

Bond Proposal

May 2, 2023

<https://www.waylandunionbond.com/>

Wayland Union Schools

Tim Reeves, Superintendent

Pat Velie, Assistant Superintendent of Finance & Operations

Teresa Fulk, Assistant Superintendent of Instruction

John Huyck, Building and Grounds Supervisor

Erin Stepek, Yes Bond Committee Chairperson

Mike Galovan, TowerPinkster

Matt Miller, Triangle Construction

Work Done to Date

- Last Bond Project - Passed in 2017, work completed 2019.
 - New Middle School Wing (moved 6th grade to middle school creating space at all elementary schools).
 - Renovations continuing at all other buildings.
 - All projects completed as stated in Bond scope and within budget.
- Casino Revenue Sharing Funds In Lieu of Taxes (Public Improvement Fund)
 - Maintains and completes projects as planned using the 1 - 12 year BoE approved Project Plan
- Refinancing Bonds
 - Saves interest and years of repayment costs
 - Elevating district credit rating to attract investors
- WUS requests proposals for Design and Construction to assess a potential bond
 - TowerPinkster and Triangle reviewed input from the following sources to prioritize project scope:
 - Prior to the MS expansion bond, the Board of Education reviewed architects and construction project managers through a presentation process. TowerPinkster and Triangle were selected at that time and have continued to provide exemplary service to the district.
 - Input requested of the community
 - Input requested of the district employees
 - Input requested of the Board of Education

Why Another Bond Proposal?

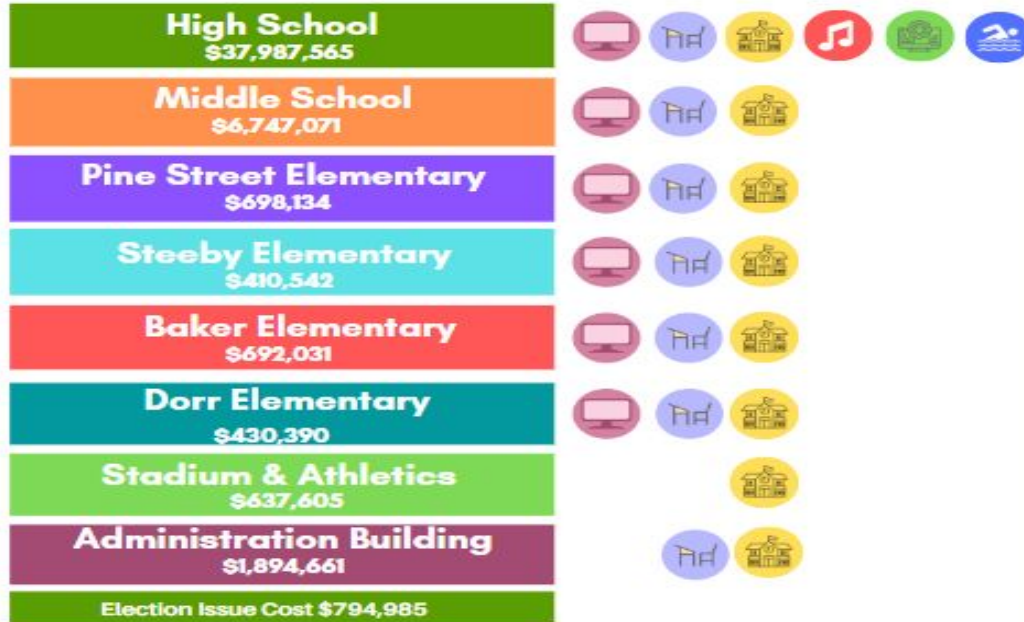
-August 2022 Bond failed, but the needs are still here!

