

Parcel Tax/ Facilities Bond Study Session

November 16, 2017



Outcomes for this Study Session

1. Discuss the possibility of a Parcel Tax for Employee Salaries
 - a. Process (timeline, steps), capacity, needs, polling, etc.
2. Receive FMP process update
3. Discuss the possibility of a General Obligation Bond
 - a. Process (timeline, steps), capacity, need, polling, etc.
4. Discuss opportunity costs
5. Discuss next steps and provide relevant direction to staff

Parcel Tax for Employee Salaries

A Parcel Tax is a flat tax, which is levied on each parcel.

Process Overview

- Polling - January
- Bargain Agreements with associations regarding Parcel Tax revenue - February to June
- Draft Resolution - February-June
- Identify Campaign Team - March-June
- Ballot Resolution by June 30 for November 2018 Election
- Launch Campaign - July-August 2018

Parcel Tax for Employee Salaries

Considerations:

- Taxing capacity at specific dollar amounts
 - Each \$100 per year is approximately \$1,500,000
- Duration (staff recommend no sunset)
- Escalators - CPI (projected at 2-3% on average)
- Polling
- Potential Connection to Measure H - Expires in 2025
- Collective Bargaining
- Uses - closing the compensation gap (salary and benefits)

Board Discussion

LPA Facilities Master Plan Update

What's happened in the last 30 days?

- 1st and 2nd Superintendent's Facilities Master Plan Advisory Committee
- DJUSD Site Visits (LPA staff, site Principal, Mel Nelson)
- Principal Surveys
- Focus Groups

What's next in December/January?

- 3rd and 4th Superintendent's Facilities Master Plan Advisory Committee

General Obligation Facilities Bond

A General Obligation Bond is a progressive tax, which is valued based on the appraised value of a parcel

Process Overview

- Polling - January-June
- Identify Campaign Team - March-June
- Complete Facilities Master Plan - May-June
- Draft Resolution late May or early June
- Ballot Resolution by June 30 for November 2018 Election
- Launch Campaign - July-August 2018

General Obligation Facilities Bond

Considerations:

- Estimated Bonding capacity 2018 - 55%
 - \$148 Million of net proceeds
- Estimated Bonding capacity 2020 - 55%
 - \$160 Million of net proceeds (8% increase from 2018)
- Education Specification Clarity
- Available Land (field behind Harper, Nugget Field)
- Polling

General Obligation Facilities Bond

Considerations (Con't)

