



Agenda of Facilities Committee Meeting

The Board of Trustees Belton Independent School District

A Facilities Committee Meeting of the Board of Trustees of Belton Independent School District will be held May 12, 2021, beginning at 4:00 PM in the Big Red Room, 400 N. Wall Street, Belton, TX 76513. One or more trustees may participate via video conference.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice.

- 1. Call to Order**
- 2. Public Comments**
- 3. Review and Discuss the Following Items:**
 - A. Bond Update and Potential Bond Capacity 2
 - B. Facilities Assessment Next Steps 15
 - C. Elementary School Design
 - D. Construction Delivery Methods 16
 - E. Facilities Naming Nomination Forms
- 4. Issues/Concerns for Future Agenda or Administrative Reports**
- 5. Adjourn**



Bond 2017 - \$149,700,000 Authorization		
Amount Available for 2017 Bond		\$155.5 million
Bond Proceeds	\$151.1	
Interest Revenue	\$4.4	
Other Revenue	\$0.03	
Estimated Bond Program Costs		\$148.3 million
Administrative and Issuance Costs	\$1.7	
Lakewood Elementary Gymnasium	\$2.6	
Pittenger Fine Arts Center	\$2.2	
Charter Oak Elementary	\$20.3	
Lake Belton High*	\$121.5	
Projected Remaining Funds		\$7.2 million
Committed Projects		\$3.2 million
Playground Renovations	\$1.9	
Swim Center*	\$0.2	
Northgate Property	\$0.1	
Portables*	\$1.0	
Uncommitted Remaining Funds		\$4.0 million
Tennis Complex Upgrades	TBD	

*Projected Costs

The Bond 2017 Authorization was approved by voters in May 2017. Bonds were issued to investors in two separate packages - August 2017: \$130 million; May 2019: \$19.7 million.

Amounts reflect actual activity unless otherwise noted. Projected costs are based on available estimates.

Belton Independent School District Facilities Committee

3

**Debt Issuance Process & Preliminary Capacity
as of May 12, 2021**



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Financing Method

- Texas school districts are limited on methods for financing “new” construction.
- Unlimited tax bonds require bond election.
- Maintenance Tax Notes do not require bond election, but cannot be used for new construction, just maintenance and renovation. Must be repaid from Maintenance & Operations tax rate.

