



ROCKFORD AREA SCHOOLS

INDEPENDENT SCHOOL DISTRICT 883
BOARD OF EDUCATION

A Tradition of Excellence, One Student at a Time

Agenda for December 6, 2021

6:30 PM

Teleconference

1. **CALL MEETING TO ORDER**

A. Board Roll Call

2. **APPROVAL OF AGENDA**

3. ICS Update

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4. Calendar Modification

5. **BOARD AND SUPERINTENDENT UPDATES AND ANNOUNCEMENTS**

A. Additional Work Session: Friday, December 17 at 4:00 pm in the RCC.

Regular Meeting of the Board of Education: Monday, December 20, in the Rockford Community Center. This will also be a Truth and Taxation hearing.

Special Meeting: Wednesday, December 22 at 5:00 pm in the RCC.

6. **ADJOURNMENT**

Our Mission: *In partnership with our communities and families, Rockford Area Schools provides challenging opportunities to engage, inspire, and educate globally-minded citizens.*

Our Vision: *Rockford Area Schools provides a supportive, rigorous, and relevant learning culture producing courageous learners prepared to enter a global society.*

Rockford Board of Education

Brady Anderson

Eric Gordee

Jenny Kneeland

Amy Edwards

Jessica Johnson

Beth Praska

Superintendent Rhonda Dean



**ROCKFORD AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT 883
BOARD OF EDUCATION**

Subject: Facilities Planning

Meeting Date: December 6, 2021

Prepared by: PMA and ICS

Date Prepared: 12/01/2021

Information Briefing Action Enclosure Item(s)

ICS and PMA will lead a discussion on facilities planning.



PMATM
SECURITIES

December 6, 2021

ISD 883
Rockford Area Schools

Facilities Planning Worksession

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Outstanding Bond Debt

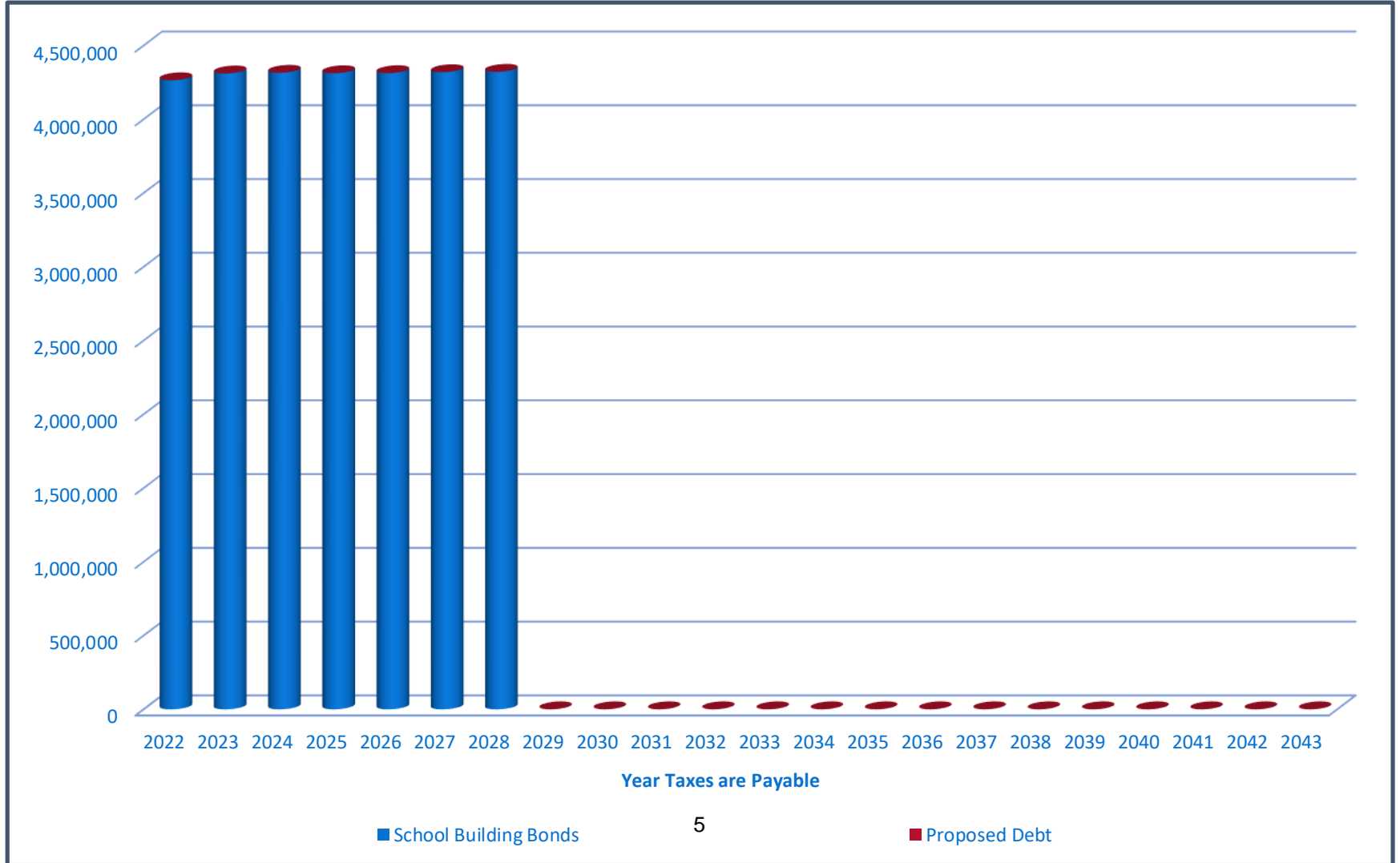
ISD 883, Rockford, MN List of Outstanding Debt

