

C.A.S.H. 28TH ANNUAL CONFERENCE ON SCHOOL FACILITIES

IN TUNE, INFORMED & INVOLVED: INSIDE CALIFORNIA SCHOOL FACILITIES

Tuesday, February 27, 2007
9:00 a.m. - 10:30 a.m.
Sacramento Convention Center
Room # 315

Workshop # Pre4

What Do You Mean I Have No Cash? Cash Flow Planning Techniques: When Can I Spend My Money?

Moderator: Marnie Rosenstein
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Panelists:

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MANAGING CASH FLOW FOR CONSTRUCTION PROJECTS

Preparing your Cash Flow



Stephanie Gonos, Cecile L. Nunley,
Margie Brown and Marnie Rosenstien

Hancock & Gonos
SCHOOL ADVISORY SERVICES



WHAT PROJECTS?

- New construction, new site
- New construction, existing site
- Modernizing, existing site
- Relieving overcrowding, existing site
- Major Deferred Maintenance, old site



WHAT PROJECTS?

- New buildings, new site

- New buildings, existing site
 - Career Tech Ed building

 - MEF: Library, gym, multipurpose room

 - Jt. Use facility



WHAT PROJECTS?

- Modernizing existing sites
 - Reconfiguring for Career Tech Ed
 - Reconfiguring site to relieve overcrowding
 - Major Deferred Maintenance Projects



FUNDING RESOURCES

- Local Match
 - General Obligation Bonds, 2/3 vote
 - Parcel Taxes, 2/3 vote
 - Prop 39 Bonds, 55% vote
 - Mello Roos, CFD Bonds, 2/3 vote
 - Developer Fees
 - Developer-built Schools



HOW MUCH IS NEEDED?

- Facilities needs are identified.
- Programs and funding sources identified.
- How much will district need to build the project?
- Answer determined through planning and budget development.



CONSTRUCTION SCHEDULES

- Coordination
- Realistic
- Allow for weather (So Cal Gal)
- PG&E allow for timing of consultant
- Staffing and workload
- Phasing of school year
- Consider Cash



CONSTRUCTION SCHEDULES

- Jump start projects (Quick)
- Roof, field, paint
- Bid climate
- Prioritizing
- Political consideration
- Size and location matters
- Fat schedules



CONSTRUCTION SCHEDULES

- Pitfalls
 - Least important last
 - Kids are housed
 - Shortening duration to make up for design delays
 - Not enough float in schedule
 - Out pace inflation by performing on multiple projects
 - Frequent updates and honest to self
 - Back up schedules

PROJECT BUDGET DEVELOPMENT





PROJECT BUDGET

- SCOPE DEVELOPMENT
VS. FUNDING LIMIT
 - Take Funding for the site and work backwards.
 - Identify the need for improvements and Develop Budget.



PROJECT BUDGET

- SOFT COSTS
 - Site Costs
 - Agency Fees
 - Consultants
 - Bid Costs
 - Construction Support
 - Furniture & Equipment
 - Interim Housing



PROJECT BUDGET DEVELOPING SOFT COSTS



Project Soft Cost Mark-Up's for New	
Site Costs	0.5%
State Agency Fees	1.0%
Design Fees	7.5%
Project Management Fees (carried at the program level)	2.0%
Haz-Mat Identification/Design/Monitoring	1.0%
Printing/Advertising	0.8%
Inspections	2.0%
Testing	0.5%
Construction Manager Fees	7.0%
Furniture & Equipment	2.0%
Construction Contingency	5.0%
Project Contingency	4.2%
Sub-Total	33.5%



PROJECT BUDGET

- FUNDING LIMIT
- FUNDING SHEET.xls



PROJECT BUDGET

- Developing Costs
 - Checklist of Costs
 - Example

[Checklist.xls](#)



PROJECT BUDGET

- Estimating
 - Conceptual Phase
 - Schematic Design Phase
 - Design Development Phase
 - Construction Phase
- Estimate changes.xls
- Project Template input sheet.xls



MASTER LIST OF PROJECTS

- Components
 - Funding
 - Names of Projects
 - Fiscal Years for funding
 - Project Budgets
 - Administrative Costs
 - Inflation
 - Loss Reserve



MASTER PROGRAM BUDGET

- Putting it all together

- [Master Program Budget Report.xls](#)



