



**IDA  
PUBLIC  
SCHOOLS**

Where Learning Strikes!

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Kingscott



# Bond Planning Presentation

Ida Public Schools

September 11, 2018

[pmcresa.com](http://pmcresa.com) | (248) 223-3500



Agenda

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- 1. Overview of the Bond**
- 2. Schedule Overview**
- 3. Review Potential Scenarios**
- 4. Review Design Options**
- 5. Cost Overview**
- 6. Financial Considerations**
- 7. Questions & Answers**





# Overview of the Bond



## Overview of the Bond

### IPS Goals & Objectives

#### Why now:

- **Provide 21<sup>st</sup> century learning for the kids in terms of program, technology, team work, and space**
- **Average age of IPS facilities = 62 years**
- **Time to develop long term planning goals and develop replacement cycles for the buildings**
- **Elementary school electrical is at capacity, heating lines beginning to break/leak, heating ventilators need replacing**
- **Elementary school has exceeded its useful life**

#### Benefits:

- **New classroom equipment will create modern learning environments**
- **Best practice teaching strategies**
- **Reduces maintenance and energy costs**
- **Enhancements at all schools**
- **More opportunities for collaborative learning**
- **More space – current elementary school is almost half the size of current building standards**



# Schedule Overview



## Schedule Overview

### Proposed Bond Planning and Project Timeline

#### Bond Planning

- **Aug.–Sept. 2018: Bond programming and community review**
- **Oct. 2018: Develop bond program**
- **Nov. 2018: Board approval on bond program and preliminary qualification meeting with Department of Treasury**
- **Dec. 2018: Board approval on bond application and submit to Department of Treasury**
- **Jan. 2019: Board approval to adopt resolution for election**
- **Feb. 2019 – April 2019: Bond campaign and community outreach**
- **May 7, 2019: Election Day**

#### Project Timeline: New Construction

- **May. – Nov. 2019: Develop and finalize design documents**
- **Dec. – Jan. 2020: Bid project and contract award**
- **Feb. – Mar. 2020: Preconstruction**
- **April 2020: Break ground on construction**
- **July 2021: Complete Construction**
- **August 2021: Owner Occupy**

#### Project Timeline: Renovations

- **May – Oct 2020: Develop and finalize design documents**
- **Nov - Dec 2020: Bid project and contract award**
- **Jan – April 2021: Preconstruction**
- **May 2021: Start renovations**
- **Aug 2021: Complete Construction**
- **End of Aug 2021: Owner Occupy**



# Review Potential Scenarios



## Potential Scenarios

### Two (2) Scenarios Currently Being Reviewed

#### Scenario A: New Elementary School

- **Design/construct new elementary school**
- **Renovations to existing middle school**
  - **Replace two boilers and piping**
  - **Replace classroom ceilings**
  - **Upgrade to new LED lighting**
- **Renovations to existing high school**
  - **Replace one boiler**
  - **Replace classroom ceilings**
  - **Upgrade to new LED lighting**
  - **Install new stage lighting**
  - **Replace windows and building fascia**
  - **Upgrade one science lab classroom**
- **Demolish existing elementary school**
- **High School Athletic Entrance Addition and Locker Room Renovation**

