

QUINCY PUBLIC SCHOOLS – Building Bond Referendum Facts

Background

At a Special Meeting held August 14, 2014, the Board of Education for the Quincy Public School District approved a resolution to place a referendum proposition for issuing School Building Bonds on the November 4th, 2014 General Election ballot. The referendum seeks approval for the Board to build and equip five new elementary schools, build an addition to Quincy Senior High School, acquire land, repair existing school buildings and provide technology improvements. The estimated cost to accomplish these projects is \$89,000,000.

If there is a specific question that is not addressed, please contact:

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The District and the Board of Education are committed to providing an exceptional educational program utilizing facilities and equipment which foster an updated and engaging learning environment. The Board of Education has studied its facility needs and conditions for many years.

In June of 2013, the Board directed the Administration to do a feasibility study and present options to address our aging facilities and provide our students with an education they will need to be successful in an increasingly technology-driven world. The District did an extensive evaluation of its facilities on how well the facilities are contributing to its goal of preparing students for college and career readiness. As part of this process, the District sought the input from the community in the development of a set of planning parameters to help shape a strategy to deal with its aging facilities and reorganization of the District's grade configuration. An Interim Report was presented to the Board in September of 2013.

After a review of the initial study, the Board asked for a more in-depth analysis of its facilities needs and authorized the development of a District Wide Improvement Master Plan. The development of the Master Plan would be the charge of a Superintendent-nominated Steering Committee that was made up of administration, curriculum leaders, parents, students, teachers, and district patrons. The committee researched the facility needs for the next twenty years and included the possibility of new facilities/locations, grade structure, and financing the project. Assisting the Committee was the District's three architectural firms that supplied technical information and gathered data for the committee. The Committee made its recommendation to the Superintendent in June of 2014. The main focus of the recommendation was to move to a grade configuration of K-5 elementary schools, 6-8 junior high school, and 9-12 senior high school. To accommodate these grade changes, the committee recommended renovations to the senior high and building four new 800 student capacity elementary schools. The estimated cost for this work was approximately \$89,000,000. The committee further recommended that this move forward as a single building program funded through the sale of voter approved bonds.

Upon the recommendation of the Superintendent, the Board authorized the design firms to develop detailed cost estimates and conceptual building plans for the committee's recommendation. During this stage of the process, the four large elementary schools were proving difficult to keep within the budget and provide the necessary educational programs identified in the planning process. Contributing to the difficulties was the need for substantial site needs and negative feedback over large elementary schools. Working with the Administration, the design teams developed an alternate proposal of five smaller elementary schools. This was the recommendation that is the basis for the School Building Bond referendum..

The District's Financial Advisors have estimated that this proposal can be accomplished without increasing the overall property tax rates from their current level.

The District has current debt which will be retired soon and the same level of payment can be applied to the new bond payments. The Board of Education is aware of the difficult economy with which everyone is learning to live, and we are aware that it has an impact on education.

The positives in this difficult but reviving economic climate are that construction costs and interest rates are near historic lows.

There are also significant Potential Cost Savings and Avoidance in the operation of our schools by moving from ten Elementary Attendance Centers to five. Direct Savings in reduced staffing for administration, health services, and food services, along with indirect saving in supporting fewer facilities, results in an estimated annual savings of over \$950,000. With the construction of new, energy efficient buildings are projected facility operating costs will go down by \$550,000 annually. The District will also avoid spending approximately \$50,000,000 in Health Life Safety funds.

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General Information

What is the Quincy Schools Bond Referendum about?

The Bond Referendum is an opportunity for voters to decide whether the school district will be authorized to raise \$89 million through the sale of bonds to build and equip five new elementary schools, build an addition to Quincy Senior High School, acquire land, repair existing school buildings and provide technology improvements.

When will the Quincy School District's proposed Bond Referendum take place?

A School Bond Referendum will be on the general election ballot Tuesday, November 4, 2014.

Why is the proposed Referendum being held now?

The need to address our aging facilities and provide our students with an education they will need to be successful in an increasingly technology-driven world has been under study for many years. The District is comprised of buildings of a different vintage ranging in age from 42 to 124 years old. In order to appropriately maintain our buildings, upgrades and replacement of building components will be necessary as long as we own the facility. Many of these repairs will need to be made in the next five to six years. These costs are estimated to be over \$66 million over the next 20 years. Building new facilities will reduce these costs to just over \$16 million.

The District is in a unique position of having some of our current debt retiring soon and the same level of payment can be applied to the new bond payments. The District's Financial Advisors have estimated that this proposal can be accomplished without increasing the overall property tax rates from their current level.

With an improving economy, interest rates will be inching upward and we want to take advantage of current low rates as soon as is possible.

Who was involved in developing this plan?

The development of the Master Plan was the charge of a Superintendent-nominated Steering Committee that was made up of administration, curriculum leaders, parents, students, teachers, and district patrons. The committee researched the facility needs for the next twenty years and included the possibility of new facilities/locations, grade structure, and financing the project. Assisting the Committee was the District's three architectural firms that supplied technical information and gathered data for the committee.

