



LONG RANGE FACILITIES PLANNING COMMITTEE #6

Hood River County School District
October 15, 2025



AGENDA

1. **Welcome / Agenda Review**
2. **Recap of LRFPC #5**
3. **General Obligation Bonds 101 - Piper Sandler**
4. **Stretch Break – check Mariners score! **
5. **HRCSD General Fund and Operations Budget Overview**
6. **Public Projects and Prevailing Wage**
7. **Upcoming Bonds & Levies in Hood River County**
8. **Meeting Close**



Presentation to Hood River County School District

October 15, 2025

Lauren MacMillan, *Managing Director*

WHAT IS A GENERAL OBLIGATION BOND?



“**Bonds**” are loans that are broken into pieces and sold to investors



“**General Obligation Bonds**” are secured by property taxes and District’s “full faith and credit”



Debt service is repaid by an unlimited, dedicated property tax levy on all properties within the District



GO Bonds are considered to be the **highest quality credit** a school district can offer to market



Voter approval required

KEY PROPERTY TAX CONCEPTS

Since GO Bonds are repaid with property taxes, it is important to understand a few key terms:

- **Real Market Value (RMV)**
 - Amount that a property could reasonably expect to sell for as of January 1
- **Assessed Value (AV)**
 - Value of property subject to taxation
 - Cannot exceed RMV
- **Bond Levy Rate**
 - Tax rate expressed in dollars per \$1,000 of AV
 - Calculated annually and set by county assessor
 - Issuers do not set the rate and cannot guarantee a levy rate

GO BONDS IN OREGON



Tax levy is not limited by Measure 5 or Measure 50

Four Election Dates:

March

May

September

November

Only November and May not subject to double majority



State law allows school districts to issue up to **7.95% of RMV**

For Hood River County SD,
that's **\$652.9 million!**

Ballot title needs:

- “Not-to-exceed” amount
- Permitted use of proceeds
- Maximum years to maturity

SAMPLE BALLOT TITLE

CAPTION: (10 WORD LIMIT)

SCHOOL BOND FOR REPAIRS, CONSTRUCTION, SECURITY, TECHNOLOGY AND ENERGY EFFICIENCY

QUESTION: (20 WORD LIMIT)

Shall Hood River County Schools improve and construct facilities by issuing \$57,175,000 of bonds, estimated to maintain average tax rate? 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: (175 WORD LIMIT)

If approved, bonds are expected to finance the following projects:

- Repairs to schools, including addressing failing roofs, heating and ventilation systems, plumbing, mechanical and electrical systems;
- Energy efficiency improvements to decrease energy use;
- Improvements to address deferred maintenance, worn out finishes, and replace old equipment;
- Technology improvements in every school for student learning opportunities;
- Safety and security updates at every school;
- New state-of-the-art science, engineering and math lab learning space at Wy'east Middle School;
- Replace, equip and furnish May Street Elementary School on the same site, providing maintenance and operational savings;
- Upgrade and improve athletic fields and tracks, including those used most by community members;
- Upgrade school playgrounds at Cascade Locks, Parkdale and Mid Valley Elementary Schools;
- Pay associated furnishing, equipping, demolition, site improvement and bond issuance costs.

Bonds would mature in twenty years or less from issuance, may be issued in multiple series, and are estimated to maintain recent average property tax rate of \$1.83 per \$1,000 assessed value, which may vary in actuality based on assessed value growth and other factors.

Estimate of
levy rate
impact –
NOT a rate
limit or
guarantee

USE OF PROCEEDS



Proceeds may be used for “capital construction and improvements” with a useful life of 1 year or more



Land and
Other Assets



Acquisition



Construction and
Improvements



Remodeling



Furnishing &
Equipping



Maintenance
or Repair

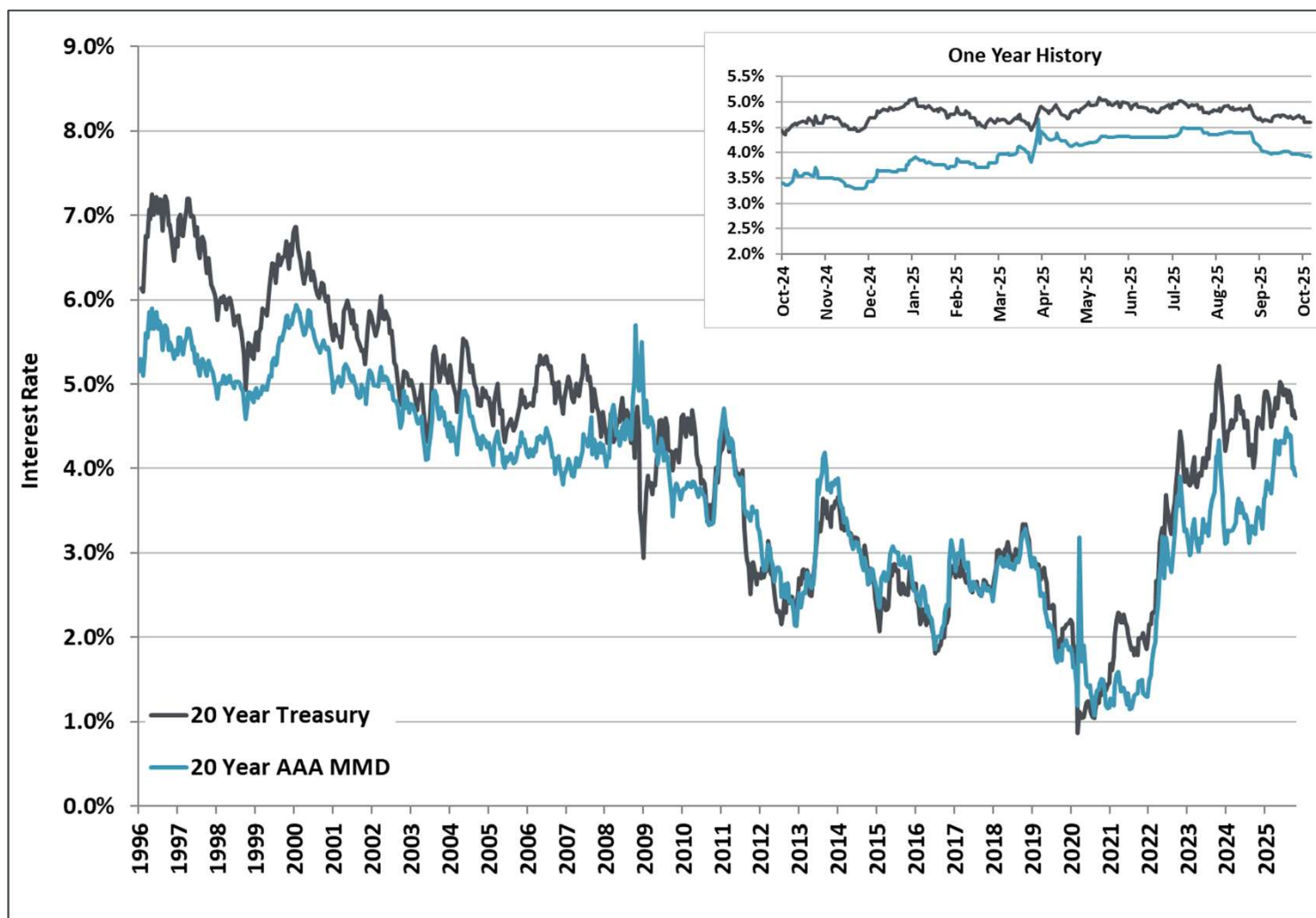
- **“Weighted average life”** of bonds may not exceed “weighted average life” of projects
- **“Routine”** maintenance and supplies are not eligible
- **Any interest earnings on proceeds** must be used in accordance with ballot title

