



## Chula Vista Elementary School District Measure V V Presentation

Prepared for Proposition E Independent  
Citizens Oversight Committee

September 12, 2018

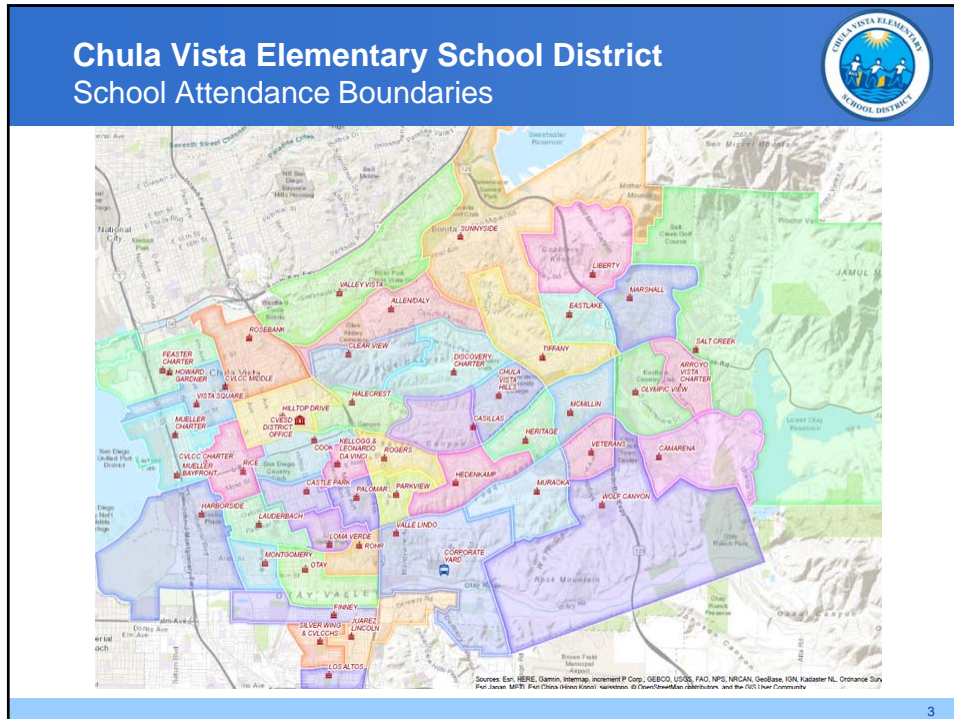


## Measure V V : What and Why



- **WHAT IS MEASURE V V ?**
  - Measure V V is a general obligation (GO) bond proposition on the November 6 general election ballot.
  - The measure has been designed to extend, but not increase current tax rates.
  - If approved, Measure V V will authorize \$150 million in locally controlled funds to repair and upgrade educational facilities and classrooms throughout the Chula Vista Elementary School District.
- **WHY IS MEASURE V V NEEDED?**
  - As one of our community's most valuable resources, our local elementary schools must be maintained and protected. However, state funding is inadequate to maintain and improve these facilities.
  - Measure V V provides a source of locally controlled funds to improve local elementary schools.
  - This measure will allow the District to apply for millions of dollars in state matching funds that would otherwise be unavailable.

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### Data & Demographics

Measure	Value
Number of Schools and Sites	46 Schools Plus 2 Sites
Number of Students Served	(K-6): 23,403 Charters (K-12): 6,194
Socio-Economic Disadvantage Percentage	52%
English Language Learners Percentage	30%
Total Building Square Footage	2,828,052
Total Acreage of District Facilities	436.17
Number of Employees	3,616
GO Bond Rating (as of 1/5/2017)	AA-
General Fund Operating Budget	\$283 Million
Total Budget All Funds	\$427 Million

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## Previous General Obligation Proposition



- **1998 Proposition JJ**
  - \$95 Million GO Bond
  - 17 schools modernized between 1999-2005
  - \$20 per \$100,000 assessed valuation rate
  
- **2012 Proposition E**
  - School Facilities Improvement District (SFID) No.1
  - \$90 Million Go Bond
  - 10 Schools will have been modernized by Summer 2019
    - ✓ 3 Schools modernized Summer 2014
    - ✓ 3 Schools modernized Summer 2015
    - ✓ 3 schools under modernization Summer 2018
    - ✓ 1 school planned modernization Summer 2019
    - ✓ \$30 per \$100,000 assessed valuation rate in SFID No.1
    - ✓ Funds projected expended by September 2019


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## CVESD Future Facilities Needs



- Architect Ruhnau Clarke (RC) hired to conduct Needs Assessment between January 2018 and May 2018.
- 46 school sites plus Education Service and Support Center and Transportation Yard were assessed by RC and District staff to determine major facilities needs.
- Four major categories, totaling \$191 million of facilities improvements, were identified over next 20 years:
  - Category 1: Safety and Security
  - Category 2: Infrastructure to Sustain Schools
  - Category 3: Technology Infrastructure
  - Category 4: Enhanced Energy Efficiency
- Assessment includes summary cost estimate for each site inclusive of construction and soft costs.

