Presentation Outline

- Work / Communication to Date
- Sinking Fund Improvements to Date
- Rationale for Plan
- Proposed Projects and District Impact
- Expected Impact on Taxpayers
- Bond Timeline and Oversight
Presentation Preparers

DISTRICT TEAM
• Kelley Williams - Superintendent
• Marvin Beasley
• Tiffany Cavill
• Robert Englund
• Jim Graham
• William Holcomb
• Jeff Mozdzierz
• Melissa Wood

• PROFESSIONAL CONSULTANTS
• Sharon Crispin – Crest Performance
• Jim Crowley – Miller Canfield
• Alyson Hayden - Baird
• Brian Lefler - Baird
• Bruce Snyder - IDS
Work / Communication to Date
2013: Buildings in failing / critical condition, $52 million operating deficit

2016: District Wide Facility Condition Analysis (FCA)
• $146 million in total deficiencies, $69 million rated critical

Mar 2016: 2.87 mills sinking fund passed ($35 million over five years)
• Within first 3 years of sinking fund, focus has been on addressing most critical conditions that could be paid for by sinking fund as well as many emergency and unforeseen repairs on safety, security other mission critical items

Nov 2017: FCA updated
• $135 million in total deficiencies, $64 million rated critical
Timeline / Communication to Date

- Jun 2018: District operating deficit reduced to $6.6 million
- Apr 2019: Board Presentation
  - Future funding scenario envisioned a 2.87 mill, 10 year sinking fund replacement as well as an $88 million capital bond (total annual millage of 4.87)
    - Focus was on levying same sinking fund millage and then added the remaining needs to a capital bond issue
- Aug 2019: Sinking and Capital Bond Presentation
  - Multiple scenarios shared with Board of Education on 5 or 10 year sinking fund and multiple bond issue scopes (10 year cost $160 million - $170 million)
- Aug-Sep 2019: Internal Sinking Fund group has been meeting to refine the plan
Sinking Fund

Improvements to Date
Sinking fund group recommends two March, 2020 ballot questions

- Question #1: 5 year, 0.80 sinking fund millage (2.87 if Question #2 fails)
- Question #2: $147 million capital bond issue (2.00 mills)
- Total combined estimated millage rate of 2.80 (lower than the current 2.87 sinking fund mills)

Why the shift from sinking fund to capital?

- Lower expected total millage rate to taxpayers versus previous plans (no tax rate increase)
- Allows more critical needs to be addressed much quicker
- Should result in cost savings and other efficiencies due to comprehensive projects versus doing some projects on a piece meal basis
- Recognizes that the need and reliance for a sinking fund should go down as facilities are upgraded to where they need to be
  - i.e., Repairs many times were the only option due to the prohibited cost of replacement, but could now be replaced with new assets that will have a longer useful life and possibly be more efficient and result in lower operating costs
DIFFERENCE – SINKING FUND & CAPITAL BOND

<table>
<thead>
<tr>
<th>Sinking Fund</th>
<th>Capital Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Tax receipts received annually</td>
<td>• Received proceeds up front for years of future tax receipts</td>
</tr>
<tr>
<td>• Funds are intended for infrastructure upkeep, repairs and new construction</td>
<td>• Lump sum received by series</td>
</tr>
<tr>
<td>• Broader use of funds – Does not need to be specifically pre-determined</td>
<td>• 85% of funds must be spent in the first three (3) years</td>
</tr>
<tr>
<td>• Cannot be used for maintenance (Must be General Fund)</td>
<td>• Larger construction projects and major renovations</td>
</tr>
<tr>
<td>• Cannot be used for Fixtures, Furniture and Equipment, except for technology and security equipment</td>
<td>• Earmarked for specific pre-determined projects</td>
</tr>
</tbody>
</table>

Note: Neither bond nor sinking fund money can be used to pay salaries or operational expenses.
How Can a $147 million bond issue = 2 mills?

- Bonds are proposed to be issued in two series (two sales)
  - 1st Series ($85 million) would be sold somewhere between July 2020 and Dec 2020
  - 2nd Series ($55 million) is projected to be sold in 2025
  - Also includes $7 million for capitalized interest (if bonds are sold after summer taxes are finalized)
  - By selling in two series, we can leverage 5 years of taxable value growth for the 2nd series, to better maximize total bond proceeds

- Depending on taxable value increases and/or the interest rate on the bonds to be sold, and the project draw schedule, the 2nd series could also occur early or later than forecasted

- In the event dollars may be needed prior to the 2nd sale, a bond anticipation financing could occur in the short term

- Pontiac Schools tax base provides up to 4 times the resources per student versus other Oakland County school districts (i.e., to generate $147 million in some districts, the millage rate could exceed 10 mills)
How Can a 0.80 Sinking Fund Millage Work?

