



# TOWN HALL BOND PRESENTATION #1

November 10<sup>th</sup>, 2020

# AGENDA

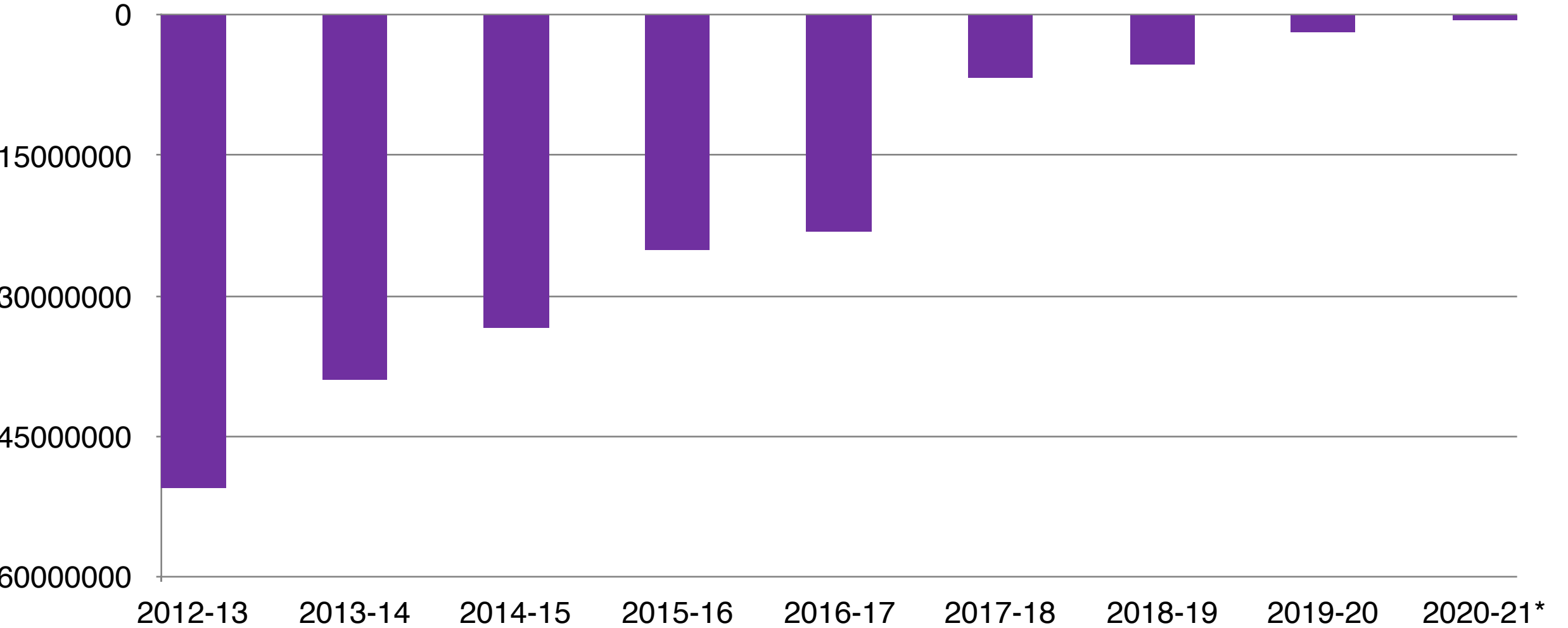
- PSD Financial Update
- Refresher on Bond Information Shared with the Community
- Results of Bond 2020 Series I Sale
- Overall Schedule of Major Projects
- Status of Projects Designed, Awarded, or Under Construction
- Other Information



# Pontiac School District

## FINANCIAL UPDATE

# PSD Deficit



# 2012-13 through 2019-20

- Seven consecutive years of revenues exceeding expenditures
- Since 2012-13, deficit has been reduced by about 99%
- Enrollment initially declined at a fast rate, but has started to flatten out
  - During most of this time, PSD was an “In Formula” district and was funded on a per student basis, which exasperated the financial condition of PSD due to student loss
  - However, starting in 2018-19, PSD became an “Out of Formula” district and is no longer funded per student, but is funded based on the business tax base (good thing)
- The majority of employees and bargaining groups had wages and benefits frozen or reduced for much of this time
  - However, in 2019-20 teacher salaries, and other employee groups, were significantly increased and a formula was put in place to provide automatic step increases and wage increases for future years, based on increases in the tax base
  - This should help to retain our current staff as well as attract new staff
- Based on the current financial trends, there is a good chance that PSD will no longer be a deficit school district once the 2020-21 fiscal year is completed!