#### Scenario B: New High School

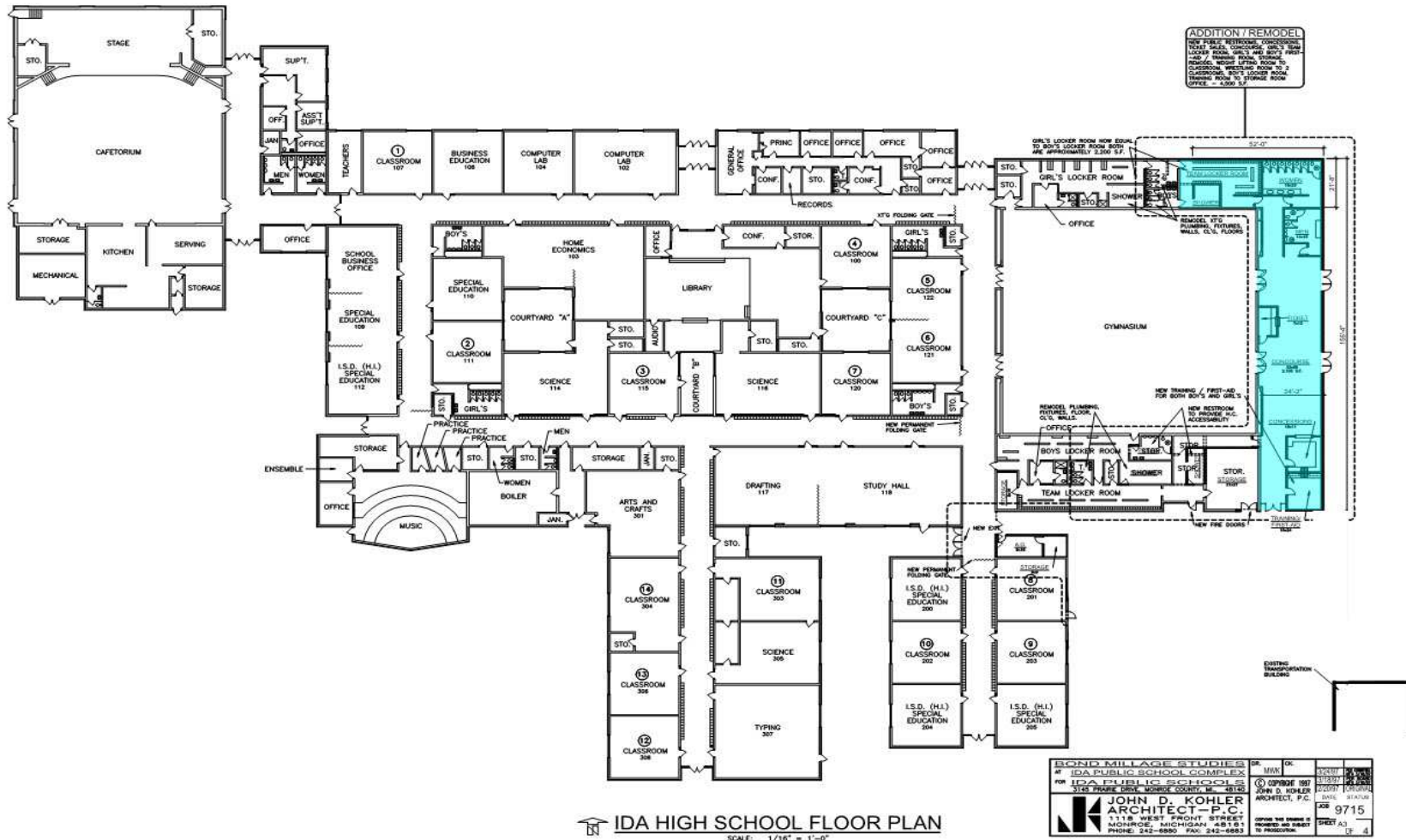
- **Design/construct new high school**
- **Renovate MS to convert to ES**
- **Renovate HS to convert to MS**
  - **Same renovations as Scenario A**
  - **General classroom reconfigurations**
  - **Teacher & admin support space reconfiguration**
  - **Potential additions to accommodate classroom and support space reconfiguration**
  - **User size-based modifications required at MS to be used by elementary students**
  - **Install new playground**
  - **Minor furniture upgrade**
- **Demolish existing elementary school**





# Potential Scenarios

- Potential High School Athletic Entrance Addition and Locker Room Renovation





# Review Design Options



## Scenario A: New Elementary School (PK through 4<sup>th</sup> Grade)

- **Building size to be 85,000 sq. ft. – 92,000 sq. ft. (existing school is 55,100 sq. ft.)**
- **26 teacher stations, 2 pre-school classrooms and 3 extended learning classrooms**
- **Classroom restrooms in pre-school and kindergarten classrooms**
- **Special education rooms including resource rooms, categorical room sensory room and title / tutor rooms.**
- **Large gymnasium with 300 seat bleachers and a stage**
- **Media center, computer lab, music and art room**
- **Secure entry for access into the main office**
- **New furniture and equipment**



## Design Options

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### Scenario B: New High School (9<sup>th</sup> through 12<sup>th</sup> Grade)

