



# Waterford School District Board of Education Study Session November 21, 2019

## 2020 Bond Proposal

Presented by:

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Director Maintenance & Operations

# 2020 Bond Proposal

## **Discussion Items:**

- 2016 Bond Series project history and current status
- Current millage rate, property values, and debt schedule
- Future Bonding capacity
- 2020 Bond project details
- 2020 Bond language
- Timeline
- Statewide School District Election Dates

# 2016 Bond Series

- March 8, 2016 voters approved the issuance of \$100,000,000 in capital improvement bonds
- The bonds were sold in series so that the millage rate would not increase
- Since 2016, property values in the Waterford School District have improved dramatically
- All \$100,000,000 in bonds have been issued with unused funds held in investments committed to current and future improvements

# 2016 Bond Series

## Capital Bond Series:

- Series I:
  - Sold October 1, 2016 for \$20 million
- Series II:
  - Sold September 1, 2017 for \$50 million
- Series III:
  - Sold March 1, 2018 for \$10 million
- Series IV:
  - Sold March 1, 2019 for \$20 million



# 2016 Bond Series Projects

## Beaumont Elementary School Improvement Cost:

<b>Incurred</b>	<b>\$ 4,545,910</b>
<b>Committed</b>	<b>2,452,586</b>
<b>Total</b>	<b>\$ 6,998,496</b>

# 2016 Bond Series Projects

## Beaumont Elementary School





# 2016 Bond Series Projects

## Beaumont Elementary School



# 2016 Bond Series Projects

## Beaumont Elementary School





# 2016 Bond Series Projects

## Cooley Elementary School Improvement Cost:

<b>Incurred</b>	<b>\$ 5,121,881</b>
<b>Committed</b>	<b>3,013,446</b>
<b>Total</b>	<b>\$ 8,135,327</b>

# 2016 Bond Series Projects

## Cooley Elementary School





# 2016 Bond Series Projects

## Cooley Elementary School



# 2016 Bond Series Projects

## Cooley Elementary School





# 2016 Bond Series Projects

**Donelson Hills Elementary  
School Improvement Cost:**

**Incurred \$4,624,841**

# 2016 Bond Series Projects

## Donelson Hills Elementary School



# 2016 Bond Series Projects

## Grayson Elementary School Improvement Cost:

<b>Incurred</b>	<b>\$ 5,274,334</b>
<b>Committed</b>	<b>2,354,020</b>
<b>Total</b>	<b>\$ 7,628,354</b>



# 2016 Bond Series Projects

## Grayson Elementary School





# 2016 Bond Series Projects

**Haviland Elementary School  
Improvement Cost:**

**Incurred \$6,575,946**

# 2016 Bond Series Projects

## Haviland Elementary School



# 2016 Bond Series Projects

## Haviland Elementary School





# 2016 Bond Series Projects

**Houghton Elementary  
School Improvement Cost:**

**Incurred \$5,960,797**

# 2016 Bond Series Projects

## Houghton Elementary School



# 2016 Bond Series Projects

## Riverside Elementary School Improvement Cost:

<b>Incurred</b>	<b>\$ 376,123</b>
<b>Committed</b>	<b>4,033,683</b>
<b>Total</b>	<b>\$ 4,409,806</b>



# 2016 Bond Series Projects

## Riverside Elementary School



# 2016 Bond Series Projects

## Schoolcraft Elementary School Improvement Cost:

<b>Incurred</b>	<b>\$ 479,791</b>
<b>Committed</b>	<b>8,158,043</b>
<b>Total</b>	<b>\$ 8,637,834</b>

