

General Obligation Bond Information Packet

Updated April, 6th 2016



SISTERS

School District

A great place to live and learn.

Vote on the SCHOOL BOND



Executive Summary:

School Bond Measure 9-108

\$10.7M Investment in Sisters

1. A process (with Board, Community and Expert input) identified the 'highest return' capital investment opportunities.
2. An oversight committee will be established - and a dedicated project manager will be hired - to ensure the best implementation of the funds.
3. Immediate 'student impact' at the start of 16/17 school year with additional benefits rolling out by Fall 2018.
4. A successful initiative will make our school district more competitive – attracting families and helping OUR community thrive.
5. Even with \$0.41/\$1,000 assessed value (or \$123/year for a \$300K home), our TOTAL school tax rate - including local option and bond measures - remains among the lowest in Central Oregon. Based on consultation from PiperJaffray, 10/20/15.



Bond Measure 9-108

“Enable Sound Investments in OUR Community”

1	\$2.7M	Upgrade Safety and Security features at all school buildings to achieve state recommended standards and practices	<ul style="list-style-type: none"> •Visible entryways and secure access points •Automated access controls •Door/Lock Upgrades and Replacements •Security Cameras
2	\$1.27M	Pay off Full Faith and Credit Obligation and deliver immediate classroom impact	<ul style="list-style-type: none"> •Avoid 6 annual payments at \$240,000 •Move from OpEx to CapEx
3	\$3.2M	Invest in extensive site improvements across all three schools to reduce operating costs and enhance appearance to be more competitive to prospective families	<ul style="list-style-type: none"> •50+ projects that need attention •Fixes, repairs and ‘next generation’ investments •Repair the roof to extend service life – based on community feedback
4	\$3.4M	Invest in functional athletic facilities for student and community use . Foster a sense of Outlaw and community pride	<ul style="list-style-type: none"> •Make stadium safe and ADA compliant •Repair condemned track, shape to fit fields •New tennis court complex •New field on SHS NW corner •Address issues to ensure longevity •Open to Community – only town assets

Total: \$10.7M

\$2.7M Safety and Security Enhancements

“Implement Best Practices - Hope we Never Use Them”

Quick, easy ‘lock down’ technology



Building Secure Access Points

Safety Lighting



Smart use Security Cameras





\$1.27M Full Faith and Credit Obligation

“Immediate Classroom Impact”

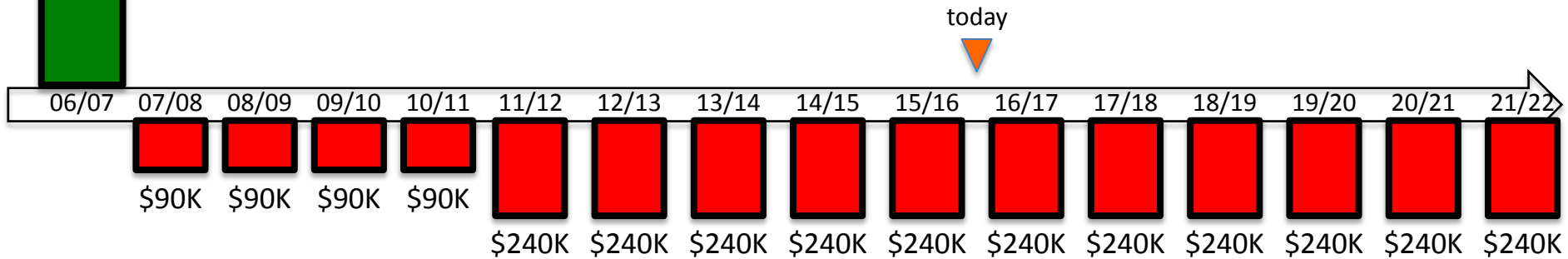
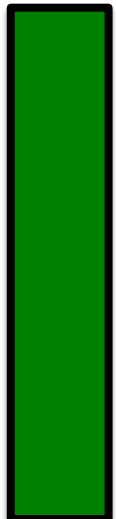
KEY FACTS

- \$2.1M loan secured in 2006 to make several key facility improvements in SES and SMS.
- First 4 years of loan were ‘interest only’ to allow for bridge to new Bond in 2011.
- Market conditions scuttled 2011 bond environment and payback of full loan started.
- This is UNRELATED to the ODE Recovery obligation dating back to 1999 - click below for more.

