

**LEWISBURG AREA SCHOOL DISTRICT**

**Act 34  
PUBLIC HEARING  
on a proposed**

**NEW HIGH SCHOOL**

**at the  
Large Group Instruction Room  
Donald H. Eichhorn Middle School  
2057 Washington Avenue  
Lewisburg, PA. 17837**

**on  
Thursday  
April 10, 2014  
6:00 PM**

**LEWISBURG AREA SCHOOL DISTRICT**

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**TABLE OF CONTENTS**

	<b><u>Page Number</u></b>
1. AGENDA	2
2. PROJECT NEED	3-4
3. SUMMARY OF DISTRICT OWNED BUILDINGS & LAND (A-09)	5
4. OPTIONS CONSIDERED	6-8
5. PROJECT DESCRIPTION	9
6. PROJECT ACCOUNTING BASED ON ESTIMATES (D-02, 03)	10-11
7. OTHER DETAILED COSTS (D-04)	12
8. ACT 34 MAXIMUM BUILDING CONSTRUCTION COST (D-20)	13
9. ANALYSIS OF FINANCING ALTERNATIVES	14-18
10. BOARD RESOLUTION OF MAXIMUM BUILDING CONSTRUCTION COST & PROJECT COST	19
11. ACT 34 PUBLIC HEARING – ADVERTISEMENT	20

**LEWISBURG AREA SCHOOL DISTRICT**

**PUBLIC HEARING**  
on a proposed

**HEW HIGH SCHOOL**

**AGENDA**

1. **CALL TO ORDER / INTRODUCTIONS** **Mrs. Kathy K. Swope**  
**Board President**
  
2. **PURPOSE OF THE MEETING** **Dr. Mark D. DiRocco**  
**Superintendent**
  
3. **PROJECT DESCRIPTION** **Mr. John Beddia &**  
**by Crabtree, Rohrbaugh & Associates** **Mr. Chris Barnett**  
**Project Managers**
  
4. **FINANCIAL ANALYSIS** **Mr. Brad Remig**  
**by PFM Group** **Managing Director**
  
5. **PUBLIC COMMENT**  
**Question and Answer Period**
  - A. Pre-registered speakers/comments
  - B. Un-registered speakers, please raise hand, stand, state name and address
  - C. One comment/question at a time – three minute limitation per individual
  
6. **ADJOURNMENT**

# LEWISBURG AREA SCHOOL DISTRICT

## PUBLIC HEARING on a proposed

### NEW HIGH SCHOOL

## PROJECT NEED

In October of 2008, Lewisburg Area High School hosted a visitation team as part of the Middle States Commission on Secondary Schools accreditation for growth process. As a part of that report, facilities were examined by the committee. The report states, "Serious consideration and plans must be made to provide an appropriate facility to meet the needs of expanding programs to meet the needs of students within the next decade." Another part of the report stated, "...the school is fully occupied at the present time. This limits the ability of administration to expand quality programs."

In November of 2010, after many more meetings and community forums, a master facilities plan was approved that included additions and upgrades to the Pre-K through 8 facilities and the prioritized construction of a new high school for grades 9-12. Due to the state budget crisis in school funding in the spring of 2011, a flexible timeline for implementation of the plan was approved by the board in May of 2012.

The major reasons that the Board of School Directors made the decision to obtain design schematics and cost estimates on a new high school are related to:

- **Lack of interior space at present high school**

The majority of educational spaces are undersized. Specifically classrooms, visual arts, physical education and performing arts are very inadequate. Corridor "bottlenecks" need to be addressed as a result of limited space. With changing enrollments, new technologies, evolving curriculum and increasing accountability standards, the existing high school building is not spatially or educationally adequate to serve the programs of a 21<sup>st</sup> century, grades 9-12 education.

- **Existing site / safety**

Current site has one athletic field with limited space for instructional activities. Safety is a concern with vehicular circulation in and around the site – specifically when parent drop-off vehicles enter the bus site. Parking is maximized with current staffing, and does not meet student needs at peak capacity times or events. Because of the limited

space, buses are completed in two phases – with a population increase, an additional bus is expected.

- **Existing Building**

The original building was constructed in 1929, with renovations/improvements occurring in 1945, 1972, 1982 and 1998. Additional building improvements needed include exterior window replacement, interior door and hardware replacement, restroom upgrades for handicapped accessibility, and limited roof and insulation replacement. The main entrance is located at the parent drop-off loop at the rear of the building, immediately adjacent to the student drop off area. That student drop-off area is not visible though from the administration spaces. Heating, ventilation, air conditioning, electrical, fire alarm and technology systems are in need of upgrades.

**SUMMARY OF OWNED BUILDINGS AND LAND**

DISTRICT: **Lewisburg Area School District** PROJECT NAME: **Lewisburg High School** PAGE: **9** OF **12**