- The 2020-21 school year would be the last year of the current 2.87 sinking fund millage.
- The sinking fund extension (reduced amount) would cover the fiscal years of 2021-22 to 2025-26.
- The majority of projects that would have been done with the sinking fund can now be done with a bond issue, and the dollars would be available earlier which results in many advantages.
- The only anticipated items that cannot be done in a bond issue are repairs, therefore, we recommend setting aside $600k per year for repairs.
- Other smaller projects, including security and technology, are ideal for the use of sinking fund dollars.
- It is possible that future sinking funds millage rates could continue to come down, depending on taxable value growth and district needs.
How Can a 0.80 Sinking Fund Work?

- The total amount of revenues estimated for 2021-22 through 2025-26, if we continued with the current 2.87 millage sinking fund rate, equates to approximately $41.9 million.

- The total amount of revenues estimated to be collected with the proposed 0.80 millage sinking fund rate for 2021-22 through 2025-26 is approximately $11.7 million (about $2.3 million annually).
Bond/Sinking Fund Millage Guiding Principles

- All Students Every Day
- Learning Environments foster a community that is:
  - Safe and Secure
  - Collaborative
  - Creative
  - Critical Thinking
  - Communication

- Facilities promote and support student learning
Project Prioritization and Costing

- Rely on District Wide Facility Condition Analysis (FCA) as blueprint
- As much focus on health, safety and comfort issues for students in series I projects as possible
- Provide as much equity as possible to all school buildings to improve the educational experience for all students
- Unlike a sinking fund, the available funds often are not the driving factor for accomplishing projects, but the ability to accomplish project scopes within the available construction months and ability to provide efficient and effective oversight
- All associated costs have been rolled into each project (architect, construction manager, inflation and contingency)
- Estimated project costs will continue to be refined, assuming a successful bond vote
  - We do not want to incur more costs than necessary, in the event the bond does not pass
Proposed Projects
PONTIAC SCHOOLS
CAPITAL BOND PLANNING
85/55 SERIES SPLIT
PONTIAC, MICHIGAN

PROJECT NUMBER: 18167-1000
SEPTEMBER 2019
## Current Proposed Split of Bond Issue

<table>
<thead>
<tr>
<th></th>
<th>SERIES I</th>
<th>SERIES II</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcott Elementary</td>
<td>$ 8,601,231</td>
<td>$ 210,356</td>
<td>$ 8,811,587</td>
</tr>
<tr>
<td>Herrington Elementary</td>
<td>$ 4,399,231</td>
<td>$ 2,932,304</td>
<td>$ 7,331,535</td>
</tr>
<tr>
<td>Whitman Elementary</td>
<td>$ 371,231</td>
<td>$ 5,116,000</td>
<td>$ 5,487,231</td>
</tr>
<tr>
<td>Owen Kennedy Elementary</td>
<td>$ 1,276,744</td>
<td>$ 14,644,088</td>
<td>$ 15,920,832</td>
</tr>
<tr>
<td>Will Rogers Elementary</td>
<td>$ 5,012,231</td>
<td>$ 4,371,839</td>
<td>$ 9,384,070</td>
</tr>
<tr>
<td>Pontiac Middle School</td>
<td>$ 15,189,983</td>
<td>$ 1,472,782</td>
<td>16,662,765</td>
</tr>
<tr>
<td>Pontiac High School</td>
<td>$ 30,111,129</td>
<td>$ 552,354</td>
<td>30,663,483</td>
</tr>
<tr>
<td>Whitmer Human Resource Center (ITA)</td>
<td>$ 14,895,711</td>
<td>$ 11,445,494</td>
<td>$ 26,341,205</td>
</tr>
<tr>
<td>Administration Center</td>
<td>$ 79,307</td>
<td>$ 3,330,811</td>
<td>$ 3,410,118</td>
</tr>
<tr>
<td>Fell Center</td>
<td>$ 18,907</td>
<td>$ 1,365,017</td>
<td>$ 1,383,924</td>
</tr>
<tr>
<td>Lincoln</td>
<td></td>
<td>$ 2,500,000</td>
<td>$ 2,500,000</td>
</tr>
<tr>
<td>Wisner Memorial Stadium</td>
<td>$ 1,200,000</td>
<td>$ 3,800,000</td>
<td>$ 5,000,000</td>
</tr>
<tr>
<td>Capitalized Interest</td>
<td></td>
<td></td>
<td>$ 7,000,000</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>$ 84,984,306</td>
<td>$ 55,284,506</td>
<td>$ 147,268,812</td>
</tr>
</tbody>
</table>
SERIES 1
Fencing, Grading, Securing Grounds
Playground
Cafeteria Expansion
Front Entrance & Security Vestibule
Doors & Windows
Bathroom Renovations
Media Center Renovation
Kitchen Renovation
Sinks & Cabinets Classrooms
Stage Renovation
Fire Protection
HVAC – Air Conditioning
Water Distribution & Piping
Electrical Distribution
Technology
Furniture
TOTAL: $8,601,231

