

Medical Lake Schools

School Construction Bonds

Election Date: Tuesday, February 9, 2010

On Tuesday, February 9, 2010, the Medical Lake voters will be asked to vote on a ballot proposition that would authorize the district to issue no more than \$15,650,000 of bonds to pay the costs of adding six classrooms onto Hallett Elementary School to accommodate kindergarten through 5th grade, and to expand Medical Lake Middle School to accommodate grades six through eight. This will include twelve additional classrooms to replace portable classrooms and make room for the 6th graders, and add a gymnasium and commons area. Listed below are frequently asked questions that help to further explain the District's proposed bond.

Frequently Asked Questions

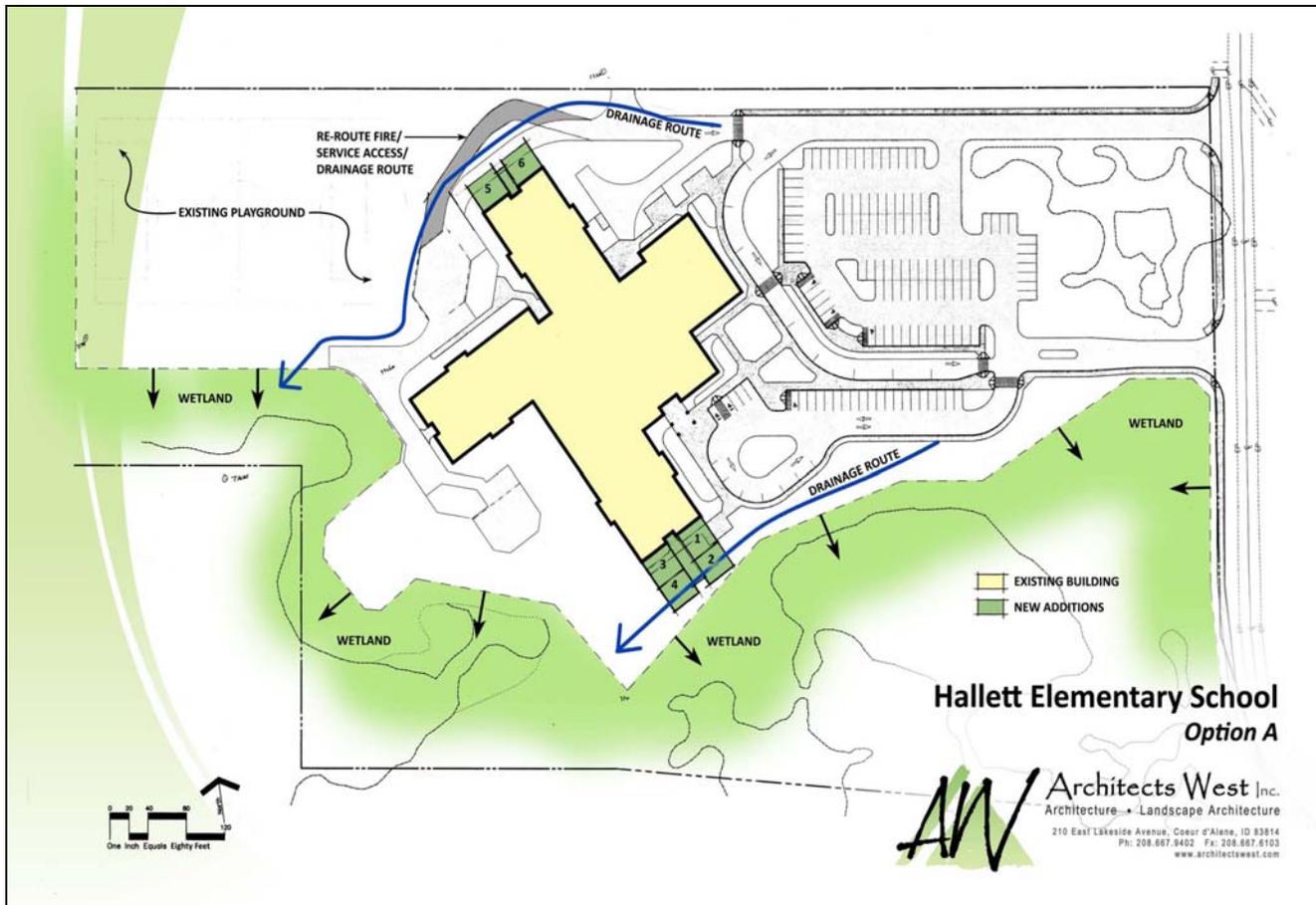
Question: How will the money from the bonds be used?

Answer: Money from the bonds will be used to pay costs of the following projects:

1. Construction of six new classrooms at Hallett Elementary School to accommodate kindergarten through 5th grade.

A portion of the Bonds (\$2,825,110) will be used to construct approximately 7,500 square feet of new classroom space to accommodate kindergarten through 5th grade. The concept plan for additional classroom space added to Hallett Elementary is shown below.