CASH FLOW WORKSHEET

- List of projects
- Project Budgets
- Time periods for projects
- Program costs
- Calculation of interest
- Calculation of inflation for projects
- Loss Reserve



CASH FLOW WORKSHEET

- Putting it all together
- [Cash Flow report.xls](#)



- QUESTIONS



ONLY TO BE USED IF FUNDING TOTAL IS USED FOR THE PROJECT ESTIMATE

Total Project		10,000,000	
Construction		6,650,000	
	Notes		
			On Project
Site Costs		0.5%	50,000
State Agency Fees		1.0%	100,000
Design Fees		7.5%	750,000
Project Management Fees (Pre-Construction)		2.0%	200,000
Haz-Mat		1.0%	100,000
Printing/Advertising		0.8%	80,000
Inspection Fees		2.0%	200,000
Testing Fees		0.5%	50,000
Constuction Manager Fees		7.0%	700,000
Furniture & Equipment		2.0%	200,000
Construction Contingency		5.0%	500,000
Project Contingency		4.2%	420,000
		<u>33.50%</u>	<u>3,350,000</u>
			Soft costs 3,350,000
			Hard costs <u>6,650,000</u>
			<u>10,000,000</u>

Checklist



BUDGET		
Budget Description	Preliminary Budget	Reason or Notes
Site Costs		
Acquisition Costs	\$ -	
Purchase	-	
Relocation	-	
Escrow/Title/Legal Fees	-	
Bond/Financing Costs	-	
Special Insurance	-	
Property Appraisal	-	
Special Studies	\$ 50,000	
Toxic Study	-	
CEQA	10,000	Experience from ES #2 pushed this number up.
Geotechnical	10,000	Substantial geo work for design and testing of a site with varying elevations
Geological Hazard	5,000	Potential costs
Topographical Survey	10,000	Substantial survey work for a site with varying elevations
Relocation Consultant	-	
Site Civil Engineer	10,000	Safety factor study because of complicated site
Underground Locating	5,000	Large area for Underground Locating
Aeronautical Survey	-	
Demolition - Existing Features	-	
Envrn. Clean-up / Disposal	-	
Miscellaneous	-	
Division Subtotal	\$ 50,000	
District and Agency Costs		
DSA Plan Check Fees	<u>38,215</u>	Use calculation for DSA
CDE Plan Check Fees	<u>4,655</u>	Use calculation for CDE
Div of Toxic Substance Control	-	
Legal	-	
County/City/Utility Fees	\$ 58,000	
Electrical	50,000	Local utility requires new plans for new building
Sewer	-	
Storm Drainage	-	
Water	8,000	New meter required with new plans for local utility
Gas	-	
Telephone	-	
Cable Television	-	
Other Entitlements/Mitigation	-	
CEQA Filing Fee	-	
Other Agencies	-	
Miscellaneous	-	
Division Subtotal	\$ 100,870	
All Consultants		
Programming and Planning	-	
A/E	<u>796,375</u>	Calculation for architect used SAB maximum cost for Deferred Maintenance hardship calculation
Specialty Consultant	\$ 66,500	
Labor Compliance	66,500	Used 1% of construction costs. Negotiated rate for all projects in district.
Eligibility Consultant	-	
Project Mgmt (Design Phase)	199,500	Used 3% of construction costs
Legal	-	
Low Voltage Design	-	
Community Outreach	-	
HazMat Consultants	\$ 106,400	Used 1.6% of construction costs.
Design	33,250	The total estimate was split between the design and monitoring of the project.