- **Building size to be 120,000 sq. ft. – 130,000 sq. ft. (existing school is 108,200 sq. ft.)**
- **25 teacher stations**
- **New wood shop, welding shop and art rooms**
- **Special education rooms including resource rooms and IEP meeting room**
- **Large gymnasium with 2 full practice courts and 2,000 seat bleachers**
- **Athletic area with PE, varsity and JV locker rooms, weight room, athletic offices and athletic storage.**
- **Media center, computer lab, art room and music room**
- **Secure entry for access into the main office**
- **New furniture and equipment**



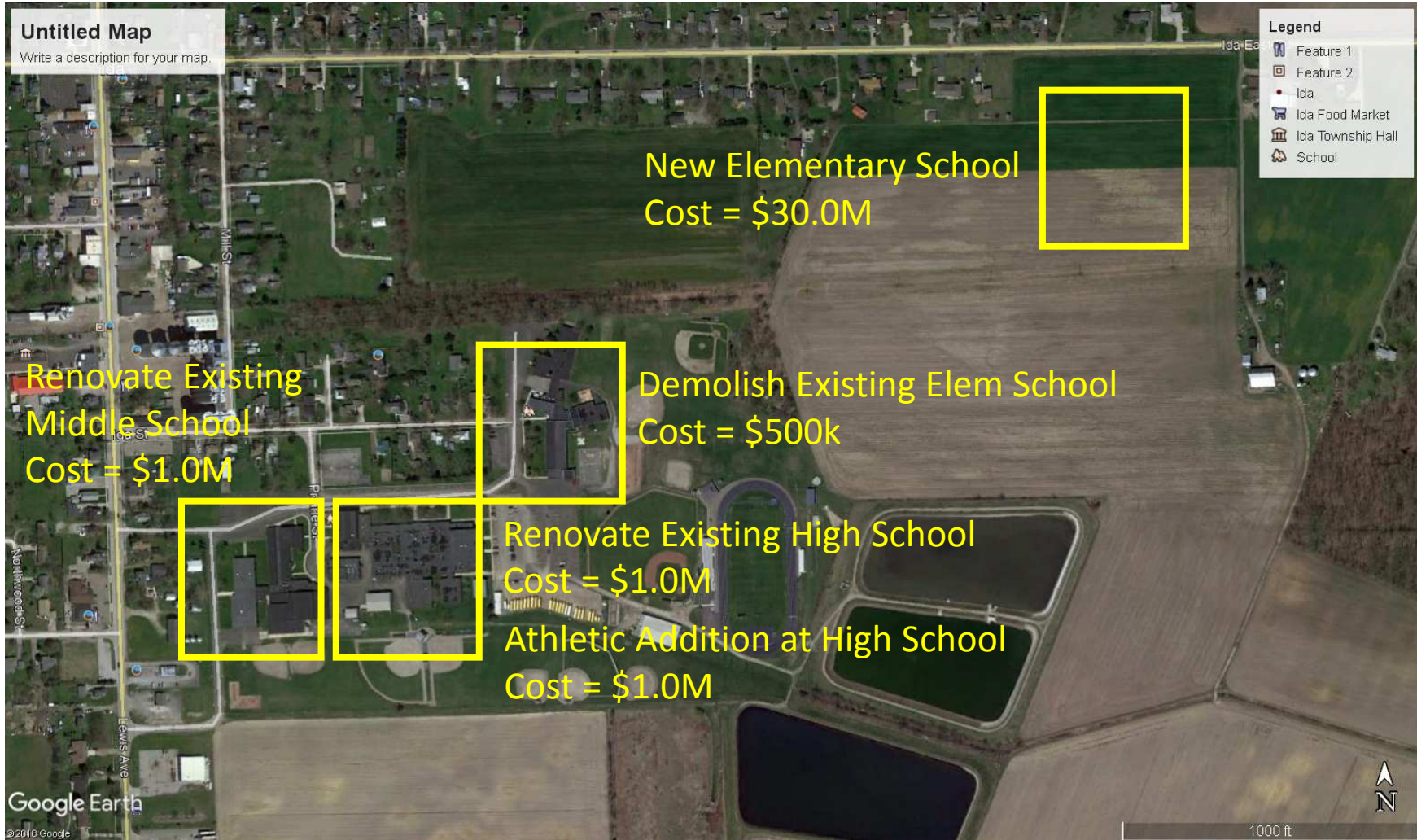
# Cost Overview



# Cost Overview

- Scenario A: New Elementary School**