# 2016 Bond Series Projects Schoolcraft Elementary School

- 2016 Bond project details





# 2016 Bond Series Projects

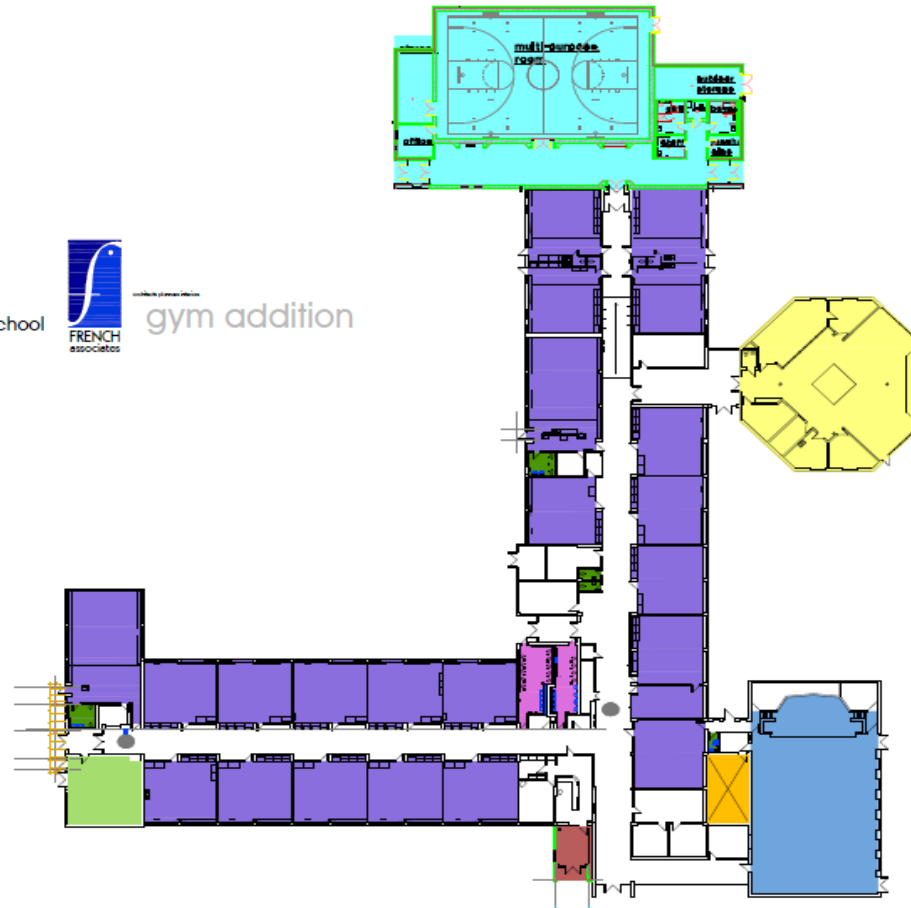
## Schoolcraft Elementary School

- 2016 Bond project details

WATERFORD COMMUNITY SCHOOLS  
schoolcraft elementary school



gym addition



# 2016 Bond Series Projects

## Elementary School Interior Improvements



# 2016 Bond Series Projects

## Elementary School Additions





# 2016 Bond Series Projects

## Elementary School Mechanical Improvements





# 2016 Bond Series Projects

**Mason Middle School  
Improvement Cost:**

**Incurred \$7,815,427**

# 2016 Bond Series Projects

## Mason Middle School





# 2016 Bond Series Projects

## Mason Middle School



# 2016 Bond Series Projects

## Mason Middle School





# 2016 Bond Series Projects

## Mason Middle School







# 2016 Bond Series Projects

**Pierce Middle School  
Improvement Cost:**

**Incurred \$11,313,463**

# 2016 Bond Series Projects

## Pierce Middle School





# 2016 Bond Series Projects

## Pierce Middle School





# 2016 Bond Series Projects

## Pierce Middle School



# 2016 Bond Series Projects

## Pierce Middle School





# 2016 Bond Series Projects

## Kettering High School Improvement Cost:

<b>Incurred</b>	<b>\$ 6,976,419</b>
<b>Committed</b>	<b>410,505</b>
<b>Total</b>	<b>\$ 7,386,924</b>



