



OFFICE OF THE
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TOWN HALL
238 Danbury Road
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To: Members and Members-Elect, Boards of Selectmen, Finance and Education

From: Lynne Vanderslice

Date: November 22, 2023

RE: November 27, 2023 Tri-Board Meeting-10-Year School Buildings Needs Assessment Plan

You have received the following in advance of the November 27th meeting:

- This memo.
- An internally prepared PowerPoint presentation.
- A PowerPoint presentation from KG+D Architects, the Consultants, summarizing the 10-year School Buildings Need Assessment Report.
- Three KG+D-prepared spreadsheets within one pdf with detailed schedules of recommended work by priority.

The purpose of this memo is to provide information to assist with your review of the documents.

- The Board of Selectmen engaged KG+D Architects to develop a 10-year School Building Needs Assessment because
 - **We understood a significant investment was needed.** This knowledge was based on the age of the buildings, the results of the ongoing roof replacement program, noted HVAC, carpet, ceiling and lighting replacements. Investment had been prioritized to follow the Police Headquarters building because that building had more critical needs. An earlier attempt to address the headquarters had been voted down.
 - The Boards of Selectmen and Finance collectively desired moving to **10-year capital planning** versus the historical 5-year planning.
 - Specific school building grants require the town have a 10-year plan. This effort and **report satisfy that grant requirement.**
- The Board of Selectmen engaged a **different consultant to perform a 10-year needs assessment for municipal buildings**, except the police headquarters. That report is expected to be received in February. At this point, we don't have information related to their work.
- The Consultant's detailed schedules includes recommended work that historically have been either **ongoing maintenance within the BOE budget** or previously **anticipated bonded infrastructure replacements** or previously **unknown required replacements** or **interior and exterior replacements due to age and wear (some functional, some aesthetics)** or **new additions to the buildings**, specifically air conditioning of the Middlebrook gym and Middlebrook auditorium.
- The recommended work has been **prioritized by the Consultants working with staff based on when the replacement/repair is expected to be needed**, with Priority 1 recommended for FY2025 and FY2026, and assuming a 10-year implementation plan, Priority 2 during FY2027 through FY2030 and Priority 3 thereafter.
- With the exception of the Priority 1 Middlebrook roof replacement and 1998 first floor remediation work, the costs are **estimates developed by the Consultants with an annual cost escalation rate of 4%, a contingency rate of 10% and soft costs rate of 10%**. Priority 1 is escalated to 2025, Priority 2 to 2027 and Priority 2032. The estimated costs are not based on RFPs.

- The Consultant’s cost estimates **assume work will be performed by outside contractors and work that may qualify for the state reimbursement will be performed in a manner consistent with state requirements.** The state’s current reimbursement rate for Wilton is **22.86%**. That same reimbursement rate is assumed for all years. Note, there are additional costs and delays associated with the state’s requirements. At the time the work is being considered, a determination should be made as to whether it is financially appropriate to proceed as a reimbursable project.
- **Some of the work qualifies for bonding on its own.**
- **Some of the work when bundled as part of a renovation will qualify for bonding.** Bond counsel has been provided with the detailed list and is preparing guidance as to what costs could be bundled and qualify. Bond counsel confirmed bundled work can be performed over more than one year and still qualify, with the caveat that the town must intend to spend bond proceeds within three years of receipt.
- **BOE operating expenses typically include spending for building repairs.** Recent annual amounts have averaged approximately \$500,000. We have assumed a budget going forward of at least \$500,000 per year, with **\$400,000 to be expended for repairs included in the work plan.**

The breakdown of the net estimated cost to taxpayers, exclusive of bond interest, is as follows.

	Total	Priority 1	Priority 2	Priority 3
<i>Estimated Current Cost</i>	\$ 93,345,002	\$ 8,680,027	\$ 57,761,118	\$ 26,903,857
<i>Estimated Escalation*</i>	\$ 19,462,620	\$ 417,002	\$ 8,461,773	\$ 10,583,845
<i>Estimated Contingency</i>	\$ 11,104,762	\$ 733,703	\$ 6,622,289	\$ 3,748,770
<i>Estimated Professional Fees</i>	\$ 8,230,738	\$ 528,550	\$ 4,754,669	\$ 2,947,519
<i>Estimated State Reimbursement</i>	\$ (26,741,990)	\$ (1,138,688)	\$ (16,186,504)	\$ (9,416,798)
Net Estimated Cost to Taxpayers	\$105,401,132	\$9,220,594	\$61,413,344	\$34,767,194
<i>Approximate Balance of funds for School roof projects</i>	\$ (225,000)	\$ (225,000)		
<i>BOE Operating Budget funding- 10 years And 2 years, respectively</i>	\$ (4,000,000)	\$ (800,000)	\$ (1,600,000)	\$ (1,600,000)
<i>Net to be approved for future bonding or incremental operating expenses</i>	\$101,176,132	\$8,195,594	\$59,813,344	\$33,167,194
<i>FY25 and FY26 Bonded Capital Plan for BOE buildings</i>		\$ (6,150,000)		
To be funded by additional (unplanned) bonding or annual budget over two years		\$2,045,594		
<small>*Escalation-Priority 1, FY2025. Priority 2, FY2027, Priority 3, FY2032</small>				

As discussed in the internal presentation, funding the needs in 10 years doesn’t seem reasonable, but doing so within 15 years appears achievable, but a higher cost due to additional escalation.

We look forward to Monday’s discussion.