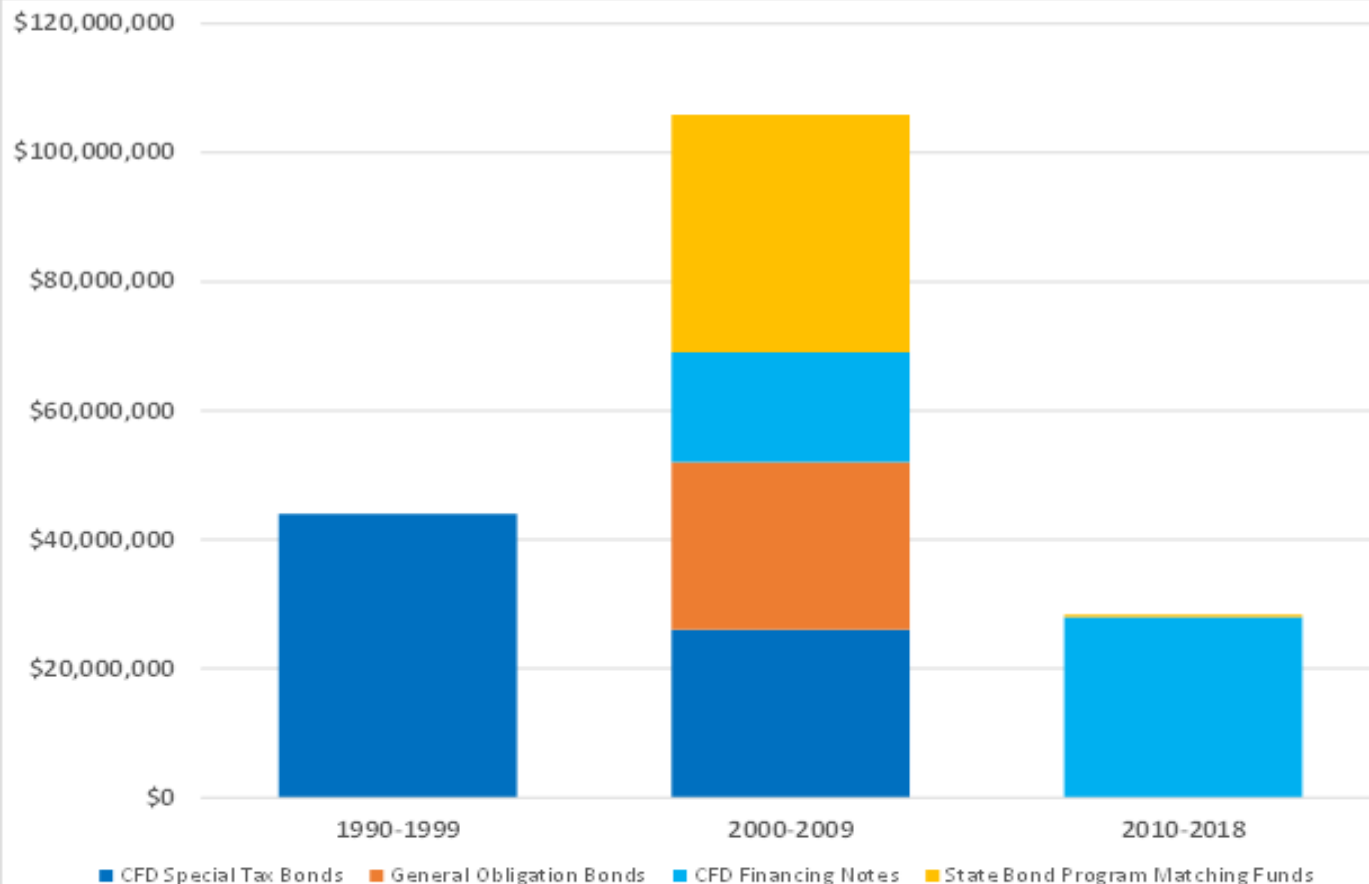
- Construction costs
 - Estimated to inflate 14% between 2018 to 2020
- FMP needs assessment
- Deferred Maintenance COP balance
 - Projected unencumbered balance left is \$350,000
- Projects underway (HVAC completion, ASC, DHS Field Turf)

General Obligation Facilities Bond

Considerations (Con't)

- Needs/Wants
 - Deferred Maintenance (HVAC, flooring, painting, building, landscaping)
 - Site Program Growth (based upon enrollment needs)
 - Technology Infrastructure
 - Davis School for Independent Study Modernization
 - Adequate Multi-Purpose Rooms (prior master plan needs)
 - Emerson Science Facilities (prior master plan needs)
 - Pool Facilities (Davis High)

