

Community Asked Questions & Answers Regarding Bond Measure 20-242

The questions below have recently been submitted to the District. You can submit a question using the Online form available on the District's website, <http://www.junctioncity.k12.or.us/index.html>, or fill out the last page and return it to the District Office. This information was reviewed by the Oregon Secretary of State's Office for compliance with ORS 260.432.

Q: What is the cost and duration of this bond measure? What will the cost per thousand be?

A: This 10-year bond is for 14.63M and is estimated to cost \$1.62 / thousand. The owner of a house with an assessed value of \$180,000 would expect to pay about \$292 a year, or approximately \$24.30 a month.

Q: What are the development costs?

A: Development costs are all those costs that are above and beyond what a contractor says they will build the project for. They include things like building permits, site surveying, geotechnical investigation, third party testing, architectural design, engineering, furniture (in some cases), legal counsel, printing costs for plans, advertisements for public bid work, and contingency (typically 10% for new or simple work and 15% for renovation or complex work). While the projects have been investigated and planned, they have not yet been designed, so contingencies are important. Even after design and prudent investigation, construction activity can reveal hidden conditions that require contingency to cover.

These costs are slightly adjusted based on the type of work. For example, purely internal work would include no land surveying or geotechnical costs but might have furniture replacement. Larger projects have a smaller percentage of design fees than smaller projects. As identified above, the contingency for new construction is less than contingency for remodels.

Volunteers and donated materials can be used to bring COSTS down, but should never be used to bring BUDGETS down. Commitments made today are often not realized in the final product. Cost reductions will be examined throughout the process.

Q: What happens to left over money?

A: As such, while a budget for each school project was used to establish the overall bond amount, any unused funds go back to the overall bond budget. Once all projects promised to the voters are completed, there are typically some funds remaining. At that time, Districts have typically evaluated their list of projects that did NOT make the bond and then the Board and District Administration go through a prioritization process of remaining projects by which to disseminate the remaining funds. Junction City has not made a decision on that process as yet. They have committed to a Citizens Oversight Committee to evaluate how funds are spent and to ensure bond promises are kept.

Q: How are the costs of the various bond projected determined?

A: Historical data has proven to be of little benefit in the current public construction bidding market. Oregon school districts and other public entities are experiencing bids at 25% - 35% higher than their estimates / budgets and has been the case for the last 18 months. One of the key factors has been less bidders. During the recession, many companies went out of business. We are now in a huge construction market again, but with only half the trades people. As such, there is limited competition and escalated pricing. The good news is that this information informs our current budgets, rather than being in the predicament that many districts that passed bonds in the last 2 years are now facing.

Q: What is the budgeted cost of the Territorial Paving Projects?

A: Asphalt Paving - \$295,000

There are significant failures in the paving that cannot simply be overlaid. We are looking at removal and installation of new sub-grade and a storm system to prevent repeated failures. The below represents a budget, which is used to secure funds. An ESTIMATE is something a contractor uses to secure work. While someone might say, "I could do this for less", no design has been done as yet, so other factors may impact costs beyond what can be seen on the surface.

| Territorial Pavement (Front and Drive) BUDGET | |
|--|------------------|
| Removal | \$20,000 |
| Storm Drainage | \$40,000 |
| Sub-Grade Prep | \$35,000 |
| Paving | \$115,000 |
| Striping | \$5,000 |
| Signage | \$3,000 |
| Development Costs (~35%) | \$77,000 |
| TOTAL | \$295,000 |

Q: What is the budgeted cost of the Territorial Play Structure?

A: Covered Play Shelter - \$235,000

The hard surface below a play structure is never more easy to replace than BEFROE you install the structure, so is included in the budget. The shelter budget is taken from recent bids for a similar structure at Fern Ridge – adjusted for the size proposed here. We will not be allowed to simply put in downspouts on the structure, but rather lead them to a storm system, which adds to the cost. The below represents a budget, which is used to secure funds. An ESTIMATE is something a contractor uses to secure work. While someone might say, "I could do this for less", no design has been done as yet, so other factors may impact costs beyond what can be seen on the surface.

| Territorial Shelter BUDGET | |
|---|------------------|
| Concrete Pad (55' x 53'), plus demo | \$53,000 |
| 52' x 50' Structure (material and delivery) | \$45,000 |
| Shelter Erection | \$24,000 |
| 4 Backstops (installed) | \$10,000 |
| Striping | \$3,000 |
| Lights | \$12,000 |
| Storm Drainage | \$18,000 |
| Development Costs (~35%) | \$58,000 |
| TOTAL | \$223,000 |

Q: What is the budgeted cost of the high school's New Addition & Central Mechanical Plant Project?

