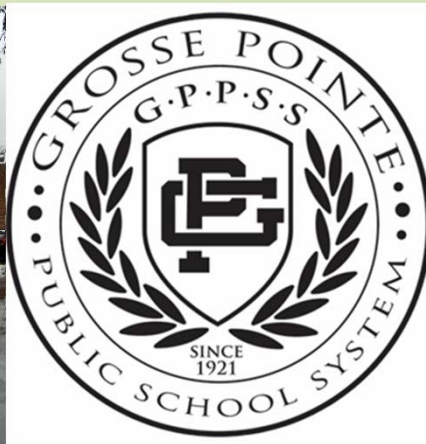




Grosse Pointe Public School System Blue Ribbon Committee

November 16, 2017





Agenda

1. Review PMC's Engagement and Blue Ribbon Committee Charge (PMC, P. Wills)
2. Educational Peer District Review (GPPSS, M. J. Dean)
3. Millage Rates and Recent Bond Proposal Activity (PFM)
4. GPPSS Financial Analysis and Comparison of Peer Districts (Plante Moran, L. Claeys)
5. Next Steps



Overview of PMC's Engagement & Blue Ribbon Committee Charge



Reminder of 3 Overarching Questions:

1. Plante Moran Cresa was engaged by the Board of Education to review building capacity based on the GPPSS' guidelines, provide a 5-year enrollment pupil enrollment projection and provide a 10-year capital plan for GPPSS. Is the Plante Moran Cresa facilities report credible and verifiable information that can be used to develop a sustainable facilities plan?
2. What are the GPPSS footprint needs now, 5 years from now, and 10 years from now, for our educational programming?
3. What funding is needed to sustain the educational program our community expects for its students and from its neighborhood schools?



