



“History of the Construction Bond”

June, 2013



“We must find time to stop and thank the people
who make a difference in our lives.”

[John F. Kennedy](#)

Why a “History of the Bond”?



To take the time to reflect on all the hard work that's been done (over nearly five years) by a variety of groups and individuals in the Philomath community, that have made the 2010 Construction Bond a reality. This project would never have happened without the dedication and commitment of these individuals.

....Thank You

This summary is also intended to provide an overview of the process, the accomplishments, the many phases and stages involved in both passing and implementing a major construction bond measure, and to provide future leaders with a set of information that may be of value to future work.

Thanks - to all those involved!

- PSD “Long-Range Facilities Planning Committee” members
- Pete Tuana (past PSD Superintendent)
- Dan Forbess (PSD Superintendent)
- Carol Samuels (VP, Seattle Northwest)
- Clayton Vorse & his team (Arbuckle-Costic Architects)
- Cornerstone Management Group Inc. (PSD Owners’ Rep)
- Kelly Howard (PSD Business Manager)
- “YesForPhilomathSchools” PAC members
- All those community members who filed “Arguments For” letters of support in Voter’s pamphlet
- Past & present PSD school board members
- Bond Oversight Committee (BOC) members
- Building administrators: Ken Ball, Jon Bartlow, Steve Bell, Susan Halliday and Cindy Golston
- The entire staff of PSD – all teachers, aides, and building staff
- PSD maintenance and janitorial staff
- Community leaders (Rotary Club, Chamber of Commerce, Lions Club)
- General contractors:
 - Baldwin: PMS, Blodgett
 - Greenberry: PES
 - Skanska: PHS

To recognize all that these groups & individuals have accomplished, this is a brief history of the bond ..

2007 .. Facilities Planning Committee

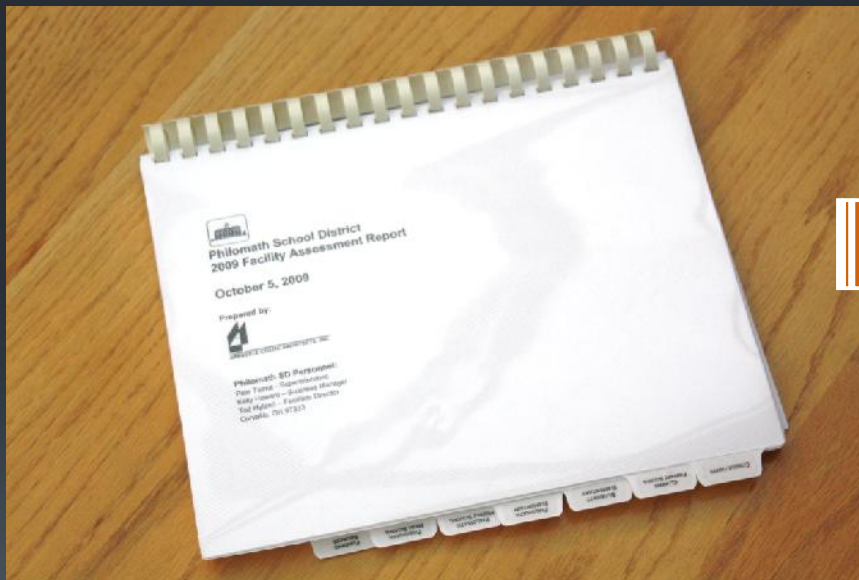
The Construction Bond effort really began in Oct 2007, when the Philomath school district started a “Long Range Facilities Planning Committee” to assess the overall state of its aging facilities.

Thanks to these community members who served on that committee:

- Steve Bennett
- Max Braley
- Kevin Currans
- Bill Callender
- Cindy Golston
- Angela Haslam
- Jim Kildea
- Tom Klipfel
- Debbie Long
- Claire Reimers
- Tom Ries
- Larry Sleeman
- Jim Stouder
- Brian Thorsness
- Pete Tuana
(superintendent)
- Bob Turner
- Ed Van Vlack
- Rick Wells

Facilities Assessment (Oct 2009)

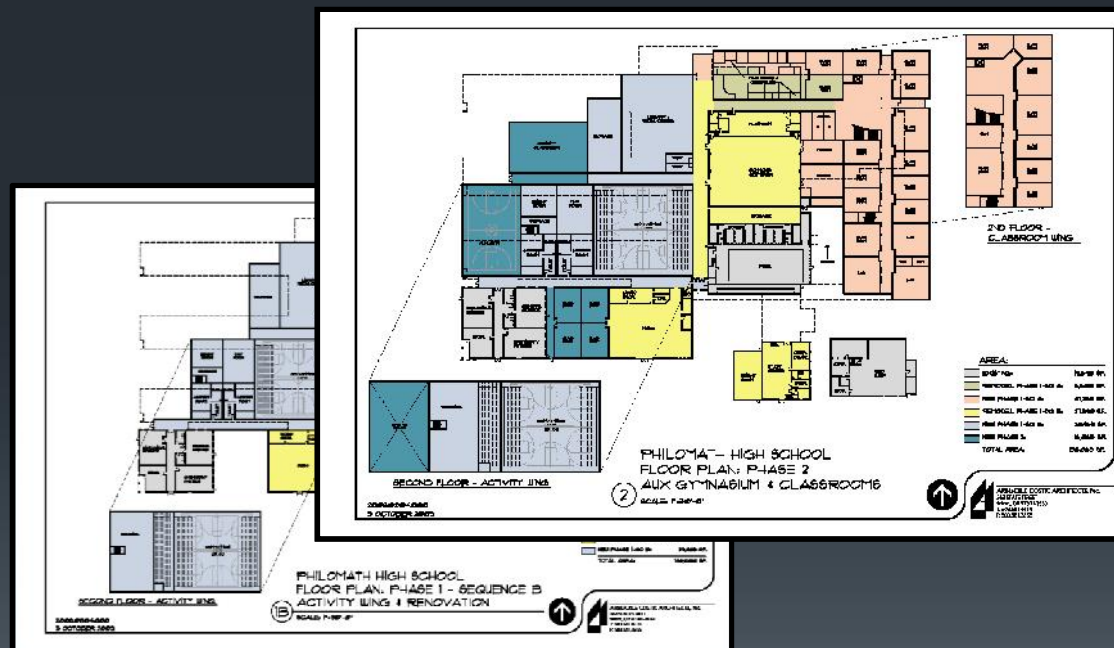
That assessment indicated there were significant repairs, deferred maintenance issues, and upgrades needed in order to meet current standards and codes .. Especially at the high school



facility	Initial cost estimate
Clemens Primary	\$442,143
Blodgett Elementary	\$2,046,043
Philomath Elementary	\$3,519,626
Philomath Middle School	\$3,216,413
Philomath High School	\$28,839,086
	\$38,063,311

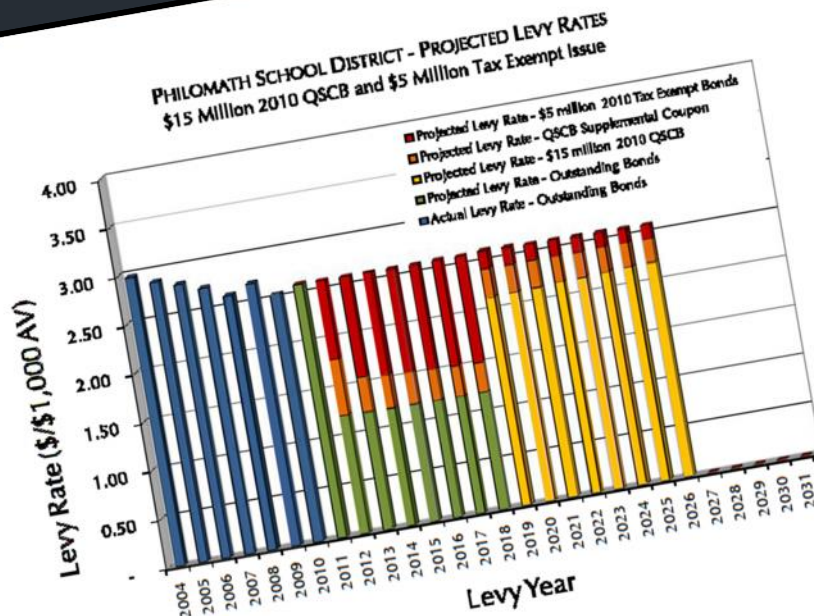
Preliminary plans

- The Facilities Assessment included initial proposals to renovate PHS
- Money is the issue .. \$28,839,086!



