



## Frequently Asked Questions

*Frequently Asked Questions have been compiled to help voters understand the challenges the Valders Area School District faces and the proposed facilities and technology referendums solutions.*

### **Q: Why did the board vote to place two referendum questions on the April 3, 2018 ballot?**

**A:** While our buildings are well maintained, many systems in the buildings are original and well over 50 years old making them inefficient and difficult to repair. The Middle / High School heating and ventilation system, plumbing, and roofing in the 1968 sections of the building have served the district well, but are in need of replacement.

In addition to addressing our facility needs, we also need to consider our technology needs including replacing aging computers, upgrading software and security, and updating wireless access and technology infrastructure to improve student access.

### **Q: Why will the referendum have two questions on the ballot?**

**A:** There are two types of referendum funding school districts use: capital referenda and operational referenda.

Funds secured through a capital referendum allow a district to issue debt to pay for major facility projects, much like a home mortgage. A capital referendum is typically financed over an extended period of time, often 20 years.

Funds secured through an operational referendum are used to support the day-to-day operations of the district. These operations include staffing, educational programming, student services, maintenance, and in our case – technology. Funds secured through an operational referendum are used within the year they are received.

### **Q: What process was used by the Board to assess and prioritize its needs and find a solution?**

**A:** In evaluating the District's needs, the goal was to be transparent and engage the entire community to find the right solution. The process began in 2016 when the Board created the Community Facilities Task Force Committee. The committee was open to all community members. The committee first convened last fall, and met approximately every month over the course of the school year to prioritize the District's needs, consider the District's financial situation, review options presented by the District's architect and other professionals, as well as conduct a community-wide survey.

The committee was comprised of 14 participants including district residents, staff, parents, and non-parents. Meeting minutes from this group are posted on the District's website.

### **Q: When was the last time the district brought a referendum to voters?**

**A:** The last district referendum was held in 2002.

**Q: What work will be done if the referendums pass?**

**A:** If passed, the referendums would replace middle/high school roof sections that can no longer be patched; remodel/repair plumbing systems district-wide including fixtures, water coolers, and water softeners; and upgrade/replace heating (boilers) and ventilation components to improve operational efficiencies/air quality and add air conditioning to remaining portions of the middle/high school.

A second ballot question will seek support for funds to replace aging computers, upgrade software and security, and update wireless access and technology infrastructure to improve student access.

**Q: Are there certain projects that are a priority?**

**A:** The community completed a survey and it was determined that roofs, plumbing, heating, ventilating and air conditioning, as well as technology, are priorities and need to be considered first. The results of the survey were aligned with the priorities generated from the Community Facilities Task Force Committee.

**Q: What is the projected project timeline?**

**A:** If the facilities referendum is successful, the final designs for the project will be completed in the Summer/Fall of 2018. The project will be sent out to bid in Winter of 2018/2019; construction will be completed during the Summer of 2019.

If the technology referendum is successful, new equipment and software will be purchased and/or installed starting in the Summer of 2018.

**Q: Has a contractor been selected?**

**A:** No. All work will be sent out to bid in the Winter of 2018/2019. Qualified local contractors are encouraged and will be given the opportunity to bid on the projects.

**Q: What is the exact language that will be on the ballot?**

**A:** Below is the language that will appear on the April 3<sup>rd</sup> ballot.

**Question #1**

*BE IT RESOLVED by the School Board of the Valders Area School District, Manitowoc County, Wisconsin, that there shall be issued, pursuant to Chapter 67, Wisconsin Statutes, General Obligation Bonds in an amount not to exceed \$6,375,000 for the purpose of paying the costs of building repairs, remodeling and improvements including remodeling and repair of plumbing systems, upgrades and replacement of heating and ventilation components, adding air conditioning to remaining portions of the middle school/high school, replacing portions of the middle school/high school roof, and replacing computer lab, classroom and gym heating and ventilation systems at the elementary school.*



Shall the foregoing resolution of the School Board of the Valders Area School District be approved?

YES       NO

**Question #2**

*BE IT RESOLVED by the School Board of the Valders Area School District, Manitowoc County, Wisconsin, that the final school district budget shall include an amount not to exceed \$55,000 in excess of the revenue limits imposed by Section 121.91 of the Wisconsin Statutes each year for a period of five years on a nonrecurring basis, beginning with the 2018-19 school year and ending with the 2022-23 school year, for the purpose of paying the costs of upgrading technology equipment and infrastructure.*

*Shall the School Board of the Valders Area School District be authorized to exceed the revenue limit under Section 121.91 of the Wisconsin Statutes by an amount of \$55,000 each year for a period of five years beginning with the 2018-19 school year and ending with the 2022-23 school year on a nonrecurring basis for the purpose of paying the costs of upgrading technology equipment and infrastructure as provided in the foregoing resolution?*

YES       NO

**Q: Please explain the role of Fund Balance.**

**A:** Fund balance is a combination of cash and receivables, and is mainly used to offset cash flow shortages. The District's main cash sources are local taxes (received in January, February, and August) and state aid (received in September, December, March, and June). This leaves five (5) months of the year in which the district does not have a major inflow of cash and relies upon fund balance to cover the continuing monthly expenses and payroll. Fund balances are also maintained to prepare for the school district's future needs, initiatives, and emergency situations.

**Q: Why can't the District use its Fund Balance to pay for major maintenance issues?**

**A:** While the district has done a good job maintaining its facilities, state school finance laws make it difficult for schools to save money over time to address maintenance and improvements in the same way that a homeowner might. As a result, school districts generally are compelled to seek a referendum to cover the expense of large costs items.

**Q: What is the tax impact of the referendum if it passes?**

**A:** The cost of the facilities referendum will not exceed \$6,375,000 and thus will have an estimated tax levy increase of \$.45 for every \$1,000 of property value. Municipal borrowing interest rates remain low at this time as well. This will be a bond issuance that spans 20 years.

The cost of the technology referendum, which includes requesting \$55,000 per year, for five years, will have an estimated tax levy increase of \$.10 for every \$1,000 of property value.



**Q: What if the project is more expensive than anticipated?**

**A:** The referendum question states that the total amount that can be borrowed for the projects noted is \$6,375,000. This is a "do not exceed" number. The Board and its architect have done a tremendous amount of work to anticipate all possible needs so that the work can be done at or under \$6,375,000.

**Q: What are the rules behind what the Board can do as far as promoting the referendum?**

**A:** School Boards can only provide information to constituents (taxpayers). School Boards are not allowed to encourage a yes or no vote. A School Board can use district resources to provide information to taxpayers.

**Q: Where can I get more information about the referendum?**

**A:** More information about the referendum, including the work of the Community Facilities Task Force, can be found on the district's [website](#).