


FREDERICKSBURG ISD



**BOND 2021**

Update Meeting for Committees  
July 1, 2021

# Agenda

- Welcome and Introductions
- Recap of tasks completed
- Update on where we are now
- Original Recommendation & November Bond Timeline
- Current Bonding Capacity
- Updated Opinion of Probable Cost and Construction Market Conditions
- Q&A



**Welcome**

# Introductions

- Dr. Joe Rodriguez
- Started in FISD on May 24<sup>th</sup>
- Previously served in Fort Bend ISD

# **Recap of Tasks Completed**

# Completed Tasks

- Facility Assessment/Architect
- Bond Steering Committee Facilitation from September – December of 2020
- Provided official recommendation to FISD Board on 12/14/2020 for May 2021 Election
- Election was pushed to November
- Land on Friendship Lane adjacent to High School was acquired
- Existing Site Committee formed
- Advocacy/Strategy Committee formed

**Where are We Now?**

# Currently...

- The Advocacy/Strategy Committee has met, determined a leader (Chris McDade) and discussed strategy.
  - They are ready to proceed if and when the Board takes action
- Huckabee Provided a status update to the Board on Monday, June 28<sup>th</sup>
  - The board requested images of the potential MS
  - Huckabee to work with Board and community to put these together to present at the August Board Meeting
- Middle School Tour Video and voiceover interview filmed and is being packaged by Huckabee.
  - Draft will be ready by August 16<sup>th</sup>.
- Existing Site Committee



# **November Bond Timeline**

# November Bond Timeline

Once the Board considers the committee's recommendation, the FISD bond communications will move forward on the following standard bond election timeline:

August 16, 2021	AUGUST 16 – NOVEMBER 2	EARLY VOTING OCTOBER 18-29	ELECTION DAY
Deadline to call for a November 2021 Bond Election	FISD Bond Communications Informative Communications <ul style="list-style-type: none"><li>• Voter registration drives<ul style="list-style-type: none"><li>• Mailer(s)</li></ul></li><li>• Social Media and video Content push</li><li>• Community Presentations</li><li>• Informational Signage</li></ul>	Voting Push & Continue Informative Communication Tactics	Tuesday, November 2, 2021

**It is typical for a 10-12 week communications timeline to be followed for the informative communications from the school district.**

# Original Recommendation to the Board on 12/14/20

The Bond Steering Committee recommends that the Board of Trustees call for a bond election in May 2021 that includes:

- The building of a new Middle School on a new site totaling \$61,200,000 and the list of other district facility and maintenance needs provided by Fisd totaling \$1,972,792 for a total bond amount of **\$63,172,792**.
- This proposal can be accomplished with NO tax rate increase.

# **Current Bonding Capacity**

# FISD Bonding Capacity

In Bond Steering Committee Meeting 5, it was shown that FISD's bonding capacity with no tax rate increase was as follows:

## **NO TAX RATE INCREASE:**

- Bond Election - \$67,500,000
  - No tax rate increase
  - 31-year term
  - **3.35% interest rate**
  - Moderate property value growth
  - Future smaller bond elections possible

With the recent increase in appraisal values, the district's current bonding capacity is:

## **NO TAX RATE INCREASE:**

- Bond Election - \$77,500,000
  - No tax rate increase
  - 30-year term
  - **4.25% interest rate**
  - Moderate property value growth
  - Future smaller bond elections possible

# **Construction Market Conditions & Updated Opinion of Probable Cost**

# Construction Market Conditions

## MATERIAL

**Material Producer Price Index \***. The selling price in processed goods used or bought for construction.

In Mar 2021, total material inputs to construction had increased +5.9% since Dec 2020 and increased +9.5% since Mar 2020.

### Material PPI - 3/21

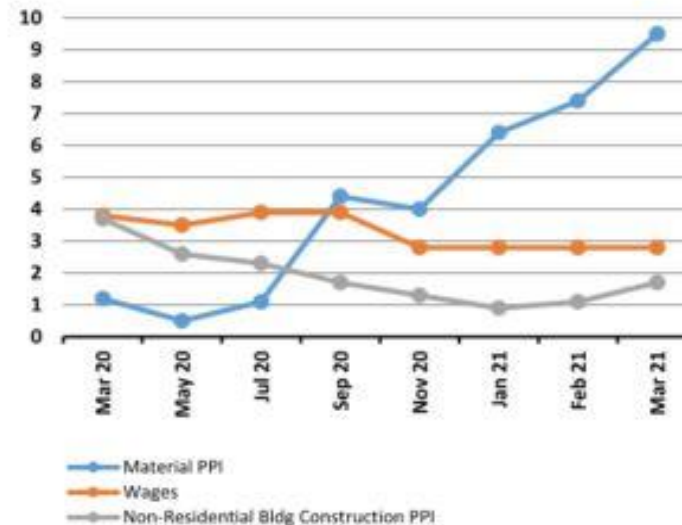
	Qtr	Yr
<b>Inputs to Construction</b>	<b>+5.9%</b>	<b>+9.5%</b>
Ready Mix Concrete	+1.3%	+0.7%
Steel Mill Products	+38.3%	+40.1%
Flat Glass	+0.6%	+3.2%
Aluminum Mill Shapes	+6.1%	+7.4%
Sheet Metal Products	+6.6%	+6.3%
Gypsum Products	+4.6%	+6.2%
Diesel Fuel	+35.6%	+79.5%
Construction Machinery	+1.3%	+1.4%