01	PRESENT				PLANNED					
	02	03	04	05	06	07	08	09	10	11
NAME OF BUILDING OR SITE (INCLUDING BAO AND VACANT LAND) OWNED BY SCHOOL DISTRICT/CTF	CONSTRUCTION YEAR/CF FUNDATION DATED FISCAL YEAR/OPENING DATE/1	SITE SIZE (ACRES)	GRADE LEVELS	BUILDING FTE	CONVERSION / DISPOSITION AND PLANNED COMPLETION DATE BAO/D OR OPTION CHASED	SITE SIZE (ACRES)	GRADE LEVELS	PLANNED BUILDING FTE	FTE PROTECTED GRADE LEVEL ENROLLMENT TO YEAR/IMPACT YEAR	FTE MINUS ENROLLMENT (03 - 11)
Kelly ES	1957, 63, 93	14.5	pk-3	625	Maintain	14.5	pk-3	825	XXXXXXXX	XXXXXXXX
Linntown ES	1939, 82, 93	8.5	4-5	475	Maintain	8.5	4-5	475	XXXXXXXX	XXXXXXXX
Subtotal	XXXXXXXX	XXX	XXXX	1,300	XXXXXXXXXXXXXXXXXXXX	XXX	XXXX	1,300	701	599
Eichhorn MS	1964, 68, 93	11.4	6-8	667	Maintain	11.4	6-8	667	XXXXXXXX	XXXXXXXX
Subtotal	XXXXXXXX	XXX	XXXX	667	XXXXXXXXXXXXXXXXXXXX	XXX	XXXX	667	420	247
Lewisburg Area HS	1929, 45, 71, 82, 98, 2013	7	9-12	487	Close Existing; Open New 2016	201	9-12	772	XXXXXXXX	XXXXXXXX
Subtotal	XXXXXXXX	XXX	XXXX	487	XXXXXXXXXXXXXXXXXXXX	XXX	XXXX	772	672	100
DAO (located in Linntown ES)									XXXXXXXX	XXXXXXXX
Subtotal	XXXXXXXX	XXX	XXXX		XXXXXXXXXXXXXXXXXXXX	XXX	XXXX			
<b>TOTAL</b>	<b>XXXXXXXX</b>	<b>XXX</b>	<b>XXXX</b>	<b>2,454</b>	<b>XXXXXXXXXXXXXXXXXXXX</b>	<b>XXX</b>	<b>XXXX</b>	<b>2,739</b>	<b>1,783</b>	<b>948</b>

**ACTIONS TO BE TAKEN IN THE FUTURE IF PROJECTIONS COME TRUE AND THE SCHOOL DISTRICT EXPERIENCES EXCESS OR INSUFFICIENT CAPACITY (FTE MINUS PROJECTED ENROLLMENT (Col. 11) > + or - 300)**

**CHECK IF APPLICABLE:**

- EXPAND PROGRAMS OR COURSE OFFERINGS
- PROVIDE SPACE FOR USE BY COMMUNITY GROUPS OR SERVICE AGENCIES
- OFFER FULL-TIME KINDERGARTEN OR PRE-SCHOOL
- REDUCE CLASS SIZE
- CLOSE SCHOOL(S)
- OTHER (DESCRIBE): \_\_\_\_\_

# LEWISBURG AREA SCHOOL DISTRICT

## PUBLIC HEARING on a proposed

### NEW HIGH SCHOOL

## OPTIONS CONSIDERED

The Lewisburg Area School District analyzed scenarios that explored the utilization of existing district buildings to meet the desired high school educational program. These construction options sought to maximize opportunities and minimize the constraints of the building site and structure. As part of the district wide facility study, energy portfolio surveys were also included for each district-owned building. Although each offered a possible solution, most offered undesirable building organizations, restricted sites, and/or compromises to the educational program.

#### A. Option 1

- Kelly Elementary School: reconfigure grades K-2; mechanical & electrical upgrades; estimated total project cost - \$2,100,000.
- Linntown Elementary School: reconfigure grades 3-5 & DAO; comprehensive renovations & additions; estimated total project cost - \$11,266,171.
- Eichhorn Middle School: maintain grades; comprehensive renovations & additions; estimated total project cost - \$18,710,786.
- Existing High School: maintain grades; comprehensive renovations & additions; estimated total project cost - \$29,193,510.

#### Pro's:

- provides the district's preferred grade alignment
- allows for partnership with Bucknell University

#### Con's:

- limited educational space flexibility at high school
- student athletes must still travel to multiple venues for practices & competitions
- inability to improve traffic flow around the site
- proposed high school additions will result in significant costs associated with storm water management, variances to building setbacks & impervious lot coverage

#### B. Option 2

- Kelly Elementary School: reconfigure grades K-2; mechanical & electrical upgrades; estimated total project cost - \$2,100,000.
- Linntown Elementary School: reconfigure grades 9-12; comprehensive renovations & additions; estimated total project cost - \$30,337,919.
- Eichhorn Middle School: maintain grades; comprehensive renovations & additions; estimated total project cost - \$18,710,786.

- Existing High School: reconfigure grades 3-5 & DAO; comprehensive renovations & additions; estimated total project cost - \$17,414,430.

Pro's:

- Provides the district's preferred grade alignment
- Maintains a presence in the borough & proximity to Bucknell University
- Flexibility & opportunities for course acceleration at the middle school grades with the proposed adjacency

Con's:

- Linntown renovations/additions would be costly by requiring phased construction
- All required athletic fields won't be consolidated at one site
- Placing grades 3-5 at the current high school congested site
- Will affect the current Service Learning projects between Linntown & Eichhorn.
- Linntown renovations/additions will proceed with grades 3-5 occupying the building, then when moved to current high school will also be impacted by renovations there

**C. Option 3 (option selected as it provided the best scenario for meeting the educational needs and goals of the district)**

- Kelly Elementary School: reconfigure grades K-2; mechanical & electrical upgrades; estimated total project cost - \$2,100,000.
- Linntown Elementary School & Eichhorn Middle School: combine with reconfigure grades 3-8 & DAO; comprehensive renovations & additions; estimated total project cost - \$23,277,476.
- New High School: maintain grades; new construction with current high school proposed for adaptive reuse; estimated total project cost - \$31,164,553.

Pro's:

- provides the district's preferred grade alignment
- construction of a new state-of-the-art high school facility including all proposed educational programming from the Vision 2020 goals of the district
- allows for future expansion and consolidation of athletic fields
- Linntown & Eichhorn benefit from shared use of large spaces and re-working of the traffic patterns on the site for separate parent & bus drop-off areas
- Linntown & Eichhorn campuses could accommodate auditorium functions and use from the community.
- Foreign language, math, reading and music programs can be accelerated in keeping with Vision 2020 from a grade alignment standpoint.

Con's:

- Elimination of a school in the borough
- Potential ongoing maintenance if the district maintains the high school facility for future use.

**D. Option 4 (developed & presented by a group of citizens within the district)**

- Kelly Elementary School: reconfigure grades K-2; mechanical & electrical upgrades; estimated total project cost - \$2,100,000.
- Linntown Elementary School: reconfigure grades 9-12; comprehensive renovations & additions; estimated total project cost - \$30,337,919.