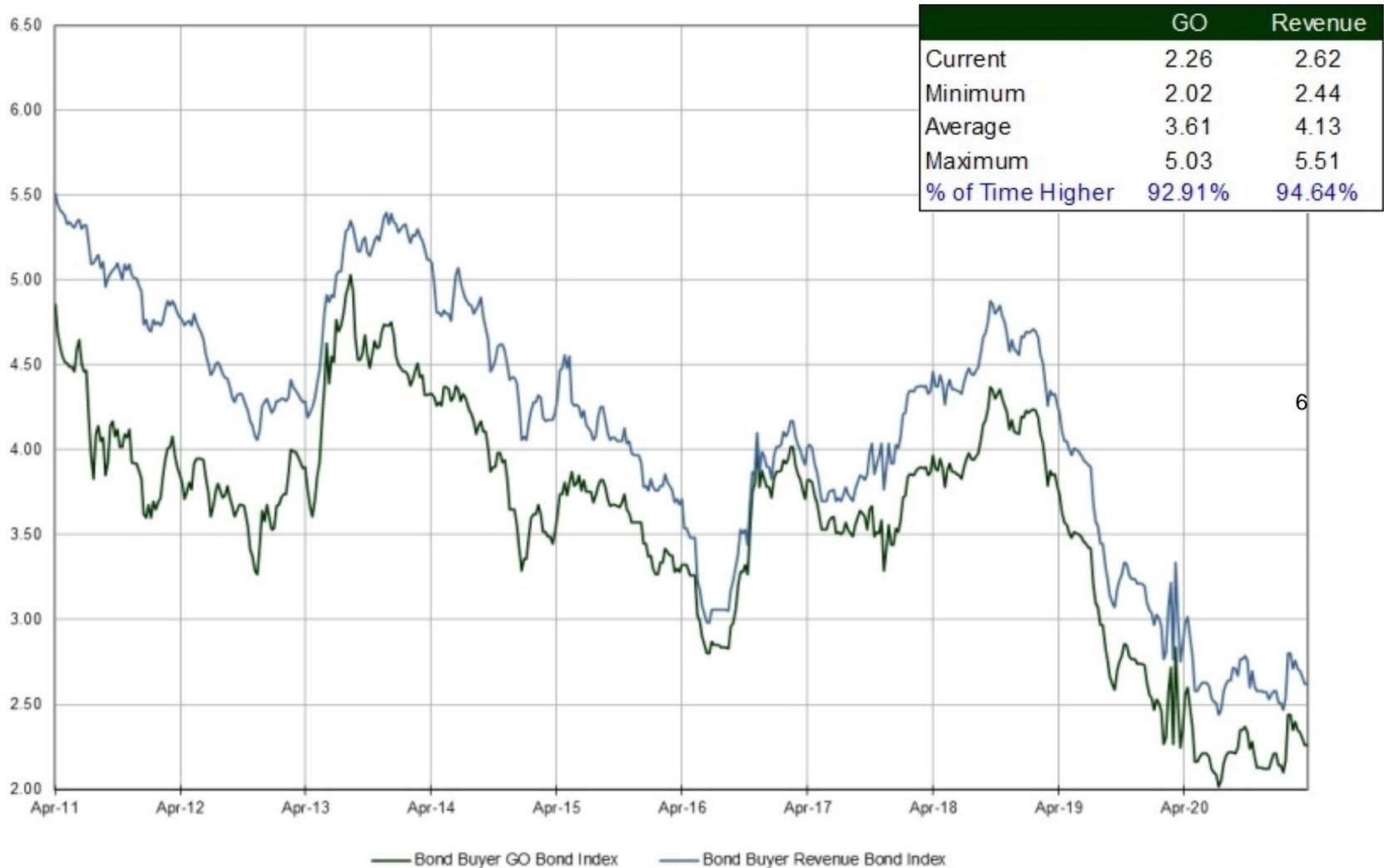
4

Unlimited Tax Bonds

- Bonds must be approved by voters during May or November general election.
- Bonds repaid from Interest & Sinking Fund (I&S) portion of the tax rate.
- Bonds are viewed as safest investment because District is required to levy sufficient tax to repay debt service. Lowest possible interest rate.
- I&S portion of the tax rate not subject to roll back.
- Voted bonds may qualify for the Permanent School Fund guarantee.
- Voted bonds may qualify for state assistance (EDA.)
- Financing takes approximately 3 months after successful bond election.

5

Ten-Year History of The Bond Buyer's 20 Bond G.O. Index



6

Source: The Bond

New Financing Capacity

- State law limits a school district's Interest and Sinking Fund tax rate (debt rate) to 50 cents at the time of bond issuance.
- District's current Interest and Sinking Fund tax rate is *\$0.3968*.
- If the District wished to borrow the maximum amount under State law, the District's debt capacity is currently between *\$170,410,000-\$237,110,000*.
- Capacity is determined by several factors:
 1. Interest Rate on Bonds
 2. Existing Debt Profile
 3. State Assistance
 4. Taxable Assessed Valuation of the District

7

Assumptions

- Largest factor in capacity is the estimated growth in the District's tax base, particularly when forecasting future capacity.
- Our analysis uses the freeze adjusted value, which is what is used in the Attorney General's analysis (slightly different than net taxable.)
- Preliminary estimates show Freeze Adjusted Value growing by 14%.
- We assumed 7.5% growth for next three years, 5% for following three years, and 3% growth thereafter.
- District has always planned conservatively.
- Assumes following interest rates:
 - 3.11%, 30-year term (November 2021 election)
 - 3.32%, 30-year term (May 2022 election)
 - 3.42%, 30-year term (May 2023 election)