I. Numerical Analysis



HISTORICAL INTEREST RATES

20 Year Tax-Exempt (AAA MMD) vs. 20 Year Treasury Rates



HISTORICAL VALUATION TRENDS

Hood River County School District

Fiscal Year	M5 Real Market Value	% RMV Growth	Total Assessed Value	Urban Renewal Excess	Net Assessed Value	% Total AV Growth
2026	N/A		\$ 3,616,688,177	\$ 179,909,395	\$ 3,436,778,782	5.38%
2025	\$ 8,213,602,246	17.55%	3,432,186,499	169,043,062	3,263,143,437	4.02%
2024	6,987,557,731	6.19%	3,299,684,284	152,224,250	3,147,460,034	3.50%
2023	6,580,514,624	23.27%	3,188,183,006	141,425,357	3,046,757,649	4.95%
2022	5,338,425,927	8.91%	3,037,742,498	176,958,314	2,860,784,184	4.35%
2021	4,901,893,709	1.85%	2,911,182,045	27,601,769	2,883,580,276	4.56%
2020	4,812,806,902	7.43%	2,784,326,011	219,749,727	2,564,576,284	6.40%
2019	4,479,971,820	14.56%	2,616,820,775	191,616,837	2,425,203,938	5.93%
2018	3,910,707,829	11.00%	2,470,444,657	174,186,809	2,296,257,848	5.24%
2017	3,523,062,650	5.16%	2,347,414,882	159,189,886	2,188,224,996	4.53%
2016	3,350,139,744	3.96%	2,245,768,138	144,366,428	2,101,401,710	4.71%
2015	3,222,479,035	5.99%	2,144,814,792	121,295,051	2,023,519,741	4.68%
2014	3,040,477,808	-4.22%	2,048,897,255	103,743,276	1,945,153,979	3.27%
2013	3,174,278,418	4.10%	1,983,959,495	89,946,352	1,894,013,143	3.88%
2012	3,049,198,783	-7.68%	1,909,777,591	79,110,486	1,830,667,105	5.05%
2011	3,302,842,218	4.50%	1,817,954,211	63,458,819	1,754,495,392	3.33%
2010	3,160,671,212	-1.55%	1,759,405,769	60,136,370	1,699,269,399	6.67%
2009	3,210,450,642	2.33%	1,649,375,499	50,191,762	1,599,183,737	4.86%
2008	3,137,248,954	24.60%	1,572,977,015	43,662,138	1,529,314,877	5.66%
2007	2,517,804,042	16.15%	1,488,682,094	41,821,466	1,446,860,628	7.17%
2006	2,167,783,685	---	1,389,092,128	32,584,781	1,356,507,347	---

Annual AV growth for existing properties is limited to 3%

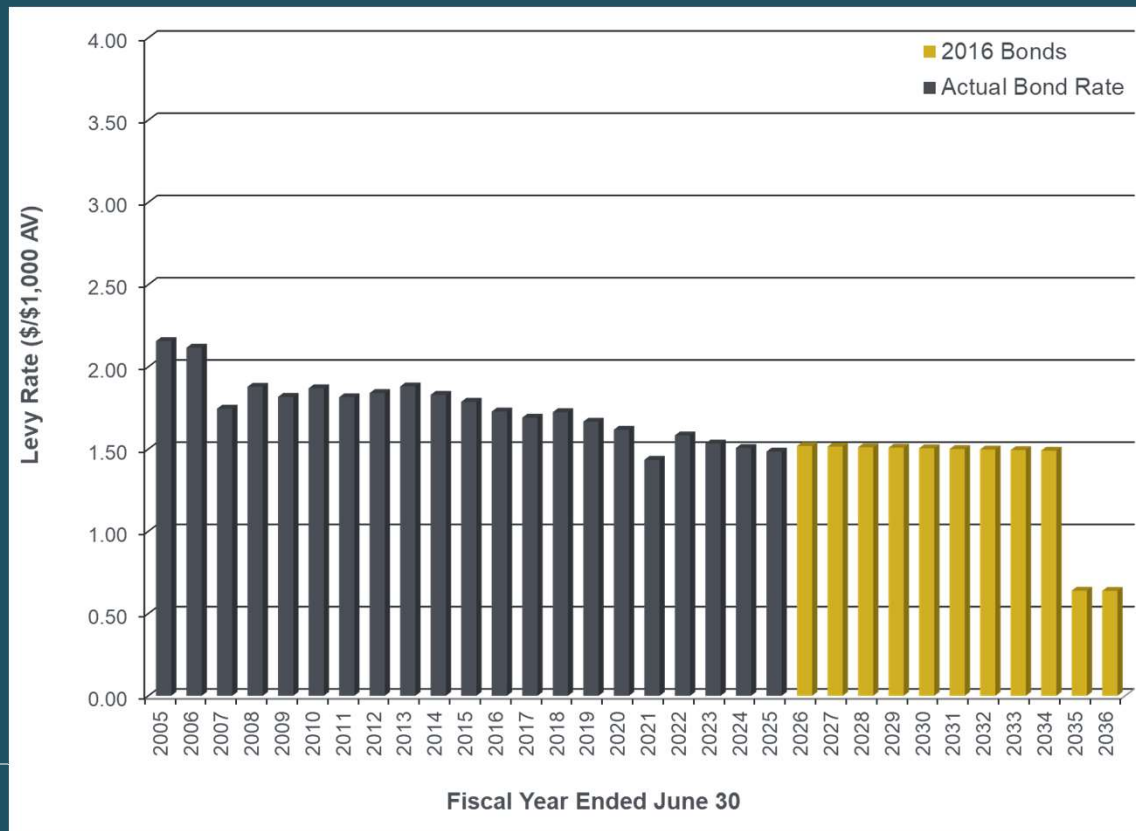
District values grown in excess of 3% due to new construction

Look to historical AV growth to inform future growth assumptions

OUTSTANDING AND PRIOR BONDS

	Purpose	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
General Obligation Bonds:					
Series 2000*	Capital construction & improvements	12/15/00	06/15/11	\$ 9,100,000	\$ -
Series 2001	Advance refunding of 1993 GO Bonds	10/15/01	06/15/08	7,380,000	-
Series 2008*	Capital construction & improvements	09/23/08	06/15/23	25,100,000	-
Series 2010	Advance refunding of 2000 GO Bonds	12/16/10	06/15/16	4,425,000	-
Series 2016	Advance refunding of 2008 GO Bonds & new capital costs	09/13/16	06/15/36	65,670,000	50,460,000
Total General Obligation Bonds					<u>\$ 50,460,000</u>

*Refunded.