Seattle Northwest (SNW).. An idea is born

In late 2009, SNW raises the possibility of “zero tax increase”, by issuing low-interest “QSCB” bonds, to coincide with expiring General Obligation bonds (combined \$20M over 20 years)



Philomath School District No. 17J
General Obligation Bonds, Series 2011
Summary of Financing Scenarios

2010 QSCB		2011 Tax-Exempt	
Issue Date	12/15/2010	Issue Date	June 15, 2011
Maturity	12/15/2020	Maturity	December 15, 2011
Term	10 Years	Term	20 Years
Principal	\$ 5,000,000	Principal	\$ 14,710,000
Interest	0	Interest	266,898
Total	5,000,000	Total	14,976,898
Weighted Avg. Rate	2.5%	Weighted Avg. Rate	1.43%
Yield	0%	Yield	1%
Cost	72%	Cost	0%
2010 QSCB		2011 Tax-Exempt	
Bonds	Combined	New Bonds	Combined
Principal	\$ 5,000,000	Principal	\$ 14,710,000
Interest	0	Interest	266,898
Total	5,000,000	Total	14,976,898
Weighted Avg. Rate	2.5%	Weighted Avg. Rate	1.43%
Yield	0%	Yield	1%
Cost	72%	Cost	0%
Total	\$4,500,000	Total	\$14,976,898

**Philomath
School
District
No. 17J**

Carol Samuels
Senior Vice President
(503) 275-8301
csamuels@snwsc.com

December 9, 2009



QSCB bonds .. A great opportunity



- Federal Stimulus Package made QSCB* bonds available only in 2009 and 2010
- Philomath was “first in line” in the State for the initial 2010 QSCB allocation
- \$15M QSCB possibility becomes \$20M (PSD was ready, and QSCB allocation was undersubscribed) .. Now more dollars could be available with no increase in taxes
- \$29.5M made up of \$20M in QSCB and \$9.5M “traditional” tax exempt bonds
- **Saves over \$18M in interest over 26 years**
 - Interest savings would enable more dollars spent on construction versus interest expense

	Traditional Tax-Exempt (<small>\$29.5M in General Obligation bonds</small>)	QSCB Bonds (<small>\$20M QSCB plus \$9.5M GO bonds</small>)
Principal	\$29,500,000	\$29,500,000
Interest reimbursement	--	\$18,078,089

* Qualified School Construction Bonds; which were created as a result of the “Build America Bonds” in the Federal Stimulus program, and usable only for qualified K12 construction projects

Voter Phone Survey (Feb 2010)

In Feb 2010, a group of community volunteers organized and conducted a phone survey of ~300 voters in the PSD 17J tax district, to determine the level of interest in supporting a school construction bond.

Thanks to these community members who served on that committee:

- Candy Ball
- Chris Beeton
- Molly Bell
- Robin Brattain
- Cindy Celorie
- Tom Frisbie
- Lori Gibbs
- Babette Grunwald
- Cindy Hutsell
- Jim & Laura Kildea
- Kiki Klipfel
- Michelle Kutzler
- Cindy Lewis
- Lacy McNeely
- Bobbi Michelson
- Janet Munsee
- Teresa Nielsen
- Brad & Sherri Pankalla
- Rob & Diane Priewe
- Katie Ross
- Marjorie Ruhl
- Lisa Vick

Results of Voter (phone) Survey

“Would you vote in favor of ..?”

	\$8M bond (taxes go down)	\$25M bond (taxes stay the same)	\$30M bond (slight increase in taxes)	\$38M bond (larger increase in taxes)
Favor	81%	81%	51%	27%
Oppose	12%	13%	35%	50%
Not Sure	7%	6%	14%	23%

248 survey respondents indicated a clear break point, and provided a wealth of other information

Ballot measure .. Should we?

Gazette-Times: Feb 2010

Philomath schools weigh \$25M-\$30M bond measure

The Philomath School Board has moved one step closer to placing a school construction bond on the May 18 general election ballot.

After a lengthy discussion at their regular Tuesday meeting, board members agreed that a bond measure that kept Philomath residents' bond levy rate at the present level was the best option. The amount of bonds to be issued is expected to be between \$25 million and \$30 million. A final decision on that amount is expected next month.

Tuesday's agreement came after board members reviewed results of a community survey that indicated strong support for two possible bond issue amounts.

(The G-T left out the motivational speech at this board meeting by Erin Haynes)

“The Perfect Storm” ..



- May election coming up .. Required only a simple majority vote
- QSCB funding for Oregon K-12 schools (2009-2010 only)
- “First in line” with initial QSCB application to the State (\$15M was confirmed available)
- \$5M additional might become available to PSD
- The District had a completed Facility Assessment (other Districts weren’t ready)
- Expiring bonds on the horizon .. The chance to fund ~\$30M with no increase in taxes
- Voter Survey indicated strong support for a “No Tax Increase” ballot measure
- Low point in the economy (great time to buy construction)

Board votes for ballot measure

Gazette-Times: March 2010

Philomath schools bond measure will go to a vote

Philomath voters will see a facilities bond measure on their May 18 general election ballots.

Monday evening, the Philomath School Board unanimously approved a resolution that establishes the maximum bond amount at \$29.5 million and 30 years as the maximum bond term.

Board member Jim Kildea said audience members at the meeting broke into applause when the board approved the resolution.

The board also unanimously approved forming a Bond Oversight Committee. If voters pass the bond measure, the committee would be formed to oversee the bond program expenditures and report to the board and community how taxpayer dollars are being spent.

“YesForPhilomathSchools” PAC

In April 2010, a group of community volunteers organized and conducted a Political Action Committee (PAC), whose purpose was to pass the construction bond that would be placed on the May ballot.

Thanks to these community members who served on that committee:

- Candy Ball
- Chris Beeton
- Molly Bell
- Bill Callender
- Greg Curtis
- Sue & Mark Hardin
- Erin Haynes
- Kelly Howard
- Jim & Laura Kildea
- Tom & Kiki Klipfel
- Alison Rust
- Ken & Carol Schaudt
- Brian & Linda Skaar
- Gregg Thompson
- Michelle Thompson
- Ed Van Vlack

The PAC develops the message..

