



ALBANY UNIFIED SCHOOL DISTRICT

Val Williams, Superintendent
1051 Monroe Street, Albany CA 94706

Facilities Bond Discussion

May 12, 2015

Allan Garde, Chief Business Official



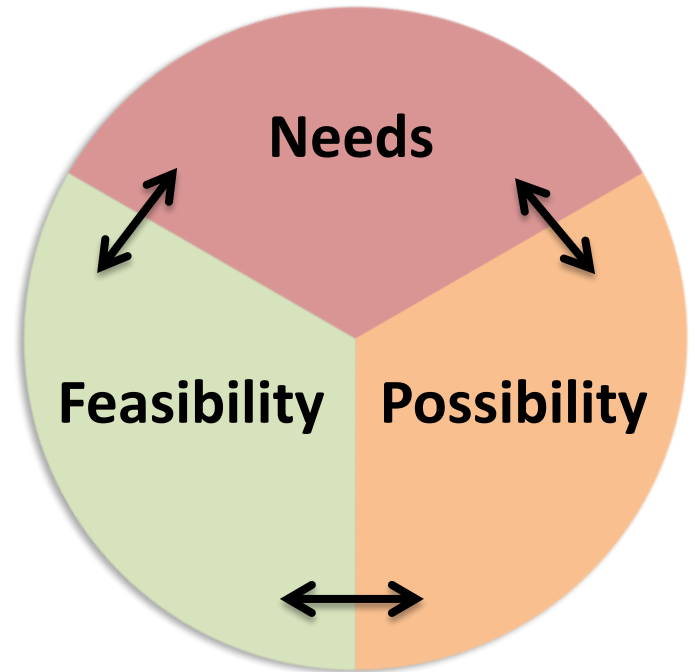
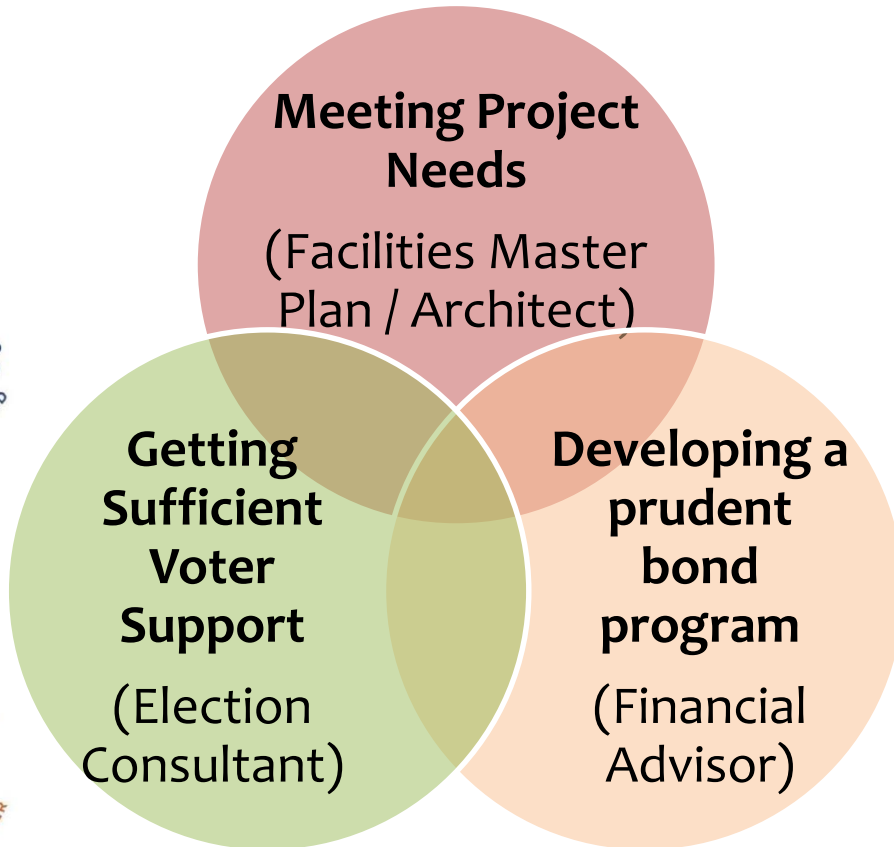


Agenda

- **Balancing Priorities**
- **Review of Facility Needs**
- **Overview of Bond Program**
- **Community Support**
- **Risks of Waiting**
- **Timeline of a typical election**
- **Recommendations**