Bond Name	Original Principal Amount	Call Date	Purpose of Bond	Notes
General Obligation School Building Refunding Bonds, Series 2015A	\$17,690,000	noncallable	Refund Series 2006A GO School Building Bonds.	
General Obligation Capital Facilities Refunding Bonds, Series 2021A	\$590,000	Noncallable	Refund 2022-2025 maturities of Series 2010A Bonds	
General Obligation School Building Refunding Bonds, Series 2021B	\$22,860,000	noncallable	Refunding Series 2013A School Building Bonds	Originally voter authorized on 11/6/2012 (2,970 Yes - 2,361 No)



Outstanding Bond Debt

Bond Summary (All Debt with Direct Tax Impact)





Financing Options

Non-Voter Approved Options

- Long Term Facilities Maintenance Bonds
- Capital Facilities Bonds
- Abatement Bonds
- Lease Levy

Voter Approved

- School Building Bonds



Long Term Facilities Maintenance Revenue

Eligible uses include:

Deferred
Maintenance

Health and Safety

Remodeling for
Voluntary Pre-K
program

- ▶ Revenue for FY 2023 = \$641,370 (\$380/APU)
- ▶ Annually approve 10-year LTFM plan (Summer)
- ▶ Revenue used for Pay-As-You-Go or Bonding
- ▶ No voter approval
- ▶ No tax impact on most properties
 - ▶ Ag land will see a tax decrease due to Ag2School Credit

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Long Term Facilities Maintenance Bonding

	Scenario 1	Scenario 2	Scenario 3
Bond Funded Project Amount	\$4,000,000	\$4,950,000	\$6,000,000
Term of Bonds	15 years	20 years	20 years
Estimated Payment	\$320,000	\$320,000	\$387,250
% Usage of Existing LTFM Funding	50%	50%	60%

*Assumes annual LTFM revenues of \$641,370 and market interest rates as of 11-29-2021 plus .50%



Long Term Facilities Maintenance Bonding Example

Proposed Bond Size	5,075,000
Available Project Fund	4,950,000
Proposed Bond Term	20
Est All Inclusive Cost	2.57%
APU Growth	2%