# 2021 and Beyond

- We believe we can continue to add programs and initiatives that will help staff and students, especially once the General Fund deficit is paid off
- We believe we can continue to provide better pay and benefits to our staff that will improve morale, keep quality staff, and attract new quality staff
- The goal is to develop a long-term financial forecast to ensure the district stays the course and becomes a true model for urban renewal

# Bond Information Refresher

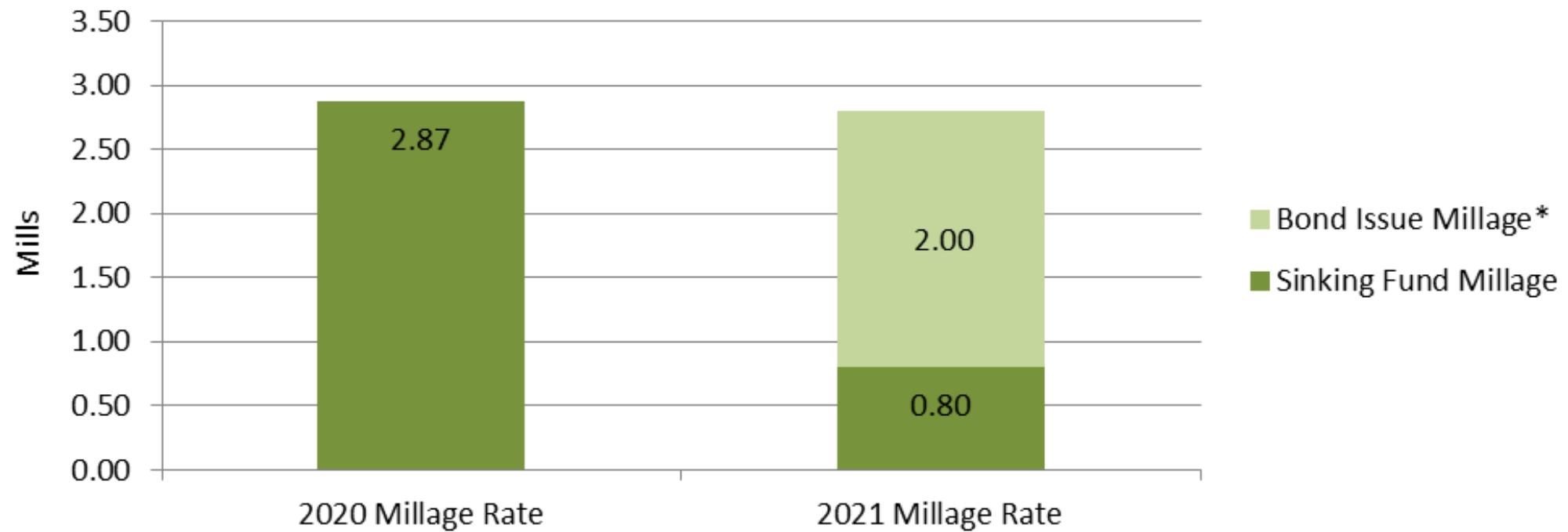
# 2012-13 through 2018-19

- \$146 million in building deficiencies identified in 2016, \$69 million being classified as “critical”
- In 2016-17 PSD community passed a 2.87 mill sinking fund that generated about \$7 million per year for 5 years to help address critical issues
- PSD has accomplished many sinking fund projects to date, including projects identified as critical needs

# Operations Versus Capital Assets

- Unlike some states, Michigan public schools get very little help from the state for capital assets, such as building and site construction and renovations, including athletics, extra-curricular, security, and technology projects
  - That is why the vast majority of school districts continue to go to their voters to approve sinking funds and bond issues
- However, it is the role the school district to keep their financial house in order in terms of day-to-day operations (i.e., General Fund)

## Your Current Millage (Tax) Rates are Projected to Decrease



\* It is projected that the annual millage required to repay the bonds will be at or below 2.00 mills