November 2021 election capacity

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
FYE 8/31	Freeze-Adj. Assessed Valuation	Est. Growth	Existing U/L Tax D/S	D/S Deceased w/ Available I&S Revs	\$170,410,000 Series 2022 2/15 3.11%	Projected Total D/S	Budgeted Excess for Defeasance	Less: Available D/S Funds	Less: Frozen Tax Revenues	Less: Est. State Assistance	Projected Total Net D/S	Est. I&S Tax Rate	Change
2021	\$3,549,611,833		\$ 15,931,436	\$ -	\$ -	\$ 15,931,436	\$ 2,482,716	\$ -	\$ (1,761,098)	\$ (2,713,615)	\$ 13,939,439	\$ 0.3968	\$ -
2022	4,049,011,761	14.07%	15,699,000	(87,906)	2,999,900	18,610,994	4,360,514	(2,999,200)	(1,979,288)	(2,087,188)	15,905,832	0.3968	0.0000
2023	4,352,687,643	7.50%	15,702,375	(245,956)	6,604,300	22,060,719	-	-	(2,098,517)	(1,374,595)	18,587,607	0.4314	0.0346
2024	4,679,139,217	7.50%	15,700,975	(245,956)	6,602,550	22,057,569	-	-	(2,065,544)	(461,022)	19,531,003	0.4216	(0.0097)
2025	5,030,074,658	7.50%	15,698,225	(245,956)	6,604,175	22,056,444	-	-	(2,000,258)	-	20,056,186	0.4028	(0.0189)
2026	5,281,578,391	5.00%	15,697,600	(245,956)	6,608,925	22,060,569	-	-	(1,936,699)	-	20,123,870	0.3849	(0.0179)
2027	5,545,657,310	5.00%	15,697,644	(245,956)	6,606,800	22,058,487	-	-	(1,873,889)	-	20,184,598	0.3676	(0.0172)
2028	5,822,940,176	5.00%	15,697,094	(245,956)	6,607,800	22,058,937	-	-	(1,812,425)	-	20,246,513	0.3512	(0.0164)
2029	5,997,628,381	3.00%	15,698,938	(245,956)	6,606,800	22,059,781	-	-	(1,775,809)	-	20,283,972	0.3416	(0.0096)
2030	6,177,557,233	3.00%	15,928,388	(245,956)	6,374,675	22,057,106	-	-	(1,739,432)	-	20,317,674	0.3322	(0.0094)
2031	6,362,883,950	3.00%	15,930,413	(245,956)	6,371,675	22,056,131	-	-	(1,703,616)	-	20,352,515	0.3231	(0.0091)
2032	6,553,770,468	3.00%	15,931,225	(245,956)	6,372,050	22,057,319	-	-	(1,668,388)	-	20,388,931	0.3142	(0.0088)
2033	6,750,383,582	3.00%	15,930,300	(245,956)	6,373,200	22,057,544	-	-	(1,633,568)	-	20,423,976	0.3056	(0.0086)
2034	6,952,895,090	3.00%	15,928,609	(245,956)	6,375,625	22,058,278	-	-	(1,599,246)	-	20,459,032	0.2972	(0.0084)
2035	7,161,481,942	3.00%	15,931,522	(997,091)	7,125,900	22,060,331	-	-	(1,565,469)	-	20,494,862	0.2891	(0.0082)
2036	7,376,326,400	3.00%	15,930,822	(1,617,397)	7,744,275	22,057,700	-	-	(1,531,908)	-	20,525,792	0.2811	(0.0080)
2037	7,597,616,192	3.00%	15,932,959	(1,614,834)	7,741,550	22,059,675	-	-	(1,499,079)	-	20,560,596	0.2734	(0.0077)
2038	7,825,544,678	3.00%	15,927,294	(1,615,369)	7,744,700	22,056,625	-	-	(1,466,462)	-	20,590,163	0.2658	(0.0076)
2039	8,060,311,019	3.00%	15,922,944	(1,618,819)	7,752,600	22,056,725	-	-	(1,434,498)	-	20,622,227	0.2584	(0.0073)
2040	8,302,120,349	3.00%	10,142,100	-	11,916,400	22,058,500	-	-	(1,403,104)	-	20,655,396	0.2513	(0.0071)
2041	8,551,183,960	3.00%	9,187,500	-	12,873,100	22,060,600	-	-	(1,372,210)	-	20,688,390	0.2444	(0.0069)
2042	8,807,719,478	3.00%	9,189,500	-	12,868,200	22,057,700	-	-	(1,341,553)	-	20,716,147	0.2376	(0.0068)
2043	9,071,951,063	3.00%	9,187,500	-	12,869,900	22,057,400	-	-	(1,311,514)	-	20,745,886	0.2310	(0.0066)
2044	9,344,109,595	3.00%	9,189,200	-	12,867,600	22,056,800	-	-	(1,281,949)	-	20,774,851	0.2246	(0.0064)
2045	9,624,432,882	3.00%	9,188,100	-	12,870,700	22,058,800	-	-	(1,252,995)	-	20,805,805	0.2184	(0.0062)
2046	9,913,165,869	3.00%	9,188,700	-	12,868,600	22,057,300	-	-	(1,224,363)	-	20,832,937	0.2123	(0.0061)
2047	10,210,560,845	3.00%	9,195,300	-	12,860,900	22,056,200	-	-	(1,196,238)	-	20,859,962	0.2064	(0.0059)
2048	10,516,877,670	3.00%	-	-	13,185,300	13,185,300	-	-	(747,792)	-	12,437,508	0.1195	(0.0869)
2049	10,832,384,001	3.00%	-	-	13,185,700	13,185,700	-	-	(729,328)	-	12,456,372	0.1162	(0.0033)
2050	11,157,355,521	3.00%	-	-	13,187,700	13,187,700	-	-	(711,323)	-	12,476,377	0.1130	(0.0032)
2051	11,492,076,186	3.00%	-	-	13,185,600	13,185,600	-	-	(693,497)	-	12,492,103	0.1098	(0.0032)
2052	11,836,838,472	3.00%	-	-	13,188,600	13,188,600	-	-	(676,285)	-	12,512,315	0.1068	(0.0030)
2053	12,191,943,626	3.00%	-	-	-	-	-	-	-	-	-	-	(0.1068)
			\$375,285,661	\$ (10,502,891)	\$287,145,800	\$651,928,571	\$ 6,843,230	\$ (2,999,200)	\$(47,087,347)	\$ (6,636,420)	\$602,048,834		

