



# BOND ISSUE ELECTION INFORMATION



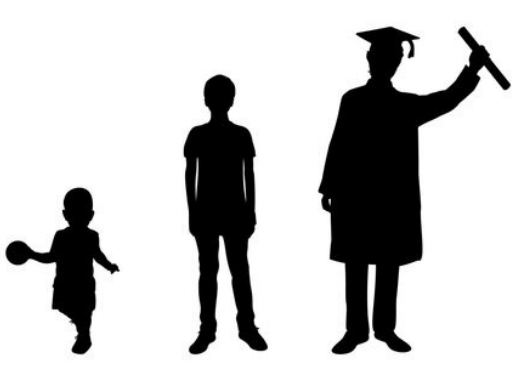
**NEWTON PUBLIC SCHOOLS BOND ELECTION**  
NOVEMBER 8, 2022

**NO** Tax Rate Increase

**NO** Mill Levy Increase

**Refurbish & Repair:**  
Lindley Hall & Santa Fe

- INSIDE
- Bond Issue Questions & Answers
  - Site and Floor Plans
  - Finance Information
  - The November 8<sup>th</sup> Ballot Language




**Learn More on Thursday, October 27, 2022!**  
***Bond Project Informational Meeting***  
**6:00 - 7:30 pm at The Porch**  
**724 N. Main St., Newton**

This informational brochure produced and distributed by U.S.D. 373

**DID YOU KNOW?**  
**WITH TODAY'S LOW INTEREST RATES,**  
**20% STATE AID ASSISTANCE,**  
**A GROWING TAX BASE,**  
**AND NO MILL LEVY INCREASE,**  
**THE COST OF IMPROVING FACILITIES AND**  
**EDUCATION IN NEWTON USD 373 MAY**  
**NEVER BE MORE AFFORDABLE!**

**SCAN THE QR CODE**  
**FOR MORE**  
**INFORMATION ABOUT**  
**THE BOND ISSUE**  
**PROJECT**





## IT'S AN IMPORTANT DECISION

In communities like ours, the schools and support facilities that provide educational and extra-curricular opportunities for young people are perhaps the most important infrastructure asset. Communities are known by the schools they keep and to what degree education is a priority. Physical Education is a mandated part of every school system's curriculum. Decades of exposure to the elements and then a violent storm in 2021 damaged Lindley Hall to where it was declared unsafe for use. **Santa Fe Middle School students have no space for PE and other services on campus. Being bussed to another location for PE is inefficient, results in lost time and interferes with educational schedules. Lindley Hall has good bones and can be repaired and improved more cost-effectively than demolition and a rebuild.** Renovation can be accomplished a year sooner than the alternative and at significantly less cost. Our plan is to restore and improve Lindley Hall back to be a quality asset for Newton and USD 373. The plan also includes improvements to Santa Fe Middle School to alleviate the chance of similar structural challenges. Please take the time to get the facts, register to vote, if necessary, and cast your ballot on or before Election Day, November 8<sup>th</sup> for the future of education in Newton USD 373.

**HARVEY COUNTY, KANSAS U.S.D. NO. 373 (NEWTON)**  
***School Improvement Bond Election***  
November 8, 2022

### BOND TO REPAIR LINDLEY HALL & UPDATE SANTA FE MIDDLE SCHOOL

**ELECTION INFORMATION**

- Election Day is Tuesday, November 8<sup>th</sup>, 2022
- Early Voting: Mon-Fri 8am to 5pm and Saturday 9am to 2pm beginning October 25<sup>th</sup>, ends at noon on November 7<sup>th</sup> at the Harvey County Courthouse, 800 N. Main, Newton
- Advance voting in person closes at noon on Monday, November 7<sup>th</sup>