SCENARIOS

- ✓ **\$1.83/\$1,000 Levy Rate**
- ✓ **\$1.83/\$1,000 Levy Rate
with 10 Year Step**
- ✓ **\$100 Million Issue**

**20
Years**

SUMMARY

Assumes November 2026 Election

Structure		Target \$1.83 Levy Rate for 20 Years		Target \$1.83 Levy Rate with 10 Year Step		Issue \$100 Million	
Par Amount		\$61,960,000		\$41,985,000		\$100,000,000	
Dated Date		3/1/2027		3/1/2027		3/1/2027	
Final Maturity		6/15/2047		6/15/2047		6/15/2047	
Amortization Period		20.29 Years		20.29 Years		20.29 Years	
Projected Average Levy Rates*							
	Prior Debt	New Bonds	Combined	New Bonds	Combined	New Bonds	Combined
2026.....	\$ 1.45	\$ -	\$ 1.45	\$ -	\$ 1.45	\$ -	\$ 1.45
2027.....	1.48	-	1.48	-	1.48	-	1.48
2028-2034.....	1.47	0.37	1.83	0.37	1.83	1.04	2.51
2035-2036.....	0.62	1.21	1.83	1.21	1.83	1.89	2.51
2037.....	-	1.83	1.83	1.83	1.83	2.51	2.51
2038-2047.....	-	1.83	1.83	0.91	0.91	2.51	2.51
Interest Estimates							
Cushion over Current Interest Rates		+1.50%		+1.50%		+1.50%	
True Interest Cost (TIC)**		5.98%		5.74%		5.83%	
Total Interest		\$74,418,289		\$41,414,403		\$104,303,567	
Total Interest as % of Par		120%		99%		104%	

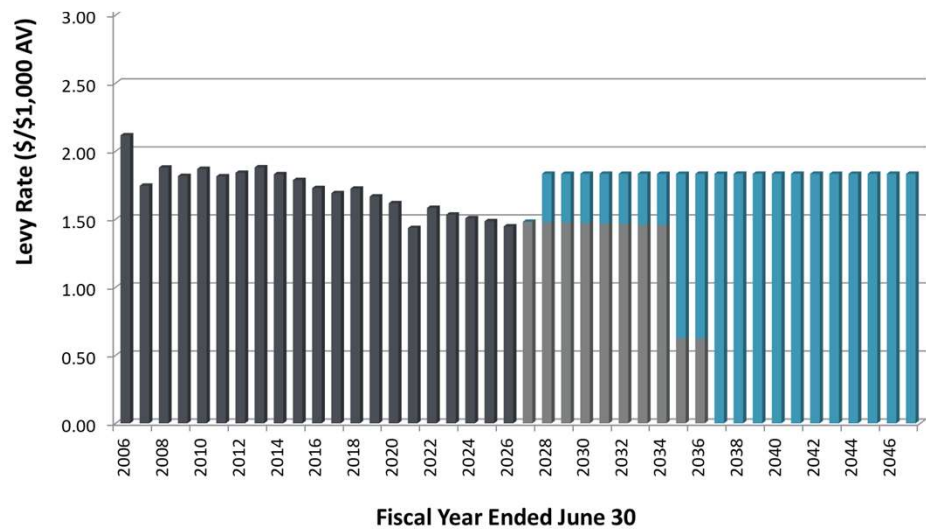
Structuring Assumptions			
AV Growth		Tax Collections	
2027	3.0%	2028	95.0%
2028	3.0%	2029	95.0%
2029	3.0%	2030	97.5%
2030	3.0%	2031	97.5%
Thereafter	3.0%	Thereafter	97.5%

*Projected average levy rates are based on a variety of assumptions regarding AV growth, tax collections & interest rates. Debt service will be fixed when bonds are sold but levy rates are preliminary until the assessor certifies values each year

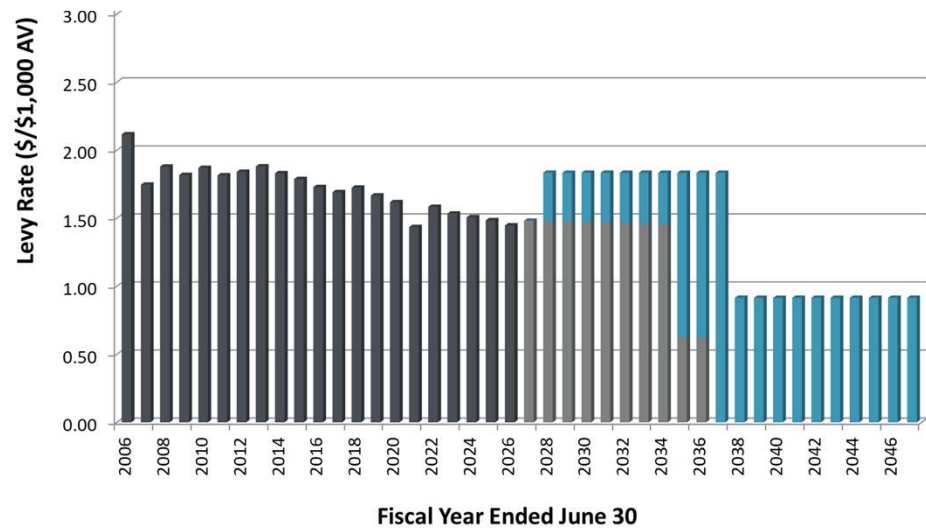
**True interest cost is the blended, overall interest rate for the issue. Includes the interest rate cushion