Monday, December 6, 2021

50% of Available LTFM Revenue Used for Debt in year 1

Pay Year	Fiscal Year	APU	\$/APU	Building Age Ratio	LTFM Revenue	LTFM Debt (P+I @ 105%)			Available General Fund LTFM Rev.
						Current	Proposed	Combined	
2021	2022	1,783	380	0.93	627,085			-	627,085
2022	2023	1,769	380	0.95	641,370		318,151	318,151	323,220
2023	2024	1,805	380	0.98	673,790		321,452	321,452	352,338
2024	2025	1,841	380	1.00	699,457		319,472	319,472	379,985
2025	2026	1,877	380	1.00	713,446		322,184	322,184	391,262
2026	2027	1,915	380	1.00	727,715		319,507	319,507	408,208
2027	2028	1,953	380	1.00	742,269		321,514	321,514	420,755
2028	2029	1,992	380	1.00	757,114		317,949	317,949	439,165
2029	2030	2,032	380	1.00	772,257		319,131	319,131	453,126
2030	2031	2,073	380	1.00	787,702		319,737	319,737	467,965
2031	2032	2,114	380	1.00	803,456		319,889	319,889	483,567
2032	2033	2,157	380	1.00	819,525		319,768	319,768	499,757
2033	2034	2,200	380	1.00	835,916		319,418	319,418	516,498
2034	2035	2,244	380	1.00	852,634		318,834	318,834	533,800
2035	2036	2,289	380	1.00	869,687		322,854	322,854	546,833
2036	2037	2,334	380	1.00	887,080		321,455	321,455	565,626
2037	2038	2,381	380	1.00	904,822		319,717	319,717	585,105
2038	2039	2,429	380	1.00	922,918		322,633	322,633	600,285
2039	2040	2,477	380	1.00	941,377		320,064	320,064	621,313
2040	2041	2,527	380	1.00	960,204		322,129	322,129	638,076
2041	2042	2,577	380	1.00	979,408		318,680	318,680	660,728
2042	2043	2,629	380	1.00	998,996			-	998,996
9							6,404,534		

* If the school district average building age decreases due to new construction, it will impact future LTFM revenues.



Capital Facilities Bonds

Eligible uses include:

Improve and repair buildings and sites

Health and safety improvements

Energy Modifications

Security improvements

- ▶ Utilizes existing operating capital revenues
 - ▶ \$393,859 for FY 2023
- ▶ No voter approval (must allow of petition period)
- ▶ Maximum 15 years on Bonds
- ▶ No tax impact on most properties
 - ▶ Ag land will see a tax decrease due to Ag2School Credit

