

# COST SAVINGS ANALYSIS

CLOSURE OF NEWTOWN MIDDLE SCHOOL

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# BOARD OF EDUCATION CLOSURE OF MIDDLE SCHOOL

## ➔ Key Assumptions

- Closure of NMS will take place in the 2018-19 school year.
- The current seventh-eighth grade teaching model remains the same throughout the transition.
- Certified staffing costs will be reduced by means of natural decline in enrollment and have not been included in this report.
- Salary costs are taken from the 2016-17 contractual rate schedule.
- Estimated building & operational costs are taken from the 2016-17 approved budget and subject to inflationary change.
- This report does not include costs to maintain the school after vacated by the Board of Education, therefore precluding additional cost offsets.

# NET COST SAVINGS

<i>Closing NMS</i>		
<b>Estimated Cost Savings</b>		
<b>People Costs</b>	<b>2016-17 Budget</b>	
<u>Position</u>	<u>F.T.E</u>	<u>Salaries</u>
Custodial	7.0	\$361,809
Custodial Overtime		\$20,000
Nurse	0.5	\$26,067
Clerical	2.3	\$83,164
		<u>\$491,039</u>
<b>Building Costs</b>		
<u>Purchased Services</u>	<u>Costs</u>	
Telephone		\$16,421
Water (\$200 per month service fee)		\$7,300
Sewer		\$6,600
Operation & Maintenance		\$7,280
		<u>\$37,601</u>
<u>Plant Operation</u>		
Service Contracts		\$49,824
Refuse & Recycling		\$19,929
Bldg. & Emer. Repairs		\$95,100
Property Insurance		\$24,483
Custodial Supplies		\$42,117
Maintenance Supplies		\$31,498
Electricity		\$136,504
Fuel Oil		\$112,599
Natural Gas		\$4,400
Sewer Assessment		\$26,779
		<u>\$543,232</u>
<b>Annual BOE Cost Savings</b>		<b>\$1,071,873</b>

Estimated cost savings associated with closing the Middle School include non-certified staff and building costs.

The estimated first-year costs associated with closing the Middle School include moving, packing, additional storage space and a 10% contingency for unforeseen expenses.

<i>Closing NMS</i>	
<b>Estimated 1st-year Costs</b>	
Technology costs (includes moving of the server)	-\$53,300
Moving costs & furniture disposal (range \$236k - \$350k)	-\$307,000
Extra Packing Days for Staff	-\$38,925
Estimated internal moves within RIS & NHS	-\$20,000
Moving smartboards (55 boards @ \$400 ea.)	-\$22,000
CO records storage	-\$19,000 *
Technology storage	-\$19,000 *
Contingency @ 10% costs	-\$47,923
<b>Net 1st Year Savings to BOE Budget</b>	<b>\$544,725</b>

\* recurring costs

# CHANGE IN MILL RATE

- For every \$100,000 reduction to the total budget, the mill rate is reduced by 1/10 of a percent.
- Based on \$500,000 decrease to the total budget, an annual tax bill of \$10,000 would be reduced by \$50

REDUCTION TO CURRENT BUDGET	CURRENT TAXES (99.0% of Levy)	TAX LEVY (Billed Amount)	MILL RATE	TAX DECREASE	CHANGE IN TAX BILL* \$8,000 (ANNUAL)	CHANGE IN TAX BILL** \$10,000 (ANNUAL)
<b>AMOUNT OF REDUCTION</b>	<b>100,571,352</b>	<b>101,587,224</b>	<b>33.60</b>	<b>CURRENT MILL RATE</b>		
(100,000)	100,471,352	101,486,214	<b>33.57</b>	<b>-0.10%</b>	\$ (8)	\$ (10)
(200,000)	100,371,352	101,385,204	<b>33.54</b>	<b>-0.20%</b>	\$ (16)	\$ (20)
(300,000)	100,271,352	101,284,194	<b>33.50</b>	<b>-0.30%</b>	\$ (24)	\$ (30)
(400,000)	100,171,352	101,183,184	<b>33.47</b>	<b>-0.40%</b>	\$ (32)	\$ (40)
(500,000)	100,071,352	101,082,174	<b>33.44</b>	<b>-0.50%</b>	\$ (40)	\$ (50)
(600,000)	99,971,352	100,981,164	<b>33.40</b>	<b>-0.60%</b>	\$ (48)	\$ (60)
(700,000)	99,871,352	100,880,154	<b>33.37</b>	<b>-0.70%</b>	\$ (56)	\$ (70)
(722,570)	99,848,782	100,857,356	<b>33.36</b>	<b>-0.72%</b>	\$ (57)	\$ (72)
(800,000)	99,771,352	100,779,143	<b>33.34</b>	<b>-0.80%</b>	\$ (64)	\$ (80)
(900,000)	99,671,352	100,678,133	<b>33.30</b>	<b>-0.89%</b>	\$ (72)	\$ (89)
(946,175)	99,625,177	100,631,492	<b>33.29</b>	<b>-0.94%</b>	\$ (75)	\$ (94)
(1,000,000)	99,571,352	100,577,123	<b>33.27</b>	<b>-0.99%</b>	\$ (80)	\$ (99)
(1,500,000)	99,071,352	100,072,073	<b>33.10</b>	<b>-1.49%</b>	\$ (119)	\$ (149)
(2,000,000)	98,571,352	99,567,022	<b>32.94</b>	<b>-1.99%</b>	\$ (159)	\$ (199)

