

Measure No. 24-369
Silver Falls School District No. 4J

Referred to the People by the District Board

Silver Falls School District Capital Construction and Technology/Security Bond

Question: Shall Silver Falls School District No. 4J issue general obligation bonds not exceeding \$24,900,000 with citizen oversight? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of Sections 11 and 11b, Article XI of the Oregon Constitution.

Summary: If approved, this measure would provide funds for capital costs and bond issuance costs. Specifically, bond proceeds are expected to be used to:

- Fund projects resulting in the discontinued use of Eugene Field School. This would include Schlador Street campus reconstruction and demolition of original building and former ag. science building, construction of additional classrooms and cafeteria at Robert Frost School, construction of a covered play area at Mark Twain School and site improvements, furnishings and equipment for each project.
- Fund technology and security upgrade projects at each of the District's elementary schools such as door locks, security cameras, fencing, telephone and intercom, technology infrastructure, furnishings and equipment.
- Pay bond costs.

Bonds mature in twenty years or less from issuance date and may be issued in one or more series. Yearly property tax rate total (for new and existing bonds) is estimated to be \$3.00 per thousand of assessed value. Actual rate may vary depending upon interest rates, assessed value growth, and other factors. Citizen oversight committee would ensure funds are used as intended.

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Explanatory Statement:

In August of 2014, Silver Falls School District board members approved putting a \$24.9 million bond measure on the ballot to fund construction projects that would allow the District to discontinue use of the current Eugene Field School building. If passed by District voters, the bond would pay for:

- Construction of additional classrooms and a cafeteria at Robert Frost School to serve Eugene Field School students (K-3)
- Construction of a covered play area at Mark Twain School to serve students grades 4 and 5
- Removal of the former agriculture science building and the original multi-story Schlador Street school building that has been decommissioned for school use by the School Board
- Construction of additional classrooms and reconstruction of the newer portion of the Schlador Street Campus to serve students grades 6 through 8 and to allow for continued use by Community Roots Charter School.
- Site improvements, furnishings and equipment for each project.
- Security and technology upgrades for all District elementary schools

The bond measure is the second to be presented by Silver Falls School District in the past two years. The most recent bond did not pass in May of 2013. While the District team has also applied for nearly \$1.5 million in other grant funding and is working to sell surplus property as another source of revenue, these efforts are not enough to address the needs of the District's aging school facilities.

In 2015, property owners in the school district are expected to pay \$2.36 per \$1,000 of assessed property value on existing bond issues that funded the completion of Silverton High School. If the new bond measure passes in November, the combined rate for existing and new bonds is estimated to be \$3.00 or less per \$1,000 of assessed property value over the life of the bonds.

In October of 2013, the District hosted a series of 13 community focus group sessions that included teachers, staff, parents, families, students, clergy, and elected officials as well as business and community leaders. The goal of the sessions was to open the lines of communication to and from the District team

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Explanatory Statement: (cont.)

and to offer participants an opportunity to share their ideas, concerns and comments with facilitators who summarized the information and presented it to District administrators and board members. In addition, the District team conducted an online survey and began collecting input from community members about Eugene Field School options.

Through this community engagement process, District leaders learned that relocation of Eugene Field School students is a top priority for local residents. Bond measure 24-369 is designed to fund modifications and improvements that would make the relocation of Eugene Field School students possible and provide security and technology upgrades and improvements for all District elementary schools.

Submitted by:
Andy Bellando
Silver Falls School District
Superintendent

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Argument in Favor:

It's Our Turn To Step Up.

Quite simply – it's our turn to pay for a new school. Eugene Field School is nearly 100 years old and it's pretty easy to see that whoever paid for the construction of that building got their money's worth.

