

**TO:** Rich Arkanoff  
**FROM:** Paul G. Gabriel  
**DATE:** October 14, 2011  
**SUBJECT:** Hearing and Resolution for Bonds

This evening, we are requesting the Board's approval of two bond issues:

- Series 2011B is \$1,970,000 for building improvement projects
- Series 2011C is \$1,750,000 for technology projects

### **The Need for Bonds**

In the past few years, we have seen a decrease in the amount of money we receive in our Capital Projects Fund. We have also seen an increase in our needs, especially in the area of technology. We have been issuing bonds to meet these needs for the last few years, as shown on the attached chart (page 3). We typically pay off these bonds over a two year period.

The specific technology projects that will be funded by the 2011C bonds are shown on page 4.

The building improvement projects to be funded by the 2011B bonds are shown on page 5. Most of this money (\$1,825,000) will be spent at the high school.

### **The High School Project**

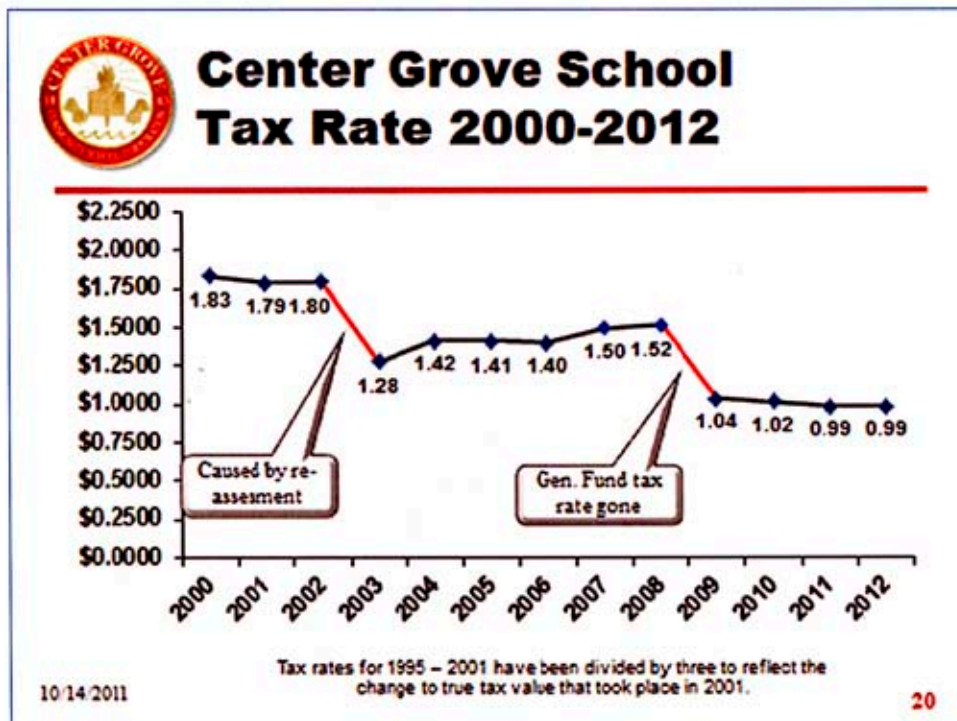
In 2010, Matt Shockley convened a steering committee of high school faculty and staff to provide input and direction in addressing various concerns and over-crowding issues. The first and most pressing issue was the cafeteria, kitchen and serving lines. The project to improve those areas was completed in August, 2011.

The second phase that was defined by the steering committee was the safety and security of the students, staff, and overall building. The direction that was agreed to in concept was the relocation of the administration suite to the front of the building allowing the creation of a secure entry. It is anticipated that this work will be undertaken in 2012. Mr. Shockley anticipates reconvening the steering committee within the next few weeks to continue the process of more fully defining the extent of the relocation, and the renovation and repurposing of the vacated space. The dollar amount given is just an estimate based on current remodeling costs and a determination of the spaces that will be involved in the remodeling.