SERIES 2
Technology
TOTAL: $210,356
FROST (PEACE) ELEMENTARY SCHOOL

Series 1
- Fencing, Grading & Securing Grounds
- Playground
- Sinks & Cabinets Classrooms
- Fire Protection
- HVAC – Air Conditioning
- Water Distribution & Piping
- Electrical Distribution
- Technology

TOTAL: $3,828,601

Series 2
- Parking Lot & Sidewalk
- Front Entrance & Security Vestibule
- Interior & Exterior Doors
- Bathroom Renovations
- Media Center Renovation
- Kitchen Reno, Cafeteria Add & Stage Upgrades
- Technology
- Furniture

TOTAL: $3,543,461

Major Renovation and/or Addition
HERRINGTON ELEMENTARY SCHOOL

Series 1
Fencing, Grading & Securing Grounds
Playground
Fire Protection
Sinks & Cabinets Classrooms
HVAC – Air Conditioning Water
Distribution & Piping Electrical
Distribution Technology

TOTAL: $4,399,231

Series 2
Cafeteria Expansion
Front Entrance & Security Vestibule
Doors & Windows
Kitchen Renovation
Media Center Stage
Renovation
Technology Furniture

TOTAL: $2,932,304
Series 1
Fencing, Grading & Securing Grounds
Playground Improvements  Technology
TOTAL:  $371,231

Series 2
Fire Arts Wing Expansion
Exterior Doors, Windows & Exterior Paint
Bathroom Renovations
Front Entrance & Security Vestibule
Kitchen Renovation, & Stage
Media Center
Sinks & Cabinets Classrooms
Fire Protection
Water Distribution & Piping
Electrical Distribution
Technology
Furniture
TOTAL:  $5,116,000

Major Renovation and/or Addition
Series 1
Fencing, Grading & Securing Grounds
Playground
KC Cafe, OJT Ed. Special Ed. & Public
Owen Elementary Technology
Kennedy Special Education Technology
TOTAL: $1,276,744

Series 2
Greenhouse
Interior Doors & Windows
Bathroom Renovations
Kitchen Renovation
Sink & Cabinets Classrooms
Stage Renovation
Fire Protection
HVAC – Air Conditioning
Water Distribution & Piping
Electrical Distribution
Owen Elementary Technology
Kennedy Special Education Technology
Furniture
TOTAL: $14,644,088

Major Renovation and/or Addition
**Series 1**
- Fencing, Grading & Securing Grounds
- Playground
- Sink & Cabinets Classrooms
- Fire Protection
- HVAC – Air Conditioning
- Water Distribution & Piping
- Electrical Distribution
- Technology
- TOTAL: $5,012,231

**Series 2**
- Cafeteria & Classroom Expansion
- Front Entrance & Security Vestibule
- Doors & Windows
- Bathroom Renovations
- Kitchen Renovation Media
- Center Renovation Stage
- Renovation Technology
- Furniture
- Demo. Portables
- TOTAL: $4,371,839

*WILL ROGERS ELEMENTARY SCHOOL*
### Series 1
- Fencing, Grading & Securing Grounds
- Parking Lots
- Front Entrance & Security Vestibule
- Exterior Doors, Windows & Exterior Paint
- Science Labs
- Bathroom Renovations
- Carpet & Tile Classrooms
- Interior Bleachers
- Interior Doors
- Kitchen & Cafeteria Renovation
- Lights & Drop Ceiling
- Sinks & Cabinets Classrooms
- Fire Protection
- HVAC – Air Conditioning
- Water Distribution & Piping
- Electrical Distribution
- Technology
- Furniture