- Safety & Security
 - New exterior doors at many locations
 - Retrofit Pine Street classroom doors with security glass
- Student Achievement & Instruction
 - New Band/Orchestra space to meet the needs of a growing program to include acoustics for safe sound levels for students and staff (making use of old pool space).
 - New Choral space to meet the needs of a growing program to include acoustics for safe sound levels for students and staff (making use of old band/orchestra space)
 - Robotics space at the high school
 - Upgraded auto and wood shop areas
- Fiscal Responsibility
 - Growing tax values provide revenue for “zero” or “neutral” Bond ballot issue.
 - Community pool for all: Seniors (zero entry - no steps), babies to seniors water exercise, swim lessons for all (PE classes, summer lessons, open swims)
 - Expanding conference room at the administrative building to provide a larger meeting space for the community (Leisure Life, Community Education Classes, open meeting space).

What does Bond 2023 include? (All amounts are estimated)

WUS Bond Project May 2, 2023

Project Breakdown by Building - Total \$49,700,000



- Key
- Technology
 - Furniture
 - Construction & Remodeling
 - Fine Arts
 - STEM/Shop Improvements
 - Pool

Cost Summary (Combined)

Wayland Union School District

03040

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Proj. #	Cost per Sq Foot	New Cons Sq Feet	New Construction	Remodeling	Contingency	Instructional Technology	Loose Furn and Equip	Buses	Site Work	Site Acquisition	A/E Fees and Costs	CM Fees and Costs	Project Costs	Election/Issue Costs	Total Cost
1	\$0	0	\$0	\$500,961	\$50,596	\$15,000	\$15,000	\$0	\$5,000	\$0	\$54,313	\$51,161	\$692,031	\$11,889	\$703,920
2	\$0	0	\$0	\$301,000	\$30,600	\$15,000	\$15,000	\$0	\$5,000	\$0	\$32,848	\$30,942	\$430,390	\$7,387	\$437,777
3	\$0	0	\$0	\$285,831	\$29,083	\$15,000	\$15,000	\$0	\$5,000	\$0	\$31,220	\$29,408	\$410,542	\$7,045	\$417,587
4	\$0	0	\$0	\$510,625	\$51,063	\$15,000	\$15,000	\$0	\$0	\$0	\$54,814	\$51,633	\$698,134	\$11,994	\$710,128
5	\$0	0	\$0	\$5,156,422	\$515,642	\$15,000	\$15,000	\$0	\$0	\$0	\$523,602	\$521,405	\$6,747,071	\$116,079	\$6,863,150
6	\$575	29,550	\$16,987,113	\$10,207,268	\$2,885,927	\$65,000	\$328,707	\$0	\$1,664,893	\$0	\$2,930,479	\$2,918,178	\$37,987,565	\$601,239	\$38,588,804
7	\$0	0	\$0	\$0	\$48,500	\$0	\$3,000	\$0	\$485,000	\$0	\$52,063	\$49,042	\$637,605	\$10,344	\$647,949
8	\$253	3,897	\$987,617	\$236,857	\$140,991	\$0	\$49,844	\$0	\$185,438	\$0	\$151,349	\$142,567	\$1,894,661	\$29,009	\$1,923,670
Total	\$537	33,447	\$17,974,730	\$17,198,964	\$3,752,402	\$140,000	\$456,551	\$0	\$2,350,331	\$0	\$3,830,687	\$3,794,336	\$49,498,000	\$794,985	\$50,292,985

17. Funding:

Total Estimated Cost of Project:	<u>\$50,292,985</u>
LESS:	
Estimated Interest Earnings:	<u>\$592,985</u>
Other (specify):	<u>\$0</u>
AMOUNT OF PROPOSED ISSUE	\$49,700,000
<i>(Amount to be Qualified)</i>	

Major Additions and Remodeling

High School Renovations

1. Band and orchestra will move to the vacated space (space is original to the building 1974). Renovations will provide for a new band/orchestra space.
2. Choir will move to the vacated Band space (space is original to the building 1974) Renovations will provide for a new choral space.
3. C.A.D. (Computer Aided Drafting) will move to the vacated choir space.
4. Robotics room at the high school! Not just the middle school
5. Improved auto shop area (space is original to the building 1974)
6. Improved wood shop area (space is original to the building 1974)
7. Wrestling (all ages) will reclaim the original wrestling room plus the C.A.D. space.
8. Athletic Trainer office and treatment area will move to office space by Fitness Center.
9. Community pool (zero entrance=no steps) will be built off the west wall of the high school.
 - a. Community pool will reclaim:
 - i. Community swim lessons
 - ii. Weekly open swim
 - iii. Senior exercise classes (zero entry pool = no stairs)
 - iv. Daily PE swim lessons for all schools (age groups)
 - v. Competitive athletic pool