**POLLING LOCATIONS**

1st Ward 1st Precinct	Nazarene Church Gymnasium	1000 N Main St, Newton
1st Ward 2nd Precinct	Nazarene Church Gymnasium	1000 N Main St, Newton
1st Ward 3rd Precinct	Nazarene Church Gymnasium	1000 N Main St, Newton
2nd Ward 1st Precinct	Meridian Baptist Church	1130 W Broadway, Newton
2nd Ward 2nd Precinct	Salem United Methodist Church	115 Old Main, Newton
3rd Ward 1st Precinct	Salem United Methodist Church	115 Old Main, Newton
3rd Ward 2nd Precinct	Salem United Methodist Church	115 Old Main, Newton
3rd Ward 3rd Precinct	Salem United Methodist Church	115 Old Main, Newton
3rd Ward 4th Precinct	Grace Community Church	1600 S Anderson, Newton
4th Ward 1st Precinct	Meridian Baptist Church	1130 W Broadway, Newton
4th Ward 2nd Precinct	St Matthew's Church	2001 Windsor Dr, Newton
4th Ward 3rd Precinct	Meridian Baptist Church	1130 W Broadway, Newton
4th Ward 4th Precinct	St Matthew's Church	2001 Windsor Dr, Newton



Your Newton USD 373 Board of Education has the responsibility to provide safe and effective teaching and learning spaces so that all students in Newton Schools can reach their potential. A unique challenge has developed that demands immediate attention. Physical Education is a mandated part of every school's curriculum. The district's grade 5-6 Santa Fe Middle School has used Lindley Hall for PE and other activities for decades. A severe storm in June of 2021 resulted in damage that made this facility unsafe for use without significant repairs and renovation. To make the needed improvements to get this building back into use and for needed upgrades at Santa Fe Middle School, the Board of Education has scheduled a bond issue referendum for the General Election on November 8, 2022. The election requests the authority to issue no-more-than \$8,435,000 in general obligation bonds to finance the needed improvements.

The Lindley Hall building has a long and historic presence as a part of Newton USD 373's facilities. The building was constructed in 1934 as the main competition gymnasium/auditorium for Newton High School. Lindley Hall seated up to 3,000 spectators for athletic competitions and had a stage that could accommodate an estimated 2,800 patrons as an auditorium venue. When opened, this nearly 17,000 square foot facility was considered to be the best playing court in Kansas with state-of-the-art lighting consisting of 54 recessed 500 watt ceiling lights. The attractive brick-facade community and school asset was constructed with 430,000 bricks, 65 tons of steel, and 5,000 sacks of concrete. Lindley Hall has been and still can be a valued community asset.

The exteriors of brick and mortar structures eventually deteriorate and expose a structure to wind and moisture damage. This is what happened to Lindley Hall. In the late summer of 2021, strong winds and rain penetrated weakened areas of the building's envelope. Falling bricks in a certain area made it clear that Lindley Hall was not a safe structure. Engineers and USD 373 officials determined that this structure was not safe without significant repairs and improvements. Since the fall of 2021, all Santa Fe students have had to be bussed to other buildings for mandated PE classes. This is inconvenient for both students and staff and disrupts schedules and creates additional expense.

After the closure of the structure for safety reasons, the district has had engineers conduct more detailed and investigative analysis of the building and its challenges. Engineers have reported that the foundation and core of the Lindley structure are still very viable. Razing and constructing a new building were considered, but estimates indicate that this solution would be more expensive and also require additional time without a PE facility at the Santa Fe campus.

The November bond election proposes to retain a building with a rich, historical presence in Newton rather than destroy and replace at a higher cost. The fact that Lindley Hall can be repaired as to the envelope of the structure to alleviate water penetration and damage, as well as make required improvements for ADA (handicap access) and other purposes is important. The November proposal also includes needed capital improvements to Santa Fe Middle School. It's also important to note that with a growing tax base and state aid assistance for bond payments, the bonds will not require a higher mill rate.

Please take the time to register to vote, if necessary, and to get the facts on this important question for education in Newton USD 373.



# BOND ISSUE QUESTIONS & ANSWERS

## Q. 1. WHAT ARE THE CHALLENGES AT LINDLEY HALL?

Lindley Hall was the facility for PE and other activities for Santa Fe Middle School students. This near 17,000 square foot building was constructed of brick and mortar. After decades of exposure to the elements, the mortar has deteriorated and a storm in the summer of 2021 resulted in bricks falling as the structure was compromised. At the advice of engineers, the building was deemed unsafe for use. Physical Education is a mandated part of all schools' curriculum. Santa Fe Middle School students have been bussed to other locations for PE. This is inefficient and expensive operationally. Santa Fe Middle School needs spaces for PE and other activities. The building can again be structurally sound with repairs and improvements including upgrades for handicap access (ADA).

