

Warrant Committee

MAJORITY REPORT



Warrant Committee recommendation on Article

What your vote means

Yes

- A new grade 4-5 school on Elm next to Wheelock
- MSBA reimbursement of \$19M
- New school opens in Fall of 2024
- Tax Increase of approx. \$852 for the average household (\$692,421) as early as Aug 2022
- Town vote at a future town meeting on the re-use of Dale

No

- No new school as proposed currently
- Loss of current MSBA reimbursement of \$19M
- Potential to reapply to MSBA to start full process over
- Potential vote for a new \$500K-\$1M for a new feasibility study at a future town meeting
- Potential new project vote years in the future at an unknown cost or interest rate as well as unknown MSBA participation

Majority Decision: Yes 8 to 1

Non-Financial Considerations

- There is not a significant risk to our ground water resources.
- The project does not negatively impact the goals and values of the Master Plan.
- The traffic considerations can be mitigated without detrimental changes to Elm Street.
- The site selection and design process was not flawed.
- The campus model proposed for grades 2 through 5 can provide significant improvements to the identification of children with SPED needs that can get overlooked with transitions.
- The larger planned capacity for enrollment allows for future flexibility for grades coming through the system with larger amounts of students.
- The new school has a Net-Zero goal aligned with the town's climate change initiatives.
- The location at Elm allows for greatly expanded outdoor learning programs.

Majority Decision: Yes 8 to 1

Financial Considerations

- Comparisons to other current school construction projects in the surrounding area are in line with this project in terms of cost per student and square foot.
- MSBA reimbursement of \$19M is available on this project at Elm.
- Starting the process over will cost another \$500K to \$1M for a new Feasibility Study that WILL NOT include any state reimbursement
- Flexibility with long term capital planning
- Interest rates are climbing
 - 1% increase in rates add \$9.6M
- Construction costs are climbing
 - 3-5 year delay adds \$8-\$13.9M

FINANCIAL RISKS ASSOCIATED WITH A NO-VOTE

DEBT SERVICE 30 YEAR LEVEL PRINCIPAL

■ 2.25% Interest Rate ■ 3.25% Interest Rate w/ Const Cost Inflation of 4%



Conclusion

- A new elementary school is necessary and long overdue. The town was rejected by the MSBA in 2012 and 2016. It has taken four years to get to today from the accepted submission in 2017.
- The proposed storm water management plan will improve groundwater quality and further protect groundwater for Wells 3 and 4
- The Wheelock Campus model has more advantages for the education of our town's children grades 2 through 5
- Multiple viable options exist to address the future disposition of the Dale Building without immediate need for debt exclusions or tax increases.
- Although this project is the most expensive ever taken on by the town, we recognize it will be a financial hardship on many, it is the most fiscally responsible decision. A tax increase for a new school will happen at some point. Either now or in the future.
 - It will minimize taxes for our residents in the long term.
 - Moving forward now ensures we can do it before interest rates and construction costs rise further.
 - Delay makes the tax impact on our residents higher.