Strategic Planning and Capital Assessment Update

May 8, 2017
Agenda

- Introduction to Plante Moran Cresa
- Demographic and Enrollment Review
- Facility Utilization Review
- Sample “Probable Cost Report” Review for Capital Improvements
- Review Financial Parameters
  - General Fund (includes Enhancement Millage)
  - Sinking Fund
- Key Dates and Activities
Who is Plante Moran CRESA?

- **Collective Expertise**
  - Planners, architects, engineers, construction experts, financial advisors and real estate professionals with over $1B in K-12 projects

- **Full Service**
  - Ability to service K-12 clients from concept to completion
  - Enrollment Projections
  - Feasibility Studies
  - Capital Planning
  - Program Management
  - Real Estate Asset Positioning

- **Independent Advice**
  - Advisory services are provided without conflicts
Demographic and Enrollment Information
 PMC’s Process

- Demographic Information
  - GIS
  - US Census Bureau

- Core Base Statistical Area
  - Primary Area (District)
  - Comparison #1 (County)
  - Comparison #2 (State)

- Cohort Survival – DS 4061

- Projection Methods
  - Method 1 – 6 year review
  - Method 2 – 2 year review
  - Method 3 – Avg. of Method 1 & 2
## Grosse Pointe Public School System Demographic Trends and Analysis
### (Summary)

<table>
<thead>
<tr>
<th>City Name</th>
<th>Grosse Pointe Farms City</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBMA (Metropolitan Area) Name</td>
<td>Detroit-Warren-Dearborn</td>
</tr>
<tr>
<td>County Name &amp; Code</td>
<td>Wayne, Michigan</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2016</th>
<th>2021</th>
<th>Variance</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>52,002</td>
<td>50,522</td>
<td>52,190</td>
<td>1,668</td>
<td>3.3%</td>
</tr>
<tr>
<td>Median Age</td>
<td>43.7</td>
<td>44.9</td>
<td>45.5</td>
<td>0.6</td>
<td>N/A</td>
</tr>
<tr>
<td>Total Population</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median Age 0-5 Years Old</td>
<td>3,187</td>
<td>2,931</td>
<td>2,834</td>
<td>(97)</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Median Age 6-11 Years Old</td>
<td>4,516</td>
<td>4,270</td>
<td>4,377</td>
<td>107</td>
<td>2.5%</td>
</tr>
<tr>
<td>Median Age 12-17 Years Old</td>
<td>5,247</td>
<td>4,843</td>
<td>4,848</td>
<td>5</td>
<td>0.1%</td>
</tr>
<tr>
<td>Median Age 18-24 Years Old</td>
<td>3,143</td>
<td>3,033</td>
<td>3,189</td>
<td>156</td>
<td>5.1%</td>
</tr>
<tr>
<td>Total Households</td>
<td>20,717</td>
<td>20,050</td>
<td>20,930</td>
<td>880</td>
<td>4.4%</td>
</tr>
<tr>
<td>Median Household Size</td>
<td>2.70</td>
<td>2.70</td>
<td>2.70</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>1 Person Households</td>
<td>5,357</td>
<td>5,284</td>
<td>5,541</td>
<td>257</td>
<td>4.9%</td>
</tr>
<tr>
<td>2 Person Households</td>
<td>7,139</td>
<td>6,941</td>
<td>7,286</td>
<td>345</td>
<td>5.0%</td>
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<tr>
<td>3 Person Households</td>
<td>3,360</td>
<td>3,270</td>
<td>3,419</td>
<td>149</td>
<td>4.6%</td>
</tr>
<tr>
<td>4 Person Households</td>
<td>2,954</td>
<td>2,739</td>
<td>2,814</td>
<td>75</td>
<td>2.7%</td>
</tr>
<tr>
<td>5 Person Households</td>
<td>1,361</td>
<td>1,273</td>
<td>1,315</td>
<td>42</td>
<td>3.3%</td>
</tr>
<tr>
<td>6 Person Households</td>
<td>412</td>
<td>411</td>
<td>426</td>
<td>15</td>
<td>3.6%</td>
</tr>
<tr>
<td>7 or more Person Households</td>
<td>134</td>
<td>132</td>
<td>129</td>
<td>(3)</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Median Age of Householder</td>
<td>55.0</td>
<td>56.3</td>
<td>56.8</td>
<td>0.5</td>
<td>0.9%</td>
</tr>
<tr>
<td>Families</td>
<td>14,659</td>
<td>13,992</td>
<td>14,529</td>
<td>537</td>
<td>3.8%</td>
</tr>
<tr>
<td>Family, Median Size</td>
<td>3.25</td>
<td>3.23</td>
<td>3.23</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Family, Median Age</td>
<td>53.0</td>
<td>54.3</td>
<td>54.9</td>
<td>0.6</td>
<td>1.1%</td>
</tr>
</tbody>
</table>
Population Trend by Age Groups