### Lindley Hall Challenges



## Q. 2. WHAT ARE THE CHALLENGES AT SANTA FE MIDDLE SCHOOL?

Certain areas of Santa Fe Middle School also have similar challenges with exterior walls and water infiltration. As engineers have concluded that the damage at Santa Fe is not as severe, tuck-pointing and sealing of the brick and mortar exterior walls and decorative stone would prevent future water intrusion. A skylight also needs to be reconstructed and repaired to improve the exterior envelope for continued use and safety.



## Q. 5. WHAT IF VOTERS SAY NO—IS THERE A PLAN B?

It is such a challenge to arrive at a consensus for needed improvements that it is rare to have the time to develop a contingency plan. To be fair and equitable to the students and staff at Santa Fe, PE space needs to be available at that site. The Board of Education believes it to be not an option, but a necessity. Plan B would be to finance these improvements in a different manner. A voted general obligation bond offers the most cost-effective option with lowest interest cost and financing expense. A Lease Purchase transaction is a legal option, but the interest cost and costs of issuance would be higher, resulting in a larger local investment. Lease Purchase payments are not eligible for state aid as are general obligation bonds. As the Lease Purchase principal and interest payments would be an obligation of either the general fund of capital outlay fund, they would lessen monies available for other educational efforts. The general obligation bonds would be paid from a separate bond and interest levy that cannot be used for other purposes.


## Q. 6. HOW CAN WE BORROW \$8+ MILLION AND NOT RAISE THE TAX RATE?

USD 373 has existing general obligation bonds outstanding from many years ago that are scheduled to be retired in 2026. The levy to meet the payments on these bonds in the current budget is 11.74 mills. Our bond consultants are confident in stating that conservative estimates as to tax base growth, state aid for bond payments, and today's interest rates will result in the 11.74 mills to generate adequate tax revenues to pay the debt service on both the old bonds and the proposed new bonds with the same mill rate (11.74 mills) through 2026. After the old bonds are retired in 4 years, the mill levy will drop to an estimated 2.86 mills until the proposed new bonds are retired in 2037. Our old bonds are receiving state aid at a 59% ratio and the new bonds are eligible for 20% additional state aid. The interest rate for this bond issue is estimated at 4.5%, although similar issues today have been marketed closer to 3.5%.

## Q. 7. WHAT IS THE ROLE OF THE CONSTRUCTION MANAGER AT RISK (CMAR)?

In many past periods, bond projects would advertise and hire a general contractor to build the project. In recent years, the concept of using a CMAR has become more cost-effective and popular for major public purpose projects. The CMAR is selected in competition and becomes a liaison between the District and sub-contractors for the project. They are experts at knowing the market and how to maximize a project with control of costs. Segments of the total project are bid separately rather than in one package to one entity. The competition makes the process more cost-effective. When retained early in the process, a CMAR firm can guarantee that a project will be constructed within the required budget, or the CMAR covers the overage. A CMAR firm works for a fixed percentage of the project cost and any savings is retained by the District.

## THE NOVEMBER 8<sup>TH</sup> BALLOT QUESTION

Shall the following be adopted? 

Shall Unified School District No. 373, Harvey County, Kansas (Newton), issue general obligation bonds in an amount not to exceed \$8,435,000, to pay the costs to: (a) make needed renovations and improvements to the existing Lindley Hall facility within the District for structural stabilization, mechanical, energy, plumbing and lighting system upgrades, gymnasium floor improvements, roofing improvements, handicap access (ADA) compliance, and safety and security system upgrades and required demolition of certain parts of the structure; (b) make needed renovations and improvements to the existing Santa Fe 5/6 Center within the District for repair and improvements to the exterior envelope and walls, cast stone, repairs to windows and to roofs; (c) make all other necessary improvements appurtenant thereto (collectively "Project"); and (d) pay the costs of issuance and interest on said general obligation bonds of the District during construction of the Project; all pursuant to the provisions of K.S.A. 10-101 *et seq.*, K.S.A. 25-2018(f), and K.S.A. 72-5457?

