



ANN ARBOR PUBLIC SCHOOLS  
LEAD. CARE. INSPIRE.



# 2019 Bond Recommendation

PRESENTED TO THE BOARD OF EDUCATION

Second Briefing - June 26, 2019

# 2019 BOND PREPARATION STEPS

1. Comprehensive External Assessment of our Facilities
  - Completed: 2017-2018
  - Presented: December 19, 2018
2. Review & Discussion: Possible Financial Scenarios – Dec. 2018-Jun. 2019
3. Presentations & Discussion with the Board of Education – 2017-2019
4. Conduct Survey of Possible Voters – May, 2019-June, 2019
5. First Briefing, 2019 Bond Recommendation – June 19, 2019
6. Second Briefing, 2019 Bond Recommendation – June 26, 2019

# CONCLUSIONS

1. The Ann Arbor Public Schools community values a quality education for every child
2. AAPS buildings and grounds are aging and in need of major capital investment
3. The quality of the built environment directly impacts student achievement and the core mission of the District
4. We benefit from beautiful schools and properties that previous generations have provided. Now it is our responsibility as good stewards to prepare AAPS school buildings for future generations of the Ann Arbor Public Schools community

# TOTAL CAPITAL NEEDS

	Facilities Condition Assessment (FCA) Needs	Other Needs * (Not In FCA)	Total Needs
<b>2-Years</b>	\$ 148,562,000	\$ 46,690,000	<b>\$ 195,252,000</b>
<b>5-Years</b>	\$ 344,378,000	\$ 122,110,124	<b>\$ 466,488,124</b>
<b>10-Years</b>	\$ 504,274,000	\$ 263,669,224	<b>\$ 767,943,224</b>
<b>20-Years</b>	\$ 823,780,000	\$ 618,018,613	<b>\$ 1,441,798,613</b>

\* Needs not included in the Facilities Condition Assessment include: Buses, Technology, Furniture, Musical Instruments, Gardens, Improved Kitchens, Additions/New Schools for Growth, Geothermal, Optimized Classrooms for Health and Wellbeing, and other items.

# SUMMARY OF PROPOSED BONDING

## November 2019 Election - 1.65 Additional Mill

<u>Issuance Year</u>	<u>Bond Amount</u>
Series 2020	\$130,000,000
Series 2022	\$145,000,000
Series 2025	\$250,500,000
Series 2029	\$475,000,000
<b>Total</b>	<b>\$1,000,000,000</b>

Current Mills	Mills Increase	Proposed Total Mills
2.4500	1.6500	4.1000

# Power of Combining Sinking Fund and Bond Issue

- The assumption is that the Sinking Fund will be renewed at the level the voters approved in May 2017 at 2.50 Mills for 10 years twice, once in 2027 and again in 2037
- Currently, approximately \$8M per year is spent on district repairs using the Sinking Fund and is expected to continue. Over the 20-year construction cycle, approximately \$160M is anticipated to be used for repairs
- Projected construction costs plus anticipated repairs is \$1.6B
- At the end of the 20-year cycle the Sinking Fund will be at approximately \$39M per year, which will adequately sustain newly renovated buildings in excellent condition