GPPSS Educational Peer District Review





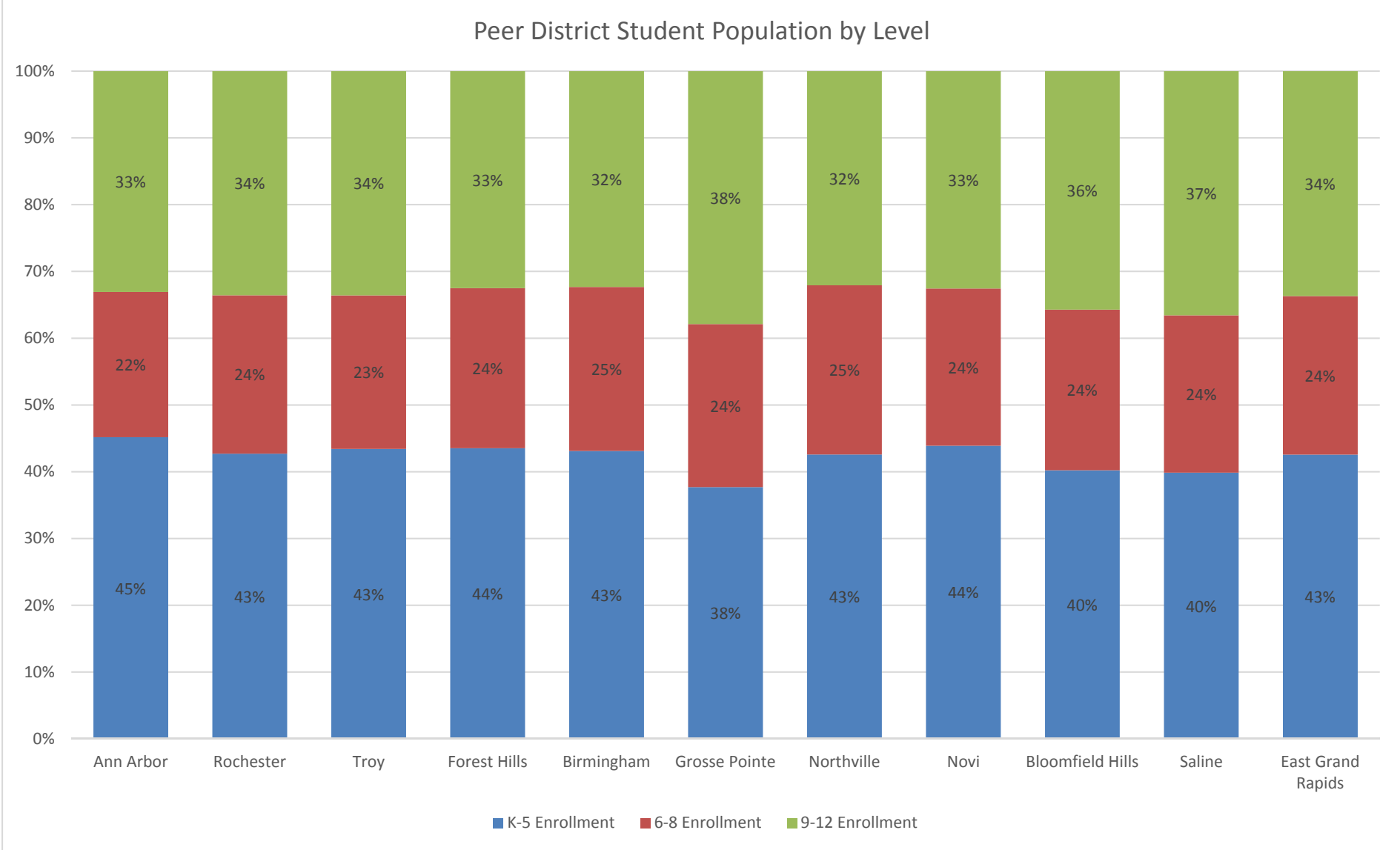
Report Card

Project Feasibility **A⁺**

Bond Issue/Millage Campaign **A⁺**

Project Management **A⁺**





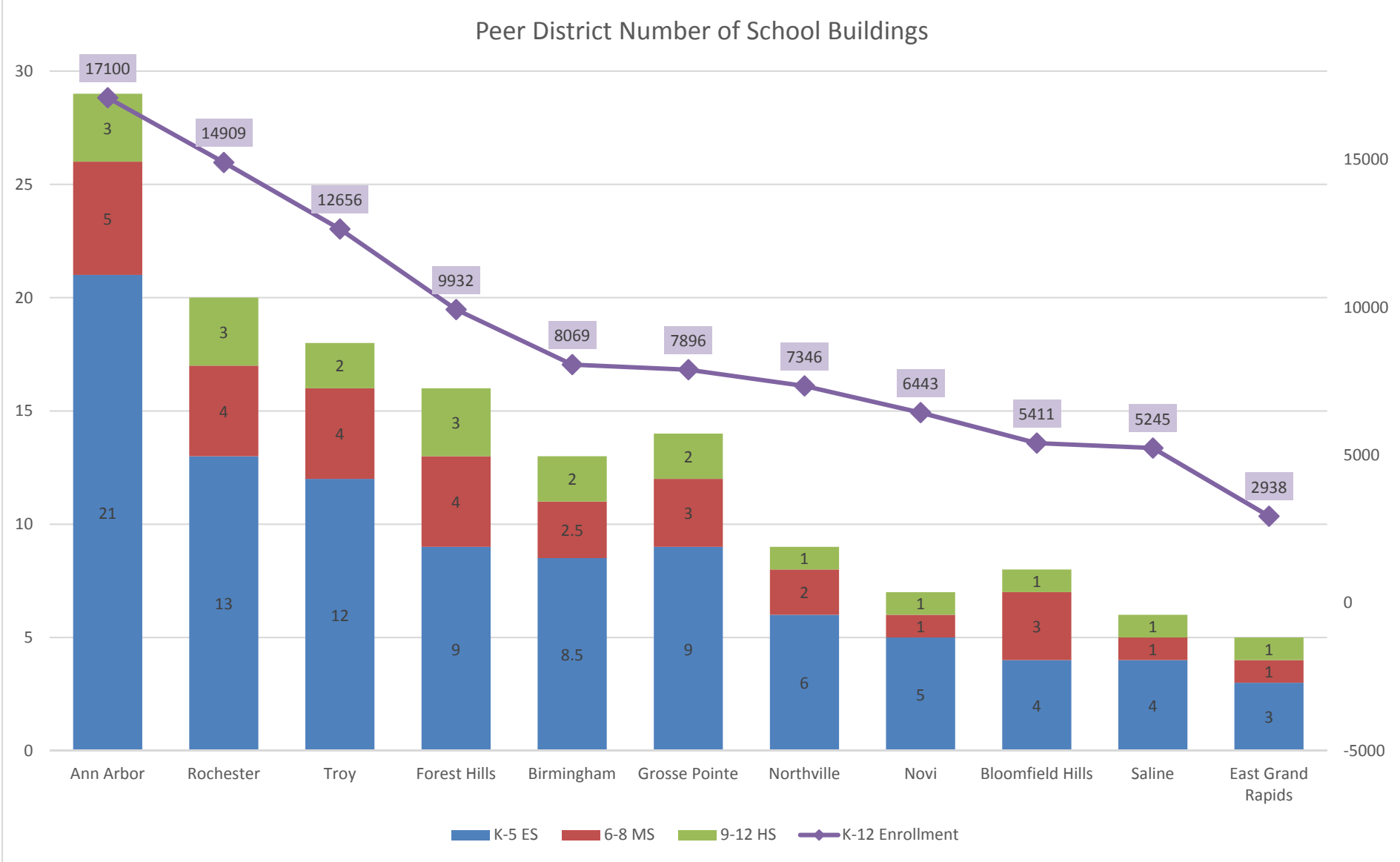


Report Card

Project Feasibility **A⁺**

Bond Issue/Millage Campaign **A⁺**

Project Management **A⁺**

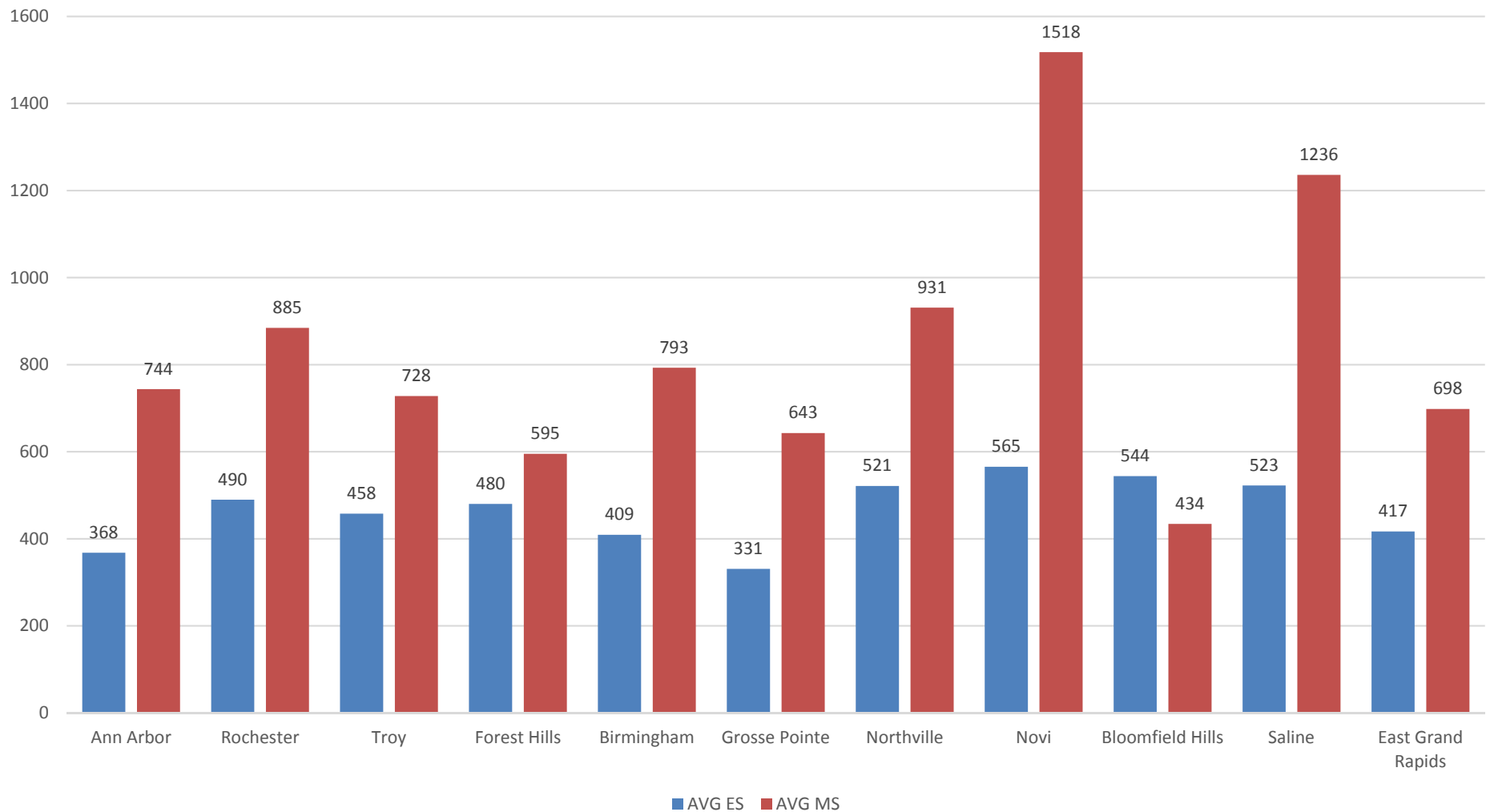


Report Card

Project Feasibility **A⁺**
Bond Issue/Millage Campaign **A⁺**
Project Management **A⁺**



