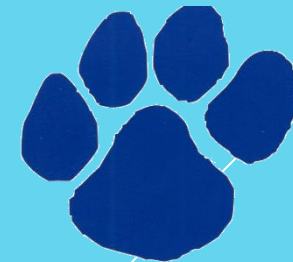
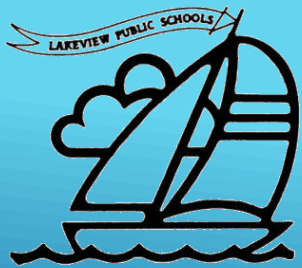




WELCOME!

Lakeview Public Schools 2019 Bond Informational Meeting

May 30, 2019



Lakeview Today... Leaders Tomorrow

Bond 2019 Forum

COMMUNITY FORUM POTENTIAL 2019 BOND ISSUE



Presented By:
Karl D. Paulson
Superintendent

May 30, 2019, 6:30pm
Wheat Educational Campus

District Mission Statement

Lakeview Public Schools partners with our community to empower students to achieve personal and academic success.

- ▶ **Purpose of Today's Presentation**
 - ▶ Provide some historical background
 - ▶ Understand public school financing since 1994
 - ▶ Provide basic financial data about LPS
 - ▶ Summarize the proposed November 2019 bond issue / projects
 - ▶ No new tax levy needed
 - ▶ Seek input and reaction from attendees



Questions are
welcomed
anytime...

\$ SCHOOL FINANCE-101 \$

- ▶ Property Tax Dollars Go To Lansing (collection agent is City of SCS)
- ▶ Sales Tax Dollars Go To Lansing
- ▶ Income Tax Dollars Go To Lansing
- ▶ Lottery Sales Dollars Go To Lansing
- ▶ “Sin” taxes go to Lansing (liquor, cigs, etc.)
- ▶ Funding Returns to districts as the Student Foundation Allowance (SFA), per pupil
- ▶ Also→Grant Funding that is targeted
 - ▶ Special Ed, Title I & II, At-Risk, transportation
- ▶ No Way to Raise Local Operating Funds
- ▶ Student Foundation Allowance--Proposal A
- ▶ Enrollment/Headcount determines local operating funds



REQUIRED ACCOUNTING SYSTEM-ALL MICHIGAN SCHOOLS

- ▶ **General Fund Budget-Instruction/Operations**
 - ▶ Wages/benefits, supplies, purchased services
- ▶ **Also Fund Level Budgets for other areas**
- ▶ **Lakeview Has/Had:**
 - ▶ **Building & Site Fund-Renovated Buildings**
 - ▶ 2001 Bond-finished work in 2010
 - ▶ 2008 Bond-finished work fall 2011
 - ▶ **Capital Projects Fund (major maintenance)**
 - ▶ **Debt Service Fund (record of/pay bond debt)**
 - ▶ **Food Service Fund (operate breakfast and lunch program)**



HOW MUCH REVENUE/EXPENSE IN EACH FUND IN LAKEVIEW (2018-19)?

- ▶ **General Fund = \$45,220,000**
 - ▶ Instruction/Wages/Benefits/Operations/Utilities
 - ▶ Annual operational surplus projected (about \$490,000 this year)
- ▶ **Debt Fund = \$4,300,000**
 - ▶ Local collection to pay back previous bonds (local levy on property)
 - ▶ 2001, and 2007 voters approved local Bonds
 - ▶ Annual operational surplus projected (\$340,000)
- ▶ **Capital Projects Fund = \$250,000**
 - ▶ General Fund transfer used for purchase, renovation and major maintenance of facility and equipment (such as roofs, sidewalk concrete, electrical, HVAC)
- ▶ **Food Service Fund = \$1,260,000**
 - ▶ Operate breakfast and lunch programs (1,700/day)
 - ▶ About 60% of revenue is State/Federal reimbursed
 - ▶ Operational surplus projected (\$45,000)

HISTORY OF GENERAL FUND SPENDING

- 2008 \$28,215,357
- 2010 \$31,280,928
- 2012 \$35,121,563
- 2014 \$38,690,594
- 2016 \$40,411,115
- 2017 \$41,450,297
- 2018 \$43,034,754 (most recent audit)
- 2019* \$45,219,000 (current fiscal year)



Per pupil allowance in: 2007 = \$8,117

per pupil allowance in: 2017 = \$8,100 (\$17 less than 10 years ago)

Per pupil allowance in: 2018 = \$8,190

ANNUAL BUDGET - REVENUE

- ▶ Local districts must build General Fund Budget each year based on revenue generated by enrollment/headcount; not the local collection from the 6 mills State Education levy
- ▶ In this structure since 1994 Proposal A, some communities send more money to Lansing from 6 mill collection than others – the district enrollment (resident, consortium, and/or school of choice students) determines what money returns to the local district (Student Foundation Allowance)
- ▶ Many parents in Macomb County send their children to non-resident schools but pay their resident bond debt to their resident district even when their children do not attend those schools
- ▶ Many residents who have no children in school pay local school bond debt, and State Education 6 mill levy for schools because they know the investment positively impacts the value of their home
- ▶ Lakeview residents have consistently supported school elections in the past - bond levy requests (2001 and 2007), and the 18 mill Headlee override related to business property (2000, 2010)



TOP SCORE ON INDEPENDENT FINANCIAL AUDIT
FOR MORE THAN 20 YEARS...