- Eichhorn Middle School: maintain grades; comprehensive renovations & additions; estimated total project cost - \$18,710,786.
- Existing High School: reconfigure grades 3-5 & DAO; comprehensive renovations and additions; estimated total project cost - \$17,414,430
- Construction of separate facilities for a Performing Arts Theater and gymnasium; costs not estimated due to unknown site acquisition.

**Pro's:**

- Maintains a presence in the borough
- Creates opportunities for program acceleration at the high school and middle school

**Con's:**

- Additional properties would need to be acquired
- Increased student travel to educational spaces affects class scheduling & security
- Various sites are still required for athletic events
- Potential for additional unknowns associated with site acquisitions.

**LEWISBURG AREA SCHOOL DISTRICT**

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**NEW HIGH SCHOOL**

**PROJECT DESCRIPTION**

**Site Summary**

- **Total Acreage:** 201-acre site currently owned by the District
- **Shape and Topography:** Irregular perimeter shape, partially determined by existing roads and access points (including Kelly Elementary School). Topography is moderately flat to steep in some areas.
- **Current Use:** Educational and Agricultural
- **Public Road Access:** Currently from Hospital Drive; proposed from Newman Road
- **Proposed Community Use Areas:** Recreational
- **Available Utilities:** Electricity, water, gas and sewer
- **Noise Pollution:** None recognized
- **Wetlands:** Yes, approximately 10.32 acres in size; new construction will not infringe on wetlands or established wetland buffers.
- **Parking Count:** Approximately 300, including ADA accessible parking spaces
- **Summary of Proposed Site Improvements:** driveways, sidewalks, parking, lighting, utilities, play fields and storm water management

**Proposed Building Summary**

- **General:** New facility, grades 9-12 with 772 planned building FTE (per PDE)
- **Size:** 182,481 Square Feet
- **Structure:** one/two-story masonry structure
- **Program Spaces include:**

General Classrooms	Health, Administration, Guidance
Special Education Classrooms	Art Rooms
Band, Choral - Music Rooms	Small & Large Group Instruction Rooms
Gymnasium – Physical Education	Information Resource Center
Auditorium, Stage	Cafeteria, Kitchen
Science Labs	Family & Consumer Science
Business Classroom	Technology Education
Faculty Planning	Storage, Custodial Spaces

All spaces are planned to meet PA Department of Education Guidelines.

- **Building Systems:**

Energy Efficient Heating, Cooling & Lighting	Integrated Communication Systems
Plumbing (incl. Fire Sprinklers)	Fire Alarm
Security System	Emergency Lighting

Building will be designed to meet all current applicable codes.

PROJECT ACCOUNTING BASED ON ESTIMATES (1 of 2)			
District/CTC:	Project Name:	Project #:	
Lewisburg Area School District	Lewisburg Area High School		
ROUND FIGURES TO NEAREST DOLLAR			
PROJECT COSTS	NEW	EXISTING	TOTAL
<b>A. STRUCTURE COSTS</b> (include site development)			
1. General (Report costs for sanitary sewage disposal on line K-1.)	18,685,825		18,685,825
2. Heating and Ventilating	4,928,987		4,928,987
3. Plumbing (Report costs for sanitary sewage disposal on line K-1.)	2,189,772		2,189,772
4. Electrical	4,197,063		4,197,063
5. Asbestos Abatement (D04, line C-3)	X X X X X X		
6. Building Purchase Amount	X X X X X X		
7. Other * (Exclude test borings and site survey)			
a. _____			
b. _____			
c. _____			
d. _____			
e. PlanCon-D-Add't Costs, Total			
A-1 to A-7 - Subtotal	29,999,647		29,999,647
8. Construction Insurance			
a. Owner Controlled Insurance Program on Structure Costs (Exclude asbestos abatement, building purchase and other structure costs not covered by the program)			
b. Builder's Risk Insurance (If not included in prizes)			
c. Construction Insurance - Total			
9. TOTAL-Structure Costs (A-1 to A-7-Subtotal plus A-8-c)	29,999,647		29,999,647
<b>B. ARCHITECT'S FEE</b>			
1. Architect's/Engineer's Fee on Structure	1,961,552		1,961,552
2. EPA-Certified Project Designer's Fee on Asbestos Abatement	X X X X X X		
3. TOTAL - Architect's Fee	1,961,552		1,961,552
<b>C. MOVABLE FIXTURES AND EQUIPMENT</b>			
1. Movable Fixtures and Equipment	630,272		630,272
2. Architect's Fee			
3. TOTAL - Movable Fixtures & Equipment	630,272		630,272
<b>D. STRUCTURE COSTS, ARCHITECT'S FEE, MOVABLE FIXTURES &amp; EQUIPMENT - TOTAL (A-9 plus B-3 and C-3)</b>	32,591,471		32,591,471
<b>E. SITE COSTS</b>			
1. Sanitary Sewage Disposal	103,560		103,560
2. Sanitary Sewage Disposal Tap-In Fee and/or Capacity Charges	30,000		30,000
3. Owner Controlled Insurance Program/Builder's Risk Insurance on Sanitary Sewage Disposal			
4. Architect's/Engineer's Fee for Sanitary Sewage Disposal	8,014		8,014
5. Site Acquisition Costs		X X X X X X	
a. Gross Amount Due from Settlement Statement or Estimated Just Compensation		X X X X X X	
b. Real Estate Appraisal Fees		X X X X X X	
c. Other Related Site Acquisition Costs		X X X X X X	
d. Site Acquisition Costs - Total		X X X X X X	
6. TOTAL - Site Costs	141,574		141,574
<b>F. STRUCTURE COSTS, ARCHITECT'S FEE, MOVABLE FIXTURES &amp; EQUIPMENT, AND SITE COSTS - TOTAL (D plus E-6)</b>	32,733,045		32,733,045

\* Type "No Fee" beside each item for which no design fee is charged.