Community discussions of 'What to do with Eugene Field' are nothing new. In the late 1960s there was talk of discontinuing the use of the facility because it was outdated. School boards at that time made the decision to stop allocating funds to keep maintaining the building because it was clear that something new would be coming down the pipeline. That was over four decades ago and now parts of the building are condemned and have been for decades. Yet, our children continue to occupy the school because we have repeatedly said:

'No thanks. We don't feel we should have to pay for a school'.

Of course we do. Our grandparents or great-grandparents paid for the construction of Eugene Field School, now it's our turn. We don't get to pass it off any longer. Our school children deserve to be educated in safe and healthy schools. At this point we are failing to provide such an environment.

Measure 24-369 is a fiscally responsible means of providing safe schools for our children. Interest rates are historically low and the increases that one can expect to see in their tax bill from this bond are modest. In addition to moving children out of Eugene Field, this bond will provide upgrades at Robert Frost and Mark Twain as well as security and technology upgrades District wide. This is a common sense approach to a problem that has been decades in the making.

I urge you to vote yes on measure 24-369.

Jacob Clotfelter, Friends of Silver Falls School District

*(This information furnished by Jacob Clotfelter,
Friends of Silver Falls School District)*

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Argument in Favor:

The Silverfalls Education Association(SFEA) is in full support of measure 24-369 the Silver Falls School District Capital Construction and Technology/Security Bond. The number one priority of the SFEA is to educate the children of the Silverfalls School District. For this to occur proper facilities and upgrades need to occur. Below are direct quotes from educators in the school district.

This community is splitting its seams. Word has gotten around that we have something special going on in this school district and our town. If we plan to continue succeeding and working toward professional excellence as a goal, our district and community may see even more growth. Even those who do not have children must consider the fact that great schools draw people and business into Silverton. We pride ourselves on being a very loving, artistic, and open group of people. But perhaps we don't realize that this openness comes from having an educated, thoughtful work force of concerned citizens.

Our students and staff deserve safe, clean, functional schools. Buildings that are 70-100 years old can't be retrofitted adequately to meet the demands of a 1st class education, staff, school board, administration strive to provide every day. Air quality, power concerns for technology, safety issue all take away from the ability for teachers to do their jobs. This bond is an investment in our children, an opportunity for adults to show quality education isn't just talk, but rather is comprised of all factors. Great teachers, administration, support staff, school board, community, and top shelf facilities.

Buildings must stay up to date. We must value the places we send our children to. For retired people, someone paid for YOUR kid. For those without children- we all live in the same society. Do you want them well educated and valued? I think the message about valuing education is the most important. We have shiny office buildings with nice furniture- how about our schools?

(This information furnished by Marie E. Traeger)

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Argument in Opposition:

“THE ABCs”

The SFSD Board has gotten caught up in politics, rather than acting conservatively; as they generally exhibit in their own personal affairs. the majority of Citizens in the Silverton area are highly educated, intelligent and prudent people. They also are conscientious in fiscal issues, and compassionate when too much financial burden is placed on their neighbors.

They do believe in the ABCs. Thus, they will not want,

A) to abandon Eugene Field School when, according to Salem engineers and contractors, it can be remediated to a new, safe, and energy efficient facility for less than \$5 million;

B) the Historic Schlador High School demolished when, according to Salem structural engineers and architect, it can be remediated for less than \$10 million;

C) a bond that destroys all athletic showers and lockers on the Schlador Campus, without any real solution to replace them logistically or economically;

D) a bond that has been devised such that very little interest is paid at first, thus making it appear level at rate of \$3.00. permanent taxpayers will pay an additional \$5.6 million in interest by a non-declining amortization.;

E) a bond that replaces Historic, architectural, brick Schlador School with a connected cluster of modules;

F) a bond that is considerate of urban schools only, with no funding for deferred facility problems on the rural schools;

G) special treatment to Eugene Field when rural schools experience similar lack of exterior space and harsher traffic exposure;

H) a \$24.9 million bond when they know solutions for all the immediate needs for SFSD urban and rural safety, health, and scholastic facility functions can be achieved for \$10 million;

I) an increase of current rate by \$1.76 per \$1,000.00, increasing a \$300,000.00 assessment by \$527.00 per year.

