

Frequently Asked Questions

1. Why are you asking for a referendum now?

Much like a home, when the cost to repair exceeds the budget, borrowing funds for a larger scale renovation is necessary and doing more at one time can save money. Portions of our buildings have exceeded life expectancy and the annual operating budget alone will not cover the needed upgrades. Additionally, interest rates are still favorable and construction inflation continues to increase annually.

2. We just voted on an Operational Referendum in April 2024, why is the District asking the community to vote for a Capital Referendum in November 2024?

An operational referendum allows a school district to raise additional funds for things such as transportation, fuel, curriculum, textbooks, compensation, insurance, utilities, technology, and special education services. Operational dollars allow the District to retain talented staff and the high level of education the District prides itself on.

A facilities (capital) referendum is done for the purpose of accomplishing large capital projects to address things like maintenance projects, upgrading spaces to align with modern learning, and improving deficient spaces.

3. Why is the community being asked to pick between three different options for total referendum cost?

While collecting feedback from the community in the winter of 2023 for the operational referendum support, the District also gauged initial support for a potential upcoming facilities referendum. The vast majority of the community preferred to invest in a plan that worked toward complete building consolidation. The District is offering three different options for the community to consider - consolidating at one time by bringing 4K-8 grade to the existing High School (\$62.75 million), consolidating in phases by bringing 5-8 grade to the existing High School first (\$42.1 million), or consolidating in phases by bringing 4K-4 grade to the existing High School first (\$55.25 million).

4. What happens if the referendum does not pass?

If the referendum is not supported by taxpayers, the maintenance costs and educational limitations do not go away. Since the District cannot make the necessary improvements without borrowing funds, the next step would be to seek additional feedback from the community to determine what amount would be supported to address large maintenance projects, deficient spaces, failing infrastructure, code and accessibility updates, etc. If interest rates and construction costs continue to rise, the result would be getting less for a future investment.

5. What is a facility assessment?

A facility assessment is an independent, objective analysis of building and site conditions and an evaluation of the capabilities of the facilities to meet educational and community goals. The facility assessment is often a critical first step in the planning process, helping the District better understand areas of need and deficiency. The document may be used to inform plans for ongoing maintenance, and as a foundation for future master planning or building projects.

6. How has the District engaged staff and community members in the facilities planning process?

Our staff and community members have been, and will continue to be, integral to the facilities planning process.

- **Spring 2022** - Plunkett Raysich Architects, LLP (PRA) and Jos. Schmitt Construction began the facility assessment process
- **Fall 2022** - PRA and Jos. Schmitt engaged in staff interviews to inform the educational needs of the District
- **Winter 2022** - PRA and Jos. Schmitt shared results and information from the facilities assessment and educational needs analysis with the School Board
- **Spring - Fall 2023** - PRA and Jos. Schmitt began options development and cost analysis, School Board and administration evaluated and prioritized to inform final options
- **Winter 2023** - District held information sessions to inform community of operational needs, District conducted a community survey to gauge support for Operational Referendum and facility needs
- **Spring 2023** - Community voted on Operational Referendum, District held information sessions to gather feedback on facility needs for Facilities Referendum, District conducted a second community survey to gauge support for Facilities Referendum

7. The Elementary / Middle School has been evaluated per the facilities study to be in “fair to poor condition;” what does this evaluation reflect?

The existing Elementary / Middle School lacks accessibility due to the age and the number of different levels throughout the building. While there is an elevator, accessibility is limited in certain areas. Safety and security is also a challenge because of lack of clear exit path circulation and lack of building compartmentalization. Interior and exterior materials are in need of repair and updates due to age and life cycle maintenance. Building systems including HVAC, electrical systems, lighting, and plumbing are deteriorating and in need of replacement. Site challenges, including stormwater management need to be addressed.

To review the complete Facilities Report visit: [Elkhart Lake Facilities Report](#)

8. What is the cost to completely refurbish the schools instead of pursuing new construction projects?

The Elementary / Middle School has been evaluated per the facilities study to be in “fair to poor condition.” The educational space adequacy report also indicates deficient spaces and curricular needs that are not being met architecturally in the existing

building. The estimated cost to completely refurbish the Elementary / Middle School is \$X. It has been determined from recommendations of our design and construction partners that pursuing building consolidation (bringing 4K-8th grade over to the existing High School) is a better use of taxpayer dollars. The recommended plan would involve closing the existing Elementary / Middle School as an education facility. Operational efficiencies, in both systems and District every-day operations, can be realized by consolidating buildings.