Checklist



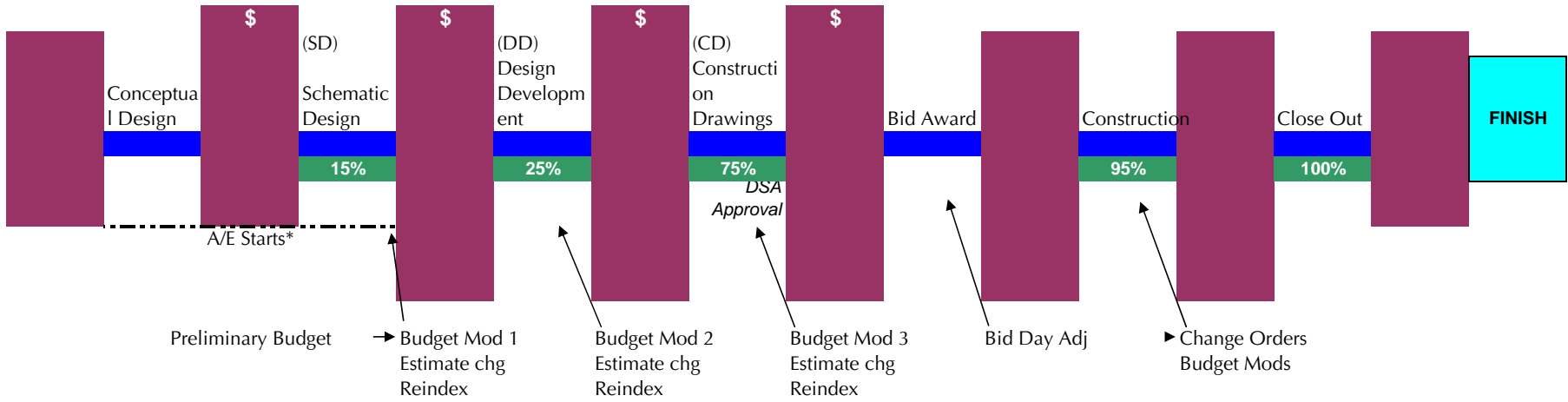
BUDGET		
Budget Description	Preliminary Budget	Reason or Notes
Monitoring	73,150	The total estimate was split between the design and monitoring of the project.
Miscellaneous	-	
Division Subtotal	\$ 1,168,775	
Bid Costs		
Printing and Distribution	\$ 60,000	Average costs
Advertisements & Notices	20,000	Average costs
Miscellaneous	-	
Division Subtotal	\$ 80,000	
Construction Costs		
Site Contractor	\$ -	
Site Contractor	-	
Site Infrastructure Contractor	-	
Site Electrical Contractor	-	
General Contractor	6,650,000	Conceptual estimate from initial scoping process 5000 sq. ft.gym.
Multiple Prime Contractor(s)	-	
Specialty Contractor	-	
Low Voltage	\$ -	
Pathway	-	
Fire Alarm	-	
Assistive Listening	-	
Data	-	
Telephone	-	
Intercom	-	
Clocks and Bells	-	
Intrusion	-	
Cable TV	-	
EMS	-	
Digital Video Security	-	
Video Media	-	
FIDS	-	
Relocatables	-	
Owner Furnished Materials	-	
Miscellaneous	-	
Division Subtotal	\$ 6,650,000	
Construction Support		
Inspection	199,500	Used calculation 3% of construction
Testing	53,200	Used calculation .8% of construction
Survey Controls	-	
Security	-	
CM Construction	731,500	Used amount from approved contract
Miscellaneous	-	
Division Subtotal	\$ 984,200	
Furniture & Equipment		
Furniture & Equipment Design	-	
F&E-Non-Capitalized	\$ 200,000	
F&E-Non Capitalized - Non-	100,000	400 students @ \$250/student = \$100K
F&E-Non-Capitalized - Tech	100,000	50 computers to be purchased for lab located off of gym.
F&E-Capitalized	\$ -	
F&E-Capitalized - Non-Tech	-	
F&E-Capitalized - Tech	-	
Library Materials	-	
Specialty	-	
Miscellaneous	-	

Checklist



BUDGET		
Budget Description	Preliminary Budget	Reason or Notes
Division Subtotal	\$ 200,000	
Miscellaneous Project Costs		
Interim Housing	\$ -	Interim housing will not be needed project is a new building
Interim Housing Set-Up		
Interim Housing Lease		
Moving and Storage	\$ 57,930	
Moving	57,930	Estimate for custodians to move equipment into new building from old cafete
Storage		
Packing	-	
Systems Start-Up / Training	-	
M&O Costs	-	
Building and Grounds Costs	-	
Waste Disposal	-	
Miscellaneous	-	
Division Subtotal	\$ 57,930	
Contingencies		
Construction Contingency	498,750	Used 7.5% of total construction costs
Project Contingency	209,475	Used 42% of construction contingency
Owner Contingency	-	
Division Subtotal	\$ 708,225	
TOTAL	\$ 10,000,000	

\$ Cost estimate is generated
LS Cumulative payment percentage based on Lump Sum A/E Agreement



