

Future Facility Needs – Enrollment Growth

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- ▶ At our September 24th Board Meeting, land identification for a new elementary building was approved. At our meeting tonight, the financial advisors from PFM and RBC provided debt service projections associated with this project. Debt costs and personnel will need to be incrementally included in our budgets over current and future budget cycles.
- ▶ Staffing for the new building with a planned opening for the 2029-30 school year will require significant investment. Administration is projecting an estimated 79 new staff members with an approximate cost of \$8.2 million annually when the building opens. In order to phase this expense into the budget, Administration recommends incrementally phasing in this cost over the next 4 years.

Personnel/Debt Phasing – Capital Reserve

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- ▶ For the next 4 years (starting 25/26 FY), Administration recommends - during the phase-in period; the new building personnel “budget” be treated as a general fund to capital reserve annual transfer.
- ▶ This would provide additional dollars into the capital reserve fund to pay for a portion of the elementary project ‘out of pocket’ while the District continues building the overall budget to eventually cover the entirety of the personnel and debt related to this project.
- ▶ And, as other future capital projects will be identified, this same process could be utilized.
- ▶ This will ultimately save the District significant dollars from what would otherwise be borrowed funds requiring interest and principal repayment.

Personnel/Debt Phase-In – Yearly/Cumulative

<u>FY</u>	<u>Debt – Yearly</u>	<u>Cumulative</u>	<u>Personnel- Yearly</u>	<u>Cumulative</u>	<u>Total</u>
2025-26	400,000	400,000	2,055,600	2,055,600	2,455,600
2026-27	500,000	900,000	2,055,600	4,111,200	5,011,200
2027-28	600,000	1,500,000	2,055,600	6,166,800	7,666,800
2028-29	700,000	2,200,000	2,055,600	8,222,400	10,422,400

Potential to contribute approx. \$20 million towards the elementary project over 4 years