**TOTAL BOND COST = \$33M**

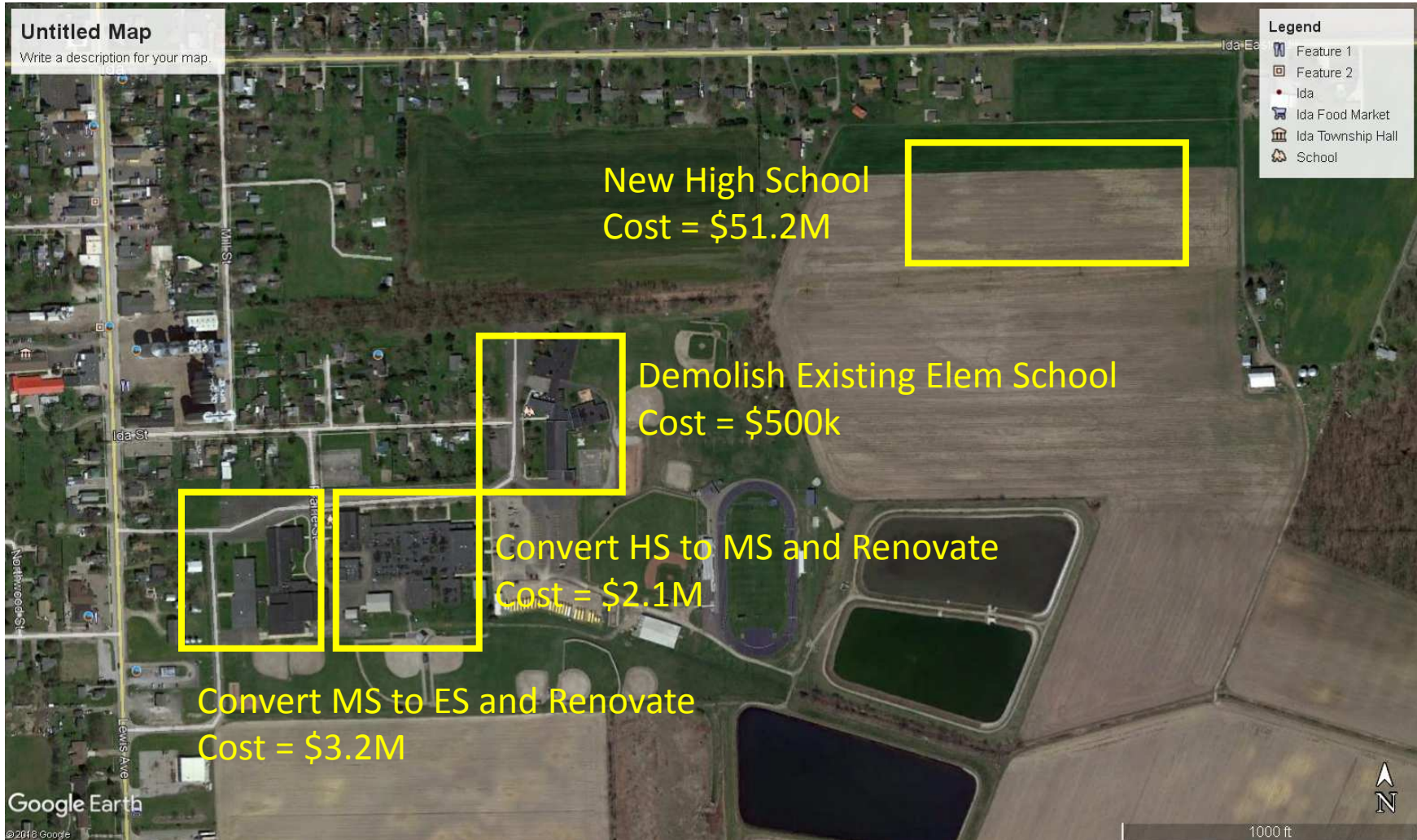




# Cost Overview

- Scenario B: New High School**

**TOTAL BOND COST = \$57M**





# Financial Considerations





## Financial Considerations

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- **Current options include a 25-year and 30-year finance option.**
- **Due to the useful life calculations for the majority of the proposed infrastructure improvements, a 25-year or 30-year bond program aligns with the District's critical needs.**
- **IPS is submitting through the State of Michigan's Department of Treasury with a Qualified School Bond proposal.**
- **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.**