OPPORTUNITY

- Pay off remaining debt via bond, move expense out of Operating Budget
- Free \$240K per year over the next 6 years and avoids \$186K in interest payments
- Student Experience Impact: more annual operating budget to spend in classroom

\$2.1M



\$3.2M Site Improvements and Repairs

“Protect Current Investments, Lower Operating Costs and Increase Aesthetic Appeal”

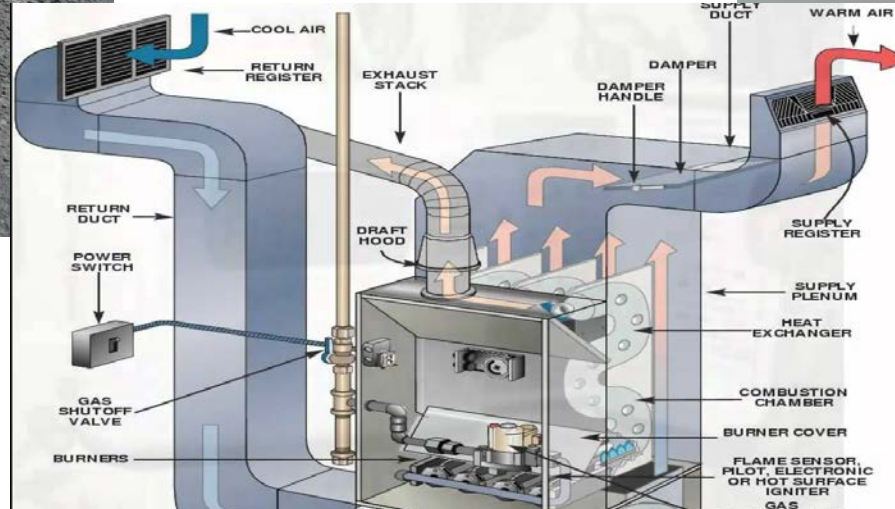
Fix / Repair

- Cracked and missing sidewalks and pathways
- Concrete sealing
- Storm water handling system
- Etc.



Improve Operating Efficiency

- HVAC upgrades
- Weather stripping/proofing
- Window replacements
- Foodservice upgrades
- Etc.



Enhance Appearance

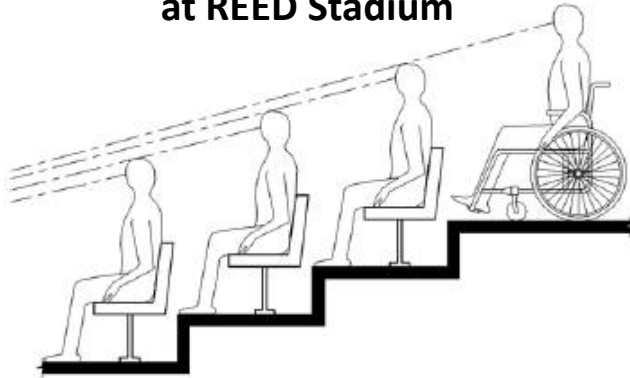
- Paint
- Water fountain upgrades
- SHS lighting and sound systems
- New playground equipment
- Etc.