Major Additions and Remodeling - Cont'

Middle School and Elementary Buildings

- Middle School Roof - Built in 1997 (8th grade wing addition added 2019)
 - Replacement of original roof sections (not new addition)
 - Replacement of original windows (not new addition)
 - Soccer field (needs new drainage system)
 - Security exterior doors
 - Other needs as determined by the building focus group

- Elementary Buildings -
 - Bathrooms remodeled to be handicap accessible
 - Carpet replacement in high traffic areas
 - Security exterior doors
 - Technology
 - Furniture
 - Other needs as determined by the building focus group

How will this happen and not raise my taxes?

- WUS will be borrowing new money for these much needed upgrades = new debt.
 - Bond payoff schedule for existing debt continues - Debt mills remain at 8.40
 - Taxable value increases provide equity to shoulder this bond debt - Debt mills remain at 8.40
 - New bond will be for 25 years and 10 months - projected payoff year 2049 - Debt mills remain at 8.40
- If approved by voters, it is estimated the current debt millage rate of 8.40 mills would not change. The current 8.40 mills would be extended to cover this new debt. This extension, along with increased property values, growth in property tax capacity, and our participation in the School Bond Loan Fund, will allow our district to raise \$49.7 million without increasing the tax rate.
- This situation is similar to a personal homeowner who bought a home here in Wayland 10 years ago for \$110k, financed 80% of that or \$88k (equity = \$22,000), and now realizes the property is selling for an estimated \$200k (new equity \$130k if their principal on mortgage is now \$70k +/-), and now wants to expand or renovate with that new equity limit at today's still advantageous interest rates. Likely little to no change in their payment amount after financing (like our mills), but access to cash to complete the value adds to the property.

What could affect my taxes?

