

PARTICIPANT CONTACT INFORMATION

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D.A. DAVIDSON & CO. BOND UNDERWRITER SCHOOL BOND OVERVIEW





BRIDGET EKSTROM

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Bridget has worked in Public Finance with D.A. Davidson & Co. since 1992 and specializes in school and local government finance. Bridget is a native of Fort Benton and a graduate of Montana State University with a Bachelor's degree in Business. She holds FINRA/MSRB Licenses to include the Series 7, Series 50, Series 53, and Series 63.

AARON RUDIO

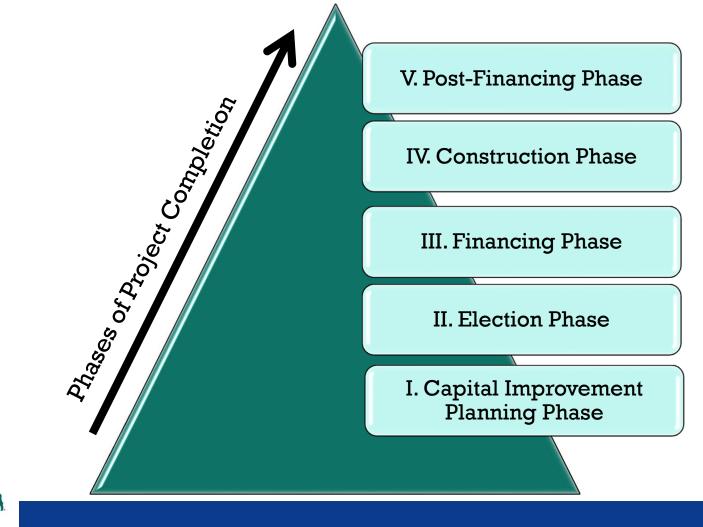
D.A. Davidson & Co. Senior Vice President Public Finance Phone: (406) 750-4547 Email: arudio@dadco.com

Aaron has worked in Public Finance with D.A Davidson & Co. since 1990 and specializes in school and local government finance. Aaron is a native of Missoula and a graduate of the University of Montana, with a Bachelor's degree in Business Administration and Finance. He holds FINRA/MSRB Licenses to include the Series 7, Series 50, Series 53, and Series 63.





BUILDING BLOCKS FOR A SUCCESSFUL IMPROVEMENT PROJECT AND FINANCING





SAMPLE SCHOOL DEBT LIMITATION

| | Three Forks Elementary and High Sc General Obligation Bond | | | |
|----------|--------------------------------------------------------------------------------------------|----------------------|---------------------------|--------------------------------------------------|
| G (1) | REATER OF CALCULATION 1 OR 2: CALCULATION 1: | Elementary | <u>High School</u> | |
| (2) | 100% of Taxable Valuation (2020/21) <u>CALCULATION 2:</u> | <u>\$11,869,478</u> | <u>\$11,684,831</u> | The Debt Calculation i |
| | 2020/21 Statewide Average Taxable Valuation Per ANB X School District's ANB for 2020/21 | \$39,230 | \$96,830 231 | the greater of calculation 1 calculation 2 |
| | Total X Debt Limit Rate of 100% | \$21,458,810 1.00 | \$22,367,736 1.00 | |
| | Maximum Debt Capacity | <u>\$21,458,810</u> | <mark>\$22,367,736</mark> | |





SAMPLE BOND ISSUE MILL LEVY IMPACT

D.A. Davidson & Co.

Oct-19

Anderson Elementary

MILL LEVY IMPACT ANALYSIS

GO Bonds - 20 Year Bond Term

| | | Election Estimates | | |
|--------------------------------------------------|----------------------------|----------------------------------------------------------------------------|-----------------------------------------------|--|
| Estimated Mill Levy Computation: | Proposed New Bond Issue | Prior 2000 Bond and 2013 Building Reserve (final levies 2019/20)* | 'Net' New Bond Levy Starting in 2020/21 | |
| Par Amount: | <u>\$6,900,000</u> | | | |
| Total Estimated Interest Over Life of Bond (1): | \$3,314,682 | | | |
| Estimated Annual Bond Payment Over 20 Years (1): | \$517,010 | \$133,465 | \$383,545 | |
| DIVIDED BY: District's Mill Value for 2019/20: | <u>\$4,528.465</u> | <u>\$4,528.465</u> | <u>\$4,528.465</u> | |
| EQUALS: Est Number of Annual Mills Required: | 114.17 | 29.47 | 84.70 | |

Estimated Tax Increase for Individual RESIDENTIAL TAXPAYER:

| 2019/20 Tax Year "MARKET VALUE" of | 2019/20 Tax Year "TAXABLE VALUE" of | Estimated ANNUAL | Estimated ANNUAL | Estimated NET ANNUAL | Estimated "NET MONTHLY" |
|---------------------------------------|----------------------------------------|---------------------|---------------------|-------------------------|-------------------------|
| <u>Residential Property (2)</u> | Residential Property (2) | <u>Tax (3)</u> | <u>Tax (3)</u> | <u>Tax (3)</u> | <u>Tax (3)</u> |
| \$100,000 | \$1,350 | \$154.13 | \$39.79 | \$114.34 | \$9.53 |
| \$200,000 | \$2,700 | \$308.26 | \$79.58 | \$228.68 | \$19.06 |
| \$300,000 | \$4,050 | \$462.38 | \$119.36 | \$343.02 | \$28.59 |
| \$400,000 | \$5,400 | \$616.51 | \$159.15 | \$457.36 | \$38.11 |

NOTE: All property owners (including farming and ranching operations, commercial businesses, home owners etc...) should use the following formula to calculate the estimated tax impact of the Bond issue. Look up the Property's "Taxable Value" from Personal Tax Statement or the following State website (http://svc.mt.gov/dor/property/prc) and use the following formula: "Taxable Value" X Mills/1,000 = Estimated Annual Tax Impact of the Bonds

* The District has two levies going off the tax rolls in 2019/20 and so the proposed new 20-year Bonds would be first added to the tax rolls in 2020/21 as the other levies have come off the tax rolls so the 'net' change in levies is shown. The District's Series 2000 Bonds issued in the amount of \$1,300,000 have a final payment of \$108,493 in 2019/20 and the District's five year Building Reserve Levy approved in 2013 has a final levy of \$25,000 in 2019/20.

(1) Based on estimated and conservative true interest cost rates (TIC) for 20-year bank qualified bonds (BQ) of 2.93% and 2.57% (with original issue premium generated for the Project for costs).