May 2022 election capacity

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
FYE 8/31	Freeze-Adj. Assessed Valuation	Est. Growth	Existing U/L Tax D/S	D/S Deceased w/ Available I&S Revs	\$211,000,000 Series 2022 8/15 3.32%	Projected Total D/S	Budgeted Excess for Defeasance	Less: Available D/S Funds	Less: Frozen Tax Revenues	Less: Est. State Assistance	Projected Total Net D/S	Est. I&S Tax Rate	Change
2021	\$3,549,611,833		\$ 15,931,436	\$ -	\$ -	\$ 15,931,436	\$ 2,482,716	\$ -	\$ (1,761,098)	\$ (2,713,615)	\$ 13,939,439	\$ 0.3968	\$ -
2022	4,049,011,761	14.07%	15,699,000	(87,906)	-	15,611,094	4,360,514	-	(1,979,232)	(2,087,188)	15,905,188	0.3968	(0.0000)
2023	4,352,687,643	7.50%	15,702,375	(245,956)	8,102,475	23,558,894	-	-	(2,204,780)	(1,374,595)	19,979,519	0.4637	0.0669
2024	4,679,139,217	7.50%	15,700,975	(245,956)	8,101,225	23,556,244	-	-	(2,166,346)	(461,022)	20,928,876	0.4518	(0.0119)
2025	5,030,074,658	7.50%	15,698,225	(245,956)	8,103,850	23,556,119	-	-	(2,097,080)	-	21,459,039	0.4309	(0.0209)
2026	5,281,578,391	5.00%	15,697,600	(245,956)	8,105,225	23,556,869	-	-	(2,031,351)	-	21,525,518	0.4117	(0.0192)
2027	5,545,657,310	5.00%	15,697,644	(245,956)	8,105,350	23,557,037	-	-	(1,966,701)	-	21,590,336	0.3933	(0.0184)
2028	5,822,940,176	5.00%	15,697,094	(245,956)	8,104,225	23,555,362	-	-	(1,903,095)	-	21,652,268	0.3756	(0.0177)
2029	5,997,628,381	3.00%	15,698,938	(245,956)	8,101,850	23,554,831	-	-	(1,865,165)	-	21,689,666	0.3653	(0.0103)
2030	6,177,557,233	3.00%	15,928,388	(245,956)	7,873,975	23,556,406	-	-	(1,827,800)	-	21,728,606	0.3553	(0.0100)
2031	6,362,883,950	3.00%	15,930,413	(245,956)	7,870,850	23,555,306	-	-	(1,790,729)	-	21,764,577	0.3455	(0.0098)
2032	6,553,770,468	3.00%	15,931,225	(245,956)	7,871,850	23,557,119	-	-	(1,754,278)	-	21,802,840	0.3360	(0.0095)
2033	6,750,383,582	3.00%	15,930,300	(245,956)	7,871,850	23,556,194	-	-	(1,718,132)	-	21,838,061	0.3268	(0.0093)
2034	6,952,895,090	3.00%	15,928,609	(245,956)	7,875,725	23,558,378	-	-	(1,682,623)	-	21,875,755	0.3178	(0.0090)
2035	7,161,481,942	3.00%	15,931,522	(997,091)	8,624,225	23,558,656	-	-	(1,647,478)	-	21,911,179	0.3090	(0.0088)
2036	7,376,326,400	3.00%	15,930,822	(1,617,397)	9,245,475	23,558,900	-	-	(1,612,804)	-	21,946,096	0.3005	(0.0085)
2037	7,597,616,192	3.00%	15,932,959	(1,614,834)	9,236,975	23,555,100	-	-	(1,578,395)	-	21,976,705	0.2922	(0.0083)
2038	7,825,544,678	3.00%	15,927,294	(1,615,369)	9,244,300	23,556,225	-	-	(1,544,727)	-	22,011,498	0.2841	(0.0081)
2039	8,060,311,019	3.00%	15,922,944	(1,618,819)	9,252,800	23,556,925	-	-	(1,511,520)	-	22,045,405	0.2763	(0.0079)
2040	8,302,120,349	3.00%	10,142,100	-	13,412,700	23,554,800	-	-	(1,478,657)	-	22,076,143	0.2686	(0.0077)
2041	8,551,183,960	3.00%	9,187,500	-	14,371,000	23,558,500	-	-	(1,446,571)	-	22,111,929	0.2612	(0.0074)
2042	8,807,719,478	3.00%	9,189,500	-	14,368,100	23,557,600	-	-	(1,414,748)	-	22,142,852	0.2539	(0.0073)
2043	9,071,951,063	3.00%	9,187,500	-	14,367,300	23,554,800	-	-	(1,383,328)	-	22,171,472	0.2469	(0.0071)
2044	9,344,109,595	3.00%	9,189,200	-	14,368,000	23,557,200	-	-	(1,352,646)	-	22,204,554	0.2400	(0.0068)
2045	9,624,432,882	3.00%	9,188,100	-	14,369,600	23,557,700	-	-	(1,322,367)	-	22,235,333	0.2334	(0.0067)
2046	9,913,165,869	3.00%	9,188,700	-	14,366,600	23,555,300	-	-	(1,292,449)	-	22,262,851	0.2268	(0.0065)
2047	10,210,560,845	3.00%	9,195,300	-	14,358,600	23,553,900	-	-	(1,263,072)	-	22,290,828	0.2205	(0.0063)
2048	10,516,877,670	3.00%	-	-	23,557,200	23,557,200	-	-	(1,234,393)	-	22,322,807	0.2144	(0.0061)
2049	10,832,384,001	3.00%	-	-	23,558,900	23,558,900	-	-	(1,206,132)	-	22,352,768	0.2084	(0.0060)
2050	11,157,355,521	3.00%	-	-	23,557,800	23,557,800	-	-	(1,178,241)	-	22,379,559	0.2026	(0.0058)
2051	11,492,076,186	3.00%	-	-	23,557,600	23,557,600	-	-	(1,150,877)	-	22,406,723	0.1969	(0.0057)
2052	11,836,838,472	3.00%	-	-	23,556,900	23,556,900	-	-	(1,123,980)	-	22,432,920	0.1914	(0.0055)
2053	12,191,943,626	3.00%	-	-	-	-	-	-	-	-	-	-	(0.1914)
			\$375,285,661	\$(10,502,891)	\$373,462,525	\$738,245,296	\$ 6,843,230	\$ -	\$(51,490,797)	\$ (6,636,420)	\$686,961,309		

