

SOUTH JORDAN CITY
CITY COUNCIL SPECIAL STUDY SESSION

July 30, 2014

Present: Mayor David Alvord, Councilman Chuck Newton, Councilman Chris Rogers, Councilman Mark Seethaler, Councilman Don Shelton, Councilman Steve Barnes, CM Gary Whatcott, General Counsel Rob Wall, IS Director Jon Day, City Recorder Anna West

Others: See Attached (Attachment A)

4:00 P.M. – Council Chambers

Welcome and Roll Call

Councilman Mark Seethaler asked for a vote for a Mayor Pro Tempore for the next 10 minutes waiting for Mayor Alvord's arrival.

Councilman Rogers motioned to elect Councilman Seethaler as Mayor Pro Tempore. Councilman Newton seconded the motion. Vote was unanimous. Councilman Barnes not present.

A. Invocation

Mayor Pro Tempore Seethaler asked Gordon Madsen if he would offer the invocation due to the absence of Councilman Barnes.

Mayor Alvord arrived at this time.

B. Discussion: School Feasibility Study by Lewis Young Robertson & Burningham

Mayor Alvord said we will need to conclude this meeting by 5:30 p.m.

Councilman Seethaler asked if he could make two comments for those in attendance. 1) This is a working session and as such is an opportunity for us to gain information and to talk amongst ourselves. There will be no votes taken at this meeting and there will not be any public comments taken. 2) We received this study in draft form in just the last 24 hours. He asked General Counsel Wall if this study being in draft form means it is not to be released to the public until it is in final form and we vote to release it. General Counsel Wall said under the Government Records Access Management Act a draft is not considered a record and is considered protected until it is in its final form as designated by you the Council. Under this arrangement with the consultant by contract, either when their work is done and you have identified that as being done or when you decide formally that you accept the report as the final report. In other words it is not a public record because it is still in draft form. Councilman Seethaler said I look for the opportunity during the 6 p.m. meeting so we can share the

information with the public at the meeting over at the Community Center at 6 p.m. and there will be opportunity for public comment.

Fred Filpot, Sr. Analyst at Lewis Young Robertson & Burningham, thanked the School District in being very helpful with all the data they had available. The Feasibility Study (Attachment B) is a requirement that needs to be completed in order to put this on the ballot for citizen vote. Based on the feedback from the City Council we prepared a scope of services that focused primarily on the financial feasibility of a potential new school district. The purpose of the study is to determine if a measure to create a new school district should be submitted for voter approval.

He reviewed the summary of the impacts. We focused on a baseline scenario looking at applying generalized assumptions to each of the proposed school districts and looking at what the impact on the new proposed school district and remaining school district on a taxable value basis would be. He noted that there are many variables with what will actually occur in the future with proposed bonds, capital needs, and general fund expenditures.

Councilman Rogers asked about the data listed in the column titled Proposed for JSD. Are the assumptions for that column taking into account any future potential bond? Mr. Filpot said it includes that based on the 5 year bond recommendations provided by the School District. Our intent was to measure the impacts under a uniform methodology applied to each of the districts and to look at the variables.

Councilman Seethaler asked for both representatives of Lewis Young to identify themselves and their organization for the benefit of everyone present.

Fred Filpot, Senior Analyst at Lewis Young Robertson & Burningham. I have been the analyst primarily responsible for the data and coordination with the School District and the City providing the analysis that you see here.

Laura Lewis, Lewis Young Robertson & Burningham, a principal and owner of the firm. We have been in business for almost 20 years and have done a number of feasibility studies. We also do financial advisory work relative to the debt issuance that give us a lot of skill set in regards to analyzing the cost of bond issues and cost of facilities.

Mr. Filpot said we as a firm participated in the 2007 study and 2008 study specifically for the now Canyons School District as well as the feasibility study completed for South Jordan City.

Councilman Newton asked Mr. Filpot to explain on some of the columns proposed for JSD and the new district what you are saying the base line is representing. It that representing a need for additional taxation or is that what the income is going to be. Mr. Filpot said the JSD baseline is to show assuming that there is no tax increase. Councilman Newton said is that assuming that there is no split, that we would stay there, we would be a looking at a 40% increase over a certain period of time. Mr. Filpot said yes; we have modeled over the 10 years from 2016 to 2026.

Councilman Barnes asked what kind of bond is that you have proposed for JSD and how much debt issuance is that. Mr. Filpot said we are assuming that the \$495,000,000 is issued based on a 15 year term structure vs. a 20 year term.

Councilman Newton said you and I previously had a conversation that the population figures don't support the need for a high school at present and some question as to the need for an elementary school or middle school within the next 5 years based upon the numbers that appear to be presented to us by the School District. What you are indicating in the New District column as the baseline, are you saying taxes need to be raised to \$1,559. Mr. Filpot said based on the data we discussed and that we show here there are impacts to the new district that would result in duplication of costs and duplication to facilities that result in disproportionate impact. It will be beneficial to walk through some of the assumptions and we can talk about those regarding facilities, duplication of expenditures, and capital improvement fund, and be able to discuss each of those components.

Councilman Newton said in essence what you are stating is that there will be a 40-50% tax increase whether we stay or go. Mr. Filpot said yes. We have to state that with the caveat that we are assuming that we would be maintaining a level of service and general fund expenditures based on assumptions regarding growth and inflation, whereas in reality, those expenditures may be adjusted as the realities of funding moving forward are realized.

Mr. Filpot said for clarity the following terms are used in the analysis and in this presentation: Jordan School District (JSD) is the current Jordan School District as it is currently organized. The New District represents a New District with the municipal boundaries of South Jordan City. The Remaining JSD is the remaining Jordan School District should a new district be created and would consist of Bluffdale, Herriman, Riverton and West Jordan as well as unincorporated County portions within the JSD.

Mr. Filpot reviewed a map (study page 5) that shows the South Jordan boundaries as well as the remaining district boundaries and the yellow outline around both areas represent the Jordan School District boundaries.

Mr. Filpot said based on the input from the Council as well as from City Staff, we focused on the components as listed (study page 6) of the study. He also reviewed Enrollment (study page 7) of the study and two Feeder System Maps (study pages 7-8) of the study. He said based on the boundary analysis it doesn't appear there would be substantial impact to the elementary school feeder system but there would be impacts to the middle school feeder system as well as the high school feeder system.