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## Measure V V : Project Scope

**WHAT PROJECTS WILL BE FUNDED BY MEASURE VV ?**

- Upgrading and improving building security and communication systems, including new fire alarm systems, security cameras, perimeter fencing and access gate improvements to restrict site access.
- Renovating and replacing existing classrooms to reduce classroom overcrowding.
- Modernizing technology throughout the District to provide for a 21<sup>st</sup> century learning environment.
- Energy efficiency measures including replacing windows, HVAC and lighting to improve classrooms while lowering operating costs.

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## 2018 Facilities Assessment Summary




Scope Item	Estimated Project Cost
Safety and Security	\$ 8,551,400
Infrastructure to Sustain Schools	\$103,353,250
Technology Infrastructure	\$ 48,822,813
Enhanced Energy Efficiency	\$ 30,752,930
	<b>\$191,480,393</b>

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2018 Facilities Assessment Summary	
Safety and Security	Upgrade intrusion detection system with dual technology sensing, entry lock improvement, fencing, cameras, additional security lock measures and fire alarms.
Infrastructure to Sustain Schools	Replace aging modular, plumbing, electrical, irrigation, storm water, shade structures, playground equipment, playfield and play surfaces.
Technology Infrastructure	Upgrade low voltage cabling, increase data access points for WiFi, expand technology infrastructure and new District data center.
Enhanced Energy Efficiency	Interior/exterior LED lighting, window replacement, HVAC, and review energy producing and storage system.

- ### Facilities Funding Options
- Existing Capital Funding
    - Current General Fund and Capital funding not adequate to meet long-term facilities needs of the students.
  - General Obligation Bond (Based on Assessed Valuation Tax Rate)
    - New Bond Issuance, or
    - Tax Rate Extension of Proposition JJ.



## Measure V V : Rates, Cost & Protections

**WHAT IS A TAX RATE EXTENSION?**

- o A tax rate extension will allow the District to make improvements with no projected increase in current tax rates.
- o Funds to repay the bonds come from a tax on all taxable property – residential, commercial, agricultural and industrial – located within the District.


**HOW MUCH WILL MEASURE V V COST?**

- o Measure V V annual tax rate is estimated to be 2 cents per \$100 of assessed valuation while the bonds are outstanding. This amount will be an extension of the current tax rate.

**WHAT TAXPAYER PROTECTIONS ARE IN PLACE?**

- o An independent Citizens' Oversight Committee must review and audit all bond expenditures.
- o Funds are prohibited from being used for general operating expenses.
- o Legal safeguards prohibit the state from taking these funds and spending them elsewhere.

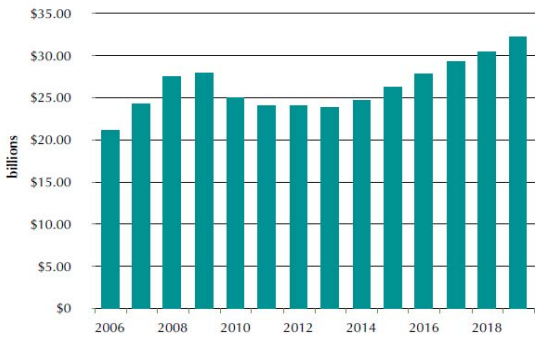
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## Chula Vista ESD: Assessed Valuation

**Strong District AV Growth**

**Assessed Valuation**



Assessed Valuation: 2006 to Date		
FY ending	(billions)	% change
2006	\$21.213	
2007	\$24.342	14.8%
2008	\$27.568	13.3%
2009	\$28.033	1.7%
2010	\$25.043	-10.7%
2011	\$24.138	-3.6%
2012	\$24.102	-0.1%
2013	\$23.932	-0.7%
2014	\$24.726	3.3%
2015	\$26.356	6.6%
2016	\$27.907	5.9%
2017	\$29.399	5.3%
2018	\$30.479	3.7%
2019*	\$32.266	5.9%
<b>5-Year Average</b>		<b>5.1%</b>
<b>10-Year Average</b>		<b>1.6%</b>

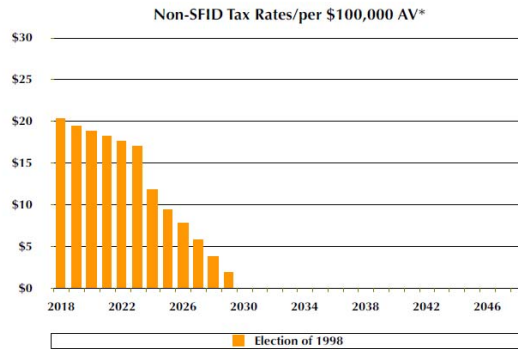
\* AV Projection from County as of May 2018

