



Geary Public Schools

Factual Information

It is not surprising that when considering something as serious as the construction of new school facilities, many have strong opinions. It is our aim in this document to provide factual information to aid you in deciding what you will do on February 12.

1. We've heard it stated that the wording on the bond proposition implies that the bond will be paid over the course of 10 years. What, though, are the facts?

Facts: This bond will be paid out over the course of 18 years. The wording in question, "to become due serially over 10 years from their date" makes reference to the types of bond being used in this case. Serial bonds, also known as installment bonds describe a bond issue that matures in portions over several different dates. Instead of facing a large lump-sum principal repayment at maturity, an issuer can opt to spread the principal repayment over several periods.

Thus, the language "to become due serially within ten (10) years from their date..." in this case, simply means that each time an amount of Bonds is sold – a "Series of Bonds" (that is what the phrase "...to be issued in one or more series..." written earlier in the Proposition is stating) - the issuance of Bonds sold **MUST** have a maturity of ten years or less. **Once again, please note: The statement in question has absolutely nothing to do with the length of time a Bond/length of time a Series of Bonds is on the tax rolls.** As *currently structured* Geary would issue an initial 2-year maturity Bond (dated June 1, 2019 – on the tax rolls for TWO years) followed by sixteen additional 2-year maturity Bonds (dated October 1 of each year beginning in

2020 through and including 2035 – EACH of these is on the tax rolls for ONE year).

Again, *as currently structured* the ballot language could have read “...to become due serially within two (2) years from their date...” but that would not have been the fiscally wisest way for the District to draw up its financing. Under the current language (the “...ten (10) years from their date...”) the District could end up being in a position **to save interest cost** by paying off the Lease-Revenue Bond financing early – thereby saving its patrons the cost of the interest on the final year/years (all depending on how early this hypothetical were to occur) of the financing. IN EXAMPLE: IF at any point in the financing it is determined that the *Net Assessed Valuation* (our tax base) has grown at such a level that you could now issue more than the amount initially scheduled {for purposes of this example let’s say \$6,000,030 (rather than the initially scheduled \$2,000,010)} at one point in time - WITHOUT BREACHING THE INITIALLY TARGETED SINKING FUND MILLAGE RATE of 30.00 mills – THEN the District could choose to issue that amount early (possibly by increasing the maturity of that issuance of Bonds to 3-year, 4-year, 5-year, etc., depending on the growth of the *Net Assessed Valuation*) AND thereby be ahead by \$4,000,020 in the retirement of its debt, ergo savings in the cost of interest! (Just like when a credit card, car, or house has “Additional Principal” applied to a scheduled payment.)

This is but one plausible example of a plethora of possibilities that could occur during the life of the financing. The point being that utilizing the “...ten (10) years from their date...” language allows for greater flexibility for the Geary Board of Education to pay off the projects in the quickest, most efficient, most fiscally wise manner possible.

This language is not meant to confuse, rather to inform. If you would like clarification of any of this information, please note that while we aim to provide as many facts as possible by means of such fact sheets, it would be much simpler to provide an explanation in person. We invite you to visit with district administration.

2. We’ve heard it asked why the ballot language includes statements in reference to “repairs and remodeling of school buildings.”; as well as “acquiring school furniture, fixtures, and equipment.” Isn’t the bond for the structure only?

Facts: This bond is brought before the community for the purpose of building a new structure. Nonetheless, this language allows the district to legally use monies from this bond for the purchase of fixtures and equipment, i.e. door knobs, light fixtures, hot water heaters, as well as pay the necessary fees to “remodel” our current facilities by TRANSFERRING FROM them our current security camera and entry door lock systems, as well as the new pieces of

technology recently added that must be professionally reinstalled in the new facility.

Again, we invite **any** individuals with sincere questions to visit with district administration. We would love to answer any questions you may have.

3. We've heard it asked if the windows in this new facility will be bulletproof.

Facts: All windows located within 10 feet of ground level will be bullet resistant.