Councilman Newton asked Mr. Filpot to elaborate on the feeder system in regards to forming the School District and what impacts it may or may not have.

Mr. Filpot said the governing legislation indicates that students may elect to continue to attend a school that they would have been allowed to attend should a split not occur for a period of up to 6 years from the date the school district is created. Based on that, assuming that all students

choose to stay at the high school they are currently attending, the impacts to the feeder system could potentially be mitigated through 2020. We looked at the critical and larger populations that are attending schools outside the municipal boundaries of the new school district and there are large populations in your middle school and high school feeder systems. He referred to the Middle School feeder system map, page 8 and the High School feeder system map, page 9 of the study. There are approximately 585 students that attend Herriman High School that could elect to continue to attend Herriman High. We compared that to the capacity of Bingham High School, assuming a maximum capacity with the maximum 6 recommended portables; based on that maximum capacity along with the forecasted growth within the New District, Bingham High would not have sufficient capacity to handle both the 585 students at Herriman High as well as new growth.

Councilman Newton asked if JSD has indicated why there is a cap of 6 portables. Mr. Filpot said no. Councilman Newton said you indicated the need for a new elementary school and middle school. What is the time frame of those? Mr. Filpot said we have assumed that based on the 5 year bond recommendations and those were included in the debt service schedule that we have proposed for 2016. Councilman Newton asked if the middle school and elementary school would be needed in the Daybreak area anyway because of the population growth. Mr. Filpot said based on our understanding they would be needed regardless. He said this is a 5-year bond recommendation and based on our work in the 2007 and 2008 study there were substantially more needs than what are shown in the 5-year bond recommendations. Schools have been built since those studies were completed.

Mr. Filpot proceeded with slide 10, Test Scores & Special Programs. He said we looked at an average of the test scores and it appears that the new district has higher test scores than the remaining district; except when looking at high schools which were slightly below.

He reviewed special facilities and where they are located. He said based on the division, if a new district were created, the new district could lose access to the Kauri Sue Hamilton School, the Child Development Center, South Valley School as well as the Technology Center.

Councilman Newton noted that the Canyons District contracts with Jordan School District for some services. Mr. Filpot said we have not tried to model those special arrangements for the new and remaining Districts. Councilman Newton said isn't it true that a new District would have 2 years before it starts up under the law. Mr. Filpot said yes.

General Counsel Wall said that was under the old law. We looked into this recently and after the Canyons split the legislature changed the law to where under the current timeline the new district would not be allowed to begin until July 2018. Mr. Filpot said it states it would be from the date that the new district is created. Creation occurs when it is voted upon. Mr. Wall said the change that was made was the Board is voted on one year after the public vote and the district would not begin until two years after that. It was noted that there is a difference between created and operational. Mr. Filpot said for the purposes of this analysis we have assumed 2016 as the starting period with the understanding that in reality it is several years before the new district would be operating.

Mr. Wall said the benchmark dates that you would be looking at is that the election would occur November 4th of this year, the school board election would not occur until November 8, 2016 and the new district could not start operation until July 1, 2018.

Councilman Seethaler noted that were a new school board to be created but not operating, that sounds like there would be expense without revenue and obligations to hires and startup without the benefit of educating any students in the existing district. Mr. Filpot said there is allowance in the current legislation that allows for up to 9 million of the existing general fund balance to be utilized for start-up expenditures allocated to both the new district and the remaining district based upon percent enrollment.

Councilman Newton said there would be some loss to the School District and they would probably feel compelled to raise taxes in order to recover the loss of those funds. Mr. Filpot said we have not forecasted that they would raise taxes to replace that money in the general fund so we have applied that as an allocation to this analysis but we have not assumed that the new and remaining district would then have to replenish those funds.

Councilman Seethaler said this needs to be clear, this is taxpayer money in the General Fund of the School District and if you don't spend it to educate children you've got to replenish that somehow as you continue with meeting your operating obligations going forward. Mr. Filpot agreed.

Mr. Filpot reviewed Taxable Value (study pages 11-13). We were trying to match the actual true revenues that were generated within each of the areas and looked at a calculated taxable value based on the revenues generated within the General Fund of Jordan School District as well as looking at the Municipal General Fund of the City to determine a calculated taxable value. We also looked at the Utah State Tax Commission certified tax rate model to look at historical appraisal values as well as new growth assumptions to provide the information on the table on page 11 of the study. We are trying to look at what a certified tax rate would look like moving forward to measure potential increase should there be deficient revenues in relation to expenditures. We are assuming that the new districts taxable value would grow at a higher percentage than Jordan School District's based on the fact that there are large amounts of developable property within the new district.

Mr. Filpot continued with General Fund Revenues (study pages 14-15) comprised of local, state and federal funds. Local Revenues are generated through the property tax levies. State revenues are distributed from the state based on weighted pupil unit formulas. Federal dollars are equalized on a per pupil basis for each of the scenarios. Generally federal dollars follow the students and the programs that they fund.

Looking at comparisons across the state I want to illustrate a point. State dollars while they do seek to equalize funding they do not make all districts whole with regards to other districts. Some districts might have a higher local revenue generation per pupil and will receive less state dollars and subsequently on a whole have fewer dollars per student when you look at both local

and state dollars. As of 2013 Jordan School students received \$5,056 per student in local and state dollars. We are showing a combined total revenues including local, state, state add on and federal dollars JSD would receive \$5,830 in revenue and the new district would receive \$5,723 or a loss of \$107 per student for 2016.

Mayor Alvord said a few moments ago he pointed out that taxes go up for our citizens and yet our students would get \$100 less per pupil if we split.

Mr. Filpot reviewed General Fund Expenditures (study page 16) and the comparisons (study page 17). We are assuming that an elementary school and a middle school were already forecasted as part of the proposed bonding needs, whereas, a new high school in the new district is a duplication of facilities and would require a consideration in the expenditures within the general fund.

Mayor Alvord said another way to look at this is were there not a split, both districts would have saved \$8 million dollars.

