



**PAJARO VALLEY UNIFIED SCHOOL DISTRICT
MISSION STATEMENT**

The Mission of the Pajaro Valley Unified School District is to educate and to support learners in reaching their highest potential. We prepare students to pursue successful futures and to make positive contributions to the community and global society.

**April 18, 2012
BOARD STUDY SESSION
POSSIBLE SCHOOL FACILITIES BOND NOV. 2012
6:00 PM – 9:00 PM**

***DISTRICT OFFICE
BOARDROOM***
292 Green Valley Road, Watsonville, CA 95076

- 1.0 OPENING CEREMONY – MEETING OF THE BOARD IN PUBLIC - 6:00 P.M.**
 - 1.1 Pledge of Allegiance
 - 1.2 Welcome by Board President
Trustees Kim De Serpa, Doug Keegan, Sandra Nichols, Karen Osmundson, Jeff Ursino, Willie Yahiro and President Leslie De Rose.
- 2.0 APPROVAL OF THE AGENDA**
- 3.0 STUDY SESSION: POSSIBLE SCHOOL FACILITIES BOND NOVEMBER 2012**
 - I. Introduction of bond support team
 - a. Jared Boigon, TBWB Strategies
 - b. Dennis Dunston, Total School Solutions
 - c. Tim Carty, Piper Jaffrey
 - d. District staff
 - II. Background information
 - a. Recap of community survey
 - b. Recap of facility master plan
 - c. Community outreach and communication
 - III. Possible financing options
 - IV. Review possible project options
 - V. Public comment
 - VI. Questions/Comments from the Board
- 4.0 ADJOURNMENT**

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 3.0

Date: April 18, 2012

Item: Board study session: Possible school facilities bond November 2012

Overview: Staff requests the board's review and input regarding a possible district-sponsored school facilities bond for the November 2012 election. The study session is intended to provide the board the opportunity to review and comment on this possibility. The board will be responsible for approving whether or not the district sponsors such a measure, the size of the bond, its scope, and financing.

Background

The board recently approved a comprehensive, 10-year *Facilities Master Plan and Needs Analysis*. All school sites were included in the analysis. The report identified the need for extensive modernization and other capital investment throughout the district. A significant percentage of the district's facilities are more than 50 years old. Just like a home or automobile, the district's facilities are aging and in need of extensive repair and upgrades. They are also heavily utilized by students and the community – in some cases, seven days a week.

Most district facilities went through two modernization phases in the late 1990's. Some of these projects are now over 15 years old. In addition, not all aspects of the district's facilities were targeted for upgrades during these projects.

In 2002, district voters passed Measure J. Measure J projects included targeted projects totaling \$58 million in the Aptos and Watsonville areas. These projects were mainly for sports, performing arts, and other student support facilities. All Measure J projects have been completed on time and under budget.

In November 2011, the district conducted a community survey. The survey sought input from over 460 likely November 2012 voters throughout the district. Survey participants were interviewed by phone during a 15-20 minute interview. Approximately 67 percent of survey respondents indicated that they would support a \$200 million school bond on the November 2012 ballot.

Study session

Attached are two documents for the board's utilization. The first is a spreadsheet outlining possible bond and taxation amounts. The second is a spreadsheet outlining possible projects and scope depending on the size of the bond. These are merely examples. They are intended to provide the board an outline of what a possible bond could look like. The board has the authority to provide direction regarding individual projects, scope, and financing.

District staff and members of the district's bond team will be on hand to provide an in-depth analysis regarding a possible November school bond. Staff and members of the bond team will seek the board's input and direction in regards to preparing future board items related to this matter.

Prepared By: Brett W. McFadden, CBO
Richard Mullikin, Director of M/O/F

Superintendent's Signature: _____

Dorma Baker (A)

**Pajaro Valley Unified School District
 Potential New General Obligation Bond Election Options
 As of March 26, 2012**

Total Bonding Amount Over 10 Years	Assessment Per \$100,000 (Of Assessed Valuation)			Time Span (Total Number of Years of Tax Levy)
	<u>Per Year</u>	<u>Per Month</u>	<u>Per Day</u>	
	New Tax Rate			
<i>\$100,000,000</i>	\$25.49	\$2.12	\$0.07	35 Years
<i>\$150,000,000</i>	\$38.23	\$3.19	\$0.10	35 Years
<i>\$175,000,000</i>	\$44.60	\$3.72	\$0.12	35 Years
<i>\$200,000,000</i>	\$50.97	\$4.25	\$0.14	35 Years
	Extension of Measure "J" Tax Rate (\$32.89)			
<i>\$44,950,000</i>	\$32.89	\$2.74	\$0.09	35 Years
Assumed Assessed Valuation Growth Rate				
Fiscal Year 2012-13:	0.00%			
Fiscal Year 2013-14:	2.00%			
Fiscal Year 2014-15 and Thereafter	4.00%			