## MATERIAL, LABOR & CONSTRUCTION PRICING

Graphic representation of tables to the left:

- **MATERIAL** - Total Inputs to Construction Material PPI
- **LABOR** - Construction Employment Cost Index
- **CONSTRUCTION PRICE** - Final Demand Construction PPI

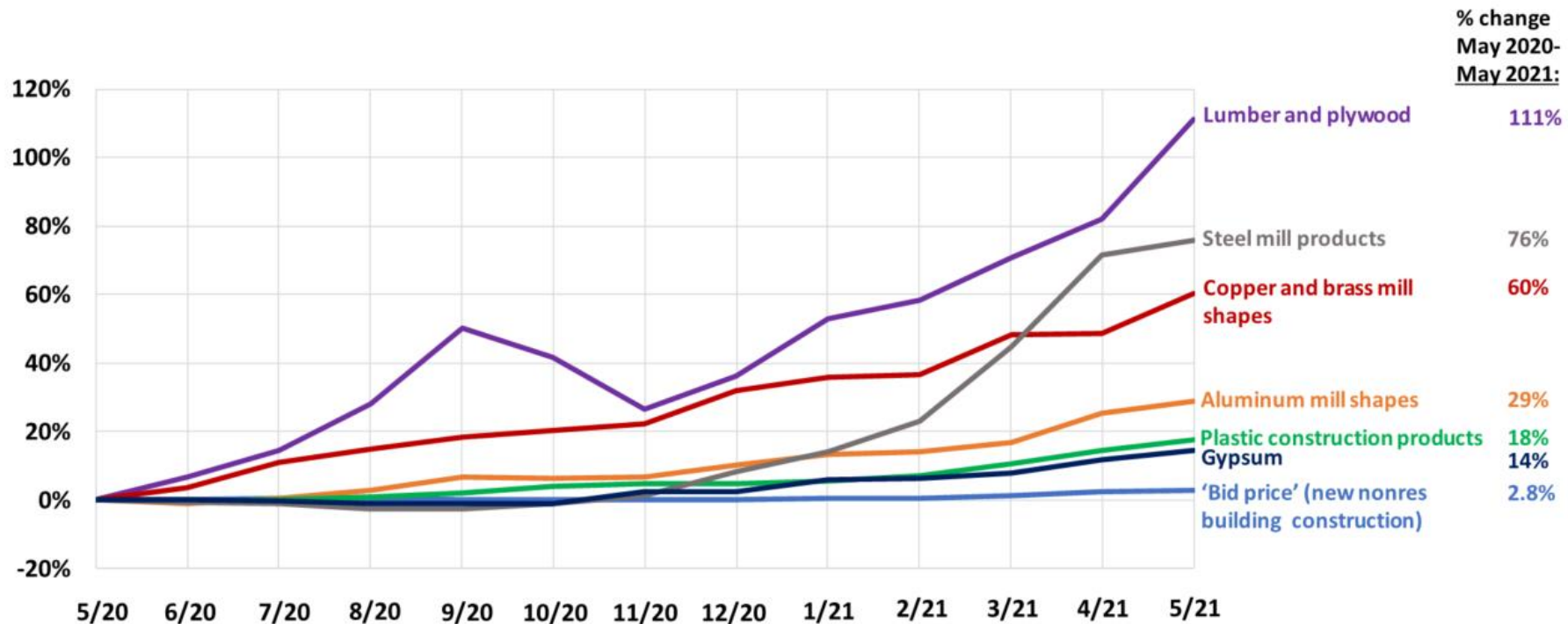
Over the 12 month period from Mar 2020 to Mar 2021, the Total Inputs to Construction Material PPI increased +9.5%, the Employment Cost Index increased +2.8%, and the Final Demand Construction PPI increased only +1.7%.