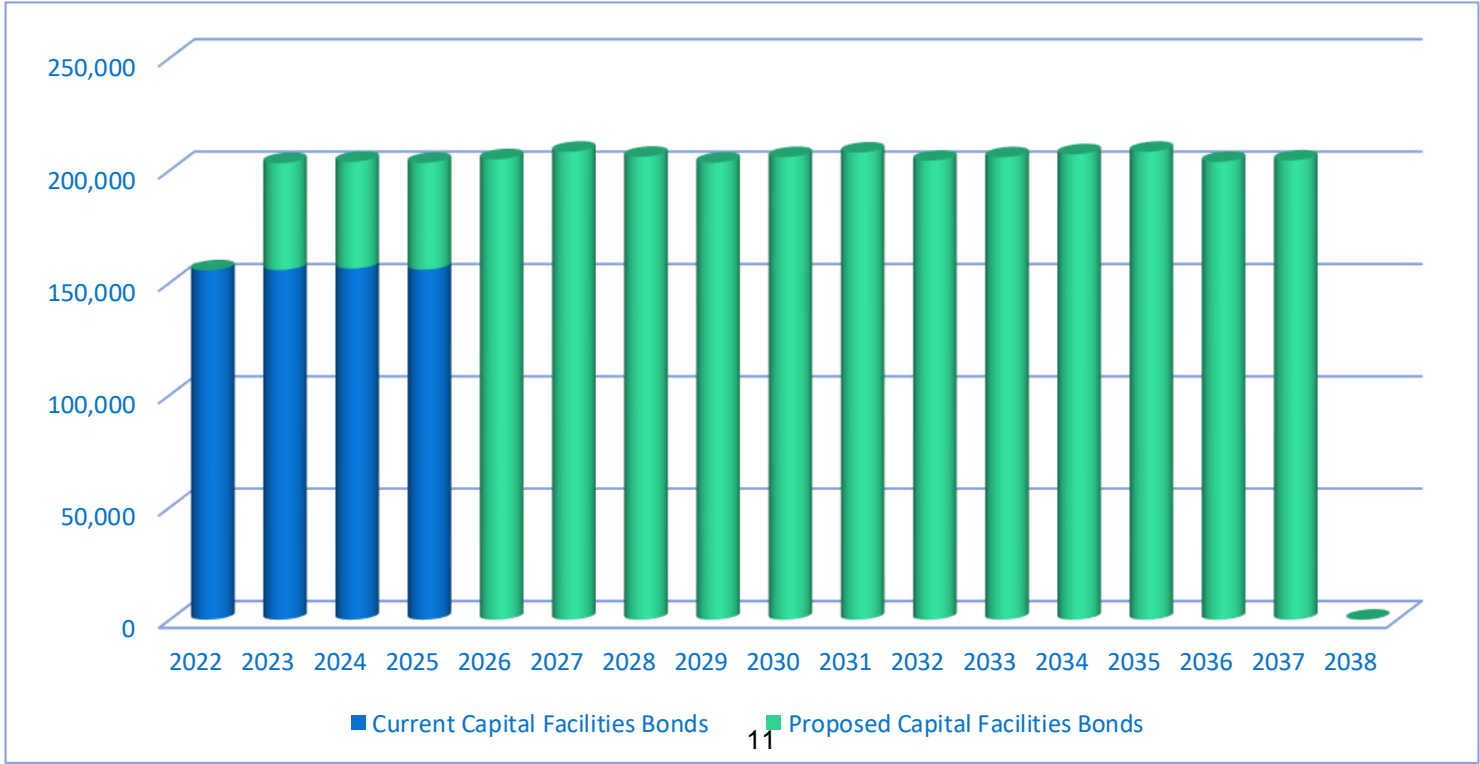


Capital Facilities Bonding Example

Proposed Bond Size	\$ 2,070,000
Available Project Amount	\$ 2,000,000
Proposed Bond Term	15
Est. All Inclusive Cost	2.48%

Operating Capital Revenue	\$ 393,859
Combined Bond Payments	\$ 193,544
Available General Fund Operating Capital Revenues	\$ 200,315

Capital Facilities Bond Summary





Long Term Facilities Maintenance & Capital Facilities Bonding

Advantages

- ▶ Allows for larger set of projects in near term
- ▶ Low cost of financing
- ▶ No Tax Impact
- ▶ Tax reduction for agricultural land
- ▶ No voter approval

Disadvantages

- ▶ Uses future maintenance revenues to make bond payments
- ▶ Limited uses of the revenue



Abatement Bonds

Eligible uses
include:

Parking Lot projects

- ▶ No voter approval; requires public hearing
- ▶ Creates new revenue source = tax impact
- ▶ Bonds limited to 15 years under most circumstances
- ▶ Review and comment required for projects over \$2,000,000



Abatement Bonds Scenario Tax Impact

Project Amount
Term of Bond
Assumed AIC
Payment
Levy Increase at 105%
District NTC Value (Pay 22)
Additional Tax Rate

Abatement Bonds	
\$1,500,000	15
2.50%	\$121,150
\$127,207	14,738,641
0.86%	
Estimated Annual Tax Increase	