PROJECT ACCOUNTING BASED ON ESTIMATES (2 of 2)				
District/CTC: Lewisburg Area School District	Project Name: Lewisburg Area High School		Project #:	
ROUND FIGURES TO NEAREST DOLLAR				
PROJECT COSTS (CONT.)				TOTAL
<b>G. ADDITIONAL CONSTRUCTION-RELATED COSTS</b>				
1. Project Supervision (inc. Asbestos Abatement Project Supervision)				
2. Construction Manager Fee and Related Costs				
3. Total Demolition of Entire Existing Structures and Related Asbestos Removal to Prepare Project Site for Construction of New School Building and Related AHERA Clearance Air Monitoring and EPA-Certified Project Designer's Fee on Asbestos Abatement (Exclude costs for partial demolition.)				
4. Architectural Printing				63,028
5. Test Borings				23,450
6. Site Survey				31,450
7. Other (attach schedule if needed)				
a. Testing/Inspections & Regulatory Agency Fees				777,736
b. PlanCon-D-Add't Costs, Total				
8. Contingency				602,664
9. TOTAL - Additional Construction-Related Costs				1,498,328
<b>H. FINANCING COSTS FOR THIS PROJECT ONLY</b>	<b>BOND ISSUE/NOTE SERIES OF 2014</b>	<b>BOND ISSUE/NOTE SERIES OF 2015</b>	<b>BOND ISSUE/NOTE SERIES OF _____</b>	<b>X X X X X X X X X X X X</b>
1. Underwriter Fees	300,000	68,150		368,150
2. Legal Fees	45,000	40,000		85,000
3. Financial Advisor	19,500	19,500		39,000
4. Bond Insurance	184,083	38,441		222,524
5. Paying Agent/Trustee Fees and Expenses	2,000	2,000		4,000
6. Capitalized Interest	1,894,000			1,894,000
7. Printing	10,000	10,000		20,000
8. CUSIP & Rating Fees	25,000	10,000		35,000
9. Other				
a. _____				
b. _____				
10. TOTAL-Financing Costs	2,479,583	188,091		2,667,674
1. TOTAL PROJECT COSTS (F plus G-9 plus H-10)				36,899,047
<b>REVENUE SOURCES</b>	<b>BOND ISSUE/NOTE SERIES OF 2014</b>	<b>BOND ISSUE/NOTE SERIES OF 2015</b>	<b>BOND ISSUE/NOTE SERIES OF _____</b>	<b>TOTAL</b>
J. AMOUNT FINANCED FOR THIS PROJECT ONLY	30,000,000	6,815,000		36,815,000
K. ORIGINAL ISSUE DISCOUNT/ PREMIUM FOR THIS PROJECT ONLY	21,800	5,000		26,800
L. INTEREST EARNINGS FOR THIS PROJECT ONLY	46,850	10,597		57,247
M. BUILDING INSURANCE RECEIVED				
N. PROCEEDS FROM SALE OF BUILDING OR LAND				
O. LOCAL FUNDS - CASH (SEE INSTRUCTIONS)				
P. OTHER FUNDS (ATTACH SCHEDULE)				
Q. TOTAL REVENUE SOURCES				36,899,047

**DETAILED COSTS**

<b>District/CDC:</b> Lewisburg Area School District		<b>Project Name:</b> Lewisburg Area High School		<b>Project #:</b>
	<b>NEW</b>	<b>EXISTING</b>	<b>TOTAL</b>	
<b>A. SITE DEVELOPMENT COSTS</b> (exclude Sanitary Sewage Disposal)				
1. General (include Rough Grading to Receive Building)	3,000,000		3,000,000	
2. Heating and Ventilating				
3. Plumbing				
4. Electrical	366,440		366,440	
5. Other: _____				
6. Other: _____				
7. A-1 thru A-6 - Subtotal	3,366,440		3,366,440	
<b>8. Construction Insurance</b>				
a. Owner Controlled Insurance Program on Site Development Costs				
b. Builder's Risk Insurance (if not included in primes)				
c. Construction Insurance - Subtotal				
9. Site Development Costs - Total	3,366,440		3,366,440	
<b>B. ARCHITECT'S FEE ON SITE DEVELOPMENT</b>	<b>201,986</b>		<b>201,986</b>	
			<b>EXISTING</b>	
<b>C. ASBESTOS ABATEMENT</b>				
1. Asbestos Abatement				
2. AHERA Clearance Air Monitoring				
3. Asbestos Abatement - Total (D02, line A-5)				
<b>D. EPA-CERTIFIED PROJECT DESIGNER'S FEE ON ASBESTOS ABATEMENT (D02, LINE B-2)</b>				
<b>E. ROOF REPLACEMENT/REPAIR</b>				
1. Roof Replacement Repair				
2. Owner Controlled Insurance Program on Roof Replacement/Repair				
3. Builder's Risk Insurance (if not included in primes)				
4. Roof Replacement/Repair - Total				
<b>F. ARCHITECT'S FEE ON ROOF REPLACEMENT/REPAIR</b>				

**ACT 34 OF 1973: MAXIMUM BUILDING CONSTRUCTION COST  
FOR NEW BUILDING OR SUBSTANTIAL ADDITION ONLY**

District/CTC: Lewisburg Area School District	Project Name: Lewisburg Area High School	Project #:
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Act 34 applies only to costs for new construction. The legal requirements do not address the costs for alterations to existing structures. For this reason, costs associated with the existing structure and other related costs should not be included in the following calculations.

A. STRUCTURE COST, ARCHITECT'S FEE, MOVABLE FIXTURES AND EQUIPMENT (D02, line D-NEW)		\$ 32,591,471
B. EXCLUDABLE COSTS FOR NEW CONSTRUCTION		
1. Site Development Costs (D04, line A-7-NEW)	\$ 3,366,440	
2. Architect's Fees on the above excludable costs	\$ 201,986	
3. Vocational Projects Only - Movable Fixtures & Equipment (D02, line C-3-NEW)	\$ _____	
4. Total Excludable Costs (B-1 plus B-2 and B-3)		\$ 3,568,426
C. ACT 34 MAXIMUM BUILDING CONSTRUCTION COST (A minus B-4)		\$ 29,023,045

↑  
THE FIGURE ON LINE A SHOULD NOT BE ADOPTED BY THE BOARD.

