



Explanation of Montville Public Schools HVAC Project (the “Project”)

Last year, the Town of Montville allocated \$48,600 to fund a comprehensive study of the feasibility and cost of adding air conditioning / dehumidification to five district schools (Mohegan, Murphy, Oakdale, MHS, and Palmer). That study was completed and provided to the Board of Education in September 2023. (Tyl was the subject of a previous heating, ventilation, and air conditioning (HVAC) study as its entire ventilation system needs to be replaced, and the cost of Tyl ventilation was included in prior bond funding.)

The study provided a detailed plan to air condition each of the buildings and took into account the condition of our current ventilation systems and roofs. The overall project pricing includes a cost escalation of 5% from 2023 costs for work to be completed in 2024. It also includes a 10% contingency for expenses which arise during the course of the project. The study has been posted on our website at <https://www.montvilleschools.org/apps/news/article/1833114>.

The State of CT has introduced a grant program for school HVAC projects. If the Town approves funding for the Project at referendum on December 12, 2023, the Town will apply for a grant for each school building included in the Project. If awarded grants, the Town’s rate of reimbursement would be 71.07% and the Town’s share 28.93%.

The Town is seeking approval to bond for the full Project cost in order to demonstrate to the State that we have funding in place (a condition of the grant application). At the October 11, 2023 Town Council meeting, Councilors stated they would only expend bond funding that is needed to cover the costs of the project after we learn the status of grant applications.

Below is an outline of the cost of the Project showing both the total Project and the costs per school with and without State HVAC grant funding.

School	Total Estimated Cost	State Reimbursement (71.07%) if Grant Funding is Received	Town Portion (28.93%) if Grant Funding is Received
Montville High School	\$6,518,422	\$4,632,643	\$1,885,779
Palmer Building	\$871,481	\$619,362	\$252,119
Mohegan Elementary School	\$2,500,843	\$1,777,349	\$723,494
Oakdale Elementary School	\$2,957,870	\$2,102,158	\$855,712
Dr. Charles E. Murphy Elementary School	\$2,438,785	\$1,733,244	\$705,541
Total	\$15,287,401	\$10,864,756	\$4,422,645

Based upon this information, the minimum cost to the Town would be about \$4,422,645 if all projects received grant support and came in on budget. If no projects were selected for grant funding, the total cost would be about \$15,300,000. If grant funding was provided for some schools, but not others, the total cost of the project would fall somewhere in that range.

There will be a Town referendum on December 12, 2023 asking voters whether they authorize an amount not to exceed \$15,500,000, financed by issuance of general obligation bonds, to pay for the Montville Public Schools Air Conditioning Project. The ballot question for the December 12, 2023 referendum is as follows:

“Shall the Town of Montville appropriate \$15,500,000 for school air conditioning projects for the (1) Montville High School, (2) Palmer Building, (3) Mohegan Elementary School, (4) Oakdale Elementary School, and (5) Dr. Charles E. Murphy Elementary School, and authorize the issuance of general obligation bonds and notes in the amount of \$15,500,000 to finance said appropriation (with State grants to be applied for in the

amount of approximately 71.07% of eligible costs of the projects, leaving the Town portion in the amount of approximately 28.93% of eligible costs plus all ineligible costs of the projects)? Yes ____ No ____”

Frequently Asked Questions

What is the age and conditions of our buildings?

Our buildings have been very well maintained. There are no structural deficiencies. The most recent major renovation project was completed in 2008 and usually a renovation of that scope adds between 30-40 years to the mechanical life of a building. The buildings have undergone continued preventative maintenance and capital improvements including boiler and roof replacement. Upcoming building needs include continued roof and flooring replacement.

Why are we considering air conditioning the schools now when students attended the schools for many years without air conditioning?

Current state requirements call for replacing indoor air with fresh air at a rate of 15 cubic feet per minute per person in the room. To accomplish this, we pull outside air into the classrooms throughout the day. On a hot day, we are pulling 80 to 100-degree humid air from the roof into the classrooms. Our only strategy to keep the rooms cooler would be to close the ventilation system, placing us in violation of air quality requirements.

Will our roofs support the weight of an air conditioning system?

Air conditioning will be accomplished by adding coils to existing ventilation units and installing mini-splits. The total weight of a mini-split unit is about 400 pounds. Our largest rooftop ventilation unit is on the MHS cafeteria roof. It currently weighs 3,000 pounds. Adding coils to the unit will increase its weight by about 1,200 pounds. It will also have a larger footprint which will distribute this weight over a greater area of the roof. All other units are smaller and their increased weight will be lower. The study included the determination that the weight of the new units can be adequately supported by the roof.