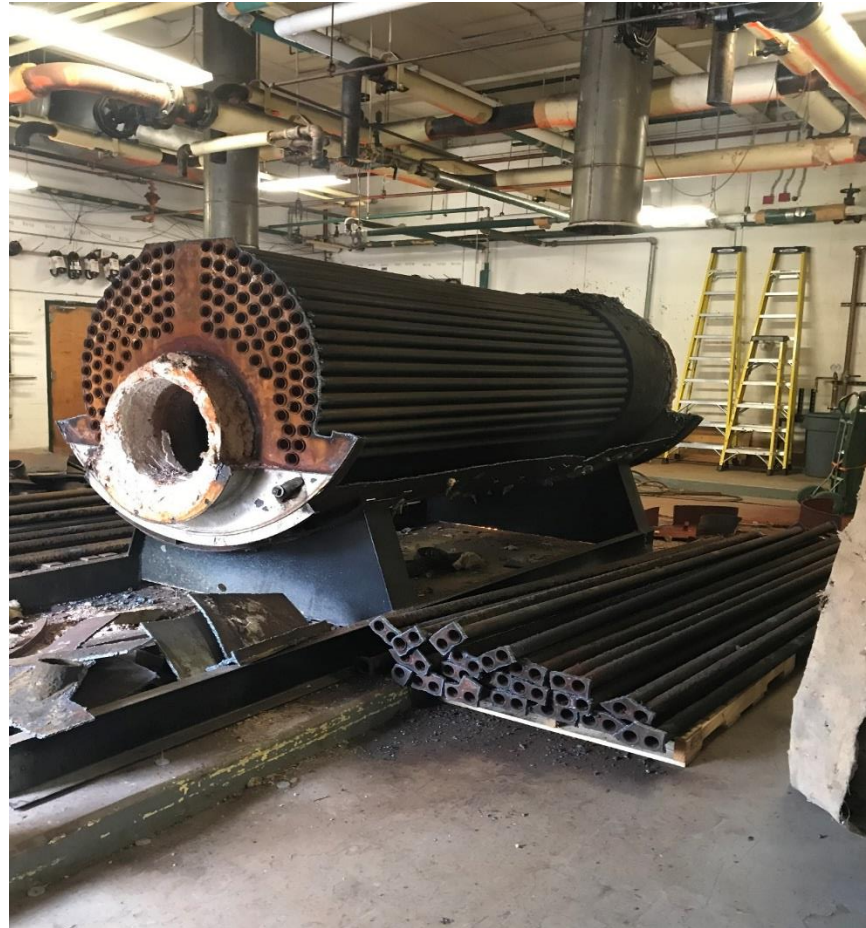
# 2016 Bond Series Projects

## Kettering High School



# 2016 Bond Series Projects

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# 2016 Bond Series Projects

## Kettering High School





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# 2016 Bond Series Projects

## Kettering High School





# 2016 Bond Series Projects

## Kettering High School





# 2016 Bond Series Projects

## Kettering High School





# 2016 Bond Series Projects

## Kettering High School



# 2016 Bond Series Projects

## Mott High School Improvement Cost:

<b>Incurred</b>	<b>\$ 7,041,499</b>
<b>Committed</b>	<b>82,630</b>
<b>Total</b>	<b>\$ 7,124,129</b>