Peer District ES and MS
Average Building Size





Millage Rates and Recent Bond Proposal Activity



2018 Elections and Lead Time

Election Dates	State Qualified Preliminary Qual. Meeting	Ballot Filing Deadline
May 8, 2018	Dec./ Early Jan.	Feb 13, 2018
Aug 7, 2018	April	May 15, 2018
Sept. Special	May	June /July
Nov 6, 2018	July	Aug 14, 2018

Lead Time

- 5 Months to 1 year before election, depending on project
- Ballot prepared at Preliminary Qualification meeting or by filing deadline if Non-Qualified
- Project scope finalized no later than a week before ballot is to be written



Elections Statistics

Elections	School Bond Proposals	Passage Rate	With Millage Increase	Passage Rate	Without Millage Increase	Passage Rate
Nov-12 **	13	31%	9	11%	4	75%
Feb-13	13	69%	9	56%	4	100%
May-13	31	74%	21	62%	10	100%
Aug-13	6	33%	4	0%	2	100%
Sep-13	1	100%	1	100%	0	n/a
Nov-13	25	64%	17	53%	8	88%
Feb-14	9	56%	6	33%	3	100%
May-14	37	84%	26	77%	11	100%
Aug-14	7	71%	5	80%	2	50%
Nov-14 ***	13	62%	12	58%	1	100%
Feb-15	17	65%	14	57%	3	100%
May-15	30	57%	17	35%	13	85%
Aug-15	9	56%	5	40%	4	75%
Nov-15	31	16%	22	18%	9	0%
Mar-16	4	75%	4	75%	0	N/A
May-16 *	40	83%	31	77%	9	100%
Aug-16	13	62%	9	56%	4	75%
Nov-16 **	9	78%	6	83%	3	67%
May-17	29	55%	19	32%	10	100%
Aug-17	8	50%	4	25%	4	75%
Nov-17	35	74%	17	71%	18	78%
Totals	380	257 passed	258	148 passed	122	109 passed
		68%		57%		89%

*Presidential Primary

**Presidential Election

***Gubernatorial Election



November 2017 School Bond Proposals

No Mill Increase from Current Levy	
School	Result
Armada	Passed
Charlevoix	Passed
Gibraltar	Passed
Harbor Springs	Passed
Hastings Proposal 1	Failed
Kingston SD	Passed
Lakeshore SD	Failed
Les Cheneaux SD	Passed
Northville SD	Passed
Royal Oak SD	Passed
Wayland Union SD	Passed
Wyoming SD	Passed

Mill Increase from Current Levy		
School	Mills Increase	Result
Big Rapids	2.90	Failed
Cadillac	3.72	Failed
Center Line	4.90	Passed
Coldwater	1.44	Passed
Concord	1.55	Passed
Dundee	0.98	Passed
Fennville	2.55	Passed
Flushing	1.25	Passed
Forest Area	0.95	Failed
Hastings Proposal 2	0.50	Failed
Madison District	5.24	Failed
Meridian	1.18	Failed
Munising	2.29	Passed
North Huron Consolidated	2.15	Failed
Owosso	4.73	Passed
Tekonsha	2.00	Passed
Warren Woods	2.20	Passed



GPPSS Estimated Bonding Capacity – November 2018 Election

Scenario/ Series	Amount of New Bonds	Estimated Capitalized Interest	Estimated Bond Proceeds for Project	Bond Term	Estimated Interest Rate	Estimated Interest	First Year Millage	Average Millage	Maximum Total Mills All Debt	Increase (Decrease) in Debt Levy
1.0 Mill Increase							New Debt Alone			
Series 2019	\$41,000,000	\$1,298,333	\$39,701,667	20 yrs., 2 mos.	4.75%	\$25,769,858				
Series 2022	41,000,000	0	41,000,000	19 yrs., 6 mos.	4.75%	25,586,350				
Total	\$82,000,000	1,298,333	80,701,667			\$51,356,208	1.27	1.76	2.64	1.00
1.5 Mill Increase										
Series 2019	\$55,000,000	\$1,741,667	\$53,258,333	20 yrs., 2 mos.	4.75%	\$34,465,129				
Series 2022	55,000,000	0	55,000,000	19 yrs., 6 mos.	4.75%	37,525,000				
Total	\$110,000,000	1,741,667	108,258,333			\$71,990,129	1.77	2.39	3.14	1.50
2.0 Mill Increase										
Series 2019	\$67,000,000	\$2,121,667	\$64,878,333	20 yrs., 2 mos.	4.75%	\$41,609,604				
Series 2022	65,000,000	0	65,000,000	19 yrs., 6 mos.	4.75%	42,601,563				
Total	\$132,000,000	2,121,667	129,878,333			\$84,211,167	2.27	2.84	3.64	2.00
2.5 Mill Increase										
Series 2019	\$78,000,000	\$2,470,000	\$75,530,000	20 yrs., 2 mos.	4.75%	\$47,911,825				
Series 2022	76,000,000	0	76,000,000	19 yrs., 6 mos.	4.75%	48,344,313				
Total	\$154,000,000	2,470,000	151,530,000			\$96,256,138	2.77	3.30	4.14	2.50
ASSUMPTIONS: - a December 2017 and 2018 debt levy of 1.6408 mills - a November 2018 Election - 1st Series dated Mar 1, 2019 and 2nd Series dated Nov 1, 2022 - An annual change in Taxable Value of 1.50% for 2018 and thereafter.										



Report Card

Project Feasibility **A⁺**
Bond Issue/Millage Campaign **A⁺**
Project Management **A⁺**



GPPSS Financial Analysis

GPPSS Financial Information – State Aid Funding

Current school funding structure follows this basic formula:

$$\text{Enrollment} \times \text{Foundation Allowance} = \text{State Aid}$$

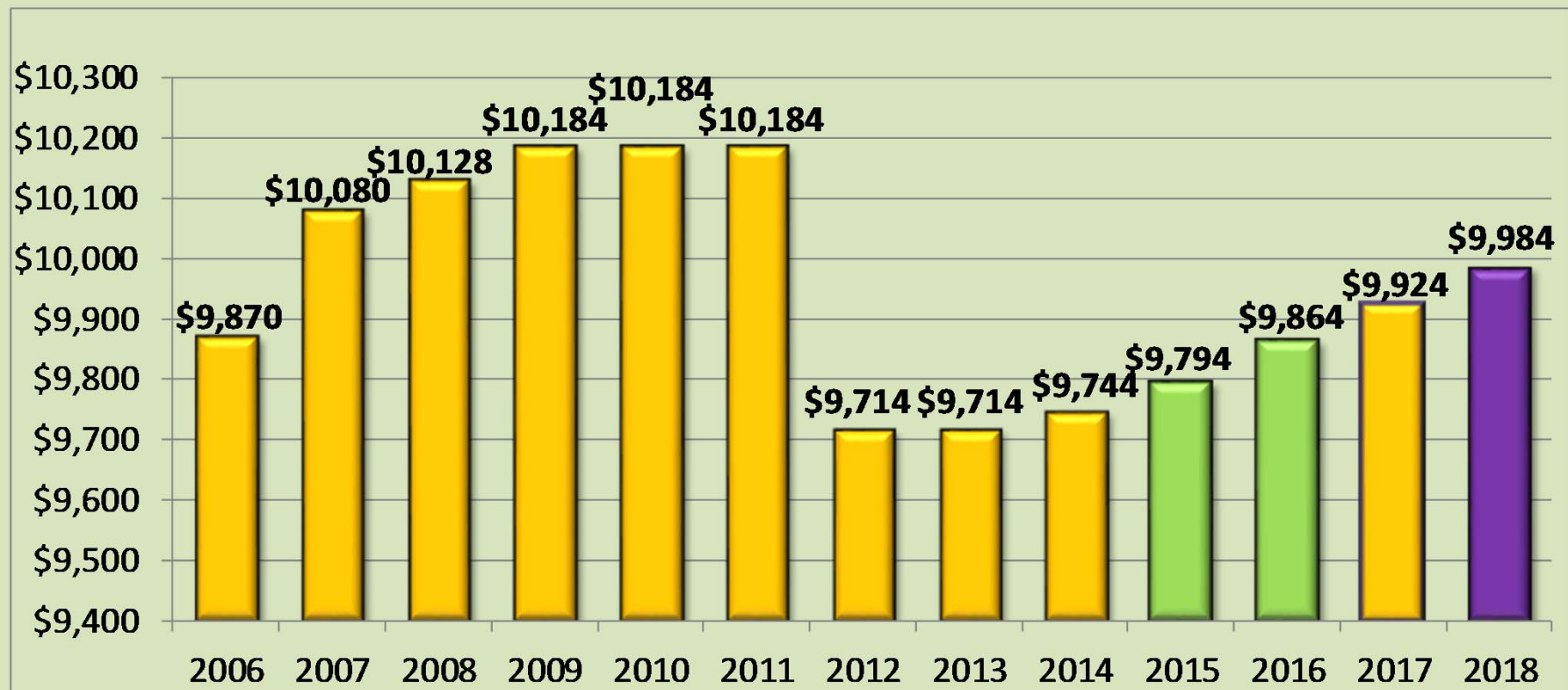
- Foundation Allowance = **\$9,924 per student** for 2016/2017
 - The annual per student amount of state aid funding
- Foundation Allowance is comprised of 2 portions – local and state
 - **Local** portion funded by 18 mills on non-primary residence property in Grosse Pointe and 6 mills on commercial property + additional community support of 6.7 mills on primary residence property = **\$2,784 per student** or 28% of total foundation
 - **State** portion funded by 6 mills on ALL property = **\$7,140 per student** or 72% of total foundation

Report Card

Project Feasibility **A⁺**
Bond Issue/Millage Campaign **A⁺**
Project Management **A⁺**



GPPSS Foundation Allowance History

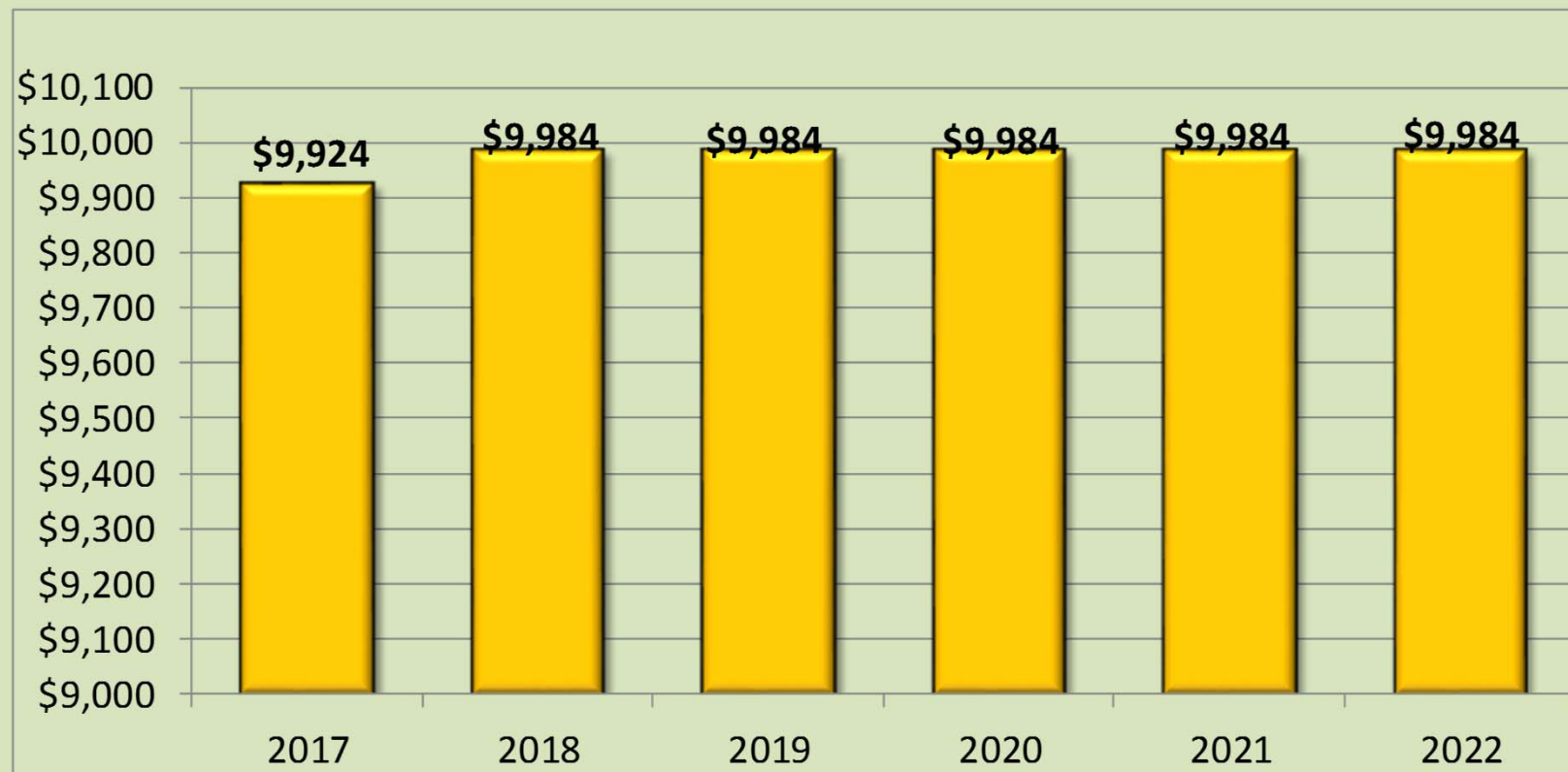


Report Card

Project Feasibility **A⁺**
Bond Issue/Millage Campaign **A⁺**
Project Management **A⁺**



