Construction/Project and Bond Procurement Questions/Answers

1. **Why is the school district pursuing a bond at this time?**
   The school district is pursuing two bond issues at this time:
   a. The first bond issue involves the refunding of a 2005 Bond. A bond refunding, is similar to refinancing a mortgage to take advantage of the low interest rates, which will result in the District experiencing a reduction in current monthly payments. The refunding will be from an old bond issued in 2005 with a debt value of $9,090,000. By refunding this old bond and taking advantage of current low interest rates, the District will save approximately $1,095,315.80 over the life of the debt.
   b. The second bond issue involves the sale of a 2015 bond in the amount of $3,000,000. This bond is being issued to finance a much needed and fiscally responsible districtwide renovation/construction project. Issuing new money now is advantageous because of current low interest rates. It is also beneficial to the District because the new issue can be wrapped with the refunding of the 2005 bond which will result in very minimal impact on the current payments throughout the life of the bond.

2. **What is the advantage of the school district acquiring a bond this spring?**
   a. The bond sale is needed in the spring for two reasons:
      i. The closing must occur before the project begins at the close of school.
      ii. We are reimbursing the costs of the emergency heat exchanger damage that occurred at our Junior Senior High School last fall, which cost the District approximately $300,000. Securing the bond now allows this expense to be included in the bond amount.
   b. Changes in the new GASB regulations also make it more fiscally responsible to pursue the bond this spring.
   c. Including several academic components or needs, such as essential learning modifications to the library at the high school, in the bond, will provide our students with resources they need to prepare them for 21st century employment and provide them with resources currently available at many other secondary schools.

3. **What types of projects will be completed?**
   a. Some of the potential projects include
   b. Heat Exchange Unit Replacements, Roofing Repairs and Replacements, Window Replacements, Glass Upgrades, Concrete Repairs and Replacement, Paving, Library and Media upgrades, Electrical Work, Signage, Flooring Replacement, Plumbing, and Technology Upgrades

4. **When can I expect to see these projects completed?**
   a. Most of the project is expected to be completed prior to the start of school the 2015-2016 school year. Some work may continue into the school year, providing that it does not interfere with the student learning environment.

5. **How will these projects impact students and learning?**
    a. A safe and secure learning environment is required if learning is to take place in the schools. The vast majority of the projects are the result of responding to maintenance and some safety standards. This project assists us with adhering to our responsibility to maintaining our school buildings and being efficient with our taxpayers' investment in those buildings. It is similar to keeping up with one's home or real estate property investments in an effort to maintain value and minimize current and future expenses. A small portion of the bond monies will be used to provide much needed student learning resources at the high school library.
    b. Aligned with the priorities of our Strategic Plan, these projects will assist the community with providing students with resources to:
        i. support academic needs
        ii. assure a safe learning environment
        iii. provide customized support and necessary opportunities for our students
        iv. market our school district and community in an inviting and positive manner to new and current residents

6. **How will the bond impact the school district budget and taxes?**
    a. As a result of low interest rates and the ability to wrap the loan, the bond acquisition should have minimal, if any, impact on any local tax increase.
    b. Handling a single roof replacement, a project that could cost 700K, can put an enormous strain on an annual budget. At a time when annual budgets must fall within state mandated millage increase caps, bundling projects together and using bond financing as we are doing, is a much sounder fiscal approach.