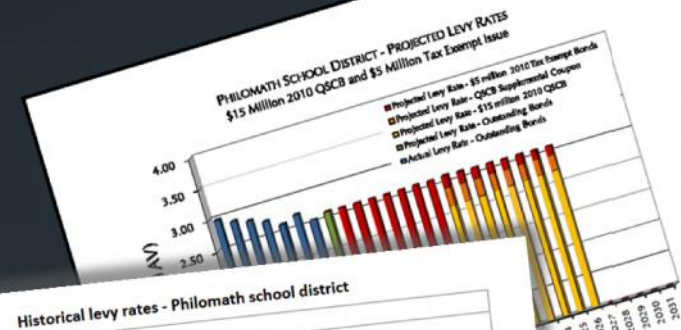
**Repair
Our
Schools**



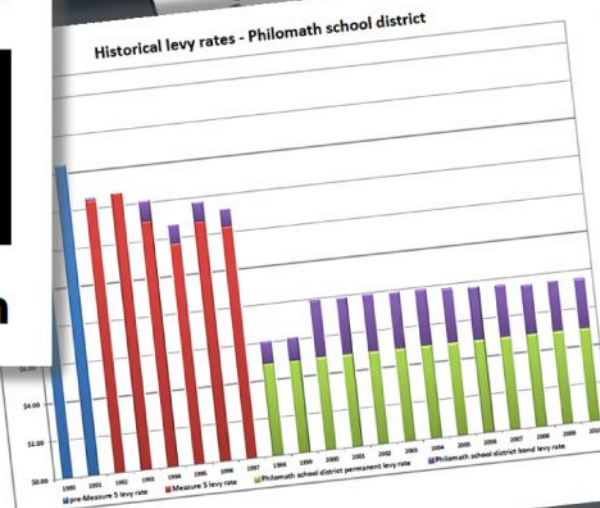
**Zero
Tax
Increase**

YES on 02-71

www.YesForPhilomathSchools.com

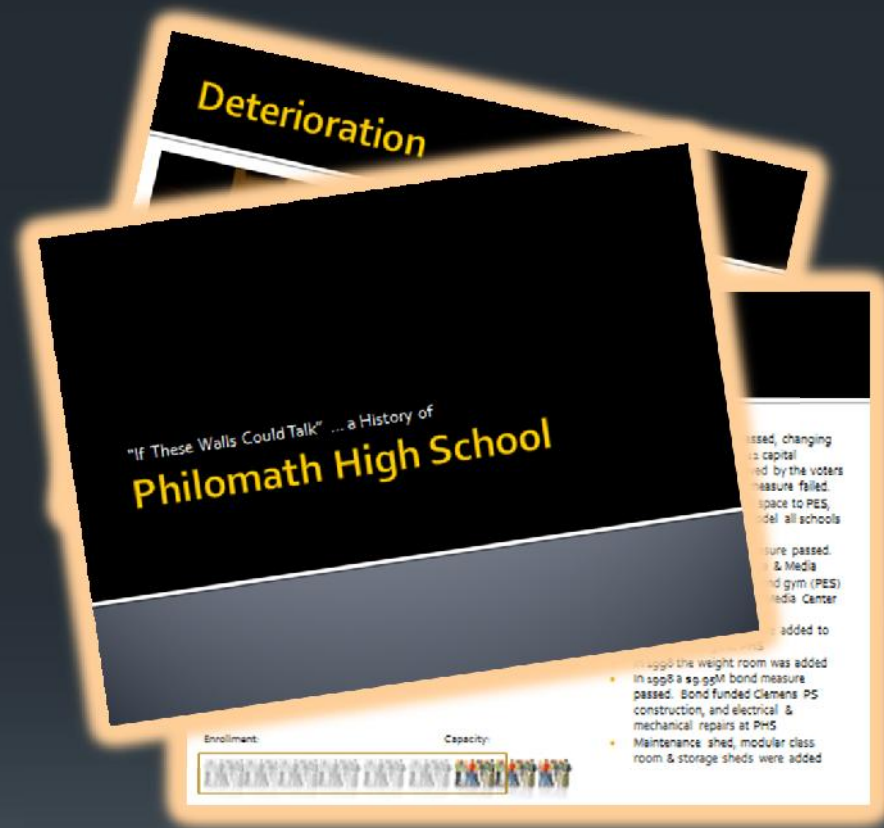


Historical levy rates - Philomath school district



Engaging the community..

- Community Forums were held, informing voters of the needs at the high school
- Regular updates and Q&A were provided to:
 - Rotary Club
 - Chamber of Commerce
 - Lions Club



Making the case for the Bond ..



Making the case for the Bond ..



Making the case for the Bond ..



Convincing “props” from PHS ..



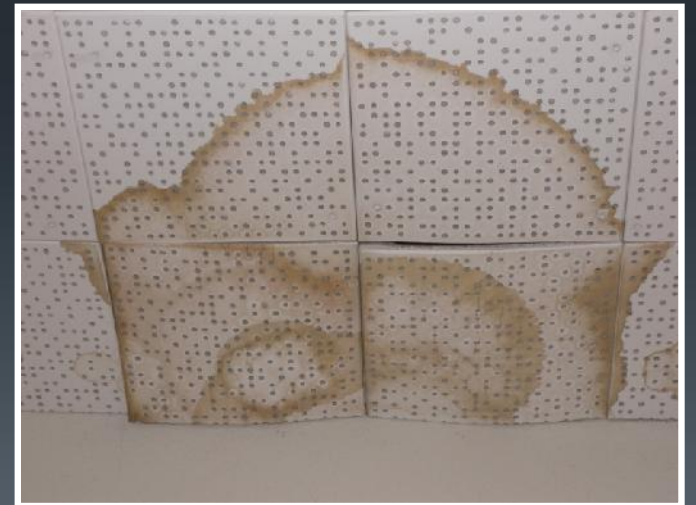
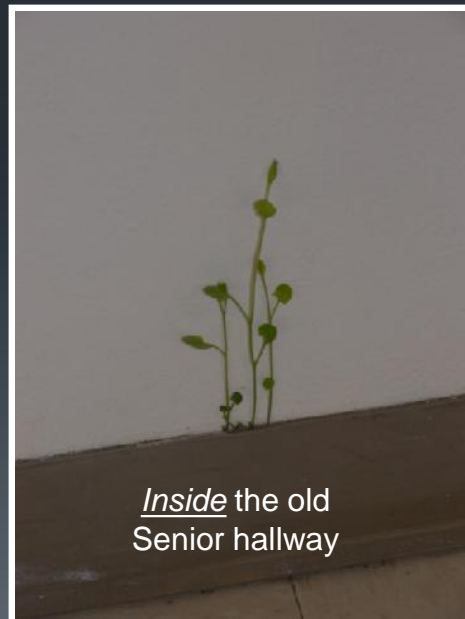
Water supply pipe from PHS



Rotted main support beams from Gym II



Rotted ceilings, windows, & unwanted plants..



“YesForPS” accomplishments



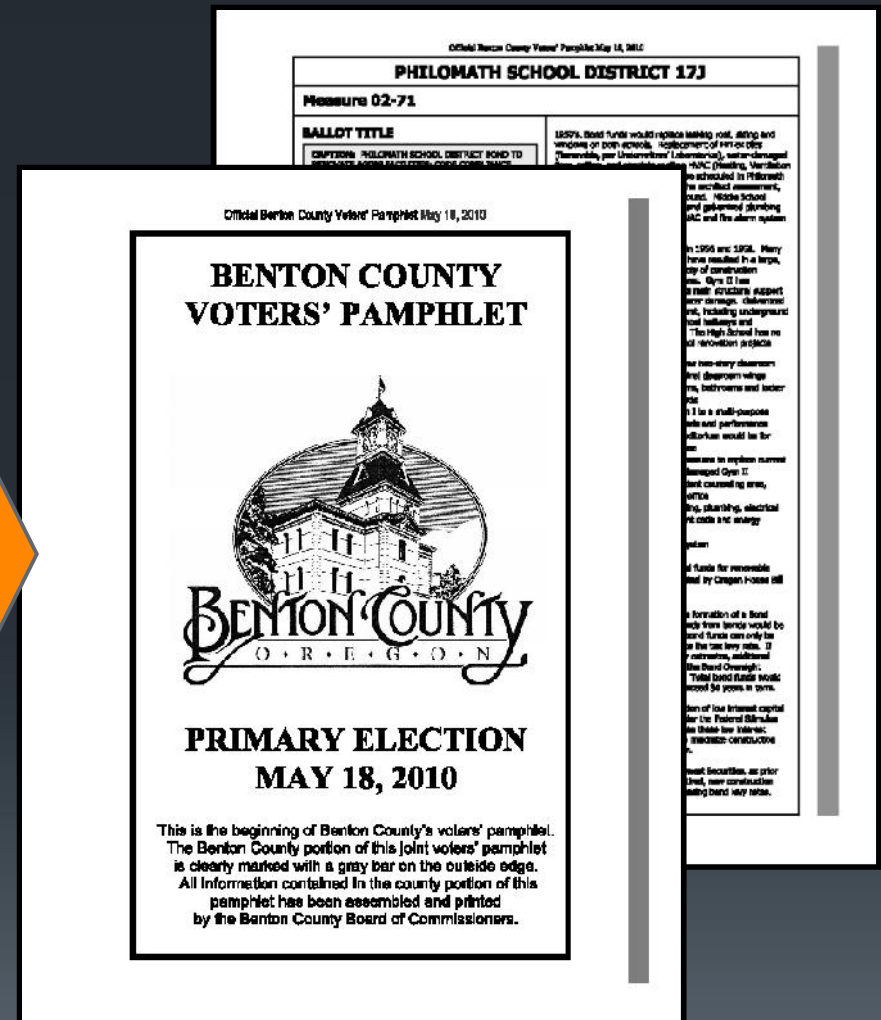
- Developed the message “Repair Our Schools, Zero Tax Increase”
- Developed the logo
- Established a very informative Website
- Created and distributed yard signs
- Printed and distributed T-shirts
- Provided informative announcements at events
- Developed flyers, banners
- Solicited submissions for the Voters Pamphlet – “Arguments For” (the bond measure)
- And later ..
 - Funded the Groundbreaking Event at PHS
 - Funded the Grand Re-Opening at PHS

“Arguments For” the bond measure

- Members of the Philomath School Board
- 20 Community leaders
- PSD Performing arts teachers
- Philomath Booster Club
- PHS Future Business Leaders of America
- Philomath Mayor and City Councilors
- Parents of students in PSD
- Philomath Family Practice
- Dr. Charles Baker
- Oregon School Employees Association
- Philomath Education Association



“There were no Arguments Against this measure”



The moment of truth .. (election day)



Election night ..

Gazette-Times: May 19, 2010



Final election results were 81.8% "Yes" votes, the largest approval margin ever in the history of the State of Oregon for a K-12 school construction bond.

Philomath bond measure passes

PHILOMATH — Cheers erupted and high-fives were exchanged shortly after 8 p.m. at the Kildea residence.

More than 30 people were celebrating the passage of bond measure 02-71, which will provide much-needed renovations and upgrades to four of the Philomath School District's school buildings.

As of 8:55 p.m., about 80 percent of votes cast (2,003) were in favor of the bond measure, which has a maximum amount of \$29.5 million and a maximum term limit of 30 years.

"We were hoping for this kind of margin," Philomath School Board member Tom Klipfel said. "But we would've been happy with 55 percent. This is great."