“CLEAN AUDIT OPINION”

**Lakeview spends a higher
percentage on instructional
activities than all other
districts around us.**



**Macomb County Comparable
Percent of Budget - Instruction
2017-18**



HOW DO WE BALANCE THE BUDGET?

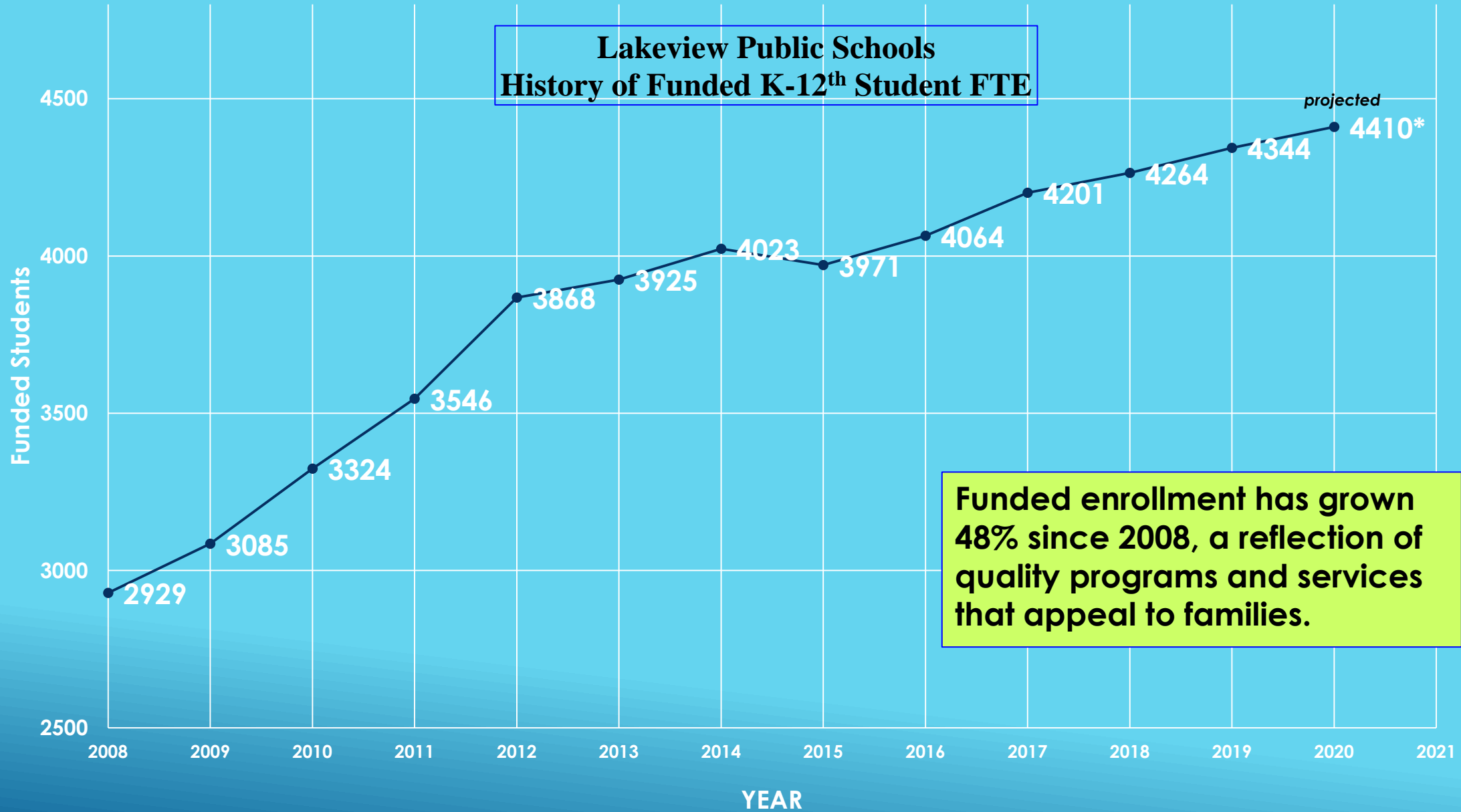


- ▶ Careful planning and prudent spending focused on the Mission
- ▶ Bid and develop efficient and effective support services
- ▶ Programs and services that appeal to families (create sense of value)
 - ▶ Success with our core programs (consistent “top 5” scores in Macomb at all grades and contents)
 - ▶ Huge college dual enrollment programming (top in Michigan)
- ▶ Slow expansion of core academic classes, programs, opportunities for elective and extra curricular of all kinds (sports, music, clubs, etc.)
- ▶ Ongoing student enrollment growth combined with some per pupil funding growth
- ▶ Lakeview’s enrollment growth generated the revenue to open/expand the programs and extra-curricular options now available.

These ANNUAL operational funds were never meant to address capital infrastructure or major maintenance needs (major security enhancements, new classrooms, HVAC, parking lots, roofs, technology infrastructure, secure entries, driveway updates, etc.)

HIGHLIGHTS – LAST 12 YEARS

- ▶ Intentional focus on Mission and Strategic Plan (rev 2009, 2014, fall 2019)
- ▶ AdvancEd System Accreditation (2009, 2014, just recertified 2019)
- ▶ Large expansion of student enrollment (families come to LPS for programs)
- ▶ Large growth in teaching staff (hiring new positions), and a few support staff positions (psych, social work, counseling, secretary)
- ▶ Large expansion of educational programming (core content, computers, AP, dual enrollment, updated texts/materials, etc.)
- ▶ Large expansion of FREE extra-curricular offerings (sports, clubs, music, etc.)
- ▶ High level of efficiency and effectiveness in “support” functions (admin, custodial, maintenance, secretarial, on-line services, tech, etc.)
- ▶ High scores in Macomb (M-STEP, NWEA, PSAT, SAT, ACT)
- ▶ Improved graduation rates, attendance rates, etc.