Mr. Filpot reviewed study page 19, Capital Projects Fund Revenues and study pages 20-21, Capital Projects Fund Expenditures.

Mayor Alvord asked the Council if they had questions because there are only a few minutes left before we will need to adjourn and go to the next meeting over at the Community Center.

Councilman Newton asked what Mr. Filpot found with regards to building costs. Mr. Filpot referred to page 25 of the study that shows cost per square foot. I utilized what JSD is currently in the process or has constructed. Relative to construction values within JSD the proposed amounts seem reasonable.

Councilman Newton asked Mr. Filpot if he included the need for outlying tax increases in building of the schools. Mr. Filpot said we didn't include additional costs beyond the proposed 5 year bond recommendations.

Councilman Seethaler referred to page 6 of the study indicates the primary focus of the study's financial viability. My question in addition to the dollars and cents, do you draw any conclusions regarding educational quality, impacts of the split on students, teachers or the naturally occurring lag time for the new district to bring programs, administration, communication, operations to full levels? Mr. Filpot said no; other than what is shown with regards to testing scores and a general review of physical assets.

Councilman Seethaler said in your study there are some passing references to potential legislative changes within the state of Utah which if they became law would impact the JSD and all school districts. Which pending or potential legislative issues would be most impactful to our South Jordan District whether or not we separate or remain with the JSD? Mr. Filpot said that statement is to try to capture what was done historically with regards to an equalization levy. If the legislature tried to come in and draft legislation that tried to equalize or change the dynamics;

for example, if we are showing a negative impact for the remaining district, would there be legislation that would be drafted to help the remaining district or the new district. Councilman Seethaler said it is speculative but generally speaking, if equalization legislation passed, then analyses such as these would be less specific with respect to the limited resources of a smaller school district but more inclusive of what it means to equalize funding across the state and whether or not that raises or lowers taxes generally. Therefore, if you have an equalization plan in place then in fact if you are supporting a separate smaller school district with its own administration, you potentially are disadvantaged relative to the per student amount of funding that would be available to them. Mr. Filpot said yes; it depends on what the equalization is designed to do.

Councilman Seethaler said the JSD is reported to have the lowest revenue per student and even with your projected tax increase, may actually be lower if South Jordan were to establish its own school district; do I read that report correctly? Mr. Filpot said yes.

Councilman Seethaler said in your opinion Mr. Filpot, if you were to look at the financial capacity of South Jordan projected into the future, what would you say would be the factors most important to consider whether or not we would be in a better or worse position to establish our own school district. Mr. Filpot said if your taxable value continues to grow per pupil and your duplication of costs are limited; if those factors change, as well as your capital needs.

Councilman Newton said going back to our previous conversation what you have indicated today, that we provide 24% of the revenue with 22% of the students, you are indicating still that we would be at some financial disadvantage; is that correct? Mr. Filpot said yes. That 22% is based on the maintaining of the feeder system. Once you add in those critical populations from other schools it is more 24% to 24%.

Councilman Newton said if we were to remain in the JSD, the fact is, not only would we be paying for the tax increase for the administrative staff for the Jordan School district we would also be paying for the same administrative staff in all these schools throughout the entire Jordan School District. Mr. Filpot said we are including a growth and general fund expenditures based on inflation and enrollment.

Councilman Seethaler said it is my opinion that it is very important to present at a fairly high level the results of this and to make the study available to the public so that we have ample time for this discussion and public comment. We really need to know what your findings are if South Jordan went out on its own; what are your assumptions with respect to bonding with the JSD and with the South Jordan School District; what is the impact on a per pupil basis. These are the sorts of things are the issues in my view that people need to be able to grasp going into that meeting or being a part of that meeting so that they can begin to interface appropriately.

Councilman Rogers asked General Counsel Wall what is next in terms of procedure to allow public disclosure of the report and converting it from draft form to a disclosed form.

General Counsel Wall said if you make a motion as you go into the next meeting that you accept the report. If you don't want to go through the formality of saying it is a public record you could just simply say it is available to the public.

Councilman Seethaler asked that each Council Member be given a few minutes to express their view on this prior to the public comment so we have a basis for that public comment.

Mayor Alvord asked if the next meeting could be altered to discuss the interlocal agreement first and take a count. If the Council is ready to accept the Interlocal Agreement and then we give a summary of what the feasibility study covers that might make the meeting go smoother.

Councilman Rogers said I guess the public is still interested in the results so I would suggest if we do that, we discuss the Interlocal Agreement, we discuss the feasibility study, the members of the Council get to comment and then we have public comment.

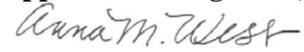
City Manager said there is a potential action item listed at the end of the next meeting agenda. It doesn't have a qualifier as to what that action is; you could make that notation during your amendment of the agenda.

ADJOURNMENT

Councilman Rogers made a motion to adjourn. Councilman Seethaler seconded the motion. The vote was unanimous in favor.

The July 30, 2014 City Council Study Session adjourned at 5:35 p.m.

This is a true and correct copy of the July 30, 2014 Council Study Session minutes, which were approved on August 19, 2014.


South Jordan City Recorder

SOUTH JORDAN UTAH

SCHOOL DISTRICT FEASIBILITY STUDY



JULY 2014

BACKGROUND

- ❑ A feasibility study was initiated based on requirement of Utah Code section 53A-2-118.1.
- ❑ The scope of the feasibility study is within the discretion of the city's legislative body.
- ❑ This analysis focuses primarily on the financial impacts of creating a new district.
- ❑ Purpose: to determine if a measure to create a new school district should be submitted for voter approval.

SUMMARY OF IMPACT

	JSD BASELINE	PROPOSED FOR JSD	NEW DISTRICT	% CHANGE FROM JSD	REMAINING JSD	% CHANGE FROM JSD
Baseline	\$1,093	\$1,454	\$1,559	7%	\$1,541	6%
20 Year Bond Term	1,093	1,388	1,493	8%	1,463	5%
Exclusion of Additional High School O&M (20 Year Debt)	1,093	1,375	1,446	5%	1,444	5%
Construct High School in Year 1 (20 Year Debt)	1,093	1,394	1,588	14%	1,482	6%

- ❑ Cost could range from 5 percent to 14 percent above proposed increase to JSD.