\$3.4M Outlaws and Community Athletic Assets

“Outlaw Pride – the first thing visitors see”

Safe and ADA Compliant Repairs at REED Stadium



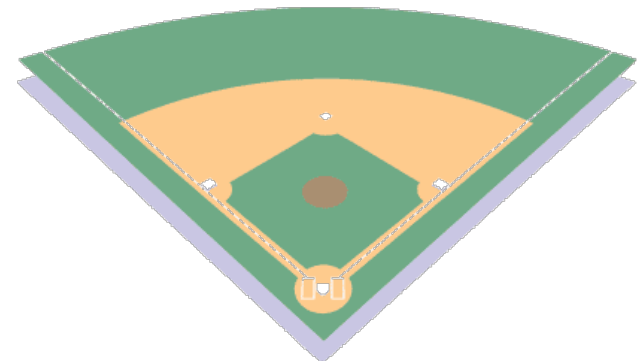
Repair Condemned Track – Athlete and Community Asset



New Tennis and Pickle Ball Courts– Athlete and Community Asset

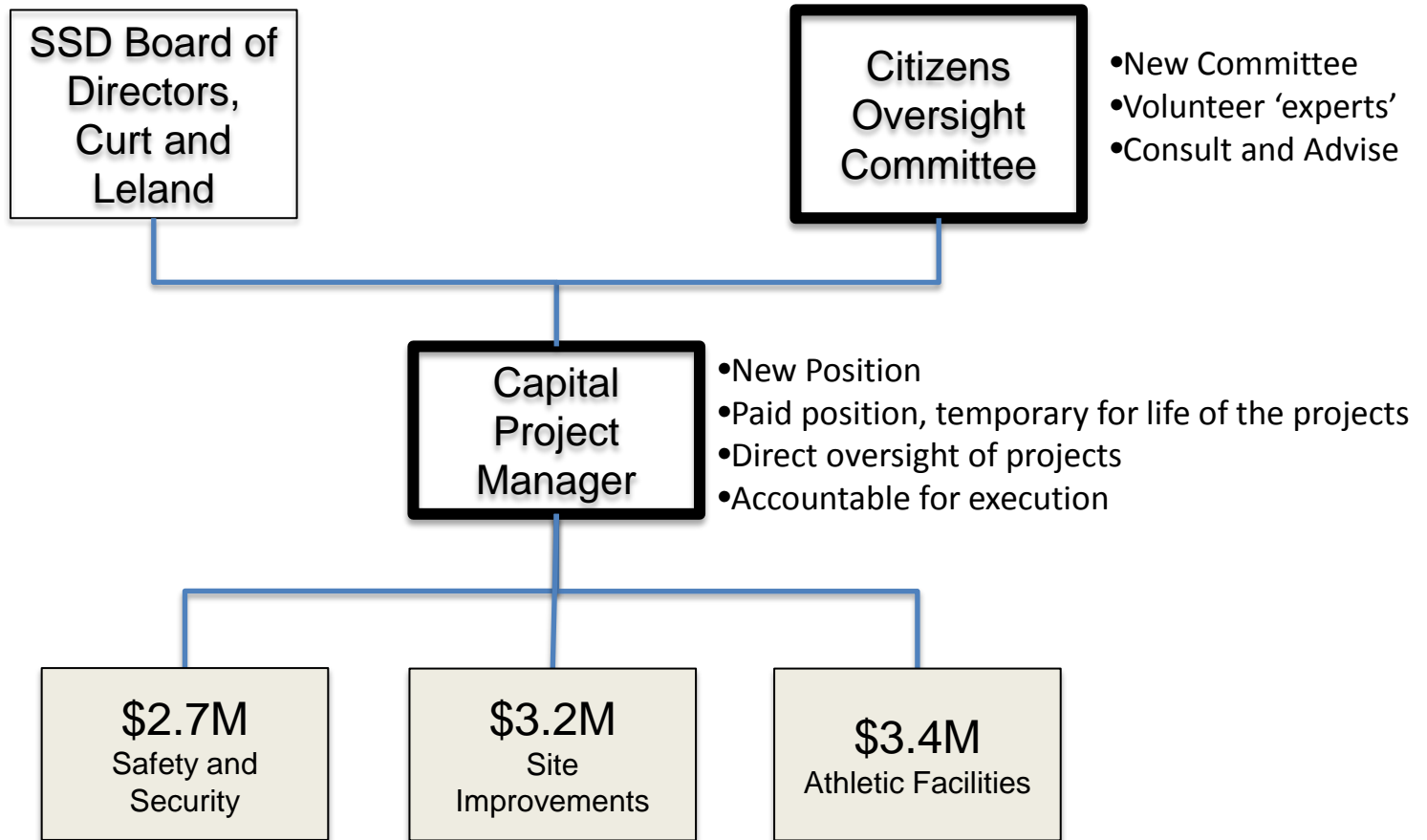


New ball field in NW corner of SHS



Oversight Plans for Execution

“Because even the best laid plans often go awry.....”

