

Monticello CUSD #25

Office of the Superintendent of Schools

February 8, 2018

FACILITY AND REFERENDUM QUESTIONS AND ANSWERS

1 What question will appear on the March 20 ballot?

The ballot question will ask, *“Shall the Board of Education of Monticello Community Unit School District Number 25, Piatt, DeWitt and Champaign Counties, Illinois, improve the sites of, build and equip additions to and alter, repair and equip the Washington Elementary and Monticello High School Buildings, demolish the Old Washington School Building and issue bonds of said School District to the amount of \$29,800,000 for the purpose of paying the costs thereof?”*

2 What is included in this facility plan?

The plan includes new classrooms for high school and elementary school students. It is less expensive overall and has a lower tax impact; it keeps the high school and athletic fields in the current location; and it keeps White Heath School open.

3 Why is the district running a referendum after failing two times in the last four years?

Neither referendum was supported by the community, which still leaves the district in need of facility upgrades.

4 What is the cost of doing nothing?

In 2012, the School Board commissioned a study to determine the potential cost of doing only maintenance on our school facilities over the next thirty years. The cost would be \$28,000,000, based on the life-cycles of major components and systems in each building.

5 Why build a new multi-purpose gymnasium as part of the project?

With the addition of two grades at Washington School, students will need additional space for elementary student assemblies, physical education, and recess, and it will also support high school extra-curricular activities, competitions and after-school activities of all kinds.

6 What objectives have been developed to guide the project forward?

The Board has four objectives for this project going forward (1) provide safe and secure facilities that will produce favorable conditions to foster an enriching educational environment, (2) provide high school students with modern science labs and technically advance learning environments, (3) provide a gymnasium, adequately sized, for elementary school students, and to host all needed arts and athletic functions, and (4) consolidate space/facilities to meet current and future student needs.

7 What will the building additions look like?

The Board has indicated a priority to retain the elements of traditional school design for building additions that also allows for innovative teaching and learning. Renderings of the project and an overall site plan that includes MHS and Washington School have been developed and can be seen at www.sages.us/ref2018.

8 What will happen to Lincoln School?

Lincoln School would be closed, most likely prior to the 2021-22 school year, pending the final construction schedule. This is an excellent opportunity to work with the city to create a community asset, possibly an indoor rec space and park area for the community. The city has expressed interest in this in the past so we will reach out to them first. If they are not interested and we decide to sell it, then an open bid process would be required. We would maintain the building as long as we own it. We would consider demolition as a last resort.

9 What will happen to White Heath School?

White Heath School remains open and used by the school district. It currently houses all 2nd and 3rd grade students – the school will continue to house two grades of students for the school district going forward.

10 What is the CFAC and what was learned from their meetings?

The Community Facility Advisory Committee was made up of twenty community members and led by school board members Marc Sheppard and Kevin Frye. The committee met five times and focused on school facility upgrade ideas and planning as well as discussions on the two unsuccessful referendums for a new high school, and closure of other school buildings. The report includes facilities suggestions and considerations, and suggested communications approach to inform the community and public of the facilities needs in advance of the next referendum. The school board used the report to assist in making decisions on facility upgrades for this referendum.

11 What is the estimated tax impact for the homeowner?

A full bond sale is estimated to cost the owner of a property with a market value of \$100,000 at most \$71 in new taxes in the first year. This amounts to less than \$6 per month and would be an additional \$0.26 on our current tax rate.

12 What is the estimated tax impact for Senior Citizens?

Senior citizen property owners with a homestead and senior exemption have an estimated tax impact of \$58 for a home with a market value of \$100,000. This amounts to about \$5 per month in new taxes.

13 What is the estimated tax impact for farmland owners?

Farmland is assessed based on productivity index (PI) by acre and the average value acre (PI 123) in Piatt is \$504 and would see an increase of \$1.32 per acre, the highest value acres (PI 127) are \$672 and would see an increase of \$1.74 per acre (data from 2018). These are dollars per acre not tax rate increases.

14 Will the district see operational savings from closing Lincoln School and combining elementary students into two buildings?

It is estimated that the district will see some savings annually by closing Lincoln School through combined services, reduced maintenance, transportation, and capital costs, and other efficiencies, with one less building.

15 Has an architect and contractor been selected for the design and construction yet?

The Board is currently working with BLDD Architects on design and renderings. Reifsteck Reid also provided two renderings for the project. The design architect for the middle school project is no longer working with the district. A final architect selection will not take place until after a referendum is passed. A contractor is not selected until bids are submitted after the design is complete.