METHODOLOGY

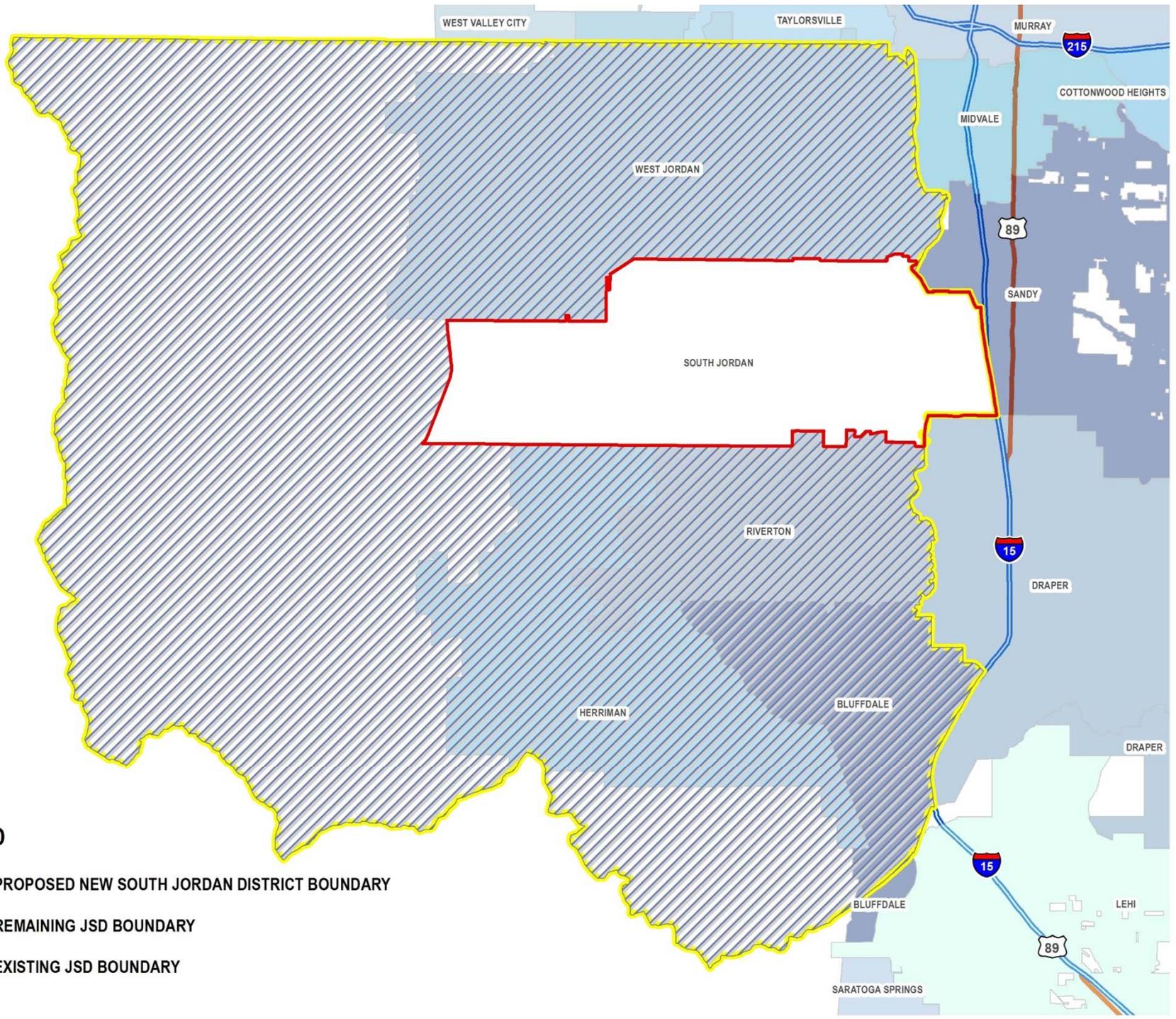
- The following terms are used to describe the proposed district scenarios:
 - **Jordan School District or JSD:** The current Jordan School District as currently organized.
 - **The New District:** a new school district coterminous with the municipal boundaries of the City of South Jordan.
 - **The Remaining District or Remaining JSD:** the remaining Jordan School District in the event a New District is created. Includes the cities of Bluffdale, Herriman, Riverton and West Jordan, as well as areas of Unincorporated County.

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LEGEND

-  PROPOSED NEW SOUTH JORDAN DISTRICT BOUNDARY
-  REMAINING JSD BOUNDARY
-  EXISTING JSD BOUNDARY



METHODOLOGY

- ❑ Analysis focused on the following elements:
 - ❑ Enrollment and School Boundary Analysis
 - ❑ Comparison of Test Scores & Special Programs
 - ❑ Taxable Value Analysis
 - ❑ General Fund Financial Analysis
 - ❑ Capital Projects Fund Financial Analysis
 - ❑ Debt Service Fund Financial Analysis
 - ❑ Summary of Tax Impacts

ENROLLMENT

- ❑ Feasible from a boundary perspective.
- ❑ Changes to feeder system would likely result in the need for a new high school, in addition to the proposed high school for JSD.
- ❑ The New District would also need a new elementary school and middle school.
- ❑ Changes to feeder system under baseline scenario realized in 2020.