SO, WHY A BOND / NOVEMBER 2019?

- ▶ Operational dollars cannot address major expense needs; old debt status allows us to do new bond with no new tax levy needed (7.99 Mills current)
- ▶ Security updates are needed (entrance points, cameras, door locks, etc.)
- ▶ Major equipment and parts of facilities are in need of updating
- ▶ All heating and cooling equipment installed 2001-2003 is at end of useful life
- ▶ About 2/3 of roofing surfaces already past useful life, or in next 2-3 years will pass useful life (no longer under warranty)
- ▶ Schools are full, additional classroom spaces will create better options for teachers and learning environments for all levels
- ▶ Elementary school parking and drop off are not current – can improve traffic flow and safety at transition times
- ▶ Nearly all technology infrastructure is 10-12+ years old (security cameras, secure entry ports, wireless system, cabling, switches, servers, etc.)
- ▶ Multi-functional spaces are needed to teach within current trends

**Parking Lots:
Installed in 1990's and
early 2000's
Replacement needed**



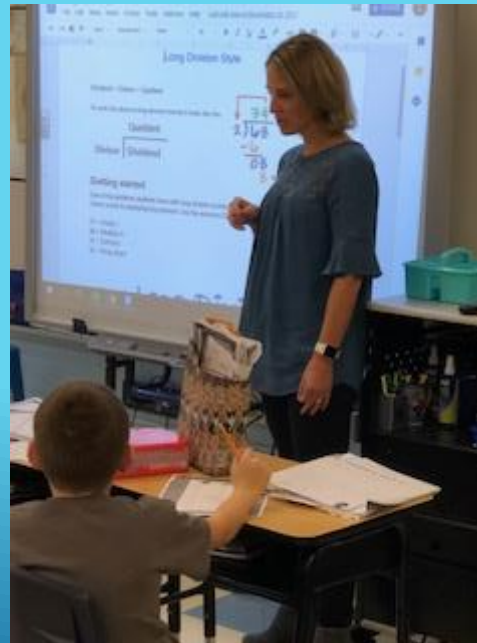
Hall Group Work: No small or large group spaces

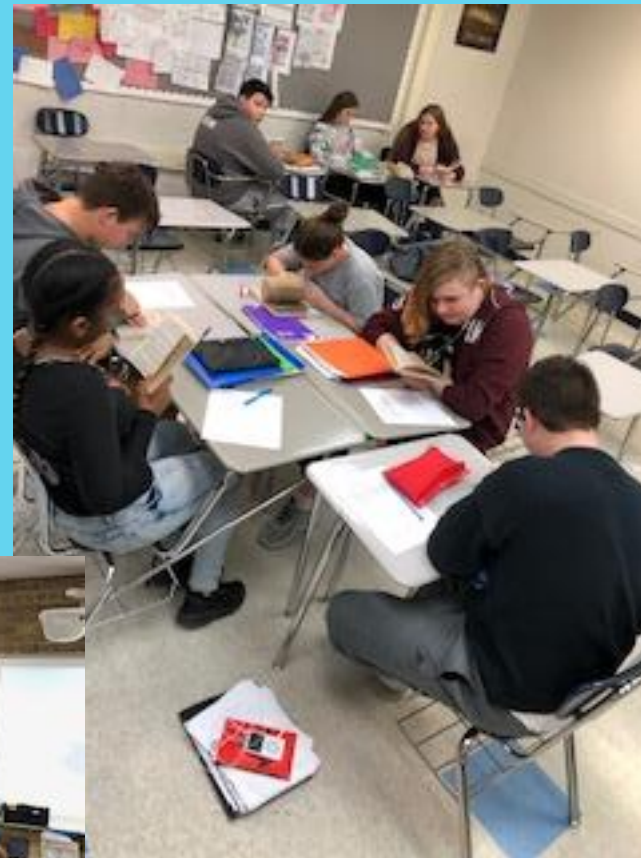


Hall Intervention Work: staff work with students wherever they can find spot



Technology at Work: Some new equipment has been installed





Class Group Work:
spaces and furniture
styles limit options



Custodial Closets: converted to small group or office spaces



WHAT WOULD BE INCLUDED IN BOND 2019?

- ▶ Replace/improve entry doors and security equipment at all schools (400+ cameras, secure entries, restructure elementary offices)
- ▶ Replace technology infrastructure, equipment and materials (computers, wireless access, servers, cabling, switches, print/copy)
- ▶ Replace most heating, cooling, and air exchange equipment
- ▶ Restructure and/or expand elementary school parking lots, drop off and driveways to improve safety and promote specific traffic flow
- ▶ Add classroom space to all schools totaling approx. 42,000 square feet (multi-function classrooms with new furniture, technology)
- ▶ Replace lighting and windows (energy efficiency and security)
- ▶ Replace all musical instruments/equipment 5th- 12th
- ▶ Replace athletic turf at LHS Stadium, expand weight room and storage
- ▶ Replace nearly all roofing surfaces (approx. 450,000 square feet)

WHAT WOULD BE INCLUDED IN BOND 2019?