9. What does “consolidation” mean?

When talking about “consolidation,” this refers to combining District grade levels under one roof. This is NOT to be confused with combining with other neighboring districts. Under the recommended plan, though grade levels would be housed in the same building, careful considerations would be made to provide proper separation between elementary, middle, and high school students.

10. What would happen to the existing Elementary / Middle School building if complete building consolidation would happen?

The existing Elementary / Middle School would close as an education facility; however, it is possible that certain spaces within the building (ex. gymnasium) could continue to be utilized by the District while also opening up possibilities for community use.

11. How did you come up with the project budgets and how will the current market impact them moving forward?

We are living in unprecedented times. The construction industry, like most, is experiencing market forces well outside of what would be considered normal. Material costs and lead times have risen to never-before-seen levels. Jos. Schmitt and PRA work hard to monitor these issues to produce estimates and schedules that reflect current market conditions. There are numerous sources nationally that provide current data that we combine with feedback from our local vendors to create those estimates and schedules. Likewise, we are tuned into economic forecasts, both for the construction industry specifically and the economy in general. Using that information helps identify the potential impact inflation may have on project costs into the future. We build in inflationary factors to our budgets to offset potential market changes but predicting the future with any level of certainty is impossible. We use the information we monitor to help inform our cost forecasts. Referendum budgets are based on very conceptual plans which allow for options once design progresses. As the price of materials changes we analyze those options to work with our design partners to choose systems with the best cost and least instability, both from a cost and lead time perspective. It is a careful balancing act and we work hard to ensure quality is not sacrificed. Jos. Schmitt and PRA’s goal is to inform the District so the best financial decisions can be made while honoring the commitment made to taxpayers.

12. What is a mill rate (also known as tax rate)?

School district property taxes include levies for general operations, debt service, capital expansion, and community services. Property values are equalized to reflect market

value rather than local assessed value. The equalized levy rate is the total property tax levy divided by the current year equalized property value with tax incremental financing (TIF) values excluded. Levy rates are shown in "mills" or property tax dollars levied per \$1,000 of equalized property value. [Source: Wisconsin Department of Public Instruction]

It helps to think of the mill rate as a unit of tax. The mill rate is the total levy divided by the total property value. Rather than dividing the levy equally by the number of taxpayers, the levy is distributed equitably across property values by the unit rate.

13. How is the tax impact calculated?

The tax impact is calculated as the estimated change in the mill rate for referendum debt payments over the projected 2024-25 mill rate for debt of \$XXX. The financing plan assumptions include repaying the referendum debt over 21 years at planning interest rates of 5.25%-5.50%, and using the District's 2023 equalized valuation with annual growth of XX% for one year and XX% thereafter.

14. When will we have final floor plans and design?

Upon a passed referendum, the District would collaborate with the architect to develop detailed space programming and design based on additional staff and community feedback. These will be extensively reviewed to keep costs favorable and produce the best outcome. It is currently anticipated that the full design process (including cost check-ins) would take about 11 months, starting immediately after a successful referendum vote in November.

15. When would the projects be completed if the referendum passes?

If the referendum passes, the design phase would begin immediately. There will be continued staff and community input opportunities while the detailed design is developed. Construction is projected to begin in early Spring of 2026 and to be complete by Summer of 2028.

16. Who oversees and is accountable for ensuring referendum funds are used as intended?

The School Board and District Administration are responsible and accountable for all referendum funds and intended use. After survey results are final, the District continues to prioritize projects based on taxpayer cost tolerance. After deciding on a final solution, the District hires legal counsel to draft and ensure proper wording of the referendum question for the November 2024 ballot, which the School Board ultimately approves. Referendum funds legally must be used in accordance with the referendum question. During design and construction, the District's partners are accountable for the referendum budget. Any unused funds stay with the District and it would determine how those funds would be used in alignment with the referendum question.