GPPSS Foundation Allowance Projection*



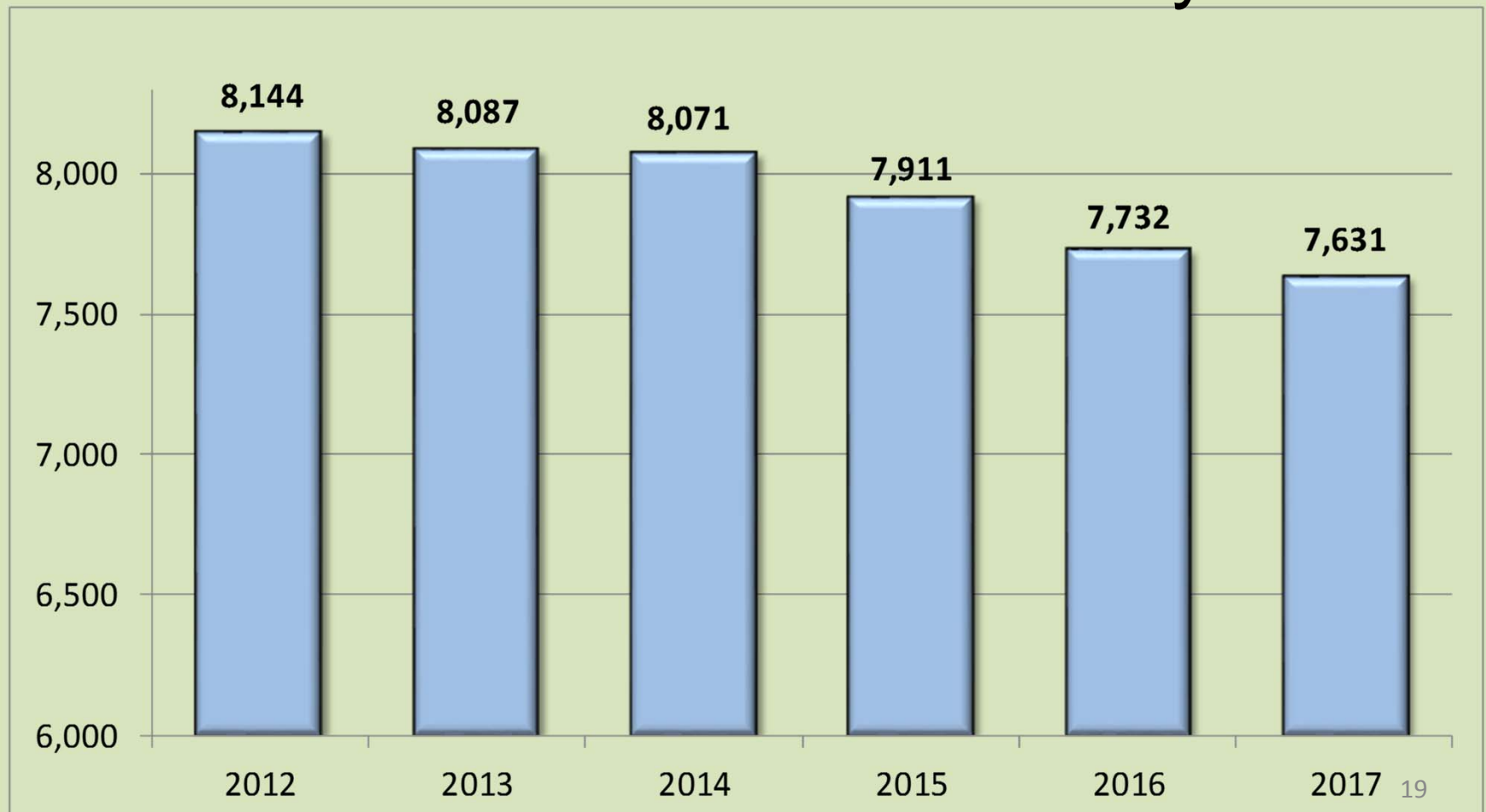
* The State determines the change in foundation allowance based on revenue projections – prudent budgeting would start with assumed zero increases beyond 2018

Report Card

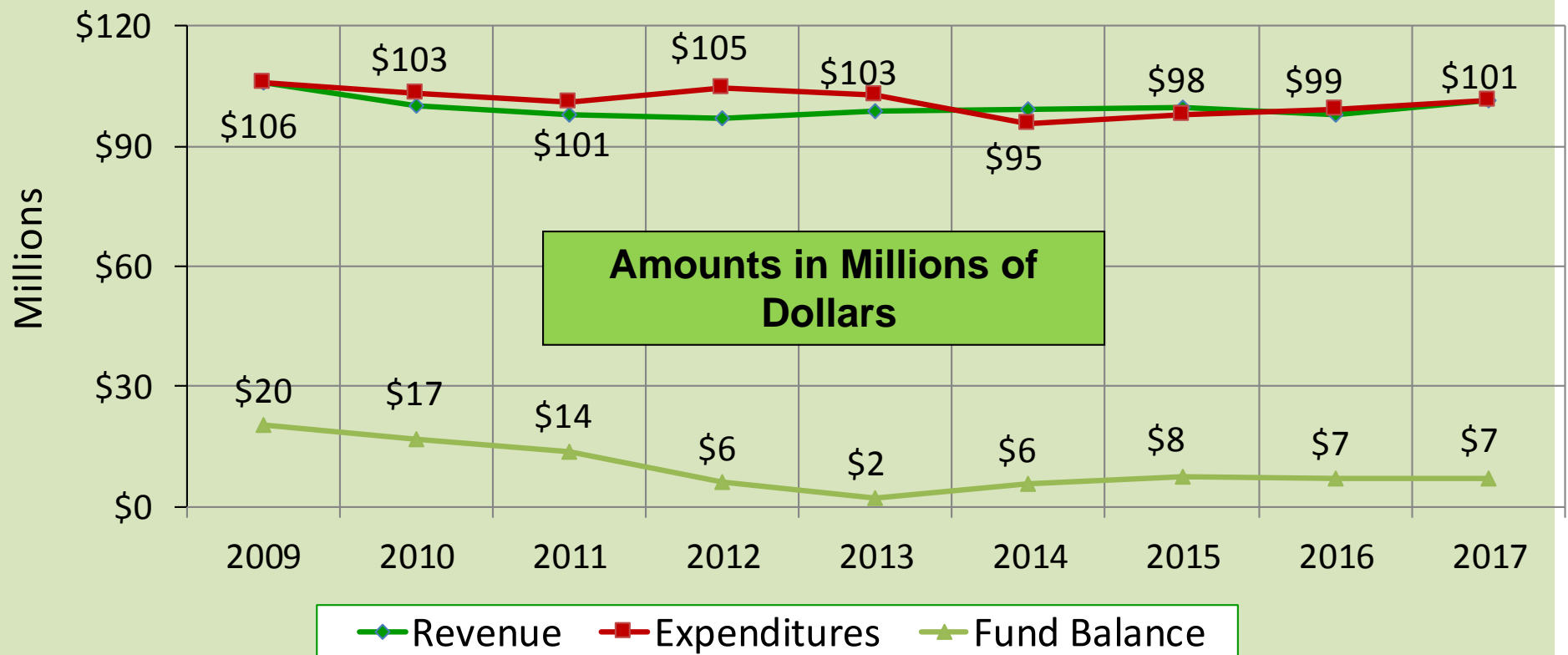
Project Feasibility **A⁺**
Bond Issue/Millage Campaign **A⁺**
Project Management **A⁺**