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## Chula Vista ESD: 1998 Tax Rates



### Final Repayment of 1998 Bonds Provides Opportunity for Tax Rate Extension

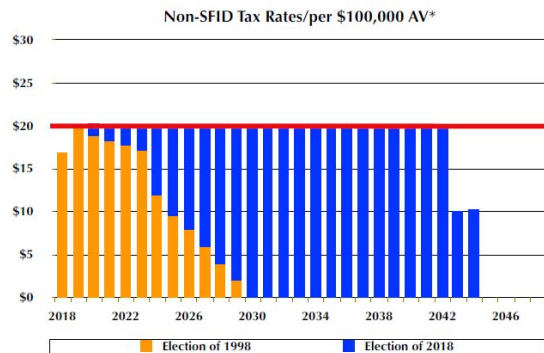


\* Assumes AV growth rate of 3.5% per year  
\*\* SFID residents will pay additional tax rate of approximately \$27/\$100,000 AV through 2041 for the 2012 Measure E Bonds

## Chula Vista ESD: 2018 Tax Rate Extension

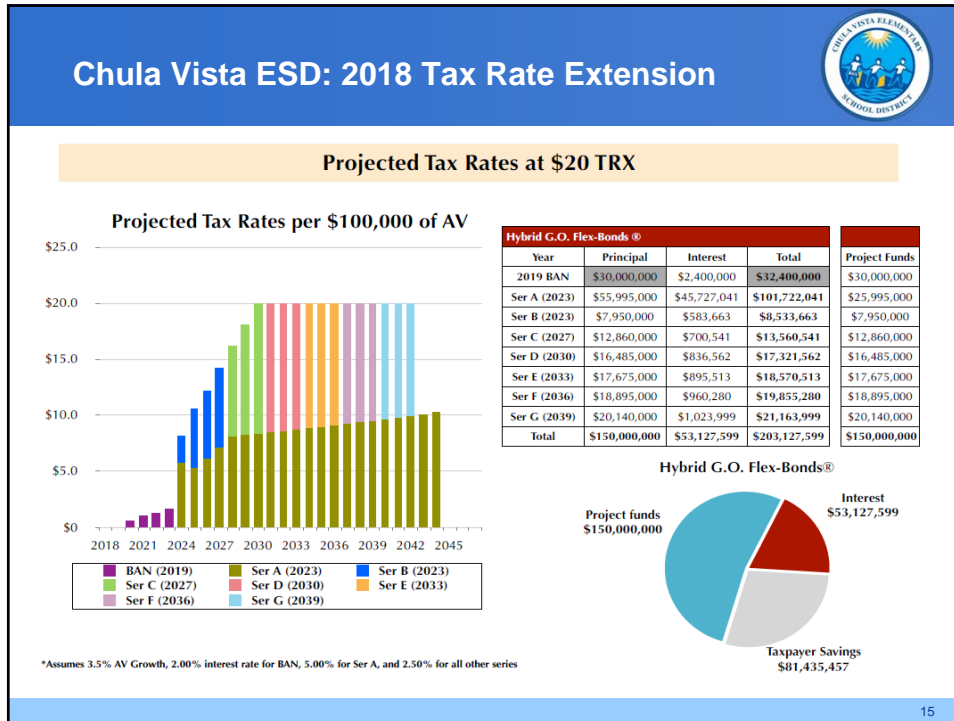


### \$150 Million Tax Rate Extension on November 2018 Ballot




\* Assumes AV growth rate of 3.5% per year  
\*\* SFID residents will pay additional tax rate of approximately \$27/\$100,000 AV through 2041 for the 2012 Measure E Bonds





### Proposed General Obligation Bond Sources and Uses of Funds (20 Year Period)



Source of Funds	
G.O. Bond Tax Rate Extension of 1998	\$150,000,000
Capital Facilities Funds	\$ 7,217,477
Redevelopment Funds	\$ 6,200,237
Routine Maintenance Funds	\$ 60,000,000
<b>Total Source of Funds</b>	<b>\$223,417,714</b>

Use of Funds	
Less: Needs Assessment Total	<191,480,393>
Estimated Cost of Issuance	< 2,129,018>
<b>Equals: Remaining Funds for Inflation/Scope Changes</b>	<b>\$29,808,303</b>



## Ultimate Goals of the G.O. Bond Program



- **Enhance safe and sustainable educational facilities for students and staff for 21<sup>st</sup> century teaching and learning.**
  - Provide safe and secure schools
  - Install infrastructure to sustain schools
  - Technology Infrastructure
  - Enhance energy efficiency of facilities
  
- **No increase in current Proposition JJ property tax rates.**

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## Summer 2014-15 Modernizations