### Option 3 Bond of \$1B with Sinking Fund and Sinking Fund Renewals

Tax Year	Fiscal Year	Taxable Value	Growth Rate	Mills Levied	Estimated Annual Revenue Sinking Fund	November 2019 Election Estimated Collection Bond Fund	Mills Levied	Available Funds Per Year Sinking and Bond Funds	
<b>1 years</b>	2019	2020	\$ 9,573,882,869	5.77%	2.46	\$ 23,551,752	\$ 130,000,000	4.10	\$ 153,551,752
2 years	2020	2021	\$ 9,956,838,184	4.00%	2.42	\$ 24,095,548		4.10	\$ 24,095,548
3 years	2021	2022	\$ 10,205,759,138	<b>2.50%</b>	2.42	\$ 24,697,937		4.10	\$ 24,697,937
<b>4 years</b>	2022	2023	\$ 10,460,903,117	2.50%	<b>2.42</b>	\$ 25,315,386	\$ 145,000,000	4.10	\$ 170,315,386
5 years	2023	2024	\$ 10,722,425,695	2.50%	2.42	\$ 25,948,270		4.10	\$ 25,948,270
6 years	2024	2025	\$ 10,990,486,337	<b>2.50%</b>	2.42	\$ 26,596,977		4.10	\$ 26,596,977
<b>7 years</b>	2025	2026	\$ 11,265,248,496	2.50%	<b>2.42</b>	\$ 27,261,901	\$ 250,000,000	4.10	\$ 277,261,901
8 years	2026	2027	\$ 11,546,879,708	2.50%	2.42	\$ 27,943,449		4.10	\$ 27,943,449
9 Years	2027	2028	\$ 11,835,551,701	2.50%	2.42	\$ 28,642,035		4.10	\$ 28,642,035
10 Years	2028	2029	\$ 12,131,440,493	<b>2.50%</b>	2.50	\$ 30,328,601		4.10	\$ 30,328,601
<b>11 Years</b>	2029	2030	\$ 12,434,726,505	2.50%	<b>2.50</b>	\$ 31,086,816	\$ 475,000,000	4.10	\$ 506,086,816
12 Years	2030	2031	\$ 12,745,594,668	2.50%	2.50	\$ 31,863,987		4.10	\$ 31,863,987
13 Years	2031	2032	\$ 13,064,234,535	2.50%	2.50	\$ 32,660,586		4.10	\$ 32,660,586
14 Years	2032	2033	\$ 13,390,840,398	2.50%	2.50	\$ 33,477,101		4.10	\$ 33,477,101
15 Years	2033	2034	\$ 13,725,611,408	2.50%	2.50	\$ 34,314,029		4.10	\$ 34,314,029
16 Years	2034	2035	\$ 14,068,751,693	2.50%	2.50	\$ 35,171,879		4.10	\$ 35,171,879
17 Years	2035	2036	\$ 14,420,470,486	2.50%	2.50	\$ 36,051,176		4.10	\$ 36,051,176
18 Years	2036	2037	\$ 14,780,982,248	2.50%	2.50	\$ 36,952,456		4.10	\$ 36,952,456
19 Years	2037	2038	\$ 15,150,506,804	2.50%	2.50	\$ 37,876,267		4.10	\$ 37,876,267
20 Years	2038	2039	\$ 15,529,269,474	2.50%	2.50	\$ 38,823,174		4.10	\$ 38,823,174
<b>TOTAL ESTIMATED COLLECTIONS</b>						<b>\$ 612,659,327</b>	<b>\$ 1,000,000,000</b>		<b>\$ 1,612,659,327</b>

# COUNTY-WIDE SCHOOL DISTRICT Debt Millage Rates

District	Total Debt Mills
Ypsilanti - two bonds	20.2200
Milan	13.0000
Dexter	8.5000
Manchester	8.5000
Whitmore Lake	8.3900
Saline	8.0000
Lincoln	7.3500
Chelsea	7.0000
<b>Ann Arbor - current</b>	<b>2.4500</b>
<b>Ann Arbor - proposed</b>	<b>4.1000</b>



# ANN ARBOR PUBLIC SCHOOLS

## Residential Parcels - Average by Area

	Average Taxable Values	Current Mills Levied  2.4500	New Mills to be Levied if Proposal Passes  1.6500	Total Mills to be Levied if Proposal Passes  4.1000
Ann Arbor City	\$ 132,675	\$ 325	\$ 219	\$ 544
Ann Arbor Twp.	\$ 209,467	\$ 513	\$ 346	\$ 859
Lodi Twp.	\$ 154,933	\$ 380	\$ 256	\$ 635
Northfield Twp.	\$ 157,467	\$ 386	\$ 260	\$ 646
Pittsfield Twp.	\$ 106,300	\$ 260	\$ 175	\$ 436
Salem Twp.	\$ 211,254	\$ 518	\$ 349	\$ 866
Scio Twp.	\$ 167,335	\$ 410	\$ 276	\$ 686
Superior Twp.	\$ 232,344	\$ 569	\$ 383	\$ 953
Webster Twp.	\$ 148,862	\$ 365	\$ 246	\$ 610
<b>ANN ARBOR SCHOOLS</b>	<b>\$ 138,001</b>	<b>\$ 338</b>	<b>\$ 228</b>	<b>\$ 566</b>

# ANN ARBOR PUBLIC SCHOOLS

## Residential Parcels

Taxable Values	Current Mills Levied <b>2.4500</b>	New Mills to be Levied if Proposal Passes <b>1.6500</b>	Total Mills to be Levied if Proposal Passes <b>4.1000</b>
\$ 100,000	\$ 245	\$ 165	\$ 410
\$ 125,000	\$ 306	\$ 206	\$ 513
\$ 150,000	\$ 368	\$ 248	\$ 615
\$ 175,000	\$ 429	\$ 289	\$ 718
\$ 200,000	\$ 490	\$ 330	\$ 820
\$ 225,000	\$ 551	\$ 371	\$ 923
\$ 250,000	\$ 613	\$ 413	\$ 1,025

# RECOMMEND

Ann Arbor Public Schools Board of Education to Approve the Resolution to Certify the November 2019 Capital Bond Proposal, in an amount, not to exceed, \$1,000,000,000