PROJECTED LEVY RATES

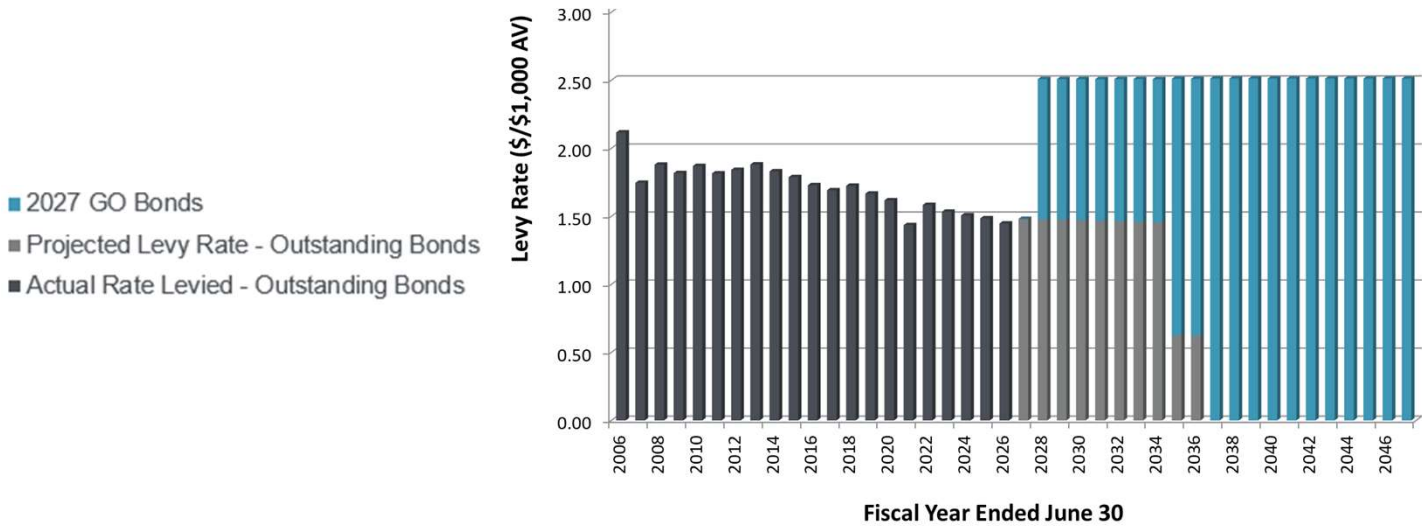
Target \$1.83 Levy Rate for 20 Years



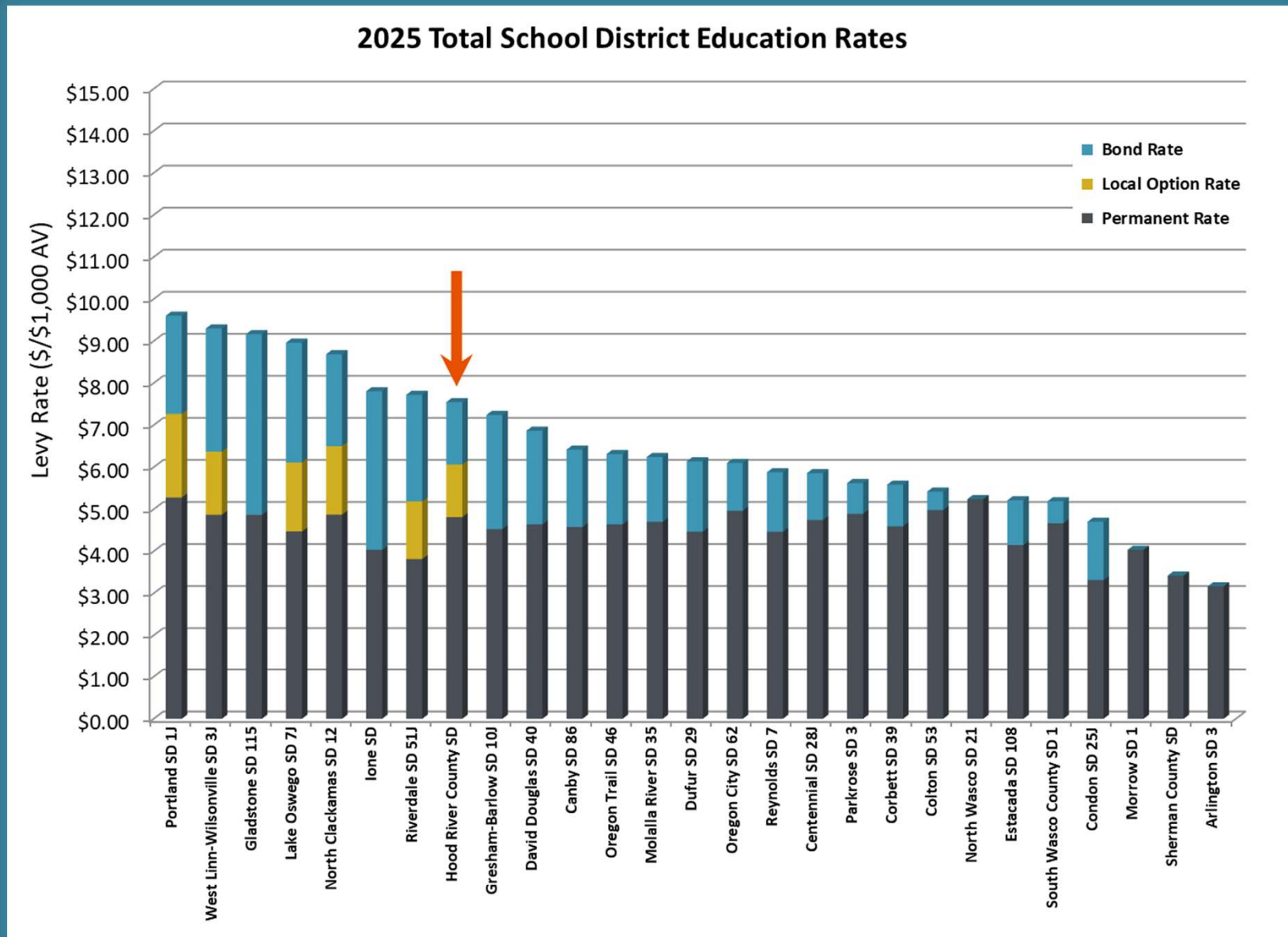
Target \$1.83 Levy Rate with 10 Year Step