## How Can a \$147 million bond issue be just 2 mills?

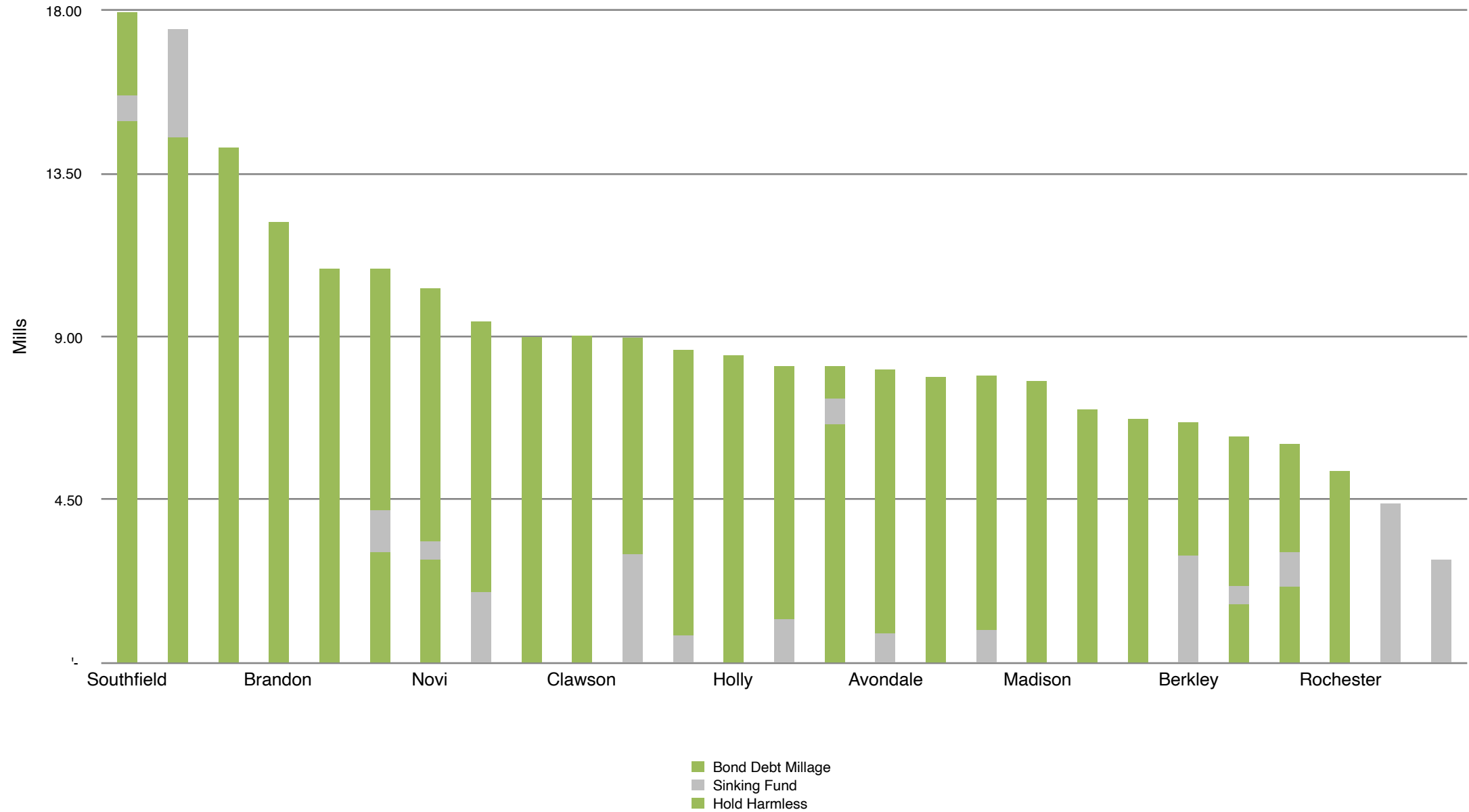
- Historically low interest rates
- Pontiac has been approved use the State's bond rating, which also saves interest costs
- Pontiac Schools tax base provides up to 4 times the resources per student versus other Oakland County school districts (i.e., to generate \$147 million in some districts, the millage rate could exceed 10 mills)

# 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 2<sup>nd</sup> lowest combined local tax rate for businesses and other properties in Oakland County
- The approved \$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) for the summer of 2021 tax bill

# Homestead Millage Rates 2019-20 (Oakland County)



# Series I Bond Sale

# Bond 2020 Series I Bond Sale

- The bond issue is planned to be sold in two installments in order to ensure we do not exceed the promised 2.0 mill cost per year to the taxpayers
- The first of two bond sales occurred in July of 2020
- The sale was for \$103.8 million, which means the 2<sup>nd</sup> bond sale will be for \$43.2 million and is expected to occur in 2025
- The \$103.8 million dollar sale resulted in a net interest cost to the taxpayers of 3.04%, which is historically low
- Even though we have the resources to accomplish \$100 million in projects, and we have great needs, the design, bidding, and construction takes time, and we must also be able to properly manage all projects to ensure a cost effective and quality final product
  - Rule of thumb is that the limit of a manageable summer is no more than \$30 million of project costs

# Bond and Sinking Fund Projects in Process

## Current Sinking Fund Projects

- Burglar Alarm all Schools - All complete except Fell Center
- Card Access All Schools - All installing, being programmed now
- HVAC Rooftops WHRC unit 3&4 - Complete except balancing
- PHS Doors and Windows Exterior - Completed
- WHRC Boiler Re-tube and HVAC Controls – In process
- PHS Teen Health Center – Project to be awarded 11/16/2020
- PHS/PMS Science Labs – In Design Phase
- Various HVAC repairs are also being done currently with Sinking Fund dollars

# Current Bond Issue Projects

- PMS and PHS LED – Bid Awarded, construction starting soon
- Fell Center Office Restoration – Bid awarded, construction starting 4/5/2021
- PMS Doors and Windows -Bid awarded, construction starting soon
- Playground Phase 2 – Bids to be presented to Board on 11/16/2020
- Many other projects currently in the design phase