- **Total Aged 0-5 Years Old**
- **Total Aged 6-11 Years Old**
- **Total Aged 12-17 Years Old**
- **Total Aged 18-24 Years Old**

**2010**
- Total Aged 0-5 Years Old: 5,247
- Total Aged 6-11 Years Old: 4,516
- Total Aged 12-17 Years Old: 3,187
- Total Aged 18-24 Years Old: 3,143

**2016**
- Total Aged 0-5 Years Old: 4,843
- Total Aged 6-11 Years Old: 4,270
- Total Aged 12-17 Years Old: 3,033
- Total Aged 18-24 Years Old: 2,931

**2021**
- Total Aged 0-5 Years Old: 4,848
- Total Aged 6-11 Years Old: 4,377
- Total Aged 12-17 Years Old: 3,189
- Total Aged 18-24 Years Old: 2,834
State of Michigan - Live Births from 1954 to 2013

- Height of Baby Boom (1958)
- Last Birth Increase (2000)

Wayne County Live Births

Source – Office of the State Registrar, Michigan Department of Community Health
## ENROLLMENT PROJECTION USING COHORT SURVIVAL METHOD

& Adjusted to Community Demographic Trends

### Educational Agency Name: Grosse Pointe Public School System

### County: WAYNE

#### Historical vs. Projection

<table>
<thead>
<tr>
<th>Birth Yr</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Births</td>
<td>14,216</td>
<td>14,309</td>
<td>14,230</td>
<td>13,833</td>
<td>13,467</td>
<td>13,228</td>
<td>13,388</td>
</tr>
<tr>
<td>% Birth</td>
<td>3.32%</td>
<td>3.25%</td>
<td>3.09%</td>
<td>3.27%</td>
<td>3.05%</td>
<td>3.05%</td>
<td>3.17%</td>
</tr>
</tbody>
</table>

#### Historical Data

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>K</td>
<td>471</td>
<td>464</td>
<td>440</td>
<td>452</td>
<td>411</td>
<td>404</td>
<td>424</td>
</tr>
</tbody>
</table>

#### Projection Data

<table>
<thead>
<tr>
<th>Grade</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>K</td>
<td>407</td>
<td>423</td>
<td>421</td>
<td>427</td>
<td>422</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
</tbody>
</table>

#### Year 2016 Number of Live Births is an ESTIMATE

Based on immediate past 3 years trend

Anticipated Non-historical Factor: 0.48%

### Projections for special education pupils are based on 3-year averaging trend, projections for Young 5's are

#### Notes:
- K-12 General Education Pupil Enrollment history and projections DO NOT include self-contained special education, alternative education or part-time students (in FTE's).
- Projections for special education pupils are based on a 3-year averaging trend, projections for Young 5's are
Facility Utilization Information
GPPSS Properties

