

San Rafael City Schools Capital Facilities Program Program Budget Update

SAN RAFAEL CITY SCHOOLS

BOARD OF EDUCATION STUDY SESSION

OCTOBER 8, 2018



Agenda

Comprehensive Program Budget Review— Measures A & B

- Revenue Adjustments
- Increased Project Costs
- Expenditure Budget Adjustments
- Updated Project Budget Worksheets
- Updated Program Budget Worksheets
- Current Recommendation
- Future Considerations

Measure A & B Revenue Adjustments

SRCS included Developer Fee income to the program:

- Budgeted during final Master Plan process and implementation
- Current District Business team indicates these funds are not available

Resulting in the following:

- Reduce local revenue by -\$2.5 million to Measure A
- Reduce local revenue by -\$2.7 million to Measure B

Measure A & B Revenue Adjustments

State School Facilities Program Funding

- Elementary District eligibility updated
 - Reduced eligibility by -\$1.58M
- High School District eligibility updated
 - Increased eligibility by +\$871,000

Proposition 39 Funding

- Non-bond projects in approved Energy Efficiency Plan
 - Reduced anticipated contribution to Elementary District by -\$600,000

Total Revenue Adjustments

Elementary District Summary

- Total Reduction in anticipated revenue: -\$4,683,988

High School District Summary

- Total Reduction in anticipated revenue: -\$1,828,299

Increased Project Costs

Several projects have increased costs and as a result, now need budget adjustments

Bid or GMP award adjustments:

- Davidson Increment 1
- Glenwood MPR
- Venetia Valley Temp Housing
- Laurel Dell Temp Housing
- Laurel Dell Increment 1

Closeout adjustments—Bahia Vista Shade Structure

Critical to adhering to our SRCS Educational Building Program Standards is maintaining the spaces necessary for 21st Century teaching and learning. This is becoming more and more challenging with increased construction costs.

Increased Project Costs

District-wide technology needs to be adequately addressed in program budgets:

- Current Furniture and Equipment budgets are not adequate to support Education Specifications
- Current project budgets are not adequate to support District's Technology Standards

Proposing a dedicated “District-wide Technology” budget:

- \$500,000 for Elementary Schools
- \$800,000 for High Schools

For equipment purchases as projects are delivered—switches, IP phones, projection/display equipment, classroom devices

Expenditure Budget Reductions

Offset decrease in anticipated revenue

Accommodate increased project costs

Requires project deferrals and scope reductions

- Focus on lowest priority projects
- Focus on sites where work has not been initiated
- Focus on sites that have multiple projects -- look at later projects

Elementary Expenditure Adjustments

Budget reductions:

- Utilize 50% of Program Reserve funds
- Reduce scope of last phase Davidson Middle Gym/Locker modernization
- Reduce scope of last phase Venetia Valley classroom modernizations
- Defer Short Elementary Modernization to future bond

High School Expenditure Adjustments

Budget reductions:

- Reduce scope of last phase SRHS Gym/Locker Modernization
- Reduce scope of last phase TLHS Fine Arts/Ceramics project

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Elementary District Measure A Bond Facilities Program Budget

	Board Adopted Budget July 24, 2017	Proposed Budget Adjustments	Proposed Updated Budget	Reference
REVENUE, SOURCES				
Measure A G.O. Bonds	\$108,225,000	\$0	\$108,225,000	
Local Revenue: Interest Income + other	\$3,000,000	-\$2,500,000	\$500,000	Anticipated Developer Fees not available, interest income only
Prop. 39 Funding	\$950,000	-\$600,000	\$350,000	Updated to reflect lower contribution to Bond Projects.
School Facilities Program State Funding	\$7,170,000	-\$1,583,988	\$5,586,012	Updated to reflect 2016/2017 Draft Modernization Eligibility Review.
Donations & Other Project-specific income	\$0		\$0	
TOTAL PROGRAM REVENUE	\$119,345,000	-\$4,683,988	\$114,661,012	
PROJECT EXPENDITURE BUDGETS, USES				
Bahia Vista	\$302,832	\$48,329	\$351,160	Project Closeout Adjustment
Glenwood	\$3,685,159	\$1,099,074	\$4,784,233	Bid adjustment: Market Conditions
Laurel Dell	\$14,040,375	\$1,153,564	\$15,193,939	GMP Adjustment for Incr. 1 & Est. costs Incr. 2
Laurel Dell Swing Space @ Davidson Annex	\$667,811	\$679,814	\$1,347,625	Bid adjustment: Market Conditions
San Pedro	\$15,447,328		\$15,447,328	
Short	\$6,040,378	-\$6,040,378	\$0	Defer Short Modernization to future bond.
Davidson Middle School	\$29,897,090	-\$686,534	\$29,210,556	Increased project costs, reduced scope later modernization
Venetia Valley K-8	\$41,307,665	-\$441,400	\$40,866,265	Increased project costs, reduced scope later modernizations
TOTAL PROJECT EXPENDITURE BUDGETS	\$111,388,638	-\$4,187,530	\$107,201,107	
PROGRAM MANAGEMENT	\$5,948,200		\$5,948,200	
DISTRICT-WIDE TECHNOLOGY		\$500,000	\$500,000	District purchased technology equipment in projects
PROGRAM RESERVE	\$2,000,000	-\$1,000,000	\$1,000,000	
TOTAL PROGRAM EXPENDITURES	\$119,336,838		\$114,649,307	
	\$8,162		\$11,705	Program Balance