- ▶ General Overview of Dollars by Areas
- ▶ Total Spending **\$54 Million (no new tax levy needed)**
 - ▶ Renovate/Remodel **\$20.8 Million**
 - ▶ New Construction **\$10.6 Million**
 - ▶ Technology/equip/infrastructure **\$ 5.1 Million**
 - ▶ Loose equipment/furniture **\$ 3.4 Million**
 - ▶ Site work (parking lots, playfields, etc.) **\$ 4.8 Million**



WHAT WOULD BE INCLUDED IN BOND 2019?

▶ Spending Viewed by School Site (Total \$54 Million)

- ▶ Ardmore Elementary \$ 5.1 Million
- ▶ Greenwood Elementary \$ 5.4 Million
- ▶ Harmon Elementary \$ 5.8 Million
- ▶ Princeton Elementary \$ 5.2 Million
- ▶ Jefferson Middle School \$ 10 Million
- ▶ Lakeview High School \$ 20.8 Million
- ▶ Wheat Admin/Preschool \$ 1.3 Million



WHAT WOULD BE INCLUDED IN BOND 2019?

Financing Structure and Calendar of Projects



- ▶ No New Tax Levy Needed to generate \$54 Million
- ▶ Two Finance/Sales: 2020 @ \$10 Million, 2022 @ \$44 Million
- ▶ Older debt drops off schedule, so current tax levy can stay at 7.99 mills (or possibly drop to 7.50 mills based on improving taxable values)
- ▶ 20 Year Payment Schedule
- ▶ Construction/Design Timeline
 - ▶ 2020 Series – large amount of security and technology replacement, some HVAC and loose equipment and materials
 - ▶ 2022 Series – New construction and major renovation issues



Lakeview Public Schools

CAPITAL IMPROVEMENT PROJECTS

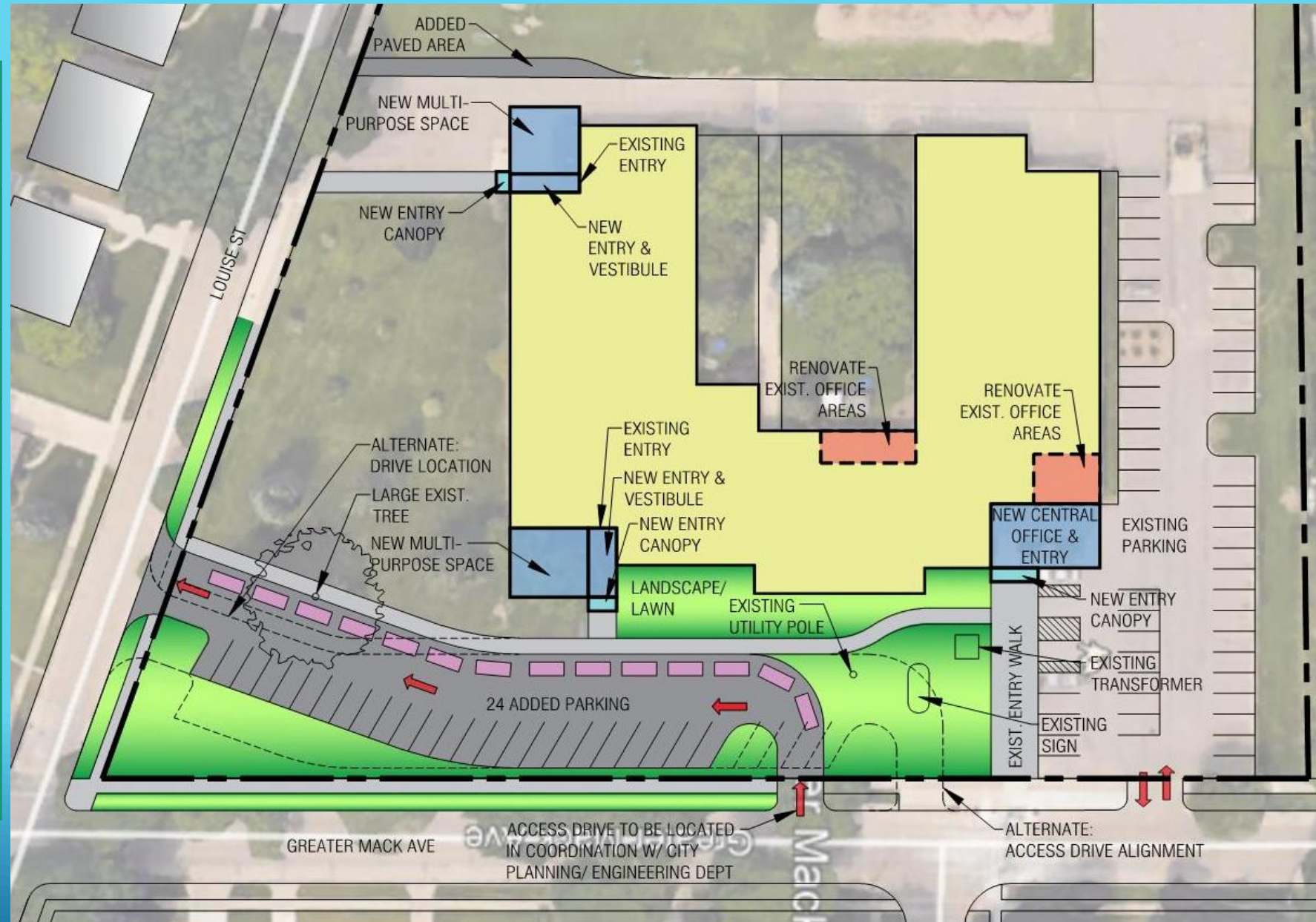
**LET'S SEE WHAT THIS BOND COULD
PRODUCE FOR THE COMMUNITY**