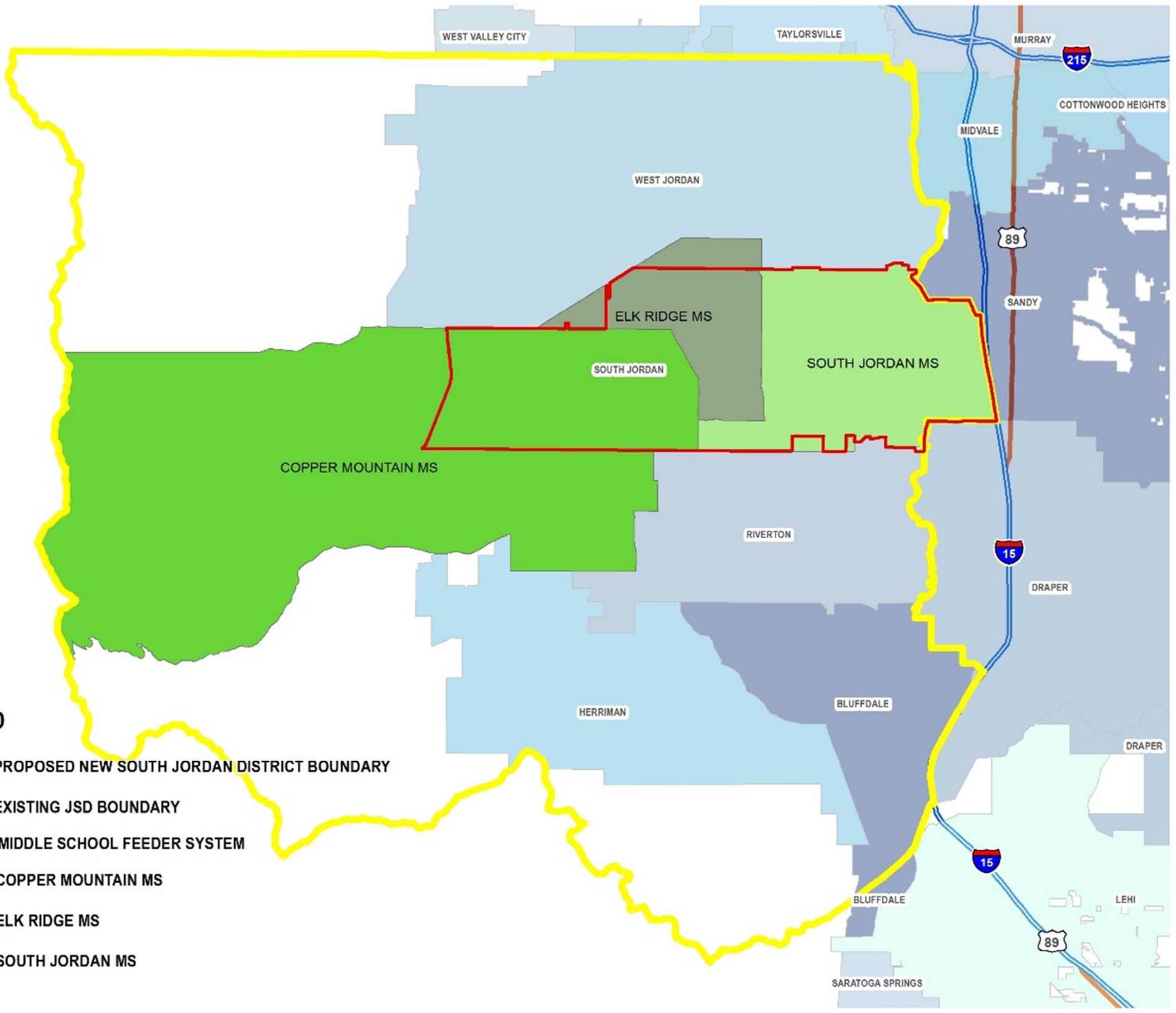


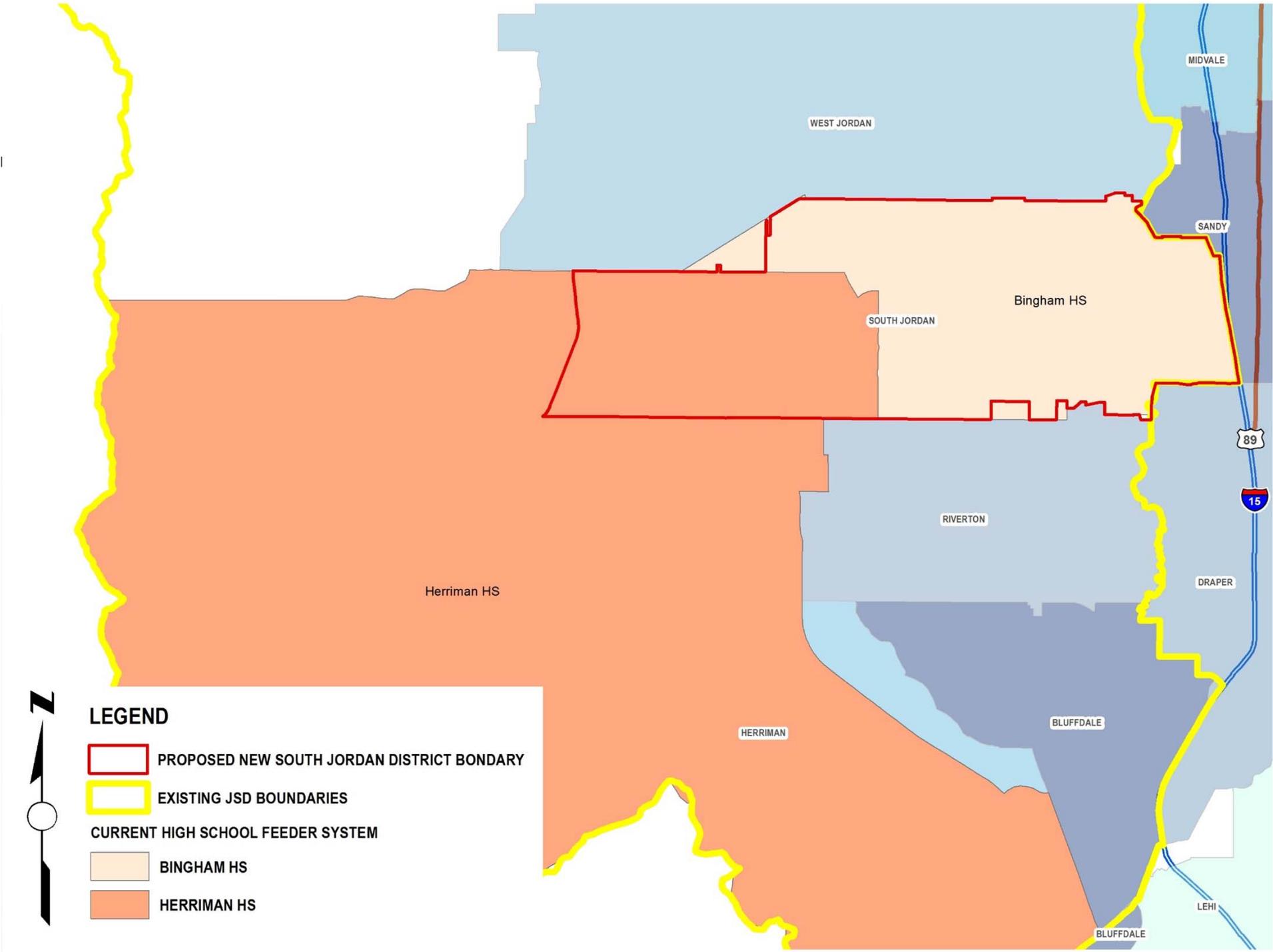
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LEGEND