Balancing Priorities



Review of Facility Needs



- **Marin Elementary**

- Needs: Seismically Unsafe; Overcrowded
- Total Cost: \$28,000,000
 - Plus Interim Housing



- **Ocean View Elementary**

- Needs: Seismically Unsafe; Overcrowded
- Total Cost: \$38,000,000
 - Plus Interim Housing



Review of Facility Needs



- **San Gabriel Site**

- Needs: Overcrowded at Albany Middle
- Total Cost: \$13,000,000



- **Albany High School**

- Needs: Overcrowded
- Total Cost: \$11,500,000



- **Albany Middle School**

- Needs: No lunch shelter/multi-use space
- Total Cost: \$8,000,000

Review of Facility Needs



- **Cornell Elementary School**

- Needs: Overcrowded
- Total Cost: \$30,000,000



- **District Office**

- Needs: Only a temporary location
(Lease Expires 6/30/2016)
- Total Cost: \$8,500,000



- **Total Current Cost of Needs - \$137,000,000**



Overview of Bond Program

General obligation bonds are the best option to fund facility needs.

- Borrowing rates tend to be lower than on other types of school district financings.
- Debt service payments made by District taxpayers (rather than from the District's general fund).
- With limited sources of funding available, they usually provide access to other available (State/Federal) funds.
 - Seismic-Mitigation





Traditional vs Prop 39 Election

	Traditional Authority (Proposition 46)	Proposition 39 Authority
Ballot Measure	Specific school facilities project list is not required.	Project list required.
Voter Approval	Two-thirds approval.	55% approval.
Election Dates	May generally be held on any Tuesday.	Must be held on the same day as a state wide primary, general or special election, or at a regularly scheduled local election.
Tax Rate Limitations	No limitation.	Tax rate from any single authorization may not exceed \$60 per \$100,000 in assessed value for unified school districts.
Use of Proceeds	May be used only for the acquisition or improvement of real property.	May be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities , or the acquisition or lease of real property.
Additional Accountability Measures		Annual performance and financial audits and establish a citizens' oversight committee.



Source: Information based on “The XYZs of California School District Debt Financing,” Orrick, Herrington & Sutcliffe LLP



Bonding Capacity

What is Possible?



	2014-15 (Actual)	2019-20 (Est)
Assessed Valuation	\$2,168,724,063	\$2,638,584,426
Total Bonding Capacity (2.5% of AV)	\$54,218,102	\$65,964,611
Bonds Outstanding	\$34,645,000	\$21,785,000
Net Bonding Capacity	\$19,573,102	\$44,179,611