Bond Planning 2012

Category	Schools/Other	Bond scenario 1 : \$210 million	Bond scenario 2: \$160 million	Bond scenario 3: \$110 million
District level support	Deferred Maintenance Endowment	\$7.5 million: \$750k per yr/10 yrs to fund def. maintenance projects. District no longer receives state funding, reserve funding will run out by 13-14, will save district GF by not having to incur costs for unforeseen items	\$7.5 million: \$750k per yr/10 yrs as outlined in option 1. This dollar amount would be the same the district was matching prior to 08-09	\$5 million: \$500 per yr/10 yrs - would be less than previous district match, but provide some funding for unexpected repairs
	IT Endowment	\$5 million: \$500k per yr./10 yrs to fund IT upgrades - new computers for classrooms/labs, new software at schools, and in classrooms. Would help Aptos area schools get upgrades at same pace of other schools	\$5 million: \$500k per yr/10 yrs as outlined in scenario 1	No endowment - IT upgrades for Aptos and other schools would have to come from GF or other sources similar to current situation
	Adult Ed	\$1.4 million: Retire COPs loan at \$1.3m used to finance ILC. Provide approx. \$120k per year savings to AE program along w/ interest savings, funding could be used to offset deficit; \$100k in security and facility upgrades to ILC Bldg.	\$1.4 million per scenario 1	\$1.3 million to retire COPs - no facility work at ILC
	Transportation Department	\$1.5 million: Repair access road and parking area, make upgrades to facility and bathrooms, NOTE - facility leased from Santa Cruz County they will require in future	\$0: No upgrade	\$0: No upgrade to facility
	Central Kitchen/ Nutrition Center	\$6.4 million: New central kitchen and nutrition center. Current facility inadequate to handle load, would allow program to expand nutritional options to all schools	\$6.4 million: Same as scenario 1 - possible to scale back project or seek alternative financing to lower cost by \$1 - \$1.5 million	\$0: No kitchen/nutrition center - remain at DO and school sites - program viability severely impacted in 3-5 yrs, limited ability to increase nutritional services
	Instructional Technology	\$18 million: IT upgrades, \$4 million less than FMP - significant emphasis on Aptos area schools with other district-wide applications as outlined in plan	\$10 million: Scale back scope of work but all Aptos schools would receive major upgrade - Watsonville and south schools to rely on E-Rate \$ per current situation, all schools would benefit from system wide upgrades	\$0: No IT upgrade in bond; district to rely on E-rate and GF financing per current situation; District would have challenge meeting Aptos area IT needs
	Sub Total	\$39.7 million	\$30.3 million	\$6.3 million

Bond Planning 2012

Category	Schools/Other	Bond scenario 1 : \$210 million	Bond scenario 2: \$160 million	Bond scenario 3: \$110 million
GF Relief Projects	<i>Solar</i>	\$10.8 million: Solar carports at following sites - Bradley, Hall, Aptos JH, Rolling Hills MS, PV High, and Watsonville High - utility savings could go to other GF fund purposes	\$5.3 million: Reduce project scope in half - district GF savings from reduced utilities would not be as large, this item could be increased by eliminating others to achieve greater GF savings	No solar projects, no GF savings realized; difficult to fund this item at expense of school site projects at this funding level
	<i>COPs payoff</i>	\$1.5 million: Pay off COPs bridge financing from previous years, savings could be utilized for other GF fund purposes	\$1.5 million: per option 1	\$1.5 million - per option 1 - this could be eliminated as well, but relatively minor expenditure, financing on bonds more favorable than COPs
		Def. maintained and IT endowments would provide additional GF savings. Savings could be used for other purposes	Misc. savings achieved via def. maintenance and IT endowments - district would not have to use GF for unforeseen events and/or future upgrades	No savings achieved from endowments
	Sub Total	\$12.3 million	\$6.8 million	\$1.5 million - significant GF savings would not be achieved per this scenario
High Schools	<i>AHS</i>	\$7.1 million: major modernization of classrooms and buildings, roofing, parking and pathway upgrades, finish Freedom field, replace turf at stadium - IT upgrades	\$5.33 million: Concentrate on facility modernization, parking, pathways; significant tech investment included in tech \$ as outline above; major upgrades still possible	See comments under sub total
	<i>PVHS</i>	\$11.2 million: Complete the high school - field and sports facilities on upper 9 acres (per Coastal Comm), new auditorium, landscaping, IT sys upgrade, expand kitchen	\$8.4 million: scale back auditorium project, scale back kitchen upgrade, complete fields, no pool included	See comments below
	<i>WHS</i>	\$35.9 million: Stadium and sport complex upgrades (used by two high schools, wearing down facility faster), major modernization of educational wings and drama room, storm water and sanitary upgrades, bathroom upgrades, upgrade/replace portables, upgrade and expand kitchen and eating area into cafe style - NOTE: One of oldest facilities - built in 1937, in need of major upgrades	\$26 million: Reduced overall scope of work, eliminate café project, reduce modernization work; major work and upgrades would still be possible	See comments below
	<i>Renaissance HS</i>	\$2.4 million: Replace old portables, painting, roofing, paving walkways, redo parking area, replace water system - hook into local water district system	\$1.8k: Concentrate on roofing, parking, upgraded water system; prioritize projects accordingly	See comments below
	Sub Total	\$56.6 million	\$41.53 million	High school projects will need to be reduced by 30-40% to fit within this option. Difficult to meet current and future needs, as well prioritize projects to fit within this dollar amount. All high schools require significant modernization and completion work to meet future student needs. This option would require additional capital investment district wide prior to the 10 yr time span