A: Replacement High School Wing - \$11,778,000

Due to the above issues, new construction has been bidding in Oregon for public works anywhere from \$270 / sf - \$320 / sf. The current budget for the high school is \$296 / sf. Different types of spaces vary in costs per square foot. For example, a classroom will cost more per square foot than a storage closet. There are other costs for minor remodel and site development above and beyond these costs in order to accommodate for the new work, and those have to be taken into account. The table below represents a BUDGET, which is used to secure funds. An ESTIMATE is something a contractor uses to secure work. While someone might say, "I could do this for less", no design has been done as yet, so other factors may impact costs beyond what can be seen on the surface.

Q: Continued from previous page.

| High School Replacement Wing BUDGET | | |
|---|---------------------|-------------|
| 12-14 General Classrooms / Labs (13,400 sf) | \$4,154,000 | |
| Media Commons / Hub (5,000 sf) | \$1,625,000 | |
| Circulation (including stairs) (3,600 sf) | \$990,000 | |
| Mechanical, Electrical, and IT Support Rooms (1,300 sf) | \$312,000 | |
| Storage and Custodial (800 sf) | \$192,000 | |
| Restrooms (1,200 sf) | \$420,000 | |
| Wall Thickness (1,400 sf)* | \$224,000 | |
| <i>*Walls are anywhere from 6" - 12" thick and take up floor area. Without counting these, all rooms would be smaller. In a standard 960 sf classroom, that could mean a reduction of 80 square feet if there is no budget for wall area.</i> | | |
| | | |
| Sub-Total | \$7,917,000 | |
| <i>Total Square Footage - 26,740 SF</i> | | |
| <i>Averaged Construction Budget / SF - \$296 / SF</i> | | |
| <i>Selective Demolition & Remodel Tie-In</i> | | \$76,000 |
| <i>Associated Site Work (parking, walks, utilities)</i> | | \$420,000 |
| Development Costs (~40% of all construction) | | \$3,365,000 |
| TOTAL | \$11,778,000 | |

Q: What is the budgeted cost for other projects at the high school?

A: Other Projects – Roughly \$850,000

These other projects include ADA improvements and safety and security upgrades. ADA improvements will focus on restrooms and entry doors. Safety and security upgrades will focus on building access control (vestibules, locks, and card entry), surveillance (cameras and improved lines of sight), and communications systems. Development costs are included in this number.

Q: Will the school board be buying all new furnishings such as tables, chairs, phones, desks, etc. for the new buildings or will they be saving the community money by bringing the old furnishings in. If they plan is not to use the old furnishings, why not since some of the items may not be that old?

A: The District will do an inventory of furnishings to identify those that can be or should be re-used prior to making any furniture purchases. While it is certain that some furnishings will be re-used, the District will also make some purchases of tables and flexible furnishings to allow for more classroom collaboration and improved student learning.

Q: When will the bond work start? Will the District be able to begin some of the “smaller” projects like the Territorial play structure or driveway before the bonds are sold? If so, how will that be done so that the work is paid for by bond proceeds rather than impacting the District’s operating budget?

A: Bond design activity will start immediately. Some smaller construction projects may be started this summer, but with a bond passage in May, that will put projects for summer 2016 behind other regional projects already committed to by contractors. This may also impact costs. Conversations with Contractors will occur this April to determine the viability of an early start and to make sure we are making sound investments. Operating funds are spent on a monthly basis, so funds necessary for the latter half of the 2016/17 school year can be used now and then reimbursed after the bond sale.

Q: Will the District try to use local contractors?

A: Yes. The District will engage local contractors in April to discuss bonding and insurance, manpower availability, prevailing wage criteria, and types of materials that our locals are certified to install. Designs and project sizes will be managed to support those contractors. The District still has to publicly bid out the projects, but these conversations will give our locals the best opportunity to be awarded the work.

Q: I know that adding this bond debt will raise my property taxes, but how might it affect my property values?

A: According to the National Bureau of Economic Research, “passage of a bond measure causes housing (values) in the district to rise by about six percent. This effect persists for at least a decade.”

Q: What is the length of this bond measure? I am confused because I keep hearing about a 20-year master plan.

A: This bond debt is for 10 years. The District is looking 20 and 30 years out and planning additional bonds in the future to address all the long-term needs. However, any subsequent bonds will go before the voters just like this one. The District cannot sell additional bonds without voter approval.

