



2013 Safety, Security & Technology Bond Question & Answers

1. When is the last time Walled Lake Schools had a Bond election?

In June of 2004, nearly 10 years ago, the Walled Lake Schools had a bond for extensive renovations to Clifford Smart Middle School, Western High School, renovations to other facilities as well as the purchase of 61 buses. The community generously supported the 2004 bond and the renewal of the Building and Site Sinking Fund last year.

2. What is included in the November 2013 Bond?

The 2013 Safety, Security & Technology Bond includes:

- Comprehensive video surveillance systems.
- Security Entrance and office modifications in all of our schools.
- Keyless entry throughout the District.
- Upgraded security alarms, fire alarms and mass notification systems.
- Emergency backup generators and emergency lighting upgrades.
- Emergency responder signage.
- Replacement of the District phone system and master clock systems.
- Essential technology upgrades in all of the schools and classrooms to ensure equitable facilities that the entire community can enjoy.
- Replacement buses.
- Other much needed specific repair and renovation projects.
- Please see the list of building specific projects for each school and facility on the District website at www.wlcsd.org.

3. Why is the District including buses when the District privatized busing with Dean Transportation?

The District will continue to own all buses and the transportation facility to give us greater control and flexibility. We will continue to purchase the fuel from a regional consortium to keep our fuel costs as low as possible. Dean Transportation is providing the operation of the transportation department which includes the hiring of all transportation employees and the day-to-day operations.

4. How will buses be purchased if the bond does not pass?

Although the District has no intention of giving up ownership of its fleet, should the bond not be successful the District would most likely need to use General Fund dollars to purchase buses, which would decrease the monies we have to spend on classroom needs. The purchase or lease of buses with Sinking Fund dollars is prohibited.

5. How much will the November 2013 Bond cost the community?

1. The Walled Lake Consolidated School District is asking the community to consider at \$67.5 million Safety, Security & Technology Bond. The millage necessary to cover the debt payments for the \$67.5 million Safety, Security & Technology Bond will average .99 mills with the first year requiring .78 mills. The first year it would cost a home owner \$78/year for a \$200,000 home (SEV of \$100,000). The average millage over the life of the bonds is expected to be .99 which would mean a cost of \$99/year for a \$200,000 home. This equates to less than \$2 per week for the owner of a \$200,000 home. This is a 30-year bond; however, with refunding/refinancing of previous bonds, WLCSD has been able to pay our previous bonds off in less time.

6. Why is the November 2013 Safety, Security & Technology Bond needed?

Regrettably, a lot has changed in our country as a result of several recent tragedies. The need for increased safety and security in our schools is paramount. We are providing exemplary educational learning opportunities in a safe environment. We have only included “essential” items in this Bond. It is not a “wish” list, instead, it is truly a “needs” list of vital systems that will ensure Walled Lake Schools is able to continue its mission.

7. What has the District done in terms of Safety plan since last year?

The 2013 Bond is the third phase of a three-phase safety, security and technology plan, the District initiated last year.

- **Phase I** of the plan began in December 2012 with the District locking all of the school doors during school hours and hiring door monitors to ensure those entering buildings were identified.
- **Phase II** of the plan included installing entrance intercom systems in all schools with Sinking Fund proceeds. Phase II was completed this summer.
- **Phase III** of the plan is the 2013 Safety, Security & Technology Bond.

8. When is the election?

The election is Tuesday, November 5, 2013. The polls are open from 8 a.m. to 8 p.m. at each of the normal election sites for your municipal, state and national elections.

9. Why can't the District do these things without the bond?

As a result of a declining general operating budget, Walled Lake Schools cannot make these upgrades with the current budget. The District continues to make reductions annually.

10. Can the District spend this money on projects other than the ones described in the bond application?

No. The 2013 Safety, Security & Technology Bond can only be used for the projects and plans outlined in the bond application that was presented to the Michigan Department of Treasury. The 2013 bond funds **cannot be used** for General Operating Budget expenses, salaries or benefits of any current employees, or anything other than what is listed in the bond application that was submitted to the State of Michigan.

11. Where can I get more information on the 2013 Safety, Security & Technology Bond?

1. Attend a Bond presentation at your school.
2. Consult the information on the District website.
3. Watch the informational video on WLTV or on the District website.
4. Send your questions about the bond to info@wlcsd.org
5. Read the October **Learning** newsletter the outlines the 2013 Bond information.

FINANCIAL INFORMATION - 2013 SAFETY, SECURITY & TECHNOLOGY BOND

12. Current Debt Statistics

- Current debt outstanding = \$115,325,000
- Currently have 5 debt issues
- *Those issues will be retiring between 1 and 11 years*
- All current debt will be paid by 2023-2024

13. Debt Discussion

- Why an average?
 - The repayment of bonds, although typically over a 30 year period, is not structured like the mortgage on a home.
 - The principal and interest payments required change over the life of the issue, with total payments being higher in some years and lower in others.
 - A district is only legally allowed to collect what is required to make the current year bond payments.
 - As a bond issue is paid off, the total millage required to make remaining payments is lower.
 - Taxable values also change over time and have an impact on the millage required to generate the funds needed.

