

BERKELEY UNIFIED SCHOOL DISTRICT

TO: Donald Evans, Ed.D., Superintendent
FROM: Lew Jones, Director of Facilities
DATE: January 14, 2015
SUBJECT: Facilities Plan Modifications

BACKGROUND INFORMATION

On December 10, 2014, the Board approved a list of areas to study prior to revising the current Facilities Plan. Attached to this cover memo are proposed budgets for both Measure I and Measure AA. Staff's answers and recommendations from the December 10th list are shown in italics. Please note that the capacity choices have **not** been made so no changes are detailed in this document. These budgets should be seen as a "base" prior to making those changes. Board choices in solving capacity issues, will affect the individual projects (possibly portables and a new elementary), the inflation budget, the Risk Pool budget and available cash flow (connected to the planned bond issuance). In addition, there may be minor changes in projected interest earnings. Finally, until the Board chooses a long term option on capacity, initiating any near term projects that could be modified (the Maintenance Department rebuild) would be placed on hold.

1. Make minor changes in project finances (done every quarter);
Small changes were made in both Bond Funds. There were two significant changes made in addition to the minor changes: the Longfellow Café in Measure I was increased by approximately \$640,000 plus inflation to account for the recent bid, and the PA and camera project in Measure AA was increased by approximately \$250,000 plus inflation to account for the recent estimate.
2. Eliminate a small electric project at Franklin Adult and combine it with the future planned modernization;
This change is incorporated in the attached spreadsheet.
3. Add a project to explore the feasibility of developing the BHS parking lot to house tennis courts, parking and housing;
A \$75,000 project budget was added to cover legal and some consultant expenses.
4. Plan for the expenses which will come from the Board decision on capacities;
As mentioned above, this will occur after the Board determines its direction.
5. Review the CTE projects for cost and timing;
We did not make any adjustments in this category. There could be some linkage to the capacity decision.
6. Move the following projects from Measure I to Measure AA:

- a. Cragmont paint and floor project;
- b. Rosa Parks playground project; and,
- c. Sidewalk replacement Phase 1.

All three projects were moved to Measure AA.

7. Add more dollars and add three more years to the furniture replacement plan under Measure I;
There was an increased budget of approximately \$500,000 to cover the next three years. There may be the need to increase the budget in the future if a new elementary is opened.
8. Review whether bonds can be issued more quickly (next planned issuance in 2015) and thus accelerate project(s);
The 2015 bond issuance is scheduled to be \$45 Million. The financial advisor has confirmed that we could increase this issuance to \$50 million (and decrease the planned 2020 issuance by \$5 million). The attached spreadsheets do not assume that shift at this point. Once the Board determines a course of action on capacity, a decision can be made whether to accelerate bond issuance. Per the attached spreadsheets and project timing, there is over \$8 million in cash available before the 2015 issuance, there is almost \$13 million in cash prior to the 2017 issuance and over \$7 million in cash before the 2019 issuance. The cash balance will increase if the bond issuance is accelerated.
9. Allocate inflation from the inflation reserve to the projects (3% actual inflation in the year); and,
Inflation was allocated to projects. BUSD has traditionally used the San Francisco Building Index from Engineering News Record as its inflation indicator. That index increased exactly 3% last year. The last several years have had very low inflation providing additional budget to the program. That is not the case this year.
10. Recalculate the Risk Pool budget.
The Risk Pool budget was recalculated. The net savings was approximately \$900,000.

POLICY/CODE

District practice to review Facilities Plan every year.

FISCAL IMPACT

As indicated in this memo and on the attached spreadsheets. The available balance in Measure I is \$8,281,331 and the available balance in AA is \$472,740, for a total balance between the two bonds of \$8,754,071. The previous balance between the two funds was \$9,538,247. There is a net decrease in available funds of \$784,176.

STAFF RECOMMENDATION

Approve the re-allocation of funds.