

# November 2019 Bond

## Frequently Asked Questions

### **How is it that the District doesn't anticipate a tax rate increase if voters approve one or both of the propositions in the November 2019 Bond Referendum?**

*If Prop A and Prop B or a single Prop is approved by the voters on November 5, the Conroe ISD debt service tax rate will not increase. This is due to being in a very favorable interest rate environment, refunding current bonds to a lower interest rate, paying off on average \$50 million of principal per year of current debt, and growth.*

### **Where is the long list of projects?**

*Projects included in the November 2019 Bond Referendum are detailed in the links above. Many items were removed from the package presented in May as a result of feedback from the community including the teacher training center, ag facility, maintenance facility, Hauke renovations, and Jett Center. The CISD Board of Trustees also approved the creation of a Capital Maintenance Fund that resulted in the removal of many items that were present in the May Bond Package.*

### **How was the cost for the turf conversions determined?**

*The cost for the turf conversions is an estimate for planning purposes. If we are able to complete the projects for less than estimated, we will. The starting point for estimating cost was the actual cost to install the same fields at Grand Oaks High School which opened in 2018. That cost was then adjusted for inflation. We were also able to get information from another nearby district who recently made similar turf conversions. The initial installation is more expensive than simply purchasing the turf because of the cost to complete sub-surface work and install drainage systems. The cost to prepare the sub-surface and install drainage and turf is approximately \$1.6 million per football field, \$2.1 million per baseball field, and \$1 million per softball field. The remaining amount is for materials testing, design fees, inflation, and contingency.*

### **Will the tax rate be going up 18%?**

*No. If voters approve one or both propositions in the November 2019 Bond Referendum, there is no anticipated tax rate increase. Conroe ISD's tax rate is \$1.23, which is \$.05 lower than last year's tax rate of \$1.28 due to a number of factors including recent legislation. Therefore, on average, Conroe ISD residents will see a decrease in their tax bill from the District.*

### **How can the District maintain a low tax rate if they are acquiring more debt?**

*The bond debt, both principal and interest, are paid for by tax revenues generated by the debt service tax rate. This tax rate is currently at \$.26 and is not anticipated to increase with the passage of the bond referendum. This is due to being in a very favorable interest rate environment, refunding current bonds to a lower interest rate, paying off on average \$50 million of principal per year of current debt, and growth.*

### **Is Conroe ISD spending over \$200 million on fees for architects and engineers?**

*No. Costs associated with the required use of architects and engineers are estimated to be approximately \$30.7 million across all projects included in the November 2019 Bond Referendum.*

### **Is Conroe ISD planning to build a school in a neighborhood with no homes?**

*No. The location of Elementary #48 in the Caney Creek Feeder Zone has not been determined and land has not been purchased. This school is planned to address anticipated growth in the area near San Jacinto Elementary, and, if the school is needed, construction would not begin until 2023. If the growth does not materialize, the school will not be built.*

### **With the November 2019 Bond Referendum, will the District's debt be \$2 billion?**

*No. Conroe ISD's current debt is approximately \$1.2 billion. If approved by the voters, the bonds will be sold over a period of 5 years. Additionally, Conroe ISD pays off an average of \$50 million in debt annually. Therefore, in 5 years, Conroe ISD's debt is expected to be approximately \$1.6 billion.*

**Does the November 2019 Bond Referendum contain projects for stage curtains, air soft gun ranges, and wooden dance floors?**

*No. Those items were in the May 2019 Bond, but were removed and are not included in the November 2019 Bond Referendum.*

**Are the projects in the November 2019 Bond Referendum based on fake project estimates?**

*All projects included in the bond referendum are estimates based on the knowledge and experience, of staff and other professionals along with market forecasts, and assumptions about inflation over the course of the bond program. When a bond is passed, procurements from bond funds must comply with state procurement laws so the spending of bond funds is regulated.*

**Does the bond include administrator salary increases?**

*No. Bond funds cannot be used for salaries or pay increases for employees.*

**Is the November 2019 Bond Referendum the same as the May 2019 Bond Referendum?**

*No. The May 2019 Bond Referendum was for \$807 million. The November 2019 Bond Referendum is \$677.37 million with two propositions. Many items were removed from the May Bond proposal as a result of feedback from the community including the teacher training center, an ag facility, a maintenance facility, Hauke renovations, and the Jett Center. The CISD Board of Trustees also approved the creation of a Capital Maintenance Fund that resulted in the removal of many items that were present in the May Bond Package.*