

CPSB DISTRICT 31 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 31, which is essentially the attendance zone of Washington-Marion High 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?

There has not been a tax passed in Bonding District 31 for 17 years. 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
\$100,000	\$ 5.75
\$175,000	\$ 23.00
\$250,000	\$ 40.25

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 31

<u>POD Classrooms</u>	<u>Land Purchases</u>	<u>Track Re-Surfacing</u>	<u>Covered Play Courts</u>
Washington-Marion High (4)	Washington-Marion High	Washington-Marion High	Ralph Wilson Elementary
Molo Middle (4)	Johnson Elementary		Combre/Fondel Elementary
Ralph Wilson Elementary (4)	Combre/Fondel Elementary		
	Clifton Elementary		
	Pearl Watson Elementary		
	Molo Middle		

CPSB DISTRICT 31 BOND ELECTION 2017 FAQ



Can the sales tax that was just passed in 2015 be used to fund the construction of any school facilities?

No, that tax was dedicated specifically to salaries and benefits and it funded a raise for all employees based around a \$4,000 raise for teachers. The tax has over performed expectations in its first year because of the economic boom but the money is still dedicated to that purpose. What hasn't already been paid out is waiting in a dedicated fund to be paid out in future "stipends". Detailed accounting of this tax can be attained by contacting the CPSB accounting department.

When was the last bond issue passed in North Lake Charles (District 31) and what did it pay for?

The last bond issue proposition was March 14, 2000.

Proposition \$38,000,000

Washington-Marion High	Upgrades/Improvements	\$ 3.5 million
Molo Middle	New classroom wing & gymnasium/Other Upgrades	\$ 5.1 million
New Combre/Fondel Elementary		\$ 5.9 million
New Johnson Elementary		\$ 7.2 million
Pearl Watson Elementary	Classroom additions on north and south wing/Other Upgrades	\$ 4.9 million
Ralph Wilson Elementary	Upgrades/Improvements	\$ 1.1 million
Clifton Elementary	New classroom wing/Other Upgrades	\$ 4.5 million

What is the process for determining projects to be completed at each school?

Appointed architects visit each school to meet with school administrators and other stakeholders to assess building needs and establish project estimates. Projects are reviewed for necessity and consistency. All estimates are added together to determine the total amount of the bond issue necessary.

Roofs are an integral part of any capital building program. What roofing projects are necessary in this issue?

<u>School</u>	<u>Estimate</u>
Pearl Watson Elementary	\$1,500,000
Ralph Wilson Elementary	\$ 750,000
Clifton Elementary	\$1,350,000
Molo Middle	\$ 1,560,000
Washington-Marion High	\$ 2,560,000

CPSB Board Member Contact Information

Fred Hardy	Glenda Gay	Wayne Williams	Mack Dellafosse	Annette Ballard
337-433-6988	337-515-5443	337-513-8176	337-477-6019	337-477-6345
fred.hardy@cpsb.org	glenda.gay@cpsb.org	wayne.williams@cpsb.org	mack.dellafosse@cpsb.org	annette.ballard@cpsb.org

CPSB DISTRICT 31 BOND ELECTION 2017 FAQ



Most of the tax base in District 31 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>
ENTERGY GULF STATES LOUISIANA LLC	\$ 188,784	\$ 8,989,727
LOUISIANA MACHINERY COMPANY LLC	\$ 179,962	\$ 8,569,630
BELLSOUTH TELECOMMUNICATIONS INC	\$ 54,386	\$ 2,589,799
JP MORGAN CHASE BANK NA	\$ 51,619	\$ 2,458,060
SOUTHWEST BEVERAGE COMPANY INC	\$ 44,480	\$ 2,118,080
CARBOLINE CO	\$ 42,857	\$ 2,040,830
NISSAN OF LAKE CHARLES	\$ 35,464	\$ 1,688,770
WAL-MART REAL ESTATE BUSINESS TRUST	\$ 31,183	\$ 1,484,890
TARGA MIDSTREAM SERVICES LLC	\$ 29,414	\$ 1,400,680
UNION PACIFIC RAILROAD COMPANY-MAIN	\$ 27,762	\$ 1,321,980
CAPITAL ONE NA	\$ 25,917	\$ 1,234,130
WAL-MART LOUISIANA LLC #521	\$ 25,872	\$ 1,232,010
HERTZ LAKE CHARLES ONE, LLC	\$ 25,102	\$ 1,195,340
FIRST FEDERAL BANK OF LOUISIANA	\$ 23,203	\$ 1,104,890
BURLINGTON NORTHERN SANTA FE RAILROAD	\$ 19,618	\$ 934,210
MARTIN GMC TRUCKS INC	\$ 19,316	\$ 919,820
BUSINESS FIRST BANK	\$ 19,008	\$ 905,130
NORTHROP GRUMMAN CORPORATION	\$ 18,656	\$ 888,400
SOUTHWEST BEVERAGE CO INC	\$ 18,477	\$ 879,850
LAKE CHARLES AMERICAN PRESS LLC	\$ 18,276	\$ 870,270

How has our student count changed in the last few years? In examining the comparisons of students between 2013 and 2017, the count in District 31 has been relatively steady.

	<u>2013 Count</u>	<u>2017 Count</u>	
Clifton Elementary	351	458	(Reconfigured to Prek-2 nd)
Combre Elementary	328	160	(Reconfigured to 3 rd -5 th)
J.J. Johnson Elementary	259	293	(Reconfigured to Prek-2 nd)
Molo Middle	300	419	
Washington-Marion High	639	560	
Pearl Watson Elementary	337	364	
Ralph Wilson Elementary	225	211	(Reconfigured to 3 rd -5 th)
Brenda Hunter Headstart	<u>237</u>	<u>234</u>	
	2214	2254	

CPSB DISTRICT 31 BOND ELECTION 2017 FAQ



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 31

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.

The last several bond issues in District 31 were in 1977 (\$11.2 million), 1985 (\$10 million), and 2000 (\$38 million). The current millage for debt in District 31 is 21 mills for the 2017 tax year. It will decline to 9 mills in 2021, the final payment for the old bonds.

As of June 30, 2017, the remaining debt from the 2000 bond issue is \$10, 825,000 for bonds sold in 2000 and 2002 at our average borrowing rate of 2-3%.

Remaining Millages

2017	21
2018	21
2019	16
2020	13
2021	9