(2) Based upon Class 4 residential property. The "Market Valuation" for tax purposes will be different than the valuation of most residential real property for resale purposes. To better calculate the estimated tax impact of the bond issue, property owners should look up their exact taxable value as shown on their personal tax statement and use the formula shown above in grey.

(3) Tax Impacts are based on property tax legislation adopted at the 2015 Legislative Session and the 2019 Department of Revenue reappraisal effective for the 2019/20 and 2020/21 tax years. Tax impact information varies every year depending on such factors as District Mill Value, State reimbursement (if any), method of calculating taxable valuation and actual debt service.



SAMPLE TOP TAXPAYERS

| Hi | ree Forks Th School | | Anderson Elementary | | |
|----|----------------------------------------------------------|-----------------------------------|---------------------------------------------------------|-----------------------------------|--|
| | District Total Taxable Value \$11,127,369 Taxpayer | % of total 2019/20 Tax Base | District Total Taxable Value \$4,528,465 Taxpayer | % of total 2019/20 Tax Base | |
| | Northwestern Energy | 16.6% | Wolf, Walter Revocable Trust | 1.4% | |
| | Quest/CenturyLink | 6.9 | Foreman, Bruce & Alora | 0.9 | |
| | GCC Three Forks LLC | 6.9 | Tri H Stables LLC | 0.9 | |
| | Montana Rail Link | 4.8 | Northwestern Energy | 0.8 | |
| | Luzenac America Inc. | 3.7 | Pederson, Gregory | 0.7 | |
| | CHS Inc. | 2.1 | Hubbard, Mathew & Kara | 0.6 | |
| | Oldcastle Materials Cement Holdings | 0.9 | Andrikopoulos Family Trust | 0.6 | |
| | Wheat Montana Farms Inc. | 0.9 | Howard, Michael & Margaret Family Trust | 0.5 | |
| | Grey Cliffs Ranch LTD | 0.8 | Tyler, Nancy | 0.5 | |
| | Rocking L LLC | <u>0.6</u> | Shanahan Lynn Connolly Trustee | <u>0.5</u> | |
| | TOTAL | 44.2% | TOTAL | 7.4% | |
| | | | | | |



MUNICIPAL BOND MARKET UPDATE

"AAA" Municipal Trends for 1-Year Maturity, 10-Year Maturity, 20-Year Maturity



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SAMPLE MUNICIPAL BOND MARKET RATES **JUNE 7, 2021**

Based On Rating/Credit Analysis By Moody's, Standard & Poor's, and/or Fitch

| | | "AAA" | "AA" | "A" | "BAA" | |
|----|------|----------|----------|-------|-------|---|
| 1 | 2022 | 0.07 | 0.09 | 0.15 | 0.36 | |
| 2 | 2023 | 0.10 | 0.12 | 0.21 | 0.46 | |
| 3 | 2024 | 0.21 | 0.25 | 0.34 | 0.54 | |
| 4 | 2025 | 0.34 | 0.38 | 0.48 | 0.70 | |
| 5 | 2026 | 0.44 | 0.49 | 0.60 | 0.89 | |
| 6 | 2027 | 0.57 | 0.67 | 0.79 | 1.09 | |
| 7 | 2028 | 0.69 | 0.79 | 0.92 | 1.28 | |
| 8 | 2029 | 0.80 | 0.93 | 1.04 | 1.41 | |
| 9 | 2030 | 0.91 | 1.04 | 1.16 | 1.56 | |
| 10 | 2031 | 0.96 | 1.09 | 1.21 | 1.62 | |
| 11 | 2032 | 1.00 | 1.13 | 1.28 | 1.66 | |
| 12 | 2033 | 1.03 | 1.17 | 1.31 | 1.69 | |
| 13 | 2034 | 1.06 | 1.20 | 1.35 | 1.72 | |
| 14 | 2035 | 1.09 | 1.24 | 1.39 | 1.75 | |
| 15 | 2036 | 1.12 | 1.27 | 1.42 | 1.78 | |
| 16 | 2037 | 1.15 | 1.30 | 1.45 | 1.81 | |
| 17 | 2038 | 1.18 | 1.33 | 1.48 | 1.84 | |
| 18 | 2039 | 1.21 | 1.36 | 1.51 | 1.87 | |
| 19 | 2040 | 1.25 | 1.40 | 1.55 | 1.91 | |
| 20 | 2041 | 1.29 | 1.44 | 1.59 | 1.95 | • |
| | | | | | | |
| | | Sample C | redit Sn | reads | | |

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S&P RATING AGENCY FINANCIAL MANAGEMENT ASSESSMENT

As part of the credit rating review process, S&P conducts a Financial Management Assessment (FMA) during the rating review process by determining what management policies and practices are in place, according to the following seven categories. Before issuing Bonds it will be worth the District's effort to review the following and consider adopting some of the policies and practices that the rating agency views as favorable.

o Revenue/Expenditure Assumptions for Annual Budgeting

- How many years of history do you use when forecasting trends?
- What outside sources of information do you use or consult?
- What methodology do you use for budgeting (line item, zero base, etc)?
- Budget Amendments & Updates
 - As the fiscal year progresses, how often do you review your main revenues and expenditures?
 - How many times per year do you provide the board or council with budget-to-actual reports?
 - In case of an emergency, how quickly could an amendment to the budget be made?
- Long-Term Financial Planning
 - Is any type of multiple-year financial forecasting utilized?
 - How frequently are these projections updated?
 - If projections are done, are the results shared with the board or council and used for decision-making?
- Long-Term Capital Planning
 - Is a written, multiple-year capital improvement plan maintained? If so, how frequently is the plan updated?
- Investment Management Policies
 - Is there a formally approved investment management policy, or are the state guidelines simply followed when making investments?
 - How frequently is the board or council provided with information on the investment portfolio? (Specifically investment earnings and portfolio holdings)
- Debt Management Policies
 - Is there an approved debt management policy that goes beyond statutory limitations to restrict the structure or amount of debt issued?

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- Reserve and Liquidity Policies
 - Has the board or council approved a formal fund balance or reserve policy?
 - If so, what is the minimum level of mandated reserves and why was that particular level chosen?
 - If no formal policy exists, is there a particular goal or target reserve level which the board keeps in mind?