16 Do all taxpayers pay for buildings throughout the school district?

Yes. School taxes are collected from all property located within the district and are used to support all district buildings in Monticello and White Heath. Monticello CUSD #25 encompasses an area from Cisco to the west to just over the Champaign County line to the east, Lodge to the north and about halfway to Bement in the south. School taxes are collected from all property located within the district and are used to support all district buildings in Monticello and White Heath. The district sold the Cisco School to the Village of Cisco many years ago.

17 How did the plan get to this point?

The Board commissioned a facility study in the spring of 2012, which included community meetings in the fall of 2012. Twenty scenarios were developed by the community and presented to the Board in December 2012. These were narrowed to six in February/March 2013. A community engagement began in September 2013, which culminated with a community survey that indicated a preference for a high school facility focus. The community engagement effort part 2 (SAGE VOICES) started in spring 2014 and included four community discussions, which indicated a preference for a new high school in a location near the existing high school. A second community survey administered in June 2014 indicated that a majority of the respondents would vote YES if a referendum were held. The Board voted to place the two referendum questions on the November 4 ballot, one for the county school sales tax and one a NEW high school. The county wide sales tax passed and the new high school failed. Following the referendum, the Board considered several other options including: 1) remodeling, 2) converting the middle school to a high school, 3) making major changes to the overall structure of the district, and 4) alternative school sites. A third community survey resulted in 62% indicating support for a new high school, if that is what the Board felt was the best plan. The Board voted to place a referendum for a NEW high school on the March 15, 2016 ballot. The referendum failed and the Board spent the next eighteen months considering next steps. A community facility advisory committee was formed that provided recommendations to the School Board on a future project. The Board voted to place a remodel/addition referendum on the March 20, 2018 ballot.

18 How old are our current buildings and why can't we just keep them all?

Our buildings have original build dates of 1893, 1911, 1921, 1923, and 2003. We have had twelve building additions in the history of the school district. There is a quality of space issue

that is challenging our 21st century educational delivery. Older buildings need updates and improvements, and will have costly, major system replacements in the future.

19 What part of the Piatt County School Sales Tax will be used to pay for this project?

Tax impact estimates have included a portion of the proceeds from the sales tax to be allocated for payoff of the bonds sold for the project. The remainder of the funds would be used to pay for future maintenance and facility-related projects.

20 What about consolidation?

This is and always has been a future possibility as several districts around us experience decreases in enrollment. The State of Illinois has stated an interest in reducing the total number of school districts statewide. The idea of a Piatt County High School should not be dismissed. As we consider the future we should keep this in mind and any newly designed building should include options for future classroom expansion. The ultimate goal with any building or remodel project leaves future ideas for the next phase of facility improvements in the district.

21 What about Corporate Replacement Taxes (CPPRT)?

CPPRT has been good to us since its inception. While it does fluctuate from year to year, we have seen an increase over time as the state economy grows. About 40% of our total revenues come from this revenue source. Districts that do not receive large CPPRT dollars have much higher tax rates than we currently enjoy. We pay close attention to legislation that involves this revenue source.

22 What will be the future impact on energy costs if new buildings are built?

Our overall energy cost would be expected to be greater with AC in all classrooms, but operational cost savings would be achieved with fewer buildings going forward. It is possible that our heating costs would be reduced. The Board is committed to enhancing the efficiency and sustainability of the district through green technologies.

23 Will year-round schools be considered if buildings are air-conditioned?

Year-round schools could be considered, but work best for elementary school situations and are more of a challenge in middle and high schools due to the after school activities. A more balanced calendar concept could be a possibility going forward.

24 What efforts have been made to communicate with the public during the first two referendums?

Our efforts over the last five years have included sharing information through newspapers, public conversations, websites, mailers, social media, and community meetings. We have listened to the community and moved the conversation forward based on community input. The hope is that information the district shares will grant everyone the opportunity to make sound voting decisions based on facts.

25 Why was the choice made for a new middle school instead of a high school sixteen years ago?

The pros and cons of both options were weighed when it was ultimately decided to build a middle school. Space was an issue at that point and portable classrooms were being used. The reasons the district ultimately decided to go with a middle school included: (1) the State of Illinois School Construction Program was paying a larger percentage of the cost for middle

schools versus high schools (40% of the total MMS project was paid by the State), (2) the cost to build a high school was too large for the existing debt limit, and (3) the costs to renovate the current high school into a junior high/middle school were seen as exorbitant at the time.