-  PROPOSED NEW SOUTH JORDAN DISTRICT BOUNDARY
-  EXISTING JSD BOUNDARY
- CURRENT MIDDLE SCHOOL FEEDER SYSTEM**
-  COPPER MOUNTAIN MS
-  ELK RIDGE MS
-  SOUTH JORDAN MS





TEST SCORES & SPECIAL PROGRAMS

- ❑ The New District has higher metrics than JSD as a whole and the Remaining JSD, except when comparing high schools.
- ❑ Based on the location of special facilities, the New District will lose access to Kauri Sue Hamilton School, the Child Development Center (located in the Kauri Sue Hamilton School), South Valley School, and the Technology Center.
- ❑ While the New District may have facility space to offer many of these programs, these specialty course offerings could take many years to replicate.
- ❑ Due to the fact that General Fund expenditures are projected to exceed revenues in the New District, resulting in less cash to operate unless taxes are increased, the ability of the New District to maintain all of these special programs is called into question.



TAXABLE VALUE

□ Taxable value assumptions:

	JSD	NEW DISTRICT	REMAINING JSD
Historic Reappraisal as % of Taxable Value	1.78%	1.88%	NA
Forecasted Reappraisal as % of Taxable Value	2.00%	1.80%	2.10%
Historic New Growth as % of Taxable Value	4.90%	6.43%	NA
Forecasted New Growth as % of Taxable Value	3.00%	5.00%	2.10%

Historic Reappraisal and New Growth based on a period from 1999 to 2014, excluding 2006-2009. This period experienced dramatic changes in values proceeding the economic recession, which are not projected to continue.



TAXABLE VALUE

DISTRICT	2012 ESTIMATED TAXABLE VALUE	OCT 1 2012 ENROLLMENT	TAXABLE VALUE PER PUPIL
Nebo	\$5,571,382,552	29,724	\$187,437
Alpine	14,118,176,752	68,233	206,911
Tooele	2,989,220,950	13,675	218,590
Davis	14,841,951,209	67,736	219,115
Cache	3,473,151,966	15,605	222,567
Ogden	3,094,149,180	12,652	244,558
Weber	7,531,782,289	30,423	247,569
Calculated Remaining District at \$270,923			
Jordan	14,065,983,723	50,581	278,088
Calculated JSD at \$278,795			
Box Elder	3,213,412,699	11,273	285,054
Logan	1,827,674,060	6,120	298,640
Granite	20,758,151,656	67,736	306,457
Calculated New District at \$306,578			
Provo	4,269,610,131	13,779	309,864

Source: Utah State Office of Education, LYRB

DISTRICT	2012 ESTIMATED TAXABLE VALUE	OCT 1 2012 ENROLLMENT	TAXABLE VALUE PER PUPIL
Morgan	836,391,652	2,421	345,474
Washington	9,839,203,745	26,206	375,456
Murray	2,741,472,084	6,417	427,220
Canyons	14,502,144,421	33,490	433,029
Salt Lake	16,766,743,745	23,919	700,980
Wasatch	4,308,893,958	5,253	820,273
No. Summit	904,980,549	983	920,631
So. Summit	1,395,850,907	1,457	958,031
Kane	1,193,485,337	1,175	1,015,732
Daggett	262,484,973	169	1,553,166
Rich	821,123,185	491	1,672,349
Park City	10,984,706,729	4,400	2,496,524

Source: Utah State Office of Education, LYRB



TAXABLE VALUE

- ❑ Appears feasible from a taxable value perspective.
- ❑ Future taxable values will be influenced by actual new growth, new commercial development and any changes to the certified tax rate system.
- ❑ Additionally, future revenue from property taxes will be affected by establishment or promotion of redevelopment areas which could reduce tax revenues to school districts for a period of time to promote economic growth.
- ❑ Further analysis of these issues would shed additional light on the feasibility of the New District.



GENERAL FUND

- ❑ **General Fund Revenues:**

Comprised of Local, State and Federal Funds

- ❑ **Local:** New District project to receive more local funds per pupil.
- ❑ **State:** New District projected to receive less funds due to higher local revenues and reduced revenues from State support programs.
- ❑ **Federal:** Equalized per pupil.



GENERAL FUND

	CANYONS	DAVIS	GRANITE	JORDAN	OGDEN	PROVO	SALT LAKE CITY	TOOELE
Oct. 1 2012 Enrollment	33,490	67,736	67,736	50,581	12,652	13,779	23,919	13,675
Property Taxes	\$78,072,752	\$87,430,998	\$113,045,326	\$59,779,038	\$16,446,861	\$19,574,339	\$71,560,420	\$15,084,052
Interest Earnings	1,360,881	331,169	1,212,292	1,201,179	303,597	300,883	1,050,876	99,019
Other Local	6,886,113	9,342,907	9,777,622	6,026,013	6,475,334	3,372,582	4,667,032	1,879,548
State	116,576,679	271,423,455	256,869,852	195,942,899	53,747,479	55,110,921	80,211,270	57,606,436
Federal	15,188,946	33,277,243	41,809,790	15,467,995	16,303,750	12,616,532	20,604,951	5,816,753
Total	218,085,371	401,805,772	422,714,882	278,417,124	93,277,021	90,975,257	178,094,549	80,485,808
Per Pupil								
Property Taxes	2,331	1,291	1,669	1,182	1,300	1,421	2,992	1,103
Interest Earnings	41	5	18	24	24	22	44	7
Other Local	206	138	144	119	512	245	195	137
State	3,481	4,007	3,792	3,874	4,248	4,000	3,353	4,213
Federal	454	491	617	306	1,289	916	861	425
Total	6,512	5,932	6,241	5,504	7,373	6,602	7,446	5,886
Total Property Taxes & State Revenue per Pupil	5,812	5,298	5,461	5,056	5,548	5,420	6,345	5,316



GENERAL FUND

❑ General Fund Expenditures:

Expenditures are driven by several key factors:

- ❑ Increased salaries and benefits from duplicated administrative full-time equivalent employees;
- ❑ Increased operation and maintenance expenses from the proposed high schools ; and,
- ❑ Increased Operation & Maintenance of Plant expenditures from duplication of administrative facilities.