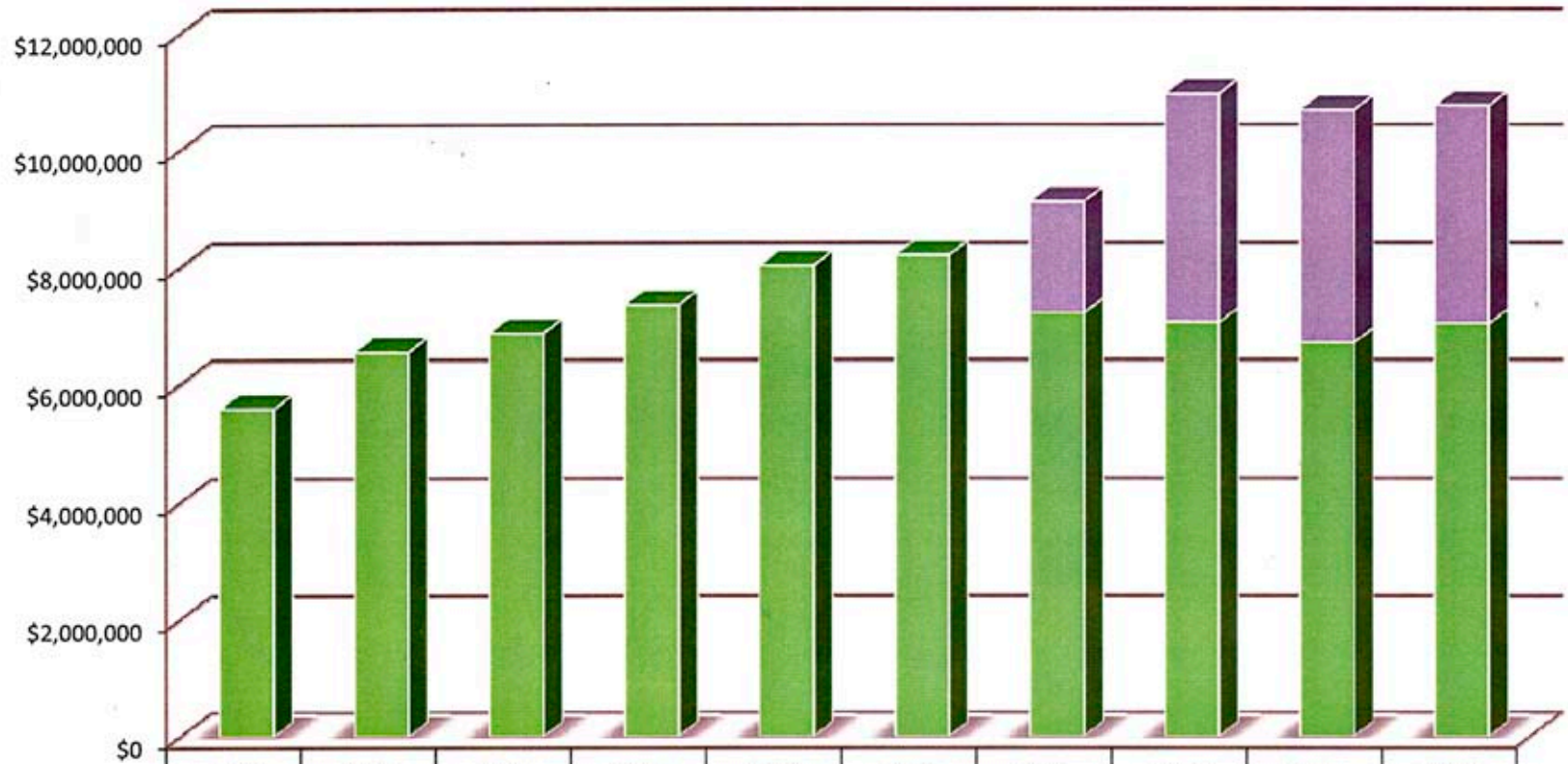
### The Tax Impact

The chart on page 6 shows the total school tax rate and the Debt Service Fund tax rate for a 4-year period. The total rate is projected to decrease from \$1.0422 to \$.09859. The Debt Service rate is projected to decrease from \$.5599 to \$.5264. The tax impact of these bonds can be looked at from a number of different viewpoints:

- The total school tax rate is almost unchanged for 2012. Our projection is that the school tax bill would change by less than \$1 for a home valued at \$300,000.
- Of the total 2012 school tax rate of \$.9859, these two bond issues together account for \$.0909. This would amount to about \$148 on a \$300,000 house.
- The reason that tax bills are not going up when we sell these bonds is that two similar bond issues from 2009 are coming out of the Debt Service Fund because they are paid off.
- The Debt Service tax rate is projected to increase by \$.0107. This accounts for about \$18 of the tax bill for a \$300,000 house.
- We are pleased that we have been able to maintain a relatively low tax rate for the district over the past few years.