Hallett Elementary School Concept Plan

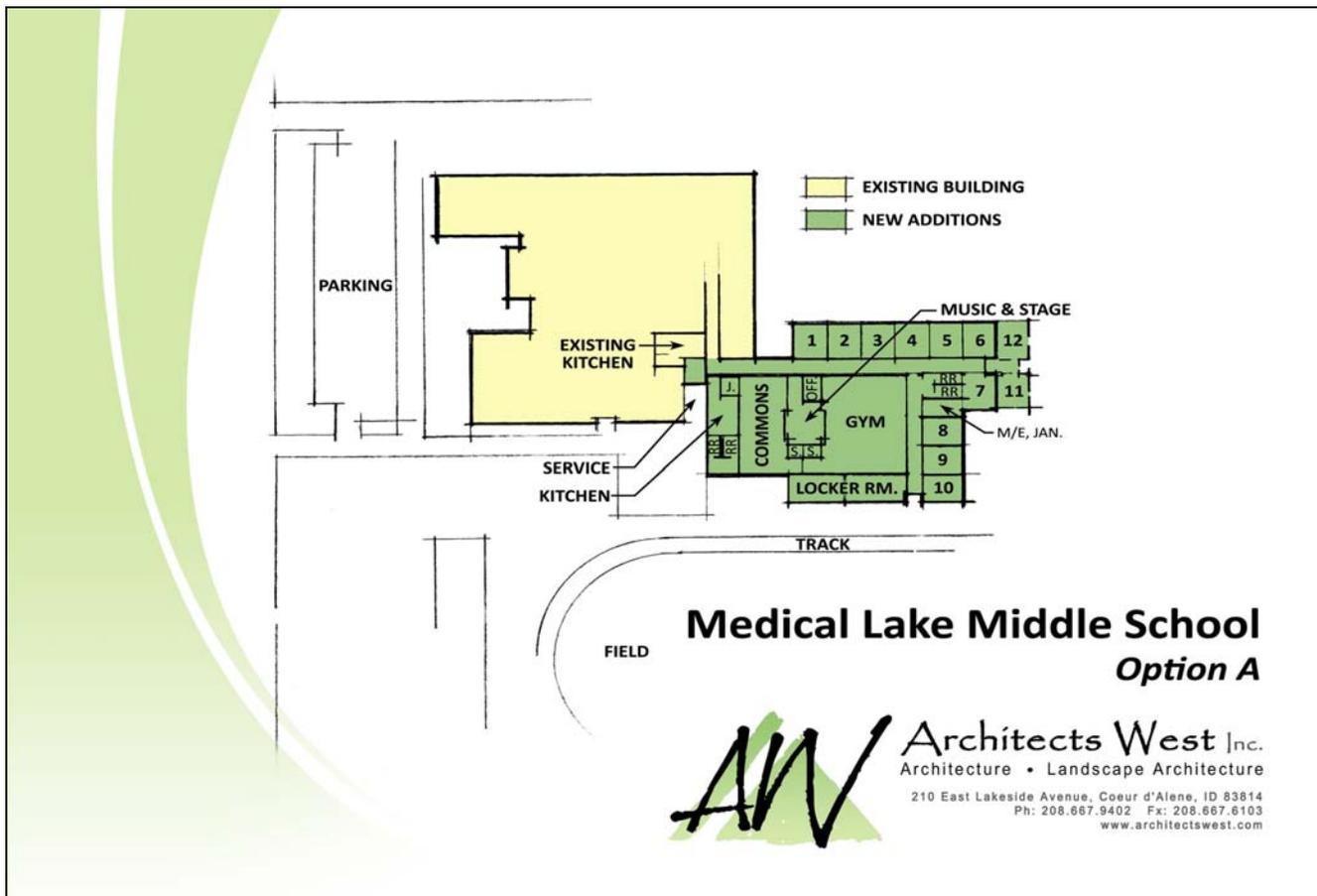


2. Construct and furnish additional classrooms, gymnasium and commons at Medical Lake Middle School.

The remaining portion of the bonds, (approximately \$12,044,500) will be used to construct 40,000 square feet of new classroom, gymnasium and commons area space. The classrooms will replace six portable classrooms and provide six classrooms for the 6th grade. A full-sized gymnasium with bleachers and a commons area for lunch and activities is also included.

An amount of \$350,000 will be used to develop play fields at the Medical Lake Elementary site and \$400,000 will be used to abate asbestos and demolish Medical Lake Elementary. The concept plan for additional classrooms, gym and commons areas is shown below.

Medical Lake Middle School Concept Plan



Q: What will be the estimated cost to taxpayers?

A: The district expects to sell the bonds in two series, one in June, 2010 and the other in December, 2011. Each series of bonds will mature within twenty years after issuance and will be repaid from local annual excess property tax levies made upon all taxable property within the District.

The district anticipates the tax rate to repay the bonds issued for these projects to be approximately an additional 72 cents per \$1,000 of assessed value over current bonds. This means that a homeowner with a home assessed at \$100,000 would pay an additional \$72.00 annually (or \$6.00 per month).

With the 72 cent tax rate increase added on to our existing bond payments, the district's total bond tax rate will be approximately \$2.47 per thousand of assessed value.