ARDMORE ELEMENTARY

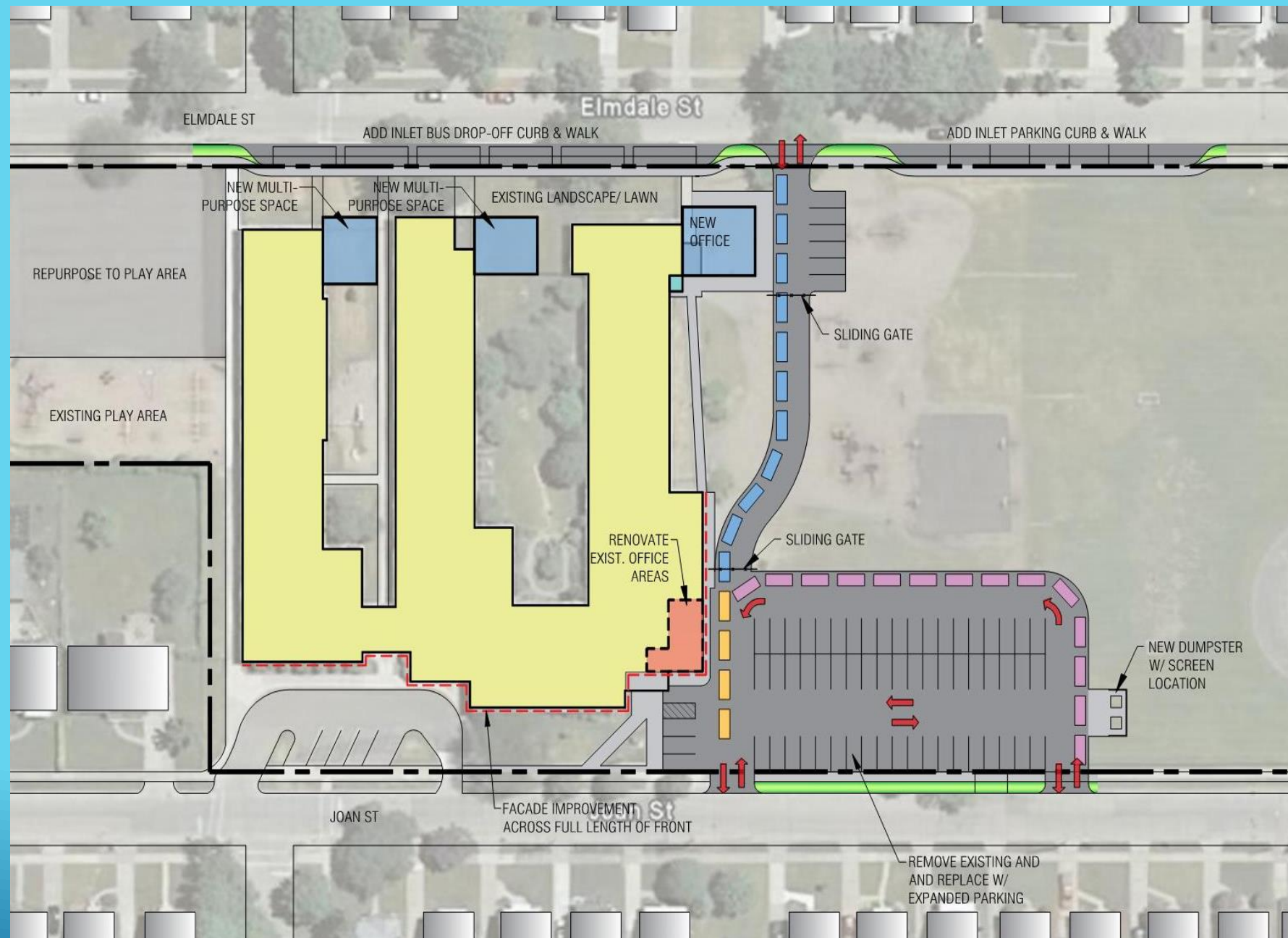
<u>Priority</u>	<u>Cost</u>
1 - Critical Needs (Roofs & Boilers)	\$433,716
2 – Facility Infrastructure Needs	\$959,917
3 – Safety & Security Upgrades	\$291,938
4 – Technology Needs	\$650,891
5.1 – Parking Lot Enhancements	\$570,988
5.2- Classroom/Office Additions	\$642,202
5.3 – Multi-purpose Space Additions	\$1,157,018
6 – Energy Savings (Lighting & Windows)	\$143,837
7 – Media Center Enhancement	\$268,786
TOTAL	\$5,119,293





