation annually.

OUTCOME #6: POTENTIAL ENGAGEMENT OF OHIO FACILITIES CONSTRUCTION COMMISSION

INITIAL FINDING: The services of OFCC will not be sought.

OUTCOME #7: PERMANENT IMPROVEMENT FUND LEVY NEEDS

INITIAL FINDING: No request for additional Permanent Improvement funding at this time.

Community Feedback

JOIN THE CONVERSATION

We, along with the school district, are actively seeking feedback from residents on these “Initial Findings.” Feedback will be gathered via an online survey, exit tickets at the Community Engagement Meeting, and a telephone survey. To participate in the online survey, visit www.ghcsd.org through Thursday, June 14, 2018.



Initial Findings: A Closer Look

Along with the comprehensive information provided throughout the process, we would like to share additional information with residents about safety and security and enrollment projections. These factors had a significant impact on the FAC's initial findings and warrant more detail in this report. We have also provided a more detailed explanation of how we reached our initial findings on each of the seven outcomes.

SAFETY AND SECURITY

In both new and renovated facilities, providing a safe and secure learning environment is a top priority for Grandview Heights Schools. While the district has provided all staff with ALICE training (also known as Active Shooter Civilian Response Training), our current facilities are lacking basic safety and security features when compared to renovated or new school buildings.

The following are the safety and security systems and features that are being evaluated for inclusion in the new and comprehensively renovated Grandview Heights Schools buildings:

Secure Vestibules

- Main entrance doors are electronically unlocked/locked and monitored with an audio/video feed to a secretarial desk. Upon entry, every visitor, or person without card or key fob access will pass through a secure "air lock" with an entrance to only the receptionist/office area before gaining access to the main building.
- Security glass at entrances and in corridors for visual surveillance and connectivity.
- Exterior security glass.
- Egress windows in first floor classrooms that can be opened (our current windows are very difficult to open and present potential safety issues).
- If classroom doors have windows, they could be located away from the door hardware.
- Create building isolation zones using doors and hardware that support lockdowns.

Administrative Office Location

- Position the administrative offices in the front of the building to improve the line of sight and to monitor building approach. This is an important first opportunity to recognize a potential threat.

Video Surveillance System

- Camera system provides local and remote control and viewing of all cameras.
- Integrated with Access Control system and Intrusion Detection system.
- System is monitored with HDTV in Central Office area.

Access Control System

- System provides local and remote control of access points and alarm sensors.

Intrusion Detection System

- Alarm system with control panel, keypads, magnetic door contacts, and motion sensors that monitor all perimeter doors and windows.
- Integrated with the Access Control and Video Surveillance Systems.

Fire Alarm System

- System provides control unit, manual pull boxes, smoke detectors, heat detectors, audio/visual notification devices, magnetic door holders, annunciator, addressable interface device, and alarm transmitter.
- Integrated with Fire-Suppression System.

Fire-Suppression System

- Water piping, sprinkler equipment, fire pumps, controls, tank, and standpipes.
- Integrated with Fire Alarm System.



ENROLLMENT PROJECTIONS

A critical component of evaluating the facilities is analyzing our student enrollment trends to ensure that facilities are renovated and/or built size-appropriate to serve present and future student populations. Accordingly, Grandview Heights Schools contracted with Future*Think*, a firm that specializes in conducting student enrollment projections.

Future*Think* has been working with Grandview Heights Schools over the past three (3) years preparing student enrollment projections and closely monitoring the actual student population relative to those projections. They updated the 10-year projections most recently in February 2018 to reflect all newly planned housing developments in Grandview Heights. Projections were developed by analyzing other data including community demographics, historical enrollment, and live birth data. These projections also are representative of the sizable 2017-2018 kindergarten class.

These projections are particularly useful when evaluating the grade band projections K-3, 4-8, and 9-12 as this is how our current buildings, and potentially future buildings, are and may be designed and constructed. As a result of these new projections, we have moderately increased the square footage of the proposed new 4-8 building. We have also allocated money for expanded flexibility of space at the high school as part of the renovations.

Separate from these initial findings, the district has put in motion a plan to add an additional full time classroom space at Stevenson Elementary by remodeling existing space found in the media center that is not currently needed. By converting this space to a full time classroom, it will allow us to fully accommodate the projected increased enrollment at Stevenson Elementary. We also have discussed the possibility, should the need arise, of having the Stevenson Elementary Spanish teacher instruct her students in their core classroom spaces as opposed to occupying a full-time academic space, thus providing yet an additional full-time core academic classroom.