GENERAL FUND

FISCAL YEAR	JSD (A)	NEW DISTRICT (B)	REMAINING JSD (C)	TOTAL DIVIDED COST (B+C)	DUPLICATE COSTS (A-(B+C))
2016	304,787,972	72,105,286	235,562,790	307,668,077	2,880,105
2017	314,708,572	75,293,505	242,420,199	317,713,704	3,005,132
2018	324,952,506	78,622,694	249,477,232	328,099,926	3,147,420
2019	335,530,319	82,099,089	256,739,700	338,838,789	3,308,470
2020	349,268,903	88,545,196	267,029,584	355,574,780	6,305,877
2021	360,670,680	92,458,988	274,844,214	367,303,202	6,632,523
2022	372,446,870	96,547,170	282,889,532	379,436,702	6,989,832
2023	384,608,429	100,816,115	291,171,018	391,987,133	7,378,704
2024	397,167,995	105,273,817	299,695,634	404,969,451	7,801,457
2025	410,138,620	109,928,622	308,470,549	418,399,170	8,260,550
AAGR	3.0%	4.4%	2.7%	3.2%	



GENERAL FUND

- ❑ The New District is projected to have a fund deficit, with expenditures exceeding revenues.
- ❑ This is a result of the duplicate expenditures necessary for the creation of a new district as well as the increase in O&M due to the need for a new high school.
- ❑ The deficit is projected to increase over time.
- ❑ However, the higher taxable value growth and the availability of land suggest that the new district may overcome the General Fund deficit beyond the study timeframe.



CAPITAL PROJECTS FUND

- ❑ **Capital Projects Fund Revenues:**
- ❑ The data indicates that JSD, the New District and the Remaining District may be eligible for state support within the Enrollment and Foundation Guarantee programs.
- ❑ The analysis assumes the expiration of county-wide equalization revenue in FY 2016.
- ❑ The analysis assumes the certified tax rate will adjust to ensure the following years will generate the same revenues had the equalization payments continued.



CAPITAL PROJECTS FUND

□ Capital Projects Fund Expenditures:

FY	JSD (A)	NEW DISTRICT (B)	REMAINING JSD (C)	TOTAL DIVIDED COST (B+C)	DIFFERENCE FROM JSD A-(B+C)
2015	\$46,067,448	\$10,426,340	\$36,004,746	\$46,431,086	\$363,638
2016	32,388,978	7,452,137	25,383,577	32,835,714	446,736
2017	33,372,632	7,781,642	26,122,512	33,904,154	531,522
2018	34,386,929	8,125,716	26,882,958	35,008,674	621,745
2019	35,432,839	8,485,004	27,665,541	36,150,545	717,705
2020	36,511,366	8,860,178	28,470,905	37,331,083	819,717
2021	37,623,544	9,251,941	29,299,715	38,551,656	928,111
2022	38,770,440	9,661,026	30,152,651	39,813,678	1,043,237
2023	39,953,156	10,088,200	31,030,417	41,118,617	1,165,461
2024	41,172,830	10,534,261	31,933,736	42,467,997	1,295,168
2025	42,430,634	11,000,046	32,863,351	43,863,397	1,432,763



CAPITAL PROJECTS FUND

- ❑ **Capital Projects Fund Expenditures:**
- ❑ Analysis assumes Capital Projects Fund will have a zero balance, with expenditures equaling revenues.
- ❑ The consultants have allocated 100 percent of the proposed bond recommendations to the Debt Service Fund

DEBT SERVICE FUND

□ Outstanding Debt:

CURRENT JSD OUTSTANDING DEBT			
Year	Principal	Interest	Total
2015	\$9,164,400	\$3,219,549	\$12,383,949
2016	9,525,600	2,545,305	12,070,905
2017	9,752,400	2,128,245	11,880,645
2018	10,004,400	1,683,780	11,688,180
2019	10,067,400	1,183,560	11,250,960
2020	5,621,700	680,190	6,301,890
2021	4,053,000	399,105	4,452,105
2022	3,929,100	196,455	4,125,555
Total	139,694,100	46,247,745	185,941,845

NEW DISTRICT PORTION		
Principal	Interest	Total
\$2,224,975	\$781,657	\$3,006,631
2,312,668	617,961	2,930,629
2,367,732	516,705	2,884,437
2,428,914	408,796	2,837,709
2,444,209	287,350	2,731,559
1,364,862	165,140	1,530,001
984,006	96,897	1,080,902
953,925	47,696	1,001,621
33,915,568	11,228,237	45,143,805

REMAINING SCHOOL DISTRICT PORTION		
Principal	Interest	Total
\$6,939,425	\$2,437,892	\$9,377,318
7,212,932	1,927,344	9,140,276
7,384,668	1,611,540	8,996,208
7,575,486	1,274,984	8,850,471
7,623,191	896,210	8,519,401
4,256,838	515,050	4,771,889
3,068,994	302,208	3,371,203
2,975,175	148,759	3,123,934
105,778,532	35,019,508	140,798,040

□ Assumes 24.3 percent allocated to New District.