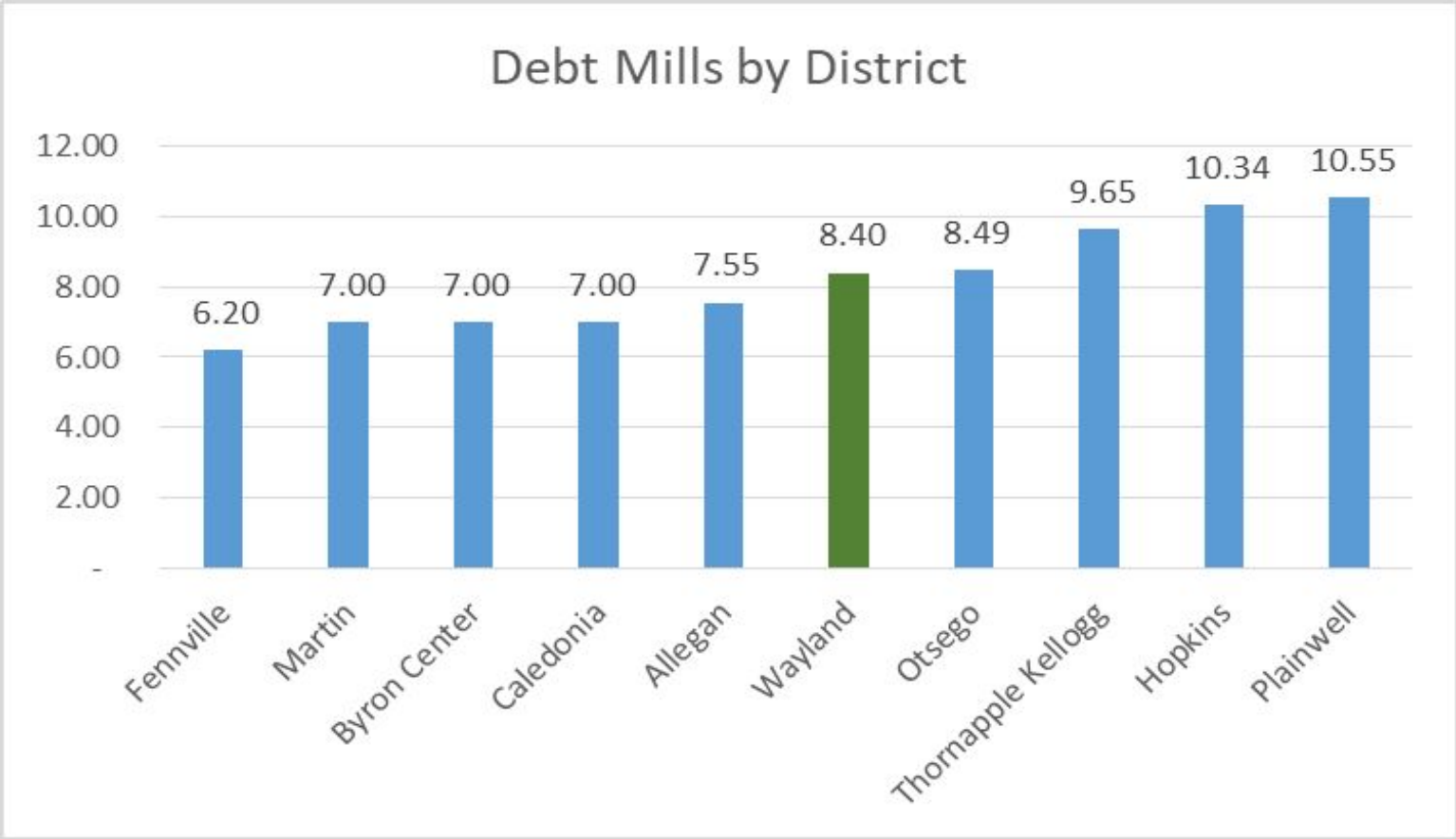
- The 8.40 mills, currently collected, is enough to cover this new Bond issue and the other district Bond issues due to the School Bond Loan Fund.
 - Calculations approved by the State of Michigan Treasury.
 - All Bond issues continue to pay off as scheduled.
- Your taxes could still go up if:
 - Another taxing entity seeks (voted on) and is approved for millage increase.
 - You make enhancements to your property; increasing your properties value.
 - You sell your property for more than you paid for it; the new owners would pay more in property taxes based on the new value.

What is the School Bond Loan Fund (SBLF)?

- The School Bond Qualification and Loan program was established by the Michigan Constitution of 1963 and amended by Public Act 92 of 2005 to provide a state credit enhancement and loan mechanism for school district bond issues. The bonds must be qualified by the State Treasurer and the bond proceeds must be used for capital expenditure purposes.
- A bond is a State-approved funding process for a set scope of projects. When voters approve a bond proposal, the school district sells bonds in the authorized amount and uses the proceeds of the sale to pay for those projects in the bond proposal.
- Using the SBLF allows the district access to safe, secure funding (attractive to investors) for long-term repayment of Bond project borrowing.

How does Wayland Union Schools' millage rate compare to other area school districts?