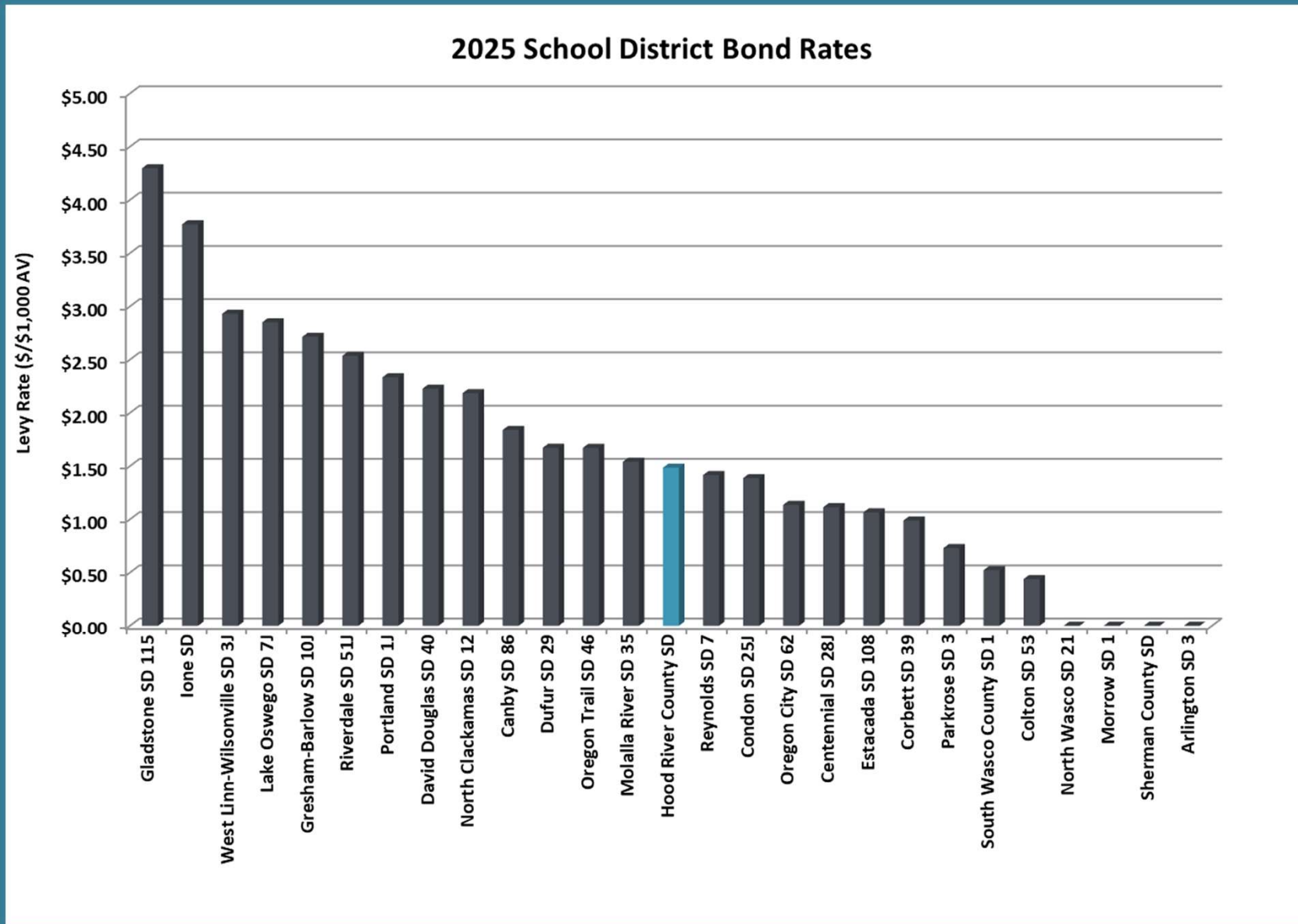
Issue \$100 Million



COMPARABLE LEVY RATES – TOTAL TAX RATES



COMPARABLE LEVY RATES – BONDS ONLY

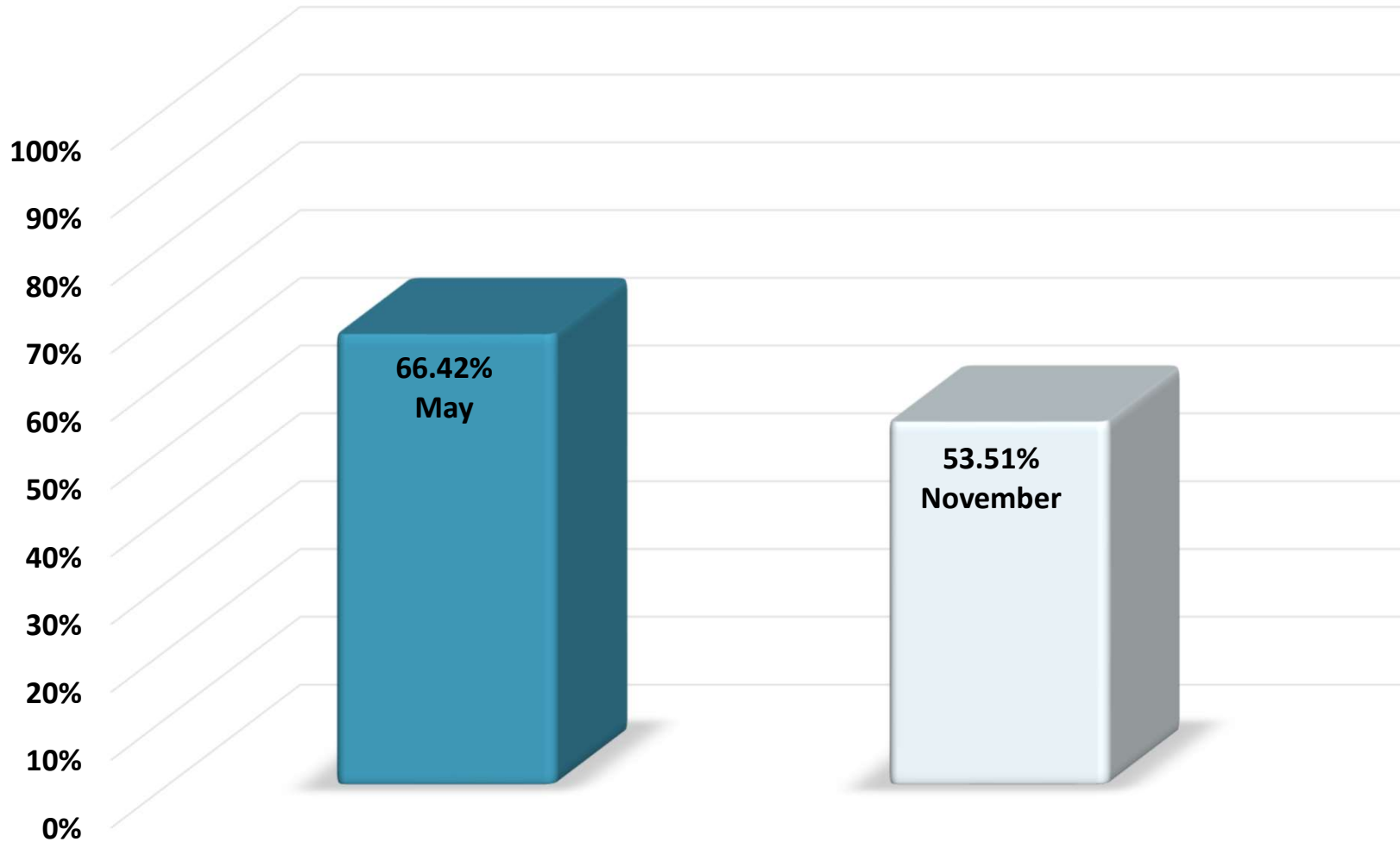


II. Election & OSCIM Program Data



WHAT ARE THE ODDS?