Could the project cost exceed the amount requested in the bond?

We have included cost escalation (5%) and contingency needs (10%) in the project estimates. The town allocated an additional \$200,000 beyond these estimates in their \$15.5 million resolution. If at least one of the projects gets grant funding, we would be able to absorb additional increases in costs. When the projects go out to bid, if the total costs exceed the amount bonded, we would be required to scale back the project accordingly since we couldn't exceed the bonded amount, but the purposes of paying for a professional cost estimate was to get the most accurate possible projection.

What if the bond authorization exceeds the project cost?

At their public meeting on October 11, 2023, the Town Council stated that they would not pull more from the bond than is necessary to fund the Project. Bond moneys may only be spent on the voter-approved scope of the Project. If we receive state HVAC grant funding, we would not need to utilize the full amount bonded.

What is the status of legislation regarding allowable temperatures in schools?

Section 45 of Public Act 23-167 requires the Commissioner of the Department of Public Health to develop guidelines by July 1, 2024 on the optimal temperature comfort range of sixty-five to eighty degrees Fahrenheit for school buildings and facilities. The Act permits a larger comfort range for gymnasiums and natatoriums.

During the recent heat wave in September 2023, some of our classrooms were 87° F prior to the start of school in the morning.

Why is the timing for the bond referendum less than ideal?

We did not receive the engineering study until September 2023. The HVAC grant applications to the state are due on December 31, 2023 and the applications must include proof that the town has funding in place for the project. Therefore, we need to hold a referendum between Election Day and December 31. The referendum date has been set for December 12, 2023.

Will there be a future state HVAC grant?

We recently learned that there will be an additional HVAC grant application period in 2025, however the funds available in 2024 exceed those available in 2025. This round of grant awards will total

\$244,000,000. The 2025 grant awards will total \$150,000,000. If our grant application is not successful, we would be able to apply for funds in 2025 without having to go back to a referendum vote. In the 2024 grant application process, funds awarded can be used to reimburse projects already completed. Therefore, we would have a second chance to request funding for any projects not funded in this grant cycle, and it is likely that we could request reimbursement for any work which was completed.

What is the potential impact on property taxes?

Assuming that the Town issues 20-year bonds for the \$4,400,000 in two installments in 2024 and 2025 at an interest rate of 4.00% and 4.25%, below is an estimate of the mill impact and tax impact on the median valued single-family Montville home.

Fiscal Year	Mill Rate Impact	Tax Impact on Median Home Assessment of \$210,000
FY 2025	0.12	25.32
FY 2026	0.24	50.27
FY 2027	0.23	48.63
FY 2028	0.22	47.03
FY 2029	0.22	45.45
FY 2030	0.21	43.89
FY 2031	0.20	42.36
FY 2032	0.19	40.86
FY 2033	0.19	39.39
FY 2034	0.18	37.94
FY 2035	0.17	36.51
FY 2036	0.17	35.11
FY 2037	0.16	33.73
FY 2038	0.15	32.38
FY 2039	0.15	31.05
FY 2040	0.14	29.74
FY 2041	0.14	28.46
FY 2042	0.13	27.19
FY 2043	0.12	25.96
FY 2044	0.12	24.74
FY 2045	0.06	12.02

Note: The amounts above are estimated and subject to change based upon market conditions.

Assuming that the Town issues 20-year bonds for the \$15,500,000 in two installments in 2024 and 2025 at an interest rate of 4.0% and 4.25%, below is an estimate of the mill impact and tax impact on the median valued single-family Montville home.

Fiscal Year	Mill Rate Impact	Tax Impact on Median Home Assessment of \$210,000
FY 2025	0.55	115.07
FY 2026	0.84	175.80
FY 2027	0.81	170.09
FY 2028	0.78	164.47
FY 2029	0.76	158.95
FY 2030	0.73	153.52
FY 2031	0.71	148.19
FY 2032	0.68	142.94
FY 2033	0.66	137.78
FY 2034	0.63	132.71
FY 2035	0.61	127.73
FY 2036	0.58	122.84
FY 2037	0.56	118.03
FY 2038	0.54	113.30
FY 2039	0.52	108.65
FY 2040	0.50	104.08
FY 2041	0.47	99.60
FY 2042	0.45	95.19
FY 2043	0.43	90.86
FY 2044	0.41	86.61
FY 2045	0.14	30.04

Note: The amounts above are estimated and subject to change based upon market conditions.