Q: It sounds like the District’s long-range plan includes additional phases of improvement beyond the projects in this current bond. How might that be done? Will I be able to vote on future bonds for future phases?

A: Any future phases will require additional funding. This is typically done through local bonds. In order to sell more bonds, the District will need to put before the voters a new measure. The District cannot sell more bonds without voter approval.

Q: Why is the cost per square foot so much bigger than what it might be for a house or a commercial building?

A: Public works construction requires the District to pay prevailing wages which can be as much as 20% more than wages for private developments. School construction also uses commercial products for longevity, durability, and lower maintenance costs, which we also believe is important as a sound investment and good long-term planning. State criteria also dictates more robust building skins, mechanical, plumbing, and electrical systems to address energy guidelines. Lastly, there is a lot of equipment and technology in a school that supports the student learning.

Q: If the building project comes in under budget where does the remaining money go?

A: Any funds remaining after completion of a project goes back to the overall bond account. The District will establish a process to evaluate other capital needs and distribute funds. The District will also establish a Citizens Oversight Committee to ensure funds are spent in alignment with the bond requirements. Please note that over \$60 million of needs were identified during the planning and only a \$14.635 million measure is being pursued.

Q: How does a bond affect the economy?

A: There is a direct impact in the purchase of local materials, labor, and services related to the construction. There is also an indirect impact in terms of the goods and services not able to be produced locally (i.e. steel fabrication). Lastly, there is an induced impact in that dollars spent here continue to circulate through our community with a spending multiplier of 7 times (Rutgers University Study).

Q: If you have a 20-30-year plan, am I obligated under this measure to continue to pay increased taxes that long?

A: No. The District is implementing the first phase of a long-term plan with a 10-year bond. Any new bonds will be required to be approved by the voters. The current work does not obligate voters to more than 10 years of debt.

Q: Won't more taxes stifle economic growth?

A: Historically, investments in infrastructure like schools, roads, parks, and utilities have drawn people and businesses to an area. The influx of people and businesses directly correlates to spending, which directly correlates to economic growth. Junction City School District has the lowest taxes of all districts in Lane County. Other Lane County communities are experiencing growth in population and business opportunities while Junction City has remained somewhat flat.

Q: Families will eventually move to Junction City and with them will come kids, and the dollars will follow to pay for this construction. Can't we simply wait?

A: Quality schools draw families. It is possible that families could move to Junction City for some other reason. The permanent tax rate that you pay to the State that gets re-distributed back to the District is currently less than \$10,000 per pupil and makes up our general fund. From that, we must pay all of our staff, buy all of our supplies and equipment, and operate and maintain our buildings. There is no money left over for capital work without sacrificing staff or programs. Please note that even if a family moves here after passage of a bond, they also must pay those same taxes. More taxpayers does reduce the rate. Waiting does not generate more available revenue and increase project costs due to inflation.

*This information was reviewed by the Oregon Secretary of State's Office for compliance with ORS 260.432.
April 14, 2016*

Q: I noticed the Fire Hall Bond on my last property tax bill. Do you know when this will be taken off? I'd like to support the School Bond measure, but the added expense will make it hard.

A: The last year for the fire hall bond was 2015. It has now dropped off so will not be on your 2016 property taxes. It was a rate of approximately \$0.37 per thousand dollars of assessed value.

Q: In the "Get the Facts" colored brochure, under "TWO FREQUENT QUESTIONS, what happened to the Replacement of Laurel Elementary?" It says, "What we heard clearly in our last bond effort is that we need to preserve the ball field complex that our community has spent literally thousands of volunteer hours creating and maintaining and that we need to have property secured before proceeding with plans for a replacement." What is the basis for this statement? How did you hear this clearly from the community? Was there a survey or other means? Can we please have the link to that survey or other information that led you to believe this?

A: Following the failure of the November 2013 bond measure, the District Board and the Facilities Committee heard input from various community members who expressed that they did not support that bond measure because siting of the elementary school had not been determined; others expressed concern that planning to replace the elementary school by building on the existing ballfields would eliminate that field space. Results of a survey (called ThoughtStream), conducted in the winter of 2014 have been posted on the District website. Results from a "Survey Monkey" that the District conducted in the fall of 2015 have been posted on the District website, as well.

Q: Does the District have surplus money or any money to outright purchase any additional land?

A: No, the District does not have surplus money that has been budgeted to outright purchase additional land.

Q: Does the District have money to purchase additional land without a Bond?