26 What is the timeline for project completion and move in?

The phased in project would start with the high school classroom addition and the multi-purpose gym at Washington School. Once the high addition is complete we could move the high school classes to the high school. The high school remodel could take place over the summers, but would also include part of the school year. Once the high school classes are out of Washington School we would move the elementary classes out of OLD WASH, demolish it, and begin the elementary classroom addition. The perfect timeline would have the entire project complete starting with the 2020-21 school year.

27 What upgrades will be included for elementary students at Washington School?

New classrooms, air-conditioning, a new multipurpose gymnasium, added parking, and new bus lanes.

28 What upgrades will be included for high school students?

New and remodeled classrooms, air-conditioning, science and STEM labs, remodeled auditorium, media center, and locker-rooms, improved parking areas, an expanded office area with a secure entry, and use of the multi-purpose gymnasium.

29 How long will it take to pay off the bonds for the 2018 project?

We have two years remaining on the payoff for the middle school project. These bonds would be refinanced in order to steady the tax rate. The bonds for this project would be paid off over 20 years.

30 Does it make sense to wait until the existing debt for the middle school and other buildings is paid off prior to going forward with another project?

We have \$2.4M in outstanding debt service remaining on all bonds. The debt is scheduled to be paid off in 2020 after two more tax levies. Waiting until the current debt is paid off to start a new project comes with a cost. Construction costs are estimated to increase by 3% per year and interest rates are climbing upward. The same \$29.8M project today would be estimated to cost \$31.5M if approved in two years. These increased costs would outweigh the cost of refinancing existing debt. The potential tax rate increase would be about the same.

31 How does the bonding work with the tax impact? The estimated the additional tax rate impact for the project is \$0.26 or an additional \$6 per month for a \$100,000 market value home. The simple math on \$29,800,000 divided by 20 years of payments equals a needed debt service of \$1,500,000 just for the principal payments. Additional costs for interest and current debt would push that to \$1,900,000 in the first payment year. Based on our district estimated assessed value of \$260,000,000 the tax rate needed for \$1,900,000 is \$0.73. Our current debt service tax rate is \$0.47. This leaves the need for an additional \$0.26 on the tax rate.

32 If we do nothing and pay off the existing debt will we see a decrease in our property taxes?

Our current debt costs approximately \$0.48 of our total \$3.48 total tax rate. Failure to pass the current referendum will still leave the district with facility improvement needs. It is likely that

the district would begin to piecemeal projects and continue to bond debt to pay for them. It is unlikely that the tax rate would see any significant drop in the overall tax rate because of these needs and issues.

33 Are there concerns about the State of Illinois regarding pension reform, school funding formula, and reimbursements being made on time?

The short answer is YES, but these are not new concerns for schools across the State. They will be addressed at some point and all school districts will have to deal with them. Our district is currently in positive financial shape with the highest ISBE financial profile score of 4.0. The proposed facility plan will create the types of efficiencies that should allow us to remain financially stable.

34 What will happen if the referendum does not pass this time?

The Board will consider the possibilities for the future of school facilities in the district. This could include a series of smaller projects or a fourth facility referendum.

35 What is Students First and how is it connected to Monticello CUSD 25?

The group is a 501 C3 organization formed by community members in support of the NEW HS referendum. It is funded by donations and no school district resources can be used in this effort. Signs that say VOTE YES were purchased and distributed by this group. Newspaper advertisements, billboards, websites and flyers that say VOTE YES were paid for by this group.

36 What will the project do for asbestos currently in our buildings?

We have old buildings that contain some asbestos. Several abatement projects have taken place over the years. We have annual inspections as required and removal of areas that are identified as issues during inspections. As the projects move forward we will take care of asbestos issues as they are encountered. We currently have \$500,000 budgeted to handle potential asbestos related issues.

37 Will a complete overhaul of HVAC Systems take place as part of the project?

We are adding AC to classrooms and the kitchen at HS as well as Washington classrooms. All new spaces will have AC as well. No complete overhaul of HVASC systems is planned.

The purpose of this document is informational only. If you have further questions please contact Supt Vic Zimmerman at 217-762-8511, ext 1200 or zimvi@sages.us.