

# Questions asked during the 2/19/24 Bond Meeting:

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1. What is the bond interest rate?

If the bond election is successful, the District will lock in a fixed interest rate about 60 days after the election. The conservative interest rate assumptions used in the cash flow projections for the bond election assumed a 5.38% annual rate on the 25-year financing. The current market for a 25-year financing rate is about 4.00%.

2. What \$ amount does Nabholz receive from this?

Nabholz receives 2.25% of the construction cost, but only if the bond passes. That fee is included in the bond amount.

3. Will entire county be effected by tax increase on personal property such as vehicle taxes?

With respect to the motor vehicle tax levy process, each year, the County Clerk gets from the State a single rate to levy against motor vehicles within the count. That rate is determined by formula set forth in K.S.A. 79-5105. It is based on the average mill levy of all taxing jurisdictions within the county. The bond and interest mill levy is included in determining the county average rate. Therefore, the single rate used to levy against motor vehicles within the entire county will likely be affected by the bond and interest mill levy associated with the USD 273 bond election.

Please see the FAQ section of the foundation website for more information on how this county average tax rate is calculated.

4. Why will the ballots only be sent to voters in USD 273 district?

See FAQ's on Foundation for Future Generation's website.

5. What is the footprint size of the ag center?

As of right now, 11,000 square foot is the estimated footprint size.

6. Will the HVAC at BES be steam heat or forced air?

If the bond passes, multiple options will be assessed as it will be a retrofit, and the final elementary HVAC approved design will be selected based upon the longevity, construction cost and a number of additional factors.

7. What will the cost be for the architect and CMAR? Is it included in the bond amount?

The fee is included in the bond amount.

8. How did the district come up with the \$16.2 million? What if goes over the \$16.2 million?

Nabholz, together with HTK architects created the cost estimate. If the cost exceeds \$16.2 million, the additional cost is absorbed by the CMAR as they are responsible for this risk.

9. Why doesn't it say on the ballot to "pay off lease purchase"?  
The lease purchase provided funds for HVAC improvements on several buildings in the district and building improvements to the Elementary School. The ballot question specifically provides for the authority to pay the costs to construct, furnish and equip HVAC and building improvements to the Elementary School and Junior/Senior High School facilities. The costs to "pay off the lease purchase" are part of the costs to "construct, furnish and equip" the HVAC and building improvements to the Elementary School and are therefore eligible to be paid from the Bonds.
10. Would like the breakdown for each project?  
See FAQ's on Foundation for Future Generation's website.
11. What is plan B if this doesn't pass?  
See FAQ's on Foundation for Future Generation's website.
12. Why mail in ballot?  
See FAQ's on Foundation for Future Generation's website.
13. Will local contractors be able to do the work?  
See FAQ's on Foundation for Future Generation's website.
14. Once the bond is paid off, will the mill levy drop off?  
Yes. Once the bond is paid off the school district is required by State law to lower the bond and interest fund mill levy to 0.
15. Can the interest rate go up or down?  
No. Once the Bonds are sold, the interest rate will be locked in for the life of the financing.
16. How much "fluff" is involved in this?  
Appropriate construction contingencies are built into the cost estimate.
17. Will these bonds be purchased out of Mitchell County?  
If the bond election is successful, a notice of bond sale will be broadly distributed to banks nationwide. This will allow for a variety of banks to bid for the purchase of the Bonds.
18. Change the website to show what will be paid over 25 years instead of daily tax increase.  
We believe the website most clearly communicates individuals' tax impacts per its current design.
19. Why are college age kids allowed to vote even though they don't pay taxes?  
See FAQ's on Foundation for Future Generation's website.
20. Is there an incentive for the CMAR to go under the \$20 million?  
All design, project scope, and bids are reviewed, approved and voted on by the USD 273 Board of Education.

21. If the bond is paid off before 25 years, does it drop off?  
If the bond is paid off before the 25-year financing term and no other bonds are outstanding, then the bond and interest mill levy will drop to 0.
22. Will it go beyond the 25 years if it is not paid off by them?  
The bond will not exceed the 25-year financing term.
23. Will there be transparency to the public as to where we are at annually for pay off?  
Yes, the Board will meet regularly to discuss the capital improvement plan of the District, including the bond and interest fund cash flows. This is publicly available information and Board meetings are public meetings.
24. How are we going to make sure we won't be in this situation again in 10-15 years?  
The Board had HTK architect perform an assessment of the district facilities. HTK has indicated this will take care of the district for many years to come. Based on this assessment along with the District's needs assessment we believe the proposed improvements will address the district's needs for years to come.
25. How many tax entities will be paying for this?  
All taxing units that lie within the USD 273 boundaries.
26. Is this simple majority vote or percentage?  
Simple.
27. What is the cost to maintain the turf football field?  
These costs are variable based on the type of turf, usage weather conditions and other factors.
28. If my son, a soldier, is deployed will he be able to vote and if so, how?  
This information is available through the County Election office. It has also been personally emailed to the individual family that inquired about this at the February 19, 2024 meeting.