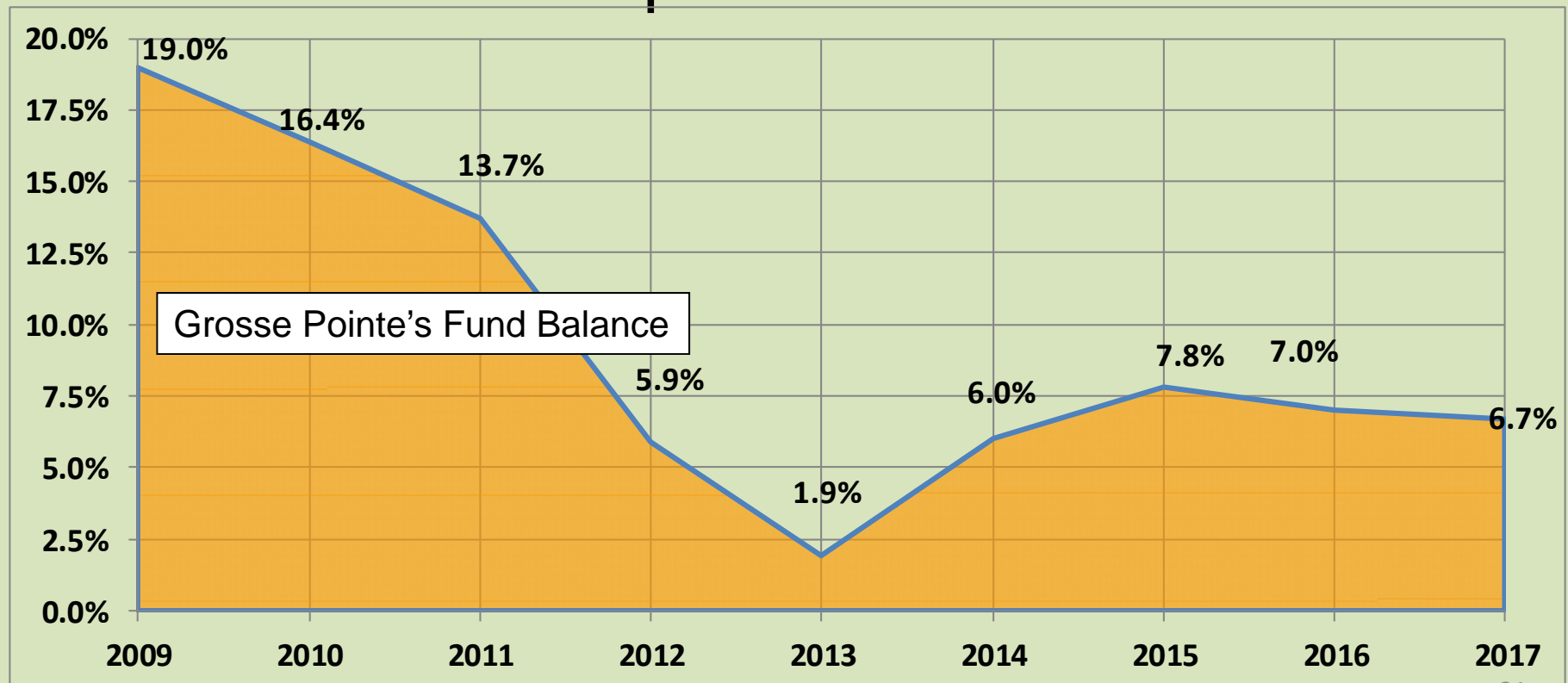
GPPSS Enrollment History



GPPSS Financial Information – General Fund Revenue, Expenditures & Fund Balance



GPPSS Financial Information – General Fund Balance as a Percent of Expenditures





Financial Analysis Comparison of Peer Districts



Report Card

Project Feasibility **A⁺**

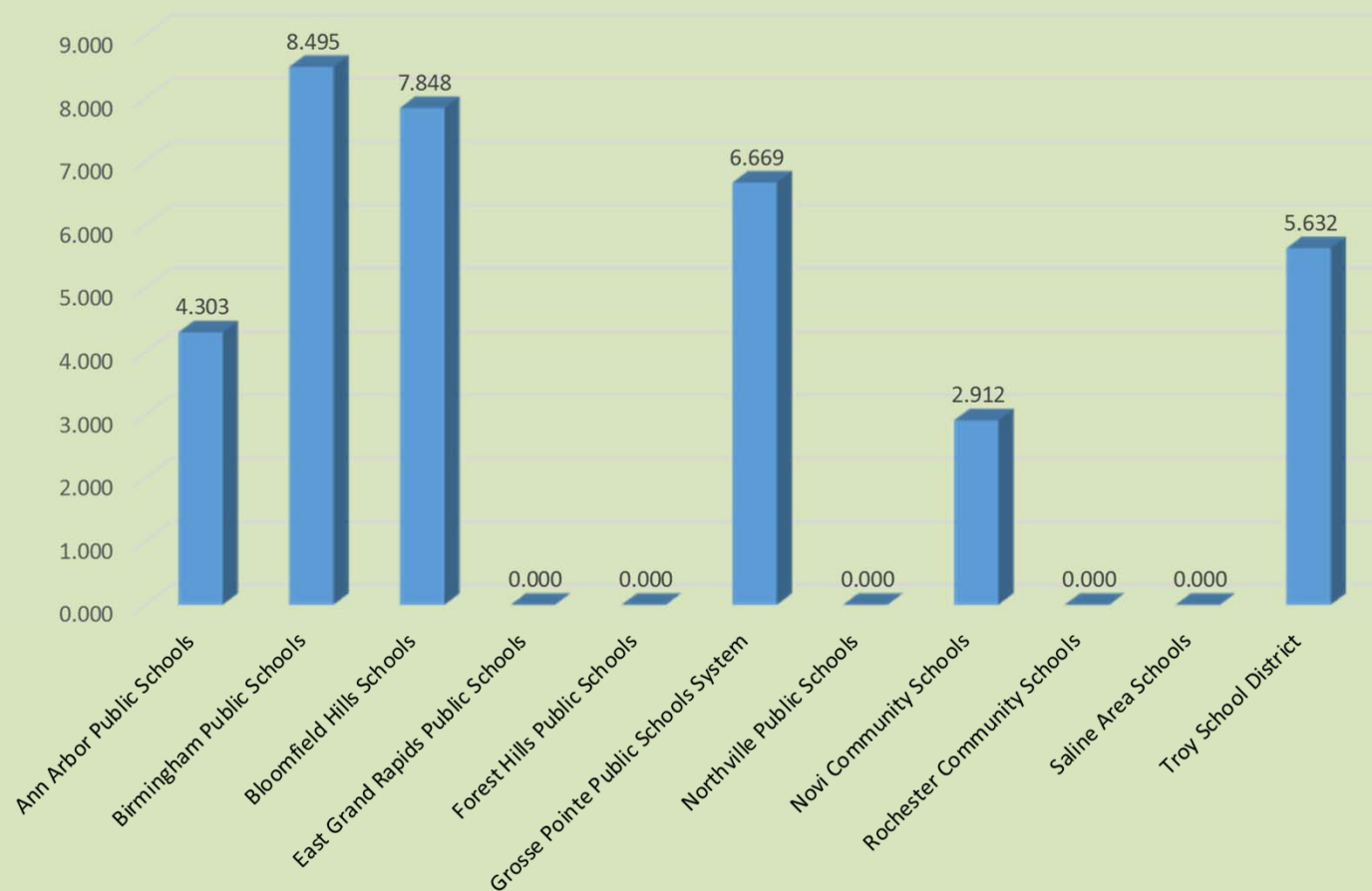
Bond Issue/Millage Campaign **A⁺**

Project Management **A⁺**