May 2023 election capacity

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
FYE 8/31	Freeze-Adj. Assessed Valuation	Est. Growth	Existing U/L Tax D/S	D/S Defeased w/ Available I&S Revs	\$237,110,000 Series 2023 8/15 3.42%	Projected Total D/S	Budgeted Excess for Defeasance	Less: Available D/S Funds	Less: Frozen Tax Revenues	Less: Est. State Assistance	Projected Total Net D/S	Est. I&S Tax Rate	Change
2021	\$3,549,611,833		\$ 15,931,436	\$ -	\$ -	\$ 15,931,436	\$ 2,482,716	\$ -	\$ (1,761,098)	\$ (2,713,615)	\$ 13,939,439	\$ 0.3968	\$ -
2022	4,049,011,761	14.07%	15,699,000	(87,906)	-	15,611,094	4,360,514	-	(1,979,232)	(2,087,188)	15,905,188	0.3968	(0.0000)
2023	4,352,687,643	7.50%	15,702,375	(245,956)	-	15,456,419	4,995,514	-	(1,979,234)	(1,374,595)	17,098,104	0.3968	0.0000
2024	4,679,139,217	7.50%	15,700,975	(424,800)	9,176,750	24,452,925	-	-	(2,224,765)	(461,022)	21,767,138	0.4699	0.0731
2025	5,030,074,658	7.50%	15,698,225	(424,800)	9,183,125	24,456,550	-	-	(2,153,477)	-	22,303,073	0.4479	(0.0220)
2026	5,281,578,391	5.00%	15,697,600	(424,800)	9,183,375	24,456,175	-	-	(2,086,596)	-	22,369,579	0.4278	(0.0201)
2027	5,545,657,310	5.00%	15,697,644	(424,800)	9,182,625	24,455,469	-	-	(2,020,789)	-	22,434,680	0.4086	(0.0192)
2028	5,822,940,176	5.00%	15,697,094	(424,800)	9,180,875	24,453,169	-	-	(1,956,022)	-	22,497,146	0.3903	(0.0184)
2029	5,997,628,381	3.00%	15,698,938	(424,800)	9,178,125	24,452,262	-	-	(1,917,381)	-	22,534,881	0.3795	(0.0107)
2030	6,177,557,233	3.00%	15,928,388	(724,463)	9,252,375	24,456,300	-	-	(1,879,459)	-	22,576,841	0.3692	(0.0104)
2031	6,362,883,950	3.00%	15,930,413	(1,863,313)	10,389,250	24,456,350	-	-	(1,841,750)	-	22,614,600	0.3590	(0.0102)
2032	6,553,770,468	3.00%	15,931,225	(362,500)	8,887,500	24,456,225	-	-	(1,804,481)	-	22,651,744	0.3491	(0.0099)
2033	6,750,383,582	3.00%	15,930,300	(1,619,300)	10,144,375	24,455,375	-	-	(1,767,629)	-	22,687,746	0.3395	(0.0096)
2034	6,952,895,090	3.00%	15,928,609	(1,617,084)	10,141,625	24,453,150	-	-	(1,731,165)	-	22,721,985	0.3301	(0.0094)