# 2016 Bond Series Projects

## Mott High School





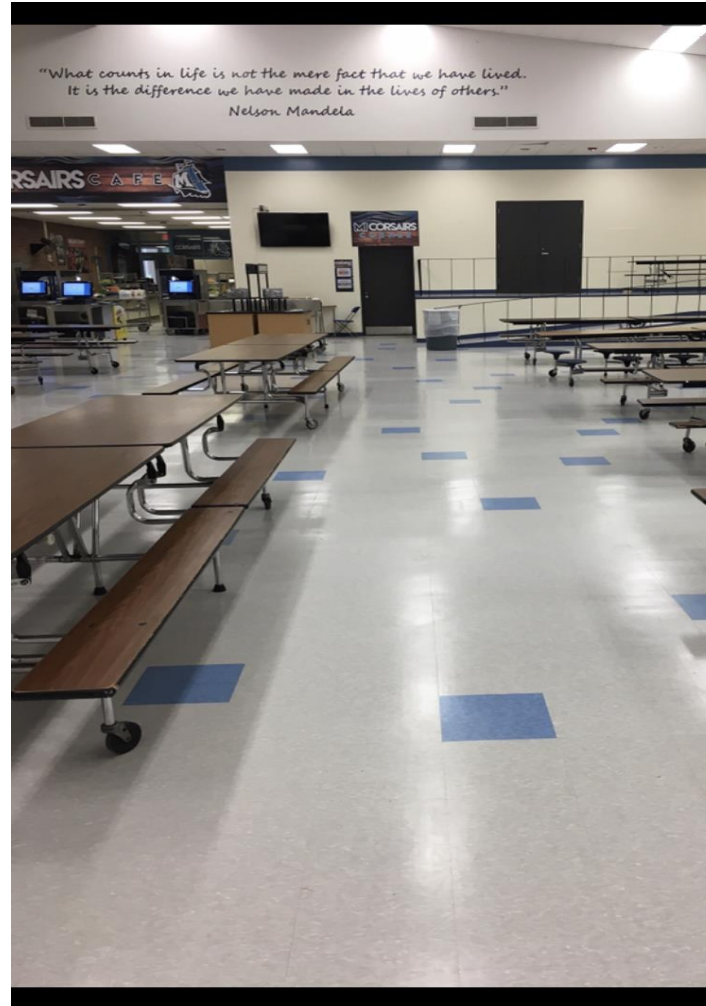
# 2016 Bond Series Projects

## Mott High School



# 2016 Bond Series Projects

## Mott High School





# 2016 Bond Series Projects

## Mott High School



# 2016 Bond Series Projects

**Transportation Improvement  
Cost:**

**Incurred \$2,746,358**



# 2016 Bond Series Projects

## Transportation Center



# 2016 Bond Series Projects

## Transportation Center





# 2016 Bond Series Projects

## Other Improvement Costs:

<u>Project</u>		<u>Amount</u>
Covert Center	\$	248,423
Durant		1,387,316
Kinsley Montgomery School		223,364
Knudsen		182,443
Kurzman Center		120,029
Lutes		11,408
Senior Center / Stepanski East		27,750
Stepanski		41,951
Warehouse		317,626
Waterford Village		27,117
Fiber Network		2,104,050
Eq/Misc & Non Capitalized Items		3,124,080
		<hr/>
	\$	7,815,557

# 2016 Bond Series Projects

## Other Improvements - Fiber Network





# 2016 Bond Series Projects

## Other Improvements - Pedestrian Overpass Mason/Grayson



# 2016 Bond Series Projects

## Bond Reconciliation Thru 11/21/19

### Total Revenue

<b>Bond Issuance</b>	<b>\$</b>	<b>100,000,000</b>
<b>Interest Income &amp; Bond Premium</b>		<b>966,827</b>
		<hr/>
	<b>\$</b>	<b>100,966,827</b>

### Capital Improvements

<b>Spent &amp; Committed</b>	<b>\$</b>	<b>97,173,259</b>
<b>Uncommitted</b>		<b>3,793,568</b>
		<hr/>
	<b>\$</b>	<b>100,966,827</b>



# Bonding Capacity

TV Growth Rate- Years 1-5      3.404%      Prior 5 year average used for FY 2021 thru 2025 projection  
 TV Growth Rate- Years 6+      1.359%      FY 2026 projection and beyond (20 year average)

<b>Fiscal Year</b>	<b>P &amp; I Existing Debt</b>	<b>Projected TV</b>	<b>Required Mills</b>	<b>Tax Revenue Available @ Current Millage</b>	<b>Difference Between Tax Revenue &amp; Existing Debt</b>	<b>Accumulated Surplus as of June 30</b>
2019						1,714,811
2020	17,618,938	2,500,669,166	6.75	16,879,517	(739,421)	975,390
2021	16,333,088	2,585,791,944	6.75	17,454,096	1,121,008	2,096,398
2022	16,712,138	2,673,812,302	6.75	18,048,233	1,336,096	3,432,494
2023	14,623,738	2,764,828,873	6.75	18,662,595	4,038,857	7,471,351
2024	11,529,163	2,858,943,648	6.75	19,297,870	7,768,707	15,240,058
2025	11,827,538	2,956,262,090	6.75	19,954,769	8,127,232	23,367,290
2026	11,332,400	2,956,262,090	6.75	19,954,769	8,622,369	31,989,659
2027	11,340,550	2,956,262,090	6.75	19,954,769	8,614,219	40,603,878
2028	10,297,100	2,956,262,090	6.75	19,954,769	9,657,669	50,261,547
2029	10,323,888	2,956,262,090	6.75	19,954,769	9,630,882	59,892,429
2030	8,703,881	2,956,262,090	6.75	19,954,769	11,250,888	71,143,317
2031	7,427,225	2,956,262,090	6.75	19,954,769	12,527,544	83,670,861
2032	7,446,675	2,956,262,090	6.75	19,954,769	12,508,094	96,178,955
2033	6,568,700	2,956,262,090	6.75	19,954,769	13,386,069	109,565,024
2034	4,876,200	2,956,262,090	6.75	19,954,769	15,078,569	124,643,593
2035	4,895,250	2,956,262,090	6.75	19,954,769	15,059,519	139,703,112
2036	4,929,800	2,956,262,090	6.75	19,954,769	15,024,969	154,728,081
2037	3,579,250	2,956,262,090	6.75	19,954,769	16,375,519	171,103,600
	<u>180,365,519</u>					