Current Hold Harmless Millage Rate

GPPSS Peer District Review



■ Homestead Hold Harmless

based on State Aid Financial LEA Millage Report for Fiscal Year 2017 (Tax Year: 2016)



Report Card

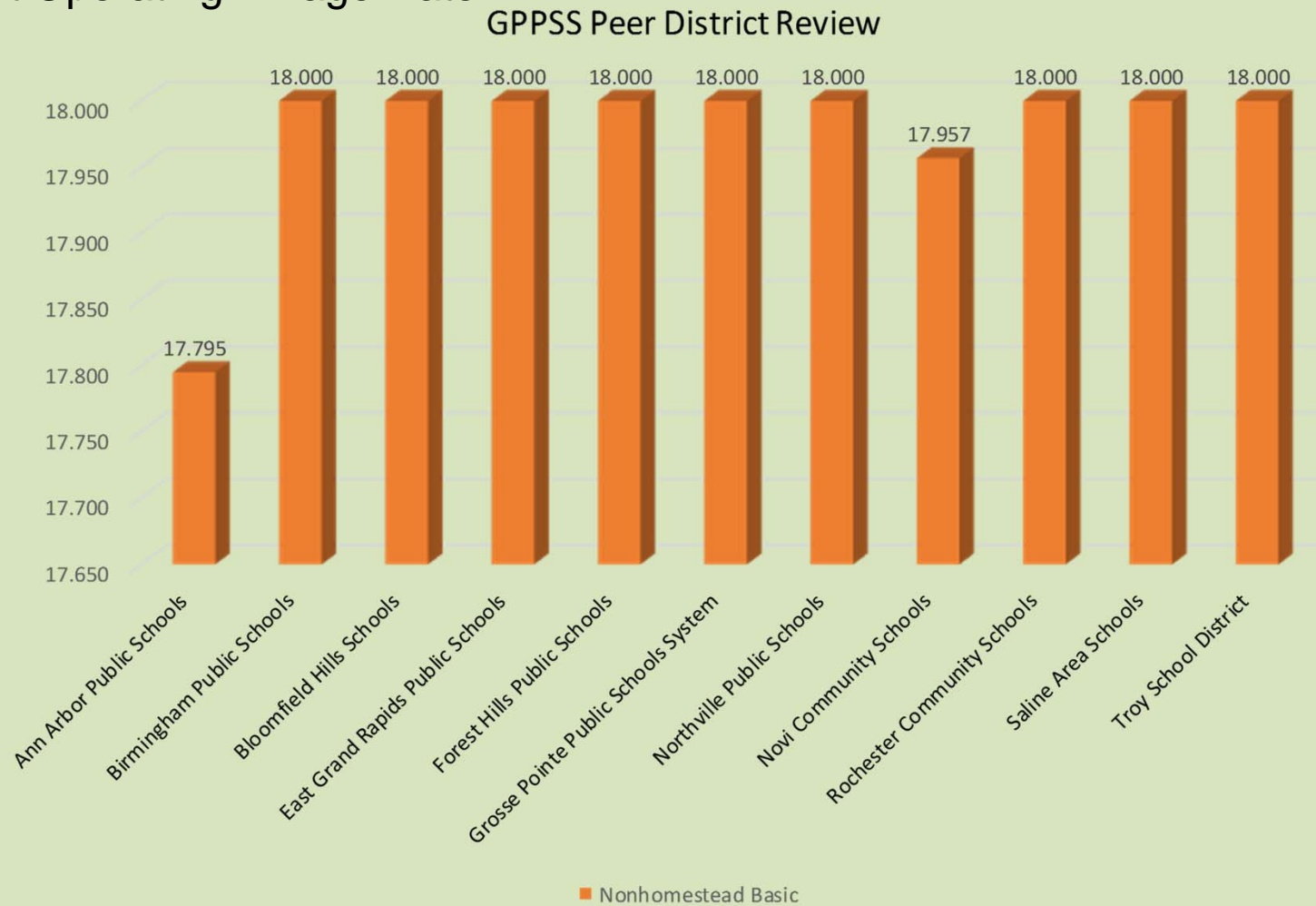
Project Feasibility **A⁺**

Bond Issue/Millage Campaign **A⁺**

Project Management **A⁺**



Current Operating Millage Rate



based on State Aid Financial LEA Millage Report for Fiscal Year 2017 (Tax Year: 2016)