2035	7,161,481,942	3.00%	15,931,522	(1,618,147)	10,139,750	24,453,125	-	-	(1,695,288)	-	22,757,837	0.3210	(0.0091)
2036	7,376,326,400	3.00%	15,930,822	(1,617,397)	10,138,500	24,451,925	-	-	(1,659,821)	-	22,792,104	0.3121	(0.0089)
2037	7,597,616,192	3.00%	15,932,959	(1,614,834)	10,137,625	24,455,750	-	-	(1,625,090)	-	22,830,660	0.3035	(0.0086)
2038	7,825,544,678	3.00%	15,927,294	(1,615,369)	10,141,750	24,453,675	-	-	(1,590,534)	-	22,863,141	0.2951	(0.0084)
2039	8,060,311,019	3.00%	15,922,944	(1,618,819)	10,151,500	24,455,625	-	-	(1,556,664)	-	22,898,961	0.2870	(0.0081)
2040	8,302,120,349	3.00%	10,142,100	-	14,312,800	24,454,900	-	-	(1,523,147)	-	22,931,753	0.2790	(0.0080)
2041	8,551,183,960	3.00%	9,187,500	-	15,267,600	24,455,100	-	-	(1,490,163)	-	22,964,937	0.2713	(0.0077)
2042	8,807,719,478	3.00%	9,189,500	-	15,266,300	24,455,800	-	-	(1,457,694)	-	22,998,106	0.2638	(0.0075)
2043	9,071,951,063	3.00%	9,187,500	-	15,267,100	24,454,600	-	-	(1,425,628)	-	23,028,972	0.2564	(0.0073)
2044	9,344,109,595	3.00%	9,189,200	-	15,264,500	24,453,700	-	-	(1,394,071)	-	23,059,629	0.2493	(0.0071)
2045	9,624,432,882	3.00%	9,188,100	-	15,267,900	24,456,000	-	-	(1,363,155)	-	23,092,845	0.2424	(0.0069)
2046	9,913,165,869	3.00%	9,188,700	-	15,266,700	24,455,400	-	-	(1,332,602)	-	23,122,798	0.2356	(0.0068)
2047	10,210,560,845	3.00%	9,195,300	-	15,260,500	24,455,800	-	-	(1,302,590)	-	23,153,210	0.2290	(0.0066)
2048	10,516,877,670	3.00%	-	-	24,456,000	24,456,000	-	-	(1,273,063)	-	23,182,937	0.2227	(0.0064)
2049	10,832,384,001	3.00%	-	-	24,454,800	24,454,800	-	-	(1,243,973)	-	23,210,827	0.2164	(0.0062)
2050	11,157,355,521	3.00%	-	-	24,455,900	24,455,900	-	-	(1,215,474)	-	23,240,426	0.2104	(0.0060)
2051	11,492,076,186	3.00%	-	-	24,453,000	24,453,000	-	-	(1,187,304)	-	23,265,696	0.2045	(0.0059)
2052	11,836,838,472	3.00%	-	-	24,454,700	24,454,700	-	-	(1,159,812)	-	23,294,888	0.1988	(0.0057)
2053	12,191,943,626	3.00%	-	-	24,454,500	24,454,500	-	-	(1,132,734)	-	23,321,766	0.1932	(0.0056)
			\$375,285,661	\$ (17,153,888)	\$422,511,425	\$780,643,199	\$ 11,838,744	\$ -	\$ (53,731,885)	\$ (6,636,420)	\$732,113,638		