THE BOARD MUST ADOPT THE FIGURE ON LINE C BEFORE SCHEDULING THE FIRST ACT 34 HEARING.

IF THE MAXIMUM BUILDING CONSTRUCTION COST BASED ON BIDS IS EQUAL TO OR GREATER THAN THE MAXIMUM BUILDING CONSTRUCTION COST BASED ON ESTIMATES PLUS EIGHT PERCENT (LINE D), A SECOND PUBLIC HEARING WILL BE REQUIRED BEFORE ENTERING INTO CONTRACTS AND STARTING CONSTRUCTION ON ANY PLANNED WORK.

D. ACT 34 MAXIMUM BUILDING CONSTRUCTION COST TIMES 1.08 (C times 1.08)		\$ 31,344,889
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THE FIGURE ON LINE D SHOULD NOT BE ADOPTED BY THE BOARD.

## **ANALYSIS OF FINANCING ALTERNATIVES**

We have analyzed four alternative methods of financing the proposed designing, constructing, furnishing, and equipping the new Lewisburg Area High School (the "Project"). We also estimated the direct costs of financing as required by the Department of Education regulations issued November 4, 1978.

### **ANALYSIS OF ALTERNATIVES**

The four alternatives of financing that we examined are:

1. Cash or a short-term loan.
2. General obligation bond issue.
3. A local authority issue.
4. A financing through the State Public School Building Authority (SPSBA).

Analysis of the School District's financial statements for recent years, and of the financing projections prepared in connection with this Project, and discussions with the School District's Administration indicated that financing the entire project with cash is not feasible. The School District does not have the funds necessary to pay cash for its share of the Project, nor does it appear that the School District would be able to raise the required amounts from its anticipated cash flow to meet the proposed construction schedule.

We then analyzed in detail the three alternatives which would require the School District to incur long-term debt. For each alternative, we estimated a bond issue size and calculated the average annual debt service requirements. We then constructed a repayment schedule assuming equal annual payments over 20 years at current interest rate levels for the General Obligation, Local Authority, and SPSBA Bond Issues. Financing costs for the local authority and SPSBA were slightly higher, which resulted in a larger bond issue and higher average annual payments. Bonds issued through either a local authority or the SPSBA would be classified as revenue bonds instead of general obligation bonds. Interest rates on revenue bonds are slightly higher than interest rates that would be received on general obligation bonds. This would result in higher annual debt service payments for the School District. The General Obligation alternative offers the School District the advantage of lower interest rates, more favorable refunding provisions and keeps more control with the local school board. Based on these analyses and past performance, the least costly alternative for financing the Project is the General Obligation Issue.

**COMPARISON OF LONG TERM FINANCING METHODS**

<u>ITEM</u>	<u>GENERAL OBLIGATION</u>	<u>LOCAL AUTHORITY*</u>	<u>SPSBA</u>
Construction & Related Costs	\$33,628,709	\$33,628,709	\$33,628,709
Contingency & Supervision	602,664	602,664	602,664
Costs of Issuance	551,150	561,250	556,300
Bond Insurance	222,524	233,000	227,000
Capitalized Interest	1,894,000	1,894,000	1,894,000
Total Costs	<u>36,899,047</u>	<u>36,919,623</u>	<u>36,908,673</u>
Less: Interest Earned	57,247	57,923	57,673
Less: Original Issue Premium	<u>26,800</u>	<u>26,700</u>	<u>26,000</u>
<b>BOND ISSUE</b>	<b>36,815,000</b>	<b>36,835,000</b>	<b>36,825,000</b>
Average Annual Payment at 4.50%** for 20 years	\$2,794,918	\$2,844,381	\$2,843,609

\* A Local Authority would have annual administrative expenses, which have not been included in these calculations.

\*\* Local Authority and SPSBA Annual Payments are calculated assuming 4.70% as a result of higher interest costs associated with selling revenue bonds.

The School District is considering other ways to reduce the debt service and local effort needed to fund the Project.

1. The School District will consider the use of bond insurance to improve the credit rating and marketability of the Bonds. The cost of such insurance may increase the size of the Bonds issued but reduce the interest rate the School District must pay on the Bonds, and result in lower debt service.
2. The School District will consider the use of a wrap around debt service structure to minimize the upfront millage equivalent for the Project. The District has also identified revenue sources in their budget such that no millage increase is expected for debt service costs of this project.
3. For discussion purposes only, we have provided on Table 1 and Table 2, wrap around amortization schedules to reflect the General Obligation issues which may be used to fund the Project.

Table 1 = G.O. Bonds, Series of 2014 \$30,000,000

Table 2 = G.O. Bonds, Series of 2015 \$6,815,000

**STATE REIMBURSEMENT**



The State will reimburse the School District for a portion of the principal and interest which the School District pays each year on the bonds. The amount of the reimbursement is determined by two factors, the percentage of the Project determined by the Department of Education to be reimbursable and the School District's Market Value Aid Ratio ("MVAR"). It is estimated that the Project will be assigned \$5,603,374 in reimbursement. Based on a pro-forma calculation of reimbursement for a bond issue sized for this Project, the reimbursement percentage would be 15.19%. The School District's MVAR percentage is 44.82%. When these two percentages are multiplied, the result is an "effective" reimbursable percentage of 6.81%. Therefore, for each dollar paid by the School District toward principal and interest, the state will reimburse the School District 6.81 cents for the Project.

**INDIRECT COSTS**

As a result of the completion of this proposed Project, it is only reasonable to assume that there will be indirect costs associated with services to be provided to accomplish long range objectives of the School District. It is reasonable to assume that there will be annual costs of approximately \$167,368.

School District officials have estimated the annual indirect costs associated with the Project to be as follows:

Additional Custodian (1)	\$35,000
Additional Custodial Supplies	\$27,260
Additional Fuel and Utilities	\$54,000
Additional Contracted Maintenance and Repairs	\$20,000
Transportation	\$16,000
Additional Insurance Premium	<u>\$15,108</u>
Total	\$167,368

Assuming a collected mill currently provides \$1,007,004, the indirect costs will have a millage impact of 0.17 mills annually.