**TOTAL:** $15,189,983

### Series 2
- Major Theatre Renovation & Expansion
- Technology

**TOTAL:** $1,472,782

### Major Renovation and/or Addition

---

**PONTIAC MIDDLE SCHOOL**
Athletic Field & Stadium Improvements

Series 1
- Parking Lots, Front Parking & Bus Loop
- Fencing, Grading & Securing Grounds
- Stadium Upgrades
- Athletic Entrance / Main & Rear Ent. / Sec. Ent.
- Exterior Paint
- Roof Replacement
- Science Labs
- Theatre Renovation
- Bathroom Renovations
- Bleachers
- Carpet & Tile Classrooms

Series 2
- Pool, Public Facilities, Patio
- Elevator
- Interior Doors
- Lights & Drop Ceiling
- Fire Protection
- Water Distribution & Piping
- A&B Air Conditioning HVAC
- Electrical Distribution
- Technology
- Furniture

TOTAL: $30,111,129

TOTAL: $552,354

Major Renovation and/or Addition
WHITMER HUMAN RESOURCE CENTER (ITA)

Series 1
Fire Protection
HVAC – Air Conditioning
Water Distribution & Piping
Electrical Distribution
Technology
TOTAL: $14,895,711

Series 2
Fencing, Grading & Securing Grounds
Playground
ITA Expansion & Maint. Entrance Security
Bathroom Renovations
Carpet & Tile Classrooms
Kitchen Renovation
Sinks & Cabinets Classrooms
Theatre Renovation Technology
Furniture
TOTAL: $11,195,494

Major Renovation and/or Addition
<table>
<thead>
<tr>
<th>Series 1</th>
<th>TOTAL:</th>
<th>$1,200,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2</td>
<td>TOTAL:</td>
<td>$3,800,000</td>
</tr>
<tr>
<td>Major Renovation and/or Addition</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

WISNER MEMORIAL STADIUM

Major Renovation and/or Addition
FELL CENTER

Series 1
Technology

TOTAL: $18,907

Series 2
Fencing, Grading & Securing Grounds
Parking Lots  Doors
& Windows
Water Distribution & Piping
HVAC  Upgrades  &  Warehouse
Ventilation
Technology

TOTAL: $1,365,017
Impact on District of Plan

- Address critical needs as identified in the Facility Conditions Assessment (FCA) document
- Plan would improve issues such as safety, health, and comfort for all staff and students, and provide additional educational, athletic, and extra-curricular opportunities for students
- While there could be some increase in operating costs due to additional facilities and A/C, we believe that overall there will be a measurable decrease in operating costs, which will contribute to the increased financial health of the District
- Additionally, state of the art technology and equipment should also result in increased productivity of staff
Allocation of Sinking Fund Proceeds

- $11.7 million total proceeds anticipated
- $3.0 million minimum identified for repairs (cannot be paid for with bond dollars)
- $1.1 million minimum identified for security improvements
- $4.1 million minimum identified for technology improvements
- Remaining funds can be used to address additional repairs, unforeseen projects, and/or additional security or technology improvements
Expected Impact on Taxpayers
Impact on Taxpayers

Current Local District Millage Rates

- Even with the current 2.87 mills, Pontiac schools has the **lowest** combined local tax rate for **homeowners** in Oakland County.

- Even with the current 2.87 mills, Pontiac schools has the **2nd lowest** combined local tax rate for **businesses and other properties** in Oakland County.

- The proposed $147 million bond issue (2 mills) and 0.80 sinking fund are expected to result in **Tax Rate Reduction** of .07 mills (2.87 vs. 2.80).
# Oakland County School Districts

