

CPSB DISTRICT 23 BOND ELECTION 2017 FAQ



What is a bond issue? How does a bond issue work?

A bond issue is essentially similar to a mortgage. It is a way for a government body to “borrow” money for major projects that cannot be paid for in more direct ways. Bond issues are how the CPSB has traditionally financed school construction, expansion, and renovation.

(Example for a \$40M Bond Issue)

- 1) If voters approve, borrowing the money is authorized as well as the levy of a property tax for 20 years.
- 2) After the approval, CPSB will sell \$40M in bonds and put the money in a separate account dedicated specifically for the construction associated with the bond issue.
- 3) Projects will be bid and completed in phases to maximize efficiency and minimize disruption and pricing.
- 4) Taxes are collected over the next 20 years to pay off the principle and interest on the bonds.

If the total assessed values increase, the tax paid by each individual can actually decrease. The “tax rate” for property taxes is called a “millage” and it is charged on a percent of the assessed value of the property.

Who is eligible to vote? Who will be paying?

The eligible voters are the residents of Bonding District 23, which is essentially the attendance zone of Westlake High School and Maplewood Middle/Elementary School. Maps are available on the CPSB website under “school zones”. The taxes would be levied on the assessed value of all residential property (after homestead exemption) and all commercial and industrial property including inventories. Businesses and industries pay at a higher rate than residences and they pay on much higher assessed values.

Why are you proposing a new tax now? What happens if it fails?

The last tax passed in Bonding District 23 was ten years ago. The buildings are maintained by the CPSB operating budget but they are structurally aging and need major renovations to modernize them and make them last many more years. The school facilities in the area need upgrades to keep up with the times. If the bond issues fail CPSB will continue to maintain the existing buildings, but aging will only get worse, and roofs which are already deteriorating, will become a major problem without funding.

How much is this going to cost me?

Cost to Home Owners (Per Month)

Home Value

\$ 75,000	\$ 0.00
\$150,000	\$ 5.69
\$225,000	\$ 11.38
\$300,000	\$ 17.06

What happened to all the gambling money?

CPSB has averaged \$2.85 million in dedicated revenues from “riverboat head tax” for the last ten years, the money has been used across the parish for one-time expenditures like land purchases and classroom construction. The classroom buildings (Pods) are the tan concrete block buildings that have been built in configurations of 2, 4, 6, 8, or 16 classrooms.

Riverboat Funded Projects in Bonding District 23

<u>POD Classrooms</u>	<u>POD Classrooms</u>	<u>Other</u>
Westwood Elementary	(8)	Land Purchased



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Most of the tax base in District 23 is comprised of major businesses in the area since the first \$75,000 of valuation for each homeowner is exempt from taxes in our state. See below the list of top taxpayers in the district for 2016:

<u>Name</u>	<u>Taxes Paid</u>	<u>Taxable Value</u>
PHILLIPS 66 COMPANY	\$ 495,804	\$ 59,024,230
ENTERGY GULF STATES LOUISIANA LLC	\$ 481,741	\$ 57,350,109
SASOL CHEMICALS (USA) LLC	\$ 361,534	\$ 43,039,737
EAGLE US 2 LLC	\$ 324,289	\$ 38,605,853
EXCEL PARALUBES	\$ 235,633	\$ 28,051,510
EQUISTAR CHEMICALS LP	\$ 168,448	\$ 20,053,340
R S COGEN LLC	\$ 160,085	\$ 19,057,750
ENTERGY TEXAS INC	\$ 133,491	\$ 15,891,811
LOUISIANA PIGMENT CO LP	\$ 115,478	\$ 13,747,390
FIRESTONE SYNTHETIC RUBBER AND LATEX C	\$ 101,803	\$ 12,119,440
INDORAMA VENTURES OLEFINS LLC	\$ 92,640	\$ 11,028,495
ST CHARLES GAMING COMPANY LLC	\$ 81,366	\$ 9,686,470
NISCO	\$ 70,453	\$ 8,387,220
WESTLAKE POLYMERS CORP	\$ 66,804	\$ 7,952,930
AIR PRODUCTS AND CHEMICALS	\$ 61,519	\$ 7,323,640
AXIALL CHEMICAL COMPANY	\$ 55,946	\$ 6,660,300
PPG INDUSTRIES INC	\$ 53,497	\$ 6,368,640
FHR LUBRICANTS LLC	\$ 43,294	\$ 5,154,020
PHH MONOMERS LLC	\$ 40,982	\$ 4,878,870
EAM NELSON HOLDING LLC	\$ 40,772	\$ 4,853,820

How has our student count changed in the last few years?

The comparisons of student counts over the last ten years show between 2400 and 2500 students in District 23 for almost every year.

S.P. Arnett Middle	424	Maplewood Middle	342
Western Heights Elementary	409	Westlake High	522
Westwood Elementary	479	Maplewood Elementary	702

Total 2454



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Individual bonding districts finance their school buildings by the passage of bond issues just like this one and with the help of Riverboat money as needed. Over the last 15 years many districts have passed bond issues and have taxed themselves to improve their schools.

Millages Paid by the Other Bonding Districts Across the Parish for 2017

DeQuincy	18.4 mills	Westlake/Maplewood	8.5 mills
Starks	8.7 mills	Sulphur	11.3 mills
Iowa	34.2 mills	Southeast Lake Charles	13.0 mills
Vinton	27.7 mills	Southwest Lake Charles	4.9 mills
Bell City	19.4 mills	North Lake Charles	21.0 mills

Tax History of Bonding District 23

The assessed taxable value of the bonding district changes each year based on businesses and houses entering or leaving the tax rolls, so there has not been a flat tax rate. Millages fluctuate each year based on the valuation.

Previous bond issues in District 23 were in 1999 (\$27 million) and 2007 (\$35 million). The current millage for debt in District 23 is 9.55 mills for the 2017 tax year. It will steadily decline over the next twelve years to 3 mills in 2028 and the final year at 1 mill in 2029.

As of June 30, 2017, the remaining debt from the outstanding bond issues at our average borrowing rate of 2-3% will require the following estimated:

Remaining Millages

2017	8.55
2018	8.4
2019	8.4
2020	7.5
2021	6.2
2022	5.0
2023	5.0
2024	5.0
2025	5.0
2026	5.0
2027	5.0
2028	3.0
2029	1.0