DAVIDSON MIDDLE SCHOOL SUMMARY BUDGET

PROJECT	Board-Adopted Expenditure Budget 7/24/17	Proposed Adjustments 10/8/18	Proposed Updated Expenditure Budget	REFERENCE
10 Wing Roofing & Waterproofing	\$519,077	\$0	\$519,077	Project in closeout phase.
New STEAM CR Building	\$12,945,790	\$743,323	\$13,689,113	Adjust Budget for Updated Cost
Gym Locker PE CR Expansion	\$3,652,804	-\$1,429,856	\$2,222,948	Reduce scope future project: Reduced Program Revenue adjustment (-\$686,534) + STEAM CR Bldg Cost Adjustment (-\$743,323)
New MPR-Music Building	\$12,779,418	\$0	\$12,779,418	
Total Site Expenditure Budget	\$29,897,089	-\$686,533	\$29,210,556	

VENETIA VALLEY MIDDLE SCHOOL SUMMARY BUDGET

PROJECT	Board-Adopted Budget 7/24/2017	Proposed Budget Adjustments 10-8-18	Proposed Updated Expenditure Budget	REFERENCE
Transitional Housing	\$2,267,309	\$1,628,989	\$3,896,298	Updated for GMP award for Temp. Housing Construction
Replacement Classroom Wings	\$22,539,103		\$22,539,103	
New Multi-Purpose Building	\$8,065,757		\$8,056,757	
Parking, Drop-Off + Frontage Improvements	\$5,425,830		\$5,425,830	
Shade Structure	\$155,784		\$155,784	
Limited Modernization Existing Buildings	\$2,862,882	-\$2,070,388	\$792,494	Reduced to highest priority items.
Total Site Expenditure Budget	\$41,316,665	-\$441,399	\$40,866,265	

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High School District Measure B Bond Facilities Program Budget

	Board-Adopted Budget June 26, 2017	Proposed Budget Adjustments	Proposed Updated Budget	Reference
REVENUE				
Measure B G.O. Bonds	\$160,500,000		\$160,500,000	Measure B Bonds Total Revenue
Local Revenue: Interest income + other	\$3,650,000	-\$2,700,000	\$950,000	Anticipated Developer Fees not available, interest income only
Prop. 39 Funding	\$470,000		\$470,000	Updated to reflect non-bond projects in final EEP
State School Facilities Program	\$3,080,000	\$871,701	\$3,951,701	Updated to reflect 2016/2017 Draft Modernization Eligibility Review.
Donations & Other project-specific income	\$1,114,235		\$1,114,235	Donations San Rafael HS Stadium (\$915,000 to date, balance to receive \$119,235)
TOTAL PROGRAM REVENUE	\$168,814,235	-\$1,828,299	\$166,985,936	
PROJECT EXPENDITURE BUDGETS				
San Rafael High School Projects	\$74,059,129	-\$1,488,123	\$72,571,006	Reduced scope in later project Gym Locker
Madrone HS Projects	\$7,935,884		\$7,935,884	New Madrone Building
Terra Linda High School Projects	\$74,896,553	-\$1,144,917	\$73,751,636	Reduced scope in later project Fine Arts Ceramics
TOTAL PROJECT EXPENDITURES	\$156,891,566	-\$2,633,040	\$154,258,526	
PROGRAM MANAGEMENT	\$8,922,300		\$8,922,300	
DISTRICT WIDE TECHNOLOGY		\$800,000	\$800,000	District purchased Technology Equipment in projects
PROGRAM RESERVE	\$3,000,000		\$3,000,000	Unallocated Reserve
TOTAL PROGRAM EXPENDITURES	\$168,813,866		\$166,980,826	
	\$369		\$5,110	Program Balance