DORSEY & WHITNEY LLP BOND COUNSEL

DAN SEMMENS Partner



Dorsey & Whitney, LLP Phone: (406) 721-6025 Email: <u>semmens.dan@dorsey.com</u>



Dan has been with Dorsey & Whitney in the Missoula office since 2001. He is a public finance partner whose practice focuses on issuer representation and regularly serves as Bond Counsel to school districts. He also represents the State of Montana, cities, towns, counties, water and sewer districts, and other special districts in an array of public and special purpose financings. In the role of Bond Counsel, he helps schools and other public entities by providing practical assistance relating to the financing of school building projects, infrastructure, and related matters. Dan is a native of Helena and a graduate of University of Notre Dame Law School.

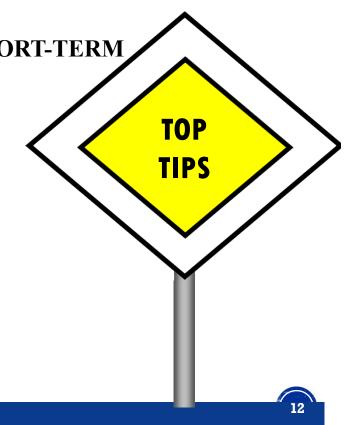






PREPARING FOR THE BOND ELECTION

- ALLOW a lot of TIME
- FOCUS on what the District NEEDS now or in the SHORT-TERM
- Keep it **SIMPLE**, but hit all the highlights





ANDERSON ELEMENTARY SCHOOL SAMPLE BALLOT QUESTION

Shall the Board of Trustees of School District No. 41 (Anderson), Gallatin County, Montana (the "District") be authorized to sell and issue general obligation bonds of the District in one or more series in the aggregate principal amount of up to Six Million Nine Hundred Thousand and No/100 Dollars (\$6,900,000.00), bearing interest at rates to be determined at the time of the sale, payable semiannually, during a term as to each series of bonds of not more than twenty (20) years, for the purpose of addressing safety, deferred maintenance, and building code issues by paying the costs of designing, constructing, furnishing and equipping a classroom wing at the existing school site and making associated improvements related to the additional classrooms; making site work improvements such as roads and parking lots; demolishing the existing west classroom wing and undertaking associated site work, including septic system improvements; related amenities and improvements; if bond proceeds are available, acquiring approximately 2 acres of land contiguous to and to the south of the existing school site; and paying the costs associated with the sale and issuance of the bonds?





THREE FORKS ELEMENTARY SCHOOL SAMPLE BALLOT QUESTION



Shall the Board of Trustees of Elementary School District No. J-24 (Three Forks), Gallatin, Broadwater, and Jefferson Counties, Montana (the "Elementary School District"), be authorized to sell and issue general obligation bonds of the Elementary School District in one or more series in the aggregate principal amount of up to Ten Million and No/100 Dollars (\$10,000,000.00), bearing interest at rates to be determined at the time of the sale, payable semiannually, during a term as to each series of bonds of not more than twenty-five (25) years, for the purpose of paying the costs of designing, constructing, remodeling, equipping, and furnishing improvements to the Elementary School District facilities to accommodate growth and address safety concerns, to include adding a new secure middle school entrance, new classrooms, and flex space for music and art classrooms; renovating existing space to create a new secure elementary school entrance and administration space, special education and support spaces, and music practice rooms; replacing aging infrastructure, including upgrading mechanical, electrical and plumbing systems; installing a fire suppression system; and making various site improvements to include moving bus lanes and emergency fire access to the north of the school, adding a new parking lot, installing sidewalks and curbs to meet Americans With Disabilities Act requirements, and relocating playground equipment; related improvements and costs; and paying costs associated with the sale and issuance of the bonds?

If the above proposition passes and the proposition on the Three Forks High School District bonds, authorization for which is sought simultaneously herewith, does not pass, the Board will not proceed with the improvements described above.





THREE FORKS HIGH SCHOOL SAMPLE BALLOT QUESTION



Shall the Board of Trustees of High School District No. J-24 (Three Forks), Gallatin and Broadwater Counties, Montana (the "High School District"), be authorized to sell and issue general obligation bonds of the High School District in one or more series in the aggregate principal amount of up to Fifteen Million and No/100 Dollars (\$15,000,000.00), bearing interest at rates to be determined at the time of the sale, payable semiannually, during a term as to each series of bonds of not more than twenty-five (25) years, for the purpose of paying the costs of designing, constructing, remodeling, equipping, and furnishing improvements to the High School District facilities to accommodate growth and address safety concerns, to include adding a new secure high school entrance and common space, classrooms, and expanding the cafeteria; renovating the existing kitchen, special education and support spaces, art classroom, and district and school administration offices; replacing aging infrastructure, including upgrading mechanical, electrical and plumbing systems; installing a fire suppression system; and making various site improvements to include moving bus lanes and emergency fire access to the north of the school, adding a new parking lot, installing sidewalks and curbs to meet Americans With Disabilities Act requirements, and relocating playground equipment; related improvements and costs; and paying costs associated with the sale and issuance of the bonds?

If the above proposition passes and the proposition on the Three Forks Elementary School District bonds, authorization for which is sought simultaneously herewith, does not pass, the Board will not proceed with the improvements described above.





THREE FORKS ELEMENTARY AND HIGH SCHOOL DISTRICTS

\$10,000,000 ELEMENTARY AND \$15,000,000 HIGH SCHOOL BOND ELECTIONS APPROVED MAY 5, 2020

LISA MORGAN Business manager/District Clerk



Three Forks Elementary and High School Districts Phone: (406) 258-6830 Email: <u>lmorgan@threeforks.k12.mt.us</u>

Lisa has been with Three Forks Schools as Business Manager since January 2019. Prior to serving in this position, Lisa served as District Clerk for 11 years for other schools and owned multiple independent businesses for 19 years. The 2020 bond election was her first Bond Election process as Business Manager with the successful passage of a \$10,000,000 Elementary Bond and a \$15,000,000 High School Bond.





CORKS

PPORT THE P

THREE FORKS VALLEY VOICE EXCERPTS



Three Forks Voters Approve School Bonds

May 5, 2020 was a huge day for the Three Forks School District. Local voters approved a \$15 million High School Bond and a \$10 million K-8 bond.