- ▶ Assumes level payments for 15 years
- ▶ Rates as of 11-29-2021 plus .50%

Property Type	Est. Market Value	Estimated Annual Tax Increase
Residential Homestead	\$100,000	\$6
	200,000	16
	300,000	25
	400,000	34
	500,000	43
	600,000	54
	700,000	65

Commercial - Industrial	\$100,000	\$13
	250,000	37
	500,000	80
	1,000,000	166



Lease Purchase with Lease Levy

Eligible uses include:

Instructional space

Additions limited to
20% of original
building footprint

No new buildings for
K-12 (Early Childhood
buildings are eligible)

School Storage

- ▶ No voter approval
- ▶ Requires MDE approval
- ▶ Lease levy maximum of \$212 per APU
- ▶ Creates tax impact
- ▶ Higher Interest Rates (annual appropriation)
- ▶ No Ag2School Credit



Lease Purchase with Lease Levy

	20 year Lease	15 year Lease
Project Amount	\$5,250,000	\$4,235,000
Term of Bond	20	15
Assumed AIC	2.86%	2.74%
Payment	\$348,331	\$348,114
District NTC Value (Pay 22)	14,738,641	14,738,641
Additional Tax Rate	2.36%	2.36%
Property Type	Estimated Annual Tax Increase	
Est. Market Value		

Maximum Lease Levy FY 2023	\$	375,070
Existing Leases FY 2023	\$	26,625
Available Lease Authority	\$	348,445





Residential Homestead	Est. Market Value	20 year Lease	15 year Lease
	\$100,000	\$17	\$17
	200,000	43	43
	300,000	68	68
	400,000	94	94
	500,000	118	118
	600,000	148	148
	700,000	177	177

Commercial - Industrial	Est. Market Value	20 year Lease	15 year Lease
	\$100,000	\$35	\$35
	250,000	100	100
	500,000	219	218
	1,000,000	455	455

- ▶ Assumes level payments for 15 or 20 years
- ▶ Rates as of 11-29-2021 plus .50%



Non-Voter Approved Financing Summary

	No Tax Increase		New Tax Created	
	LTFM	Capital Facilities	Abatement	Lease Levy
Eligible Purposes	Deferred Maintenance Health & Safety Voluntary Pre-K Remodeling	Improve and repair building and sites Health and Safety Energy Modifications Security Improvements	Parking Lots	Instructional Space Additions <20% of original building footprint School storage
Estimated Project Capacity	\$4,000,000 to \$6,000,000	\$2,000,000	Size of Project	\$5,250,000
% Usage of Revenue Sources	50-60%	50%	NA	100%
				
Project Identified by ICS Planning Process	Approximately \$6,000,000 deferred maintenance projects	Many potential remodeling and site improvement projects 17	2 parking lot projects totaling approximately \$1,500,000	Multiple eligible projects identified including gym, cafeteria, and early childhood building.



School Building Bonds

- ▶ Voter Approved
- ▶ Most flexibility in project and bond structure
- ▶ Creates Tax Impact
- ▶ 30 years maximum term
- ▶ MDE Review and Comment required for projects over \$2,000,000
- ▶ Ag2School Credit applies