GRANDVIEW HEIGHTS SCHOOL DISTRICT — PROJECTED ENROLLMENT BY GRADE GROUP

Grade	2017-18 Actual	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
K-3	356	363	379	383	358	369	368	382	389	395	401
4-5	164	165	169	173	208	211	192	192	186	197	204
6-8	236	245	253	244	248	252	292	296	310	278	286
9-12	340	321	321	320	315	326	331	326	332	371	377
K-12 Total	1,096	1,094	1,122	1,120	1,129	1,158	1,183	1,196	1,217	1,241	1,268
Ungraded	0	1	1	1	1	1	1	1	1	1	2
Grand Total	1,096	1,095	1,123	1,121	1,130	1,159	1,184	1,197	1,218	1,242	1,270



OUTCOME DETAILS

OUTCOME #1: THE SCOPE OF THE FACILITY PLAN

After extensive research, deliberation, and debate, FAC initial findings suggest that the district pursue a bond issue to fund safety and security upgrades to all school buildings, build a new 4-8 building, comprehensively renovating Grandview Heights High School, and addressing only Americans with Disabilities Act (ADA) facility compliance and school safety at Stevenson Elementary. The estimated cost to do this is \$55,250,000. A comprehensive rebuild of Stevenson Elementary will need to be revisited at a later date.

In keeping with the committee's charge to recommend a plan that addresses the most urgent facility needs and to ensure a more affordable plan for taxpayers, the FAC initial findings slightly differ from the Superintendent's Recommendations from September 2017. Here's how:

SUPERINTENDENT'S RECOMMENDATION: Estimated Cost of \$45-50 million for building plan.

FAC INITIAL FINDING: A building plan cost of \$55,250,000.

FAC RATIONALE: The recommended costs are slightly higher because:

- The cost estimates include enhanced safety and security features for all buildings K-12.
- Enrollment projections completed in February 2018 show an increase in students; therefore, the plan includes additional square footage at the 4-8 building to accommodate growing enrollment.
- The findings also recommend additional renovations at the high school that include up-to-date classroom spaces and science labs to keep up with modern learning needs.
- It makes more sense financially to invest in higher quality structures and finishes now rather than using less expensive materials that will wear out more quickly and cost taxpayers more money over the life of the buildings.
- The findings recommended additional investments for a "connector" between the 4-8 building and high school, additional project based learning spaces, additional flexible classroom spaces, a tornado shelter requirement, and to cover increases in projected labor costs.

SUPERINTENDENT'S RECOMMENDATION: Complete renovation of Stevenson Elementary.

FAC INITIAL FINDING: Address ADA compliance repairs and school safety upgrades at Stevenson Elementary.

FAC RATIONALE: To offset the additional costs due to adding space for growing enrollment, the addition of flexible learning spaces, safety enhancements, and investing in higher quality materials, the committee recommends that the district address the most urgent needs at Stevenson Elementary, which include safety upgrades and ADA compliance repairs to the building. Additional needs at Stevenson Elementary will still need to be addressed at a later date.



OUTCOME #2: FACILITY PLAN FUNDING

The committee spent a great deal of time analyzing varying cost estimates and challenging assumptions in order to determine the best total cost for our residents while making the best financial and business decision.

In the end, the FAC recommends that the district pursue a bond issue at a cost of \$55,250,000.

This includes:

- \$1,000,000 for maintenance and repairs (ADA compliance and safety upgrades) at Stevenson Elementary.
- \$24,650,000 for the new 4-8 building + building connector between the 4-8 building & high school.
- \$28,400,000 for the comprehensive renovation of Grandview Heights High School.
- \$1,200,000 for the demolition of the Annex & Edison Intermediate and hazardous material abatement of buildings.

After analyzing both a 28-year bond and a 38-year bond, the committee was unanimously supportive of a 38-year bond. The estimated interest rates are based on 5.25% for the term of the loan.

OUTCOME #3: OPERATING LEVY NEEDS

The district is grateful for the revenue received as part of the Grandview Yard School Compensation Agreement. This revenue has been exceedingly critical to the school district in light of the \$1.5 million of annual state funding lost in recent years. The revenue from the Grandview Yard has helped the district maintain programming and staffing that otherwise would not have been possible without an increased tax burden to the community.

After the initial review of the five-year forecast and operating levy millage scenarios, the FAC initially recommended an operating levy of 2.0 mills. However, with the committee's request to the city for additional information and corresponding revenue estimates for Grandview Yard, we were able to reduce the recommended operating levy request to 1.0 mill. This amount will enable the district to continue to fully realize its stated mission "to maximize and personalize every student's learning" by maintaining current course offerings, programming, and opportunities for students while the district is projected to remain financially solvent for the next four (4) years.



WHAT IS THE MILLAGE?

The additional cost to residents (net of 1.66 bond mills that will expire in 2019) will be:

$$5.84 + 1.00 = 6.84$$

5.84 of additional bond millage will fund a \$55,250,000.00 project (\$204 per \$100,000 of property valuation annually)

1.00 mills of operating millage (\$35 per \$100,000 of property valuation annually)

6.84 OF ADDITIONAL MILLS (TOTAL: \$239 per \$100,000 of property valuation annually)

GRANDVIEW HEIGHTS SCHOOLS—NEW VOTED MILLAGE HISTORY



Revenue received from the Grandview Yard is, in part, why the levy proposal will be one of the lowest operating millage requests in the history of Grandview Heights Schools.