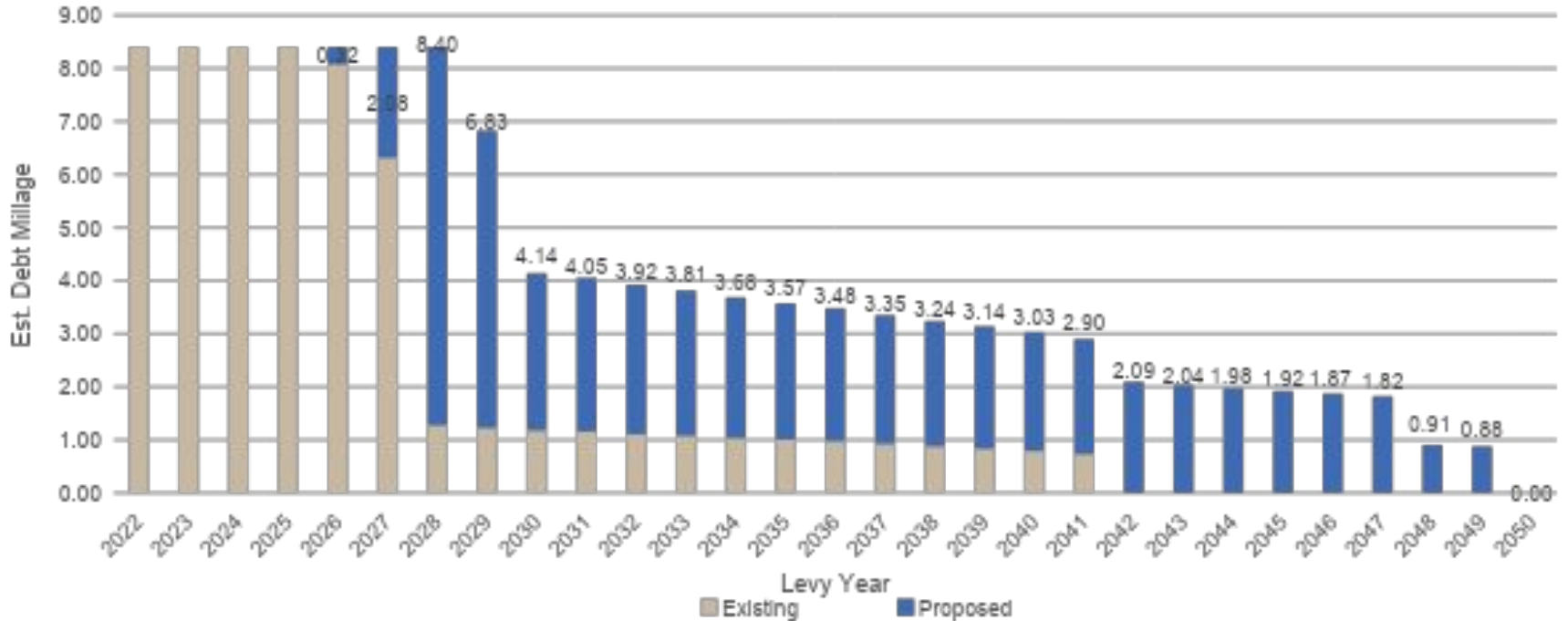
Wayland Union Schools currently levies 8.4 mills. If the bond passes or fails, the millage rate will remain the same at 8.4 mills. The chart below shows the millage rates for other surrounding districts.





How will this happen and not raise my taxes?

- Beige bars reflect what Debt mills are needed if the bond does NOT pass.
- Blue bars reflect the Debt mills needs if the bond DOES pass.



What are the current Bonds and when do they expire?

- 2009 Bond issue - Expires May 2024
- 2016A Bond issue - Expires May 2028
- 2016B Bond issue - Expires May 2023
- 2016C Bond issue - Expires May 2024
- 2018 Bond issue - Expires May 2042
- 2019 Bond issue - Expires May 2028
- 2021 Bond issue - Expires May 2028

New Bond issue - will be for 25 years and 10 months. If approved May 2, 2023 it would expire May 2049

Average Homeowner Annual Cost of School Debt



House taxable value = $\$60,000/\$1,000 = \$60 \times 8.4 \text{ mills} = \$504/2 = \$252$ Summer and Winter tax bills.

House taxable value = $\$80,000/\$1,000 = \$80 \times 8.4 \text{ mills} = \$672/2 = \$336$ Summer and Winter tax bills.

House taxable value = $\$100,000/\$1,000 = \$100 \times 8.4 \text{ mills} = \$840/2 = \$420$ Summer and Winter tax bills.

How can Bond dollars be spent?

Voter-approved bond funds can be spent on

- new construction
- Security
- Additions
- Remodeling
- site improvements
- athletic facilities
- Playgrounds
- Buses
- Furnishings
- Equipment
- other capital needs.

Funds raised through the sale of bonds **cannot** be used on operational expenses such as employee salaries and benefits, school supplies, and textbooks.

Timing of Bond Projects - Are we in a good place?