GREENWOOD ELEMENTARY

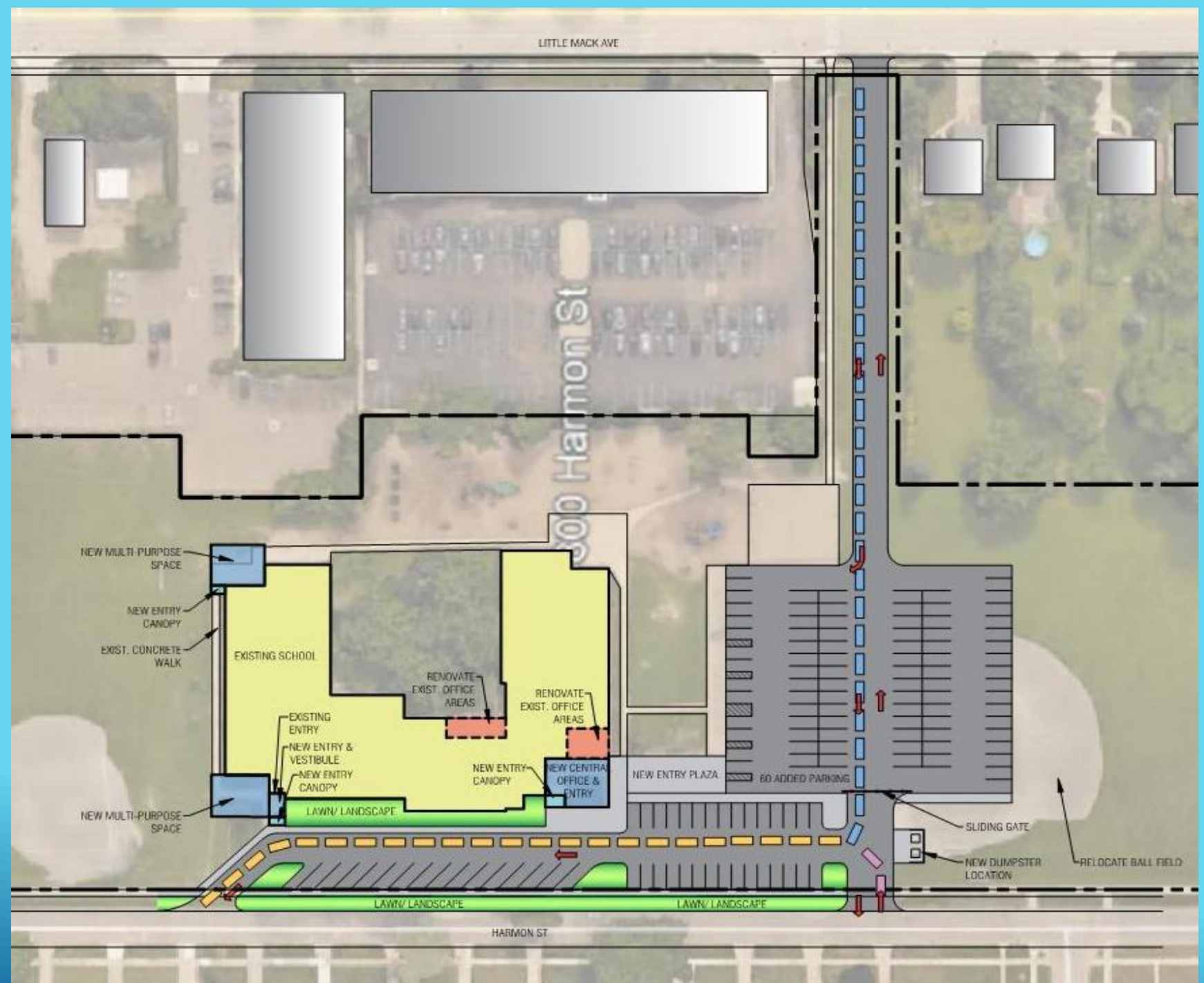
Priority	Cost
1 - Critical Needs (Roofs & Boilers)	\$659,853
2 – Facility Infrastructure Needs	\$953,669
3 – Safety & Security Upgrades	\$291,938
4 – Technology Needs	\$661,860
5.1 – Parking Lot Enhancements	\$522,113
5.2- Classroom/Office Additions	\$606,294
5.3 – Multi-purpose Space Additions	\$1,040,134
6 – Energy Savings (Lighting & Windows)	\$410,589
7 – Media Center Enhancement	\$286,786
TOTAL	\$5,415,236