1. Grosse Pointe North High School
   707 Vernier  313-432-3200  AK2

2. Grosse Pointe South High School
   11 Grosse Pointe Blvd.  313-452-3600  AK5

3. Brownell Middle School
   260 Chalfonte  313-432-3900  AJ5

4. Parcells Middle School
   20600 Mack Ave.  313-432-4600  AJ1

5. Pierce Middle School
   15430 Kercheval  313-432-4700  AH5

6. Defor Elementary School
   15425 Kercheval  313-432-4000  AH5

7. Ferry Elementary School
   740 Roslyn  313-432-4100  AK3

8. Kerby Elementary School
   2265 Kerby  313-432-4200  AK3

9. Maire Elementary School
   740 Cadieux  313-432-4500  AJ5

10. Mason Elementary School
    1640 Vernier  313-432-4400  AK1

11. Montelleth Elementary School
    1275 Cook  313-432-4500  AJ2

12. Poupart Elementary School
    20255 Lennon  313-432-4800  AJ1

13. Richard Elementary School
    176 McKinley  313-432-4900  AJ4

14. Trombly Elementary School
    820 Beaconsfield  313-432-5000  AH6

15. Barnard Center
    900 Cook  313-432-5100  AK2

16. Administration Building
    389 St. Clair  313-432-5000  AJ7

17. Barnes School
    20080 Morningside  313-432-3800  AK2
### GPPSS Educational Facilities – By Classroom Utilization

<table>
<thead>
<tr>
<th>Proj. No.</th>
<th>Facility Type*</th>
<th>Name of School Facility</th>
<th>Address</th>
<th>City</th>
<th>Total Sq.Ft.</th>
<th>Student Count (Fall Count 2017)</th>
<th># of General Education Classrooms (CR)</th>
<th>Total Student Capacity at 100% Classroom Utilization (25 pupils at ES, 26 pupils MS, 28 pupils 9-12)</th>
<th>Percentage of Building Capacity at 100% Classroom Utilization: Student Count (10/16)</th>
<th>Difference 100% Capacity to Student Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Early Childhood</td>
<td>Barnes</td>
<td>20090 Morningside Woods</td>
<td>49,455</td>
<td>-</td>
<td>20</td>
<td>500</td>
<td>-</td>
<td>-</td>
<td>500</td>
</tr>
<tr>
<td>2</td>
<td>K-5</td>
<td>Defer</td>
<td>15425 Kercheval Park</td>
<td>60,001</td>
<td>315</td>
<td>21</td>
<td>525</td>
<td>60%</td>
<td>210</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>K-5</td>
<td>Ferry</td>
<td>748 Roslyn Woods</td>
<td>68,016</td>
<td>364</td>
<td>24</td>
<td>600</td>
<td>61%</td>
<td>236</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>K-5</td>
<td>Kerby</td>
<td>285 Kerby Farms</td>
<td>76,795</td>
<td>353</td>
<td>18</td>
<td>450</td>
<td>78%</td>
<td>97</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>K-5</td>
<td>Maire</td>
<td>740 Cadieux Grosse Pointe Woods</td>
<td>50,200</td>
<td>316</td>
<td>15</td>
<td>375</td>
<td>84%</td>
<td>59</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>K-5</td>
<td>Mason</td>
<td>1640 Vernier Woods</td>
<td>45,020</td>
<td>294</td>
<td>18</td>
<td>450</td>
<td>65%</td>
<td>156</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>K-5</td>
<td>Monteith</td>
<td>1275 Cook Road Woods</td>
<td>63,239</td>
<td>444</td>
<td>25</td>
<td>625</td>
<td>71%</td>
<td>181</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>K-5</td>
<td>Poupard</td>
<td>20655 Lennon Harper Woods</td>
<td>61,973</td>
<td>297</td>
<td>22</td>
<td>550</td>
<td>54%</td>
<td>253</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>K-5</td>
<td>Richard</td>
<td>176 McKinley Park</td>
<td>56,095</td>
<td>355</td>
<td>19</td>
<td>475</td>
<td>75%</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>K-5</td>
<td>Trombly</td>
<td>820 Beaconfield Park</td>
<td>43,110</td>
<td>267</td>
<td>17</td>
<td>425</td>
<td>63%</td>
<td>158</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>6-8</td>
<td>Brownell</td>
<td>260 Chalfont Farms</td>
<td>157,493</td>
<td>612</td>
<td>35</td>
<td>875</td>
<td>70%</td>
<td>263</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>6-8</td>
<td>Parcells</td>
<td>20600 Mack Ave. Woods</td>
<td>208,855</td>
<td>665</td>
<td>36</td>
<td>936</td>
<td>71%</td>
<td>271</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>6-8</td>
<td>Pierce</td>
<td>15430 Kercheval Park</td>
<td>122,313</td>
<td>527</td>
<td>38</td>
<td>988</td>
<td>53%</td>
<td>461</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>9-12</td>
<td>North</td>
<td>707 Vernier Woods</td>
<td>342,148</td>
<td>1,385</td>
<td>56</td>
<td>1,456</td>
<td>95%</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>9-12</td>
<td>South</td>
<td>11 Grosse Pointe Blvd. Farms</td>
<td>436,691</td>
<td>1,678</td>
<td>72</td>
<td>1,872</td>
<td>90%</td>
<td>194</td>
<td></td>
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<tr>
<td>16</td>
<td>Support</td>
<td>Central Admin</td>
<td>389 St. Clair Grosse Pointe</td>
<td>23,103</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

**Total:** 1,864,511, 7,872, 436, 11,102, 71%

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*Definition: Classroom Utilization is a percentage based on calculating the number of full size classrooms not dedicated to a program in the facility and multiplying by the potential number of students in each classroom.