Elementary School ABC



		BUDGET			
Code	Budget Description	Conceptual Estimate	Schematic Design	Modifications Needed	Reason or Notes
100.00000	Site Costs				
100.11000	Acquisition Costs	\$ -			
100.11010	Purchase	-			
100.11020	Relocation	-			
100.12000	Escrow/Title/Legal Fees	-			
100.13000	Bond/Financing Costs	-			
100.14000	Special Insurance	-			
100.15000	Property Appraisal	-			
100.16000	Special Studies	\$ -			
100.16010	Toxic Study	-			
100.16020	CEQA	-			
100.16030	Geotechnical	-			
100.16040	Geological Hazard	-			
100.16050	Topographical Survey	-			
100.16060	Relocation Consultant	-			
100.16070	Site Civil Engineer	-			
100.16080	Underground Locating	-			
100.16090	Aeronautical Survey	-			
100.17000	Demolition - Existing Features	-			
100.18000	Envrn. Clean-up / Disposal	-			
100.19000	Miscellaneous	-			
	Division Subtotal	\$ -			
200.00000	District and Agency Costs				
200.21000	DSA Plan Check Fees	-			Use calculation from worksheet see DSA-CDE tab
200.22000	CDE Plan Check Fees	-			Use calculation from worksheet see DSA-CDE tab
200.23000	Div of Toxic Substance Control	-			
200.24000	Legal	-			
200.25000	County/City/Utility Fees	\$ -			
200.25010	Electrical	-			
200.25020	Sewer	-			
200.25030	Storm Drainage	-			
200.25040	Water	-			
200.25050	Gas	-			
200.25060	Telephone	-			
200.25070	Cable Television	-			
200.25080	Other Entitlements/Mitigations	-			
200.25090	CEQA Filing Fee	-			
200.26000	Other Agencies	-			
200.29000	Miscellaneous	-			
	Division Subtotal	\$ -			
300.00000	All Consultants				
300.31000	Programming and Planning	-			
300.32000	A/E	-			Used calc. from worksheet see architect tab may need to adjust for specifics or override fo
300.33000	Specialty Consultant	\$ -			
300.33010	Labor Compliance	-			Used calc. from worksheet see other costs tab
300.33020	Eligibility Consultant	-			
300.34000	Project Mgmt (Design Phase)	-			
300.35000	Legal	-			
300.36000	Low Voltage Design	-			
300.37000	Community Outreach	-			
300.38000	HazMat Consultants	\$ -			
300.38010	Design	-			
300.38020	Monitoring	-			
300.39000	Miscellaneous	-			
	Division Subtotal	\$ -			
400.00000	Bid Costs				

Elementary School ABC



		BUDGET			
Code	Budget Description	Conceptual Estimate	Schematic Design	Modifications Needed	Reason or Notes
400.41000	Printing and Distribution	-			
400.42000	Advertisements & Notices	-			
400.49000	Miscellaneous	-			
	Division Subtotal	\$ -			
500.00000	Construction Costs				
500.51000	Site Contractor	\$ -			
500.51010	Site Contractor	-			
500.51020	Site Infrastructure Contractor	-			
500.51030	Site Electrical Contractor	-			
500.52000	General Contractor	-			
500.53000	Multiple Prime Contractor(s)	-			
500.54000	Specialty Contractor	-			
500.55000	Low Voltage	\$ -			
500.55010	Pathway	-			
500.55020	Fire Alarm	-			
500.55030	Assistive Listening	-			
500.55040	Data	-			
500.55050	Telephone	-			
500.55060	Intercom	-			
500.55070	Clocks and Bells	-			
500.55080	Intrusion	-			
500.55090	Cable TV	-			
500.55100	EMS	-			
500.55110	Digital Video Security	-			
500.55120	Video Media	-			
500.55130	FIDS	-			
500.56000	Relocatables	-			
500.57000	Owner Furnished Materials	-			
500.59000	Miscellaneous	-			
	Division Subtotal	\$ -			
600.00000	Construction Support				
600.61000	Inspection	-			Used calc. from worksheet see other costs tab 2% of construction
600.62000	Testing	-			Used calc. from worksheet see other costs tab 1% of construction
600.63000	Survey Controls	-			
600.64000	Security	-			
600.65000	CM Construction	-			Used calc from worksheet see other costs tab sliding scale
600.69000	Miscellaneous	-			
	Division Subtotal	\$ -			
700.00000	Furniture & Equipment				
700.71000	Furniture & Equipment Design	-			
700.72000	F&E-Non-Capitalized	\$ -			
700.72100	F&E-Non Capitalized - Non-Tech	-			
700.72500	F&E-Non-Capitalized - Tech	-			
700.73000	F&E-Capitalized	\$ -			
700.73100	F&E-Capitalized - Non-Tech	-			
700.73500	F&E-Capitalized - Tech	-			
700.74000	Library Materials	-			
700.75000	Specialty	-			
700.79000	Miscellaneous	-			
	Division Subtotal	\$ -			
800.00000	Miscellaneous Project Costs				
800.81000	Interim Housing	\$ -			
800.81010	Interim Housing Set-Up	-			
800.81020	Interim Housing Lease	-			
800.82000	Moving and Storage	\$ -			