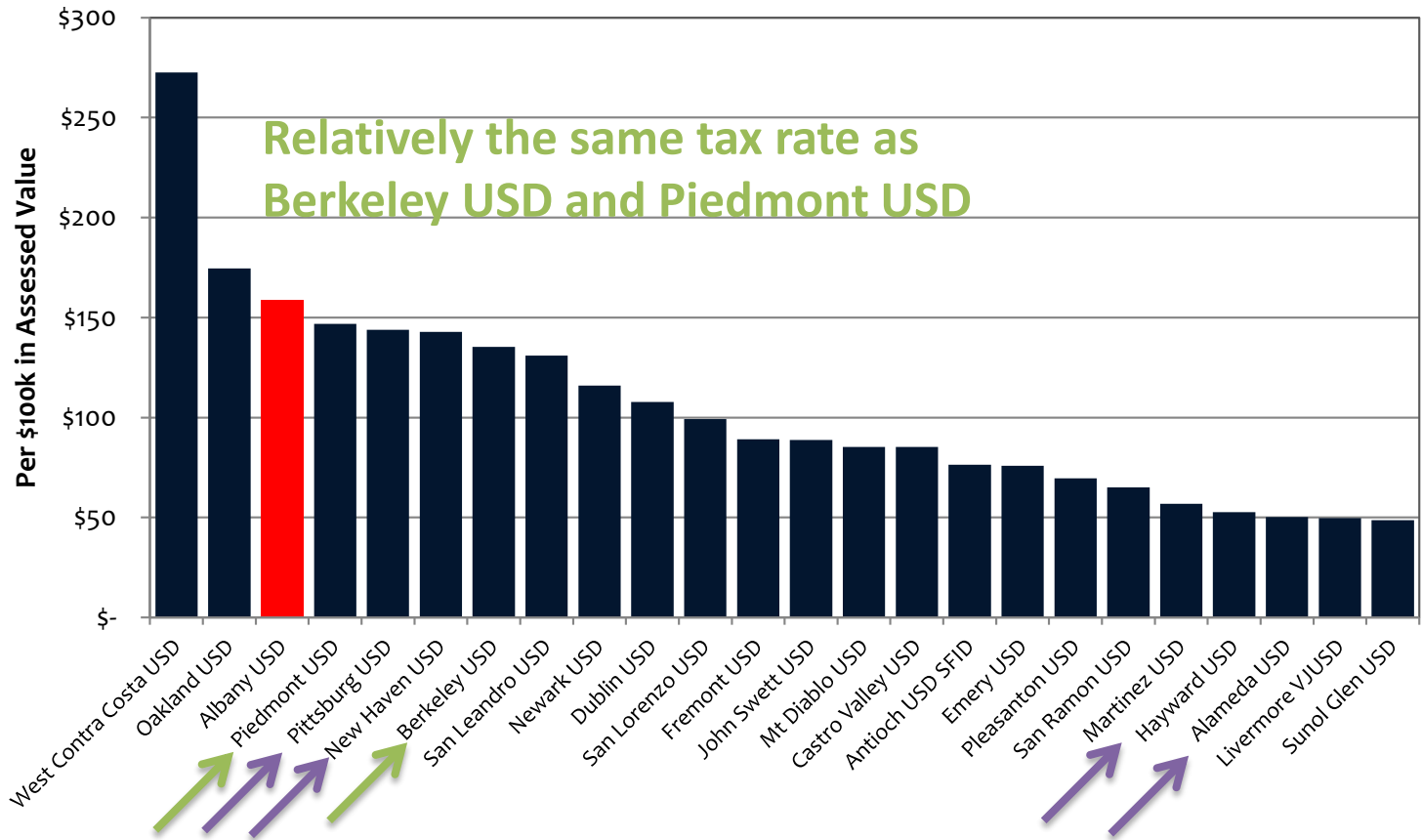
Bonding Capacity impacts the ability to sell bonds, not the ability to get authorization for a bond.

Districts have the ability to get a bonding capacity waiver from the State.



Comparison of Tax Rates

2014-15 Unified School District Tax Rates in Alameda and Contra Costa County



Relatively the same tax rate as Berkeley USD and Piedmont USD



Source: Alameda and Contra Costa Counties.

