FAQ for CPS Bond Refinancing Election

Tuesday, May 2, 2017

What is the reason for the request?

The District has refinanced the facility bonds five separate occasions. As a result, the District can ask voters to approve using the amount saved ($1,665,000) over the life of the bonds toward improvements in the district.

How will this affect my taxes?

THERE IS NO TAX INCREASE TO VOTERS. The current amount being levied is 6.8 mills and will continue at 6.8 mills with **no additional years added to the length of the bonds.**

Is this a new tax?

NO, the amount levied will remain the same and money for renovations will come from refinancing savings.

Why not pay off the bonds or refund the savings to taxpayers?

According to our bond counsel, PFM, the District would not be able to keep the millage at 6.8 mills if we want to pay off the bonds earlier. That would be over-levying which is against the law. So the legal answer to that question is the District existing debt, and the millage required to service that debt would continue through 2028.

The only way to work around that is to refund a portion of the existing debt, and restructure it for an earlier bond maturity. Even if the District were to do that, we'd be looking at reducing 3 to 4 years off term. PFM "advise against that strategy as long as there are capital needs during that time." Plus, our current rate is 2.374% which would be hard to duplicate and we could actually lose some of the savings if rates were higher.

How would the $1,665,000 be used around the district?

Based on community surveys and meetings, the district consulted architects and they have examined areas around the district and recommend renovations in the area of 1.6 million dollars. Renovations and upgrade include; updating of security cameras in all buildings, Updating of technology infrastructures, resurfacing of the track and tennis courts, purchasing of On Track Learning Center for the use of alternative education and online learning, Construction of a new maintenance/storage facility, and the possible removal of the Canaris building (if funds are available).

What will happen if the bond isn't approved?

Taxes will continue at 6.8 mills and money held in debt retirement account for bond repayment. When the original bond is paid in full (2028) excess revenue will be held in the district retirement account – taxes already collected may not be given back to voters.