Debt Rate of Fast Growth District's

- Many fast growth Central TX Districts are at or near 50 cent I&S tax rate:

Belton ISD	39.68 cent I&S rate
Bastrop ISD	40.10 cent I&S rate
Hutto ISD	46.00 cent I&S rate
Pflugerville ISD	46.00 cent I&S rate
Leander ISD	46.50 cent I&S rate
Hays CISD	49.77 cent I&S rate
Manor ISD	49.90 cent I&S rate
Jarrell ISD	50.00 cent I&S rate
Liberty Hill ISD	50.00 cent I&S rate
Salado ISD	50.00 cent I&S rate

12

Source: Municipal Advisory Council.

Impact of Phasing

- **When approving bonds for multiple projects, many school districts will issue bonds in separate phases.**
- **A phased bond issuance approach allows for greater capacity because it allows additional time for tax base growth. Voters can approve amount larger than what District can currently afford.**
- **Phasing means that District isn't paying interest on bonds until money is needed.**
- **But does expose District to potential rise in interest rates and construction costs.**
- **Our analysis doesn't consider phasing for debt capacity – capacity would increase if phased.**

13

Moving Target

- As we approach the election date, our assumptions will be more accurate.
- Important to keep in mind that capacity is a “moving target” – we won’t know anything for sure until we sell the bonds.
- Our job is to give you a target that we feel confident we can hit so you can plan projects.
- We are also watching Legislature to see if new bills will emerge that impact bond elections.

14

Source: Municipal Advisory Council.



Facilities Assessment Data Next Steps

May 12, 2021

- Use ed adequacy attributes to help guide strategic planning. (June)
- Develop comprehensive long range maintenance schedule (July)
- Update functional capacities based on school year 2021-2022 master schedules and summer renovations (August)
- Comprehensive campus and district facilities long range safety plan (September)
- Comprehensive campus master facilities plan (Fall)

Delivery Methods in Construction

Eric E. Munoz

Belton ISD – Facilities Committee

16



EICHELBAUM WARDELL
HANSEN POWELL & MUÑOZ, P.C.

What's a Delivery Method?

The *Legally Prescribed* procedure for building a project

Multiple options

Board must adopt (or delegate authority)

Legal Background

Texas Education Code § 44.031

Except as provided by this subchapter, all school district contracts...valued at \$50,000 or more in the aggregate for each 12-month period shall be made by the method, of the following methods, that provides the best value for the district:

(5) a method provided by Chapter 2269, Government Code, for construction services; [...]