# Pontiac Schools 2020 Bond Program

Community Update – 11.10.2020



# Pontiac 2020 Bond Program Series 1 Bond Schedule

Series 1 Projects	Construction Schedule	
	Start	Substantial Completion
BP 001: PHS/PMS LED Signs	Fall 2020	Winter 2021
BP 002: Playground Upgrades	4/12/2021	6/11/2021
BP 003: Fell Center Office Renovation	11/23/2020	4/1/2021
BP 004: PMS Exterior Doors and Windows	4/5/2021	8/20/2021
BP 006: WHRC/ITA & Admin Roof	4/12/2021	7/23/2021
BP 007: Food Service Equipment @ Fell	Early Spring 2021	Late Spring 2021
BP 008: PHS Roof Replacement	Spring 2021	Summer 2021
BP 009: PHS Outdoor Athletics Upgrades	Spring 2021	Fall 2021
BP 010: PMS Infrastructure Upgrades	Fall 2021	Summer 2022
BP 011: PHS Infrastructure Upgrades	Fall 2021	Summer 2022
BP 012: PHS/PMS Science Lab Upgrades	Spring 2022	Fall 2022
BP 013: PHS/PMS Theater Upgrades	Spring 2022	Fall 2022
013: WHRC/ITA Addition/Infrastructure Upgrades	Spring 2021	Summer 2022
BP 014: PHS/PMS Additions and Site Upgrades	Spring 2022	Fall 2022
BP 015: Kitchen Upgrades	Fall 2022	Summer 2022
BP 017: PHS Natatorium Renovation	TBD	TBD
BP 018: Owen/Kennedy Infrastructure Upgrades	Spring 2023	Spring 2024
BP 019: PHS-PMS Interior Upgrades	TBD	TBD
BP 020: District Wide Technology Upgrades	TBD	TBD
BP 021: Furniture	TBD	TBD
Fell Center Renovation Phase 2	TBD	TBD

**Barton Malow**  
**BUILDERS**

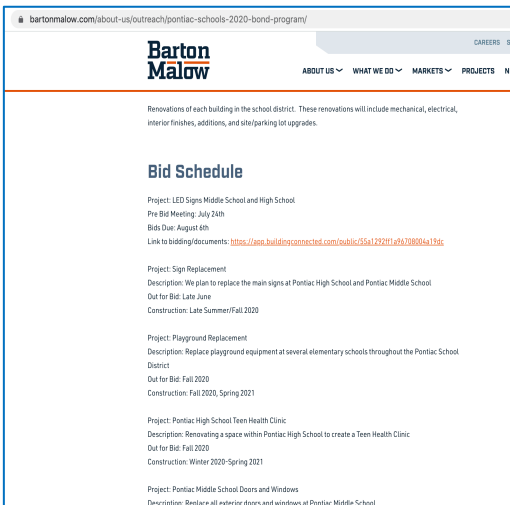
# Community Outreach and Boot Camp



**Barton Malow**  
**BUILDERS**

# Local Business Outreach

- Public Advertisement on bartonmalow.com
- Launched July 2020
- Seeking to engage more Pontiac companies for infrastructure, lab and classroom packages
- 53 Pontiac Business Currently in System
- 23 New Bidder Registrations since July



**Barton Malow**

**Businesses: Please complete to be added to our Interested Bidders Directory for this Project!**  
Project: Pontiac Schools 2020 Bond Program

**Project Description:**  
Renovations of each building in the school district. These renovations will include mechanical, electrical, interior finishes, additions, and site/parking lot upgrades.

**CONTRACTORS must:** 1) Complete the Project Registration Form Below and 2) Complete Barton Malow's Online Pre-qualification. You will be redirected to the pre-qualification screen once you complete this form.