# Estimated Bond Amount and Sale Dates

<b>Fiscal Year</b>	<b>Bond Sale</b>
<b>2020</b>	
<b>2021</b>	<b>\$ 35,000,000</b>
<b>2022</b>	
<b>2023</b>	<b>\$ 70,000,000</b>
<b>2024</b>	
<b>2025</b>	
<b>2026</b>	<b>\$ 45,000,000</b>
<b>Total</b>	<b>\$ 150,000,000</b>

Note: Utilizing the current millage rate of 6.75, historical property value increases, and current interest rates the District could sell \$150,000,000 in bond series through 2026 with no millage rate increase.



# 2020 Bond Proposal Projects

## Elementary Schools

- Building wide classroom furniture upgrade (active learning environment)
- Media Center upgrade – Flex learning space
- Technology
- Site work
  - Fencing
  - Play structures
- PA system upgrade
- Fire alarm system upgrade
- Roofing
- HVAC
- Additional security cameras

# 2020 Bond Proposal Projects

## Middle Schools

- Building wide classroom furniture upgrade (active learning environment)
- Media Center upgrade – Flex learning space
- Fire alarm system upgrade
- PA system
- Roofing
- HVAC
- Technology
- Additional security cameras
- Kitchen upgrades (including serving line redesign)
- Pierce Middle School
  - Athletic field renovation
  - New track
- Mason Middle School
  - New track, tennis courts, and basketball court



# 2020 Bond Proposal Projects

## High Schools

- General
  - Building wide classroom furniture upgrade (active learning environment)
  - Media Center upgrade – Flex learning space
  - PAC lighting renovation and scene shop
  - Fire alarm system upgrade
  - PA system
  - Roofing
  - HVAC replacement (PFC and PAC)
  - Plumbing & Electrical upgrades
  - Pool entry/exit redesign and fitness equipment
  - Technology
  - Additional security cameras
  - Athletic campus entry
  - Kitchen upgrades (including serving line redesign)
- Kettering High School
  - Building wide air conditioning
  - Replace parking lot, drop off and entry cement work
  - Office renovations
- Mott High School
  - HVAC in old gym, cafeteria, and few remaining rooms
  - Replace parking lot (south and rear)
  - Classroom renovations

# 2020 Bond Proposal Projects

## Other

- Crary Campus
  - South parking lot renovation
  - Roofing
  - Windows
- New buses
- Music equipment
- Athletic equipment