60.56% of Oregon K-12 school district GO bond issues from May 2010 to May 2025 have been approved



OREGON SCHOOL CAPITAL IMPROVEMENT MATCHING (OSCIM) PROGRAM



Provides State matching funds for school GO Bonds



Authorized by Legislature each biennium

**\$126.8 million for 2025-27
\$31.7 million+ each election**



Grant is lesser of bond amount or determined maximum between \$6.126 - \$12.252 million

Formula sets amount; tiers based on assessed value/ADMw



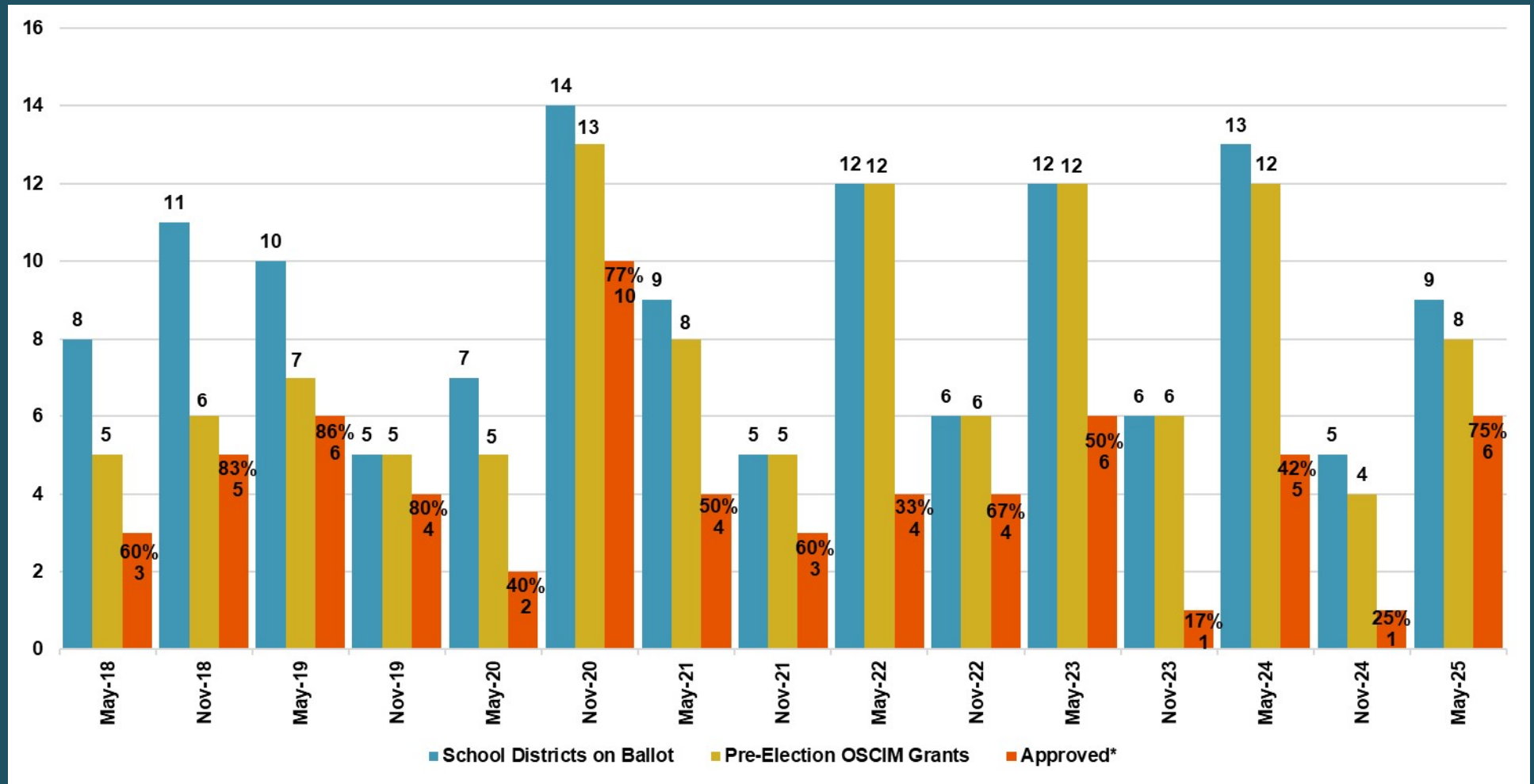
60% allocated in rank order by priority list & 40% allocated to 'First in Time' lottery

Rankings updated each biennium



For 25-27 biennium, Hood River County SD is ranked 131 out of 197; max grant is \$8.168 million

OSCIM PROGRAM HISTORY



Grant is intended to help increase a district's chance to approve GO Bonds

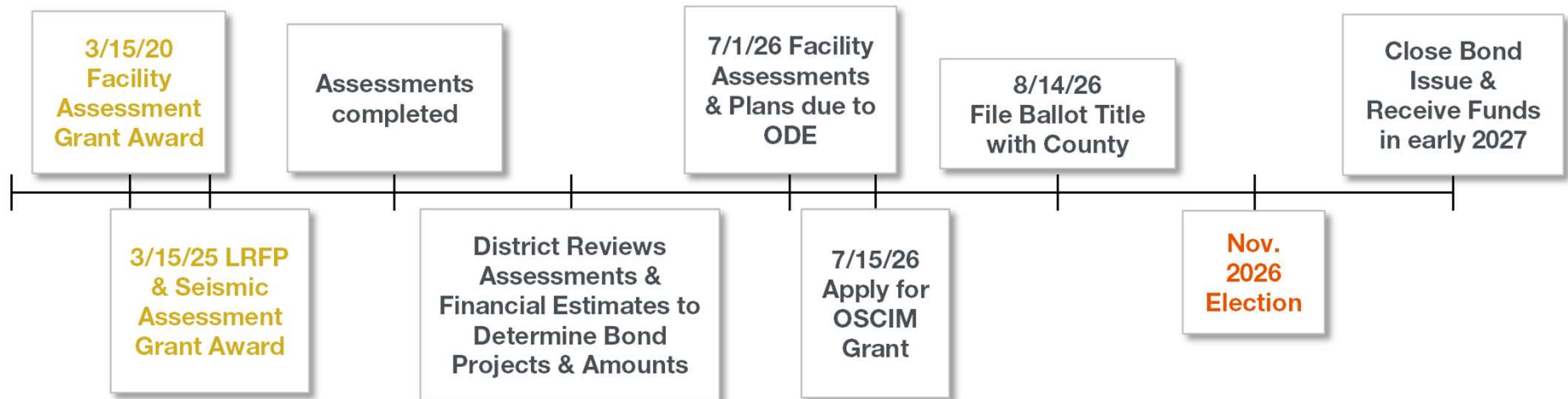
Still need to engage community and get voters on board

* Denotes approval rate for districts with Pre-Election OSCIM Grants

CURRENT OSCIM SCHEDULE & SAMPLE TIMELINE

Requirement	November Election	May Election
Facilities Assessment and Long-Range Plan	July 1	December 1
OSCIM Program Application	July 15	December 15

2025						2026												2027					
J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
Nov 2025																							
						May 2026																	
												Nov 2026											
																		May 2027					



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HRCSD LRFP Budget Considerations

LRFP Reported: October 15, 2025

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Difficulty with Budgeting Facility Expenses

- **Prioritization**
 - Long Term Projects tend to be “out of sight, out of mind”
 - Other needs tend to be more urgent
 - Other uses (like payroll) have more advocates and public visibility
- **Financial Planning for Long Term Costs**
 - 20 year projects (like roof replacements) have to be identified early
 - Reserves or sinking funds need to be specifically created for these items
 - But when they break... they are an emergency item
 - ... and they tend to be very expensive.