- Interest rates should still be relatively advantageous to the district on the Bond market.
- Investors will be looking for this kind of investment as it is considered a “safe” investment.
- The market cooling down provides a competitive advantage in the construction vendor bid market, as companies will again be looking to bid for project work.
- Cost of construction supplies should be in the more normalized range after adjusting to the supply chain issues of the past year.
- Provides business to the local community through the use of restaurants, fuel, and hotels.
- Provides construction jobs to the local economy.

What are the benefits?

NO MILLAGE INCREASE! – due to the increased taxable value in our community, we can fund these needed projects for no additional millage. Our goal is to not to seek new mills from our taxpayers, but to add value to our school system. Adding value to the school district adds value to property levels. Good schools draw family home buyers.

- What if the Bond proposal is not approved, will your taxes immediately drop? No, regardless of the bond's approval on May 2, 2023, the current millage rate of 8.40 would not significantly begin to decline until 2027. At that time, the rate would gradually decrease through 2042.

Energy Savings – new roofing and windows (improving energy efficiency) to the middle school will add money back into our operations budget and therefore provide more funding for operational costs.

Improved Learning Environments – our goal is to continue to improve the learning spaces for our students by updating furnishings, technology equipment, and restroom facilities (handicap compliant) in all of our buildings.

Fine Arts Improvements – all of our fine arts programs at the high school are growing! Our band and orchestra require a larger space with adequate instrument, uniform storage, practice areas, and acoustics that protect against hearing loss. These spaces are circa 1974, with the exception of carpet and paint over the years. The choir would be receiving a larger and improved space as well as it takes over the existing band room.

Hands-on Education opportunities – our current shop areas are in need of revitalization to meet the demands of modern vocational education. This plan includes improved spaces for auto, woods, robotics, STEM and a CAD lab for computer drafting. Many students who cannot spend a half day at the Allegan County Area Technical & Education Center (ACATEC), take advantage of these programs right in our district providing opportunities to access careers right out of high school.

Benefits (continued)

Physical Education – our current swimming pool has served us well, but it is now beyond its “useful life”. Finding parts to repair the aging equipment is very difficult, the diving and swimming areas are too shallow to accommodate swimming meets and do not meet the current codes. The pool was once the hub of the district between swim lessons, adult swim programs, PE classes, athletics, and would be again with a new, modern, zero entry (no stairs) facility for the community.

Our desire is to provide a safe, modern facility for our community and students to utilize and enjoy. We also want to again offer swimming lessons for all of our students. There were 100 drownings in Lake Michigan in 2022!

A larger mat room will also be provided for practice space for wrestling, cheer, color guard, and community education classes, and existing locker room space will be remodeled into public toilets and changing rooms for our fitness center.

Outdoor Physical Education – this bond includes funding for improvements and upgrades to our athletic fields in the areas of drainage and field completion (seed and sod).

Local Jobs – Construction projects in our district can provide substantial construction jobs for local workers and bring in revenue to the community from those workers.

Maintain a strong community – when parents are looking to buy a new home, they look at the quality of the school district. Our community has enjoyed excellent quality schools and we want to continue to be the school district of choice in this area. High quality schools can produce a quality workforce, attract and retain business investment and attract and retain new families.

How has the school district managed its finances in anticipation of the Bond election?

Over the past several years, WUS has saved school district taxpayers over \$10 million in interest costs on outstanding bonds and projected interest cost avoidance on outstanding loans through refinancing. When conditions have been advantageous the district has reviewed current bonds and School Revolving Loan Fund balances to improve interest rates and shorten the debt repayment period.

Casino funding provides about 5% of the district's revenue or \$1.6m on average. The funding is split three ways to Instructional Support (25%), Community Support (25%), and Capital Outlay (50%). Capital Outlay funding is then about \$800,000 a year. Of this, \$300,000 is the science wing payment. This Leaves \$500,000 to address items on the 1 - 12 year project plan list. Please see the WUS Transparency page for how funds were expended last year:
https://waylandunion.org/downloads/budget_transparency_docs/2021-22_casino_revenue_sharing_in_lieu_of_taxes_report.pdf

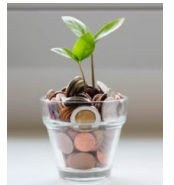
- ❖ People ask-”Could the district use Casino Capital Outlay funds to make payments on a \$49.7m loan?” A \$49.7m loan at 5% interest is payments of over \$300,000 per month or more than \$3m per year. Again, Casino Capital Outlay is about \$800k.