# Financial Considerations



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## IDA PUBLIC SCHOOLS COUNTY OF MONROE SCHOOL BUILDING AND SITE BONDS (GENERAL OBLIGATION - UNLIMITED TAX)

### SUMMARY OF PROPOSED BONDING ALTERNATIVES

Scenario Table No.	Bond Amount	Estimated Capitalized Interest	Estimated Bond Proceeds for Project	Bond Term	Estimated Millage Term	Estimated Interest Rate	Estimated Total Interest Cost	Ballot Info for New Debt Alone	
								First Year Millage	Average Millage
3a	\$20,000,000	\$242,500	\$19,660,000	29 yrs., 9 mo.	30 yrs	4.85%	\$19,690,030	3.21	3.06
3b	30,000,000	363,750	29,530,000	29 yrs., 9 mo.	30 yrs	4.85%	29,372,085	4.83	4.58
3b1	33,000,000	363,750	29,530,000	29 yrs., 9 mo.	30 yrs	4.85%	32,393,393	5.31	5.04
3c	40,000,000	485,000	39,410,000	29 yrs., 9 mo.	30 yrs	4.85%	39,241,593	6.43	6.11
3c1	45,000,000	485,000	39,410,000	29 yrs., 9 mo.	30 yrs	4.85%	44,092,805	7.25	6.87
3c2 SLRF	45,000,000	545,625	39,410,000	29 yrs., 9 mo.	30 yrs	4.85%	46,719,605*	7.00	6.84
3d	50,000,000	606,250	49,284,960	29 yrs., 9 mo.	30 yrs	4.85%	49,033,258	8.04	7.64
3d SLRF	50,000,000	606,250	49,284,960	29 yrs., 9 mo.	35 yrs	4.85%	65,819,578*	7.00	6.89
3e	57,000,000	691,125	49,284,960	29 yrs., 9 mo.	30 yrs	4.85%	56,412,533	9.12	8.73
3e1 SLRF	57,000,000	691,125	49,284,960	29 yrs., 9 mo.	36 yrs	4.85%	81,006,941*	7.72	7.72
4a	\$20,000,000	\$230,000	\$19,672,000	24 yrs., 9 mo.	25 yrs	4.60%	\$15,329,730	3.41	3.41
4b	30,000,000	345,000	29,549,200	24 yrs., 9 mo.	25 yrs	4.60%	22,959,290	5.12	5.11
4b1	33,000,000	379,500	29,549,200	24 yrs., 9 mo.	25 yrs	4.60%	25,194,660	5.64	5.62
4c	40,000,000	460,000	39,435,440	24 yrs., 9 mo.	25 yrs	4.60%	30,654,860	6.82	6.81
4c1	45,000,000	517,500	39,435,440	24 yrs., 9 mo.	25 yrs	4.60%	34,391,440	7.69	7.66
4d	50,000,000	575,000	49,316,400	24 yrs., 9 mo.	25 yrs	4.60%	38,352,500	8.52	8.52
4d SLRF	50,000,000	575,000	49,316,400	24 yrs., 9 mo.	31 yrs	4.60%	51,524,917*	7.41	7.40
4e	57,000,000	655,500	49,316,400	24 yrs., 9 mo.	25 yrs	4.60%	43,604,320	9.73	9.70

\* Scenarios assume borrowing from the State School Loan Revolving Fund (SLRF) and interest on the loans.



# Financial Considerations



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## IDA PUBLIC SCHOOLS COUNTY OF MONROE SCHOOL BUILDING AND SITE BONDS (GENERAL OBLIGATION - UNLIMITED TAX)

