



**August 1, 2014**

**KFCS' District Newsletter**

By Paul Hillyer, KFCS' Superintendent

**More Valuable Bond Information**

Recently, the KFCS' Board of Directors has finalized the scope of the City School bond proposal. This will be on the November ballot. Please find a Q & A below for the financial particulars. I also encourage you to forward the information on to others who might be interested. Our goal is to have every voter thoroughly knowledgeable about the specifics of this bond question before they fill out their ballots. Your help will be invaluable in spreading accurate information.

**Other Notes:**

1. A meeting is scheduled **for Tuesday, August 12<sup>th</sup>, at 6:30 p.m.** in the KU library for contractors and construction firms. DLR architects will be presenting the scope of the KFCS' bond project and explaining how local firms can bid competitively in the event of a successful vote in November. A goal of the school board is to have as much of the bond work as possible be awarded locally to provide jobs and improve the economy. Please spread the word on this meeting.
2. At the Monday, August 11<sup>th</sup>, 6:30 p.m. school board meeting, the bond co-chairs will be announced; be watching for more information on this.
3. A meeting for any community member interested in learning more about the bond campaign or on how they can help spread the word will be held in the KU library **Thursday, September 4<sup>th</sup>**, at 7:00 p.m.
4. The unveiling of the Modoc Complex will be at 7:00 p.m. **Friday, September 5<sup>th</sup>**, at the first home football game. All are invited and encouraged to attend. You will be amazed at this amazing improvement to the KU campus.
5. The state has increased the KFCS' grant for after-school programs by about \$100,000 for the 2014-15 school year. This allows KFCS to add elementary and middle school athletics and increase the number of days from 117 to over 150. This also increases our five-year grant total to close to \$2.5M. This year that means an additional 53 jobs for the community. It is a nice little economic stimulus project!
6. This Monday, August 4<sup>th</sup>, Dutch Bros locations across Klamath Falls will be donating ALL proceeds to the Back-to-School Supply Drive! In partnership with DHS, the proceeds will be used to purchase and hand out school supplies for Klamath County youth! Sounds like a good excuse to have some DB! Thank you to Dutch Bros. for being such a giving and supportive member of our community!

## **BOND PROPOSAL: FINANCE Q & A**

**Q: What is the amount proposed in the bond issue?**

A: \$36 million

**Q: Is all of this for KU?**

A: No, about \$34,200,000 will go toward renovating KU. About \$1,300,000 would be used for health and safety projects at the other schools. The remaining approximately \$500,000 will go to improving district technology infrastructure.

**Q. What will this cost property owners?**

A. The first ten years of bond payment will be about \$1.50 per thousand dollars of property. The last ten years will be approximately \$.96 per thousand.

**Q. How much additional tax is this compared to current school taxes in the district?**

A. This is projected to be an additional \$1.00 per thousand in property for the first ten years of the bond. For the second half of the bond payoff, it is projected to be an additional \$.46 per thousand. This is because the current operating levy expires near the time bond payments would begin. That works out to be \$100 and \$46 dollars respectively on an annual basis for a \$100,000 home.

**Q. How does the Klamath Falls City Schools' tax rate compare with that of the rest of the state?**

A. Even after a tax increase following a successful bond, KFCS has one of the lowest tax rates in the state. Currently there are only 23 districts out of 197 in the state that have a lower rate. This puts KFCS in the bottom 12% in the state. Should the voters approve the bond issue, only 46 districts of the 197 would have a lower tax rate. This would put KFCS in the lowest 23% in the state.

**Q. Should the bond pass, how would KFCS' taxes compare with the Klamath County School District?**

A. The KFCS' tax rate would be about the same as the KCSD.

**Q. How much more would the KU project cost if the district just built a new high school instead of remodeling the current one?**

A. DLR Architects estimate the cost to build a new high school would be about twice the amount of remodeling. Thus, a new high school would cost \$30 million to \$40 million more.

**Q. Why is the district choosing to use a stair step (having the majority of the bond debt paid in the first ten years) financing approach?**

A. By front loading most of the cost of the 20-year bond in the first ten years, the district saves taxpayers about \$5 million in interest.

**Q. Does compression have any impact on the bond rates?**

A. No, compression does not relate to school facility bonds. It is outside of the limitations of Article XI, Sections 11 and 11b, of the Oregon constitution.

**Q. Specifically, what will the proposed bond proceeds pay for?**

A. This bond investment would pay for these improvements:

- It would extend the life of KU by 40 to 50 years
- It would replace all KU infrastructure
  - ✓ Heating, cooling, and ventilation systems
  - ✓ Plumbing
  - ✓ Technology
  - ✓ Electrical Systems
  - ✓ Lighting
  - ✓ Windows and doors
- Remodels all internal KU spaces
- Improves KU exterior brickwork
- Right sizes the KU building
- Expands KU performing arts areas
- Creates additional KU gym space
- Seismically strengthens the whole KU facility
- Upgrades the technology infrastructure in all schools
- Adds health and safety improvements to all schools:
  - ✓ Electronic entry systems at all schools
  - ✓ Auto lock-down systems at all schools
  - ✓ Heating, cooling, and ventilation controls at Ponderosa and Mills
  - ✓ Boilers at Conger and Pelican
  - ✓ Asbestos removal and new flooring at Mills and Roosevelt
  - ✓ Roof repair and/or replacement at Conger, Pelican, Roosevelt, and Ponderosa
  - ✓ Asphalt repair at Ponderosa and Pelican

**Q. What community oversight is planned to make sure that funds are spent as planned?**

A. A citizen committee will be formed to do ongoing review of project spending and ensure that the bond proceeds are spent as promised.