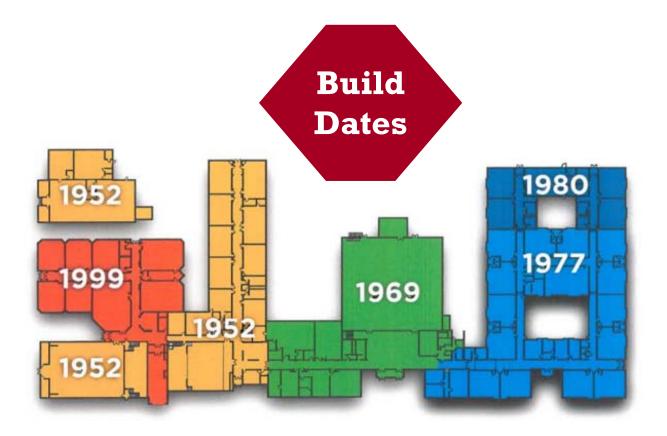
In results from the Gallatin County Elections Office, voters approved the high school bond by a vote of 725 to 517 and approved the K-8 bond by a vote of 742 to 510.

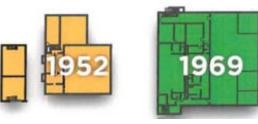
After hearing the bonds had passed, Three Forks Superintendent Jeff Elliott was excited for both students and staff. "Not only is it good for our staff and students, but it is great for our community. We had some really persistent people spearheading this."





THREE FORKS EXISTING CAMPUS BUILD DATES









PRESENTING THE NEED FOR THE PROJECTS TO THE COMMUNITY

AREAS NEEDING IMPROVEMENT





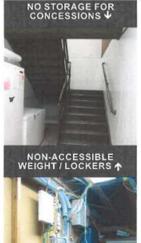




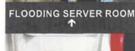


INADEQUATE LOCKER ROOMS A



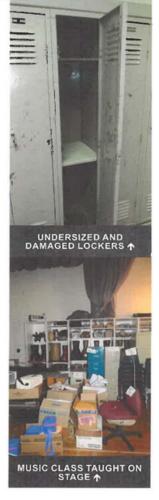
















CAMPAIGN TO SUPPORT THREE FORKS SCHOOLS



SAFETY

a key component of the Three Forks Bond Projects. Reconfigure entrances and improve bus loading.

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ELECTION BROCHURE EXCERPTS OVERVIEW OF THE PROJECTS

3 PILLARS OF THE 2020 BOND

SAFETY

- Address safety and wellness and create environments that facilitate learning
- Current facility safety issue examples:
- High School Mechanical and Electrical systems no longer meet building code
- No fire suppression system exists in the building
- Building access, and entrance points need to be addressed for <u>proper check-in protocol</u> to increase student and faculty safety

SPACE

- Address crowded classroms, hallways, and common areas so that students are receiving the attention they require
- Current facility space issue examples:
- For the 2019-2020 school year, <u>3 teachers are</u> sharing one classroom
- 3 English classes are being <u>taught in an audito-</u> rium
- 3 classes are over the OPI mandates
- Elementary school group work at each grade is being <u>done in the hallways</u>

INFRASTRUCTURE

- Address aging and non-compliant building components to create a comfortable and accessible learning environment for all students
- Current facility infrastructure issue examples:
- The "Old" gym is useable for PE, but cannot host games because of <u>dangerous access upstairs</u>
- Three Forks High School has had to replace <u>ob-</u> solete steam heating registers in classrooms
- The High School wing has continuous leaking and roof issues
- Obsolete High School electricity maintains <u>break-</u> er boxes in each room, in lieu of switches

OTHER CRITICAL INFORMATION

- No bond currently on taxpayer books
- Last school bond passed over 20 years ago (1999)
- Population of Three Forks in 1999: 1,513
- School Enrollment in 1999: 517
- Current Three Forks Population: 2,046 (2017)
- School Enrollment in 2020: 732

HOW DID WE GET HERE?

THREE FORKS SCHOOL BUILDING HISTORY

- 1952: Three Forks High School wing built
- 1972: Gym and Library wing built
- 1977: Three Forks Elementary School built
- 1991: 5 Elementary School classrooms were added
- 1997: New boilers for the High School installed
- 1999: Three Forks Middle School built
- 2012: Two new boilers for the Elementary School installed
- 2018: New Middle School Boiler installed

THE BOND PROCESS SO FAR

SEPTEMBER 2017

Preliminary Report completed to assess the current school building conditions and deficiencies NOVEMBER 2017 5 plan options presented to school board with pricing DECEMBER 2017 Plan chosen and developed further to bring down overall project cost & bond amount determined DECEMBER 2017 thru MAY 2018 Marketing campaign for the Bond vote occurs, includes Facebook posts, community meetings & information available at sports events MAY 2018 BOND VOTE - FAILS JUNE 2018 Jeff Elliott becomes TFSD superintendent APRIL 2019 Plans developed for new bond vote, based on comments and surveys conducted after May 2018 bond vote SEPTEMBER 2019 School Facilities Committee Created DECEMBER 2019 Plan finalized to meet TFSD needs & bond amount determined DECEMBER 2019 thru MAY 2020 Marketing campaign led by Jeff to include tours of the

building, video updates, and a dedicated bond information website

MAY 2020 BOND VOTE

CAST YOUR VOTE MAY 5, 2020!



ELECTION BROCHURE EXCERPTS THREE FORKS PROJECT OVERVIEW



88,800 SF \$15,000,000 TOTAL Life Saftey, Mechanical, Electrical & Plumbing Upgrades: 57,000 SF \$9,300,000

> Renovations: 10,000 SF \$1,700,000

District & school administration offices

Kitchen improvements Special education + support spaces

Art classrooms



The above diagram is intended to illustrate proposed new addition, renovations & upgrades in the elementary district

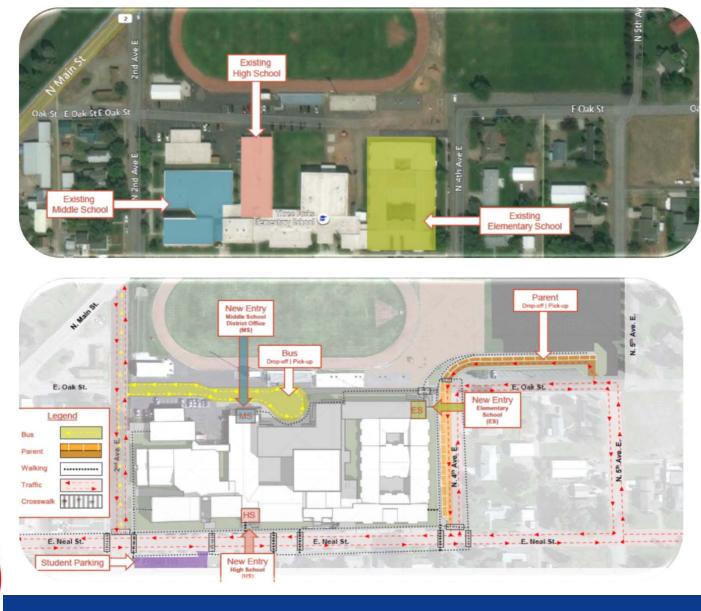


The above diagram is intended to illustrate proposed new addition, renovations & upgrades in the high school district