A: The District has a “Special Maintenance Fund” that the Board established in 2004-2005 that is funded in part by receipts from a “Construction Excise Tax” (authorized by ORS 320.170), which is a one-time fee collected at the point of issuance of a building permit for new residential or commercial construction. ORS 320.183 (1) states that ... “a school district shall use net revenues only for capital improvements.” ORS 320.183(3)(a) (A) provides that “capital improvements” means “the acquisition of land”. ORS 320.186 provides that “A school district may pledge construction taxes to the payment of obligations issued to finance or refinance capital improvements in ORS 320.183”.

Q: If the District ends up with surplus funds from the May Bond, could the District use it to purchase additional land? If there is any money left over from this bond will any of the money or any of the money from the possible matching grant money go towards the property next to Oaklea Middle School even though the planning commission has already said no on that location?

A: The District does not have any intention of using any surplus funds that might be available to purchase land. The budgets were set to address just the stated projects.

Q: If the District gets the \$4 million state matching funds could the District purchase land with it?

A: If the District receives the \$4 Million State Matching Funds, the District does not have any intention of using these funds to purchase land. If the bond measure passes AND the District is awarded the \$4 Million State Matching Grant Funds, the Board has stated its intention to reconvene the Facilities Committee to offer recommendations about how those funds should be used, in accordance to the Committee’s established priorities and within the limits of the Bond Title.

Q: If the Bond fails, does the district still plan on exercising their option to purchase more land?

A: Yes. As identified in the District’s Long-Range Facilities Plan, the District has recognized the need to replace Laurel Elementary School and may need to build other schools in the future— depending upon future growth in our community and in our school enrollment— and anticipates the need for more land to accomplish the goals identified in that plan. Using only existing District property by replacing the school on the same site would displace students and/or displacing community fields. The District does not have an alternate site to place students while construction takes place, nor does the District wish to remove the community fields. Replacing the community fields would add to the overall costs.

Q: Would the District re-consider the original plan to build behind Laurel if the majority wanted it?

A: The replacement of Laurel Elementary is not part of the current bond measure. Decisions regarding when and where to replace the school would be made by a future Facilities Committee, subject to Board approval, and would be addressed in the planning for a future bond measure. The District could re-consider the original plan to build behind Laurel, but we would still need to replace the community fields, which would add to the overall cost.

Q: If the District acquires the 18th & Rose property how much does it plan on spending to get it rezoned?

A: The District has not acquired the property at 18th and Rose and as such, has not determined the land use or rezoning costs that might be associated with that property or any other property.

Q: Have you received results back from the phone survey? Will it be posted online?

A: Yes. The results will be posted on the District’s website, along with the results from the ThoughtStream survey (winter, 2014) and the Survey Monkey survey (fall, 2015), after the election on May 17th. Posting the results prior to the election could be construed as ‘advocacy’ and therefore will not be posted on the website until after May 17th.

Q: Did the school district qualify for a seismic retrofit grant for the east wing and Laurel to be retrofitted, but the school district is asking the public to build a new school instead of using that available grant to bring the east wing and Laurel up to date with earthquake standards or is there no grant available to bring the east wing and Laurel up to date with earthquake standards?

A: The District had a seismic engineer screen/review all of its building for potential seismic grant eligibility. Any grant would only improve a portion of the building, not the building in its entirety. Typically, the grants are prioritized and awarded for high volume occupancy—i.e. gymnasiums, cafeteria, auditoriums. None of these are planned to be removed under this bond, so any seismic grant received would add to the projects, not replace them. The East Wing gym will still be in use even if the bond passes and an addition to replace the East Wing classrooms is constructed; the District anticipates applying for seismic retrofit grant funds for the East Wing gym in a future grant funding cycle. It is questionable as to whether any of the spaces at Laurel, besides the gym, would meet the high volume occupancy criteria to be eligible for the grant. If the District were to apply for and receive a grant at Laurel, it would provide a maximum of \$1.5 million toward seismic improvements at a facility requiring substantially more investment to meet infrastructure, learning, and safety standards. The District is actively working on a seismic grant for Oaklea Middle School.

Q: How much emphasis will be put towards student safety? Currently, a lock down at the high school seems impossible.

A: Improvements will focus on entry points to buildings and classrooms, line of sight improvements through office orientation and cameras, and improvements to emergency communications at all of our sites. The high school presents a difficult challenge due to the number of buildings. The East Wing classroom replacement will consolidate student traffic and remove some of the entry points, with future phases intended to completely enclose student activities to a single building. The District will examine other successful projects for controlling unauthorized access into, and between, buildings. There are successful high school examples that successfully installed fences and gates building to building to allow free access for students and staff between buildings but visitors cannot enter the campus without reporting through the office. The gates have hardware allowing for emergency egress but restrict entry.