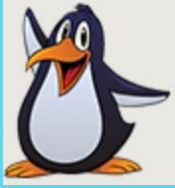




HARMON ELEMENTARY

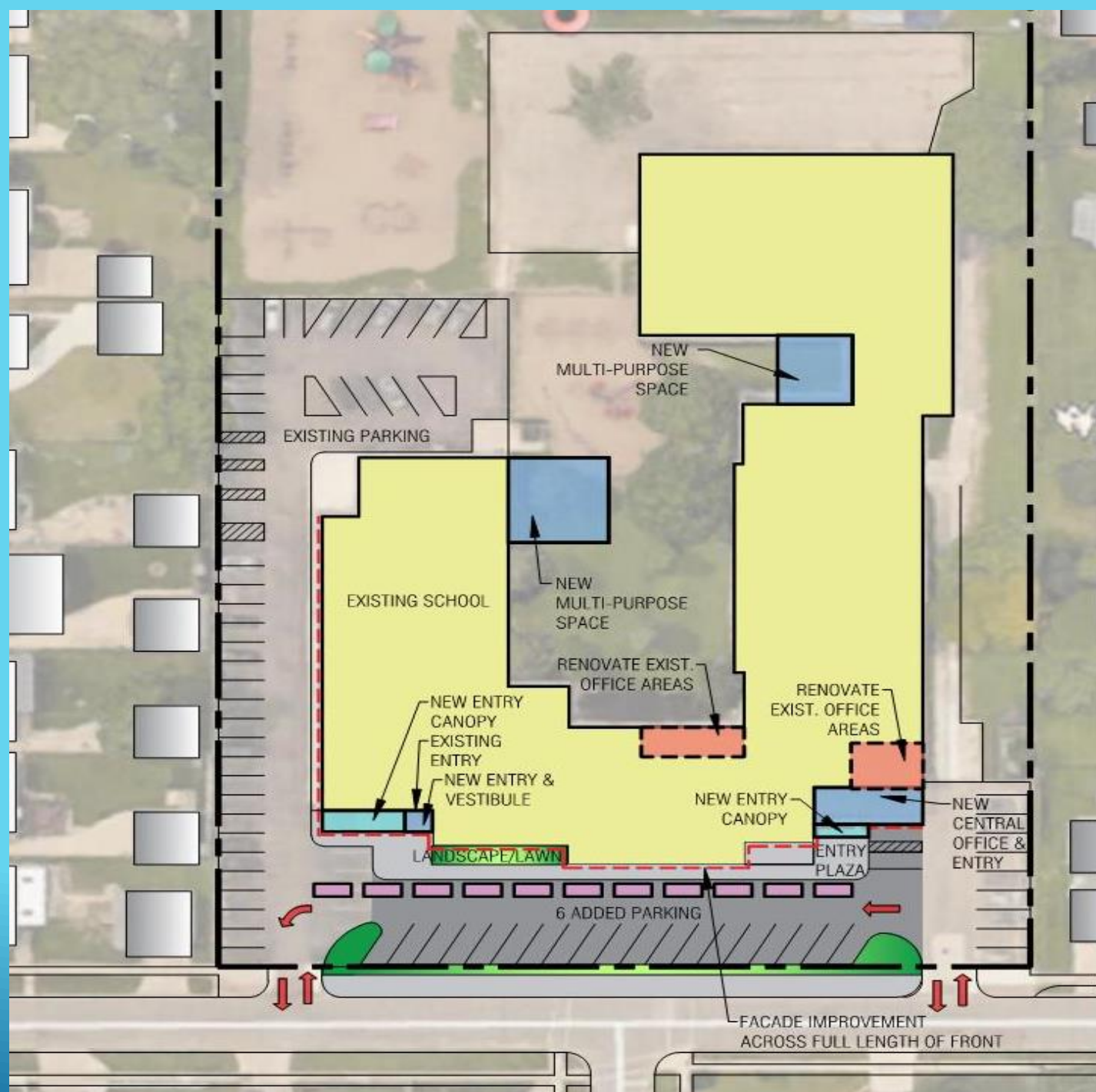
<u>Priority</u>	<u>Cost</u>
1 - Critical Needs (Roofs & Boilers)	\$662,861
2 – Facility Infrastructure Needs	\$952,507
3 – Safety & Security Upgrades	\$291,938
4 – Technology Needs	\$661,860
5.1 – Parking Lot Enhancements	\$954,553
5.2- Classroom/Office Additions	\$658,467
5.3 – Multi-purpose Space Additions	\$1,207,702
6 – Energy Savings (Lighting & Windows)	\$200,064
7 – Media Center Enhancement	\$268,786
TOTAL	\$5,858,738