# Construction Market Conditions

## PPIs for construction and selected inputs

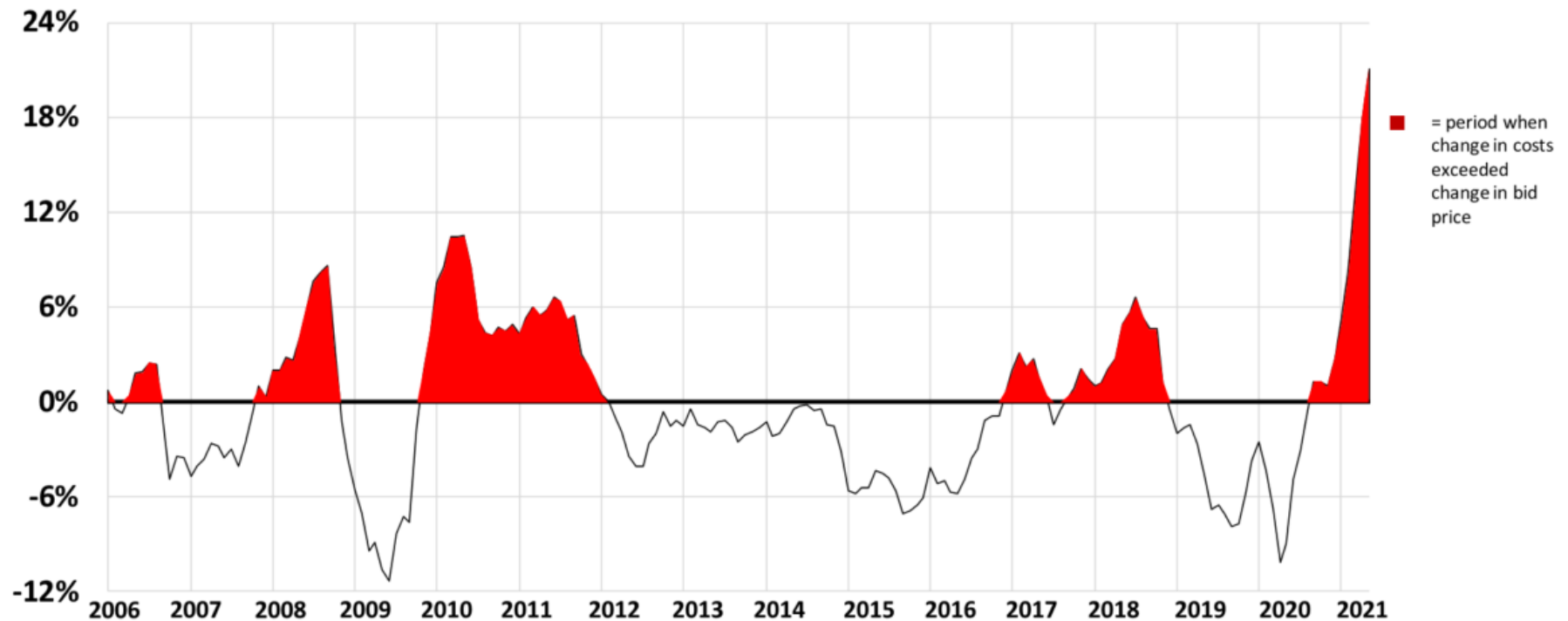
cumulative change in PPIs, May 2020 -May 2021 (not seasonally adjusted)





# Construction Market Conditions

Difference between year-over-year change in materials costs vs. bid prices, Jan 2006-May 2021



Source: Bureau of Labor Statistics, producer price indexes for goods inputs to nonresidential construction (material costs) and new warehouse construction (bid prices)

# Updated Opinion of Probable Cost

Opinion of Probable Cost presented at Committee Meeting #6:

Option 1 – New FMS / <u>New</u> Site	
Land Cost (~32 acres)	\$4,800,000
Site Utilities / Infrastructure	\$800,000
Demolition	n/a
Temporary Portables	n/a
Renovation	n/a
New Construction (143,000 sf)	\$52,100,000
Track & Field ( <u>6-lane</u> w/artificial turf field)	\$3,500,000
<b>TOTAL</b>	<b>\$61,200,000</b>

Current Opinion of Probable Cost based on the construction market conditions:

- **\$72,075,941.00**

# Discussion

- Would you like to stick to the original recommendation?
- Let's discuss!