*Classroom utilization assessment was conducted by Plante Moran Cresa staff and is in the process of being reviewed by GPPSS.*
Capital Planning Assessment Process
### Ave. Bond Cost per s.f. for Infrastructure Improvement

<table>
<thead>
<tr>
<th>Item</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roofing</td>
<td>$6</td>
<td>$8</td>
</tr>
<tr>
<td>Windows</td>
<td>$8</td>
<td>$12</td>
</tr>
<tr>
<td>Interiors/Finishes</td>
<td>$6</td>
<td>$9</td>
</tr>
<tr>
<td>Mechanical</td>
<td>$12</td>
<td>$16</td>
</tr>
<tr>
<td>Electrical</td>
<td>$10</td>
<td>$13</td>
</tr>
<tr>
<td>Plumbing</td>
<td>$3</td>
<td>$5</td>
</tr>
<tr>
<td>Site/Parking</td>
<td>$5</td>
<td>$7</td>
</tr>
</tbody>
</table>

**Average:** $50  $70

### Benchmark Costs from PMC Clients

- Detroit Public Schools $500M
- Warren Con Schools $350M*
- Livonia Schools $195M
- Rochester Schools $183M
- Farmington Schools $131M
- West Bloomfield $120M**
- Belleville Schools $80M
- Novi Schools $70M
- Woodhaven $53M
- Crestwood Schools $35M
- Southgate Schools $20M

* denotes over (3) bond programs
** denotes May 2017 election
Sample “Probable Costs” Analysis Process – North HS Site Review
Sample “Probable Costs” Analysis Process – North HS Site Review
Sample “Probable Costs” Analysis Process – North HS Exterior Review
Sample “Probable Costs” Analysis Process – North HS Exterior Review
Sample “Probable Costs” Analysis Process – North HS Exterior/Interior Review
Sample “Probable Costs” Analysis Process – North HS Interior Review
Sample “Probable Costs” Analysis Process – North HS Mechanical/Electrical Review
Sample “Probable Costs” Analysis Process – North HS Mechanical/Electrical Review
Sample “Probable Costs” Analysis Report – North HS

Roofing
- Critical: $570,000
- Deferred: $700,000

Exterior Doors
- Critical: $234,000
Review Financial Parameters
Current Funding for GPPSS Capital Programs:

- **General Fund**
  - District allocates for capital and technology outlay from the General Fund (Operating Fund)
  - Recent County Enhancement Millage can be used for capital improvements

- **Sinking Fund**
  - District establishes a sinking fund to provide funding on a pay-as-you-go basis
  - Fund is approved through a school election
  - District may not levy more than certain mill(s) for a certain period of time (pay-as-you-go)
  - Use of funds limited to certain type of improvements
  - GPPSS currently collects approximately $2.8M per year from existing Sinking Fund
  - Existing Sinking Fund expires in 2019
Current Funding for GPPSS Capital Programs:

- **Sinking Fund Proceeds**
  - Use of funds limited to certain type of improvements (excludes technology equipment, buses, and FF&E).

### COMPARISON OF USES OF SINKING FUND

<table>
<thead>
<tr>
<th>Uses</th>
<th>Sinking Fund</th>
<th>Voted Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Construction</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Remodeling</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Technology Infrastructure</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Site Improvements</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Equipment</td>
<td>No*</td>
<td>Yes</td>
</tr>
<tr>
<td>Technology Equipment</td>
<td>No*</td>
<td>Yes</td>
</tr>
<tr>
<td>Buses</td>
<td>No*</td>
<td>Yes</td>
</tr>
<tr>
<td>Repairs (curative rather than preventative measures)</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

**Limits on levy or bond issue size**
- Number of Mills: Up to 5 mills for up to 20 yrs. Pay as you go.

**Bond issue size:**
- 15% of SEV or if SBLF Qualified, no debt limit unless unable to repay SBLF loans, if any, on series within 6 years after maturity.

Source: Miller Canfield
Next Steps for GPPSS Capital Assessment Analysis

- Site visits and building tours for (16) campuses and over 1.8M square feet _____ Completed
- Meeting w/ GPPSS’ architects/engineers from previous projects ___________ Completed
- Finalize draft report by building and by type of work ________________ In-Process
- Review preliminary findings with GPPSS Facilities and Operations __________ In-Process
- Present draft report to Board of Education ___________________________ June 2017
- Issue final report to GPPSS ___________________________ July 2017
Helping to Plan the Future:

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