## Ranking by Total Local Homestead (Primary Residence) 2018 Millage Rates

<table>
<thead>
<tr>
<th>Total Millage Rank</th>
<th>School District</th>
<th>Hold Harmless</th>
<th>Sinking Fund</th>
<th>Bond Debt Millage</th>
<th>Total Millage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Southfield</td>
<td>16.99</td>
<td>0.70</td>
<td>3.00</td>
<td>20.69</td>
</tr>
<tr>
<td>2</td>
<td>Lamphere</td>
<td>14.50</td>
<td>3.00</td>
<td>-</td>
<td>17.50</td>
</tr>
<tr>
<td>3</td>
<td>Hazel Park</td>
<td>-</td>
<td>1.95</td>
<td>15.00</td>
<td>16.95</td>
</tr>
<tr>
<td>4</td>
<td>Brandon</td>
<td>-</td>
<td>-</td>
<td>12.16</td>
<td>12.16</td>
</tr>
<tr>
<td>5</td>
<td>Birmingham</td>
<td>7.64</td>
<td>-</td>
<td>3.80</td>
<td>11.44</td>
</tr>
<tr>
<td>6</td>
<td>Farmington</td>
<td>8.00</td>
<td>-</td>
<td>3.30</td>
<td>11.30</td>
</tr>
<tr>
<td>7</td>
<td>West Bloomfield</td>
<td>3.00</td>
<td>1.21</td>
<td>6.85</td>
<td>11.06</td>
</tr>
<tr>
<td>8</td>
<td>Novi</td>
<td>2.71</td>
<td>0.48</td>
<td>7.00</td>
<td>10.19</td>
</tr>
<tr>
<td>9</td>
<td>Lake Orion</td>
<td>-</td>
<td>1.96</td>
<td>7.49</td>
<td>9.45</td>
</tr>
<tr>
<td>10</td>
<td>Troy</td>
<td>5.23</td>
<td>-</td>
<td>4.10</td>
<td>9.33</td>
</tr>
<tr>
<td>11</td>
<td>Bloomfield Hills</td>
<td>7.44</td>
<td>0.72</td>
<td>0.90</td>
<td>9.05</td>
</tr>
<tr>
<td>12</td>
<td>Clawson</td>
<td>-</td>
<td>-</td>
<td>9.02</td>
<td>9.02</td>
</tr>
<tr>
<td>13</td>
<td>Oak Park</td>
<td>-</td>
<td>3.00</td>
<td>6.00</td>
<td>9.00</td>
</tr>
<tr>
<td>14</td>
<td>Oxford</td>
<td>-</td>
<td>0.74</td>
<td>7.90</td>
<td>8.64</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Millage Rank</th>
<th>School District</th>
<th>Hold Harmless</th>
<th>Sinking Fund</th>
<th>Bond Debt Millage</th>
<th>Total Millage</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Holly</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8.50</td>
</tr>
<tr>
<td>16</td>
<td>Ferndale</td>
<td>-</td>
<td>1.23</td>
<td>7.00</td>
<td>8.23</td>
</tr>
<tr>
<td>17</td>
<td>Avondale</td>
<td>-</td>
<td>0.80</td>
<td>7.30</td>
<td>8.10</td>
</tr>
<tr>
<td>18</td>
<td>South Lyon</td>
<td>-</td>
<td>-</td>
<td>8.00</td>
<td>8.00</td>
</tr>
<tr>
<td>19</td>
<td>Huron Valley</td>
<td>-</td>
<td>0.92</td>
<td>7.00</td>
<td>7.92</td>
</tr>
<tr>
<td>20</td>
<td>Madison</td>
<td>-</td>
<td>-</td>
<td>7.76</td>
<td>7.76</td>
</tr>
<tr>
<td>21</td>
<td>Berkley</td>
<td>-</td>
<td>0.68</td>
<td>7.00</td>
<td>7.68</td>
</tr>
<tr>
<td>22</td>
<td>Clarkston</td>
<td>-</td>
<td>-</td>
<td>7.00</td>
<td>7.00</td>
</tr>
<tr>
<td>23</td>
<td>Waterford</td>
<td>-</td>
<td>-</td>
<td>7.00</td>
<td>7.00</td>
</tr>
<tr>
<td>24</td>
<td>Walled Lake</td>
<td>-</td>
<td>1.78</td>
<td>0.49</td>
<td>4.53</td>
</tr>
<tr>
<td>25</td>
<td>Royal Oak</td>
<td>-</td>
<td>2.31</td>
<td>0.97</td>
<td>3.25</td>
</tr>
<tr>
<td>26</td>
<td>Rochester</td>
<td>-</td>
<td>-</td>
<td>6.01</td>
<td>6.01</td>
</tr>
<tr>
<td>27</td>
<td>Clarenceville</td>
<td>-</td>
<td>4.63</td>
<td>-</td>
<td>4.63</td>
</tr>
<tr>
<td>28</td>
<td>Pontiac*</td>
<td>-</td>
<td>2.87</td>
<td>-</td>
<td>2.87</td>
</tr>
</tbody>
</table>