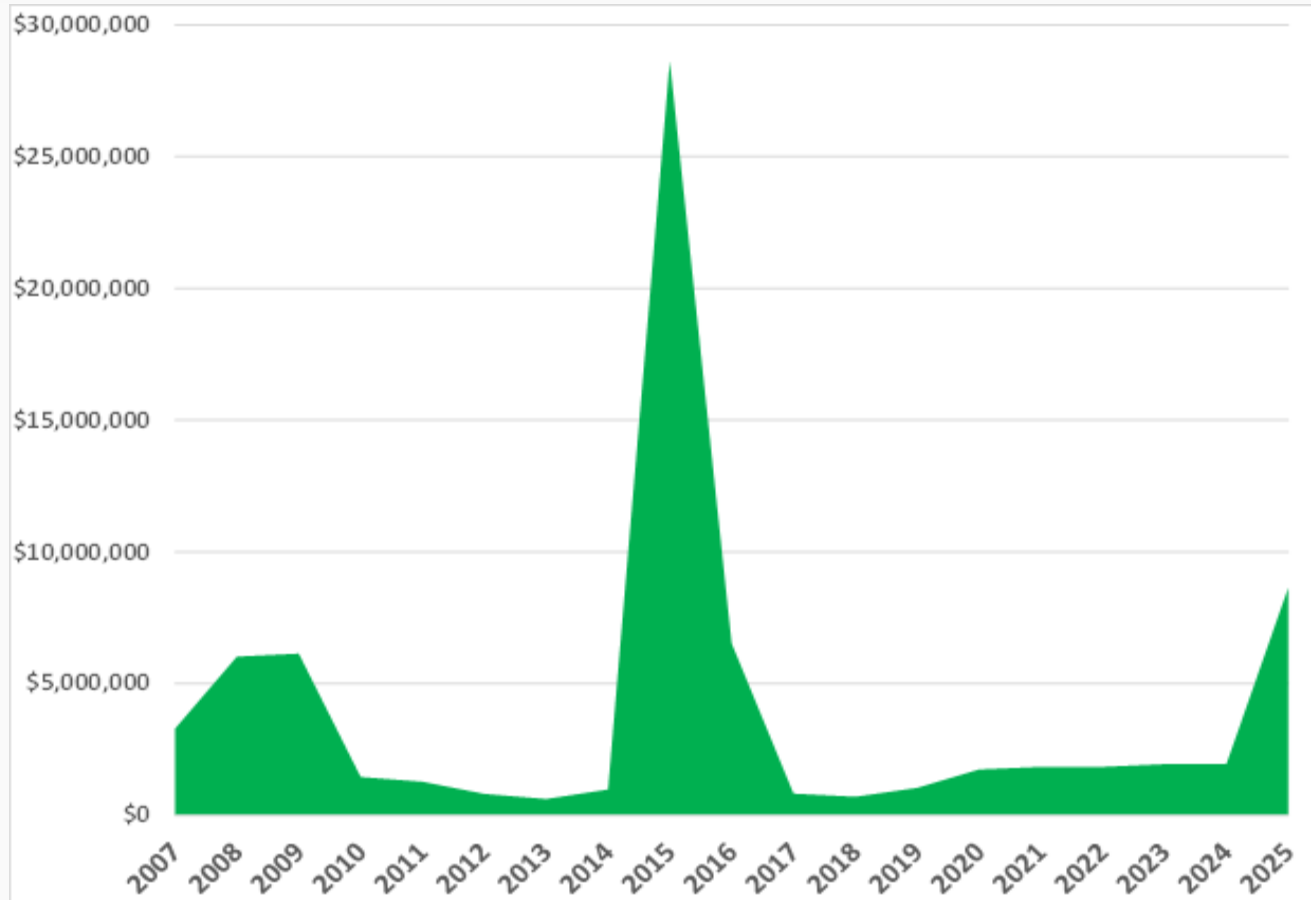
Capital Facilities Funding History



Average of **\$5 million per year** from local financing through Community Facilities District (CFD) and General Obligation Bonds (GO Bond)

District facilities are local program responsibility

Facilities Project Funds 2007-2025



Average of **\$5 million per year** 2007-2018 mostly focused on deferred maintenance projects

Average of **\$1.7 million per year** projected in the next 5 years 2019-2023.

Board Discussion

Opportunity Costs

Options:

- Bond in 2018
- Parcel Tax of \$___ in 2018
- Bond and Parcel Tax of \$___ in 2018
- Bond in 2020
- Parcel Tax of \$___ in 2020
- Bond and Parcel Tax of \$___ in 2020
- No Bond
- No Parcel Tax

Board Discussion

Next Steps

- Questions
- Comments
- Direction for staff