The bond sale

Gazette-Times: July 2010



Philomath taxpayers get a break

Good news keeps coming for Philomath taxpayers. On July 15, the Philomath School District sold \$29.5 million in bonds, with a total interest cost of **1.55 percent**. As a result, taxpayers will save more than \$18 million in interest.

"This is an enormous benefit to the community," said Kelly Howard, the school district's business director on Wednesday. "It will save millions of dollars."

Howard said the main reason for the taxpayer savings is the \$20 million in qualified school construction bonds that the school district received. Those bonds, which were available through the federal stimulus program, were sold at a net rate of 0.112 percent.

"The opportunity to borrow \$20 million at almost zero percent was huge," Howard said. "These bonds were only offered in 2009 and 2010. So if the voters hadn't approved the measure, we likely wouldn't have had another opportunity like this."

The Bond Oversight Committee (BOC)



In July 2010, a Bond Oversight Committee was chartered by the Philomath School Board. The role of the BOC is to ensure that the bond funds are spent according to the original commitments and intents of the bond measure as passed by voters. In addition, the BOC is to ensure the public is appropriately aware of and involved in key steps of the design, contractor selection, and construction process.

Thanks to these community members who served on that committee:

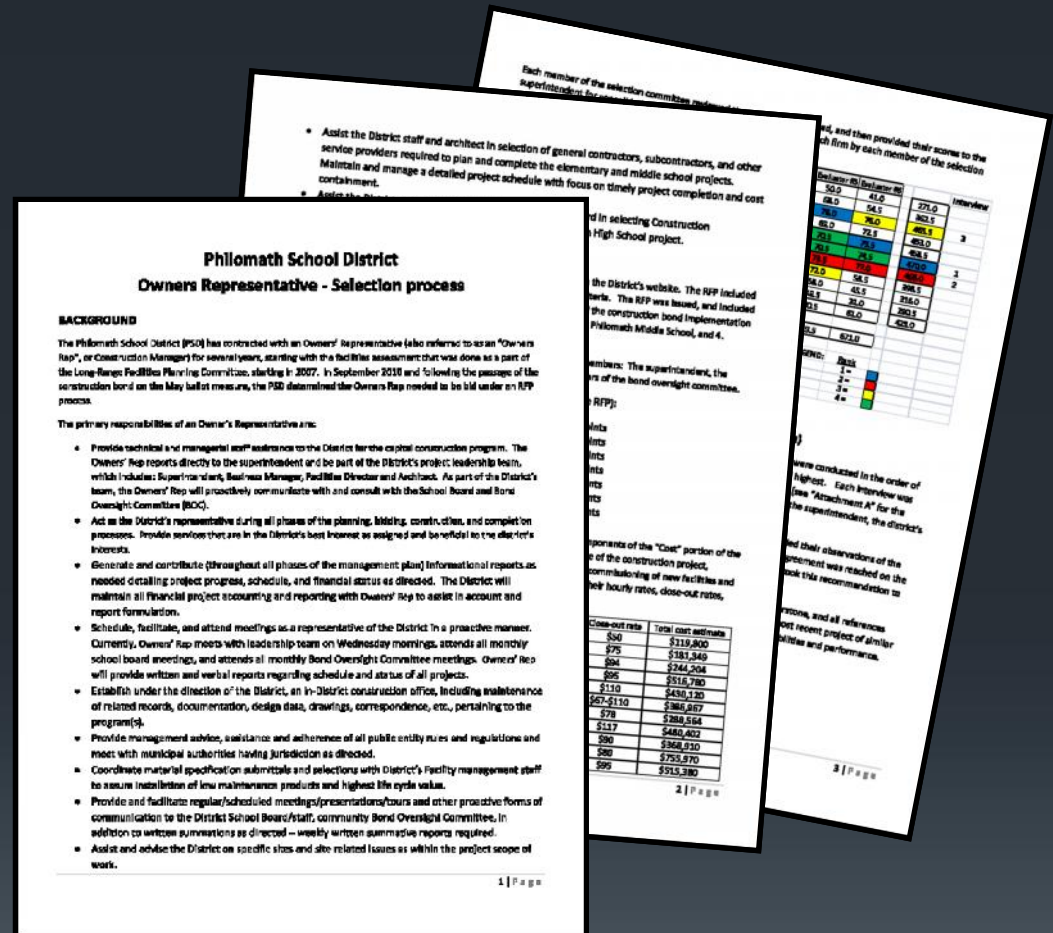
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|------------------|----------------|-------------------|
| ■ Chris Beeton | ■ Wade Haslam | ■ Bob Saathoff |
| ■ Denny Bennett | ■ Jim Kildea | ■ Ken Schaudt* |
| ■ Bill Callender | ■ Tom Klipfel | ■ Brian Thorsness |
| ■ Ken Elwer | ■ Kathy Motter | |

* 7/10 through 2/11

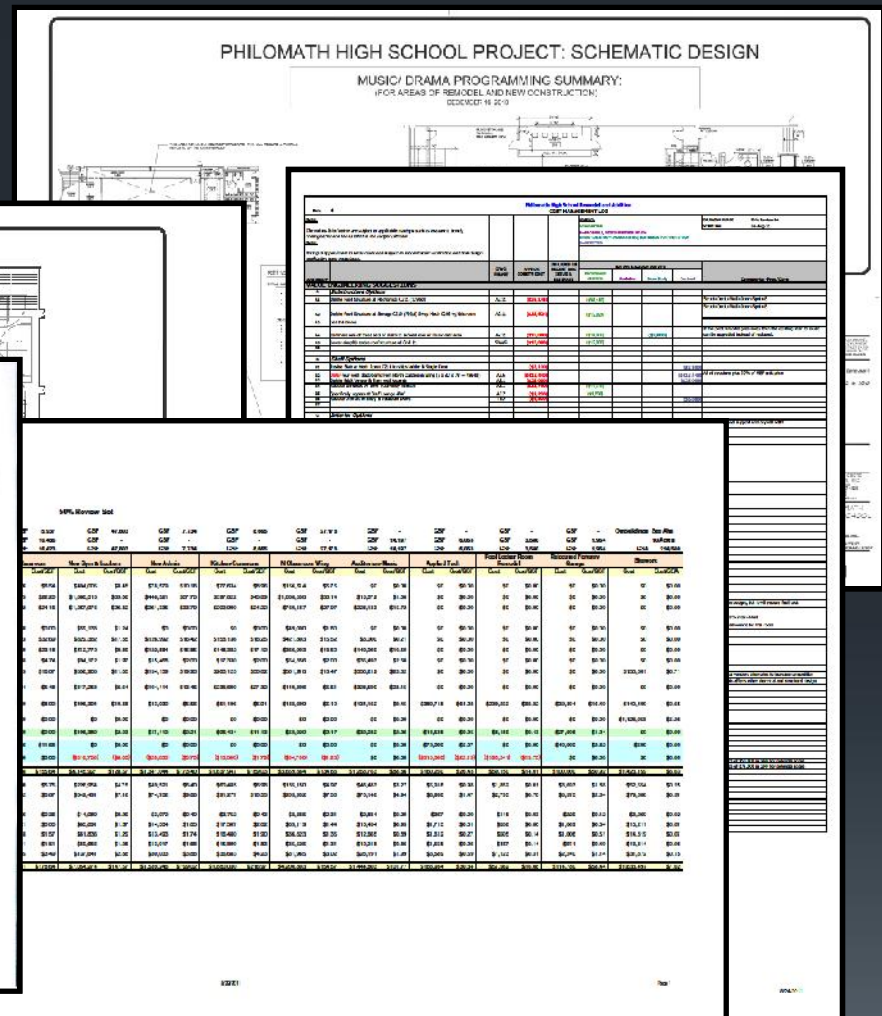
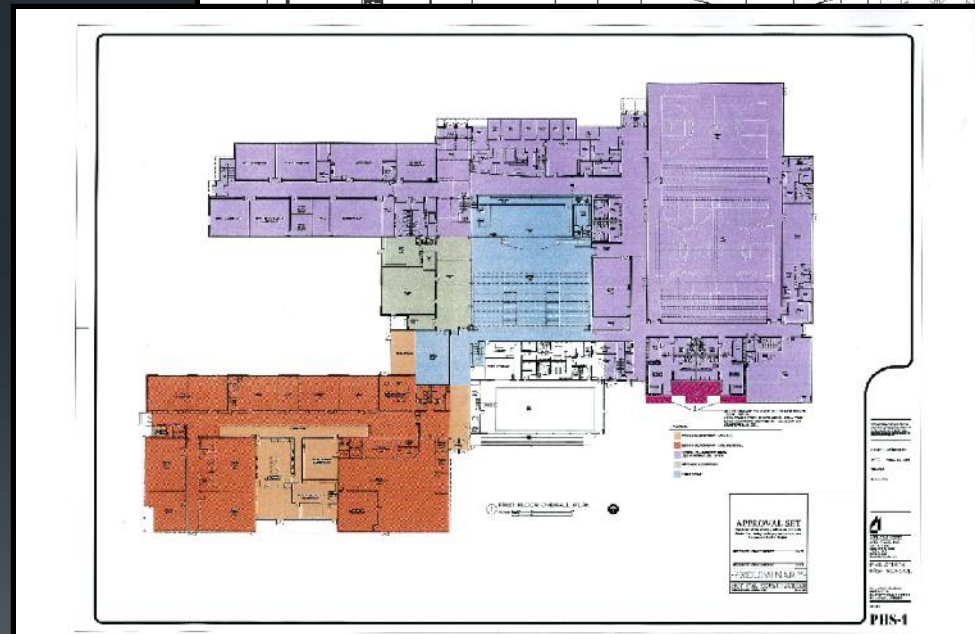
Thanks also to Dan Forbess, Kelly Howard & Brenda Hamilton
for their support of the BOC meetings and activities

Selecting the Owners Rep

- The “Owners Rep” manages the overall implementation of the construction bond work.
- Cornerstone Construction Management, Inc. (Portland) was selected, of the 10 firms that responded to the Request For Proposal.