**TOTAL MILLAGE IMPACT**

The total millage equivalent of the Project assuming wrap around payments is:

\$30,000,000 G.O. Bonds on Table 1	= 0.32 mills
\$6,815,000 G.O. Bonds on Table 2	= <u>0.22 mills</u>
Total	0.54 mills
Plus: Indirect Costs	<u>0.17 mills</u>
Total	0.71 mills

As mentioned previously, the District has identified revenue sources in their budget such that no millage increase is expected for the costs of this project.

LEWISBURG AREA SCHOOL DISTRICT  
SERIES OF 2014

Table 1

Total Issue = \$30,000,000

Settled 4/1/201  
Dated 4/1/201

1	2	3	4	5	6	7	8	9	10	11	1
Date	Principal	Rate	Interest	Semi-Annual Debt Service	Annual Capitalized Interest	Proposed Fiscal Year Debt Service	Less: State Aid	Proposed Local Effort	Existing Local Effort	Net Total Local Effort	Milag Equivalen
								2,003,453.00			
8/15/2014			463,817.36	463,817.36							
2/15/2015	5,000	1.020	623,038.25	628,038.25	(442,000.00)	649,855.61	(44,243.20)	605,612.42	1,285,369.19	1,890,981.61	-0.1
8/15/2015			623,012.75	623,012.75							
2/15/2016	5,000	1.180	623,012.75	628,012.75	(718,000.00)	533,025.50	(36,289.22)	496,736.28	1,938,754.74	2,435,491.02	0.4
8/15/2016			622,983.25	622,983.25							
2/15/2017	5,000	1.350	622,983.25	627,983.25	(734,000.00)	516,966.50	(35,195.90)	481,770.60	1,934,188.52	2,415,959.12	
8/15/2017			622,949.50	622,949.50							
2/15/2018	5,000	1.650	622,949.50	627,949.50		1,250,899.00	(85,163.18)	1,165,735.82	1,101,650.89	2,267,386.71	
8/15/2018			622,908.25	622,908.25							
2/15/2019	980,000	2.030	622,908.25	1,602,908.25		2,225,816.50	(151,537.10)	2,074,279.40		2,074,279.40	
8/15/2019			612,961.25	612,961.25							
2/15/2020	1,000,000	2.410	612,961.25	1,612,961.25		2,225,922.50	(151,544.32)	2,074,378.18		2,074,378.18	
8/15/2020			600,911.25	600,911.25							
2/15/2021	1,025,000	2.810	600,911.25	1,625,911.25		2,226,822.50	(151,605.59)	2,075,216.91		2,075,216.91	
8/15/2021			586,510.00	586,510.00							
2/15/2022	1,055,000	3.120	586,510.00	1,641,510.00		2,228,020.00	(151,687.12)	2,076,332.88		2,076,332.88	
8/15/2022			570,052.00	570,052.00							
2/15/2023	1,090,000	3.360	570,052.00	1,660,052.00		2,230,104.00	(151,829.00)	2,078,275.00		2,078,275.00	
8/15/2023			551,740.00	546,740.00							
2/15/2024	1,130,000	3.550	551,740.00	1,681,740.00		2,228,480.00	(151,718.44)	2,076,761.56		2,076,761.56	
8/15/2024			531,682.50	531,682.50							
2/15/2025	1,165,000	3.710	531,682.50	1,696,682.50		2,228,365.00	(151,710.61)	2,076,654.39		2,076,654.39	
8/15/2025			510,071.75	510,071.75							
2/15/2026	1,210,000	3.840	510,071.75	1,720,071.75		2,230,143.50	(151,831.69)	2,078,311.81		2,078,311.81	
8/15/2026			486,839.75	486,839.75							
2/15/2027	1,255,000	3.960	486,839.75	1,741,839.75		2,228,679.50	(151,732.02)	2,076,947.48		2,076,947.48	
8/15/2027			461,990.75	461,990.75							
2/15/2028	1,305,000	4.080	461,990.75	1,766,990.75		2,228,981.50	(151,752.58)	2,077,228.92		2,077,228.92	
8/15/2028			435,368.75	435,368.75							
2/15/2029	1,360,000	4.200	435,368.75	1,795,368.75		2,230,737.50	(151,872.13)	2,078,865.37		2,078,865.37	
8/15/2029			406,808.75	401,808.75							
2/15/2030	1,420,000	4.320	406,808.75	1,826,808.75		2,228,617.50	(151,727.80)	2,076,889.70		2,076,889.70	
8/15/2030			376,136.75	376,136.75							
2/15/2031	1,475,000	4.420	376,136.75	1,851,136.75		2,227,273.50	(151,636.30)	2,075,637.20		2,075,637.20	
8/15/2031			343,539.25	343,539.25							
2/15/2032	1,540,000	4.510	343,539.25	1,883,539.25		2,227,078.50	(151,623.02)	2,075,455.48		2,075,455.48	
8/15/2032			308,812.25	308,812.25							
2/15/2033	1,610,000	4.580	308,812.25	1,918,812.25		2,227,624.50	(151,660.20)	2,075,964.30		2,075,964.30	
8/15/2033			271,943.25	271,943.25							
2/15/2034	1,685,000	4.640	271,943.25	1,956,943.25		2,228,886.50	(151,746.11)	2,077,140.39		2,077,140.39	
8/15/2034			232,851.25	232,851.25							
2/15/2035	1,760,000	4.700	232,851.25	1,992,851.25		2,225,702.50	(151,529.34)	2,074,173.16		2,074,173.16	
8/15/2035			191,491.25	191,491.25							
2/15/2036	1,845,000	4.760	191,491.25	2,036,491.25		2,227,982.50	(151,684.57)	2,076,297.93		2,076,297.93	
8/15/2036			147,580.25	147,580.25							
2/15/2037	1,930,000	4.810	147,580.25	2,077,580.25		2,225,160.50	(151,492.44)	2,073,668.06		2,073,668.06	
8/15/2037			101,163.75	101,163.75							
2/15/2038	2,025,000	4.860	101,163.75	2,126,163.75		2,227,327.50	(151,639.98)	2,075,687.52		2,075,687.52	
8/15/2038			51,956.25	51,956.25							
2/15/2039	2,125,000	4.890	51,956.25	2,176,956.25		2,228,912.50	(151,747.88)	2,077,164.62		2,077,164.62	
TOTALS	30,000,000		21,631,385.11	51,631,385.11	(1,894,000.00)	49,737,385.11	(3,386,199.76)	46,351,185.35	6,259,963.34	52,611,148.69	0.3
PE% =	15.19%	Estimated									
AR% =	44.82%										
1 MILL =	\$1,007,004	Estimated									

