Your Referendum Passed!

Now What?

A presentation for WiRSA
“Rural Schools Matter” Conference
Presentation Team

Doug Polomis & Lorie Karban
Coleman School District

Lisa Voisin
Baird

Megan Prestebak
Miron Construction
Referendum Questions

**QUESTION 1**

**DISTRICT-WIDE IMPROVEMENTS**
Requests permission to borrow an amount not to exceed $10,850,000 to pay the cost of improvements and upgrades to the District’s existing school facility including building infrastructure; life safety and energy efficiency upgrades; secure entrance reconfiguration; Elementary classroom, gymnasium, kitchen, and cafeteria upgrades; expansion of the High School cafeteria; and equipment acquisition for these projects.

**QUESTION 2**

**HIGH SCHOOL STEAM**
Requests permission to borrow an amount not to exceed $2,980,000 to pay the cost of upgrades to the High School science, technology, engineering, agriculture, art, math (STEAM), computer-aided design, and miscellaneous core classroom areas; and equipment acquisition for these projects.
SUCCESS
Success

- Election Results
  Q1: Passed – 58%
  Q2: Passed – 57%

- Immediate Community Outreach
  - Update website and social media with live results
  - Notify media, staff, and referendum committee
  - Release pre-written press release
  - Enter election results into the DPI portal
Rally Your Team
FINANCING
Goals for Financing a Project

• Stay within tax impact that was promised during informational campaign
• Minimize interest rate on borrowing(s)
• Create financing plan that meets goals
• Guide the District through the process
Pre-Debt Issuance

**Baird**
- Create financing plan
- Draw schedule
  - Timing of fund draws
  - Timing of projects
  - Arbitrage review
  - How long do I have to borrow the funds?
  - How long do I have to spend the funds?

**District**
- Prepare for bond rating
  - Can take place up to 2 years in advance
- Understand financing plan
  - Board and Administration
- Assemble finance team
  - Underwriter/Municipal Advisor
  - Bond Attorney
  - Rating Agency
  - Disclosure Counsel
  - Paying Agent
**PRELIMINARY DESIGN/CONSTRUCTION DRAWDOWN SCHEDULE**

### Notes
- Construction Cost from Minor Budget Breakout Dated 2018-04-24 - Excludes Design and Construction Contingency (held in separate line below)
- Pro-Construction Design Contingency in Minor Budget Breakout Dated 2018-04-24
- Allowance Included in Minor Budget Breakout Dated 2018-04-24
- Allowance Included in Minor Budget Breakout Dated 2018-04-24
- Allowance Included in Minor Budget Breakout Dated 2018-04-24
- Allowance Included in Minor Budget Breakout Dated 2018-04-24
- Allowance Included in Minor Budget Breakout Dated 2018-04-24
- Allowance Included in Minor Budget Breakout Dated 2018-04-24
- Allowance Included in Minor Budget Breakout Dated 2018-04-24

### Coleman SD

<table>
<thead>
<tr>
<th>Date</th>
<th>Arch / Engineering Fees</th>
<th>Building Construction</th>
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<td>March 2019</td>
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Debt Issuance

**Baird**
- Gather information
  - District, local municipalities, websites, etc.
- Create an offering document for notes/bonds
- Obtain bond rating
- Market/sell the bonds

**District**
- Gather information requested from Baird
- Review bond/note offering document
- Prepare for bond rating
- Bond rating conference call
- Bond sale date
  - Interest rates locked in
  - Board adopts Resolution
What goes into a Bond Rating?

Debt/Pensions:
- Debt as a % of Tax Base
- Debt as a % of Revenue
- Pension Liability as % of Full Value
  ➢ Trend Over Time
- Pension Liability as a % of Revenues
  ➢ Trend Over Time
- Security of Debt
- Pension Risk
- Missed Debt Payments
- Other Factors

Finances:
- Fund Balance as a % of Operating Revenue
  ➢ Trend Over Time
- Cash Balance as a % of Revenues
  ➢ Trend Over Time
- Liability Risk
- Volatile Revenues
- Other Factors

Economy/Tax Base:
- Full Value
- Full Value/Capita
- Median Family Income
- Unemployment Rate
- Poverty Levels
- Institutional Presence
- Economic Concentration
  ➢ Largest Taxpayers
  ➢ Largest Employers
- Other Factors

Management:
- Institutional Framework
- Legal Framework
- Operating History
- State Oversight
- Management and Planning
- Other Factors

Source: Overview of Moody’s GO Methodology and Related Factors, February 2014
## Bond Ratings – Wisconsin Schools

<table>
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<th>Moody’s</th>
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<td>Total</td>
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<td>Total</td>
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The better the credit, the lower the interest cost.