*Does not include 0.4 mills for MESSA judgement for certain communities

Source: Oakland Schools Summaries and Surveys 2018-2019
Homestead Millage Rates 2017-18 (Oakland County)
# OAKLAND COUNTY SCHOOL DISTRICTS

## RANKING BY TOTAL LOCAL NON-HOMESTEAD (I.E. COMMERCIAL, INDUSTRIAL) 2018 MILLAGE RATES

<table>
<thead>
<tr>
<th>Rank</th>
<th>Total Millage</th>
<th>School District</th>
<th>Sinking Fund</th>
<th>Bond Debt Millage</th>
<th>Non Homestead Millage</th>
<th>Total Millage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.95</td>
<td>Hazel Park</td>
<td>15.00</td>
<td>18.00</td>
<td>34.95</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>12.16</td>
<td>Brandon</td>
<td>7.49</td>
<td>17.87</td>
<td>30.03</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>1.96</td>
<td>Lake Orion</td>
<td>4.69</td>
<td>18.00</td>
<td>27.45</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>-</td>
<td>Clawson</td>
<td>9.02</td>
<td>17.74</td>
<td>26.76</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>3.00</td>
<td>Oak Park</td>
<td>6.00</td>
<td>17.73</td>
<td>26.72</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>0.74</td>
<td>Oxford</td>
<td>7.90</td>
<td>18.00</td>
<td>26.64</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>-</td>
<td>Holly</td>
<td>8.50</td>
<td>18.00</td>
<td>26.50</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>1.23</td>
<td>Ferndale</td>
<td>7.00</td>
<td>18.00</td>
<td>26.23</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>0.80</td>
<td>Avondale</td>
<td>7.30</td>
<td>18.00</td>
<td>26.10</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>-</td>
<td>South Lyon</td>
<td>8.00</td>
<td>18.00</td>
<td>26.00</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>-</td>
<td>Madison</td>
<td>7.76</td>
<td>18.00</td>
<td>25.76</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>0.92</td>
<td>Huron Valley</td>
<td>7.00</td>
<td>17.53</td>
<td>25.45</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>1.21</td>
<td>West Bloomfield</td>
<td>6.85</td>
<td>17.29</td>
<td>25.35</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>0.68</td>
<td>Berkley</td>
<td>7.00</td>
<td>17.66</td>
<td>25.35</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>0.48</td>
<td>Novi</td>
<td>7.00</td>
<td>17.62</td>
<td>25.10</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>-</td>
<td>Clarkston</td>
<td>7.00</td>
<td>18.00</td>
<td>25.00</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>-</td>
<td>Waterford</td>
<td>7.00</td>
<td>18.00</td>
<td>25.00</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>-</td>
<td>Rochester</td>
<td>6.01</td>
<td>18.00</td>
<td>24.01</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>4.63</td>
<td>Clarenceville</td>
<td>-</td>
<td>18.00</td>
<td>22.63</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>0.49</td>
<td>Walled Lake</td>
<td>4.53</td>
<td>17.55</td>
<td>22.57</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>0.97</td>
<td>Royal Oak</td>
<td>3.25</td>
<td>18.00</td>
<td>22.21</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>-</td>
<td>Troy</td>
<td>4.10</td>
<td>18.00</td>
<td>22.10</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>-</td>
<td>Birmingham</td>
<td>3.80</td>
<td>17.85</td>
<td>21.66</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>0.70</td>
<td>Southfield</td>
<td>3.00</td>
<td>17.88</td>
<td>21.58</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>-</td>
<td>Farmington</td>
<td>3.30</td>
<td>18.00</td>
<td>21.30</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>3.00</td>
<td>Lamphere</td>
<td>-</td>
<td>18.00</td>
<td>21.00</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>2.87</td>
<td>Pontiac*</td>
<td>-</td>
<td>18.00</td>
<td>20.87</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>0.72</td>
<td>Bloomfield Hills</td>
<td>0.90</td>
<td>18.00</td>
<td>19.61</td>
<td></td>
</tr>
</tbody>
</table>

*Does not include 0.4 mills for MESSA judgement for certain communities

SOURCE: Oakland Schools Summaries and Surveys 2018-2019
182 Voted Capital Bond elections have occurred since 2016:

- **Passed:** 124 elections totaling $4.32 billion
- **Failed:** 58 elections totaling $1.55 billion

In Oakland County since 2016:

- **Passed:** 7 elections totaling $749 million
- **Failed:** 1 election totaling $29 million

24 Voted Capital Bond elections totaling $1.08 billion on the November 2019 ballot
Impact on Taxpayers
Cumulative Bond Issues by Neighboring District 1996-2019

- Pontiac: $0
- Clarkston: $160 Million
- Waterford: $260 Million
- West Bloomfield: $117 Million
- Bloomfield Hills: $55 Million
- Rochester: $272 Million
- Avondale: $155 Million
- Lake Orion: $292 Million
- Walled Lake: $617 Million

Total: $1,500 Million
## Impact on Taxpayers

Average Tax of Current 2.87 mills and Proposed 2.80 mills for Largest Municipalities*

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Taxable Value % of Pontiac District</th>
<th>2017 Avg. Taxable Value</th>
<th>Taxes Assessed for Current 2.87 mills</th>
<th>Taxes Assessed for Proposed 2.80 mills</th>
<th>Tax Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Auburn Hills</td>
<td>52%</td>
<td>$76,938</td>
<td>$221</td>
<td>$215</td>
<td>($6)</td>
</tr>
<tr>
<td>City of Pontiac</td>
<td>28%</td>
<td>$22,500</td>
<td>$65</td>
<td>$63</td>
<td>($2)</td>
</tr>
<tr>
<td>Township of Bloomfield</td>
<td>10%</td>
<td>$172,500</td>
<td>$495</td>
<td>$483</td>
<td>($12)</td>
</tr>
</tbody>
</table>

* Based on 2017 Average Tax Bill analysis from Oakland County Equalization (updated every 3 years)
Bond / Sinking Fund Timeline and Oversight
## Remaining Timeline for 2020 Capital Bond Proposal

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept 30</td>
<td>Public Forum on Capital Bond and Sinking Fund Proposals</td>
</tr>
<tr>
<td>Oct 1-7</td>
<td><strong>DETERMINE SCOPE OF BOND PROJECTS:</strong> With the assistance of architect, bond counsel and financial advisor, the School District will prepare a proposed bond proposal which will include the proposed projects and the not-to-exceed amount of bonds to be issued.</td>
</tr>
<tr>
<td>Oct 7</td>
<td><strong>BOARD ACTION:</strong> Board Resolution to approve the proposed bond projects, the not-to-exceed amount of the bonds and authorize the administration, with the assistance of the bond professionals, to prepare an Application for Preliminary Qualification for submission to the Department of Treasury.</td>
</tr>
<tr>
<td>Oct 10</td>
<td><strong>TREASURY MEETING:</strong> Preliminary meeting with Department of Treasury. <strong>NOTE:</strong> Application for Preliminary Qualification must be submitted to the Department of Treasury at least 3 working days prior to this preliminary meeting.</td>
</tr>
<tr>
<td>Oct 21</td>
<td><strong>BOARD INFORMATION / ACTION:</strong> Board Resolution to approve submission of the Application for Preliminary Qualification to the Department of Treasury</td>
</tr>
<tr>
<td>Nov 4</td>
<td><strong>TREASURY APPROVAL:</strong> Approval from Department of Treasury on the Application for Preliminary Qualification.</td>
</tr>
</tbody>
</table>
## Remaining Timeline for 2020 Capital Bond Proposal

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2</td>
<td><strong>BOARD INFORMATION / ACTION:</strong> Board Resolution certifying the bond proposal to its Election Coordinator (i.e. the Oakland County Clerk) for submission to the electors at the Special School Election date.</td>
</tr>
<tr>
<td>Dec 16</td>
<td><strong>SUBMISSION OF BOND PROPOSAL:</strong> School District must submit the certified bond proposal to its Election Coordinator (i.e. the Oakland County Clerk) not later than 4 p.m. on this date which is the twelfth Tuesday before the Special School Election date.</td>
</tr>
<tr>
<td>Dec 17</td>
<td></td>
</tr>
<tr>
<td>Mar 10</td>
<td><strong>SPECIAL SCHOOL ELECTION DATE</strong></td>
</tr>
</tbody>
</table>
## Remaining Timeline for 2020 Sinking Fund Proposal

