



Bond 2021: Frequently Asked Questions

1. Is it true that we are purchasing land for a second high school?

The bond package includes a portion of money to purchase and bank land for future growth. We are not just planning for our immediate growth. We must also consider the long-term growth of our city and school district. The 2021 Bond package includes an expansion of our current high school, which will increase its capacity to approximately 2,500 students. At the rate at which the district is growing, a second high school will be a consideration for a future bond. Considering the cost of land and its potential increase in value over time, it is financially prudent for the district to secure land now, in preparation for our future growth.

2. How does the tax rate stay the same?

The I&S tax rate can continue to stay the same because our tax base value continues to increase each year due to significant new development and increasing property values. Also, we will sell bonds as we have the capacity and need, not all at once.

3. Will the passage of the bond propositions make our property values rise?

Elgin ISD does NOT have control of the value of your home, only over the district tax rate. If your appraised value increases, you will likely pay more in total property tax, in general. However, voters can be assured that the Elgin ISD overall tax rate WILL NOT increase as a result of the 2021 Bond.

With that said, in compliance with a new state law, bond ballot propositions MUST include the statement, "THIS IS A PROPERTY TAX INCREASE" even if there is no increase to the overall tax rate.

4. Is there a cap on the tax rate, or does I&S go on top of M&O?

The State imposes separate, maximum tax rates for M&O and I&S. A school district's M&O tax rate is capped at \$1.04 per \$100 of property value. (Elgin ISD is currently at \$.9603) and can only be raised beyond that to a maximum of \$1.17 with voter approval. A school district's I&S tax rate is capped at \$.50. (Elgin ISD is currently at .4642).

5. Is the District able to prepay outstanding debt to reduce its borrowing costs?

Yes. For example, this year the board found it was in the best interest of the District and the citizens of the District to authorize the prepayment of a portion of the District's outstanding bonds. This will be accomplished through a bond defeasance, or bond prepayment, which uses I&S tax revenues to make a payment of (i) principal on the bonds

prior to their original due date and (ii) interest accrued to the date of prepayment. Once prepaid, all future interest expenses are avoided. Because a school district is limited by Truth-In-Taxation requirements to setting an I&S tax rate at a rate sufficient to pay debt service coming due each year, the board authorized a defeasance resolution to identify bonds which can be prepaid in the upcoming year. This action allowed the district to set an adequate I&S tax rate to pay all debt service coming due, including those bonds selected in the defeasance resolution. With the increase in property values, the Board was able to authorize this prepayment while still maintaining an overall reduction in the District's tax rate.

6. **Why do we need a new press box? And what is the rationale for a new scoreboard?**

In addition to outgrowing our current press box, we continue to have costly maintenance and safety issues with the existing structure. For example:

- **Elevator:** The elevator has exceeded its useful life span, it is unsafe, and it requires expensive repairs.
- **Roof/Interior:** Rainwater continuously seeps into the elevator pit and multiple attempts to seal it have been unsuccessful. Roof leaks have damaged the carpet and interior drywall around the windows.
- **Inadequate Space:** The existing space/capacity in the press box is insufficient room for all the necessary staff, coaches, sponsors, officials, film crew, etc. When the original structure was built (over 15 years ago), it was built to accommodate a 4A high school program. We are now a 5A high school program, with the potential of becoming a 6A with the projected growth, and the needs of our growing programs have significantly outgrown our aged facilities/structures.
- **Exterior:** The concrete pad at exterior doors is slanted inward, promoting water intrusion during rain events. Security lighting at top frequently shorts out, creating hazardous conditions.

The existing **scoreboard** and 25-second clocks are approximately 18 years old. Some of the circuit boards in these units have become obsolete and have become harder to get each year. Additionally, the scoreboard lacks the flexibility for digital media playback and streaming. This feature is common on most newer scoreboard/videoboards and frequently used during athletic events, graduation ceremonies, marching competitions, etc. The proposal we have included in the bond also includes technology funds to incorporate a new sound system with the scoreboard. Our current P/A system is in very poor condition and is separate from the scoreboard. For large events such as graduation, EISD typically contracts with an outside audio vendor to set up speakers and equipment so spectators can clearly hear the presentation.

7. **What is a multi-purpose indoor recreational facility? How can it be used and by whom?**

A multi-purpose indoor recreational facility is a building that can be used by multiple groups within the district. Groups including band, flag corps, drill team, and various athletic teams use the facility for workouts and practice throughout the year. This facility will have a divider(s) to allow different groups to utilize the space at the same time, keeping them safe but while efficiently using the area. It also increases safety as our students can use this indoor facility during extreme hot or cold weather while reducing their chances of being exposed to dangerous storms or lightning. Several extracurricular groups (football, baseball, soccer, band, flags, cheer, etc.) miss outdoor practices throughout the year because of weather

disturbances and/or lighting restrictions that force them indoors for 30 minutes after the last lightning strike or audible thunder.