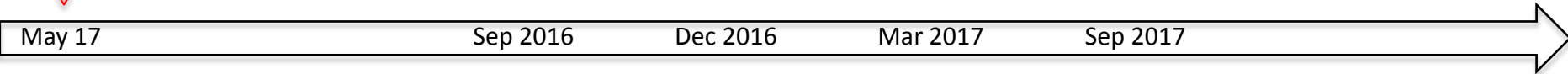


•Note: Full Faith and Credit will be paid off immediately and does not require oversight



Timing of Bond Activity

Community Bond Passes



Full Faith and Credit Obligation

2016/17 school year starts with \$240K more in budget!

COMPLETE

Safety and Security

Athletic Facilities

Site improvements



Form Citizens Oversight Committee



Solicit Bids on major projects
Complete smaller projects internally



Phase in 'start dates' of major projects as weather and school calendar permit

TARGET COMPLETION DATE for Fall 2018

Things to keep in mind....

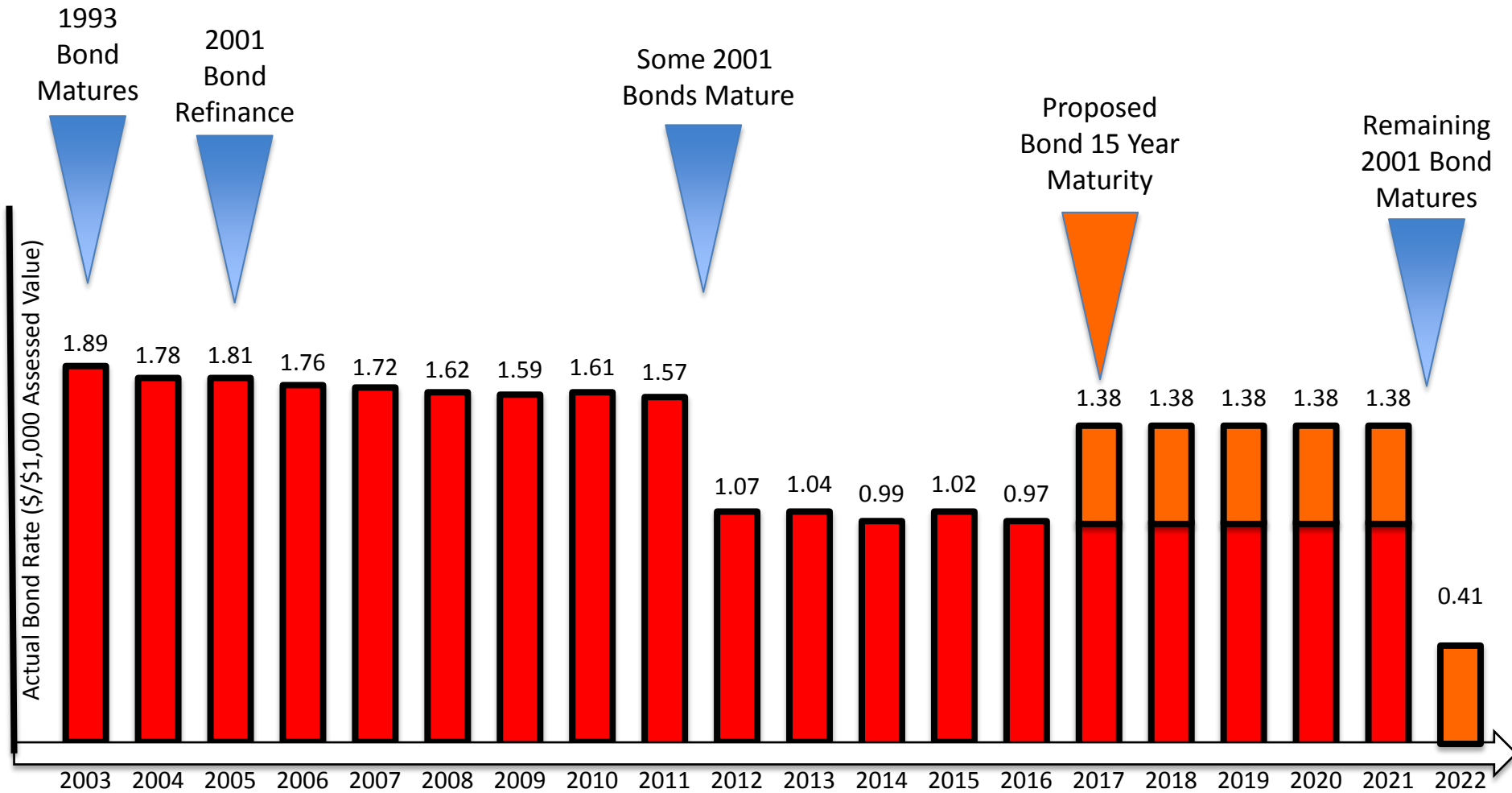
- A lot of work is still ahead – dedicated project manager is key
- Estimates not quotes...moving targets
- Oversight of plan is just as important as the plan
- The school's assets are the town's assets
- \$0.41 per \$1,000 assessed Value = \$123/year for \$300K home