LEWISBURG AREA SCHOOL DISTRICT

Table 2

SERIES OF 2015

Settled 4/1/2015  
Dated 4/1/2015

Total Issue = \$6,815,000

1	2	3	4	5 <sup>r</sup>	6	7	8	9	10	11
Date	Principal	Rate	Interest	Semi-Annual Debt Service	Proposed Fiscal Year Debt Service	Less: State Aid	Proposed Local Effort	Existing Local Effort	Net Total Local Effort	Millage Equivalent
8/15/2015			94,271.61	94,271.61						
2/15/2016	5,000	0.770	126,633.50	131,633.50	225,905.11	(15,379.98)	210,525.13	2,435,491.02	2,646,016.15	0.21
8/15/2016			126,614.25	126,614.25						
2/15/2017	5,000	0.930	126,614.25	131,614.25	258,228.50	(17,580.60)	240,647.90	2,415,959.12	2,656,607.02	0.01
8/15/2017			126,591.00	126,591.00						
2/15/2018	90,000	1.100	126,591.00	216,591.00	343,182.00	(23,364.37)	319,817.63	2,267,386.71	2,587,204.34	
8/15/2018			126,096.00	126,096.00						
2/15/2019	235,000	1.400	126,096.00	361,096.00	487,192.00	(33,168.80)	454,023.20	2,074,279.40	2,528,302.59	
8/15/2019			124,451.00	124,451.00						
2/15/2020	235,000	1.780	124,451.00	359,451.00	483,902.00	(32,944.81)	450,957.19	2,074,378.18	2,525,335.37	
8/15/2020			122,359.50	122,359.50						
2/15/2021	240,000	2.160	122,359.50	362,359.50	484,719.00	(33,000.44)	451,718.56	2,075,216.91	2,526,935.47	
8/15/2021			119,767.50	119,767.50						
2/15/2022	245,000	2.560	119,767.50	364,767.50	484,535.00	(32,987.91)	451,547.09	2,076,332.88	2,527,879.97	
8/15/2022			116,631.50	116,631.50						
2/15/2023	250,000	2.870	116,631.50	366,631.50	483,263.00	(32,901.31)	450,361.69	2,078,275.00	2,528,636.69	
8/15/2023			113,044.00	113,044.00						
2/15/2024	255,000	3.110	113,044.00	368,044.00	481,088.00	(32,753.23)	448,334.77	2,076,761.56	2,525,096.33	
8/15/2024			109,078.75	109,078.75						
2/15/2025	265,000	3.300	109,078.75	374,078.75	483,157.50	(32,894.13)	450,263.37	2,076,654.39	2,526,917.76	
8/15/2025			104,706.25	104,706.25						
2/15/2026	270,000	3.460	104,706.25	374,706.25	479,412.50	(32,639.16)	446,773.34	2,078,311.81	2,525,085.15	
8/15/2026			100,035.25	100,035.25						
2/15/2027	285,000	3.590	100,035.25	385,035.25	485,070.50	(33,024.37)	452,046.13	2,076,947.48	2,528,993.61	
8/15/2027			94,919.50	94,919.50						
2/15/2028	295,000	3.710	94,919.50	389,919.50	484,839.00	(33,008.61)	451,830.39	2,077,228.92	2,529,059.31	
8/15/2028			89,447.25	84,447.25						
2/15/2029	305,000	3.830	89,447.25	394,447.25	478,894.50	(32,603.89)	446,290.61	2,078,865.37	2,525,155.97	
8/15/2029			83,606.50	83,606.50						
2/15/2030	315,000	3.950	83,606.50	398,606.50	482,213.00	(32,829.82)	449,383.18	2,076,889.70	2,526,272.88	
8/15/2030			77,385.25	77,385.25						
2/15/2031	330,000	4.070	77,385.25	407,385.25	484,770.50	(33,003.94)	451,766.56	2,075,637.20	2,527,403.76	
8/15/2031			70,669.75	70,669.75						
2/15/2032	345,000	4.170	70,669.75	415,669.75	486,339.50	(33,110.76)	453,228.74	2,075,455.48	2,528,684.22	
8/15/2032			63,476.50	63,476.50						
2/15/2033	355,000	4.260	63,476.50	418,476.50	481,953.00	(32,812.12)	449,140.88	2,075,964.30	2,525,105.18	
8/15/2033			55,915.00	55,915.00						
2/15/2034	370,000	4.330	55,915.00	425,915.00	481,830.00	(32,803.75)	449,026.25	2,077,140.39	2,526,166.64	
8/15/2034			47,904.50	47,904.50						
2/15/2035	390,000	4.390	47,904.50	437,904.50	485,809.00	(33,074.64)	452,734.36	2,074,173.16	2,526,907.51	
8/15/2035			39,344.00	39,344.00						
2/15/2036	405,000	4.450	39,344.00	444,344.00	483,688.00	(32,930.24)	450,757.76	2,076,297.93	2,527,055.69	
8/15/2036			30,332.75	30,332.75						
2/15/2037	425,000	4.510	30,332.75	455,332.75	485,665.50	(33,064.87)	452,600.63	2,073,668.06	2,526,268.68	
8/15/2037			20,749.00	20,749.00						
2/15/2038	445,000	4.560	20,749.00	465,749.00	486,498.00	(33,121.55)	453,376.45	2,075,687.52	2,529,063.97	
8/15/2038			10,603.00	10,603.00						
2/15/2039	460,000	4.610	10,603.00	470,603.00	481,206.00	(32,761.26)	448,444.74	2,077,164.62	2,525,609.35	
TOTALS	6,815,000		4,168,361.11	10,983,361.11	10,983,361.11	(747,764.58)	10,235,596.53	50,720,167.08	60,955,763.61	0.22
PE%=	15.19% Estimated									
AR%=	44.82%									
1 MILL=	\$1,007,004 Estimated									