Q: Why are the bonds necessary?

A: The Hallett Elementary and Middle School projects were identified as a result of a study by a facilities committee comprised of parents, community members, classified and certificated staff and board members.

The School Board wrestled with the decision whether to: (1) modernize the current Medical Lake Elementary, (2) build a new facility, or (3) add onto Hallett Elementary and Medical Lake Middle School and demolish Medical Lake Elementary.

The facilities committee recommended and the School Board agreed to add classrooms onto Hallett Elementary and Medical Lake Middle School, and to demolish Medical Lake Elementary for the following reasons:

- ❖ The community of Medical Lake, including Fairchild Air Force Base, is not experiencing growth and is not expected to grow in the next ten to twenty years. Fairchild continues to experience negative home growth which includes less school age children due to housing privatization.
- ❖ In order for kindergarten through 5th grade to fit into Hallett Elementary, additional classrooms will be needed. It was originally designed to have the capability to add six additional classrooms if needed. However, neither the site nor the infrastructure will allow for more than six classrooms, requiring 6th grade to move to Medical Lake Middle School.

Q: Why are classrooms and a gymnasium needed at the Middle School?

A: Twelve additional classrooms will be needed in order for the sixth grade to fit into the Middle School, and to replace the portable classrooms with no bathroom facilities that require students to leave the building and walk outside.

The current gymnasium is not a full sized gym. All of the students cannot fit into the current gym for P.E. and school events. Parents and community members cannot all fit in the current gym when the students have programs, conferences and other activities.

Q: Why will Medical Lake Elementary School be demolished?

A: The Medical Lake Elementary building is fifty plus years old. The electrical wiring is not adequate and the current breaker system is not sufficient. All systems including fire protection, heating, cooling, ventilation, plumbing, flooring, ceilings, electrical, windows, roofs, walls, handicapped accessibility, seismic design, technology infrastructure, and energy code compliance are inadequate. The overall rating of the building is "poor". The current building has encapsulated asbestos throughout, which is not harmful unless it was exposed through construction. Students would need to be removed from the building while modernization was being completed. Temporary portable classrooms, double shifting or other measures would need to be available to house students while modernization was being completed.

Q: When will the projects be completed?

A: The anticipated date for both projects to be completed is August, 2011, weather permitting.

Q: Does the increase in assessed value of taxable property within the district impact bond tax rates?

A: Yes. As the assessed value of taxable property within the district increases, the bond tax rates decrease. The tax rate to repay the bonds issued for the Medical Lake High School were estimated to average \$2.25 per \$1,000 of assessed value for the life of the bonds. However, because of increases in assessed value (and the refinance of these bonds), the bond rate is \$1.75.

Q: What is the difference between bonds and an M & O Levy?

A: Voters approve the issuance of bonds and the levy of local annual excess property taxes to repay such bonds. The proceeds from the bonds may only be used to pay for school construction and long-term capital improvement projects. Generally, bonds are repaid over a twenty to twenty-five year period. A maintenance and operation levy is a local annual excess property tax authorized by voters to fund basic maintenance and operations of the district. These levies are limited to a period not to exceed four years.

Q: What are the voter approval requirements for the bonds?

A: Under State law, at least 40% of the number of voters in the immediate past general election must vote, and of that amount, at least 60% of the votes cast must be "yes". Based on the November 3, 2009 voter turnout, at least 1,405 voters must vote in the February 9, 2010 election. Of those who vote, 60% must vote "yes" for the bonds to pass.

Q: Is there a special tax exemption for senior citizens?

A: Yes. If you are 61 years of age or older or have a physical disability you may qualify for tax exemption from the district's proposed bonds. For information about your status, please contact the office of the Spokane County Assessor for details at 477-3696.

Q: How will the ballot proposition describe the bonds?

A: The ballot proposition will read as follows:

PROPOSITION 1
MEDICAL LAKE SCHOOL DISTRICT NO. 326
SCHOOL CONSTRUCTION BONDS



The Board of Directors of Medical Lake School District No. 326 adopted Resolution 09-10.02, concerning a proposition to finance expansion and modernization of schools. This proposition would authorize the district to construct, expand and modernize Medical Lake Middle School to accommodate grades six through eight (including construct additional classrooms, gymnasium and commons area). It would add classrooms to Hallett Elementary to accommodate kindergarten through 5th grade, and construct athletic fields at Medical Lake Elementary site. It would issue no more than \$15,650,000 of general obligation bonds maturing within twenty years and levy annual excess property taxes to pay the bonds, all as provided in Resolution No. 09-10.02. Should this proposition be.....

Approved....?.... Rejected...?....

Q: Where do I vote?

A: Voters will receive their ballots in the mail around January 20, 2010. Completed ballots must be postmarked by February 9, 2010 to be counted. Ballot drop-off boxes are located in all Spokane public libraries and the Medical Lake library.

Q: Who do I contact if I have more questions?

A: You may contact Dr. Pam Veltri, Superintendent of Medical Lake School District at (509) 565-3100 or see our website at www.mlsd.org for more information.

Medical Lake School District
PO Box 128
Medical Lake WA 99022

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