Frequently asked questions

CCSD 89 June 28 bond referendum

Do you have a question about the CCSD 89 referendum? Email your question to info@ccsd89.org Last updated: April 29, 2022

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When is the election? Where can I vote?

The election will be held Tuesday, June 28. In-person voting will begin June 13. More information is available at: www.dupageco.org/earlyvoting

How can I register to vote?

More information about how to register to vote in DuPage County is available at: www.dupageco.org/Election/Voting/

You can register to vote at the following locations: https://www.dupageco.org/Election/Voting/37044/

You are also now able to register online if you have a valid Illinois Driver's License or State Identification Card. You may register online at: https://ova.elections.il.gov/

The deadline to register to vote is 28 days before the election. For the June 28, election, the deadline is June 1. Once you have registered to vote, you do not need to re-register unless you move to a different address or change your name.

Who is allowed to vote on the referendum?

Only residents who live within the <u>Community Consolidated School District 89 boundaries</u> can vote on the referendum question.

What will the referendum look like on the ballot?

As required by Illinois law, the Community Consolidated School District 89 question will appear on the June 28 ballot with the following wording:

Shall the Board of Education of Community Consolidated School District Number 89, DuPage County, Illinois, alter, repair and equip the Arbor View Elementary, Briar Glen Elementary, Park View Elementary, Westfield Elementary and Glen Crest Middle School Buildings, including installing school safety and security improvements and repairing and replacing windows, doors, roofs and mechanical, electrical and plumbing systems, and issue bonds of said School District to the amount of \$27,000,000 for the purpose of paying the costs thereof?

Voting 'yes' on this question would be voting to support the referendum and allow the district to issue the bonds. Voting 'no' on the referendum would be voting against the referendum, and the district would not issue the bonds.

How does a bond work?

A school district usually needs voters' approval to issue bonds that fund building or construction expenses. Bond referendums allow the district to issue debt to pay for what are sometimes called "brick-and-mortar" projects. By law, bonds cannot be used for staff salaries, supplies, or day-to-day expenses. Bonds are similar to a resident taking a home-equity loan because they are paid off on a fixed schedule over a set amount of years.

How did the Board of Education make the decision to place a question on the ballot?

The district gathered feedback from the community prior to the Board's decision to place a referendum on the June ballot. The district formed a <u>Finance Committee</u> with 27 members, including residents, CCSD 89 families, and staff. The committee took an in-depth look at the facility and finance issues in the district.

The district also conducted two phone surveys of residents to determine their priorities for facility work. Altogether, the district gathered more than 800 data points of feedback prior to the Board's decision. In the <u>second phone survey</u>, 57 percent of respondents indicated that they would support a \$27 million bond referendum that resulted in zero tax rate increase and addressed only necessary work in district buildings.

What types of projects would be completed if the referendum passes?

The potential projects on the referendum list include work focused on the safety, health, and accessibility of schools. You can see the full list of potential referendum projects here: www.ccsd89.org/bondprojects

How did the district arrive at a \$27 million referendum?

The district conducts regular life-safety audits of all buildings, as required by law. As part of that process, the Board members asked for a thorough review of all possible projects at all CCSD 89 buildings. CCSD 89 Director of Buildings and Grounds Tim Tomazin and the district's architecture firm identified \$100 million in potential projects, which included repairs, upgrades, and additions.

The Board had set a goal of property tax relief so the initial list was narrowed down to \$60 million in necessary infrastructure projects. That list was brought to the community to determine their priorities and further narrow the scope of the work.

Through community feedback, the final list of projects was cut down to \$27 million in projects - a total that would not increase residents' tax rate. The community indicated they would support a \$27 million bond referendum that would protect the community's investment in schools without increasing the tax rate.

When was the last time CCSD 89 had a bond referendum?

Community Consolidated School District 89 last passed a bond referendum in 2008. That \$24.8 million bond referendum added air conditioning, made significant technology upgrades, and addressed safety concerns and repairs in buildings. The district issued the bonds from that referendum in 2008 and 2009.

The set of bonds issued in 2008 was paid off in 2021. Members of the Board of Education have already chosen not to renew those bonds. Because that first set of bonds was not renewed, residents will see a decrease in their tax rate this spring. For the average home in CCSD 89, that will mean a decrease in their annual tax bill of about \$239. That decrease is already locked in, regardless of the outcome of the referendum.

The referendum is a community decision about whether to renew that second set of bonds from 2009.

How is it possible that a bond referendum results in a tax rate decrease?

It is a unique situation created by the timing of the previous bonds being paid off.

The district last issued bonds in 2008 and 2009. ('Issued' means the bonds were sold on the bond market.)

The 2008 bonds were paid off in 2021. The Board of Education members have already chosen not to renew those bonds. Because that first set of bonds was not renewed, residents will see a decrease in their tax rate this spring. For the average home in CCSD 89, that will mean a decrease in their annual tax bill of about \$239. That decrease is already locked in, regardless of the outcome of the referendum.

The referendum is a community decision about whether to renew the second set of bonds - the ones issued in 2009. If those bonds are renewed at a slightly lower rate than the 2009 bonds, that would be an additional \$4 decrease in taxes for the average homeowner.

The total tax decrease for the average home with a successful referendum would be \$243 (\$239 from the 2008 bonds that were not renewed, plus \$4 from renewing the 2009 bonds). If the referendum does not pass, residents' tax rate would go down even further than the on-average \$4 decrease. It would also mean the necessary infrastructure projects would be spread out over 20 years rather than be completed in two summers. By spreading out the projects, there is a risk of a failure that interrupts school. The district would also spend more on maintenance while waiting to replace roofs, parking lots, etc.