Bond Planning 2012

Category	Schools/Other	Bond scenario 1 : \$210 million	Bond scenario 2: \$160 million	Bond scenario 3: \$110 million
Middle Schools	<i>Aptos Jr.</i>	\$6.9 million: Perform work outlined in FMP with addition of building a new gym and kitchen area (not outlined in FMP)	\$4.9 million: Scale back work but attempt to keep new gym project	Scope of work reduced considerably; No new gym or kitchen expansion
	<i>Cesar Chavez</i>	\$2.5 million: Perform work as outlined in FMP	\$1.9 million: Continue to focus on major mod projects, eliminate less critical / minor projects; major / high priority projects could be completed	Scope of work reduced
	<i>E.A. Hall</i>	\$20.4 million: Perform major modernization work per FMP - NOTE one of district's oldest facilities - in need of major mod work - Includes upgraded synthetic field	\$15.3 million: Could still include field upgrade, but reduced modernization work; complete bathroom upgrades; remove excess fencing; challenging site due to age and condition of facility	\$8 million: Scale back scope of work, no new field, will be difficult to complete all work required
	<i>Lakeview</i>	\$2.6 million: Complete work per FMP	\$1.9 million: Reduced scope of work; site is in OK shape, could complete high priority projects	Reduced scope of work
	<i>Pajaro Middle</i>	\$2.3 million: Complete work per FMP	\$1.7 million: Concentrate on major modernization work, majority of high priority projects could be completed	Reduced scope of work
	<i>Rolling Hills</i>	\$5.5 million: Complete work per FMP, older facility in need of mod work	\$4.1 million: Focus on high priority modernization work, significant amount of projects could be completed, minor projects could be eliminated	Reduced scope of work
	<i>Sub Total</i>	\$40.2 million	\$29.8 million	Reduced scope of work for all middle schools, additional needs possible in 10 years. Middle schools are in better condition compared to HS. But several require significant mod work. Scope of work would need to be reduced 30-40% - many projects would not be addressed

Bond Planning 2012

Category	Schools/Other	Bond scenario 1 : \$210 million	Bond scenario 2: \$160 million	Bond scenario 3: \$110 million
Elem. Schools	<i>Amesti</i>	\$1.9: Perform work per FMP	\$1.4 million; Take out shade structure, security alarm, other minor items - concentrate on major modernization projects	Reduced scope of work
	<i>Ann Soldo</i>	\$520k: Perform work per FMP	\$0: Work could be covered by def. maintenance endowment; newer facility	
	<i>Bradley</i>	\$2.9 million: Perform work per FMP	\$2.7 million: Reduces scope, most major modernization could occur along with network system upgrade; difficult to reduce due to facility age and needs, facility would get significant tech investment included in technology section	Reduced scope of work - facility will continue to experience need due to age, facility exterior upgrades would be eliminated
	<i>Calabasas</i>	\$3.2 million: Complete work per FMP	\$2.4 million: Most modernization work could occur, would need to eliminate shade structure, some other items that could be covered by def. maint	Reduced scope of work - facility will continue to experience need due to age, no exterior upgrades
	<i>Freedom</i>	\$3.3 million: Complete work per FMP	\$3.2 million: Difficult to reduce due to site age and conditions; seek to eliminate shade structure and fencing repair, keep major modernization and bathroom work	Reduced scope of work - continued needs due to age, no new painting or exterior upgrades
	<i>H.A. Hyde</i>	\$3.8 million: Complete work per FMP	\$3.6 million: Challenging to reduce scope due to site's age and condition; seek to eliminate shade structure and other minor items	Reduced scope of work - facility will continue to experience need due to age