14. Why is it that the General Fund cannot cover the cost of the proposed projects?

- The District has been making reductions each year since 2001/2002
 - Total reductions of \$44,601,823 between 2001/2002 and 2013/2014
 - Additional employee concessions during same time period totaling \$5,294,525
 - Used savings (fund balance) of \$19,105,160
 - Reduction in District staff of 506 or 26%

15. Other Financial Information

- The District receives \$8,195/pupil. This funding comes from a combination of local property tax revenue and State Aid.
- The District spent \$10,206/pupil during 2012/2013.
- 66% of all dollars spent during 2012/2013 went directly to the classroom.
- Our 2012/2013 pupil count was 15,266.

16. In the event the 2013 Safety, Security & Technology Bond is approved, when will the funds be collected and when will these important projects be done?

The bonds would be sold in an open market process by the District's bond underwriter and the funds would be collected shortly after the sale of the bonds. The bond projects would begin in the summer of 2014 and the work would be done over the next few years. Some buses would be purchased for the 2014 -2015 school year and the implementation of the classroom technology would be done over a few school years.

17. How is this bond different than the Sinking Fund?

A sinking fund is an annual property tax levy that is intended to work as a "pay as you go" funding mechanism to allow for the purchase of real estate for sites for, and the construction or repair of, school buildings. Sinking fund proceeds are not a loan and there is no interest to pay. Walled Lake Schools uses our sinking fund proceeds to repair school buildings on an annual basis.

A Bond fund can be used to complete all the authorized purchases of a sinking fund plus it can be used for the purchase of technology, buses, furniture and equipment that cannot be purchased with sinking funds. A Bond issue allocates all funding at the beginning of the program to complete the specified work in a short amount of time (typically 3-5 years) and the Bonds get re-paid over a longer period of time (typically 30 years).

The 2013 Safety, Security & Technology Bond will allow the District to purchase systems, technology and buses that CANNOT be purchased with the Sinking Fund. Yes, there are items on the 2013 Bond that could be paid for out of Sinking Fund. However, as a result of decreasing property values, the Sinking Fund does not generate what it did 12 years ago. The ancillary projects in the 2013 Bond are projects that need to be done, over and above the scheduled Sinking Fund projects.

Most importantly, NEITHER Sinking Fund monies or Bond monies can be spent on salaries or benefits.

18. Will some of these projects actually provide savings for the District over time?

Yes. Several of the 2013 Safety, Security & Technology Bond projects will provide a savings.

- The video surveillance systems will assist the District in identifying perpetrators who vandalize school property.
- With the keyless entry the District will no longer need to purchase keys or change locks.
- Emergency backup generators will allow the District to conduct school in the event of a power outage. It will also allow the District to continue instruction when there is a power outage.
- Significant service and repair costs will be saved with the new classroom technology systems, the multi-function copiers, new fire alarm systems and master clock systems.
- Projects such as the WL Central pool cover save the District thousands of dollars over time in energy costs.
- New energy management systems will conserve energy and significantly reduce energy and utility costs across the District.
- The new bus wash system will utilize water savings technology and reduce water costs.

19. Has the District built into the budget any operational costs associated with these new systems?

There will be operating costs for many of these systems to maintain, repair and operate some of these systems (video surveillance, classroom technology, copiers, etc.). Some will reduce our current maintenance costs associated with operating these systems (copiers, energy management, keyless entry) but others may add costs (video surveillance). In total the overall operating costs for all the projects included in the Bond are expected to reduce our current maintenance and operating costs for the systems in their current condition.

20. Can you please estimate some of the individual costs of the 2013 Bond projects?

<u>Safety and Security Systems:</u>	<u>Estimated Cost:</u>
• Video surveillance systems (districtwide):	\$ 4,200,000
• Entrance and office modifications in all of our schools:	\$ 4,200,000
• Keyless entry throughout the District:	\$ 5,500,000
• Upgraded Fire Alarms and mass notification systems:	\$ 4,400,000
• Emergency backup generators, lighting upgrades & signage:	\$ 8,000,000
• Replacement of the District phone system & clock systems:	\$ 4,400,000
<u>Technology:</u>	
• Essential technology systems for 630 classrooms:	\$ 7,200,000
<u>Transportation Needs:</u>	
• Replacement Buses (approximately 70 over 4-5 years):	\$ 6,000,000
• Bus Wash system & Replacement Fuel System:	\$ 205,000
<u>Other Projects:</u>	
• Other specific repair and renovation project costs are in the presentation at www.wlcsd.org	

21. What is an interactive digital video projector?

In the past you needed a projector and an interactive whiteboard to create an interactive learning environment, but an interactive digital video projector integrates two devices into just one. The teacher or student can interact with either the projected image, video, the projector, or another device like an iPad or tablet. Interactive Projectors essentially mimic the function of an interactive whiteboard on any surface where the image is projected. This new technology allows schools to install less equipment, is more cost effective, and allows for a broader application of instructional techniques. With an interactive projector, any surface now becomes an interactive white board!

