
**Independence
Proposed
\$10.8 million
High School
Bond Levy
Vote**



**Tuesday
December 12
7:00am
till 8:00 pm
Independence
Rowley
Brandon**

Proponents have, for the fourth time, convinced Indee's school board and administration to bring another proposal for a new high school before the voters, Tuesday, Dec. 12, 2006. This time they want a \$15.7 million high school. We are residents of Independence, Rowley and Brandon who make up the Concerned Citizens for Better Education Committee (CCBE) and are again opposed to this plan. CCBE continues to wonder if proponents have lost their common sense, their willingness to teach our children sound lessons in money management and wise planning for the future. Who is really driving this unwise spending proposal? Special-interest profiteers? When will they listen to the voters who've told them three times already we can't afford a new high school? As we said last year, most voters don't like to be put under such high pressure tactics.

This time it appears to CCBE that someone told the special interests to lay low. 'The school board alone is going to quietly lead on this one.' Learning a year ago that the internally illiquid local banks had funded 99% of the proponent committee's \$11,449 campaign budget (when ours was funded by a large number of voters from the communities) had to prompt many voters to oppose their proposal – especially, when they can see it is not really for the children. Just because they are not visible this time doesn't mean the special interests have gone away.

Let's Don't Forget the Children

Paying for a new school has much to do with the economic health of our state and county. The economic challenges facing the nation, Iowa and Buchanan County are showing up in main stream media more and more. CCBE has been warning of it for the last couple of years. An article in the *St. Paul Pioneer Press* (11/16/2006) stated "foreclosures are surging" in Minneapolis. There are rumblings of a serious increase in foreclosures on homes in Des Moines. The Linn County Sheriff has seen a 65% increase in foreclosed homes and those in process of being foreclosed on in 2006 over the number done in 2005 and a whopping 333% increase over those done in 2000. The reversing of the housing bubble is going to be painful across the Midwest. **We can't think of a worse time to be trying to raise taxes for a new high school when the community is also being asked to put up for a new county jail and city library.** This proposal alone will drain \$816,471 of cash in property taxes alone out of our community each year for 20 years to pay off the general obligation bond. Is this something we want to leave for future graduates of Indee to pay? This is cash that will be lost to local retail stores and service industries each year as well. All this hardship is for the profits of a few speculators, architects, contractors, and others.

How do They Propose To Pay For This One?

In January of 2004, proponents wanted to spend \$15 million, borrowing \$7.5 million with a general obligation bond and voters turned it down, with 56.2% of the vote. They need 60%. Last year they wanted to spend \$19.7 million, borrowing \$12.7 million by general obligation bond (GO) and \$7 million from other sources. That time they only received 51.2% of the vote.

This time they propose to build a \$15.7 million high school. They want the voter's approval to borrow a general obligation bond in the amount of \$10.86 million. This will cost each taxpayer an **increase in their property taxes of \$2.70 per \$1,000 valuation.** We are asking voters to **VOTE NO** on this question.

In addition to the \$10.86 million GO bond, the board then wants to borrow an additional \$5.1 million on another bond - a Special Revenue bond (SR) - which the taxpayers are not allowed to vote on. This totals the \$15.7 million they want to spend on the proposal and cover some issuing costs.

What's the Sq. Footage?

Proponents are proposing a 113,342 sq. foot building, down 19.8% from their 141,380 sq. ft. (sf) proposal a year ago. The existing high school is 122,000 sq. ft. The proposal would move our high school from the south central part of town, where it serves as an anchor to so much activity in the center of the community and where it provides our children a sense of history and belonging, to the far west part of Independence. Voters need to look seriously at new high schools across Iowa – many of them are the most drab, windowless, institutionalized buildings one can imagine. This is what we risk if we approve this proposal.

Enrollment

The Iowa Department of Education recently told a representative of CCBE that our (K-12) Basic Education Data Survey enrollment (BEDS) count for this year is 1,419. This is a preliminary figure, which has more to do with seats occupied than it does the number state aid is calculated on. The district and the DE have a few weeks to certify this number as accurate. If it is, it will be down 78 students (5.2%) from the 1,497 students we had last year and down 88 students from what the district forecast a year ago we'd have this fall. The enrollment loss hasn't stopped. Increasing property taxes drive young families out of town.

Proposed High School Funding Before Tuesday's Vote

General Obligation Bond.....\$10.8 million
(Paid for with \$2.70 property tax levy increase)

Special Revenue Bond.....\$5.1 million
(Paid for with projected \$8.6 million sales tax revenue. Voter has no say.)

Total.....\$15.9 million

\$4.8 million (\$267,000 avg./yr.) in excess sales tax revenue used to fund building maintenance and repair over next 18 years.