-



Summer 2011

- Building contents moved (into alternate buildings and/or main gyms of all school buildings)
- Construction bond work begins:
 - Blodgett Elementary School (completed summer 2011)
 - Philomath Elementary School (completed summer 2011)
 - Philomath Middle School
 - Phase I completed summer 2011
 - Phase II completed summer 2012
- High school
 - Asbestos abatement across campus
 - Renovation of SW classroom wing
 - Demolition of old classroom wings, gym II and administration area
 - Split campuses established (SW classroom wing plus Clemens PS)
- Move back into renovated facilities in time for the start of the 2011-2012 school year

Blodgett Elementary School (BES)

General Contractor: Baldwin Construction



Philomath Elementary School (PES)

General Contractor: Greenberry Construction



Philomath Middle School (PMS)

- Exterior siding and window replacement
- HVAC system upgrades
- Replacement of the plumbing system (piping)
- Electrical upgrades and improvements



Selection of high school Contractor

- A very comprehensive process was used to solicit proposals, evaluate those proposals, identify interview candidates, and select the CM/GC *contractor for the high school
- Skanska was selected as the general contractor

*Construction at PHS used the "Construction Management/General Contractor" (CM/GC) method of building and design, instead of the "design-bid-build" process, due to the scope, complexity and desire for cost control.

**Philomath High School
CM/GC - Selection process**

BACKGROUND

The Philomath School District (PSD) has determined that it will construct the high school additions and renovations utilizing a Construction Management/General Contractor (CM/GC) process. Historically, public construction projects are competitively bid and awarded to the responsible low bidder. The CM/GC construction method involves the selection of a CM/GC during the design phase to involve a contractor's expertise with the project.

The rationale that was used to determine use of the CM/GC Method was:

- Cost Savings:** The CM/GC will be selected through an open, competitive process among qualified contractors. Philomath School District will receive written proposals from contractors with the experience and staff required to complete the project. The project will utilize a Request for Proposal and Philomath School District will interview the firms before recommending a firm for the award to the Board.
- Multiple Construction Sequences:** The construction may be completed in sequences and may require multiple early bid or procurement packages. Completing the project in phases or sequences should result in the building functioning as a school while construction is in process.
- Schedule Completion:** The project will have a tight construction schedule to achieve occupancy in September 2012. This completion is complicated by the need of the School District to keep Philomath High School functioning throughout the construction phase. The CM/GC process allows the design team to collaborate with the general contractor/contractor manager to properly sequence construction to achieve the most efficient schedule, while keeping students and staff safe and the completion schedule on track.
- Change Order Cost Control:** Change order costs should be controlled in two ways:
 - By utilizing a Contractor to provide cost analysis, construction feasibility reviews, and long lead procurement, the final number of change orders should be reduced. Reduction of change orders should result in cost savings.
 - By proposing a fixed fee for overhead and profit, the CM/GC firm's "head fee," which will be added to the actual cost of the change, should be less than the standard fees added to change orders on a project awarded to a traditional low bidder. Reduction of the overhead and profit on changes should result in cost savings.
- Acceleration:** Utilizing the CM/GC approach will reduce the risk of acceleration expense to complete the project on time. Reduction or elimination of the cost to accelerate construction to complete the project on time should result in cost savings.
- Improved Cost Management:** The financial track record of CM/GC projects with a "Guaranteed Maximum Price" (GMP) is impressive. Several school districts have used the CM/GC method to complete many construction projects with significant success in terms of timeliness of the project completion, cost savings, and adherence to budget limitations. The project team viewing of the projects successfully balances the construction budget during the design and construction phases utilizing the same CM/GC process proposed for this project.
- Subcontractor Bidding and Selection:** The CM/GC firm will have adequate time to prepare bid packages, review and analyze bids received from subcontractors. The work subcontracted will be awarded to the lowest responsive bidder. This bid process will not result in favoritism. Utilizing qualified subcontractors should result in better quality and cost savings.

FINAL SELECTION

Interviews were arranged with the three finalist firms by drawing out of a hat to determine interview order. The interview panel consisted of the seven voting members of the CM/GC Selection Committee.

Selection criteria was incorporated within the RFP, and included:

- Key Individual Experience (20 points)
- CM/GC Experience, including how local contractors have been used
- Schedule/Expediting Approval
- Value Engineering

Offered opportunities to bid (15 points)

ended a mandatory kickoff meeting in

take-up and number of members was

igh school principal and the architect.

re on how the proposals were to be

Valuation Committee conducted a

table within each category as

directly to the superintendent.

minimizing the average score by

category for all firms. This was

assumptions, and other cost

a file "CMGC Scoring.pdf")

due diligence"

contractors),

contractor, and

own concerns.

and cost

estimate of the

wing and

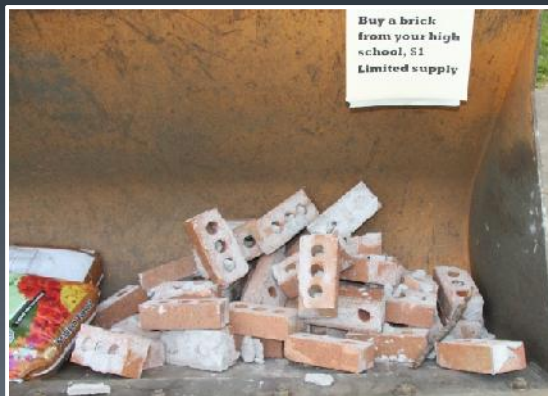
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Firm	HSW
71	12.86
9	10.88
	7.07
	6.29
	6.79
	11.07
	17.22
	72.15

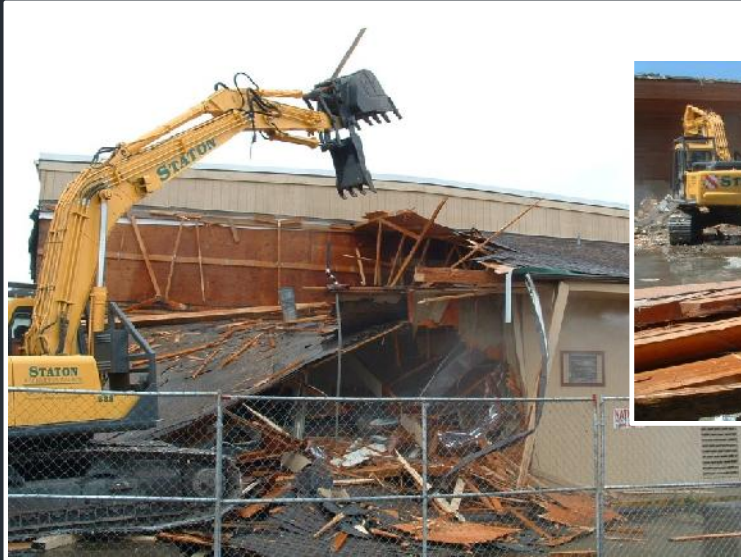
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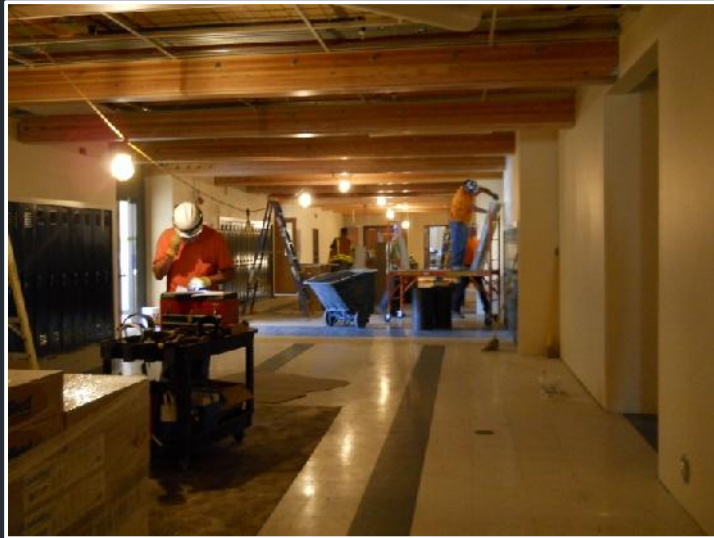
PHS Groundbreaking – June 2011



PHS Demolition begins - Aug 2011



PHS - SW wing renovation (summer 2011)



Late 2011 .. PHS construction moves into high gear



Roughly 300 truckloads of concrete ..