THREE FORKS SITE IMPROVEMENTS





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THREE FORKS SITE IMPROVEMENTS **ARCHITECT RENDERING**





THREE FORKS SITE FINISHES

Exterior Finish Concepts:

- · Borrow color concepts from existing building
 - Brick Concrete
 - Dark Bronze Anodized Metals
- · Proposed materials
 - Metal Panel is the typical material
 - · Reds to borrow from the existing brick
 - · Tan and warm grey to borrow from existing concrete
- · Emphasize entries for intuitive site wayfinding
 - Red metal panels at entries
 - Canopies Storefront glazing





Overall Interior Concepts

TFPS Proposed Exterior Finishes

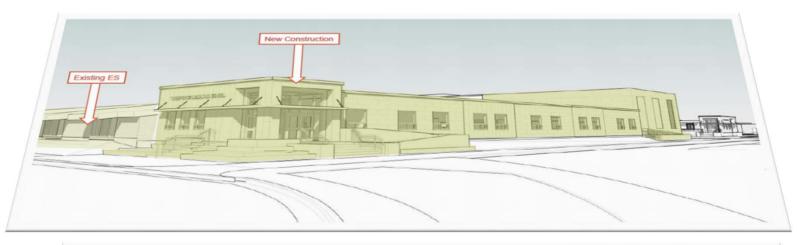
- Utilize existing finishes that work well
 Refresh & brighten
- Creater a unignitien
 Creater a unignitien
 Creater an identity for each "school", while creating a sense of cohesion
 (proposed themes: ES = green, MS = blue, HS = red)
 Emphasize entry points & wayfinding
 Utilize color
- · Budget friendly & durable finishes

Color Theory in Schools Video: https://www.legat.com/how-interior-designersuse-color-theory-to-impact-learning/





THREE FORKS ELEMENTARY IMPROVEMENTS ARCHITECT RENDERING

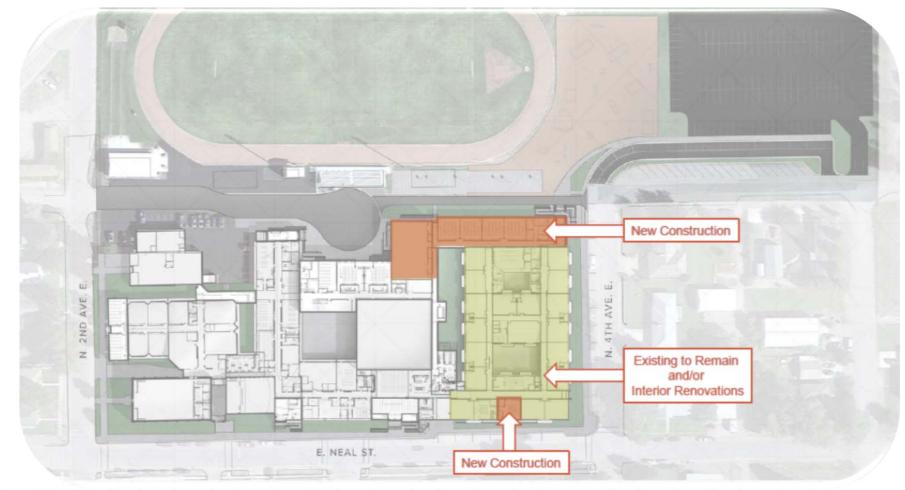








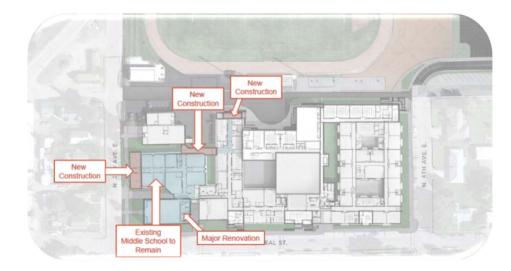
THREE FORKS ELEMENTARY IMPROVEMENTS







THREE FORKS MIDDLE SCHOOL IMPROVEMENTS

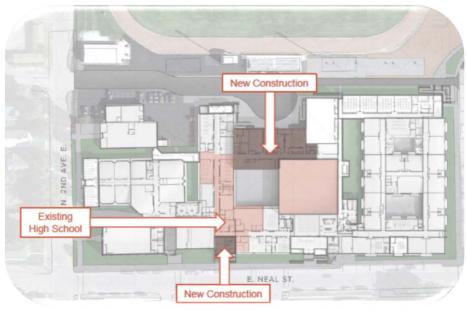




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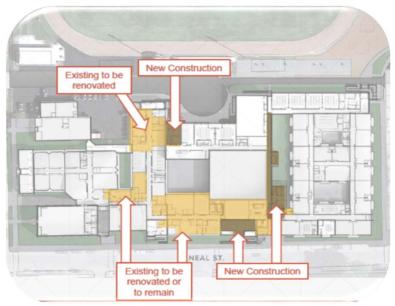
THREE FORKS HIGH SCHOOL IMPROVEMENTS





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THREE FORKS SHARED IMPROVEMENTS







ANDERSON ELEMENTARY SCHOOL DISTRICT \$6,900,000 ELEMENTARY BOND ELECTION APPROVED OCTOBER 1, 2019

TANYA ROBERTS Business manager/District Clerk



Anderson Elementary School District Phone: (406) 587-1035 Email: <u>troberts@andersonmt.org</u>



Tanya has been with Anderson School District as Business Manager since November 2010. Prior to serving in this position, Tanya served as Business Manager for Ophir Public Schools in Big Sky for 9.5 years and during that time was involved in other bond issues. The \$6.9 million Anderson Bond Election was held on October 1, 2019, with 53.0% of the registered voters voting and passed by a margin of 300 voting in favor of (57.8%) and 219 voting against (42.2%) the issuance of bonds.