SAN RAFAEL HIGH SCHOOL SUMMARY BUDGET					
PROJECT		Board Adopted Expenditure Budget 7/24/17	Proposed Adjustments	Proposed Updated Expenditure Budget	REFERENCE
Stadium Renovation		\$12,563,306		\$12,563,306	
Air Conditioning		\$2,884,900		\$2,884,900	
Transitional Housing Ph. 1: (was Science Temp. Housing)		\$1,787,875		\$1,787,875	
New CTE Science Eng. Tech. (was Science & Madrone)		\$18,624,473		\$18,624,473	
Madrone HS Building (incl. in original Science)		\$7,935,884		\$7,935,884	
Administration Building, Commons, Kitchen, Entry		\$24,898,342		\$24,898,342	
Convert Old Administration to Classrooms		\$4,293,347		\$4,293,347	
Parking, Quad and Site Work (was CTE Bldg. & Parking)		\$5,901,586		\$5,901,586	
PE Athletics Modernization		\$3,105,300	-\$1,488,123	\$1,617,177	Reduce scope of future modernization project
San Rafael High Total Project Budget		\$81,995,013	-\$1,488,123	\$80,506,890	
Madrone High School Budget		\$7,935,884		\$7,935,884	
San Rafael High Total Project Budget w/o Madrone		\$74,059,129		\$72,571,006	

TERRA LINDA HIGH SCHOOL SUMMARY BUDGET

PROJECT	BOARD-ADOPTED EXPENDITURE BUDGET 7/19/17	PROPOSED ADJUSTMENTS 10-8-18	PROPOSED UPDATED EXPENDITURE BUDGET	REFERENCE
Air Conditioning	\$2,925,104		\$2,925,104	
Fine Arts & Ceramics Project	\$5,899,318	-\$1,144,916	\$4,754,402	Reduce scope future project.
Temporary Housing All Site Projects	\$1,571,512		\$1,571,512	
New Commons, Kitchen, Upper Library + Drama + Music	\$26,969,375	\$3,878,763	\$30,848,139	Includes Music Bldg. budget
New Main Gym	\$18,356,086		\$18,356,086	
New ICT (STEAM) Renovations	\$5,210,183		\$5,210,183	
New MusicBuilding (Project budget integrated into New Commons Bldg)	\$3,878,763	-\$3,878,763	\$0	
Parking Main Entry Renovations	\$7,391,090		\$7,391,090	
Renovate Classrooms Main Building	\$2,695,121		\$2,695,121	
Terra Linda High Total Project Budget	\$74,896,552	-\$1,144,916	\$73,751,636	

Recommendations

Accept the Proposed Updated Project and Program Budgets information

- Bring back to next Board agenda for action
- Confirm process to continue working with sites
- Focus on highest priority projects which Impact areas of greatest facilities needs

Comments, questions for the team...before we look ahead?

Look Ahead -- Future Considerations

Project costs on upcoming and future work

- What we've discussed today is what we currently know *now*
- Costs and adjustments based upon current awards

Our strategy as we move forward facing similar issues on major upcoming projects is to keep --

- Engaging in reconciling cost estimates
- Refining building elements and project scope
- Working to confirm priorities with sites

Look Ahead -- Elementary District

Three sites with future budget concerns:

Davidson

Phase II New Multi-Purpose Building + Music Classroom project

- Revising budget and scope with Site Committee

Venetia Valley

Current Classroom Replacement + New Multi-Purpose Building

- Project size and complexity continues to strain site budget

San Pedro

Old Administration Wing Modernization (Phase 3)

- Scope of work not fully defined, will need to update budget

Look Ahead -- High School District

San Rafael High

New Madrone, Admin., Kitchen, Commons
+ Parking/Quad

- Two estimates indicate \$3M - \$5M over budget

Phase II - New CTE STEAM Building

- Need to revisit budget in light of current escalation
- Committed to project as we've already demolished current spaces

SR Considerations

- Significant work complete
- Limited budget flexibility
- Additional projects - 3rd St. Safe Routes to School, site requests for more AC needs

Terra Linda High

New Commons, Kitchen, Library, Drama,
Music Building

- Estimate at \$2M over budget

Phase II - New Main Gym Building

- Need to revisit budget with current escalation

TL Considerations

- Revisit project list with the site
- Some projects lower priority
- Additional priority projects—old Gym bleachers, potential sports facilities

Building for Success

Refocusing projects in light of current costs

Accelerate next phase of work at the High School campuses and DMS:

- Reconfirm scope and priorities at each site
- Consider Design-Build Project Delivery Method for Phase II major projects

Return to BOE with updated cost information and project lists:

- After reviews and prioritization with Site Design Committees
- Consider potential *acceleration* of next bond issuance for Elementary District

Questions