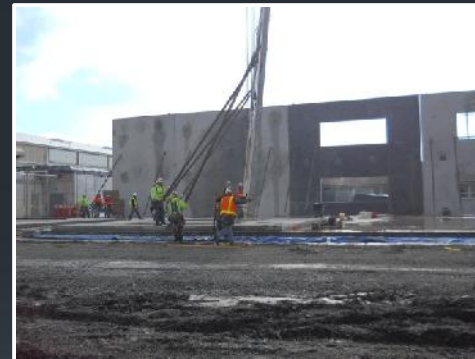
The walls go up – Feb 2012



The new building starts to emerge ..



The new classroom wing takes shape ..



Tilt-up walls are in place ..



PHS .. The big picture (spring 2012)



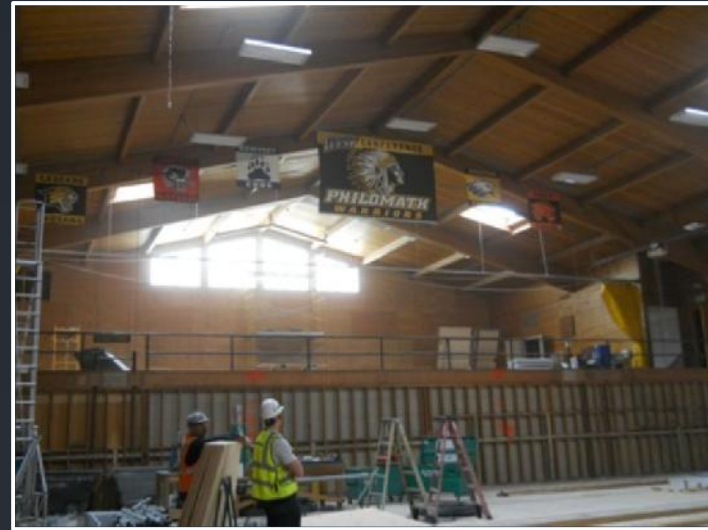
A birds' eye view of the new high school



Relocating the Forestry Garage



Construction continues .. Summer 2012



PHS Grand Opening – Aug 2012



Senator Ron Wyden, co-sponsor of Build America Bonds bill (spawned QSCB)

The multi-purpose auditorium, student commons and cafeteria at PHS (was Gym I)



“The Bond Promise”

- The Explanatory Statement in the May 2010 Voters’ Pamphlet was considered the definitive “promise” made to the voters of Philomath:
 - Defined the scope of work to the voters (Clemens Primary, the District Office and Kings Valley were not in scope)
 - Outlined the specific improvements and renovations by school building wherever possible (e.g. “Remove FirTex tiles”)
 - Clarified the intent for more involved renovations (e.g. “multi-purpose student commons, cafeteria and performance auditorium” at PHS)
- At completion of construction, projects were compared to the “bond promise”.



PHILOMATH SCHOOL DISTRICT 17J	
Measure 02-71	
BALLOT TITLE CAPTION: PHILOMATH SCHOOL DISTRICT BOND TO RENOVATE AGING FACILITIES; CODE COMPLIANCE QUESTIONS: Shall Philomath School District replace roofing, siding, facility infrastructure, and renovate the High School, by issuing \$28,500,000 General Obligation bonds? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution.	
SUMMARY: If approved, this measure would finance capital improvements, renovations, construction and site improvements at School District facilities. Specifically this measure would fund: Code Compliance: <ul style="list-style-type: none"> Remove flammable FirTex tiles from school buildings Install fire suppression system in High School Perform seismic upgrades to Middle School Upgrade fire suppression system and interior at Philomath Elementary Infrastructure: <ul style="list-style-type: none"> Blodgett Elementary: replace roof, siding, windows; electrical and plumbing upgrades Philomath Elementary: replace roof, siding, ceiling, HVAC units; replace floor covering in original classroom wing Philomath Middle School: replace roof, siding, windows; electric, plumbing, and HVAC upgrades High School: <ul style="list-style-type: none"> Construct and equip new classroom wing to replace two original classroom wings Renovate other classrooms, bathrooms and locker rooms to current standards Renovate Gym I to multi-purpose student commons and auditorium Construct two gymnasiums to replace current gymnasium Construct and equip student counseling area, teaching staff room 	
The bonds would also fund costs of issuance, capitalized interest (if any), and mature in 30 years or less from the issuance date.	
EXPLANATORY STATEMENT The Philomath School District has evaluated its facilities over a three year period, first by a citizens advisory committee, then a third party architect assessment. Results of this study identified a number of structural and renovation projects. The original wing of Philomath Elementary School was built in the 1930s; Blodgett School was built in the 1940s and	
1950s. Bond funds would replace leaking roof, siding and windows on both schools. Replacement of FirTex tiles (flammable, per Underwriters' Laboratories), water-damaged floor, ceiling, and asbestos rooftop HVAC (Heating, Ventilation and Air Conditioning) units would be scheduled in Philomath Elementary School. According to the architect assessment, the school building is structurally sound. Middle School repairs would include roof, siding, and galvanized plumbing replacement; electrical, seismic, HVAC and fire alarm system upgrades. The current High School was built in 1956 and 1958. Many additions and remodels since then have resulted in a large, complex structure with a wide variety of construction materials and non-homogenous systems. Gym II has undergone short-term bracing to its main structural support beams, due to extensive rot and water damage. Observed water supply pipes leak or have burst, including underground supply pipes. Most of the High School hallways and classroom wings have FirTex tiles. The High School has no fire suppression system. High School renovation projects would include: <ul style="list-style-type: none"> Construct and equip a new two-story classroom wing, to replace the original classroom wings. Renovate other classrooms, bathrooms and locker rooms to current standards Renovate and equip Gym I to a multi-purpose student commons, cafeteria and performance auditorium area. The auditorium would be for district and community use Construct two new gymnasiums to replace current Gym I, and structurally damaged Gym II Construct and equip student counseling area, teaching staff room and office Replace or upgrade heating, plumbing, electrical and HVAC to meet current code and energy efficiency standards Install fire suppression system Remove FirTex tile Use at least 1.5% of total funds for renewable energy solutions (mandated by Oregon House Bill 2630) The school board has approved the formation of a Bond Oversight Committee, to ensure funds from bonds would be used as approved by voters. The bond funds can only be used for bond projects, or to reduce the tax levy rate. If actual construction costs are below estimates, additional renovations may be authorized by the Bond Oversight Committee and the School Board. Total bond funds would not exceed \$28,500,000 and not exceed 30 years in term.	
The District has received an allocation of low interest capital construction bonds, authorized under the Federal Stimulus program. The District intends to use these low interest bonds and other financing tools, to maximize construction dollars and reduce interest expenses. Based on analysis by Seattle Northwest Securities, as prior general obligation bonds will be retired, new construction bonds may be issued without increasing bond levy rates.	