Information provided by the Town Finance Department

# REDUCTION IN PROPERTY TAXES

- Annual property tax reduction is based on a **static budget** in the first year as well as future years. (BOE & Town combined budget)

Annual Tax Reduction Based on Market Value of Home

Middle School Closure - Annual Tax Reduction Scenario			1st Year	Future Years
Home Market Value*	Home Assessed Value	Annual Property Tax**	- <b>\$544,725</b> <b>33.42</b>	- <b>\$1,071,873</b> <b>33.25</b>
\$100,000	\$70,000	\$2,352	-\$12.42	-\$24.75
\$150,000	\$105,000	\$3,528	-\$18.62	-\$37.12
\$200,000	\$140,000	\$4,704	-\$24.83	-\$49.49
\$250,000	\$175,000	\$5,880	-\$31.04	-\$61.87
\$300,000	\$210,000	\$7,056	-\$37.25	-\$74.24
\$350,000	\$245,000	\$8,232	-\$43.46	-\$86.61
\$400,000	\$280,000	\$9,408	-\$49.67	-\$98.99
\$450,000	\$315,000	\$10,584	-\$55.87	-\$111.36
\$500,000	\$350,000	\$11,760	-\$62.08	-\$123.73
\$550,000	\$385,000	\$12,936	-\$68.29	-\$136.11
\$600,000	\$420,000	\$14,112	-\$74.50	-\$148.48
\$650,000	\$455,000	\$15,288	-\$80.71	-\$160.85
\$700,000	\$490,000	\$16,464	-\$86.92	-\$173.22
\$750,000	\$525,000	\$17,640	-\$93.12	-\$185.60
\$800,000	\$560,000	\$18,816	-\$99.33	-\$197.97
\$850,000	\$595,000	\$19,992	-\$105.54	-\$210.34
\$900,000	\$630,000	\$21,168	-\$111.75	-\$222.72
\$950,000	\$665,000	\$22,344	-\$117.96	-\$235.09
\$1,000,000	\$700,000	\$23,520	-\$124.17	-\$247.46

\* Home market value from last revaluation date of 10/1/12. Next revaluation will be 10/1/17

\*\* Based on 2016-17 mill rate of 33.60

# COST AVOIDANCE

<u>MIDDLE SCHOOL</u>	<u>JUSTIFICATION</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
INSTALL ACOUSTICAL CEILING AND LIGHTING IN LMC	DARK/POOR CONDITION	\$ 22,000			
CARPET/FLOORING REPLACEMENT PROGRAM	SAFETY	\$ 30,000	\$ 30,000		\$ 30,000
REPAINT LOCKERS	SCRATCHED/RUSTING	\$ 15,000	\$ 15,000		
REPLACE A-GYM SOUND SYSTEM	PA NOT WORKING	\$ 20,000			
INSTALL TILE AT B-WING STAFF BATH	PAINTED FLOOR/UNSANITARY	\$ 10,000			
REPLACE CAFE SOUND SYSTEM	POOR CONDITION	\$ 40,000			
PAVE SIDE PARKING LOT AND REAR DRIVE	SAFETY/DETERIORATED	\$ 125,000			
REPAINT ALL EXTERIOR DOORS	PAINT WORN/RUSTING	\$ 35,000			
PAVING/CURBING AT FRONT C-WING-ERROSION CONTROL	EROSION/SAFETY	\$ 50,000			
A-WING GYM-CLOSE UP WALL AND INSTALL DOOR	SAFETY		\$ 15,000		
SIDEWALK / CURB REPAIRS	SAFETY	\$ 25,000	\$ 25,000	\$ 25,000	
REPLACE HVAC UNITS (5 UNITS) POOR CONDI	PAST LIFE CYCLE		\$ 40,000		\$ 40,000
REPAIR AND PAINT STUCCO OUTSIDE LOCATIONS	SAFETY	\$ 15,000		\$ 15,000	
REMODEL LAV'S LOWER LEVEL-2	HEALTH SAFETY		\$ 20,000		
PAINT CLASSROOMS & HALLWAYS	PERIODIC REQUIREMENT		\$ 15,000		
CLEAN DUCTWORK	HEALTH			\$ 10,000	
DEHUMIDIFICATION FOR D wing- LOWER LEVEL-C-WING	DAMP ENVIRONMENT			\$ 20,000	
<b>MIDDLE SCHOOL - PROGRAM TOTAL</b>		<b>\$ 387,000</b>	<b>\$ 160,000</b>	<b>\$ 70,000</b>	<b>\$ 70,000</b>

## Capital Improvement

Replace Boiler & Piping	\$2,200,000
Ventilation Renovations	\$4,805,000
<b>Total CIP</b>	<b>\$7,005,000</b>

# OTHER POTENTIAL COST CONSIDERATIONS

## *For Discussion*

- **Roof project – repayment to State if school is not re-purposed for public use, \$781,642 (*town burden*)**
- **Additional parking needed at both RIS & NHS for faculty (*less parking for High School students*)**
- **Reduction of parking revenue at the High School (*approx. 100 spaces x \$85 per space*)**
- **Special needs requirements for equipment currently housed at the Middle School**
- **Busing and traffic congestion at both RIS & NHS**
- **School based health care center – per state requirements cannot be housed at High School, was meant for 7/8 students**
- **Transition program – currently housed at NMS. Will need to find space to relocate program**
- **Newtown Early Learning Center – currently housed at RIS. May have to relocate if space is needed for classrooms**