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2</td>
<td><strong>BOARD ACTION:</strong> Board Resolution certifying the sinking fund extension proposal to its Election Coordinator (i.e. the Oakland County Clerk) for submission to the electors at the Special School Election date</td>
</tr>
<tr>
<td>Dec 16</td>
<td><strong>SUBMISSION OF SINKING FUND PROPOSAL:</strong> School District must submit the certified sinking fund extension proposal to its Election Coordinator (i.e. the Oakland County Clerk) not later than 4 p.m. on this date which is the twelfth Tuesday before the Special School Election date.</td>
</tr>
<tr>
<td>Dec 17</td>
<td><strong>SPECIAL SCHOOL ELECTION DATE</strong></td>
</tr>
<tr>
<td>Mar 10</td>
<td><strong>SPECIAL SCHOOL ELECTION DATE</strong></td>
</tr>
</tbody>
</table>
Proposed Oversight of Bond/Sinking Fund

- Continue with internal team comprised of members of the facilities, finance, technology, and superintendent’s office, as well as contracted professionals such as legal, architectural, construction mgr, and owner’s rep
  - Other departments would be brought in as necessary (curriculum, food service, etc.)
  - Expected to have weekly meetings for the foreseeable future
- Create a committee which incorporates the internal team as well as board representatives
  - Expected to meet 1-2 times per month
  - Go over project status, review plans and bids
  - Process some change orders within committee authority
- Monthly reports to Board of Education on progress of all projects
This proposal, if approved by the electors, will extend the authority last approved by the electors in 2016 and which expires with the 2020 levy for the School District to levy a building and site sinking fund millage. This proposal allows the use of proceeds of the millage for all purposes previously permitted by law as well as newly authorized security improvements and the acquisition or upgrading of technology. If this proposal and the 2020 School Improvement Bond Proposal are both approved by the voters the School District will not levy annually more than 0.80 mills of the 2.87 mills authorized under this proposal. Pursuant to State law, the expenditure of the building and site sinking fund millage proceeds must be audited, and the proceeds cannot be used for teacher, administrator or employee salaries, maintenance or other operating expenses.

As an extension of the current authority, shall the limitation on the total amount of taxes which may be assessed against all property in School District of the City of Pontiac, County of Oakland, Michigan, be increased in the amount of 2.87 mills ($2.87 per $1,000 of taxable value), for a period of five (5) years, being the years 2021 to 2025, inclusive, to create a building and site sinking fund to be used for the construction or repair of school buildings, school security improvements, the acquisition or upgrading of technology or for other purposes, to the extent permitted by law? This millage would provide estimated revenues to the School District of approximately _________________________ ($________) Dollars during the 2021 calendar year, if approved and levied.
Shall the School District of the City of Pontiac, County of Oakland, State of Michigan, borrow the sum of not to exceed One Hundred Forty-Seven Million Dollars ($147,000,000) and issue its general obligation unlimited tax bonds, in one or more series, for the purpose of paying for the cost of the following projects:

Remodeling, equipping, re-equipping, furnishing, re-furnishing school buildings, athletic fields, playgrounds and other facilities for safety and security, energy conservation and other purposes;
Erecting security entrances and other additions to existing school buildings;
Acquiring and installing instructional technology infrastructure and equipment in school buildings and other facilities; and
Preparing, developing and improving sites at school buildings, playgrounds, athletic fields and other facilities for traffic control, safety and security and other purposes?  YES  ___________________________  NO  ___________________________

The maximum number of years any series of bonds may be outstanding, exclusive of refunding, is not more than _____ (____) years; the estimated millage that will be levied to pay the proposed bonds in the first year is 2.0 mills (which is equal to $____ per $1,000 of taxable value); and the estimated simple average annual millage that will be required to retire each series of bonds is ____ mills annually ($____ per $1,000 of taxable value).

If approved by the voters, the bonds will be guaranteed by the State under the School Bond Qualification and Loan Program (the “Program”). The School District currently has $0 of qualified bonds outstanding and $0 of qualified loans outstanding under the Program. The School District does not expect to borrow from the Program to pay debt service on these bonds. The estimated computed millage rate required to be levied to pay the proposed bonds may change in the future based on changes in certain circumstances.

(Pursuant to State law, expenditure of bond proceeds must be audited, and the proceeds cannot be used for teacher, administrator or employee salaries, repair or maintenance costs or other operating expenses.)
Questions?