What was delivered .. The “bond promise”

Facility	Ballot commitment	status
Philomath Elementary School (original west classroom wing)	Upgrade fire suppression system	Completed
	Replace (leaking) roof	Completed
	Replace siding	Completed
	Replace (rooftop) HVAC* units	Completed
	Replace floor coverings	Completed
	Removal of flammable FirTex ceiling tiles	Completed
	Upgrade interior	Completed

*Heating, Ventilation and Air Conditioning

What was delivered .. The “bond promise”

Facility	Ballot commitment	status
Blodgett Elementary School	Replace (leaking) roof	Completed
	Replace siding	Completed
	Upgrade electrical system	Completed
	Upgrade plumbing	Completed
	Replace windows	Completed

What was delivered .. The “bond promise”

Facility	Ballot commitment	status
Philomath Middle School	Seismic upgrade	Completed
	Replace roof	Completed
	Replace wood siding; paint metal siding	Completed
	Replace windows	Completed
	Upgrade plumbing	Completed
	Upgrade electrical system	Completed
	Upgrade HVAC* system	Completed
	Upgrade fire alarm system	Completed

*Heating, Ventilation and Air Conditioning


What was delivered .. The “bond promise”

Facility	Ballot commitment	status
Philomath High School	Install a fire sprinkler system	Completed
	Remove old classrooms	Completed
	Construct and equip a new two-story classroom wing	Completed
	Renovate existing classrooms, bathrooms and locker rooms	Completed
	Renovate “Gym 1” to multipurpose student commons and auditorium	Completed
	Construct two new gymnasiums	Completed
	Construct and equip student counseling area and teaching staff room	Completed
	Upgrade HVAC* system	Completed

*Heating, Ventilation and Air Conditioning

What was delivered .. The “bond promise”

Facility	Ballot commitment	status
Philomath High School (continued)	Upgrade plumbing system	Completed
	Upgrade electrical system	Completed
	Removal of flammable FirTex ceiling tiles	Completed
	Use at least 1.5% for renewable energy solutions (solar panels on gym roof)	Completed*



*In addition, the investment on the PV solar panels (on the high school roof) will be recovered in approximately four years, and thereafter will reduce the district’s ongoing energy costs

Additional projects that were completed*

Facility	project	status
Forestry building	<ul style="list-style-type: none"> Installed co-ed bathrooms and locker rooms 	Completed
Philomath Middle School	<ul style="list-style-type: none"> Upgrade fire suppression system 	Completed
Philomath High School	<ul style="list-style-type: none"> HVAC** renovation/upgrades in pool area 	Completed
	<ul style="list-style-type: none"> Seismic upgrades in pool area 	Completed
	<ul style="list-style-type: none"> Replaced batting cages (relocated due to construction) 	Completed
	<ul style="list-style-type: none"> Relocated the Forestry garage (with local volunteers) 	Completed
	<ul style="list-style-type: none"> Replaced the roof over the auditorium 	Completed
	<ul style="list-style-type: none"> Replace phone and Public Address (PA) systems 	Completed
District	<ul style="list-style-type: none"> Replace wireless (Wi-Fi) network throughout 	Completed
	<ul style="list-style-type: none"> Replaced (leaking) roof at Maintenance Building, which houses district computer servers Replaced obsolete network switches & (worn) fiber optic cables Removed hazardous materials in several buildings 	Completed
Philomath Elementary School	<ul style="list-style-type: none"> Replaced (leaking) roof over office area Replaced plumbing 	Completed

*These projects were completed using construction bond funds, though not specifically identified in the May 2010 ballot measure

**Heating, Ventilation and Air Conditioning

Additional benefits

- Student safety
 - Removal of flammable FirTex tiles throughout PES and PHS
 - Asbestos abatement in all four buildings
 - Structural improvements:
 - Seismic upgrades at PHS, PMS and PES
 - Repair of structural components and moisture/dry rot in pool area of PHS (discovered while under renovation)
 - Fire suppression (sprinkler) system installed throughout PHS (original high school building had none)
- Student comfort
 - Upgrades or replacements to HVAC systems in all four buildings
- Improvements in the overall learning environment
 - Classrooms built to current standards, equipped with the latest technology
- Energy efficiency improvements throughout all four buildings
 - Addition of solar panels at PHS, now generating electricity which is sold to the power company

Bond Oversight Committee (BOC)

Another part of the “bond promise” was the establishment of a Bond Oversight Committee. This Committee was made up of local citizens, providing oversight to the implementation of the construction bond.

BOC Accomplishments:

- Involved with the selection process for the construction bond “Owners Rep”(Cornerstone)
- Process review and recommendations to the District, regarding its Architect selection and contracting process
- Participated in the selection process for the CM/GC General Contractor for PHS (Skanska)
- Oversaw the process to solicit, qualify, and select general contractors and vendors for all major construction projects
- Reviewed the plans for key functional and design elements of the construction projects, particularly for the remodeled high school, and provide input to the Board, design team, architects, etc.
- Facilitated the community input process, particularly in the design phase, throughout the bond projects.
- Audited financial statements for adherence to bond projects and projected costs
- Reviewed requests for major changes in the expenditure of funds and make recommendations for or against such proposals.
- Provided active communications both to the public and to the district, related to the bond projects.

Construction bond - Accomplishments

- Fulfilled the “Bond promise” to voters:
 - All scope of work that was promised was delivered
 - Additional “high priority” projects were completed
 - No increase in the tax rate
- \$18M in interest savings over the life of the bond
- Successful Bond Oversight Committee (first time for the district)
- Projects were delivered on budget and on schedule
- Regular communication updates were provided to the community throughout the process:
 - District website
 - Quarterly Construction Bond updates (newsletters)
 - Lots of pictures!
- First time use of:
 - Owners Rep (Cornerstone Management)
 - Commissioning Agents (Heery international, Systems West)
 - “Envelope consultant” (Professional Roof Consultants)
- Well-attended celebrations at Philomath High School:
 - Groundbreaking
 - Grand Opening
- Local spending results – the majority of spending on the construction bond was with “local” companies

Local* spending results

contractor	project	Percentage of Work Using “local” companies	Dollars Paid to “local” companies
Baldwin Construction (Albany)	Blodgett Elementary School	95%	\$299,626
Greenberry Construction (Corvallis)	Philomath Elementary School	84%	\$1,393,050
Baldwin Construction (Albany)	Philomath Middle School (Phase I)	76%	\$675,455
2G Construction (Eugene)	Philomath Middle School (Phase II; seismic/roof upgrades)	62%	551,062
Skanska Construction (Beaverton)	Philomath High School	62%	\$15,043,258
total		65%	\$19,043,207

* A “local” company was defined as one that is within a fifty mile radius of Philomath



“Never doubt that a small group of thoughtful, committed, citizens can change the world. Indeed, it is the only thing that ever has.”

Margaret Mead

“Don't cry because it's over, smile because it happened.”

Dr. Seuss



Thank you, Philomath.



Backup Slides



Philomath School District

Impact of Construction Bond on annual Operating Costs

Effect of construction bond on operating costs

- **Q: What was the effect of the Construction Bond as it relates to operating costs for the Philomath school district?**
 - Did operating costs go up, go down, or stay the same?
- **A: The construction bond lowered annual operating costs for the District**
 - Janitors were reduced by 1.4 full-time equivalent (FTE) positions, saving the school district ~\$85,000 annually.
 - The newer buildings and building configuration allowed the reduction of janitors in PHS and the elimination of a janitor at CPS (now serviced by PMS janitor)
 - There were a number of facility improvements which reduced energy usage (and therefore costs) long-term
 - See detailed slide (which follows) for energy improvements
 - Significant reductions in natural gas and water usage offset rate increases in these areas
 - Total utility expenses have increased by ~\$10,000 from 08-09 to 12-13 school years
 - Even though rates alone have increased by ~\$40,000 .. So the District achieved ~\$30,000 in cost avoidances
 - **Net effect: operating costs have been reduced by ~\$75,000 annually, and \$30,00 in cost avoidances were realized (due to reduced utility usage)**