**Lewisburg Area School District**

**PUBLIC HEARING  
on a proposed**

**NEW HIGH SCHOOL**

**Maximum Project Cost**

**Act 34 Maximum Building Construction Cost**

Be it resolved that the Board of School Directors of LEWISBURG AREA SCHOOL DISTRICT approves the maximum building construction cost and maximum project cost listed below.

Be it further resolved that the following costs have been estimated:

<b>Act 34 Maximum Building Construction Cost</b> (Structure Cost, Architect's Fee, Moveable Furniture & Equipment <i>less</i> Site Development Costs and Architect's Site Design Fee.)	<b>\$ 29,023,045</b>
<b>Other Project Costs</b>	<b>\$ 7,876,002</b>
<b>Maximum Project Cost</b>	<b>\$ 36,899,047</b>

Adopted this 27th day of February, 2014, by Roll Call Vote, Yes and No, as follows:

Mrs. Kathy K. Swope _____	Mrs. Myrna Perkins _____
Mr. Edward Zych _____	Mr. Mark Hendrickson _____
Mr. Fred Scheller _____	Dr. Mary Howe _____
Mrs. Mary K. Brouse _____	Dr. Tera Unzicker-Fassero _____
Mrs. Kelly Komula _____	

**Lewisburg Area School District**

Attest: \_\_\_\_\_

Mr. John Fairchild  
Secretary Board of School Directors

# Lewisburg Area School District

## PUBLIC HEARING on a proposed

## NEW HIGH SCHOOL

### PUBLIC HEARING NOTICE

Please take notice that a public hearing will be held at the Large Group Instruction Room at Donald H. Eichhorn Middle School, 2057 Washington Avenue, Lewisburg, PA 17837, on Thursday, April 10, 2014 at 6:00 p.m. for the purpose of reviewing relevant matters relating to the construction and equipping of the New High School (the "Project").

A description of the Project, including facts relative to educational, physical, administrative, budgetary and fiscal matters of the project, will be presented and will be available for consideration at this public hearing. Beginning Monday, March 17, 2014 a project description booklet will be available during business hours (8:00 am to 4:00 pm) at the LEWISBURG AREA SCHOOL DISTRICT ADMINISTRATION OFFICES at 1951 Washington Avenue, Lewisburg, PA 17837.

The Board of School Directors of the LEWISBURG AREA SCHOOL DISTRICT has adopted by resolution the following maximum project costs in connection with this project:

<b>Act 34 Maximum Building Construction Cost</b> (Structure Cost, Architect's Fee, Moveable Furniture & Equipment <u>less</u> Site Development Costs and Architect's Site Design Fee.)	<b>\$ 29,023,045</b>
<b>Other Project Costs</b>	<b>\$ 7,876,002</b>
<hr/>	
<b>Maximum Project Cost</b>	<b>\$ 36,899,047</b>

This public hearing is being held pursuant to the requirements of PA Public School Code of 1949, approved March 10, 1949, as amended and supplemented, including amendments made pursuant to Act 34 of the session of 1973 of the General Assembly.

Interested parties that want to be placed on the public hearing agenda may submit their names to the District Office (address listed above) until 12:00 noon on Thursday, April 3, 2014. Additional testimony will be received from the floor at the hearing.

Any and all interested parties may appear at and attend the public hearing and may be heard at such public hearing, (one person, one comment at a time, five minute limitation per individual), and/or may submit written testimony to the Secretary of the School Board of Directors at the District Office (address listed above) until 12:00 noon on Monday, May 12, 2014.





# Crabtree, Rohrbaugh & Associates

## Architects

401 East Winding Hill Road  
Mechanicsburg, Pennsylvania 17055  
phone: (717) 458-0272 - fax: (717) 458-0047

# Lewisburg Area School District

## Proposed New High School

### Act 34 Timeline

1/23/14

#### Date

February 18, 2014	<input type="checkbox"/> <b>Submit Draft Act 34 Booklet</b> In conjunction with approval of financing method, CRA to submit draft booklet for district review.
February 27, 2014	<input checked="" type="checkbox"/> <b>Board Action</b> School Board approval of Act 34 Booklet.
February 28, 2014	<input type="checkbox"/> <b>PDE Submission</b> CRA submits to PDE board-approved Act 34 Booklet for approval.
March 14, 2014	<input type="checkbox"/> <b>PDE Approval</b> Anticipated date to receive PDE approval of Act 34 Booklet.
March 17, 2014	<input checked="" type="checkbox"/> <b>Act 34 Hearing Advertisement</b> School District to advertise Act 34 hearing in local newspaper for a minimum of 20 consecutive days (advertisement is provided in the Act booklet by CRA). Also during this time period, a copy of the Act 34 Booklet is to be made available for viewing at the district administration offices during normal business hours.
April 10, 2014	<input checked="" type="checkbox"/> <b>Act 34 Hearing</b> Hearing to be held at 7:00 p.m. in the Eichorn Middle School large group instruction room. CRA, PFM Group and the school district to present. School District to provide stenographer for recording purposes.
May 11, 2014	<input type="checkbox"/> <b>Comment Period</b> End of required 30-day period where public may submit written testimony to the secretary of the school board at the district office.
May 22, 2014	<input checked="" type="checkbox"/> <b>Board Action</b> Board approval of Plancon Parts D&E, incorporating all Act 34 Hearing documents.