# 2020 Bond Proposal Projects

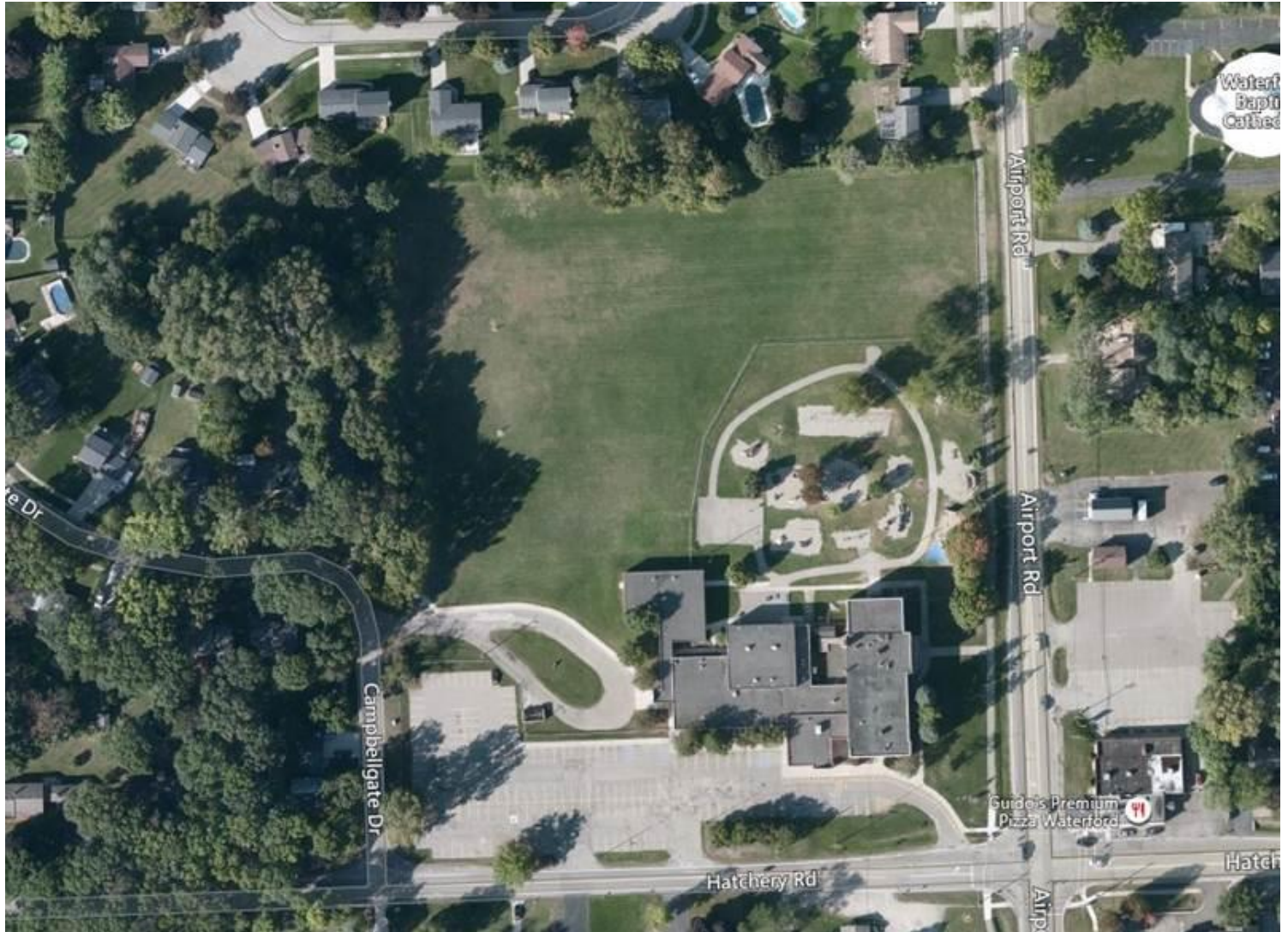
## Early Childhood Center

- Brand new building
  - Build on north end of site
  - Increase square footage from 44,000 sqft to 65,000 sqft
  - New classroom furniture (active learning environment)
- New Parking lot
- Dismantle current Stepanski building



# 2020 Bond Proposal Projects

## Early Childhood Center



# 2020 Bond Proposition

## OPTION # 1

Shall the Waterford School District, County of Oakland, Michigan, borrow the principal sum of not to exceed One Hundred Fifty Million Dollars (\$150,000,000) and issue its general obligation unlimited tax bonds for the purpose of defraying the cost of: constructing, erecting, furnishing and equipping additions to and remodeling, furnishing, refurbishing, equipping and reequipping existing school buildings; dismantling unused school buildings; acquiring school buses; constructing, equipping, developing and improving sites, including athletic fields and facilities and playgrounds; and acquiring, installing and equipping instructional technology infrastructure and equipment?

The debt millage required to retire all bonds of the School District currently outstanding and proposed pursuant to this ballot is expected to be at or below 6.75 mills. The estimated millage to be levied in 2020 to service this issue of bonds is \_\_\_\_ mills (\$\_\_\_\_ per \$1,000 of taxable value) and the estimated simple average annual millage rate required to retire the bonds of this issue is \_\_\_\_ mills (\$\_\_\_\_ per \$1,000 of taxable value). The bonds will be issued in multiple series, payable in the case of each series in not to exceed \_\_\_\_ years from the date of issue of such series.

The School District currently has \$180,365,519 of qualified bonds outstanding and \$0 of qualified loans outstanding under the School Bond Qualification and Loan Program (the “Program”). The School District does not expect to borrow from the Program to pay debt service on these bonds. If the School District borrows from the Program, the estimated computed millage rate may change based on changes in certain circumstances.

*(Under State law, expenditure of bond proceeds must be audited and the proceeds cannot be used for repair or maintenance costs, teacher, administrator or employee salaries or other operating expenses.)*



# 2020 Bond Proposition

## **OPTION # 2**

Shall the Waterford School District, County of Oakland, Michigan, borrow the principal sum of not to exceed One Hundred Fifty Million Dollars (\$150,000,000) and issue its general obligation unlimited tax bonds for the purpose of defraying the cost of:

- constructing, erecting, furnishing and equipping additions to and remodeling, furnishing, refurbishing, equipping and reequipping existing school buildings;
- dismantling unused school buildings;
- acquiring school buses;
- constructing, equipping, developing and improving sites, including athletic fields and facilities and playgrounds; and
- acquiring, installing and equipping instructional technology infrastructure and equipment?