**Suppliers, Professional Service Providers, A/E Firms and Vendors only complete the below project registration form.**

\* Required Information

Company Name \*  Contact Name \*

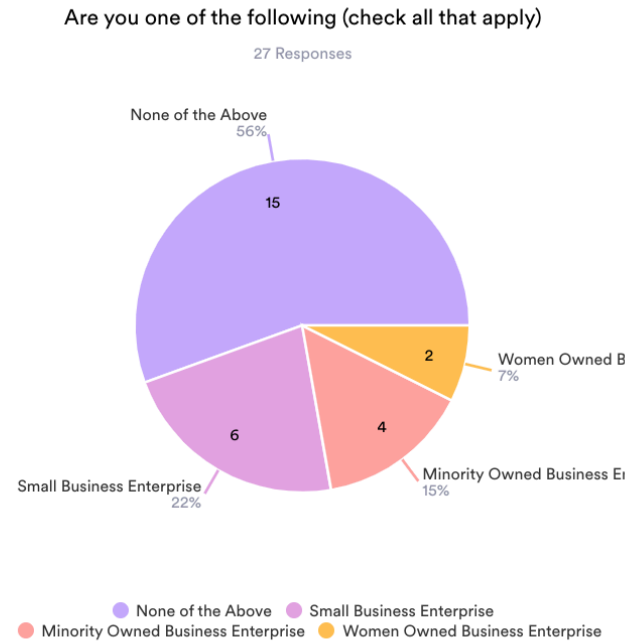
Mailing Address \*

E-mail \* ex: myname@example.com

City \*

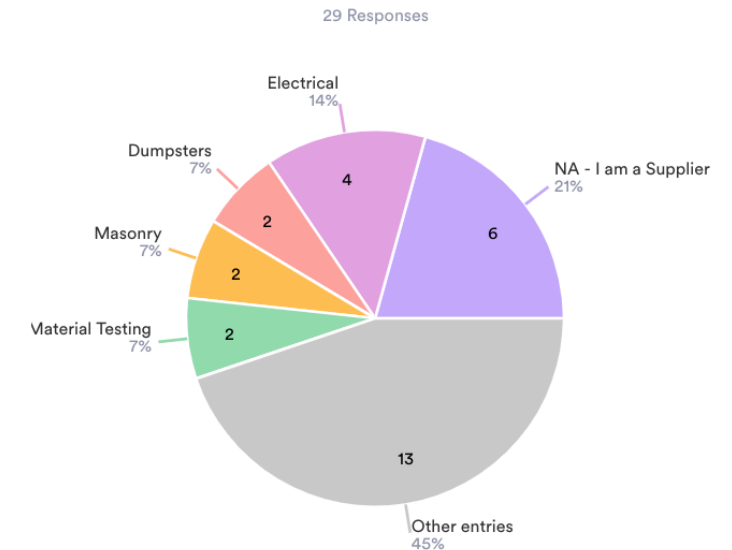
State \*

## Pontiac Schools Project Registration Form



## Pontiac Schools Project Registration Form

### CONTRACTORS: Services you can Self Perform ON THIS PROJECT (limit 3)



**\$2,022,796 Contracts Awarded to Date for 3 projects**





# Workforce Development: Barton Malow Boot Camp

- 6 week / 120-hour pre-apprenticeship
- Pontiac residents ages 18-24
- The BMCBoot Camp allows resident jobseekers to explore a career in the skilled trades