What Silverton Students do want and need, are safe and healthy learning space, energy efficiency, longevity, and funding for excellent scholastic achievement; not new buildings.

Gene Pfeifer

Chairman, 1993, 1999 HS Relocation Committee

(This information furnished by Gene Pfeifer)

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Argument in Opposition:

ONE: SFSD: \$24.9 million bond proposal: The fictitious limit of a \$3.00 rate per \$1,000.00 assessed value arrange through the Seattle bonding company misleads the voters to assume the increase is only 0.60 per \$1,000.00. That interprets to a \$300,000.00 home property tax only increasing \$180.00 per year. This is far from the truth!

TWO: The reality of the proposed bond is in the following formula, using SFSD's own numbers (p. 3 of 6). Principal to repay is \$24,900,000.00. Stated interest is \$19,050,849.00. That total of \$43,950,849.00 divided by 17 years is \$2,585,344.00, then divided by the total assessed value for the two counties, \$1,472,170,912.00 (P. 1 of 6), equals \$1.756 per \$1,000.00. This is the honest, accurate and accountable rate that will hit all permanent resident taxpayers. This honest disclosure of the true average impact rate \$1.756, then costs \$526.84 more on a \$300,000.00 home.

THREE: Also, a realistic and prudent solution indicates that a \$10 million bond will make Eugene Field School safe and functional like new, even with additional new area to support total functionality for the next 50 years; items for security and technology throughout the district; and close to \$3 million for outlying rural schools' seismic and deferred facility remediation. That accountable and more affordable bond then amortized over the same 17 years at 5.5% has a total interest and principal cost of \$15,414,530.00, divided by 17 years, equals \$906,737.00 per year, divided by the assessed value of the two counties, equals a rate of \$0.616 per \$1,000.00. Therefore the annual impact on a \$300,000.00 home is an honest increase of \$184.80 per year.

CONCLUSION": Option number ONE needs to be voted down, so that the reality of the true impact, illustrated in number TWO never occurs. Option THREE must be sincerely reviewed and moved forward as rapidly as possible. By the prudent use of a bond more in line with the \$10 million solution, many good things will occur,

[Ed. note - argument limited to 325 words]

(This information furnished by Gene Pfeifer, Save Old Schools)

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Argument in Opposition:

"DO THE MATH"

Forty years ago my family moved to Silverton. Attracted and impressed by the small town character and genuine friendliness of the folks that live here, such that I always plan on calling Silverton my home.

Through hard work, my investment in the community has grown. My small number of tenants have treated me respectfully and I strive to give back to them decent and comfortable housing at affordable rates. What will the 100s of dollars from this bond do to them?

It seems like our public entities want more than reasonable. The City wants to increase their utility rates out of proportion to growth, and now the school district insists on tearing down the historic school on Schlador; to replace it with modular. I hate the thought of that. Worse is the cost. Why can't the district be responsible like the rest of us and fix it when broken. With the cost of food, fuel, and all our necessities in greater than double digit inflation, we can not afford new.

The bond proposal claims that the rate per thousand will stay at \$3.00. Deducting the current, the increase would be about 0.50. This is supposed to make us feel good?

I did a little math and added up the cost of paying back the principal and the interest as proposed, and divided it by the assessed value of the two counties. The real increased rate for this bond is about \$1.75. What is happening to the honesty of our town?

A lot of my old friend's fixed incomes are dropping. Many are disgusted and angry to the point of giving up. Shouldn't we be making decisions that are considerate of everyone?

The bond does not cover the rural schools. We are putting all our eggs in one basket, and forgetting our priority, great education.

We all need to stop the bleeding, and get back to basics.

J. M. Day

(This information furnished by J. Mike Day)

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