Construction Bond – impact on operating costs



Changes that increased energy usage

- Added 20,000 sq. ft. to PHS
- Added air conditioning to PHS

Changes that reduced energy usage or costs

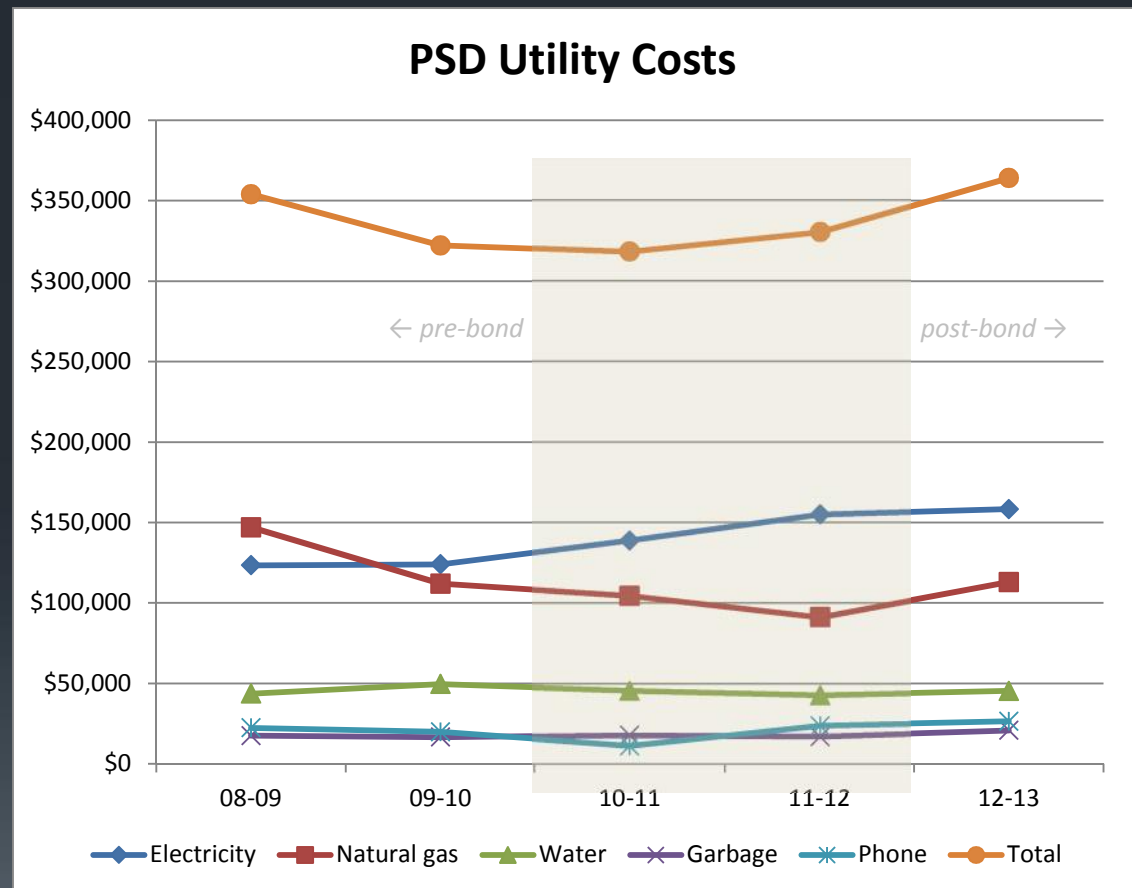
- Replaced HVAC (Heating, Ventilation and Air Conditioning) units at BES and PES with energy-efficient units
- Replaced windows at BES and PHS with energy-efficient windows
- Added insulation to BES, PES, PMS and PHS
- Replaced leaking water supply pipes at PHS with new piping
- Installed solar panels on PHS roof, which will generate 90-kilowatts of electricity per hour
- Shut down aging District Office, with 80% reduction in utilities for that building
- Installed new (central) HVAC unit in PHS

The majority of changes that were a part of the Construction Bond implementation reduced overall District energy usage



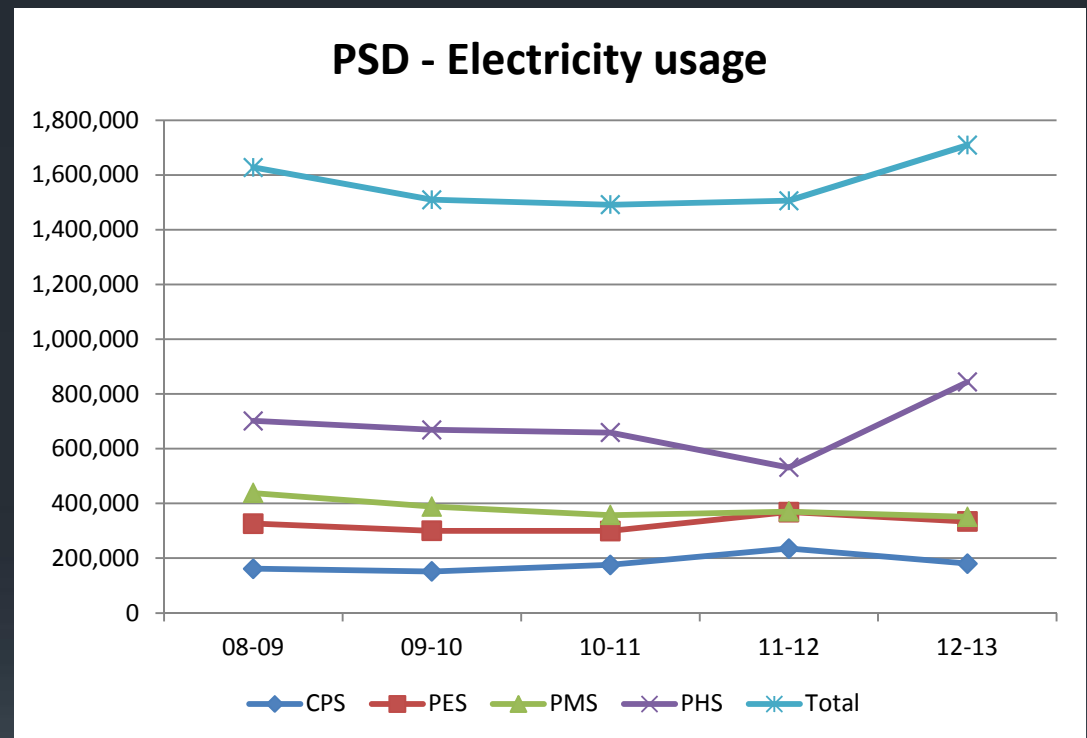
PSD utility costs

- Overall, District costs for utilities have increased by ~\$10,000 from 08-09 school year (pre-bond) to 12-13 school year (post-bond)
- However, utility costs are a function of both usage and rate
- Usage for utilities have been significantly reduced by the District, except for electricity (PHS)
 - PHS electricity cost increases due to the addition of air conditioning (for student comfort), and overall increase in facility usage
- Electricity costs will be reduced over time with sale of solar-generated power to utility company



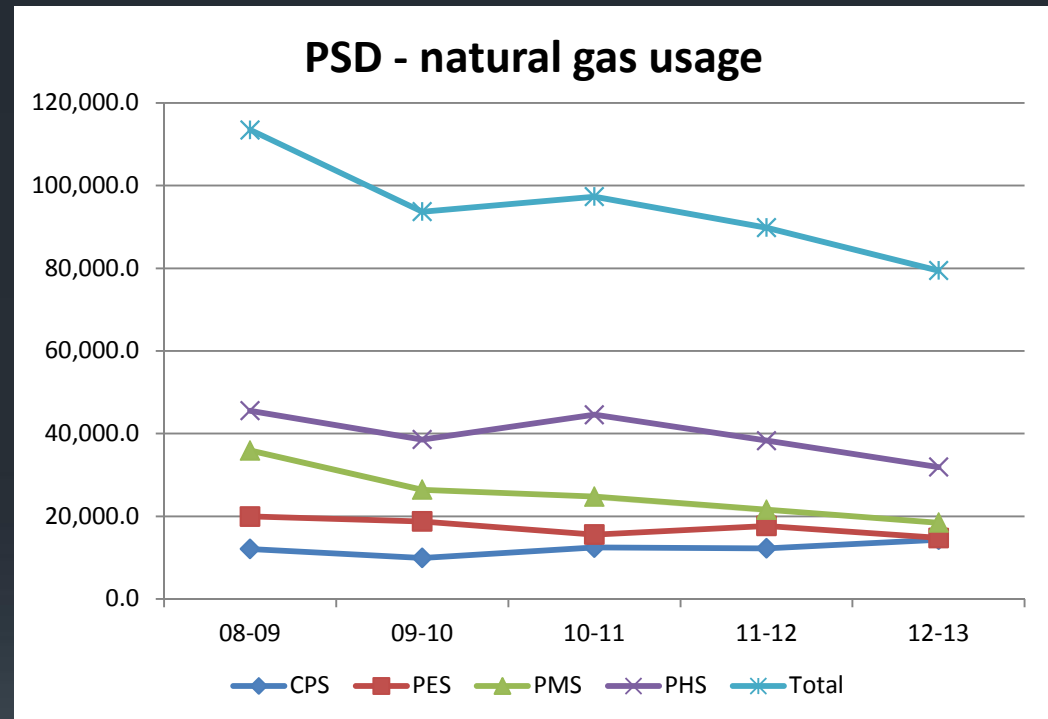
PSD – Electricity usage

- Electricity usage has increased by ~5%, driven by usage at PHS
- The dip in the '11-'12 school year was due to split campus (and greatly reduced high school building) during that school year
- Increased electricity consumption since then most likely due to:
 - Addition of air conditioning at the high school (new, for student comfort)
 - Increased usage (overall usage, community auditorium, gyms, etc.)
- The increased electricity usage does not take into account the electricity generated by the solar panel array on PHS (which will result in future savings)



PSD – natural gas usage

- Natural gas usage has been reduced by ~30%
- The reductions in the '11-'12 school year were likely due to split PHS campus (SW wing + CPS)
- The total usage includes the effect of shutting down the District Office (included in PES totals)
- The majority of the savings are the result of
 - Increased attention on utility usage and costs by the District, and
 - Improvements in energy efficiency as a result of the construction bond



PSD – water usage

- Fields (irrigation) is by far the largest usage for water in the district
- Overall water usage has been reduced by 25%