- The program is a partnership with local government, building trade representatives, BM project team and local training facilities
- Anticipated start July 2021
- Recruitment Spring 2021





# SCHOOL DISTRICT OF THE CITY OF PONTIAC

## 2020 BOND TOWN HALL

SCHOOL BOND - SERIES I  
11.10.20





**Int'l Technology Academy hoping to win \$100,000 grant**  
MONEY WILL BE USED FOR SCIENCE LAB



**BUILDING ADDITIONS**  
**WHRC/ITA**





Science Lab



COMPLETED UPGRADES  
WHRC/ITA





**ENTRANCE ADDITIONS AND PARKING LOT UPGRADES**  
**Pontiac Middle School and Pontiac High School**





*High School Athletic Entry*



*High School Main Entry*



*High School Student Entry*



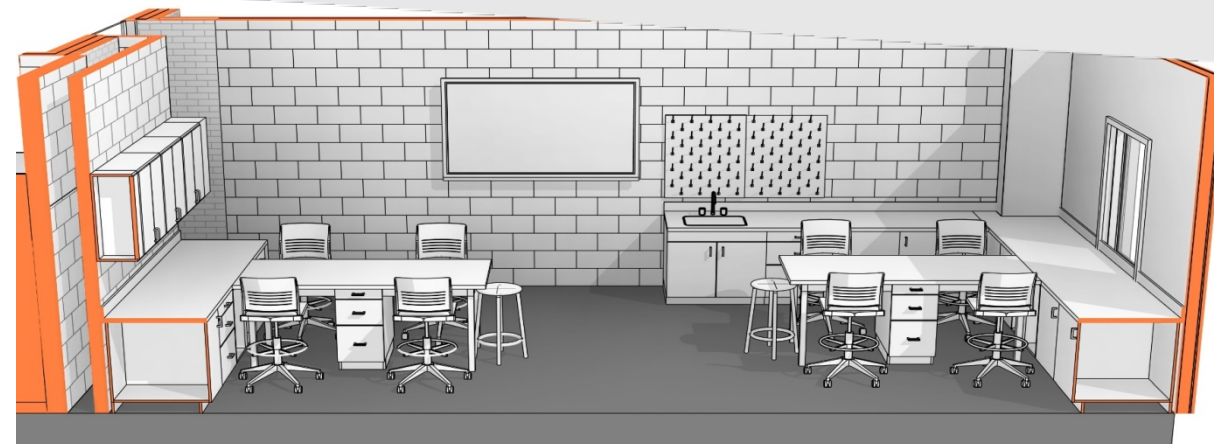
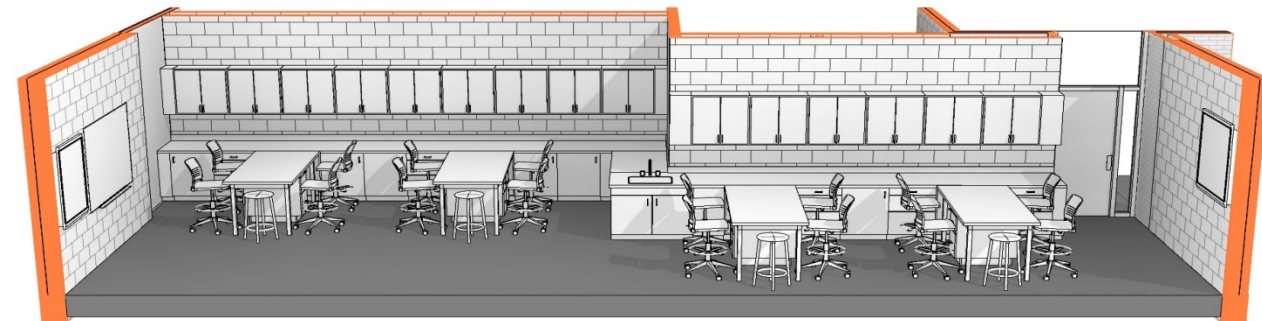
*Middle School Main Entry*

