



REFERENDUM - FREQUENTLY ASKED QUESTIONS



What are we voting on?

- One referendum question requesting permission to borrow funds to build a new elementary school on the Prospect Elementary School site and demolish the existing school site for a not-to-exceed total cost of \$18.7 million.
- Project includes construction of a new energy efficient, highly sustainable two-story building designed to serve approximately 600 students in grades K-4.

Where can I get more information?

- **Explore** the district website at [www.lakemills.k12.wi.us](http://www.lakemills.k12.wi.us).
- **Join us** for an Information Night at the Prospect Elementary School Cafeteria:
  - Tuesday, Oct. 16, 7:00pm
  - Monday, Oct. 29, 7:00pm
- **Visit** Prospect Elementary during the school day!
  - Tuesday, Oct. 2: 11am-1pm
  - Wednesday, Oct. 10: 8am-10am
  - Tuesday, Oct. 16: 1:30pm-3:30pm
- **Schedule** a small group presentation by contacting the district office at 920-648-2215.
- **Scan** the QR code with your smart phone to go directly to the referendum page on our website.



Q: Why are we proposing a new school?

- Prospect Elementary is over capacity. In its current design, the school’s maximum capacity is 467 students. However, today more than 545 students are enrolled with additional students projected. Kindergarten enrollment has grown steadily since 2006.
- Prospect Elementary was originally built in 1954 and has had multiple expansions. The current building design fails to provide separate parent and bus drop-off/pick-up areas creating serious traffic issues and safety concerns.
- After nearly 60 years of constant use, many original building systems have reached the end of their useful life and are highly inefficient. Electrical and mechanical systems fail to provide the power and infrastructure needed to fully bring today’s technology and teaching methods into our classrooms.
- Teaching and learning have changed dramatically in the last 10 years, and today’s schools must be designed with flexibility and collaboration in mind to enable project-based and personalized learning strategies at all grade levels. The current building design fails to provide this flexibility and the two classroom “pod” areas create supervision issues.

Q: What is the total cost?

The total project cost, if approved by voters, can not exceed \$18,700,000. This includes all new construction, demolition, site work, furniture, fixtures, equipment, professional services fees, and required permits.

Tax Impact Estimate

Not-To-Exceed Project Cost: \$18,700,000	Estimated Annual Property Tax Impact	
	Per Year	Per Month
Property Value		
\$100,000	\$112	\$9.33
\$200,000	\$224	\$18.67
\$300,000	\$336	\$28.00

*In 2011, the average property value in the City of Lake Mills was \$162,440.*

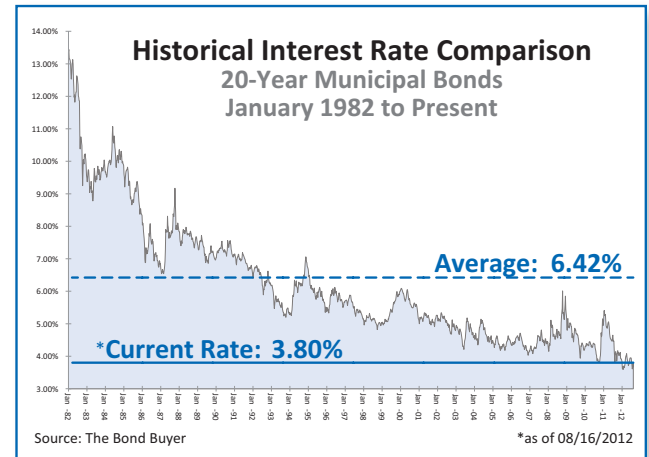
*Preliminary tax-impact estimates for a two-phased financing plan, each for 20 years, based on conservative interest rates of 3.50% to 4.0%. Preliminary tax impact provided by financial consultants from Robert. W. Baird.*

**Q: Why now?**

- The construction market is still very competitive, allowing the district to maximize taxpayer dollars on the proposed project much like we did on the Middle School project in 2008.
- Interest rates are at historic lows, resulting in significantly lower borrowing costs for long-term financing (see chart right).

**Q: How much of a difference can historically low interest rates have on the overall project?**

Moving forward with any kind of long-term capital financing while interest rates are at historical lows would allow the school district to minimize the overall cost of borrowing significantly. For example, for each 1.00% reduction in the borrowing interest rate on an \$18,700,000 project, the total interest cost estimate over 20 years is reduced by \$2,400,000. The average 20-year tax-exempt interest rate over the past 25 years is approximately 5.50% (source: Thomson Reuters MMD index); however, current market rates are approximately 2.50% below this 25 year historical average.



This translates to a potential market opportunity to save approximately \$6,000,000 in interest cost over the life of the 20-year loan if the project moves forward while interest rates remain at historic lows.

**Q: What happens when enrollment at the new elementary school exceeds 600 students?**

The existing Prospect Street site is only large enough to accommodate a school designed for approximately 600 students. Our current enrollment is 545 students, so the proposed design provides room for moderate growth in grades K-4. However, if our elementary population does increase significantly in the future, the school board would not be in support of having an elementary school consistently larger than 600 students for a variety of reasons. If that level of growth occurs, the school board would begin to consider adding a fourth building to the district to best serve our students and families.

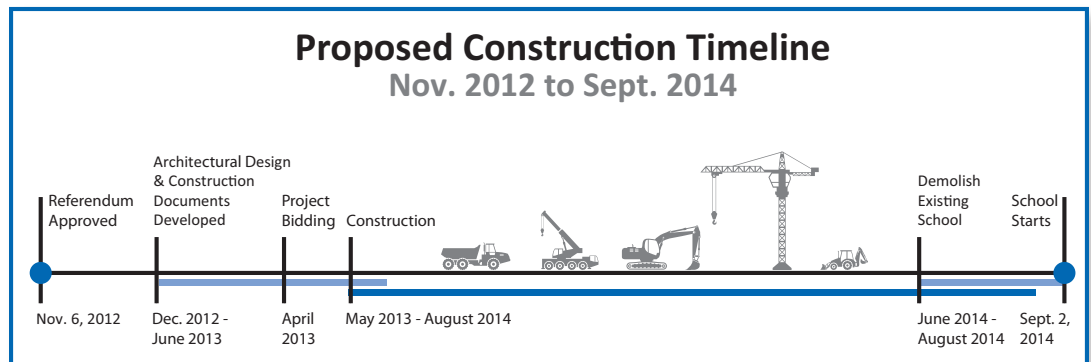
**Q: Will the 4-year-old kindergarten program be moved into the new elementary school if it is approved?**

The new elementary school is being designed to primarily serve approximately 600 students in grades K-4. The district currently offers a 4-year-old kindergarten program to 94 students through a collaboration with two community partners and has no plans to change this arrangement in the near future. The new school will be built to provide flexibility and room for moderate future growth. If an additional section of 4K is needed and there isn't room for the students with one of our community providers, the new school may be able to provide the necessary classroom space if available.

**Q: When would the new school be complete and ready for students?**

If the referendum is approved on November 6, 2012, the district will immediately start the design process. Design will be completed by late next spring with construction on the project to start in May 2013.

It is expected that the new elementary school will be ready for students on the first day of school in September 2014. Demolition of the existing school will be completed in the summer of 2014 and site work will be complete in the fall of 2014.



**MAKE AN INFORMED DECISION ON TUESDAY, NOVEMBER 6, 2012**