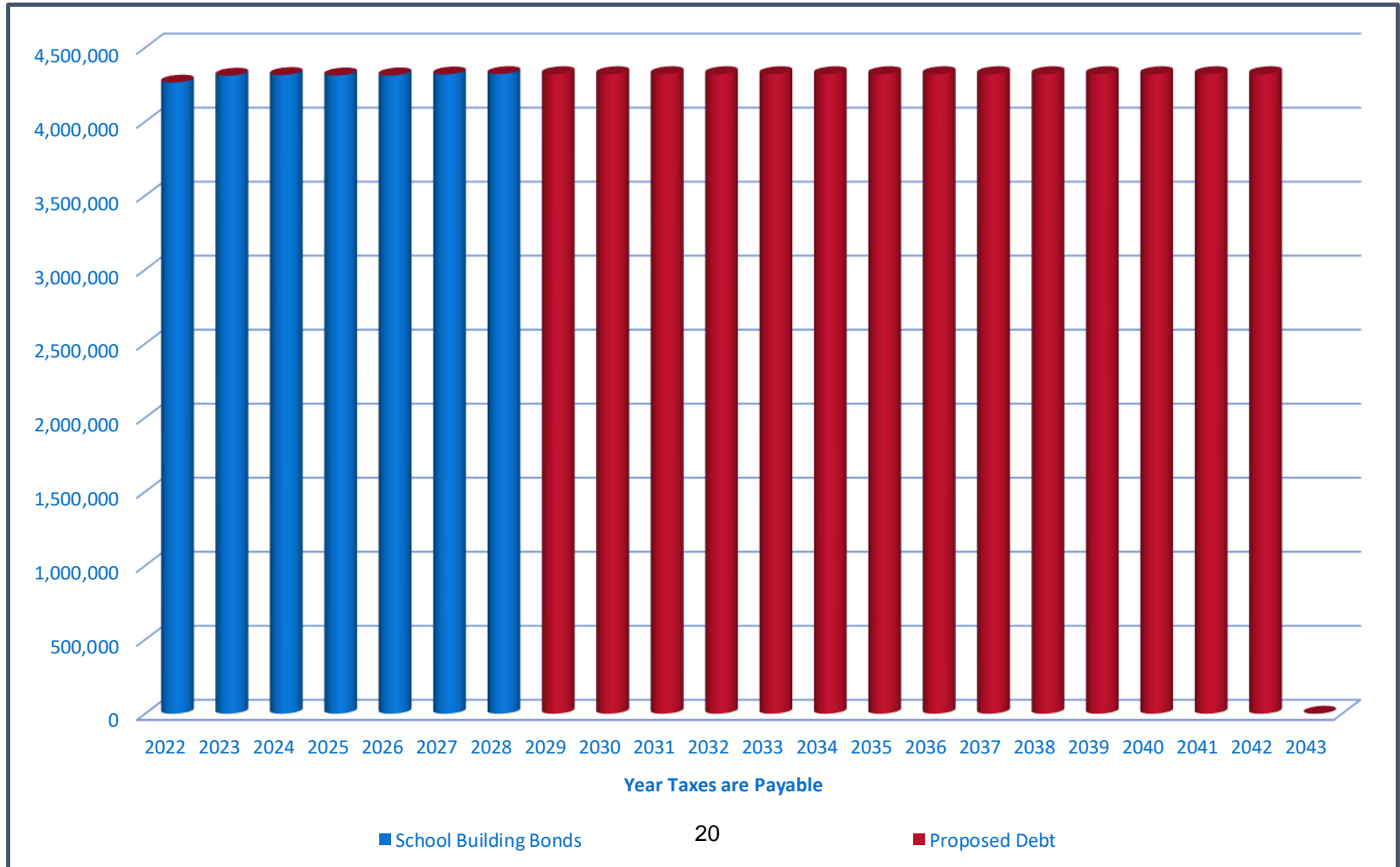
School Building Bonds Example November 2022

- ▶ Total Project Amount = \$38,000,000
 - ▶ Current interest rates plus .50%
- ▶ Keeps level payment
 - ▶ No tax impact
- ▶ Sold as Capital Appreciation Bonds
 - ▶ No payments until 2/1/2030
- ▶ Higher associated cost of borrowing



School Building Bonds Example 2

Bond Summary (All Debt with Direct Tax Impact)