**Q&A**

# OPC

## December 2020

Fredericksburg ISD Opinion of Probable Cost (OPC) Bond Sum																		
May 2021 Bond																		
ID #	Site	Construct. Start Date	Facility Opening Date	Estimated Construction Cost	Date of OPC	End Escalation Date	Escalation Rate/year		Escalation Cost	Construction Cost (Escalated)	GC/CMAR Fees, Bonds, Insurance	Fees/Permits/Soft Costs Rates			Bond Fees/Cont		FF&E Tel, EMS, & Tech.	Totals
							(Construct. Start Date)	if <=24 mo. 6.50% if > 24 mo. 6.00% if > 36 mo. 6.00%				6.00%	<=\$5m New 10.0% Addtn./Reno. 12.0%	>\$5m 9.0% 11.0%	Contingency (2% + 4%) 6.00%	(1.0% +1.3%) 2.30%		
1	Campus Title																	
4.1	Land Purchase	6/15/22	6/5/21	\$4,695,000	10/1/20	6/5/21	8.13	\$210,881	\$4,905,881			\$4,905,881	\$0	\$294,353	\$112,835	\$407,188	\$5,313,070	\$5,313,070
2	Campus Title																	
4.2	Infrastructure Improvements	6/15/22	1/3/24	\$550,000	10/1/20	3/21/23	29.67	\$94,085	\$644,085	\$38,645	\$682,730	9%	\$57,968	\$38,645	\$14,814	\$111,427	\$794,156	\$794,156
3	Campus Title																	
4.3	New FMS	6/15/22	1/3/24	\$33,474,402	10/1/20	3/21/23	29.67	\$5,726,233	\$39,200,635	\$2,352,038	\$41,552,673	9%	\$3,528,057	\$2,352,038	\$901,615	\$6,781,710	\$48,334,383	\$51,717,790
4	Campus Title																	
4.4	New Track And Field 6 lane	6/15/22	1/3/24	\$2,180,000	10/1/20	3/21/23	29.67	\$372,917	\$2,552,917	\$153,175	\$2,706,092	9%	\$229,763	\$153,175	\$58,717	\$441,655	\$3,147,747	\$3,147,747
5	Campus Title																	
4.5	New Bleachers	6/15/22	1/3/24	\$210,000	10/1/20	3/21/23	29.67	\$35,923	\$245,923	\$14,755	\$260,679	9%	\$22,133	\$14,755	\$5,656	\$42,545	\$303,223	\$303,223
<b>TOTALS</b>				\$41,109,402				\$6,440,040	\$47,549,442		\$50,108,055	\$3,837,920	\$2,852,967	\$1,093,637	\$7,784,524	\$57,892,580	\$3,383,407	\$61,275,987

## July 2021

Fredericksburg ISD Opinion of Probable Cost (OPC) Bond Sum																		
May 2021 Bond																		
ID #	Site	Construct. Start Date	Facility Opening Date	Estimated Construction Cost	Date of OPC	End Escalation Date	Escalation Rate/year		Escalation Cost	Construction Cost (Escalated)	GC/CMAR Fees, Bonds, Insurance	Fees/Permits/Soft Costs Rates			Bond Fees/Cont		FF&E Tel, EMS, & Tech.	Totals
							(Construct. Start Date)	if <=24 mo. 12.00% if > 24 mo. 10.00% if > 36 mo. 8.00%				6.00%	<=\$5m New 0.0% Addtn./Reno. 0.0%	>\$5m 0.0% 0.0%	Contingency (2% + 4%) 6.00%	(1.0% +1.3%) 2.30%		
1	Campus Title																	
0	Land Purchase (Half)	6/15/22	6/5/21	\$3,912,500	7/1/21	7/1/21	0.00	\$0	\$3,912,500		\$3,912,500	\$0	\$0	\$0	\$0	\$3,912,500	\$3,912,500	
2	Campus Title																	
5.6	Infrastructure Improvements	6/15/22	1/3/24	\$594,340	7/1/21	3/21/23	20.67	\$125,320	\$719,660	\$43,180	\$762,839	9%	\$57,968	\$38,645	\$14,814	\$111,427	\$874,266	\$874,266
3	Campus Title																	
4.5	New FMS	6/15/22	1/3/24	\$40,671,763	7/1/21	3/21/23	20.67	\$8,575,855	\$49,247,618	\$2,954,857	\$52,202,475	9%	\$3,528,057	\$2,352,038	\$901,615	\$6,781,710	\$58,984,185	\$63,113,078
4	Campus Title																	
5.1	New Track And Field 6 lane	6/15/22	1/3/24	\$2,650,000	7/1/21	3/21/23	20.67	\$558,766	\$3,208,766	\$192,526	\$3,401,292	9%	\$229,763	\$153,175	\$58,717	\$441,655	\$3,842,947	\$3,842,947
5	Campus Title																	
0	New Bleachers	6/15/22	1/3/24	\$226,415	7/1/21	3/21/23	20.67	\$47,741	\$274,156	\$16,449	\$290,605	9%	\$22,133	\$14,755	\$5,656	\$42,545	\$333,150	\$333,150
<b>TOTALS</b>				\$48,055,018				\$9,307,682	\$57,362,700		\$60,569,712	\$3,837,920	\$2,558,614	\$980,802	\$7,377,336	\$67,947,048	\$4,128,893	\$72,075,941