Elementary School ABC



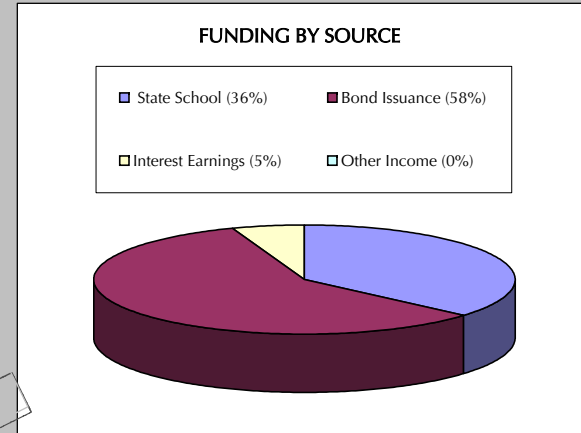
		BUDGET			
Code	Budget Description	Conceptual Estimate	Schematic Design	Modifications Needed	Reason or Notes
800.82010	Moving	-			
800.82020	Storage	-			
800.82030	Packing	-			
800.83000	Systems Start-Up / Training	-			
800.84000	M&O Costs	-			
800.85000	Building and Grounds Costs	-			
800.86000	Waste Disposal	-			
800.89000	Miscellaneous	-			
	Division Subtotal	\$ -			
900.00000	Contingencies				
900.91000	Construction Contingency	-			Used 10% of total construction costs
900.92000	Project Contingency	-			Used 42% of construction contingency
900.93000	Owner Contingency	-			
	Division Subtotal	\$ -			
	TOTAL	\$ -			

Master Program Budget



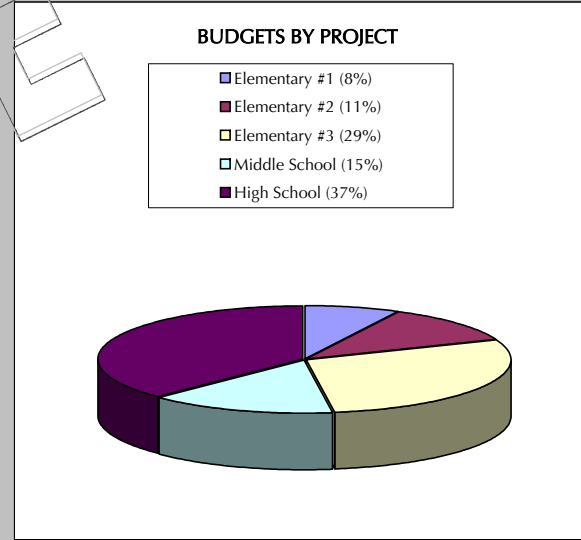
Funding

Date Received	State School Facilities Program	Bond Issuance	Interest Earnings	Other Income
Fiscal Year 2004-2005				
Fiscal Year 2005-2006				
Fiscal Year 2006-2007		14,999,934	410,908	
Fiscal Year 2007-2008	1,818,646		729,100	
Fiscal Year 2008-2009	15,085,217	15,000,000	1,218,300	
Fiscal Year 2009-2010	1,919,324		444,600	
Fiscal Year 2010-2011				
Total:	\$ 18,823,187	\$ 29,999,934	\$ 2,802,908	\$ -
Total Received 06/30/07	\$ 15,410,842			
Anticipated Revenue:	\$ 36,215,187			
Total Program Revenue:	\$ 51,626,029			