22. What is a document camera?

Connected to the interactive projector, a document camera allows the learner to see instructional objects, notes, and diagrams in detailed color and digital zoom. Items being displayed under a document camera can be screen captured and upload to websites, files, or documents with a click of a button. One significant instructional benefit of using a document camera is that a document camera can effectively allow students in a classroom to easily view details of two dimensional or three dimensional objects which would otherwise be very difficult for them to see.

23. What is the process for selecting the technology we ultimately would purchase? Is there parental input taken on the models, etc.?

Upon successful completion of the bond, we will involve stakeholders in the selection process of classroom technology. We will have opportunities to examine available document cameras and interactive projectors. We will select a variety of K-12 classrooms to 'pilot' different devices. A rubric will be used to evaluate and select the devices, which may involve devices designed specifically for elementary and secondary classrooms.

24. What will be the longevity of the technology we purchase? Will you (the District) need to come back to us in 5 years to ask for newer versions?

We look at technology longevity not simply by the actual device, but rather at researched-based instructional strategies that can be implemented with the technology for longer periods of time. Due to our unique leasing program, desktop/laptop technology refreshes every 3-4 years, allowing the utilization of static technology (document camera, projectors) to last for many, many years. There is no plan to ask for new versions in five years.

25. Can you give us a breakdown of our current outstanding bond debt and when it will be paid off?

Please Click [HERE](#) for a list of the District's Current Outstanding Bonds.

Bonds, although structured over a 30 year period, are different than a home mortgage. A home owner pays the same payment each month for 30 years to pay off their mortgage. Bond payments are made only twice a year and vary from year to year. In the same bond issue, the total payments required go up and down throughout the life of the loan. This variation is magnified when you have five issues.

In addition, as taxable values of properties within the district change, the millage necessary to generate the funds required also changes. For instance, as property values increase, the millage necessary to generate a particular sum decreases.

The millage rates charged are calculated annually based on the bond payments due *that particular* year and the projected taxable values. As such, even without a new bond or the payoff of an old bond, millage rates can vary from year to year.

For 2013/2014, the rates charged are as follows:

2004 Bond 0.6186 mills
2005 Bond 1.9509 mills
2006 Bond 0.1168 mills
2011 Bond 1.9055 mills
2012 Bond 0.0527 mills

These mills are reflected on tax bills as a total debt millage of 4.6445. It is estimated that the millage required to make the payments on the above bonds for 2014/2015 will be 4.46 mills. This is an estimate based on projected taxable values and the payments that will come due during 2014/2015.

26. Is there SPECIFIC information about the type of generators, security systems, technology, etc. being budgeted for?

We have not identified the exact equipment that will be purchased as we have yet to prepare designs or specifications (we won't until after the Bond passes) and everything is conceptual at this point. We know we want generators to provide essential services to allow us to continue conducting classes during a power outage which to me means a minimal level of heating, lighting, technology, phones and life safety system operations (and water and toilets at Glengary since it's still on well and septic). They will not be sized to run the entire building.

Cost estimates have been prepared using industry accepted estimating practices employed by our architects (TMP) and Construction Managers (Auch) along with the district's experience of what we've spent on these types of systems in the past. All Bond cost estimates have been submitted and approved by the Michigan Department of Treasury and we have a great deal of confidence in these cost estimates. As with any Bond program, some projects will be a little more than estimated and some will be less. Overall, we believe there will be the correct amount of funding to do everything contained in the Bond proposal.

27. What has Walled Lake Schools done to reduce operating expenses and be fiscally responsible?

Walled Lake Schools has made \$44,601,823 in reductions between 2001-2002 and 2013-2014 with employee concessions totaling \$5,294,525. The District has reduced its staff by 506 employees or 26 percent. Here are some of the steps the District has taken to be fiscally responsible:

- Closed two elementary schools.
- Privatized both transportation and custodial services.
- Negotiated more than \$5 million in employee concessions in 11 years.
- Participate in mutually beneficial partnerships:
- MSBO – Cooperate in their purchasing card program.
- St. Clair RESA – Collaborate for support/provision of Finance/HR software.
- West Bloomfield Schools – Share our food service director.
- MISEC – Purchase energy in commodity bulk.
- City of Novi – Produced the new District maps.
- Macomb Oakland Fuel Consortium - Provides fuel for buses.
- Hundreds of local and state businesses support Walled Lake
- Schools annually with donations, contributions, services and products.

28. Why does Walled Lake Schools have to replace 70 buses?

We have 11 buses that are between 12-14 years old and need to be retired as soon as possible. We have 45 more buses that are between 9-11 years old that will need to be replaced

over the next 3 years. We have another 14 buses that are 8 years old and will need to be replaced within 4 years.

Historically, districts have maintained a 10 year replacement scheduled but due to funding difficulties, we have stretched that out to 12 years and beyond in some cases. As buses get older they get less reliable and cost more money to maintain. While all of our buses are inspected annually by the State Police and are safe to operate, the older a bus gets the greater the chances of a major or costly repair and the greater the risk of having fewer buses available.

We transport about 12,000 students every day. We have an obligation to make sure we transport them on buses that are in good condition and have the most up to date safety features. Keeping buses until they are no longer serviceable is not a good approach to providing the safest transportation possible.