PRINCETON ELEMENTARY

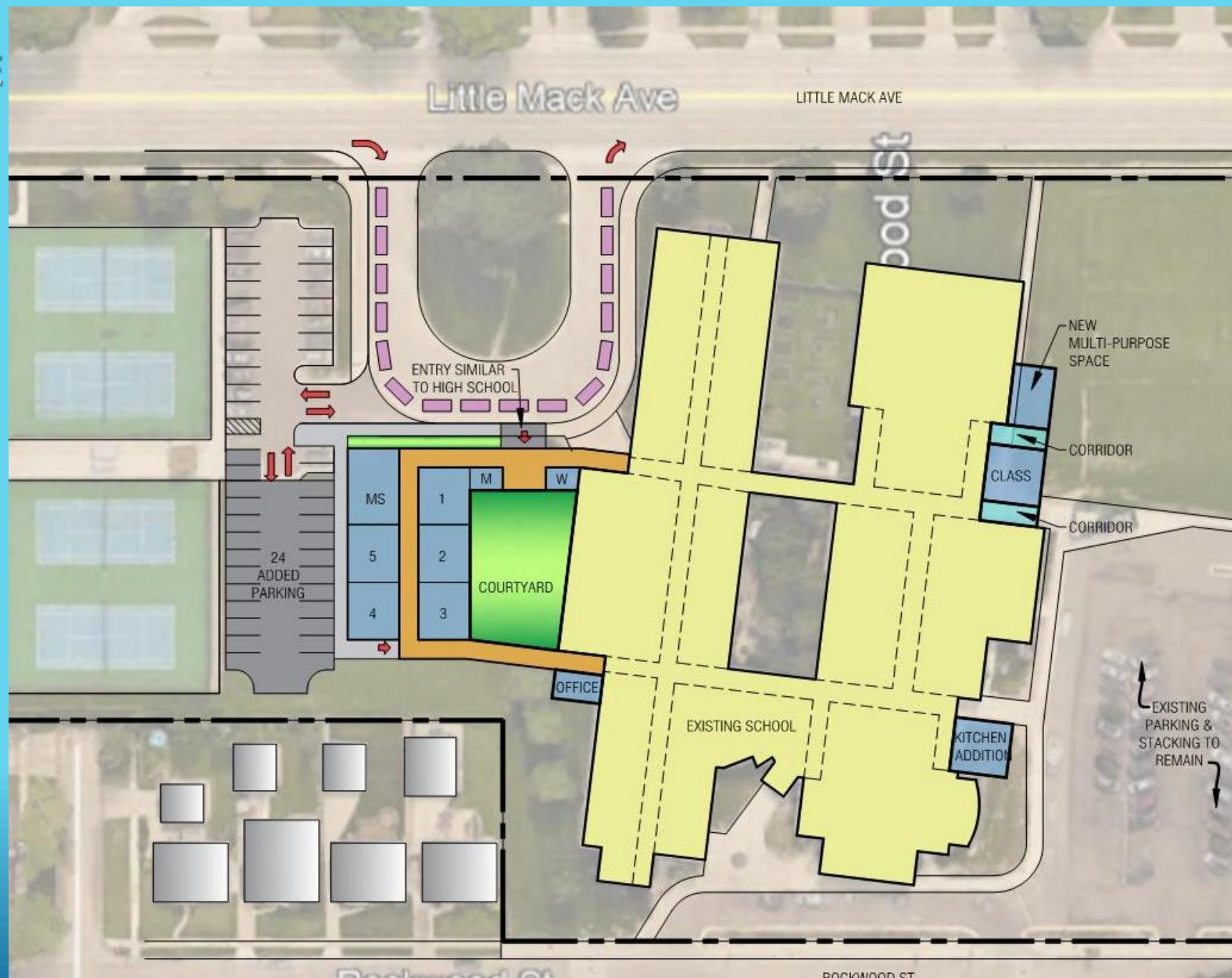
<u>Priority</u>	<u>Cost</u>
1 - Critical Needs (Roofs & Boilers)	\$537,688
2 – Facility Infrastructure Needs	\$1,158,528
3 – Safety & Security Upgrades	\$296,808
4 – Technology Needs	\$789,297
5.1 – Parking Lot Enhancements	\$258,587
5.2- Classroom/Office Additions	\$453,464
5.3 – Multi-purpose Space Additions	\$1,224,478
6 – Energy Savings (Lighting & Windows)	\$214,448
7 – Media Center Enhancement	\$268,786
TOTAL	\$5,202,083





JEFFERSON MIDDLE SCHOOL

Priority	Cost
1 - Critical Needs (Roofs & Boilers)	\$1,489,148
2 – Facility Infrastructure Needs	\$1,155,426
3 – Safety & Security Upgrades	\$418,117
4 – Technology Needs	\$1,514,424
5.1 – Parking Lot Enhancements	\$165,776
5.2- Classroom/Office Additions	\$3,907,204
5.3 – Multi-purpose Space Additions	\$734,163
6 – Energy Savings (Lighting & Windows)	\$139,478
7 – Media Center Enhancement	\$493,985
TOTAL	\$10,020,302





LAKEVIEW HIGH SCHOOL

Priority	Cost
1 - Critical Needs (Roofs & Boilers)	\$2,184,189
2 – Facility Infrastructure Needs	\$7,867,062
3 – Safety & Security Upgrades	\$701,576
4 – Technology Needs	\$3,202,792
5.1 – Parking Lot Enhancements	\$0
5.2- Classroom/Office Additions	\$5,920,555
5.3 – Multi-purpose Space Additions	\$661,420
6 – Energy Savings (Lighting & Windows)	\$1,386,935
7 – Media Center Enhancement	\$87,174
TOTAL	\$20,805,704



Current Media Center (Elementary)



MEDIA CENTER UPGRADES - EXAMPLE



TRADITIONAL MEDIA CENTER

- Books on Bookshelves
- Fixed Computer Work Area
- Traditional Student Desk/Chair Seating
- Minimal Team Collaboration Ability



POTENTIAL RENOVATION

- Electronically Shelved Books
- Mobile Computers
- Flexible Seating to Allow for Team Collaboration
- Increased Technology for Presenting/Sharing Information

TECHNOLOGY and WIRELESS INFRASTRUCTURE

- Support for a High Density of Devices at all Buildings
 - Classrooms
 - Cafeterias
 - Gymnasiums
 - Auditorium
 - Media Centers
 - Corridors
 - Large Group Instructional Areas



- ▶ Minor tweaks to ideas/concepts in projects considered
- ▶ June 4, 2019: Lakeview's Board of Education votes to approve Treasury Application and send to State: this document is a summary of projects the State of Michigan must accept/approve (we know these will be acceptable)
- ▶ June-July: Treasury provides formal approval to go ahead
- ▶ July 16, 2019: Lakeview's Board of Education votes to approve ballot language and approves Resolution calling for an election on the issue for November 5, 2019
- ▶ Informational campaign really increases to inform Lakeview voters
- ▶ November 5, 2019: Voters decide on \$54 Million request, 20 years duration, with no new tax levy needed
- ▶ If voters support/successful, design work begins
 - ▶ LPS holds bond sale for \$10 Million in early January 2020
 - ▶ Projects for summer 2020 get bid and work begins April/May 2020

BOTTOM LINE – WHAT'S NEXT

THANK YOU FOR COMING – ADDITIONAL QUESTIONS AND/OR REACTIONS ARE WELCOMED...

- ▶ Karl Paulson, Superintendent of Schools
kpaulson@scslakeview-k12.com
586-445-4000
- ▶ This presentation is available on the District Website
www.lakeviewpublicschools.org