Ratings are measured on a scale that ranges from AAA or Aaa (highest) to D or C (lowest).

Source: Moody’s Investors Service and S&P Global
Post-Debt Issuance

Baird

• Settlement
  – Wire funds to District
• Continuing disclosure
• Reporting policies and procedures

District

• Determine where funds will be wired
  – American Deposit Management
• Begin disbursing funds
• DPI reporting
• Continuing disclosure
PRE-CONSTRUCTION
Schedule

Partners

• Regular pre-construction progress meetings
• Design schedule
• Phased construction/renovations
• User-group meetings
• Consultant coordination
• Bid timing

District

• Time commitment
• Identify school events
• Coordinate move-out and transitions
• Determine staff/community involvement
• Staff communication
# Schedule & Sequencing Plan

**Coleman School Addition Renovations**

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<th>Predecessors</th>
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<td>55% CD Progress - Budget Review</td>
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**Miron Construction Co., Inc.**

We intend to maintain this schedule and to improve upon it. Certain areas may be made available earlier than currently indicated. Subcontractors must be prepared for any minor adjustments to the schedule as work progresses. This schedule may not be executed exactly as detailed.

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Maximum FTE: 10 (2019)

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**Coleman School Addition Renovations**

Preliminary Schedule ** 10/11/18 **

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**Building Excellence**

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**Legend:**
- **Actual Work**
- **Remaining Work**
- **Critical Remaining Work**
- **Milestone**

---

**Dates:**
- **Start Date:** 11/10/18
- **Finish Date:** 10/11/19
- **Duration:** 310 working days

---

**Notes:**
- **Summary:**
  - **Estimated Total Cost:** $40,000,000
  - **Construction Type:** New Building
  - **Location:** Coleman School Addition
  - **Project Manager:** John Doe
  - **Construction Manager:** Jane Smith

---

**Contact Information:**
- **Miron Construction Co., Inc.**
- **Address:** 123 Main St, Anytown, USA
- **Phone:** 555-123-4567
- **Email:** info@miron.com
Budget

Partners

• Construction budget vs. referendum budget
• Separate questions
• Continuous budget updates
• “Wishlist” items

District

• Contract approvals
• Furniture consultant
• Regular Board of Education updates
• Scope prioritization
# Allocate Budget

## Coleman School District

### Referendum Budget Breakdown

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<tr>
<th>QUESTION 1</th>
<th>Question 2</th>
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<tr>
<td><strong>Referred Budget</strong></td>
<td><strong>Post-Referendum Budget w/ Design Breakout</strong></td>
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<tr>
<td>4/3/2018</td>
<td>4/24/2018</td>
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<tr>
<td><strong>$10,407,500</strong></td>
<td><strong>$9,822,500</strong></td>
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<tr>
<td><strong>$2,697,500</strong></td>
<td><strong>$2,537,500</strong></td>
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### Construction Budget Items

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<tr>
<th>High School</th>
<th>Post - Referred Budget w/ Design Breakout</th>
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<tbody>
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<td><strong>New Construction: Secure Entrance / Cafeteria &amp; Kitchen / Classrooms</strong></td>
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<tr>
<td>New Construction: Technical &amp; Vocational Education / STEAM</td>
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<tr>
<td>Renovations: Technical &amp; Vocational Education / STEAM</td>
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<td>Renovations: Existing Infrastructure - Building Shell</td>
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<td>Site Development - Site Improvements - Parking Lots</td>
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<td>Renovations: Core / Lecture</td>
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<td>Engineering: Existing Infrastructure - Financial</td>
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### Additional Information

- **Total Costs**:
  - Referred Budget: **$10,407,500**
  - Post-Referred Budget: **$9,822,500**
  - Referendum Budget: **$2,697,500**
  - Post-Referendum Budget: **$2,537,500**

- **Budget Breakdown**:
  - High School
  - Elementary / Middle School
  - Connection Link

- **Additional Notes**:
  - N.I.C. represents Not Included in Cost.
Communication

**Internal Users**
- Standing pre-construction meeting
  - Staff and user-group meetings
  - District tours of similar facilities
  - Regular Board of Education and staff updates

**External Users**
- Media presence
  - Print
  - Social
- Community milestone events
  - Rendering reveal
  - Groundbreaking
  - Dedication
Takeaways

- After a referendum passes, work begins immediately
- Organization and communication is key
- Choose experienced partners you can trust to guide you through the process
Questions
Your Referendum Passed!

Now What?

Thank You!

A presentation for WiRSA “Rural Schools Matter” Conference