Texas Government Code Chapter 2269

Methods:

- Competitive Bidding
- Competitive Sealed Proposals
- Construction Manager—Agent
- Construction Manager—At Risk
- Design-Build
- Job Order contracts

Competitive Bidding

Chronology: Design → Bid → Build

Selection: “lowest responsible bidder”

Contract: full scope for a fixed price (“General Contractor”)

Fun Facts:

- Default method
- Mainly for very small/simple projects
- No post-bid negotiation
- Not well suited for large projects

Competitive Sealed Proposals (“CSP”)

Chronology: Design → Bid → Build

Selection: “best value...based on selection criteria”

- Part of the selection process is **negotiation** of scope/time and resulting price adjustment...but can only negotiate with one at a time

20

Contract: full scope for a fixed price (“General Contractor”)

Fun Fact:

- A very good GC does not necessarily equal a good Construction Manager

Construction Manager – Agent (“CMA”)

CMA is a **consultant/advisor** only. CMA is not responsible for building the project.

CMA is hired on the basis of qualifications.

District contracts for the construction work separately--typically one or multiple CSPs for the various trade contracts.

Construction Manager – at Risk (“CMAR”)

Chronology: Design/Pre-Construction → GMP → Build

Selection: “best value...based on selection criteria”

Contract: Reimbursement + Fee, with Guaranteed Maximum Price

- Two Phases of Service
 - Pre-Construction: Consults during design process, proposes GMP (fixed price for this phase)
 - Construction: Like a General Contractor, responsible for project

22

Fun Facts:

- You hire a CMAR before you even have a project designed
- You can cut bait after Pre-Construction
- CMAR is required to document and substantiate costs
- Contract is subject to audit (and should be audited!)

What does a CMAR do during Pre-Construction?

Schedules and Cost Estimates

Site use

Selection of materials/systems

Recommendations on constructability; time requirements

Cost-conscious alternatives

Sub-contracting plan

Design-Build

Chronology: Bid → Design → Build

Selection: “best value...[based] on selection criteria”

Contract: Design and Construction of full project

- After design phase, Design-Builder will submit a proposal for either fixed price or GMP

Fun Fact:

- You must still hire an independent architect to be your consultant

Job Order Contracts

JOCs are used for recurring work when time/type/quantity of work is **indefinite**

- Example: minor painting/drywall work that may arise during the school year

JOCs are not well suited for a pre-identified, major construction projects



But, wait...there's more!!!

Bonus Methods!!!

Purchasing Cooperatives (technically, “Interlocal Contract”)

- “Pre-bid” - no need to advertise
- Does this get the best value?
- Unless the nature of the project does not require architecture/engineering, you must still hire a designer
- Not a good option for a major facility construction project

Energy Savings Performance Contracts

- Energy savings measures whose cost is guaranteed (with a convoluted formula) to offset cost
- Distinct procurement process

CSP vs. CMAR

COMPETITIVE SEALED PROPOSALS

Fixed-Price Contract:

- “I’ll build you your elementary for \$25,000,000.”
- Contract stipulates the price of the project

CONSTRUCTION MANAGER – AT RISK

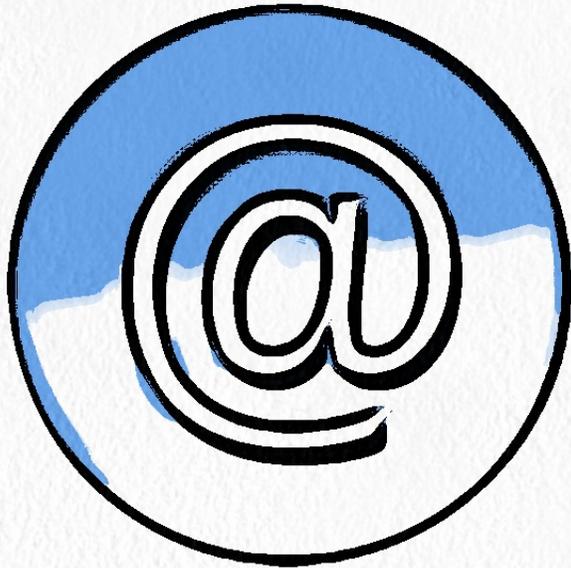
Reimbursable + Fee with GMP:

- “I’ll build you your elementary for cost plus 2%, with a not-to-exceed amount of \$25,000,000.”
- Contract stipulates fee for Pre-Construction services and the fee for Construction Services, but not the project price
- GMP Amendment will specify GMP

Questions?



contact us



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