## ENTRANCE ADDITIONS AND PARKING LOT UPGRADES Pontiac Middle School and Pontiac High School



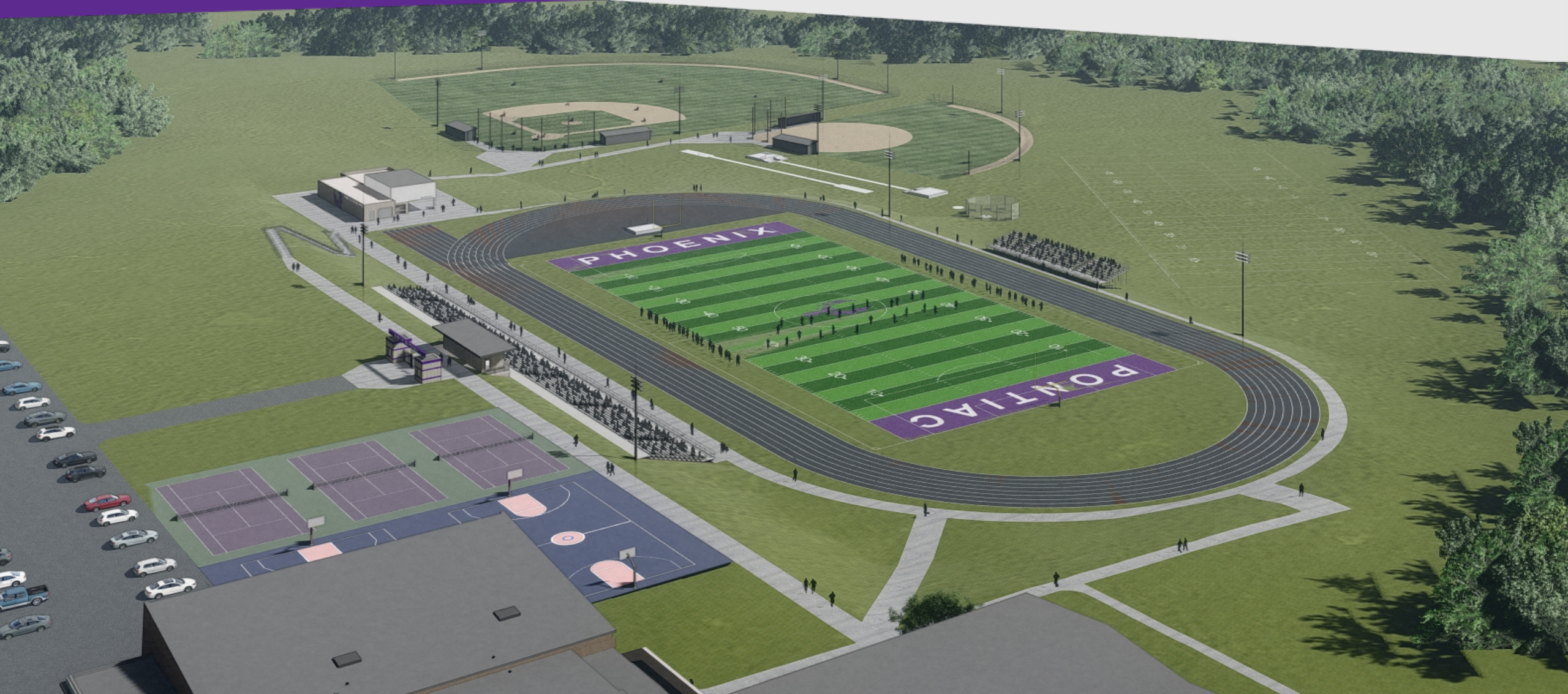


**SCIENCE LAB UPGRADES**  
**Pontiac Middle School and Pontiac High School**



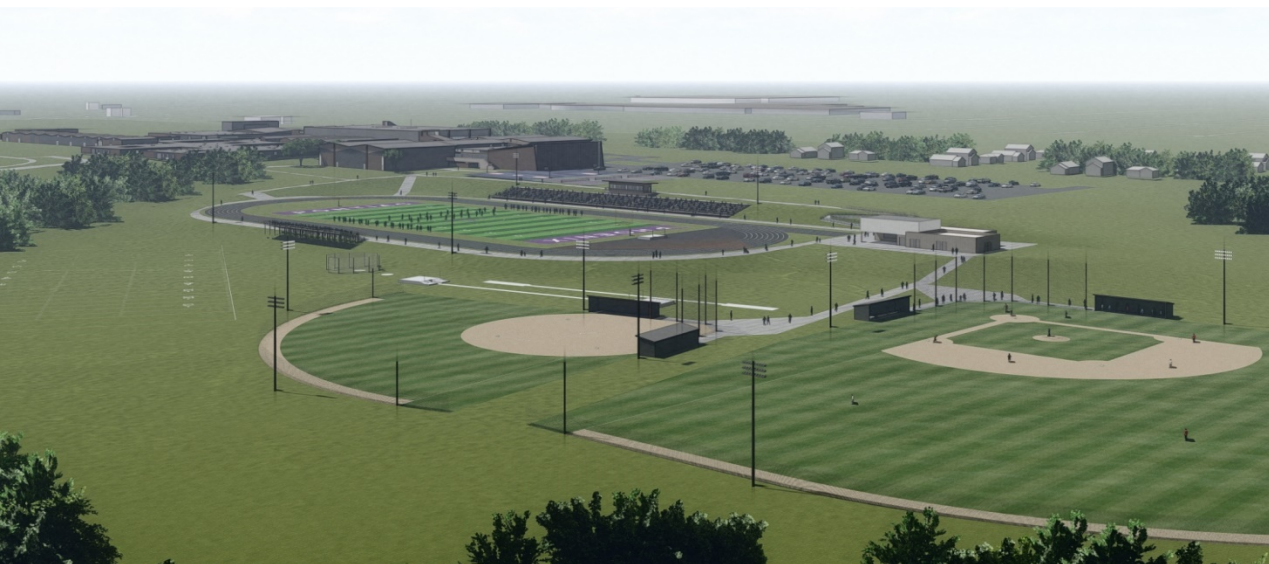
**SCIENCE LAB UPGRADES**  
**Pontiac Middle School and Pontiac High School**





