

# JUNCTION CITY SCHOOL DISTRICT BOND FUNDED CAPITAL PROJECTS

## Frequently Asked Questions

Updated June 1, 2017

These questions have been asked by members of the community and submitted to the School District.

If you have a question you would like answered, please submit it to the School District via the following email address: [bondprojectsqa@junctioncity.k12.or.us](mailto:bondprojectsqa@junctioncity.k12.or.us)

### Questions about the Bond itself

- 1. What is the total amount of money that will be available to complete the capital bond funded improvement projects?**

The total available is \$21,533,499. (\$14,635,000 bond; \$4,000,000 matching funds from the State; \$2,898,499 premium funds)

- 2. Are there other funds available to supplement or complement these funds? How will these be used?**

A grant of \$1,500,000 of State funds to improve the seismic safety of Oaklea Middle School has been awarded to the School District. Also, work has begun with an Energy Service Company (ESCo) to put in place cost-effective energy savings improvements and to determine the use of the funds provided by the Oregon Legislature for energy savings (HB1149). The use of these funds will be coordinated with the work at each of the schools to maximize their efficiency and to maximize the cost-effectiveness of the bond funds.

- 3. What are the sources of the funds? Which of them will the taxpayers have to pay back?**

The matching funds, the seismic grant funds, and the energy savings funding are all provided by the State and do not have to be repaid by the School District. There are potential energy savings projects that may pay for themselves in the form of cost savings by reducing School District operating costs over several years. The premium funds are a result of a good financial climate when the bonds were issued for sale and do not have to be repaid either. For more on this see a related item below.

School District taxpayers will be paying the bond amount \$14,635,000 through a property tax assessment over a ten-year period. This rate is currently \$1.61 per thousand dollars of assessed property value, a penny lower than the \$1.62 per thousand estimated in the bond measure language in May of 2016.

**4. What are the premium funds and do they have to be paid back?**

The bond premium is a result of the differential between prevailing market coupon rates (the face or stated interest rate on any given maturity) and the effective, actual market yields present at the time of the sale.

For example, if a bond has a coupon of 4%, but actual interest rates for that maturity are 3%, investors will pay more than 100% of the principal amount in order to 'make up the difference.' The amount over 100% of principal is called the "premium." Whether bonds are sold at a premium or discount is mostly driven by the interest rate environment vis-à-vis the demand investors have for income at any given point in time.

Premium funds do not have to be paid back.

**5. Will any of the bond measure funds (or the matching grant or premium funds) be used for land acquisition, staff, operating expenses, improving the football stadium?**

No. These funds will only be used in a manner consistent with the language of the bond title.

Use of the bond funds are strictly limited to costs related to the design and construction of facilities. They cannot be used for operational costs. See the answer below about the land acquisition. In the failed November 2013 bond measure, the community was clear that bond funds should not be used for athletic facilities. (Following that failed bond, some voters also shared that they did not want a replacement of Laurel Elementary to displace any of the Laurel ball fields.)

**6. What about the property at 18<sup>th</sup> and Rose? How was this purchase funded?**

During the Facilities Visioning process that took place in the two years preceding the successful May 2016 bond measure, the need for land acquisition to address the future growth in our District was identified and in response, the property at 18<sup>th</sup> and Rose was identified as a possible future elementary school site. None of the May 2016 bond money, premiums, or capital matching funds has been- or will be- used for this land acquisition. The land purchase will be paid for over time and funded from receipts from the District's collection of "Construction Excise Taxes"- which are authorized under ORS 320.170, collected at the point of permitting for new residential or commercial construction, and used as specifically defined in ORS 320.183. ORS 320.183 (3)(a)(A) expressly permits the use of these funds for land acquisition and further specifies that the funds may **not** be used for programs or staff, or "operating costs or costs of routine maintenance" (ORS 320.183(E)(b)).

**7. How can regular citizens learn more about the project?**

A significant amount of information about the bond projects is available on the School District web site: [www.junctioncity.k12.or.us](http://www.junctioncity.k12.or.us)

The School District has appointed a Citizens Advisory Committee (CAC) consisting of six community members, two School Board members, and 2 School District staff. Their purpose is as follows:

1. **Communication** - Learn about the details of the projects in order to provide information back to the broader Junction City Community about their progress.
2. **Accountability** - Check to see that the intent of the bond measure is being followed and the funds are being used efficiently.
3. **Advice on fund allocation** - Over the course of the projects, funds may become available and the CAC will provide advice to the District staff and possibly the School Board about how to allocate these funds.

Members names and minutes from the Committee meetings are posted on the School District web site. The Committee meets once a month and several of the citizen-members attend each Board meeting to report out from the Committee.

## **Questions about how the funds will be spent**

### **8. How were the funds divided between the different schools? How was this decided?**

A community-based committee comprised of parents, students, educators, business leaders, and District administrative staff convened and reviewed a list of Junction City School District facility needs and the financial impact of each item. It was determined the replacement of Laurel, while still needed, should be delayed for at least five years due to the unresolved issue of where the school would be sited. The highest remaining needs were:

- Replacing the east wing of the High School because its systems were failing and repair did not make economic sense. Further, the educational facilities did not meet current needs for teaching and learning. Finally, a well-placed addition could connect the various parts of the school in more efficient and safer ways.
- Upgrading and replacing heating, and some lighting and ceiling systems at Oaklea Middle School.
- Installing communications systems and security infrastructure throughout the School District to improve security and safety.
- Pavement repair and a new covered play structure at Territorial.
- Improvements to accessibility at all schools for disabled students.