Appendix Slides

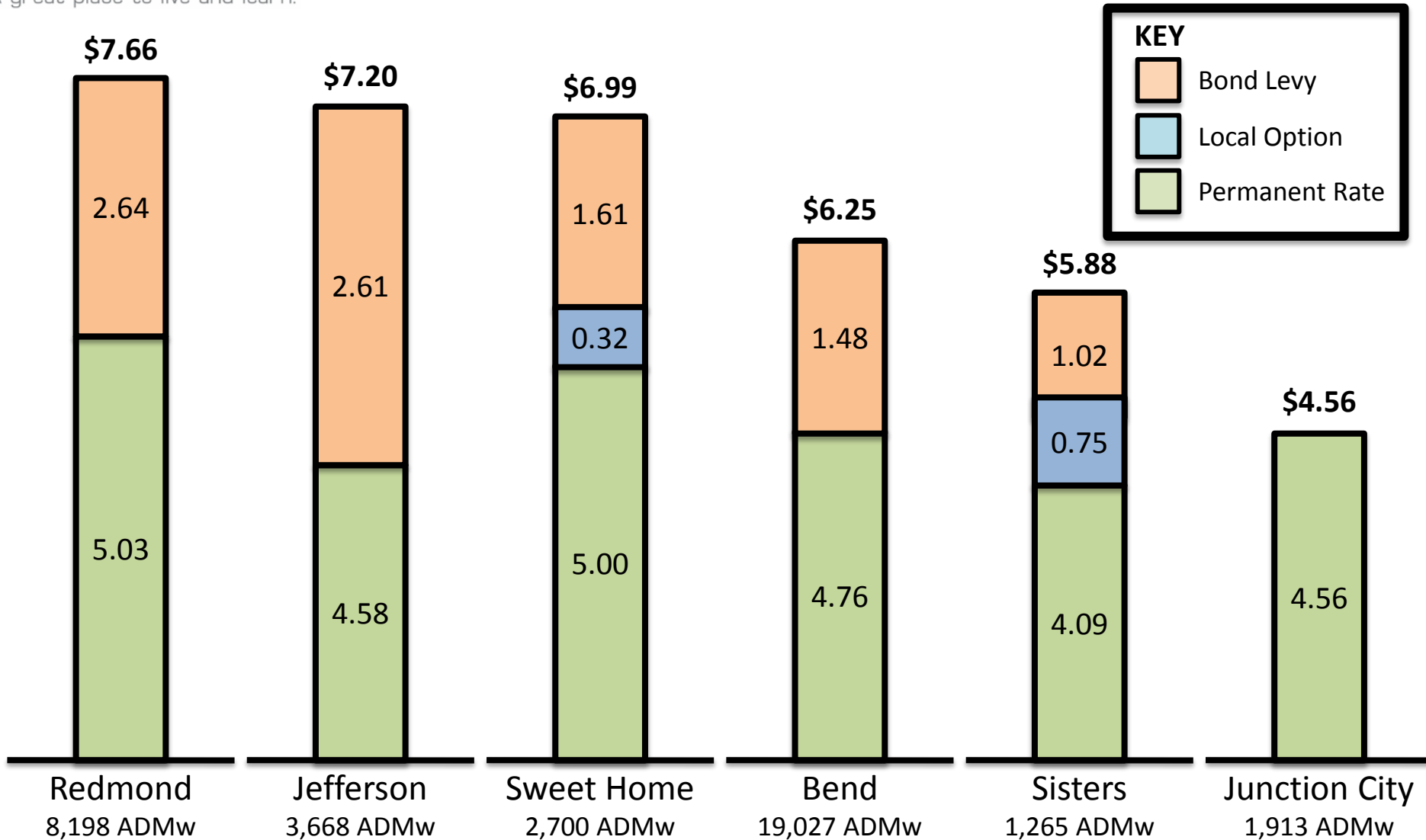
- Recent Bond History in Sisters School District
- Total Levy Rates (Permanent, Local Option and Bond)
- ODE Recovery for Sonrise Christian Academy ADMw
- Sister High School Roof Update