DEBT SERVICE FUND

□ Start-Up Expenditures:

START-UP COSTS	KNOWN ONE TIME COSTS	NEW DISTRICT	REMAINING JSD	NEW DISTRICT COST	REMAINING JSD COST
Legal fees, moving costs, unemployment insurance, etc.	\$2,926,000	100%	25%	\$2,926,000	\$731,500
Computer / Network System	\$2,797,000	50%	0%	\$1,398,500	\$0
District Office Improvements to unfinished building	\$3,739,000	50%	0%	\$1,869,500	\$0
District Office Rent	\$1,468,000	50%	0%	\$734,000	\$0
District Office Purchase	\$9,207,000	50%	0%	\$4,603,500	\$0
ASB Office Improvements to blighted property	\$13,493,000	25%	0%	\$3,373,250	\$0
ASB Office Rent	\$1,713,000	50%	0%	\$856,500	\$0
ASB Office Purchase	\$15,300,000	50%	0%	\$7,650,000	\$0
Transportation Improvements	\$2,019,000	50%	0%	\$1,009,500	\$0
Total West Costs	\$52,662,000			\$24,420,750	\$731,500
Allocation of Unrestricted General Fund Balance (See UC 53A-2-118.1(6)(b) Based on Percent Enrollment	\$9,000,000	22%	78%	\$2,000,882	\$6,999,118
Total Start Up Bonding Needs				\$22,419,868	-



DEBT SERVICE FUND

□ Proposed New Bonding Needs:

NEEDS	JSD	NEW DISTRICT	REMAINING JSD
Start Up	-	\$22,419,868	-
Elementary Buildings	\$144,000,000	\$18,000,000	\$126,000,000
Middle School Buildings	\$70,000,000	\$35,000,000	\$35,000,000
High School Buildings	\$75,000,000	\$75,000,000	\$75,000,000
Land	\$36,050,000	\$8,750,000	\$36,050,000
Renovation and Remodel	\$120,559,000	\$8,324,000	\$112,235,000
Additional Projects	\$49,575,000	\$9,500,000	\$40,075,000
Total	\$495,184,000	\$176,993,868	\$424,360,000
Percent of JSD	100%	36%	86%

DEBT SERVICE FUND

Comparison of Construction Costs:	SF	COST/PROJECT AUTHORIZATION	COST PER SF
JSD			
Fox Hollow Elementary	85,000	\$12,707,343	\$149.50
Blackridge Elementary (as Currently Bid)	90,300	19,859,000	219.92
Copper Mountain Middle	200,064	32,500,000	162.45
Herriman High	385,164	70,508,297	183.06
Canyons School District			
Midvale Elementary	87,500	16,250,000	185.71
Mount Jordan Middle (Rebuild)	206,000	40,000,000	194.17
Corner Canyon High (New School)	337,000	71,000,000	210.68
Granite School District			
Magna Elementary	NA	13,937,816	NA
Diamond Ridge Elementary	NA	14,536,736	NA
Rebuild of Granger High	NA	72,948,913	NA
Davis School District			
Elementary #60	NA	18,072,834	NA
Wasatch Elementary	NA	14,667,186	NA
West Kaysville Jr. High	NA	27,338,897	NA



DEBT SERVICE FUND

- ❑ The impact of start-up costs and the need for a new high school will increase the proportion of new bonding needs for the New District.
- ❑ Based on the statutory debt limit of four percent of fair market value, none of the Districts will exceed their calculated limit with the issuance of the proposed new bonds.
- ❑ A longer term structure (i.e. 20 years versus 15 years) may also influence the feasibility of the proposed scenarios.

SUMMARY OF MAJOR IMPACTS

- ❑ New District will have higher taxable value per pupil, but could have lower overall revenues per pupil in the General Fund.
- ❑ Changes to feeder systems could result in the need for a new high school, in addition to the proposed high school for JSD.
- ❑ Duplicate expenditures and start-up costs will disproportionately affect the New District.

SUMMARY OF TAX IMPACT

FY	ESTIMATED TAX IMPACT ON JSD			NEW DISTRICT TAX IMPACT		
	TAX RATE NEEDED	TAX PER HOUSEHOLD	INCREASE ABOVE JSD	TAX RATE NEEDED	TAX PER HOUSEHOLD	INCREASE ABOVE JSD
FY 2016	0.008703	\$1,436	-	0.008719	\$1,439	\$3
FY 2017	0.009640	\$1,591	-	0.009743	\$1,608	\$17
FY 2018	0.009356	\$1,544	-	0.009540	\$1,574	\$30
FY 2019	0.009073	\$1,497	-	0.009322	\$1,538	\$41
FY 2020	0.008887	\$1,466	-	0.010258	\$1,693	\$226
FY 2021	0.008779	\$1,449	-	0.009930	\$1,638	\$190
FY 2022	0.008714	\$1,438	-	0.009682	\$1,598	\$160
FY 2023	0.008449	\$1,394	-	0.009308	\$1,536	\$142
FY 2024	0.008315	\$1,372	-	0.009102	\$1,502	\$130
FY 2025	0.008184	\$1,350	-	0.008903	\$1,469	\$119
Average		\$1,454			\$1,559	\$106
% Above JSD						7%

SUMMARY OF TAX IMPACT

FY	TAX IMPACT ON REMAINING JSD		
	TAX RATE NEEDED	TAX PER HOUSEHOLD	INCREASE ABOVE JSD
FY 2016	0.009099	\$1,501	\$65
FY 2017	0.010054	\$1,659	\$68
FY 2018	0.009760	\$1,610	\$67
FY 2019	0.009464	\$1,561	\$64
FY 2020	0.009533	\$1,573	\$107
FY 2021	0.009409	\$1,553	\$104
FY 2022	0.009322	\$1,538	\$100
FY 2023	0.009060	\$1,495	\$101
FY 2024	0.008913	\$1,471	\$99
FY 2025	0.008772	\$1,447	\$97
Average		\$1,541	\$87
% Above JSD			6%

SCENARIO ANALYSIS

	JSD BASELINE	PROPOSED FOR JSD	NEW DISTRICT	% CHANGE FROM JSD	REMAINING JSD	% CHANGE FROM JSD
Baseline	\$1,093	\$1,454	\$1,559	7%	\$1,541	6%
20 Year Bond Term	1,093	1,388	1,493	8%	1,463	5%
Exclusion of Additional High School O&M (20 Year Debt)	1,093	1,375	1,446	5%	1,444	5%
Construct High School in Year 1 (20 Year Debt)	1,093	1,394	1,588	14%	1,482	6%