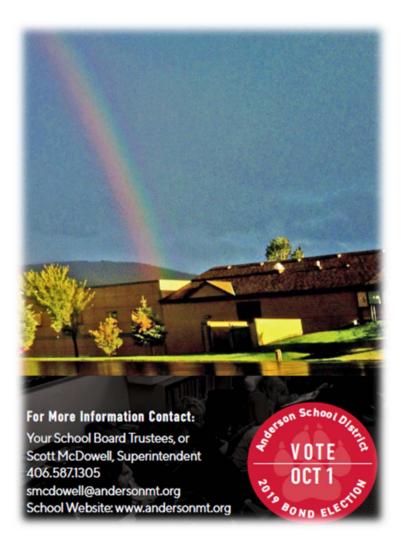




ELECTION BROCHURE EXCERPTS ANDERSON CARES

Anderson School District is experiencing rising maintenance costs. Minimal annual funds only allow for band-aids to problems and not long term solutions. School Board Trustees want to address the existing safety and infrastructure needs while solving inadequate instructional spaces, which affects the ability to deliver top quality education.





ELECTION BROCHURE EXCERPTS THE PROJECT - NEEDS AND SOLUTIONS

THE NEED

Safety, Aging Infrastructure, Classrooms

SAFETY

- Septic system is undersized and must be expanded per DEQ regulations
- There are not enough restrooms per building code and most are not ADA accessible
- Schools of this construction type that are more than one story require a fire sprinkler
- Fire areas in excess of 12,000 SF require a fire sprinkler. West wing is 14,000 SF+
- ADA access is inadequate
- Need to reduce vehicle/pedestrian conflict at parking lot
- Visual control of the site is significantly reduced by location of west wing.

AGING INFRASTRUCTURE

- Old wood structural footings at the west wing must be replaced per engineer's evaluation
- Inadequate fresh air in the classrooms, especially in winter when windows cannot be opened
- Fire alarm must be upgraded to voice annunciation
- Spent \$116,000 on maintenance in 2017/18 and costs are increasing
- Windows are inefficient and allow significant solar gain, contributing to temperature issues
- · Storage for state-mandated records and science is inadequate

CLASSROOMS

- Teachers and staff have made-do with existing space
- Students work in groups in hallways daily
- Classrooms are inadequately sized for today's teaching methods
- There are no flexible spaces for Intervention and Title/Resource students, this is taking place in closet sized areas
- Need enough room to comfortably teach 20-24 students in each class
- Need a specific classroom for Art and Spanish

THE SOLUTION

Safety, Aging Infrastructure, Classrooms

SAFETY CODE

- Construct new addition while students are undisturbed in west wing
- Reuse boilers from west wing in new addition, move in summer
- Demolition of the west wing removes all of these deficiencies:
- Structural wooden foundation
- · Inadequate toilet quantities
- ADA accessibility
- Fire alarm upgrade
- Inadequate fresh air
- Undersized classrooms

AGING INFRASTRUCTURE

- Entire school is now on one floor level
- · Adding new 2 hour fire barriers in correct locations
- · Improved ventilation with more energy efficient systems
- Upgraded fire alarm system
- Old west wing classrooms become expanded parking lot area, preserving green space and playground areas

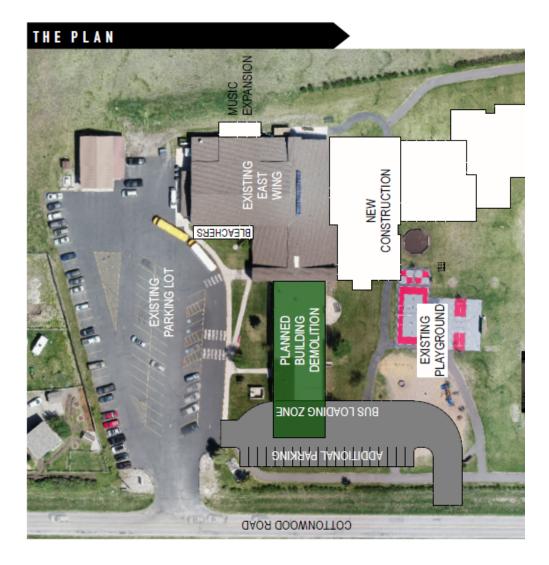
CLASSROOMS

- New classrooms are constructed while the rest of the school is undisturbed
- · Added restrooms with ADA accessibility
- New flex spaces for Intervention and Title
- Relocated library
- All classrooms have natural light and windows
- Building entrance and control much improved
- Building expands along property boundary and site is no longer divided by a building, which results in improved sightlines

\$6,900,000 bond for this addition/demolition project



ELECTION BROCHURE EXCERPTS THE PROJECT - OVERVIEW





ELECTION BROCHURE EXCERPTS THE INVESTMENTS

TOTAL BOND AMOUNT = \$6,900,000Tax Impact on a \$100,000 (assessed market value) Home: \$9.53/Month \$114.36/Year Gallatin County property owners can look up their assessed market values at http://itax.gallatin.mt.gov THE GOOD NEWS! These calculations take into consideration that 29.47 mills are coming off your taxes in June 2020.





DISTRICT WEBSITE EXCERPT

Facility Project

SUPERINTENDENTS BOND LETTER_OCTOBER 2019

BOND GOALS AND TAX IMPACT DOCUMENT

2019 BOND GENERAL QUESTIONS AND ANSWERS DOCUMENT

8/15/19 CURRENT BLUEPRINT DESIGN

APRIL 2019 DEMOGRAPHIC STUDY

EARLY PLANNING DESIGNS 2018-2019

2008 K-12 MONTANA SCHOOLS FACILITY CONDITION & INVENTORY REVIEW

2018 SCHOOL BOARD UPDATE/REVIEW OF THE 2008 FACILITY CONDITION & INVENTORY

2015 FACILITIES SURVEY RESULTS FOR PUBLIC MEETING

1994 SCHOOL BOARD LONG RANGE PLANNING SURVEY RESULTS & RECOMMENDATIONS

Monthly Bond Project Updates



PROJECT TIMELINE

HOW DID WE GET HERE?

1972

Original building was constructed

1980, 1985, 1986, 1990

Additions to the original building or "brown school"

2000

New addition (7th/8th grade wing, library, music room, locker rooms, front offices, gymnasium, kitchen) 2013

Front entryway redesign for safety/security paid through significant fundraising efforts and partially with the voted building reserve fund levy.