Bond Planning 2012

Category	Schools/Other	Bond scenario 1 : \$210 million	Bond scenario 2: \$160 million	Bond scenario 3: \$110 million
Elem. Schools	<i>Hall District</i>	\$3.0 million: Complete majority of work per FMP	\$2.7 million: Difficult to reduce items due to site's age; take out shade structure, bathroom will be upgraded in 2012, take out perimeter fencing project	Reduced scope of work - major facility needs will persist due to age of facility
	<i>Landmark</i>	\$1.0 million per FMP	\$0: Newer facility, seek to perform work via def. maintenance endowment	No work performed
	<i>MacQuiddy</i>	\$4 million: Complete work per FMP	\$3.7 million: Challenging site to reduce due to age; eliminate shade structure, grass replacement, fencing repair	Reduced scope of work - facility will continue to have needs due to age and use, no field upgrades
	<i>Mar Vista</i>	\$4 million: Complete work per FMP - add a new multi-purpose room not included in FMP, current MPR not large enough, would include space for nurse/special services	\$2.9 million: Eliminate new MPR, seek to modernize existing facility, perform other major modernization work, no remodel of admin space	Reduced scope of work - no new MPR, mod work scaled back
	<i>Mintie White</i>	\$9.4 million: Complete work per FMP - old facility in need of extensive mod work	\$8.5 million: Challenging site to reduce project scope; facility very old and worn; seek to reduce non-essential items like shade structure, parking lot lighting	Reduced scope of work - additional need likely in 5-10 years due to age of facility
	<i>Ohlone</i>	\$2.7 million per FMP	\$1.5 million: Keep most modernization work, eliminate ball field work, parking lot lighting; shade structure, other minor def. maintenance items	Reduced scope or projects could be delayed

Bond Planning 2012

Category	Schools/Other	Bond scenario 1 : \$210 million	Bond scenario 2: \$160 million	Bond scenario 3: \$110 million
Elem. Schools	<i>Radcliff</i>	\$519k: Complete work per FMP	\$0: Perform work via def. maintenance endowment	No projects completed
	<i>Rio Del Mar</i>	\$3.2million: Complete work per FMP - would include redo of playfield and track	\$2.8 million: Decrease work - shade structure, other minor office work; keep major modernization and playfield projects, most of significant work could still occur	Reduced scope of work - no field upgrades, facility will experience future needs due to age; district likely to experience considerable community pressure
	<i>Starlight</i>	\$2.6 million: Complete work per FMP	\$2 million: Keep major modernization work, take out parking lighting, hard court surfacing, shade structure, perimeter fencing, wall tack boards, casework	Reduced scope of work, major modernization work might not be possible
	<i>Valencia</i>	\$2.7 million: Complete work per FMP	\$2.5 million: Seek to reduce shade structure, perimeter fencing, security system; keep major modernization work	Reduced scope of work - facility will experience future needs due to age
	Sub Total	\$ 48.72 million	\$39.9 million	A significant percentage of elem projects would need to be eliminated in order to stay in \$110 million range. Many schools are in desperate need of upgrades

Bond Planning 2012

Category	Schools/Other	Bond scenario 1 : \$210 million	Bond scenario 2: \$160 million	Bond scenario 3: \$110 million
Charter/ Alternative Schools	<i>AVCI</i>	\$891k: Complete work per FMP	\$500k: Reduce scope of work to major modernization only	No project completed
	<i>Alianza</i>	\$10 million: Complete work per FMP - NOTE older facility in need of extensive mod work	\$9.5 million: Difficult to reduce due to site's age and condition, seek to eliminate minor items that could be covered via def. maintenance endowment	Significant reduction in scope of work; facility will continue to experience needs due to age and condition; facility in need of major upgrade - could end up costing more in future
	<i>Linscott</i>	\$501k: Complete majority of work outlined in FMP	\$200k: Address access/parking safety; other work via def. maintenance endowment	No work performed
	<i>New School</i>	\$247k: Complete per FMP	\$0: Perform work via def. maintenance endowment	No work performed
	<i>WCSA</i>	\$1 million: Complete work as outlined in FMP	\$800k: Difficult to reduce to due site condition; seek to reduce minor work and cover via def. maintenance	Reduced scope of work - significant need will persist due to site condition and age
	<i>Sub Total</i>	\$12.6 million	\$11 million	Similar challenges as outlined for elementary schools
Grand Total		\$210.1 million	\$159.33 million	\$110 million

Discussion, Comments: