

Proposition V: Lakeside Union School District Bond Measure

**Board Recommendation:**

**SUPPORT**

**Rationale:**

The Lakeside Union School District bond proposal qualifies for SDCTA endorsement, meeting the vast majority of the Board-adopted criteria for bond support.

**Background:**

The Lakeside Union Elementary School District consists of eleven schools, two of which are charter schools. Enrollment within the District peaked in 2001-02 with 5,022 students, and has decreased to a current enrollment level of 3,955 students. The District’s enrollment projections estimate a slight increase in population until 2016-17.

<b>Table 1</b>	
<b>District Enrollment Projections</b>	
Current	3955
2008-09	3998
2009-10	3996
2001-11	4001
2011-12	3994
2012-13	4035
2013-14	4069
2014-15	4068
2015-16	4095
2016-17	4074
2017-18	4071

Thus far, the District has utilized both local funds and state funds to complete maintenance and modernization projects to improve school facilities. The proposed measure will be the first General Obligation Bond Measure passed in the District. The District has completed an update of the Facilities Master Plan and Facility Needs Assessment to determine the total need of facilities within the District.

**Proposal:**

The question before voters will read as follows:

“Shall Lakeside Union Elementary School District improve and equip local elementary and middle schools to help students meet and exceed high academic standards, through projects including:

- Improving classrooms/labs for teaching science, math, art and English;
- Upgrading schools for today's computer learning technology;
- Repairing outdated wiring, plumbing, heating, air conditioning;
- Improving safety;

by issuing \$79.55 million in bonds, at legal interest rates, with annual financial audits, citizens' oversight, all funds remaining local, and no funds for administrator salaries?"

### **Facilities Master Plan:**

The District completed an update of the Facilities Master Plan in June 2008. The plan outlines a total need of \$89.5 million. If voters pass the proposed measure, the District will have a remaining need of approximately \$10 million.

The Master Plan outlines District needs in the following categories:

- Classroom Improvements
- Construction
- Energy Improvements
- Miscellaneous Facility Needs
- New Construction
- Safety and Security
- Technology

These improvements are intended to take place at 13 various sites and facilities within the District. The needs at each facility were then placed into three priority levels. Tables 2 and 3 outline the project categories by school site, facility, and level of priority. The District also included an 8 percent program administration fee, 3 percent contingency, and 5.69 percent escalation factor within cost estimates.

<b>Campus/Facility</b>	<b>Priority 1</b>	<b>Priority 2</b>	<b>Priority 3</b>	<b>Total</b>
Barona Indian Charter	\$ -	\$ 114,000	\$ -	\$ 114,000
Central Kitchen	\$ 93,000	\$ 144,000	\$ -	\$ 237,000
Community	\$ 897,000	\$ -	\$ 715,000	\$ 1,612,000
District Office	\$ 179,000	\$ -	\$ -	\$ 179,000
ECAL	\$ 425,000	\$ 713,000	\$ 235,000	\$ 1,373,000
Lakeside Farms	\$ 1,301,000	\$ 1,688,000	\$ 2,097,000	\$ 5,086,000
Lakeside Middle	\$ 11,131,000	\$ 4,092,000	\$ 1,271,000	\$ 16,494,000
Lakeview	\$ 4,654,000	\$ 1,686,000	\$ 2,131,000	\$ 8,471,000
Lemon Crest	\$ 1,318,000	\$ 1,758,000	\$ 2,059,000	\$ 5,135,000
Lindo Park	\$ 1,470,000	\$ 1,561,000	\$ 2,198,000	\$ 5,229,000
River Valley High	\$ 162,000	\$ -	\$ -	\$ 162,000
Riverview	\$ 1,198,000	\$ 1,481,000	\$ 1,890,000	\$ 4,569,000
Tierra del Sol	\$ 4,096,000	\$ 1,861,000	\$ 2,838,000	\$ 8,795,000
Winter Gardens	\$ 956,000	\$ 1,158,000	\$ 1,925,000	\$ 4,039,000
Maintenance/Operations/ Transportation	\$ 553,000	\$ -	\$ -	\$ 553,000
<b>Total</b>	<b>\$ 28,433,000</b>	<b>\$ 16,258,000</b>	<b>\$ 17,359,000</b>	<b>\$ 62,050,000</b>
<b>Program Administration (8%)</b>	<b>\$ 2,274,640</b>	<b>\$ 1,300,640</b>	<b>\$ 1,388,720</b>	<b>\$ 4,964,000</b>
<b>Program Contingency (3%)</b>	<b>\$ 921,229</b>	<b>\$ 526,759</b>	<b>\$ 562,432</b>	<b>\$ 2,010,420</b>
<b>Escalation (5.69%/yr.)</b>	<b>\$ 3,959,302</b>	<b>\$ 5,865,638</b>	<b>\$ 10,657,852</b>	<b>\$ 20,482,792</b>
<b>Grand Total</b>	<b>\$ 35,588,171</b>	<b>\$ 23,951,037</b>	<b>\$ 29,968,004</b>	<b>\$ 89,507,212</b>

<b>Campus/Facility</b>	<b>Classroom Improvements</b>	<b>Construction</b>	<b>Energy Improvements</b>	<b>Misc. Facility Needs</b>	<b>New Construction</b>	<b>Safety &amp; Security</b>	<b>Technology</b>	<b>Total</b>
Barona Indian Charter	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,000	\$ 114,000
Central Kitchen	\$ -	\$ -	\$ 93,000	\$ 144,000	\$ -	\$ -	\$ -	\$ 237,000
Community	\$ -	\$ 1,430,000	\$ -	\$ -	\$ -	\$ 110,000	\$ 72,000	\$ 1,612,000
District Office	\$ -	\$ -	\$ -	\$ 89,000	\$ -	\$ 72,000	\$ 18,000	\$ 179,000
ECAL	\$ -	\$ 447,000	\$ -	\$ 89,000	\$ -	\$ 122,000	\$ 715,000	\$ 1,373,000
Lakeside Farms	\$ 304,000	\$ 519,000	\$ 143,000	\$ 197,000	\$ 1,067,000	\$ 301,000	\$ 2,555,000	\$ 5,086,000
Lakeside Middle	\$ 369,000	\$ 11,322,000	\$ 107,000	\$ 1,276,000	\$ 50,000	\$ 351,000	\$ 3,019,000	\$ 16,494,000
Lakeview	\$ 312,000	\$ 447,000	\$ 143,000	\$ 333,000	\$ 4,303,000	\$ 301,000	\$ 2,632,000	\$ 8,471,000
Lemon Crest	\$ 312,000	\$ 519,000	\$ 143,000	\$ 233,000	\$ 1,067,000	\$ 229,000	\$ 2,632,000	\$ 5,135,000
Lindo Park	\$ 338,000	\$ 519,000	\$ 143,000	\$ 233,000	\$ 1,067,000	\$ 265,000	\$ 2,666,000	\$ 5,231,000
River Valley High	\$ -	\$ -	\$ -	\$ -	\$ 86,000	\$ -	\$ 76,000	\$ 162,000
Riverview	\$ 252,000	\$ 519,000	\$ 143,000	\$ 197,000	\$ 1,067,000	\$ 301,000	\$ 2,090,000	\$ 4,569,000
Tierra del Sol	\$ 412,000	\$ 2,100,000	\$ 143,000	\$ 954,000	\$ 1,480,000	\$ 301,000	\$ 3,405,000	\$ 8,795,000
Winter Gardens	\$ 166,000	\$ 447,000	\$ 143,000	\$ 362,000	\$ 1,589,000	\$ 230,000	\$ 1,102,000	\$ 4,039,000
Maintenance/Operations/ Transportation	\$ -	\$ -	\$ -	\$ 410,000	\$ -	\$ 143,000	\$ -	\$ 553,000
<b>Total</b>	<b>\$ 2,465,000</b>	<b>\$ 18,269,000</b>	<b>\$ 1,201,000</b>	<b>\$ 4,517,000</b>	<b>\$ 11,776,000</b>	<b>\$ 2,726,000</b>	<b>\$ 21,096,000</b>	<b>\$ 62,050,000</b>

The District has presented SDCTA with a general timeline, with the entire bond program expected to be completed by the year 2020. The District has stated Priority 1 projects will be completed in 2012, Priority 2 projects in 2016 and Priority 3 projects in 2020. A project specific implementation timeline for each of the project priorities has not been submitted to SDCTA. Therefore, it is unclear as to when each of the projects will begin at each school site. To complete the bond program, the District will be utilizing in-house staff as well as various architects and consultants.

### **Fiscal Impact:**

The proposed bond measure will increase homeowner's property taxes by \$30 per \$100,000 of assessed value. The full amount of the proposed bond will not satisfy the District's total facility needs. The District is anticipating receiving \$5 million in redevelopment funds to help close the funding gap. If the remaining \$5 million cannot be raised, the District is proposing to lease, as opposed to purchasing, portable facilities within the Priority 3 projects list.

The District has listed other potential funding sources but did not include estimates as to how much will be received over the life of the bond program. These sources include state maintenance funding, state matching funds and the Upper San Diego Development River Improvement Project.

### **Deferred Maintenance:**

According to the District, the total deferred maintenance backlog is very minimal, but the total amount has not been submitted to SDCTA. Officials have stated the District spends more than the 3 percent required amount by the State for regular and routine maintenance. Table 4 below outlines the total planned deferred maintenance funding by the District for the next five years.

**Table 4**

**LUSD Deferred Maintenance Funding**

<b>Project Category</b>	<b>Number of Projects</b>	<b>Current Fiscal Year</b>	<b>Second Fiscal Year</b>	<b>Third Fiscal Year</b>	<b>Fourth Fiscal Year</b>	<b>Fifth Fiscal Year</b>	<b>Total Estimate Cost</b>
Asbestos	7	\$ 48,750	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 98,750
Classroom Lighting	9	\$ 50,000	\$ 50,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 235,000
Electrical	9	\$ 100,000	\$ 50,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 180,000
Floor Covering	9	\$ 75,000	\$ 75,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 180,000
HVAC	6	\$ 105,000	\$ 80,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 200,000
Painting	4	\$ 160,000	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ 190,000
Paving	12	\$ 100,000	\$ 15,000	\$ 15,000	\$ 100,000	\$ 15,000	\$ 245,000
Plumbing	9	\$ 75,000	\$ 25,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 160,000
Roofing	9	\$ 210,000	\$ 140,000	\$ 90,000	\$ 50,000	\$ 10,000	\$ 500,000
Wall Systems	9	\$ 120,000	\$ 85,000	\$ 28,000	\$ 23,000	\$ 10,000	\$ 266,000
<b>Grand Total</b>	<b>76</b>	<b>\$ 1,043,750</b>	<b>\$ 552,500</b>	<b>\$ 245,500</b>	<b>\$ 275,500</b>	<b>\$ 137,500</b>	<b>\$ 2,254,750</b>

**SDCTA Bond Support Criteria Analysis:**

Lakeside Union School District Bond Support Application and SDCTA Bond Support Criteria			
Criteria Item	Info Provided?	Criteria met?	Comments (** Indicates a potential issue)
Program Description	Yes	Potential Issue: #4	1) The materials submitted to SDCTA include a list of proposed projects by site and category.
			2) Detailed construction budgets for each facility have been presented
			3) A list of proposed projects by building and category are listed in the ballot language
			4) Application does not include implementation timeline & projects in resolution not outlined by priority.**
Program Budget and Funding	Yes	Potential Issue: #3	1) Site budgets with hard and soft costs included.
			2) Program will be managed in-house.
			3) No source of funding to make-up difference of GO bonds and total needs.**
Cost Estimation and Feasibility	Yes	Yes	1) Cost estimations completed and presented by site with corresponding project lists.
			2) No site acquisition will be required for proposed projects.
Program Justification	Yes	Yes	1) Program will upgrade technology and HVAC systems on campuses.
			2) Bond funds will allow District to maximize on Joint-Use projects with community.
			3) Enrollment is projected to slightly increase until 2015-16, then begin to decline.
Facilities Master Plan	Yes	Yes	1) A Facilities Master Plan has been submitted to SDCTA
			2) Detailed plan includes project costs by site, and priority.
Facilities Needs Assessment	Yes	Yes	1) A Master Plan was completed in response to specific site needs, and has been submitted to SDCTA.
Program Execution Plan	Yes	Potential Issue: #2&3	1) Bond program will be managed in-house
			2) The district has not included scheduled construction start and end dates for each project.**
			3) Projects have been listed by priority but unclear if all projects will be completed with bonds and other funds.**
Deferred Maintenance and Major Repair and Replacement Plan	Yes	Yes	1) District has stated it has no deferred maintenance backlog.
			2) The District allocated 3% of operating budget for routine repairs
Complete Ballot and Resolution Language	Yes	Potential Issue: #2	1) Projects are listed by location and category within resolution.
			2) Projects not outlined by priority within resolution and unclear if all projects will be completed.**
Provision for an "Independent Citizens' Oversight Committee"	Yes	Potential Issue: # 2	1) The Board has formally adopted the SDCTA ICOC Best Practices.
			2) The Board has yet to formally adopt the make-up of the committee, qualifications, terms, etc. Has stated it will do so at a future date**
Limited Use of District's "Education" Funds	Yes	Yes	1) Submitted statement of understanding and pledged compliance with SDCTA criteria.
Joint Use of Facilities	Yes	Yes	1) District has plans to partner with Lakeside Fire Department, Lakeside River Park Conservancy and YMCA for joint-use partnerships.
Opposition to Special Elections			
Follow-Up Bond Requirement	Yes	Yes	1) This is the District's first attempt at a bond measure.