New Costly Twist This Time, Which Voters Need to Consider Carefully

The administration told CCBE's representative that the board is listening to the voters and are scaling back the proposal this time. The school board's literature says they plan a 26% smaller facility and they are achieving this mostly by eliminating the theatre, the third gym, and second locker room. It **appears** responsive to the voters, doesn't it? But there is a twist! Last spring a small number of voters approved a new local option sales tax for school infrastructure (SILO). It is projected, by the board's financial advisor Piper Jaffray, over the next 18 years to bring in \$13.4 million. The SILO tax law sunsets at that time. This tax projection will hold true if the hyper-inflated retail sales, funded so often by credit cards and 2nd mortgages on homes, will continued at such levels for the next 18 years.

Assuming the sales taxes do come in as projected, the district is planning on using \$7.7 million of this \$13.4 million new tax to repay the SR bond mentioned earlier, \$853,000 to pay off an existing bond and the rest, \$4.8 million, for maintenance on the current facilities - averaging \$267,300 per year during these 18 years. It adds up this way - $\$7.7 + \$0.9 + \$4.8 = \13.4 million. A district administrator confirmed these projections and these intended uses for CCBE. But the school board's intentions could change a few days, a week or a year after any proposed building program might pass. At that point CCBE calculates this \$4.8 million excess sales tax revenue could also be used to repay, with interest, a second special revenue bond of at least \$3 million. We don't mean to lose voters in a blur of numbers, but we hope you can stick with this for a little bit more as **there is the possibility of a trap door in this proposal which voters need to understand.**

Remember, during the last two proposals, the district said they had \$4.7 million in private pledges (two years ago) and then it was \$3.3 million last year. School administration told CCBE that they have not contacted these donor parties this time, due to the private fund-raising drive going on for the city library. The school board's current plan says the auditorium, third gym and second locker "will only be constructed through private donations, although we are not currently seeking private donations to pass the bond issue." CCBE draws your attention to the word *currently*.

To sum things up, consider this costly but real possibility where the school board gets everything which the voters have turned down twice before. The board could change their mind a year after this "lower cost" proposal might be passed, the library fund raising is completed and then contact the previous pledgers and raise, for example, \$2.5 million from them. Then they turn around and sign a second special revenue bond for \$2.5 million to be repaid with the excess sales tax revenue mentioned above. These two sources would total \$5 million. Added with the \$10.86 million GO bond which they are asking voters to approve Tuesday and the first SR bond of \$5.1 million which they've already planned on and **they would have at least the nearly \$20 million needed to build the entire school they proposed a year ago.**

Possible High School Funding If Tuesday's Proposal Would Pass

General Obligation Bond.....\$10.8 million
(Paid for with **\$2.70** property tax levy increase)

Special Revenue Bond.....\$5.1 million
(Paid for with projected \$8.6 million sales tax revenue. Voter has no say.)

2nd Special Revenue Bond..\$2.5 million
(Paid for with projected \$4.8 million sales tax revenue. Voter has no say.)

Private Pledges.....\$2.5 million

Total.....\$20.9 million

Building maintenance and repair over next 10 years could be funded to the amount of \$285,000 per year for 10 years by passing a 50% voter-approved **\$0.94** per \$1,000 PPEL property tax levy increase.

Some might object to this possibility saying "There is no way the district would use up all that excess sales tax money for a 2nd SR bond as CCBE has outlined. They would need that \$267,000 per year to maintain the new building and our existing ones, not to pay off a second SR bond." Here is their escape hatch to that issue – in FY 2007 the district is only using \$0.40 of the legally allowed \$1.34 voter approved PPEL levy. The PPEL levy property tax is, by law,

particularly for maintenance and upgrade of buildings. PPEL levy votes hardly ever fail across Iowa. Why? Few voters turn out to vote on PPEL levies, everyone agrees the district needs to maintain the buildings, and they only require a 50% approval margin, not the super majority of 60% which the district is facing Tuesday. The board could quite easily get a new PPEL levy of \$0.94 (\$1.34 - \$0.40) per \$1,000. With the district's taxable valuation of \$303 million, this would produce a PPEL property tax increase of \$285,000, thus freeing up the \$267,000 extra sales tax money to be used to repay the 2nd SR bond.

The key to this is understanding that if the school board would change their mind after a possible passage this Tuesday, **they would have the ability under Iowa law to raise at least \$18 million and maybe up to \$22.5 million to spend on a high school and at that time the taxpayers couldn't stop any of it.** Financial advisors working for school districts get paid well to know the rules, laws, and markets for raising money (debts) for schools and cooking up such creative finance schemes. It wouldn't take them long to make such a suggestion to the board, if voters did approve Tuesday's proposal. And the property tax payers get stuck with the exorbitant bill!