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Contact Us



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SCOPE OUTLINE



Rockford Public Schools
Independent School District #883

Scope Item Description	Construction Costs				Notes:
	Option 1 Critical Needs	Option 2 O1/ SpEd/Security	Option 3 O2/Programming	Option 4 O3/Growth	
Rockford Elementary School (Arts Magnet)					
Deferred Maintenance	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	Roofing, Mechanical
Arts Improvements			\$562,500	\$562,500	Renovation of 1/2 of EC area for "Arts"
Special Education Improvements		\$1,050,000	\$1,050,000	\$1,050,000	Renovation of 1/2 of EC area for Specialized SpEd instr.
Performance Space					125-175 Capacity Space
Courtyard use/Outdoor Classroom			\$250,000	\$250,000	Pergola, benches, power/infrastructure
Storm Shelter					To be determined
Secure Entrance					To be determined
Rockford Middle School (STEM Magnet)					
Deferred Maintenance	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	
Cafeteria Space	\$900,000	\$900,000	\$900,000	\$900,000	Serving line alterations, connection to existing gym
Gymnasium Space	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000	New addition
STEM/Science Labs Improvements			\$1,625,000	\$1,625,000	Renovations for STEM programing
Secure Entrance		\$180,000	\$180,000	\$180,000	New entrance doors, office remodel
Special Education Improvements		\$720,000	\$720,000	\$720,000	Increase enrollment area
ADA access to upper fields			\$100,000	\$100,000	Concrete ramp
Lower Level Renovations			\$625,000	\$625,000	Utilize lower level space - Old storage/locker rooms
District Office - Conference room, bring all staff back					Verify loss of large conference
Field Renovations					Replace field taken by parking
Outdoor Classroom or Amenities			\$250,000	\$250,000	To be determined
Parking/Pick Up/ Drop Off			\$750,000	\$750,000	New Parking/Bus Drop
World Language Renovations			\$405,000	\$405,000	Divide oversized classrooms
Board Room - Large Conference Room			\$157,500		
Storm Shelter					
Rockford High School (IB Magnet)					
Deferred Maintenance	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	RCC Floor, Mechanical
CTE Improvements			\$1,125,000	\$1,125,000	
Admin Improvement					
Multipurpose Space					
Field Renovations					
Team Room / Storage			\$450,000	\$450,000	Cold Space, no plumbing
Media Center Renovation					
Restroom / Locker Room Addition					
District Wide					
Bus Garage - Parking Lot	\$500,000	\$500,000	\$500,000	\$500,000	
Hard Scape			\$110,000	\$110,000	
Early Childhood Center				\$9,000,000	
Furniture, Fixtures and Equipment				\$1,200,000	
Branding - Signage			\$50,000	\$50,000	
Technology			\$1,000,000	\$1,000,000	
Maintenance Shed		\$100,000	\$100,000	\$100,000	
Land Acquisition		\$600,000	\$600,000	\$600,000	
Construction Costs Total	\$9,100,000	\$11,750,000	\$19,210,000	\$29,252,500	
Project Costs					
Construction Contingency	\$455,000	\$587,500	\$960,500	\$1,462,625	
Inflationary Contingency (3%)	\$273,000	\$352,500	\$576,300	\$877,575	
Site Services, General Conditions and Reimbursables	\$273,000	\$352,500	\$576,300	\$877,575	
Building Permit/Fees/State Plan Review/Jurisdictional Approvals	\$273,000	\$352,500	\$576,300	\$877,575	
Construction Testing/Site Survey/Commissioning	\$364,000	\$470,000	\$768,400	\$1,170,100	
Project Costs Total	\$1,638,000	\$2,115,000	\$3,457,800	\$5,265,450	
Soft Costs					
Architectural / Engineering	\$859,040	\$1,109,200	\$1,813,424	\$2,761,436	
Project Representation Services (CM)	\$322,140	\$415,950	\$680,034	\$1,035,539	
Bond Issuance/Underwriter Costs	\$107,380	\$138,650	\$226,678	\$345,180	
Soft Costs Total	\$1,288,560	\$1,663,800	\$2,720,136	\$4,142,154	
Grand Totals:	\$12,026,560	\$15,528,800	\$25,387,936	\$38,660,104	