

Warrant Article number 5

This article relates to the New Exeter High School Project.

Before discussing this article some misconceptions regarding the overall project need to be corrected.

- ❖ The project is on time and within budget.
- ❖ Furniture fixtures and Equipment – There has been a persistent rumor that there was not a budget for FF&E. In truth there is a budget of \$1,442,500 for FF&E not including technology. This is for items not already included in the Guaranteed Maximum Price (GMP). The GMP includes \$2,586,8000 for items that many people may think of as FF&E – Reception desks, shelving than spans across one wall of every classroom, teacher wardrobes, lab equipment and casework in all science rooms, display boards and projection screens in all classrooms, kitchen equipment, gym bleachers and backboards, window treatments, theater seating and theater rigging and curtains in the auditorium and all lockers – both in the common areas as well as locker rooms. Bids for the remaining items – desks, chairs, music equipment, library equipment, etc will be going out within the next month. We fully expect that all needed equipment will be able to be obtained within the budget for FF&E.

Warrant Article 5

“To see if the School district will vote to raise and appropriate the sum of up to \$1,500,000 for the purpose of using \$675,000 for costs associated with the completion of the new Exeter High School and for the balance to be added to the Capital Reserve Fund previously established at the 1998 District Meeting. (this amount is equivalent to the interest earned on bond proceeds.)”

Three years ago the voters approved the new high school at a cost of \$49.9 million dollars for purchase of land and construction. The calculation of the \$49.9 million included the estimate that \$400,00 of interest would be earned on the investment of the bond proceeds. The actual interest earned on the funds will exceed this estimate by over \$1.5 million. This favorable variance was the result of increased interest rates and careful investment of the funds.

When the Middle School was constructed there also were excess interest earnings on investment of the bond proceeds. The voters were asked for permission to place these funds in a capital reserve fund. The warrant article was approved. Four hundred thousand of those funds were applied to the current High School project and the remainder is still in the capital reserve fund. The voters must approve any expenditure of funds from the capital reserve fund.

This proposed warrant article requests permission from the voters to authorize \$675,000 of the investment earnings to be used in the completion of the high school project and the

remaining balance to be transferred to the Capital Reserve Fund. In two years our District is in line to receive State Aid for renovations to the Seacoast School of Technology. The State Aid would amount to 75% of the cost of renovations. The existing and proposed additions to the Capital Reserve Fund could be used to offset the District's share of the renovation costs.

Why do we need an additional \$675,000 to complete the High School?

When the original warrant article was approved there were conceptual drawings and estimates of cost to build. The detailed architectural drawings necessary for the bid process are not completed until after the project has been approved. Within the original budget we have been able to accomplish items not initially envisioned such as air- conditioning all the classrooms and the cafeteria. The original plans called for air- conditioning in the library, offices and auditorium. The halls, gyms and locker rooms are not air-conditioned.

There are two other items that were not included in the original plans but would improve the function of the facility. These are the items that the \$675,000 would be applied to:

- ❖ Stadium costs - Originally we had planned to have a separate concession stand building and no public bathrooms – plans were to have restrooms in the school building be accessible during events. Working with the Facilities Committee a master plan for the stadium complex has been developed. It was determined that the space under the main grandstands should be utilized for the concessions, public restrooms, team rooms, trainers room and an official's room. In order to accommodate this, the underground utilities needed to be put in place – septic, grease trap, utilities. This also required a different design for the grandstands. All the underground work and modifications to the grandstands to accommodate the current or future construction of the planned buildings have been completed. The estimated cost to complete these buildings will be approximately \$475,000.
- ❖ The original plans include a walkway from the back of the building to the roadway that surrounds the building. This will be where the students will access the busses. We propose to create a student gathering place/outdoor classroom in this space. (See drawings) – This will give the students a place to go outside on nice days and a place to gather after school as well as a place for an outdoor classroom. We also believe that this will reduce upkeep for this area. Without the patio area we believe that the students will not keep to the walkways and will walk on the grass creating problems keeping this area looking nice. The estimated cost of this student gathering area/outdoor classroom is \$200,000.

This warrant article will not require raising any additional funds. If the taxpayers do not want these items completed at the new Exeter High School and do not want to have the remainder of the excess interest funds be placed in the Capital Reserve fund then these funds will be returned to the towns to offset future taxes. If the warrant article is not approved the one time tax benefit for each of the towns would be as follows considering based on the current year tax base in each town:

	<u>Total \$</u>	<u>Tax Rate per Thousand</u>
Exeter	643,067	0.41
Stratham	643,691	0.35
Brentwood	192,914	0.41
East Kingston	112,201	0.42
Kensington	101,904	0.33
Newfields	85,223	0.42

The Board has several options in regards to this proposed warrant article

1. Approve the Warrant Article as presented
2. Limit the Warrant Article to the \$675,000 for the two projects.
3. Limit the Warrant Article to only one of the two projects
4. Limit the Warrant Article to placing funds in the Capital Reserve Fund
5. No Warrant Article related to the earnings on bond proceeds – excess interest proceeds will be returned to the towns to offset taxes in the year of completion.