Budgeting Strategy for Long-Term Sustainability

- Adjust for current gap in revenues and expenditures
 - Review current services levels and expectations
 - Understand our budget buffer (contingencies, etc.)
- Anticipate long-term enrollment changes
 - Design the district based on the expected future needs
- Anticipate long-term cost changes
 - SPED costs increasing even with declines in overall enrollment
 - Impacts of Inflation on Labor Costs
 - Increased support costs (i.e. Transportation, Facilities)
 - PERS pension impacts - rate change next biennium and side account one-time cash flow impact
 - Long Range Facilities Planning (long term capital needs, deferred maintenance, etc)
 - Begin building reserves for large projects (i.e. turf field replacement)



Overall Facilities Budget Planning

Consistent with our strategy to budget for long term sustainability, our planning process includes:

- Utilize the LRFP process to create a long term projection of the sources and uses of expenditures for facilities maintenance and improvements
- Evaluate current needs
 - ODE Facilities, ODE ADA, Internal projects lists, etc.
- Establish General Fund spending priorities (started with FY25-26 budget)
 - Prioritize increased GF spending to facilities and maintenance
 - Create reserves and contingencies for future projects



Facilities Capital and Maintenance Needs

Current models include:

- ODE Facilities Assessments
 - 0-2 Years \$ 2,605,300
 - 3-10 Years \$ 70,782,299
 - 10-20 Years \$ 145,331,700
 - ADA Assessments \$ 2,658,834
- HRCSD Needs Lists TBD
- Athletics Facility Assessment (2017 costs)
 - Priority 1A and 1B projects (Playgrounds, track and turf) \$4,102,322
 - Other priorities (2-4) \$11,919,649
- Depreciation Method \$3,931,307

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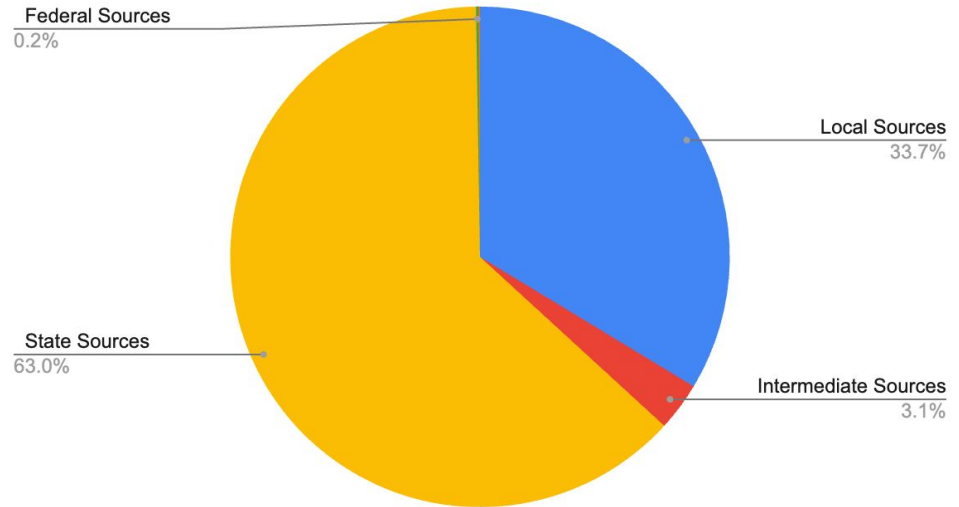


General Fund Facilities Budgeting

Considerations when evaluating the GF for facilities projects include:

- State Sources
 - State School Fund Payments (based on enrollment and weighted factors)
- Local Sources
 - Property Tax (applied to SSF)
 - Local Option Levy
- None of these sources are weighted for facility age or needs

TYPICAL REVENUES BY SOURCE - GENERAL FUND (100)



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Facilities Capital and Maintenance Budgeting

The specific sources of funding for the district (with FY24-25 income) include:

- General Fund

- Leases \$124,285
- Rentals \$ 28,666
- Facilities/Maintenance costs of the District's GF budget Function 2542
- Reserves carved out of the District's GF budget \$168,000 (turf 1 of 3 years)
- Equipment purchases in the District's GF budget \$78,000

- Capital Funds

- Capital Project Fund (400) prior program
- Construction Excise Tax (401) \$115,573
- SB1149 Energy Efficiency Funds (402) - restricted use (\$307,04 balance \$ 98,049

- Grant Funds

- Must be awarded by Grantor and consistent with their objectives

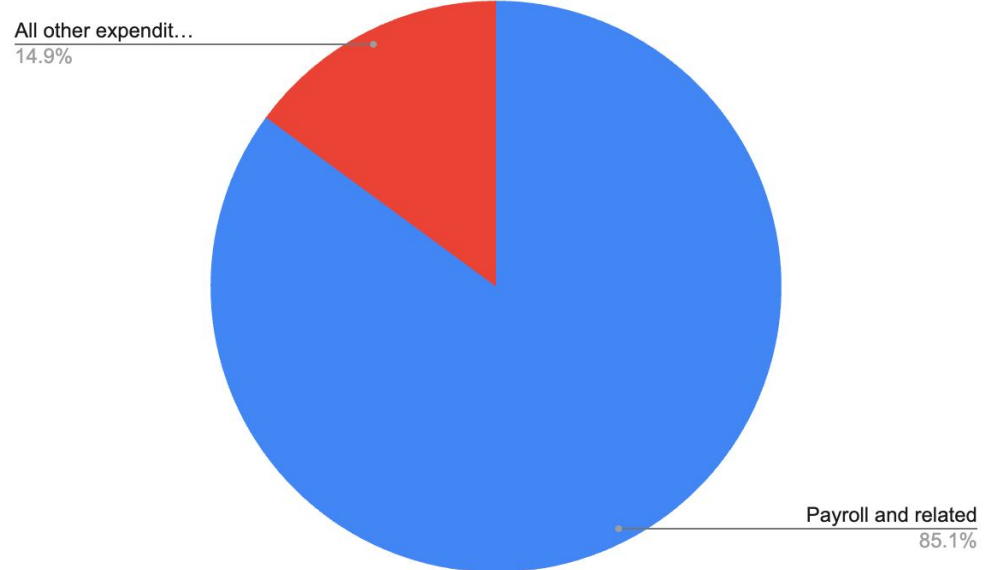
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General Fund Facilities Budgeting

Considerations when evaluating the GF for facilities projects include:

- Payrolls and related expenses account for 85% of all expenditures



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Facilities Capital and Maintenance Budgeting

General Fund Maintenance spending in Function 2542 includes \$6,533,657:

● Personnel	\$3,680,465
○ Custodian 30	
○ Maintenance 10	
○ Director and Staff 2	
● Insurance	\$ 368,019
● Utilities	\$1,262,940
● Material & Supplies	\$ 474,192
● All other spending (equipment, rental, contracted)	\$ 748,041

As of 10-15, we have already encumbered \$513,000 of the All other spending items

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Facilities Budgeting Takeaways

A few takeaways:

- The facilities maintenance needs over the long term are measured in the millions.
- The facilities program needs are measured in the millions
- The traditional sources of facilities revenue (GF, CET, etc.) are in the thousands
- To bridge this gap, several things will need to happen:
 - Any future bond program will have to consider the ability to pay for both new programs and facilities as well as major deferred maintenance
 - Our ability to project WHAT to spend on, and what NOT to spend on over a 20 year time frame will be critical to success
 - Increased competition for resources (Value Decisions & Opportunity Cost)
 - Increases in GF spending on facilities and maintenance will be a trade off with personnel
 - Facility deferred maintenance will compete with new projects in bond funding

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HRCSD BOARD GOALS FOR LRFPC PROCESS

1. Create a plan to fund and implement ongoing maintenance and enhancements to show good stewardship of financial resources.
2. Explore options to gain efficiencies in operational costs.
3. Consider how spaces can be more flexible and resilient.
4. Explore how to share responsibilities and investments with other community and government partners.

RECAP FROM LRFPC #5 - SEPTEMBER

- Debrief from Building Tours
 - LRFPC Themes from Observations
 - HVAC/Critical Systems – Mechanical/Electrical/Plumbing, Building Exterior (Envelope)
 - ADA and State mandates, especially ADA in outdoor locations
 - Transportation and Maintenance Facility
 - Safety & Security
 - Patchwork / Lack of Cohesion
- OSCIM overview with Oregon Department of Education
- Building condition data points
 - ODE Facility Condition Assessment
 - Maintenance and Capital Project Priorities
- 2018 Athletic Facilities Master Plan

STRETCH BREAK!

MAY STREET ELEMENTARY

LARGE PUBLIC CONSTRUCTION PROJECTS

- Oregon Revised Statute (ORS) 279.C mandates many aspects of the construction process for public agencies.
- Oregon law requires competitive bids and/or proposals for the work.
- Public perception of projects costing too much – public projects have different requirements than private projects.
- Oregon law requires Prevailing Wage (similar to union rates). These rates are typically more than private project wages.
- Oregon law requires 1.5% of construction budget be dedicated to Green Energy Technology (typically solar panels).
- “Development Costs” or “Soft Costs” need to be included in overall budget: includes design, permits, consultants, furnishings, etc.
- Contingency needs to be included in budget.
- Material choices are made with life-cycle cost and durability in mind. There is an expectation that new schools are going to be in use for a minimum of 50 years.
- Educational building code and school standards are stringent and higher than many other buildings, for the safety of students, staff and public.
- The technical aspects of modern school construction require well-trained and experienced tradespeople (more expensive).

COST ESTIMATING IN PRE-BOND



GOAL

- Establish a realistic and achievable budget for the bond work – not too high, not too low – based on preliminary conceptual design



STRATEGY

- Wenaha Group has been Project Managing school construction in Oregon and Washington since 2010. Prior to that, most of our Project Managers had careers in the construction industry as General Contractors and Architects.
- Opsis will provide preliminary design options.
- Wenaha Group & Opsis will provide guidance on phasing and schedule (which greatly influence an estimate) to an experienced third-party professional cost estimator that regularly estimates public projects in Oregon.
- After receiving the estimate, Wenaha Group will reconcile the estimate through a series of meetings with the estimator, architect, and school district.



COMPARISON PROJECTS

- Wenaha will double-check work by comparing costs with projects identified as similar, with consideration to unique attributes, year of construction and market conditions.

COMPARISONS WITH OTHER PROJECTS



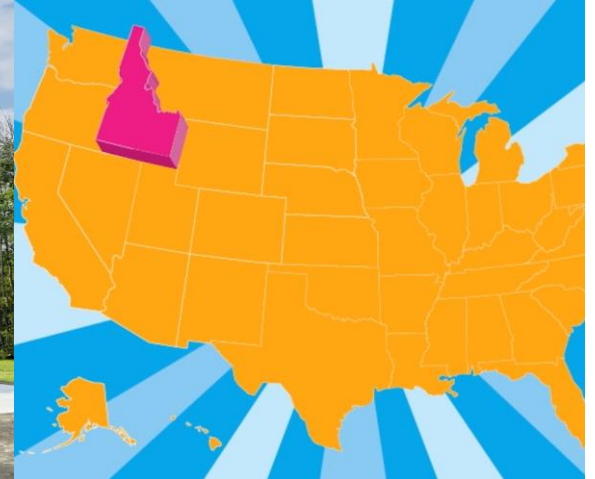
What is an accurate “comp”?

- Bid within 3 years
- Public works project
- School project
- Similar geographic area in Oregon/Washington
 - Though if Washington, being careful to exclude sales tax
- Full project cost (hard + soft cost)



What is an inaccurate “comp”?

- Older than 3 years
- Private project
- Residential construction (home/garage)
- Light commercial
- Outside of Oregon/Washington – not all states have prevailing wage
- Area of Oregon/Washington with different market conditions
- Only looking at hard cost (construction bid)



COMPARISONS WITH OTHER SCHOOLS: NEW CONSTRUCTION



HERMISTON SD
Loma Vista Elementary

- Bid Q1 2021
- 73,907 SF
- **Project cost (hard and soft costs) escalated to 2029: \$37,571,000**
- **Cost per SF: \$468**



HERMISTON SD
Rocky Heights Elementary

- Bid Q1 2021
- 73,907 SF, includes demo of existing school building
- **Project cost (hard and soft costs) escalated to 2029: \$38,920,000**
- **Cost per SF: \$485**



RIDGEFIELD SD
Sunset Ridge Elementary

- Bid June 2025
- 67,000 SF
- **Project cost (hard and soft costs) escalated to 2029: \$46,082,000 (excludes WSST)**
- **Cost per SF: \$688**

Note: Hood River estimates would be escalated to 2029 (mid-point of construction)

SUMMARY OF EARLY-STAGE BUDGETING



Realistic & Achievable Budget

*Not too high,
not too low;*

*Appropriate escalation
and contingencies*

*Full project cost
(hard and soft costs)*



Based on Preliminary Test Fits

*Full design and
competitive bidding
happens after the
bond is passed*



Checked w/ Comparison Projects

*Compared with
public school
projects
(prevailing wage,
etc.)*

Thank you!

Next Meeting
Wednesday, November 19

Meet at District Office
Meeting start at 6:00 p.m.

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Card