Bond levy rate fell in 2011 as bonds matured, market conditions not conducive to bond proposal. New bond returns rate to 'normal and healthy' levels



2015 District Levy Comparison shows even with Local Option, Sisters invests at lower rate than neighbors.





FACT SHEET: ODE Order of Recovery of State School Funds related to Sunrise Christian School

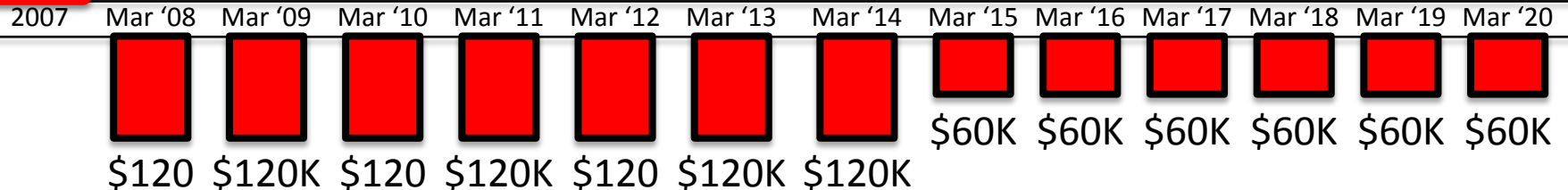
KEY FACTS

- Incorrect calculation of ADMw that included home school children receiving tutoring at Sunrise Christian academy from 1999 to 2004 resulted in an overpayment of State School Funds.
- Confusion was persistent across many districts causing ODE to rewrite the regulations.
- \$1.2M fine assessed, 10 equal installments
- In 2014, the final 3 payments were renegotiated to be ½ the amount for twice as long

OPPORTUNITY

- There is no Bond related opportunity pertaining to this event – this is additional context related to overall school finances.
- There is no value in prepaying this fine as ZERO interest is being charged and it
- After the Bond is secured, a committee led initiative will appeal ODE to seek forgiveness of remaining penalties.

\$1.2M
Penalty



Repair Sisters High School Roof

“We Listened to the Community”

All Repair work to date has been done ‘free of charge’ by the original contractor. Will make additional repairs to extend service life, prevent collateral damage and plan for better designed roof at appropriate replacement period

Illustrative only
New Repairs Audit planned
in early April