WUS shares all of this with you because we want to ensure that all voters have the details they need to make an informed decision when voting. The 2023 bond proposal would allow Wayland Union Schools to address the most critical needs of our district and our students if approved.

Why doesn't the district just save up for these projects?

Schools have two ways to set aside funds (save) from a budget year.

1. Fund Balance - If a district has money leftover from a budget year, those funds go to the Fund Balance. The Fund Balance is used for years when the budget is too slim to cover all operating expenses to include wages, benefits, transportation, maintenance, security - all items that are needed to educate the students. Too low of a Fund Balance means the district must borrow money to meet cash flow due to State Aid timing.
2. PA 177 - WUS set up the ability, through a PA 177, to set aside Casino Revenue In Lieu of Taxes funding in the years where all Casino revenue is not entirely spent. The PA 177 can only be used for capital outlay. The district tries to set aside \$200k a year for unexpected capital outlay expenditures, and \$50k for the replacement of the turf field after 10-12 years of use.



Why not complete these projects using Casino Revenue Sharing funds?

- Casino Revenue Sharing In Lieu of Taxes has been averaging \$1.6m since 2012.
- The \$1.6m is divided into three (3) pots: Instructional = 25%, Community = 25% and Public Improvement = 50%.
- $\$1.6\text{m}/2 = \800k
- $\$800\text{k} - \300k (Science Wing Pymt - 2 more left) = $\$500\text{k}$
- Public Improvement projects for items the district can handle on the smaller scale = $\$500\text{k}$.
 - Replacement of high school gym floor (original to the building) = $\$200\text{k}$
 - Demolition of the old CCA building = $\$200\text{k}$
 - Other small projects as approved by the BoE annually
- A payment on a $\$49.7\text{m}$ loan > than $\$3\text{m}$ a year.

When is election day?

Where and when will the vote occur?

Registered voters may cast a ballot at the polling location established by their city/township. If you have questions or do not know where you vote, please contact your city/township office. The election will be held on Tuesday, May 2, 2023. Polls will be open from 7:00 a.m. to 8:00 p.m.

What are the key dates leading up to the Tuesday, May 2, 2023 vote?

- Registering to vote:
 - The last day for voters to register by mail is Monday, April 17, 2023.
 - Voters may register in-person through 8:00 pm Tuesday, May 2, 2023. (Election Day) with local clerk with proof of residency.
- Absentee Voting:
 - Absentee voter ballots are available from March 18, 2023 for those in the military or living overseas.
 - Absentee voter ballot Available March 23, 2023 to members of the general public.
 - Ballots must be returned to Twp/City Clerk by 8 p.m. May 2.
 - Contact your city/township with questions.
- Voting on Election Day:
 - Tuesday, May 2, 2023
 - Polls will be open from 7:00 a.m. to 8:00 p.m.

How can I help?

- Answer questions as they come to you!
- Unsure of how to respond, please individuals refer to Superintendent Tim Reeves, Pat Velie, Teresa Fulk, John Huyck, or Erin Stepek (Email: wacyke@gmail.com).
- Visit website link and encourage all to view the [district website](#).
- Be positively vocal about project scope - impacts every child in our district at some point.
- Live in the district? VOTE!

How Can I Help? Join a committee!