## CPF Total Revenue With Bonds



|         | 2003        | 2004        | 2005        | 2006        | 2007        | 2008        | 2009        | 2010        | 2011        | 2012        |
|---------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| ■ Bonds |             |             |             |             |             |             | \$1,900,000 | \$3,905,000 | \$3,970,000 | \$3,720,000 |
| ■ CPF   | \$5,581,239 | \$6,544,612 | \$6,862,892 | \$7,343,753 | \$8,019,142 | \$8,194,895 | \$7,211,677 | \$7,046,208 | \$6,700,000 | \$7,025,000 |

## List of Technology Projects By Category

| <u>Technology Projects</u>            | <u>CPF</u><br><u>2012</u> | <u>Bonds</u><br><u>2012</u> |
|---------------------------------------|---------------------------|-----------------------------|
| 1) Staffing                           | \$971,000                 |                             |
| 2) Miscellaneous                      | \$49,200                  |                             |
| 3) Other equipment purchases          |                           | \$242,000                   |
| 4) Network charges and upgrades       | \$76,444                  | \$50,000                    |
| 5) Purchase software/licenses         |                           | \$125,000                   |
| 6) Maintenance/software contracts     | \$325,000                 | \$445,000                   |
| 8) Contracted repairs                 | \$60,000                  |                             |
| 9) Replace out of warranty machines   |                           | \$250,000                   |
| 10) Complete Kindergarten technology  |                           | \$200,000                   |
| 11) Infrastructure hardware purchases |                           | \$175,000                   |
| 12) District-wide hardware purchases  |                           | \$235,000                   |
| <b>Totals</b>                         | <b>\$1,481,644</b>        | <b>\$1,722,000</b>          |

### Notes:

2) Includes things like contracted services and professional development

3) Includes things like furniture and network equipment

4) Includes routine access charges and equipment upgrades

10) Completes the iPad project launched through a grant

11) Replace out of warranty servers/switches

12) Includes things like netbook replacement and multimedia classroom upgrades

# List of Building Projects By Category

|   | <b><u>CPF</u></b>  | <b><u>Bonds</u></b> |
|---|--------------------|---------------------|
|   | <b><u>2012</u></b> | <b><u>2012</u></b>  |
| <b><u>Annual Maintenance Projects:</u></b>  |                    |                     |
| 1) Painting/Wallcoverings                   | \$52,500           |                     |
| 2) Carpeting/VCT                            | \$60,000           |                     |
| 3) Site Projects                            | \$67,500           |                     |
| 4) Asphalt Repairs/Resurfacing              | \$137,500          |                     |
| 5) Roofing/Building Exterior                | \$100,000          | \$50,000            |
| 6) Misc. Classroom Projects                 | \$27,500           |                     |
| 7) Misc. Building Improvements              | \$85,000           |                     |
| 8) Refinish gym floors                      | \$28,500           |                     |
| 9) Security cameras/systems                 | \$9,500            |                     |
| 10) Access Control upgrades                 | \$50,000           |                     |
| <b><u>Specific Projects for 2012:</u></b>   |                    |                     |
| 11) H.S. -- Building Adequacy               |                    | \$1,825,000         |
| 12) Secure Entry - NGES & PGES              | \$50,000           |                     |
| 13) NGES P.A. and clocks                    | \$5,000            |                     |
| 14) Replace pool ventilation system         | \$125,000          |                     |
| 15) Construct band director tower           | \$45,000           | \$45,000            |
| <b><u>Energy Savings Projects 2012:</u></b> |                    |                     |
| 16) Lighting retrofits                      | \$35,000           |                     |
| 17) Irrigation wells                        | \$50,000           |                     |
| 18) Mechanical and Temperature Ctrl         | \$117,000          |                     |
| <b>Totals</b>                               | <b>\$1,045,000</b> | <b>\$1,920,000</b>  |

## Debt Service and Total Tax Rate