The only check the voters have on this entire process is to join CCBE and **Vote NO this Tuesday.**

Trends in Educational Education

Remember all the theories the proponents' committee brought up a year ago, used to justify a new high school – classes without lectures, group project learning, peer instruction, etc.? As we pointed out then, these failed fads have been shown to produce **lower achievement and lower test scores.** Indeed children need lecture style classes with solid curriculums to improve our still weak test scores. IowaLive.net of Cedar Rapids still ranked our 2004-05 4th and 8th grade reading and math scores (averaged together) at 308th from the top of 361 Iowa districts ranked. The larger classrooms required for these educational fads are **not needed.** Just because the proponents are keeping a low profile this time doesn't mean the school board has rejected their harmful fads. Voters should have a firm commitment from the school board that they have rejected them, before trying to build a new school to accommodate their failed ideas.

So Much Depends on the Architect

Proponents said last year it will take \$6 to \$8 million to upgrade our mechanical systems and to do some remodeling. We asked then for voters to ask to see the detailed feasibility study to support this estimate. This again brings up the issue of the architect. CCBE has never heard of a viable feasibility study done on our existing high school. The National Trust of Historic Preservation says, **“More often than not, school districts hire architects and professionals who know a lot more about designing new buildings than renovating older ones.** Not all architects have training, experience or an interest in the subspecialty of historic rehabilitation. **Many architects are unfamiliar with, or biased against, renovation options.”** The National Trust cautions taxpayers to inquire if the consultant who did the original feasibility study has “any inherent conflicts of interest. Is the consultant the likely architect for the new or rehabilitated school and do they have an interest in new construction?” (See <http://www.nationaltrust.org/issues/schools/>) According to financial records provided to CCBE by the administration office, since February of 2005 indeed **taxpayers have paid Struxture Architects \$96,336.** This is the same firm we reported on last year, who missed Vinton-Shellsburg's first cost estimate by 27%.



Who Can Afford the New Taxes?

The average **tax rate increase**, as proposed by the board, will be **\$2.70 per \$1,000** taxable valuation for the next 20 years. If this new levy rate were on the books already this year, **indee at \$17.075 per \$1,000 would have the 85th highest property tax levy rate out of 381 Iowa districts** rated by the Iowa Department of Management. The city residents of Independence for FY 2007 are paying a total consolidated property tax rate of \$38.18808 per \$1,000 valuation. If the proposed \$2.70 were on the books this year **the city property tax rate of \$40.88808 would have us at the 109th highest out of 947 Iowa municipalities.** This high ranking doesn't consider the cost of a possible new jail and any costs connected to the library.

Again, the bond is \$10.86 million, along with \$5.5 million in interest. This proposal would **drain \$816,500 in property taxes out of our community each year for 20 years.** If the school board changes their mind about the excess sales taxes and uses it for a 2nd SR bond and then raises our PPEL property taxes to cover our building maintenance, we would then be at \$1,101,500 annual property tax cash drain, above the total proposed \$1,000,000 in new property taxes which the voters refused just last year. Consider the impact on new taxes this current proposal has on the examples below, over the twenty years. For a more precise estimate on your tax increases, contact the county auditor's office at 334-4109 and ask their help.

\$4,770	\$28,652	\$3,075	\$27,000
\$150,000 Rural Homestead with \$20,000 Out Building	700 Acres of Bare Farmland at Assessed Value of \$758 p/ac	\$125,000 Independence Home at Current State Rollbacks	\$500,000 Commercial Property

Our Vision!

CCBE believes the board needs a new vision with a new architect. We have a projected \$13.4 million of sales tax money coming in the next 18 years. We could sell the property west of the current middle school and raise \$500,000. We have plenty of real estate south and southwest of the current high school. CCBE suggest the board visit with an architect who loves to maintain the beauty and history of our high school. Voters would do well visiting the www.nationaltrust.org/issues/schools site for some good ideas. We agree the science lab should be improved. How about a plan to restore and upgrade the high school and add on an attractive science lab somewhere in the space we have? This could be done without raising any property taxes. It could be done with a staged process as the sales tax money comes in. We could demonstrate prudence to our children and encourage an environment of keeping the cost of living down in Independence which may then draw more young families to live in any of our local communities.

Let's Get Out The Vote!

The registration deadline for new voters in this election has passed. If you are registered and are going to be out of town, you can pick up an absentee ballot at the Auditor's Office at the Courthouse, fill it out on the spot or take it home and then hand deliver it back to the Auditor's office by the day of the election or you can mail it in with a postmark no later than Monday, December 11. For more information see www.IndeeCCBE.org Election details –

When: **Tuesday, December 12**

Time: **7:00am till 8:00pm**

Precinct #1: Independence School Administration Building, 1207 1st St. W, Independence

Precinct #2: Rowley Community Center, 109 Ely St., Rowley

Precinct #3: Brandon Area Community Club, 802 Main, Brandon

If you agree with our vision, please join us again this Tuesday and...

www.IndeeCCBE.org

Vote  No

www.IndeeCCBE.org

Paid for by the Concerned Citizens for Better Education Committee, Steve Walthart, Treasurer

Vote NO Tuesday, December 12
on the Independence school bond vote

Watch Out For The Trap Door!

Concerned Citizens for
Better Education Committee
2121 Plymouth Ave.
Independence, IA 50644