Q: Right now the District is not set to get the \$4 million State Match. Did the District wait too long? Will the District have a better chance of getting the match if they wait until November or next May?

A: Junction City submitted their application at the same time as several other districts—it was not first come, first serve. There are two pots of money: one for higher poverty districts and another that is more lottery-based. Junction City Schools are not considered high poverty so did not make the cut for that list. On the lottery list, Junction City is ninth of six qualifying districts. If three others do NOT pass bonds and Junction City does, the match is awarded to Junction City. Historic passage rates have been just over 50% in May. There was \$60 million available this May. There is only \$30 million available in each November and next May. Starting over with a smaller pot does not improve Junction City's odds of getting a match and jeopardizes their ability to get all the work accomplished due to increasing construction costs.

*This information was reviewed by the Oregon Secretary of State's Office for compliance with ORS 260.432.
April 25, 2016*

Q: Is the water at the high school being addressed in the bond? I have always told my boys, DO NOT EVER drink the water at the high school.

A: Water for the high school campus is supplied via the city water system. A portion of the main water line on the school property is being replaced where it would cross under the new addition. The oldest building on campus is being replaced with the new wing and a new plumbing system. The rest of the building plumbing would remain as is.

Q: How does the tax rate per thousand for this bond compare to that of the bond measure that failed in November of 2013? How does this tax rate per thousand compare to the tax rate for the 1994 bond measure and when was that paid off?

A: The estimated tax rate for the November 2013 bond measure (which was not passed) was \$2.26 / thousand, compared to the current \$1.62 / thousand estimated rate for this May's measure. This measure is for \$14.635 million and is a 10-year bond versus the 20-year, \$32.4 million bond in the 2013 measure. The 1994 bond was paid off in 2004 and ended at the same \$1.62 / thousand rate now being proposed.

Q: Why doesn't the District close Territorial and move their students to Laurel to save money?

A: The District does not have anywhere else for the 130+ Territorial students to attend class. Territorial teachers would need to move to Laurel to serve the additional students, so no money would be saved on staffing, which makes up about 80% of our budget. Most of Territorial's students live in the more rural, remote areas of our District. Moving Territorial students to Laurel would mean our transportation costs would increase. Additionally, 3 new double portables would need to be purchased to house all elementary students at Laurel Elementary School further increasing costs. Portables are a poor solution from a safety and educational perspective and are a costly short-term fix. Portables would also impact the existing community fields.

Q: Why doesn't the District plan to use the undeveloped land at Territorial as a place to put a new school?

A: The Territorial property is too remote for the majority of our students. Travel there would increase transportation costs and time on the bus and might reduce volunteering and involvement of Laurel parents due to that more remote location. As we look at long-term goals, keeping Laurel in close proximity to Oaklea fosters better partnerships at the K-8 levels and allows the District to leverage instructional and counseling specialists more cost effectively.

Q: Why doesn't the District sell Territorial and the property up there?

A: The District serves 130+ students in this area. To sell Territorial would require those students to go to Laurel Elementary which is currently beyond capacity. This small school environment provides our students an alternative to a larger more traditional setting and helps the District meet all student needs. Additionally, due to the remoteness of the Territorial property and the amount of timber area on the site, its commercial value and developable area is limited. The Board may consider, however, declaring some of the undeveloped Territorial property as 'surplus' so that it could be sold at some time in the future.

Q: I received one of the District's brochures in the mail a while ago. Why doesn't it have the bond number on there?

A: The District has had an ongoing informational campaign that started last year while our community-based committee was still evaluating options. The District was putting information out in real time, so that our community at large was informed throughout the process. The District could not file the measure until the committee had finished their work and the School Board had approved the plan. Once that occurred, the District filed the Bond Title and received the number of Measure 20-242.

This information was reviewed by the Oregon Secretary of State's Office for compliance with ORS 260.432.

May 3, 2016

Junction City School District Bond Questions & Answers

Due to many other job requirements of our staff, the question and answer email line will be checked once a day and responded to ASAP.

However, please note that every response must be first approved through the Oregon Secretary of State's Office to ensure that it is informational, rather than advocating for or against a particular issue.

Your Name:

Your Email:

Question:

Should the Bond Pass:

Are interested in serving on the Design
Planning Team?

Yes, I'm interested on serving on the Design
and Planning Team

No thank you

Are you interested in serving on the Citizens'
Financial Oversight Committee?

Yes, I'm interested in serving on the
Citizens' Financial Oversight Committee.

No thank you