This facility could also be used for graduation practice and potentially rented to the community if the district chose to do so.

The need for this facility is due, in part, to the expansion of Elgin High School, which will be built over the current practice field. This new indoor facility will not only replace the current practice field, but will also serve as multi-purpose space for both athletic and non-athletic extracurricular programs, as noted above.

8. Do we host events at our Wildcat Stadium that could serve as a revenue source for the District, such as marching band contests, playoff games, etc.?

Currently, our Stadium, and particularly the press box/score board, is not adequate in space, size, or functionality to host large-scale events such as regional marching band contests or playoff games. An upgrade to these facilities would better position us to host such events.

9. Is there a financial benefit for hosting events at Elgin ISD facilities, including the Wildcat Stadium and a multi-purpose recreational and extracurricular facility?

Yes. There is a small amount of local revenue that Elgin ISD may receive for hosting events at our facilities. There is also a small amount of expenses for operating these facilities for events, such as utilities and custodial services. There is a greater benefit to the Elgin community, as a whole. When Elgin ISD hosts events, such as playoff athletic games, graduations, or band marching contests, it will attract people to our city who will eat in our local restaurants, stay in our local hotels, and purchase gas and other items in our stores. These events will be a positive impact to Elgin's economic growth.

Additionally, Elgin ISD facilities are community facilities and most are available for community rental/use for educational, recreational, civic, or social activities through our Facility Use and Rental Request system.

10. What is the curricular benefit of an indoor multipurpose facility and an updated press box/scoreboard for Elgin ISD?

Currently, students participating in a variety of extracurriculars and co-curriculars at Elgin High School are limited and confined by inadequate space which hampers the district's ability to support high quality programs in both the arts (i.e. band and dance) as well as athletics (i.e. football, soccer, track). Our programs are competing for space to practice on a daily basis, and weather further limits the ability for all programs. The indoor multipurpose facility will provide ample and equitable room for all students to engage and participate in even more activities and increase the quality of programming we currently offer.

Additionally, an update to our press box will not only benefit many of our athletic and fine arts programs, but it will also expand curricular offerings in the areas of film, media, and video productions, aligned to our audiovisual and communications career pathway. Partnerships with local TV stations and/or film producers could enhance the student experience with hands on training utilizing the sound, video, and film equipment in the press box.

Essentially, we know that strong curricular, co-curricular, and extracurricular programs have a positive impact on students' wellbeing and their academic achievement. There is also evidence that updated, safe, and aesthetically pleasing facilities increase students' engagement in school learning experiences.

In addition, more recent research in brain functioning shows that participation in a range of physical activities and/or artistic experiences enhances a student's ability to think critically, communicate effectively, and collaborate as a strong team member- all skills that are essential for success in the 21st century. Our goal is to graduate students who are college and career ready. Increasing participation in extracurricular programs is essential to achieving this goal for all our students.

11. Do all three propositions have to pass? Is it all or nothing?

Each proposition is a stand-alone vote. If only one proposition passes, then only the projects within that proposition will get funded.

12. If we only pass one proposition will the money go only to the items on that proposition?

Yes.

13. Is there a breakdown of costs for each of the elements included in the proposition?

Proposition A:

New Elementary School #4	\$38,479,620 (turnkey)
New Elementary School #5	\$38,479,620 (turnkey)
Elgin High School Renovations/Additions (Including a Fine Arts Center)	\$62,032,651 (turnkey)
New Transportation Center (Second Site)	\$7,257,794
CTE Program Improvements	\$2,944,399
Priority Maintenance Projects	\$17,521,516
Land Purchases	\$5,000,000

Proposition B:

New Scoreboard/Press box	\$7,240,000
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Proposition C:

New Multi-Purpose Extracurricular and Recreational Facility	\$11,050,000
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14. Why not pay for priority maintenance projects from M&O Funds?

Any renovations, remodels, and/or improvements to our schools that come from M&O funding takes funds from the same bucket of money that pays for the general operations of our school district (i.e. salaries, utilities, classroom supplies, transportation, food service, etc.) While Elgin ISD will continue to address priority maintenance projects from the maintenance budget, financing certain improvements through a bond frees up M&O to hire more teachers, provide staff raises, fund student programs, etc.

15. What type of debt instrument is being sought for the bonds? Capital Appreciation Bonds? Municipal Bonds?

If Elgin ISD voters approve the November bond propositions, the District intends to issue traditional municipal bonds that pay regular principal and interest – also called current interest bonds – to finance the voter approved projects.

16. Is the overall tax rate going to increase if only one or two propositions pass?

No. The District is financially positioned to be able to pass a bond for up to \$190M with no overall tax rate increase to the taxpayer.