OUTCOME #4: FACILITY PLAN PHASING

There are numerous considerations with phasing design and construction. This plan focuses on building the new 4-8 building between the existing high school gym and Edison Intermediate/Larson Middle School (EI/LMS), following a partial demolition of the EI/LMS commons and gym. In doing so, it would allow for the students to remain in their existing buildings and not be displaced in modulars. While there would be cost savings in the elimination of modular costs, there would be additional costs in the selective demolition of EI/LMS including rerouting of utilities that are fed through the addition but are distributed to the original building; a new safety separation wall; and, in keeping the restrooms and elevator, a two-story closure wall.

Given the current land constraints of the district's K-12 campuses, which consists of three buildings on two landlocked sites, the FAC determined that a phased construction project would be the only choice to allow school operations to continue throughout construction. The district simply does not have the space to move all students out of existing buildings at the same time and still maintain school operations.

The sequencing of phasing to minimize the educational impact on the students is crucial. Since Stevenson Elementary is on a separate campus, the repairs could potentially occur in any phase of construction. The scope of Stevenson Elementary repairs could also be phased over two summers.

Phase I: 23 months

- Demolish Edison Intermediate Gym/Commons Addition & Remediate Edison: June 2019—Aug 2019
- Build New 4-8 Building: Jan 2020—May 2021
- High School, Stevenson Elementary, academic portions of Edison Intermediate & Annex to remain online

The new 4-8 facility would be located in the green space between Edison Intermediate and the High School if the Edison Intermediate gym/commons addition is taken offline. The remaining academic portions of Edison Intermediate would then need remedial utility work and a new partial exterior closure wall to maintain operations.

The construction of the new 4-8 facility would include separation walls from operations in both the High School and Edison Intermediate. A link between the High School and new 4-8 facility could be included in the first phase, which would provide a connecting corridor between both buildings once the first phase is complete.



OUTCOME #4: FACILITY PLAN PHASING (CONTINUED)

Phase II: 17 months

- Move high school students into 4-8 building: Summer of 2021
- Renovate high school: June 2021—Nov 2022
- Repair Stevenson Elementary: June 2021—Aug 2021; June 2022—Aug 2022
- Academic portions of Edison Intermediate & Annex to remain online

Phase II will start with moving high school students into the new 4-8 building. This will then allow the high school to be taken offline for a comprehensive renovation. The repairs at Stevenson Elementary could be phased over two summers so any need for modular swing space is avoided.

Phase III: 8 months

- Move high school students into renovated high school: Dec 2022
- Move middle school students into 4-8 building: Dec 2022
- Demolish Edison Intermediate & Annex: Jan 2023
- Complete 4-12 campus site improvements: Jan 2023—July 2023

Phase III would start with moving the high school students out of the new 4-8 building and into the renovated high school. Next, the middle school students move out of Edison Intermediate and into the new 4-8 building. Once Edison Intermediate is vacated, it can be taken offline and demolished. Once the high school is renovated and program space is available, the Annex can be demolished. Once Edison Intermediate and the Annex are demolished, the 4-12 site improvements such as parking and traffic access can be completed.

OUTCOME #5: POTENTIAL FUNDING OF RENOVATIONS TO THE K-12 ATHLETIC COMPLEX

The FAC had extensive conversations regarding whether or not to include the proposed \$2 million of selective renovations and repairs to the Athletic Complex. We found that it would be best to focus on our academic facilities and not address the \$2 million estimated Athletic Complex renovations and repairs as part of our recommendation. However, we do recommend, as part of their feedback and survey, asking residents to consider this outcome to garner additional quantitative and qualitative data.



OUTCOME #6: POTENTIAL ENGAGEMENT OF OHIO FACILITIES CONSTRUCTION COMMISSION

The FAC discussed the possibility of engaging the Ohio Facilities Construction Commission (OFCC) in the facilities planning process. Grandview Heights Schools would qualify for approximately 5% state share funding from the OFCC. However, if a district accepts OFCC funding, they must follow the Ohio School Design Manual (OSDM) and some additional requirements included in the OSDM could potentially add costs to the project. The plans proposed for the high school and Stevenson Elementary would not likely qualify for OFCC funding.

Also, at a minimum, OFCC has indicated it would be 10 years before the district could collect funds towards the project, and there is no guarantee those funds would be available at the time.

With the potential extra costs and no guarantee from OFCC that funds would be available, the FAC unanimously recommended that the district **not** enter into the OFCC program.

OUTCOME #7: PERMANENT IMPROVEMENT (PI) FUND LEVY NEEDS

After careful consideration, the committee found that it would not seek additional PI funds at this time. With a bond levy planned to comprehensively address the deferred maintenance at Grandview Heights High School, the district can begin to strategically focus more of its existing PI budget at Stevenson Elementary to address needed improvements that will not be included in the current facility project.

Conclusion

We would like to thank our school district leaders and the Board of Education for their commitment to ensuring that the community has a voice in this process. Not only were we able to offer our professional expertise to help develop recommendations, but we were also given the opportunity to provide personal feedback as residents and taxpayers. We look forward to the next steps in the final development of our recommendations.

- THE FINANCIAL ADVISORY COMMITTEE