Budgets as of 01/15/07 & Expenditures as of 12/31/06

Project	Preliminary Budgets	Current Budgets	Contract Commitments	Paid to Date	Percentage Complete
Elementary #1	2,633,813	2,633,813	-	-	0%
Elementary #2	3,926,427	3,926,427	-	-	0%
Elementary #3	10,000,000	10,000,000	-	-	0%
Middle School	5,164,282	5,164,282	-	-	0%
High School	13,021,309	13,021,309	-	-	0%
Project Subtotal	34,745,831	34,745,831	-	-	0%
Program Budget	1,790,000	1,790,000	-	-	
Construction Cost Escalation	5,419,000	5,419,000	-	-	
Catastrophic Loss Reserve	4,000,000	4,000,000	-	-	
Program Balance	5,671,198	5,671,198			
Totals:	\$ 51,626,029	\$ 51,626,029	\$ -	\$ -	



**XYZ UNIFIED SCHOOL DISTRICT
BUILDING CASH FLOW PROGRAM**



Project	Total Budget	Activity through 12/30/06	1st Qtr 2007	2nd Qtr 2007	3rd Qtr 2007	4th Qtr 2007	1st Qtr 2008	2nd Qtr 2008	3rd Qtr 2008	4th Qtr 2008	1st Qtr 2009	2nd QTR 2009	3rd QTR 2009	4th QTR 2009	TOTAL
Elementary #1	2,633,813		197,536	197,536	746,247	746,247	746,247								2,633,813
Elementary #2	3,926,427						98,161	98,161	98,161	98,161	98,161	98,161	1,668,731	1,668,731	3,926,427
Elementary #3	10,000,000		250,000	250,000	250,000	250,000	250,000	250,000	4,250,000	4,250,000					10,000,000
Middle School	5,164,282		129,107	129,107	129,107	129,107	129,107	129,107	1,463,213	1,463,213	1,463,213				5,164,282
High School	13,021,309		325,533	325,533	325,533	325,533	325,533	325,533	2,767,028	2,767,028	2,767,028	2,767,028			13,021,309
Subtotal For All Project Expenses	34,745,831	-	902,176	902,176	1,450,887	1,450,887	1,549,047	802,800	8,578,402	8,578,402	4,328,402	2,865,189	1,668,731	1,668,731	34,745,831
Program Contingencies & Expenses															
Program Loss Reserve	4,000,000		333,333	333,333	333,333	333,333	333,333	333,333	333,333	333,333	333,333	333,333	333,333	333,333	4,000,000
Consultants	1,790,000		149,167	149,167	149,167	149,167	149,167	149,167	149,167	149,167	149,167	149,167	149,167	149,167	1,790,000
ESCALATION	5,419,000						145,100	154,900	80,300	857,800	1,784,300	900,300	900,300	596,000	5,419,000
Subtotal Program Contingencies & Expenses	11,209,000	-	482,500	482,500	482,500	482,500	627,600	637,400	562,800	1,340,300	2,266,800	1,382,800	1,382,800	1,078,500	11,209,000
TOTAL FOR ALL PROJECT & PROGRAM COSTS	45,954,831	-	1,384,676	1,384,676	1,933,387	1,933,387	2,176,647	1,440,200	9,141,202	9,918,702	6,595,202	4,247,989	3,051,531	2,747,231	45,954,831
Expenses Noted but not Paid															
Cumulative total costs	45,954,831	-	1,384,676	2,769,352	4,702,738	6,636,125	8,812,773	10,252,973	19,394,175	29,312,877	35,908,079	40,156,068	43,207,600	45,954,831	45,954,831
State Funding	18,823,187					1,818,646			15,085,217			1,919,324			18,823,187
Bond Issuance	29,999,934	14,999,934						15,000,000							29,999,934
Interest Earnings	2,739,492	40,900	225,408	144,600	202,000	190,100	182,200	154,800	203,400	371,300	385,100	258,500	258,500	186,100	2,802,908
Other Income															-
Total Revenue in period	51,562,613	15,040,834	225,408	144,600	2,020,646	190,100	182,200	15,154,800	15,288,617	371,300	385,100	2,177,824	258,500	186,100	51,626,029
Cumulative Revenue		15,040,834	15,266,242	15,410,842	17,431,488	17,621,588	17,803,788	32,958,588	48,247,206	48,618,506	49,003,606	51,181,429	51,439,929	51,626,029	
Cash Balance in period		15,040,834	13,881,567	12,641,491	12,728,750	10,985,463	8,991,016	22,705,615	28,853,030	19,305,628	13,095,526	11,025,361	8,232,330	5,671,198	