**OUTDOOR ATHLETIC UPGRADES**  
**Pontiac High School**





**OUTDOOR ATHLETIC UPGRADES**  
**Pontiac High School**





Existing High School Auditorium

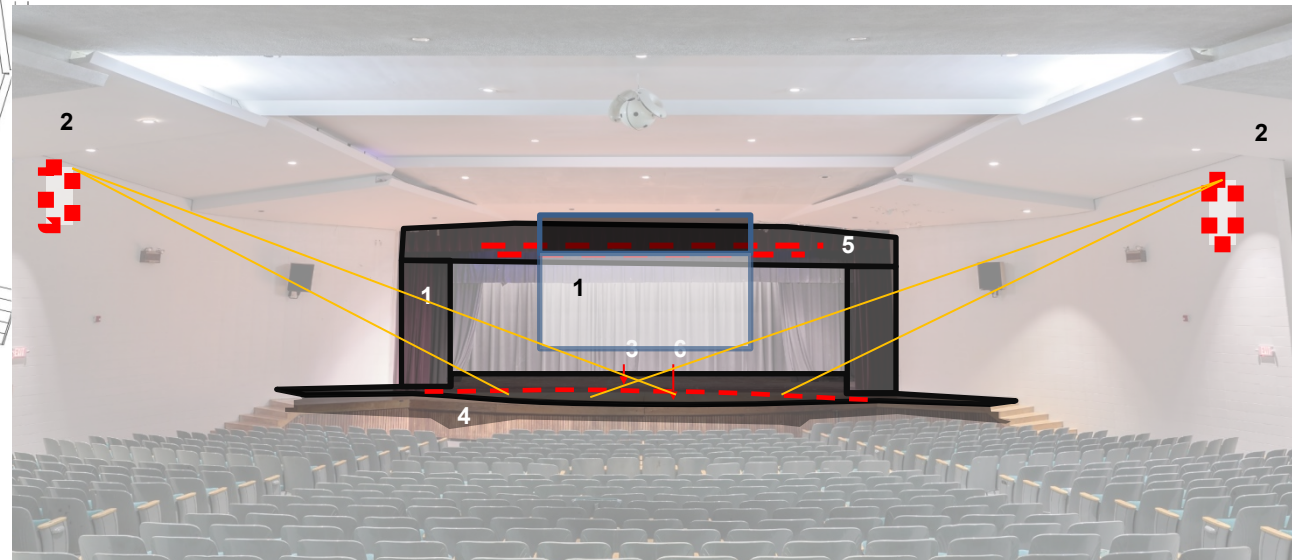
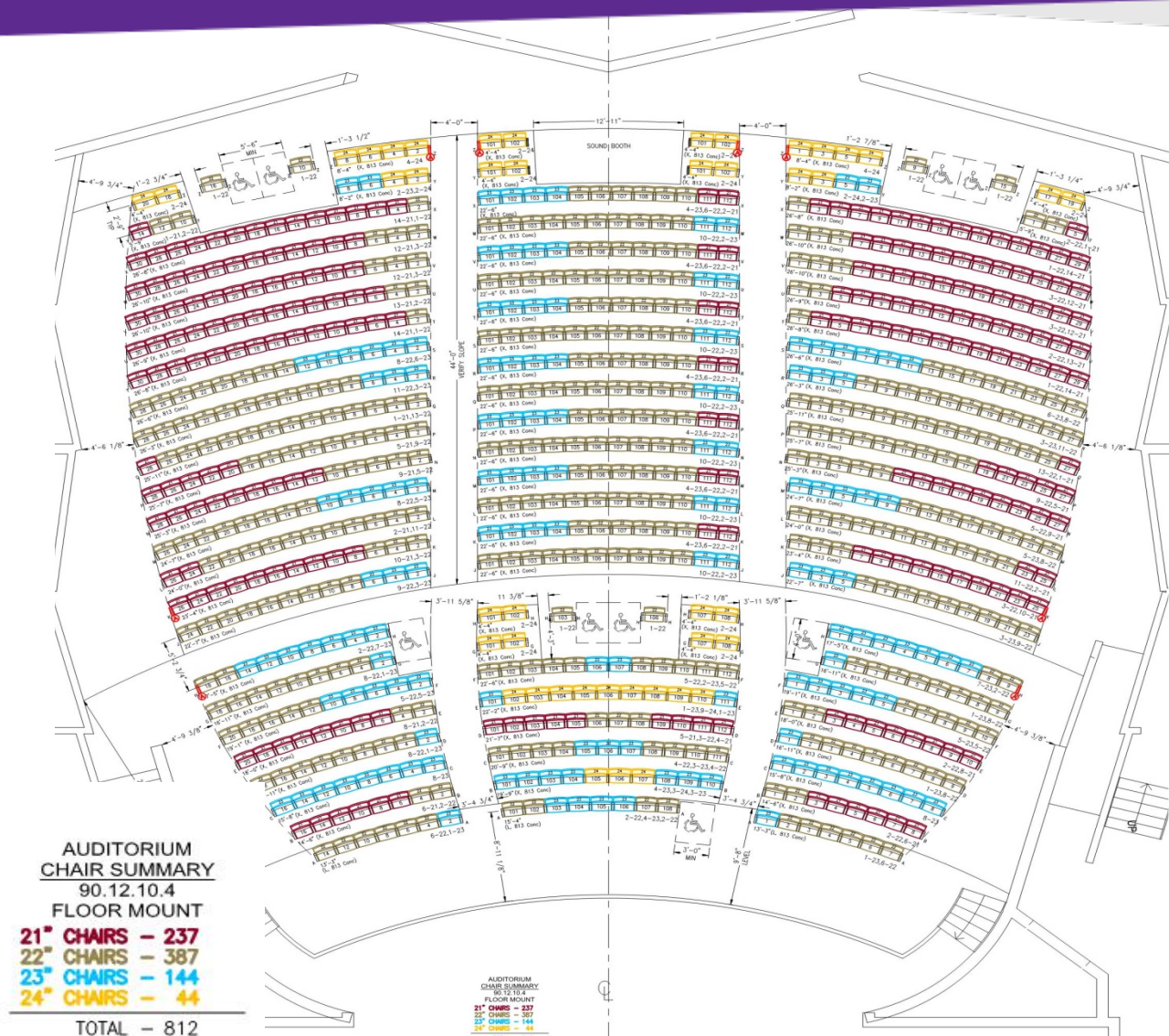
## **THEATER UPGRADES** **Pontiac Middle School and Pontiac High School**





**THEATER UPGRADES**  
**Pontiac Middle School and Pontiac High School**





# THEATER UPGRADES

## Pontiac Middle School and Pontiac High School

# Questions?