2014

Worked with McKinstry to review significant deficiencies identified in the 2008 K-12 Facility inventory report and submit a Quality Schools Grant to address many key issues including windows and heating/ventilation, and air quality. This grant would have secured funding for more than \$200,000 to make these improvements.

Spring 2015

Over 50 Quality Schools Grants were submitted by schools in Montana and NO GRANTS were funded.

February-April 2016

The District began a collaborative process with the Community Design Center at MSU and the MSU engineering department to further investigate our deficiencies. This included multiple planning meetings, and on site investigative work by MSU staff/students. CO2, temperature, and humidity sensors were installed in several classrooms and MSU students worked with 5th/6th grade teachers and students to demonstrate the use of the instruments, learn about the process through investigation, and review the data.

April 2016

Approved an ADA Transition Plan for the District to address accessibility needs in the current facility following an intensive review of our facility that included information from Montana Independent Living Project, Disability Rights of Montana, and Cottonwood Architects.

May 2016

A well attended public meeting was held to review the facility needs and the findings of the MSU Community Design Center.

2017-2018

The District continued a commitment to conserve the Building Reserve Fund (a voted \$25,000 levy) in order to have adequate funding to make a large scale purchase (boilers) and plan/invest in a larger facility project to address the needs.

February 2018

The School Trustees determined there was a need to update the District's Strategic Plan and utilized Michael Redburn (Redburn Consulting) to facilitate a consensus process to identify the District's top priorities. In February/March of 2019 trustees, staff members, parents and community members, met in open meetings multiple times. Over 50 items were identified as consensus items. The facility issues were cited as one of the predominant needs of the district.

Spring 2018

Following the strategic planning process, Trustees and administration determined the next step was to revive the District's facility committee and begin planning for how to address the issues and plan for the future.

Summer 2018

The District utilized Arch118 to begin a planning process and work with the facility committee to continue the evaluation the facilities, further identify the immediate needs of the district, and present ideas for how to move forward. Through this process the Facility Committee identified three major areas of need, including: safety/accessibility, aging infrastructure, and enhanced classroom space.

September 2018-March 2019

Open meetings with stakeholders, the facility committee, and/or the Trustees increased in frequency and were held multiple times per month. In October of 2018, Architecture 118 began holding stakeholder meetings and many facility committee meetings soon followed to review multiple design options to address the needs of the facility.

April 2019-July 2019

Weekly facility committee meetings were held at the school as well as updates on the project at each Board meeting.

April-May 2019

The school district hired Karen Hedglin as the Owner's Representative and Project Manager. Arch118 was chosen in April as the design team. Public Meeting on May 7th

Fublic Meeting on May /th

June 2019

The school district hired DA Construction as the general contractor for the final planning stages of the design and to provide accurate cost estimates.

June 5th, 2019

2019 Public Meeting and Family BBQ prior to the last day of school

July 11th, 2019

2019 Public Meeting and Ice Cream Social (postcard invites sent to all community members)

July 18th, 2019

Trustees approved a resolution to call for the Bond election.

August-September

The Trustees, administration, staff, and facility committee members will be attending public events, HOA meetings, BBQ's, and going door to door. The goal is to make sure that every community member is aware of the project, to have a pamphlet in their hands that explains our goals, and encourage them to vote. Facility tours are offered every Tuesday at noon and 4:00PM through September 10th. The last public information night will be September 10th at 7:00PM during the school's open house night.

September 12th Ballots will be mailed September 12th

October 1st

Bond Passed 300-219





2019 BOND QUESTIONS & ANSWERS

WHAT IS THE AGE OF THE CURRENT FACILITY?

The original "brown" school was built in 1972 with additions in 1980, 1985, 1986, and 1990. This part of the facility that houses 76% percent of our students/classes will be 30-48 years old next summer. The newest section of the facility was constructed in 2001. The 2001 addition includes the 7th and 8th grade classrooms, library, music room, gymnasium, and kitchen. A recent remodel of the front entryway was completed in 2013 to improve safety and security. This was funded by utilization of the Building Reserve Fund and community fundraising.

WHAT IS THE SIZE OF THE CURRENT FACILITY?

The school in total, including the gym, is approximately 33,000 square feet. The "old" part of the school is approximately 16,000 square feet. The Kindergarten through 6th grade classrooms are in the older section of the school (30-48 years old). Having 76% of instructional space and/or students in the oldest part of the building creates a significant challenge to any construction or remodeling in that section of the building.

WHY NOT JUST FIX THE OLD PART OF THE BUILDING (BROWN PORTION)? WOULDN'T THAT COST LESS MONEY AND TAKE CARE OF EVERYTHING?

The school in total, including the gym, is approximately 28,000 square feet. The "old" part of the school requires approximately 1.5 million dollars to fix the approximate 16,000 square foot building as well as an additional cost of temporary classrooms (mobiles) for \$300,000-\$500,000. These improvements are just to fix the deficiencies such as siding, windows, ventilation, fire alarm, accessibility issues, an inadequate number of toilets, and replacement of a deteriorating partial wood foundation. The 1.5 million would not improve physical class sizes, replace flooring, improve the bathrooms, provide flexible teaching spaces, increase the square footage, and more. The trustees have considered this option and do not see it as a long term fix and does not address the third goal of the Capital Project which is to improve classrooms and provide more opportunities for 21st century learning. Additionally, the District would need to find a place to house the 76% of students during the construction phase. The idea of having the majority of students displaced in mobiles for a school year as well as the cost of alternate classrooms is not ideal.

WHAT IS THE PROJECTED GROWTH OF THE DISTRICT? HOW BIG COULD THE SCHOOL GET IN THE NEAR FUTURE? HOW FAST IS THE DISTRICT GROWING?

Following a demographic study completed in April of 2019 we do not believe that Anderson School will ever be a 300+ student school. Due to the fact that sewer and water has not reached our district (and there are no current plans to do so anytime soon) growth and housing projects have been delayed in comparison to areas such as Four Corners. Based on the information we have right now we believe: 1) growth in the District is inevitable based on the trends in Bozeman/Gallatin County 2) our school could expect to reach an overall enrollment of around 250 students within the District. While the current project has three goals to address our current needs the project is also intended to be the long term fix for many years. Please <u>CLICK HERE</u> to read the Demographic Review completed in April of 2019.

HOW HAS THE DISTRICT BEEN FUNDING REPAIRS & OPERATIONAL MAINTENANCE NEEDS?