What alternatives were considered in developing this plan?

The Committee studied and evaluated multiple realignment and building strategies, projects and groups of projects on a school by school basis and on a project type basis to develop the recommended plan.

The decision-making process that the Committee went through was not an easy one, and forced the Committee to consider many pros and cons and different alternatives. In the end, the Committee elected to put forward the recommendation that it did for several reasons:

1. The grade configuration better aligns Quincy Public Schools with neighboring and comparable school districts, helping ensure that our children are getting a similar educational experience to their peers.
2. Fewer transitions between schools has been shown to create a less disruptive learning environment for children.
3. All new elementary schools ensure that no neighborhood is disproportionately affected by the changes and all students benefit from the changes.
4. This configuration is estimated to save Quincy Public Schools \$1.5 million annually in operating costs.
5. This configuration allows for flexibility in the design to accommodate potential future growth as well as changes in technology and learning environments for students.

What happens if the Referendum doesn't pass?

The Board could call for an additional Referendum at a later date on this plan, or the District could develop alternate plans and return for a future referendum. The District will also have to move forward with required Health, Life, Safety projects.

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Construction Costs

What is included in the Project costs?

Costs for the building program are estimated based upon the room type and scope of the specific project. Non- building costs for site acquisition and improvements are also included. The cost to equip and furnish the buildings, including technology is included in the project costs. Finally, the other project costs including architect and engineer fees, legal fees, and other contingency fees are also included. The proportionate summary of projects are as follows:

New Elementary School at Monroe Site	\$14,200,000
Improvements at Senior High School	\$16,000,000
New Elementary School	\$15,600,000
New Elementary School	\$15,600,000
New Elementary School	\$15,600,000
New Elementary School at Baldwin Site	\$12,000,000
Total Project Cost	<hr/> \$89,000,000 <hr/>
Total Referendum	<hr/>\$ 89,000,000<hr/>

How will the Board of Education keep costs under control?

The Board of Education will be managing costs in several ways:

- Our architects have extensive experience managing projects like ours with a multitude of clients and school districts;
- Our architects will produce highly detailed specifications enabling contractors to better understand the work on which they are bidding. Because of the quality of the plans, the District should receive a higher than normal number of construction bidders which leads to more competitive pricing; and
- By law, we use an open bidding process with full access to the bidders list, and this way, the contractors can get the lowest prices from all interested manufacturers and suppliers.

What happens if bids are not received within the budget?

The budget is established by law by the question put before the voters in the Referendum. That published Referendum budget **cannot be exceeded**. If construction bids are not under budget, the project will be redesigned by the architect and rebid at another date in the near future. The Architects will include multiple bidding alternates for each of the major contraction divisions in the original bid requests that allow for adding to or subtracting from the scope of the work. Acceptance of any alternate or combination of alternates may be used to bring the project under budget.

What happens if there is a cost overrun during construction for the project?

A contingency figure has been built into the budgeted cost to deal with any unforeseen construction problems.

What happens to our existing facilities once the new ones are completed?

Where feasible and cost effective, the District will use vacated facilities for alternate district uses. The District will explore selling facilities that we are unable to re-use.

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Financial: Bond and Tax Impact

What is a bond?

The sale of municipal bonds is a form of long-term borrowing that spreads the cost of major capital improvements over the years facilities are used. This method of financing ensures that current and future users help pay for the improvements.

Why are bonds needed?

The building and renovation of schools are not financed through the school system's operating funds, but through bonds. Bonds are similar to someone obtaining a mortgage on a residence to spread the cost of home-buying over a number of years.

How can bond proceeds be used?

Bond proceeds may be used only for those projects and costs listed on the ballot.

Can districts use general obligation bonds for operating purposes?

No. Bond proceeds may be used only for those projects and costs listed on the ballot.

Why a referendum?

The law requires that voters approve bonds since they are a future obligation for taxpayers.

What is the total dollar amount we will be asked to vote on for the proposed Bond Referendum?

The total amount voters will be asked to approve is \$89 million dollars. The Referendum amount includes all building and site construction costs, professional fees and contingencies, and cannot be exceeded by the Board in the execution of the project.

How will my property taxes be impacted if the proposed Referendum is approved?

The District's Financial Advisors have estimated that this proposal can be accomplished without increasing the overall property tax rates from their current level. The District has current debt which will be retired soon and the same level of payment can be applied to the new bond payments. The Board of Education is aware of the difficult economy with which everyone is learning to live, and we are aware that it has an impact on education.

What is the difference between Assessed Value and Market Value?

Market Value is how much you or a realtor could sell your house for in today's market. The Assessed Value is the value given to your land and improvements for property tax purposes by your municipality and appears on your tax bill.

How will the proposed Referendum affect taxes for senior citizens?

Again, overall property tax rates are estimated NOT to increase for anyone including senior citizens.