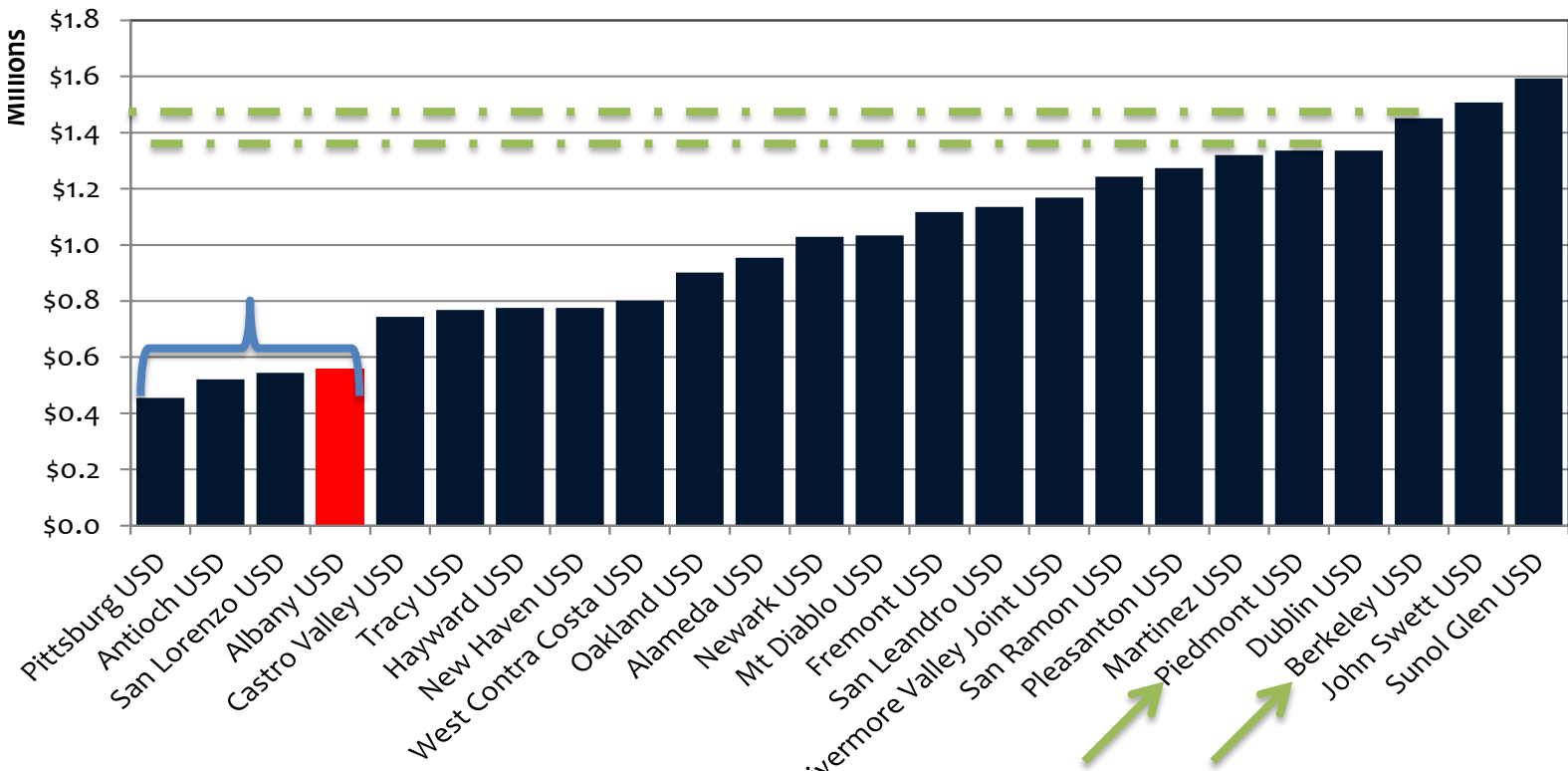
Note: There have been new bond authorizations that could increase tax rates next year for some of these school districts: Pittsburg USD (+\$52), Alameda USD (+\$60), Hayward USD (+\$49), New Haven USD (+\$48).



AV per Student

The District's assessed valuation per student is low relative to those of other school districts in Alameda and Contra Counties.

Assessed Value (AV) Per Student
(for all unified school districts in Alameda and Contra Costa Counties)



About 2.5x less funding than Berkeley USD and Piedmont USD





Community Support

What is feasible?

A elections consultant and survey consultant can help determine:

- Types of projects that voters find compelling
- Total par amount that voters are willing to support
- Tax rate impact that voters are willing to bear
- When to place a measure on the ballot





Risks of Waiting

1. Safety and Temporary Student Housing

- The last five large earthquakes on the Hayward fault averaged 140 year intervals. The last one occurred in 1868. ~ 147 Years Ago
- Marin and Ocean View would be “red-tagged”
- This would require immediately housing 1,200 elementary students temporarily, in addition to fixing the school buildings damaged
 - **Costs to temporarily house students:**
 - Marin - \$6,500,000
 - Ocean View - \$8,200,000





Risks of Waiting

2. City of Albany 2035 Plan

- Population growth of over 10%
- Excessive Overcrowding
 - Causes:
 - Increased Class-Size
 - Reduced Programs



3. Cost Escalation

- Each year construction costs rise by 5% on average





Timeline

Analysis of a possible bond



Decision to let the voters decide

Voters Decide

	Current options for a typical election	June 7, 2016	November 8, 2016
Analysis of a possible bond	Identify Needs	Spring 2015	February – April 2016
	Form a Committee	Spring 2015	February – April 2016
	Hire a Survey Consultant	Summer 2015	March 2016
	Begin Information Campaign	Fall 2015	April 2016
	Solicit Parent, Teacher, Administrator and Public Comments	Fall 2015	March - May 2016
	Develop proposal for Ballot Measure	Fall 2015	June 2016
	Draft Ballot Measure and Resolution	January 2016	June 2016
	Public Discussion of Project List	Jan-Feb 2016	June 2016
	District Approves Resolution	March 11, 2016	August 12, 2016
	Election Campaign	March to June 2016	August to Nov 2016
Voters Decide	ELECTION DAY	June 7, 2016	November 8, 2016

Recommendations



- Wait on forming the puzzle until we have all the pieces



- An election consultant is a missing piece of the puzzle



- An assessment of the optimal use of District facilities and placement long-term

- District Office
- Solano Property
- Maintenance Yard