Erin Stepek, Wayland Union Schools Resident and Yes Committee
Chairperson

Email: wacyke@gmail.com

Band/Orchestra Shared Space - Rendering

***Rendering is a depiction prior to focus group meetings.**



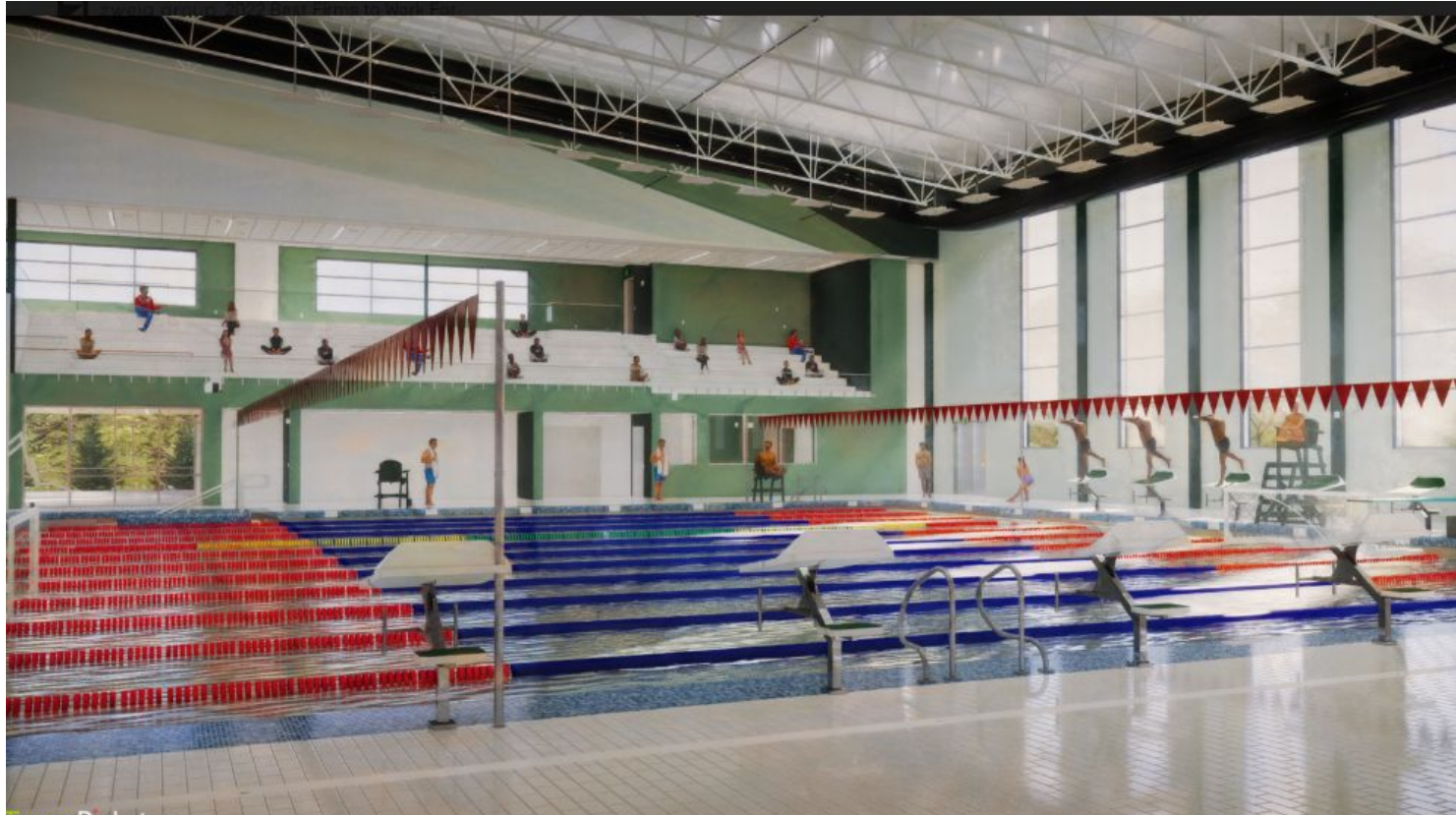
C.A.D./Classroom - Rendering

***Rendering is a depiction prior to focus group meetings.**



Community Pool - Rendering

***Rendering is a depiction prior to focus group meetings.**



Community Pool - Rendering

***Rendering (zero entry, no steps) is a depiction prior to focus groups.**



QUESTIONS?

Call 269-792-2181

Ask for Bond

Information