### SUMMARY OF IMPACT OF BONDING ON PROPERTY TAXPAYERS

Scenario Table	Bond Amount	Est. Increase in Debt Levy	Estimated Initial Tax Increase*										
			\$50,000 Taxable Value	\$60,000 Taxable Value	\$75,000 Taxable Value	\$82,650** Taxable Value	\$85,000 Taxable Value	\$100,000 Taxable Value	\$110,000 Taxable Value	\$125,000 Taxable Value	\$135,000 Taxable Value	\$150,000 Taxable Value	\$175,000 Taxable Value
3a	\$20,000,000	3.21	\$160.50	\$192.60	\$240.75	\$265.31	\$272.85	\$321.00	\$353.10	\$401.25	\$433.35	\$481.50	\$561.75
3b	30,000,000	4.83	241.50	289.80	362.25	399.20	410.55	482.00	531.30	603.75	652.05	724.50	845.25
3b1	33,000,000	5.31	265.50	318.60	398.25	438.87	451.35	531.00	584.10	663.75	716.85	796.50	929.25
3c	40,000,000	6.43	321.50	385.80	482.25	531.44	546.55	643.00	707.30	803.75	868.05	964.50	1,125.25
3c1	45,000,000	7.25	362.50	435.00	543.75	599.21	616.25	725.00	797.50	906.25	978.75	1,087.50	1,268.75
3c2 SLRF	45,000,000	7.00	350.00	420.00	525.00	578.55	595.00	700.00	770.00	875.00	945.00	1,050.00	1,225.00
3d	50,000,000	8.04	402.00	482.40	603.00	664.51	683.40	804.00	884.40	1,005.00	1,085.40	1,206.00	1,407.00
3d SLRF	50,000,000	7.00	350.00	420.00	525.00	578.55	595.00	700.00	770.00	875.00	945.00	1,050.00	1,225.00
3e	57,000,000	9.12	456.00	547.20	684.00	753.77	775.20	912.00	1,003.20	1,140.00	1,231.20	1,368.00	1,596.00
3e1 SLRF	57,000,000	7.72	386.00	463.20	579.00	638.06	656.20	772.00	849.20	965.00	1,042.20	1,158.00	1,351.00
4a	20,000,000	3.41	170.50	204.60	255.75	281.84	289.85	341.00	375.10	426.25	460.35	511.50	596.75
4b	30,000,000	5.12	256.00	307.20	384.00	423.17	435.20	512.00	563.20	640.00	691.20	768.00	896.00
4b1	33,000,000	5.64	282.00	338.40	423.00	466.15	479.40	564.00	620.40	705.00	761.40	846.00	987.00
4c	40,000,000	6.82	341.00	409.20	511.50	563.67	579.70	682.00	750.20	852.50	920.70	1,023.00	1,193.50
4c1	45,000,000	7.69	384.50	461.40	576.75	635.58	653.65	769.00	845.90	961.25	1,038.15	1,153.50	1,345.75
4d	50,000,000	8.52	426.00	511.20	639.00	704.18	724.20	852.00	937.20	1,065.00	1,150.20	1,278.00	1,491.00
4d SLRF	50,000,000	7.41	370.50	444.60	555.75	612.44	629.85	741.00	815.10	926.25	1,000.35	1,111.50	1,296.75
4e	57,000,000	9.73	486.50	583.80	729.75	804.18	827.05	973.00	1,070.30	1,216.25	1,313.55	1,459.50	1,702.75

30 Year

25 Year

\$100,000  
Home Value

\$200,000  
Home Value



# Financial Comparisons

District Name:	Non-Homestead	Sinking Fund	Debt (Bond)
Monroe Public Schools	18.0000	1.0000	0.0000
Airport Community Schools	18.0000	0.0000	1.9000
Bedford Public Schools	18.0000	0.0000	0.0000
Dundee Community Schools	18.0000	0.0000	4.7500
<b>Ida Public School District</b>	<b>18.0000</b>	<b>0.0000</b>	<b>0.0000</b>
Jefferson Schools (Monroe)	18.0000	0.9500	0.0000
Mason Consolidated Schools	17.8488	2.0000	0.0000
Summerfield Schools	18.0000	0.0000	2.0800
Whiteford Agricultural Schools	18.0000	1.0000	2.6000

Non-Homestead provides operational funding  
 Sinking Fund provides capital dollars for small improvements  
 Debt (Bond) provides capital dollars for large improvements

Source: Michigan State Aid Financial Report – LEA Millage Report





# Questions & Answers



## Questions & Answers

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- **Are there any additional critical facility needs that are not addressed in this proposal?**
- **Should IPS consider Scenario A for a new Elementary School or Scenario B for a new High School?**
- **Should IPS consider a 25 year bond term or a 30 year bond term?**
- **Other considerations?**



# Helping to Plan the Future

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