## Q. 3. WHY DO WE NEED A BOND ISSUE?

A bond issue is a financial tool used by cities, counties, and school districts to finance major capital improvements. As this and most projects are considered public purpose, the district can borrow advantageously with tax-exempt financing. Kansas school finance limits local schools from accumulating the amount of money to address this size of project. Capital Outlay levy's are limited to 8 mills and most of these dollars are needed for other annual repairs or replacement of equipment such as buses and technology.

## Q. 4. WHAT ARE THE PROPOSED IMPROVEMENTS AT LINDLEY HALL AND SANTA FE MIDDLE SCHOOL?

Improvements to both Lindley Hall and Santa Fe include structural repairs, ADA upgrades, exterior walls and roofing, interior lighting, HVAC, plumbing and paint. The proposed improvements at Lindley Hall are to reconstruct and repair walls affected by the storm that resulted in falling bricks. Santa Fe Middle School would also have improvements to the exterior envelope to lessen the chance of similar exterior challenges. Both buildings would have tuck-pointing to upgrade the mortar between bricks to abate wind and water intrusion. Lindley Hall would also have flexible spaces developed for technology and other educational programs within the budget. These improvements will make Lindley Hall usable again long term and lessen the chance of Santa Fe having similar problems in the future.

## Q. 8. WHEN AND WHERE CAN I VOTE?

This bond election will be conducted with the General Election on Tuesday, November 8<sup>th</sup>. You will vote at your normal polling place and polls will be open from 7:00 am until 7:00 pm on that date. In addition, voters can vote by casting an advance ballot at the Harvey County Courthouse from 8:00 am to 5:00 pm Mon-Fri and 9:00 am to 2:00 pm on Saturday, beginning on October 25<sup>th</sup>. An advance ballot and opportunity to vote by mail can also be accomplished by visiting [hvcoksvote.gov](https://hvcoksvote.gov) and submitting an application by November 1<sup>st</sup> or by contacting the Harvey County Election Office.

## Q. 9. WHY IS NOW CONSIDERED A GOOD TIME FINANCIALLY FOR THE BOND?

The best time to borrow is when interest rates are low. Although bond rates have risen in recent months, they are still lower than the average of several recent decades. Another factor is state aid to help retire the bonds. Under current Kansas finance laws, USD 373 is eligible for 20% state aid to help pay both principal and interest on a voted bond issue. Our old bonds are receiving 59% state aid as they were issued prior to a legislative change in this program in 2015. The other factor is inflation. Inflation will undoubtedly increase the cost of needed repairs and improvements with delay. These factors make the cost of needed school improvements more affordable today than in the future.

## Q. 10. DID THE DISTRICT CONSIDER REPLACEMENT VS. REPAIR?

The damages to Lindley Hall and resultant closure of the building for safety reasons mandated analysis by qualified engineers as to the damage and whether it could be upgraded and improved to again be safe or should it be demolished and replaced with a new structure. Engineers determined the foundation and core of Lindley to still be viable and estimated that the cost of razing and new construction would be approximately 34% higher than renovation. Another factor for consideration was timing. Renovating Lindley Hall would get the building back into service and used by students about a year sooner than demolishing and building new. Keeping a building with such a rich tradition that would, with an investment, be usable for many decades to come seems like the right thing to do.

## Q. 11. WILL THIS SMALLER PROJECT DELAY OUR ABILITY TO CONSIDER ANOTHER NEEDED PROJECT AND BOND?

Our bond consultants indicate that this smaller bond issue should not deter or keep USD 373 from considering another capital improvement project and bond in coming years. With the current bonds paying off in 2026 (4 years), in working with other districts, they recommend considering a bond program approximately two years before the other bonds are retired. With capitalized interest, the new interest cost can be mitigated without an addition to the bond and interest mill levy and the new debt can be incorporated in with the existing bond payments without major gyrations in the mill rate.

### Americans with Disabilities Act (ADA) Challenges



Our Children... Our Future... Our Responsibility!