The debt millage required to retire all bonds of the School District currently outstanding and proposed pursuant to this ballot is expected to be at or below 6.75 mills. The estimated millage to be levied in 2020 to service this issue of bonds is \_\_\_\_\_ mills (\$\_\_\_\_\_ per \$1,000 of taxable value) and the estimated simple average annual millage rate required to retire the bonds of this issue is \_\_\_\_\_ mills (\$\_\_\_\_\_ per \$1,000 of taxable value). The bonds will be issued in series, payable in the case of each series in not to exceed \_\_\_\_\_ years from the date of issue of such series.

The School District currently has \$180,365,519 of qualified bonds outstanding and \$0 of qualified loans outstanding under the School Bond Qualification and Loan Program (the “Program”). The School District does not expect to borrow from the Program to pay debt service on these bonds. If the School District borrows from the Program, the estimated computed millage rate may change based on changes in certain circumstances.

*(Under State law, expenditure of bond proceeds must be audited and the proceeds cannot be used for repair or maintenance costs, teacher, administrator or employee salaries or other operating expenses.)*



# 2020 Bond Legal Timeline

- 11/21/19 Board of Education Study Session presentation (**Information**)
- 12/03/19 Send proposal to Dickinson-Wright to be sent to Michigan Department of Treasury (12/4/19)
- 12/10/19 Prequalification meeting with Michigan Department of Treasury and Ballot language review
- 12/11/19 Treasury will make edits as necessary, return proposal to Waterford School District to update for the Board of Education packet
- 12/19/19 Board votes on the 1352 Resolution consenting to contract with Dickinson-Wright Attorneys (**Action**)  
Board of Education votes on the resolution for Application for Preliminary Qualifications of Bonds (**Action**)  
↓  
30 Days  
↓
- Mid – Late January 2020 official approval from Treasury
- 2/6/20 Board of Education calls for an election (**Action**) (deadline 2/11/20) 12 weeks prior to May 5, 2020
- 5/5/2020 Election

# 2020 Bond Public Timeline

- 11/21/19:
  - Need unofficial Board of Education approval to move forward
- 11/21/19 thru 2/6/20:
  - Work through legal process and timelines
- 11/21/19 thru 5/5/20:
  - Seek stakeholder input on planned projects within the parameters established in the bond application and bond language
  - Communicate the plan to the community via Staff meetings, PTA's, parent forums, Waterford Foundation, Rotary, Optimist Club, Chamber of Commerce, etc.....
  - Establish an informational communication plan

# 2020 Bond Proposals – March & May

## **Districts with March Elections (11)**

Alpena Public Schools

Brandon School District

Davison Community Schools

East China School District

Ferndale Public Schools

Gladwin Community Schools

Mason Consolidated Schools (Monroe)

Pontiac City School District

Saugatuck Public Schools

Schoolcraft Community Schools

Southgate Community School District

## **Districts with May Elections (39 and counting)**

Alanson Public Schools

Atherton Community Schools

Bay City School District

Bentley Community Schools

Bloomfield Hills Schools

Breckenridge Community Schools

Byron Center Public Schools

Carosville-Port Sanilac School District

Cedar Springs Public Schools

Clio Area School District

Durand Area Schools

Elk Rapids Schools

Freeland Community School District

Galesburg-Augusta Community Schools

Goodrich Area Schools

Grand Blanc Community Schools

Hamilton Community Schools

Hamtramck Public Schools

Harbor Beach Community Schools

Hartland Consolidated Schools

Ithaca Public Schools

Jenison Public Schools

Johannesburg-Lewiston Area Schools

Kenowa Hills Public Schools

Linden Community Schools

Madison Public Schools (Oakland)

Manistee Area Schools

Melvindale-North Allen Park Schools

Merrill Community Schools

Morley Stanwood Community Schools

Mt. Morris Consolidated Schools

Pine River Area Schools

Reeths-Puffer Schools

Sandusky Community School District

School District of the City of Garden City

Unionville-Sebewaing Area School District

Vicksburg Community Schools

Warren Woods Public Schools

Waterford School District





# 2020 Bond Proposal

# Questions