Please note: There are other factors that could affect your overall tax bill, including exemptions, changes in the tax rates of other taxing bodies, and the area's total property values. There is an explainer found here: https://www.ccsd89.org/Page/8620

If the referendum does not pass, what will happen?

The projects would still need to be done. Rather than completing the projects in the summer of 2023 and the summer of 2024, the projects would be spread out over the next 20 years. Spreading the projects out over two decades carries the risk of a failure that would interrupt learning. The district would also spend more on repair and maintenance until the roofs, parking lots, etc., are replaced. If the referendum does not pass, the average homeowner's tax bill would be reduced by \$306, in addition to the \$239 from the 2008 bonds.

What will be added if the referendum passes?

If the referendum passes, there will be no additions to the district. The referendum addresses the maintenance or replacement of existing systems and reconfiguring certain school entrances for security.

Why aren't all schools getting the same amount of work?

The referendum includes projects at all four CCSD 89 elementary schools (Arbor View, Briar Glen, Park View, Westfield) as well as Glen Crest Middle School. To see a list of the projects, go to: www.ccsd89.org/bondprojects

Some schools have greater needs than others. For instance, Briar Glen and Park View have modern rubber roofs that are within their expected lifespan. Arbor View, Glen Crest, and Westfield have coal-tar roofs that have begun to crack and leak. In order to meet the Board of Education's goal of tax relief, the district is only focused on projects that are "needs", rather than "wants".

How long would the bonds last?

The district anticipates issuing two sets of 15-year bonds. The bonds would need to be paid off by 2037.

If there are opportunities to refinance the bonds during the repayment cycle, the district would consider that possibility. The 2008 and 2009 bonds were refinanced. As interest rates dropped, members of the Board of Education voted to refinance a large portion of those bonds in 2015. The district saved taxpayers about \$661,000 in interest costs by refinancing the maximum allowed by law. In March of 2018, the board members voted to refinance \$4 million of the remaining original principal payments. This saved taxpayers an additional \$88,000.

Would replacing these systems result in any financial savings?

In some cases, it would. For instance, the systems that are used to heat and cool Briar Glen Elementary were installed in 1998. At the time, they were very efficient. Now, there are much more energy-efficient systems. It now costs about the same to heat and cool Briar Glen Elementary as it does to heat and cool the much larger Glen Crest Middle School. It is estimated that a new system would save about 20 percent of current gas and electricity costs.

I don't have kids in CCSD 89 schools. Why does this matter to me?

Every resident's voice is important because the school district affects everyone in the community. All residents pay taxes to support the school district. Schools are also a bedrock in the community, and quality schools are one of the main factors people consider when choosing where to live. When a resident sells their home, quality schools will impact the decisions of those purchasers.

Quality schools are also one of the factors that drive home values. Some studies have shown that for every \$1 invested in schools, there is a \$20 return in home value. (Source: http://www.nber.org/digest/jan03/w9054.html) That means, according to this study, if you were to contribute \$1 additional dollar through taxes to your local school district, it would increase your home value by \$20.

Why didn't the district pursue a larger bond, even if it raised taxes?

The Board of Education and district administration made a commitment to provide tax relief to residents. The Board of Education did not consider a list of projects that would increase the tax rate for residents.

Why can't these projects be paid for out of the district's regular budget?

If the district was able to pay for these projects from the regular operating budget, it would take about 20 years to complete the projects. In addition to the risk of system failures over those two decades, other systems would also likely need replacement during that time.

Will bonds be used to hire additional staff?

No. By law, these bonds can only be used for "brick-and-mortar" projects. They can not be used for personnel or supplies.

When would the work be done?

Architects are confident that this work can be completed during the summer when schools are not in session. The majority of the work would be completed in the summer of 2023 and the summer of 2024.

Does this mean there would be no other maintenance/construction work going on, besides what is listed in the referendum?

The district will continue to work on the regular maintenance and construction projects that are outside the scope of the referendum and part of the regular budget. Schools will continue to be cleaned and repaired.

Where can I learn more about the referendum?

There is more information about the referendum on the district's website at www.ccsd89.org/schoolbonds

You can also attend one of the three community sessions. The meetings will be held:

- Noon on Tuesday, April 19, via Zoom
- 7 p.m. Wednesday, April 27, at Briar Glen Elementary, 1800 Briarcliffe Blvd., Wheaton
- 7 p.m., Monday, June 13, via Zoom

The link for the online meetings will be posted at www.ccsd89.org/schoolbonds

There will be a short presentation at each meeting, followed by an opportunity to ask questions. If approved, the construction bonds would allow the district to complete essential infrastructure work to keep schools safe, healthy, and accessible without raising residents' tax rate. The bonds would fund infrastructure work at all five schools. To learn more, go to www.ccsd89.org/schoolbonds

UPDATE – April 29, 2022

Would there be any energy savings from installing systems that are more energy efficient? The district's architects estimate that the district's utility bills would decrease by about \$22,000 per year by changing from multizone heating and air conditioning systems to fan-powered variable air volume systems.

What is the estimated cost per square foot of the parking lot and roof replacements? The estimated cost for the parking lot replacement is approximately \$11 per square foot including contractor fees, contingencies, and design costs. The estimated cost for the roof replacement is approximately \$34 per square foot including contractor fees, contingencies, and design costs.