In the last 5 years the District has spent approximately \$250,000 on corrective maintenance, large scale repairs, accessibility improvements, and other necessary improvements. The District has utilized the General Fund and sought out small grants to help pay for these expenses so that the Building Reserve could grow for a future boiler purchase and also invest into the planning for a future larger facility project. Over the last 5 years the District offen utilized a combination of the Building Reserve funds with the General Fund for many necessary fixes and significant purchases. Approximately \$80,000 of the Building Reserve was committed in 2018 into the installment of 2 new boilers at the school to replace a nearly 20 year old boiler that continued to fail each year. The new boilers ensured heat in the building this past winter for the first time in over 5 years. However, the boiler replacement did not address the continued ventilation and building temperature issues. Below is an approximate breakdown of the facility expenses over the last 5 years:

Safety and Security: %5 Accessibility: %30 Repairs: %50 General Maintenance: 15%



2019 BOND QUESTIONS & ANSWERS (continued)

WHAT IS THE BUILDING RESERVE FUND?

The District has been utilizing a 5 year voted levy called the Building Reserve. This was a voted levy for \$25,000 each year. This fund is designated to specifically addresses ongoing operational and maintenance needs of the district. In 2014 the Trustees and administration initiated a greater commitment to build up the Building Reserve for a large scale system replacement or a capital project. For a small district with many facility needs this is a tenuous process and requires the District to try to fix as much as we can while paying for routine and corrective maintenance. Over the last 5 years the District often utilized a combination of the Building Reserve Fund with the General Fund for many necessary fixes and large purchases. The Building Reserve supported the replacement of our failing boiler this past year and has funded the necessary planning costs of our current Bond project.

Commerce Grant (Due September 21st, 2019) to seek funding for the \$350,000 needed to replace our inadequate septic system. No matter what happens with the Bond election the District will be required to replace the septic system that was just recently discovered in our investigative process to be highly inadequate for our size school and has no plans on file with the state or county. The process required with the state of Montana DEQ for approval is already underway for installation of an Advanced Treatment System.

WHEN WOULD CONSTRUCTION BEGIN?

WHAT ARE THE DISTRICT BOUNDARIES?

Anderson School is one of the smallest Districts in regards to physical size or boundaries. The majority of students in the District are living in Greenhills Ranch, Hyalite Foothills, Hyalite Meadows, Forest Creek, and Cayuse Trail. The District is *approximately* 3 miles x 3 miles in size. For a map of the boundaries <u>CLICK HERE</u>.

If the bond were to pass construction on the new wing would begin in spring of 2020. The completion of the new instructional spaces would be spring of 2021. Demolition of the old building would soon follow and then the improvements to the outside/entry and parking lot would be completed. Students enrolled for the 2021-2022 school year would be starting the year in a new building!

WHAT IS INCLUDED IN THE CURRENT PLAN?

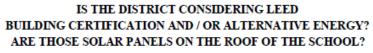
Please review our Bond pamphlet with information on why as well as what is included in our design. Please <u>CLICK HERE</u>.

HOW DID THE DISTRICT GET TO THIS POINT? WHAT HAS THE PLANNING PROCESS LOOKED LIKE?

Please CLICK HERE for a timeline of "How we got to our 2019 Bond Project."

ARE THERE OTHER FUNDING MECHANISMS FOR THE DISTRICT TO USE TO FUND THIS PROJECT AND OTHER RELATED COSTS?

The district continues to seek out improvements to the educational facility that includes upgrades for ADA compliance, building security, fitness trails, and occupancy sensors for lighting. In 2015 a Quality Schools Grant was submitted in hopes to secure over \$200,000 in funding to replace all aging systems and improve air quality in the classrooms. Over 50 schools submitted applications and NO SCHOOLS were granted any money. The projects were not funded. (<u>CLICK HERE</u> to view the submitted grant) The District is applying for a Department of

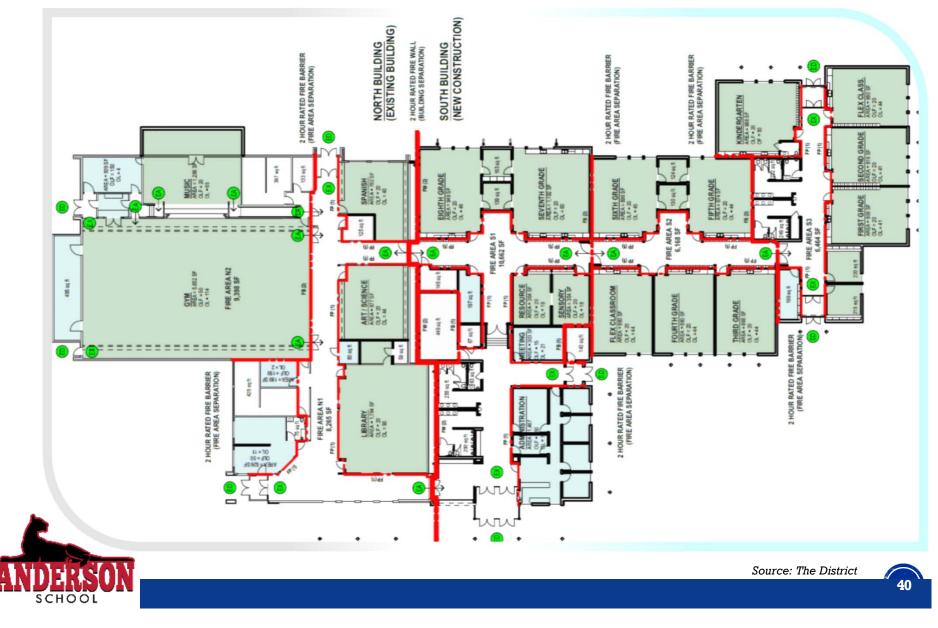


The facility committee has discussed numerous options to improve the energy efficiency and cost effective long term maintenance. Due to additional cost of LEED certification (estimated \$20,000), the district does not currently plan to seek certification through this process, but we do plan to engineer and build using the latest energy efficient practices. Yes, those are solar panels on the roof of the existing school. Unfortunately, engineering assessments have deemed them to be inoperable at this time. Should budget permit, we'll be looking at ways to put those panels back into operation. Beyond improving the environmental conditions within the school, however, alternative energy and LEED certification are not key objectives of this project.



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THE PROJECT FLOOR PLAN



ELEMENTARY CAMPUS BEFORE PROJECT



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THE PROJECT UNDER CONSTRUCTION