### **9. How was the architectural firm hired? How was it decided how much to pay them?**

The DLR Group was hired by way of a competitive procurement process in September of 2014 for facilities planning work. The process included the ability to extend the contract to include continued designs for the upgrade of School District facilities. At the time of the extension of the contract, the School District Board found that an extension provided cost and time savings for the following reasons:

- Performing a new procurement process would result in lost time and incur added expense.
- A new consultant would need time to get up to speed with the work already in place resulting in lost time and added expense.
- DLR Group had obtained significant knowledge about the School District's need, the local agencies with jurisdiction, and the project itself.
- If a new consultant did not accept the work done-to-date, significant time and expense would be added to the project schedule and budget.
- The time School District staff, Board members, and community members had spent to date would be lost if the new consultant started over.

Public competitive hiring process requirements do not include competitive bidding for architectural and engineering design fees because of the complex nature of designing large-scale public facilities. It is not possible for architects to know how much to ask for in fees without a thorough discussion about the needs of the public agency. For this reason, competitive processes for architects are based on the qualifications of the firms.

The fees paid to the DLR Group were negotiated to meet the unique needs of the School District and the projects. The fees were compared to similar projects to ensure they were in line with standard practices.

Further, using this same process would have produced similar or greater fees regardless of which architectural firm was hired.

## Questions about the High School Project

10. **It looks like the high school addition is being located adjacent to the West Wing rather than as a stand-alone addition nearer the East Wing as depicted in bond informational materials. Why is this being done, and how is it being paid for? What are the advantages of doing this now?**

After the bond passed, the School District was awarded the capital matching grant and the bond premiums; we then had additional funds to rethink the High School addition location and program. Discussions regarding the campus' long-term plan, safety concerns, and overall goals of the High School led us to explore the potential of connecting to the West Wing. This shift would allow us to achieve more components of the High School's design goals and long-range plan:

- Increase Campus Connectivity & Safety
- Extend Life of Existing Buildings
- Design for an Enrollment of 650 Students
- Create Collaborative & Community Learning Spaces
- Provide Flexible & Adaptable Learning Environments
- Reduce Maintenance & Operation Costs

Connectivity and safety will be greatly improved by linking two existing facilities and creating a centrally located main entry. The new entry and administration location will have greater visibility to the parking lots and greater control over who is coming in and out of the school.

Programming that was not originally planned within this bond that are now included because of the bond premiums are:

- Science Labs
- Administration Center
- Student Commons Expansion
- Collaborations Spaces
- Counseling Center
- Business and Publication Tech Hub

By doing this work now, the District is taking a larger step towards creating a cohesive and safe High School campus that can serve and inspire future generations of students.

**11. How long is the project going to take?**

The project will begin in late May and be finished in the middle of the summer of 2018. Finishing in the middle of the summer will allow the teachers and the staff time to get the new building ready before the students arrive in the fall.

**12. The new addition is going to be placed on the current football practice field. Where are the kids going to practice now?**

The practice fields to the south of the school (currently JV baseball and soccer uses) will be extended towards the commons building after the lower hallway of the East Wing is torn down. There will be some time during the construction when field space will be tight, but once the construction is finished and the expanded field is in place there should be enough field space to meet current High School athletic program needs.

**13. What is going to happen to the old East Wing when those classrooms aren't being used anymore?**

Working from the Pitney Center toward the School District offices (north to south)

**Pitney Center** – It will continue to be used as it is now for GED classes and overflow testing. In the future, it may also be used for on-line programs, and other outside agencies working with students such as Ophelia's Place.

**East Wing Gym** – It will continue to be used for PE instruction, High School sports and Junction City Athletics (JCA) youth sports. In the long term, if or when new gyms are built as part of a future phase of construction, it may be used as a school/community theater.

**Spaces near the gym before the science classrooms** – These spaces will be mothballed for possible use as a future arts wing of the High School. On an interim basis, it is possible they can be used by tax-exempt organizations such as the Junction City Police, the City, the JCA or as a school-based health clinic.

**Science Classrooms** – The exact uses have not been determined but they may be reused as department offices for the Food Services Department, records storage, or technology storage.

**District Offices** – These will remain in use as they are today.

**14. How will students move safely around the High School during construction?**

Once construction begins several changes to move students around the High School will be put in place.

**From the East Wing to the West Wing** - Fencing along the south side of the new addition will keep students from entering the construction site while allowing them to move from the East Wing along the side of the cafeteria or through the covered walkway to the north covered walk of the CTE building. From the north covered sidewalk of the CTE building, they will be directed around the south side of the main building and will enter the main building through the doors nearest the theater building.

**Main entrance/gym entrance/parking lot** – During construction, the main entrance to the school will remain open and the current entrance by the gym will be closed. The large parking lot by the gym will also be closed and cars will be directed to the gravel lot down by the football field.

**Lighting** – Extra lighting has been installed on the south side (the back) of the main building and an additional light has been added to the parking lot by the football field. The gravel lot also will serve as staff and student parking during construction, until such time as the new paved parking area near the new addition is completed

**15. The brick tiger mural is so cool. Can I see it again?**