Report Card

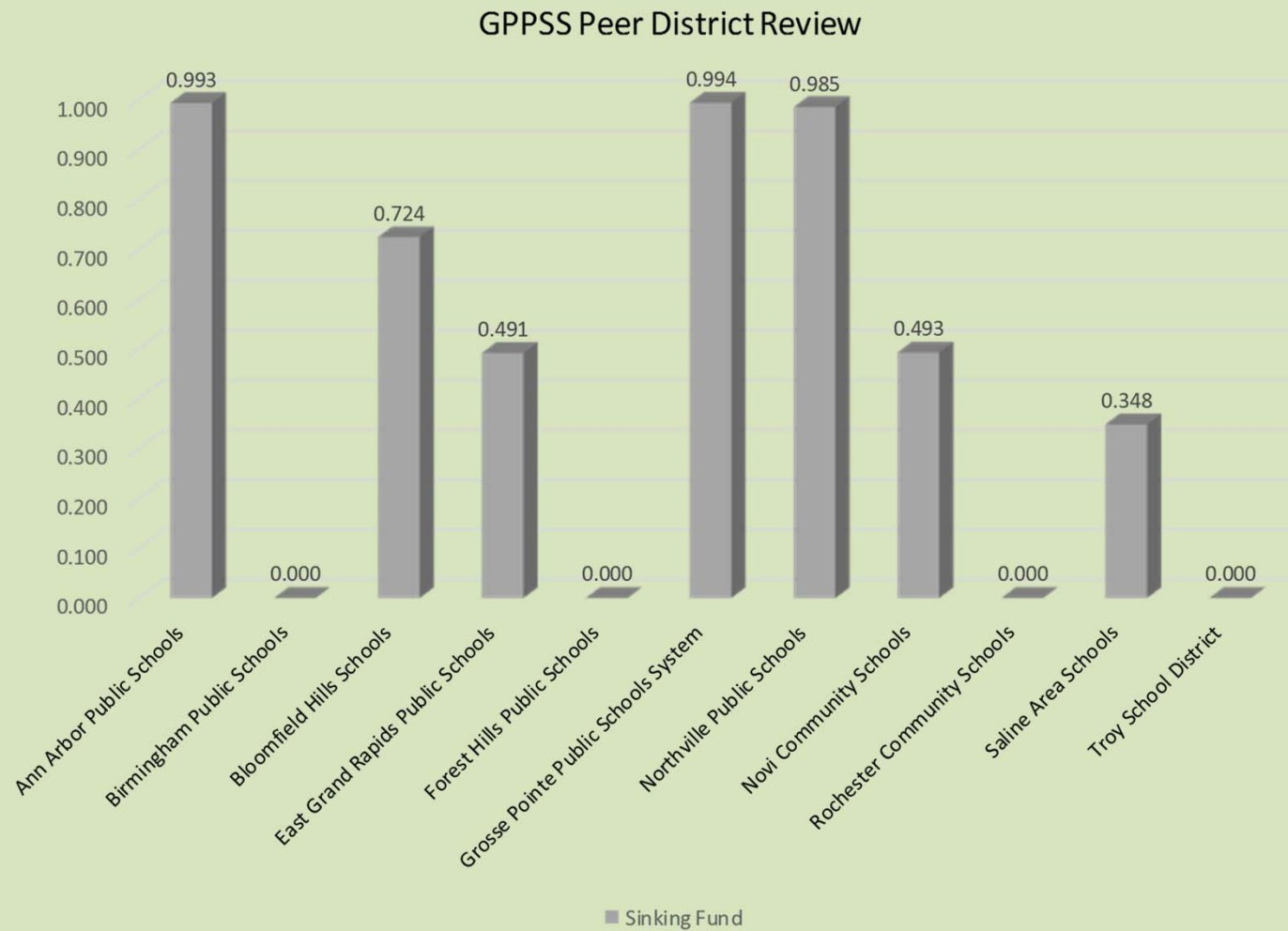
Project Feasibility **A⁺**

Bond Issue/Millage Campaign **A⁺**

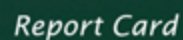
Project Management **A⁺**



Current Sinking Fund Millage Rate



based on State Aid Financial LEA Millage Report for Fiscal Year 2017 (Tax Year: 2016)



Project Feasibility **A⁺**
Bond Issue/Millage Campaign **A⁺**
Project Management **A⁺**



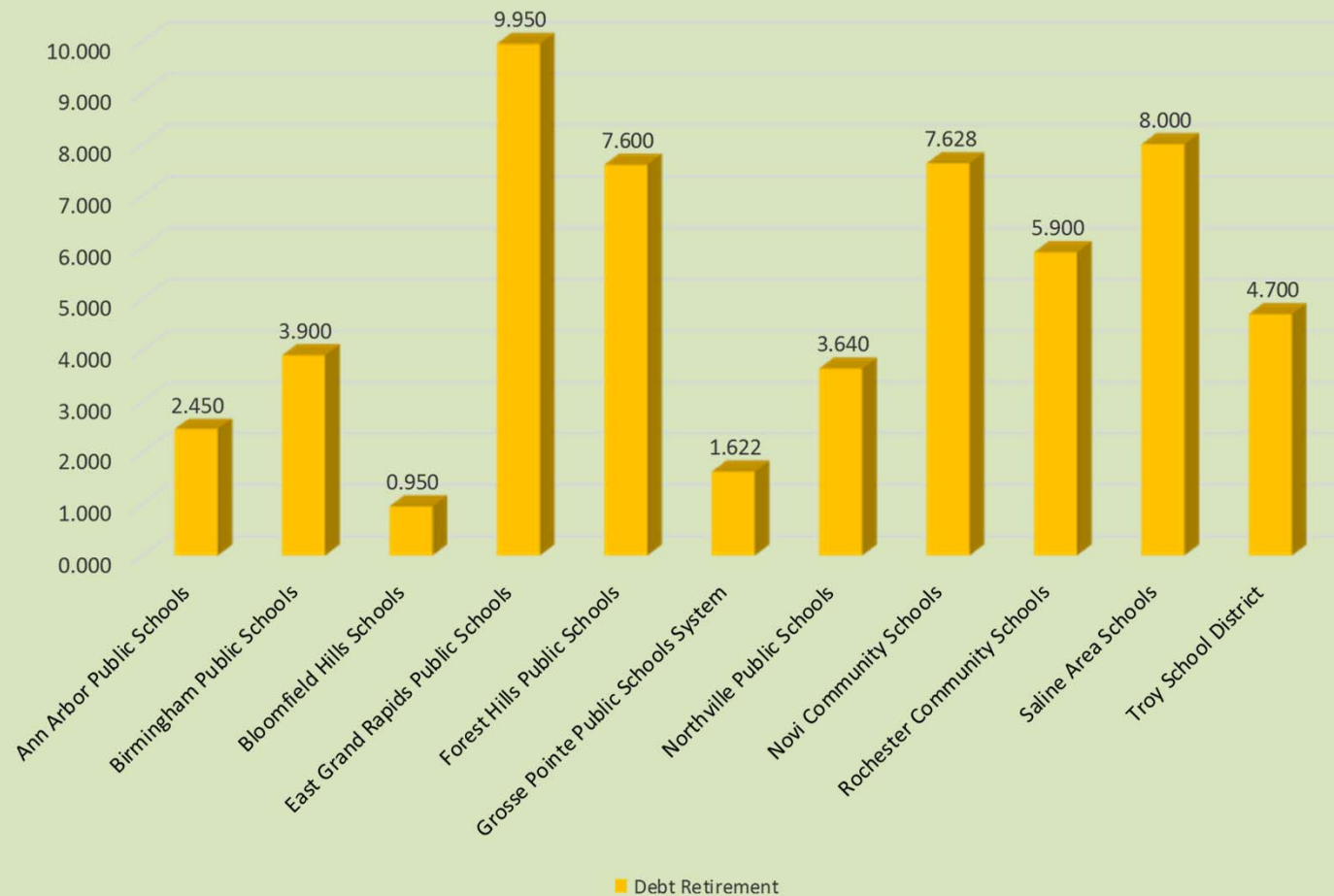
GPPSS Peer District Review





Current Debt Retirement Millage Rate

GPPSS Peer District Review





Report Card

Project Feasibility **A⁺**

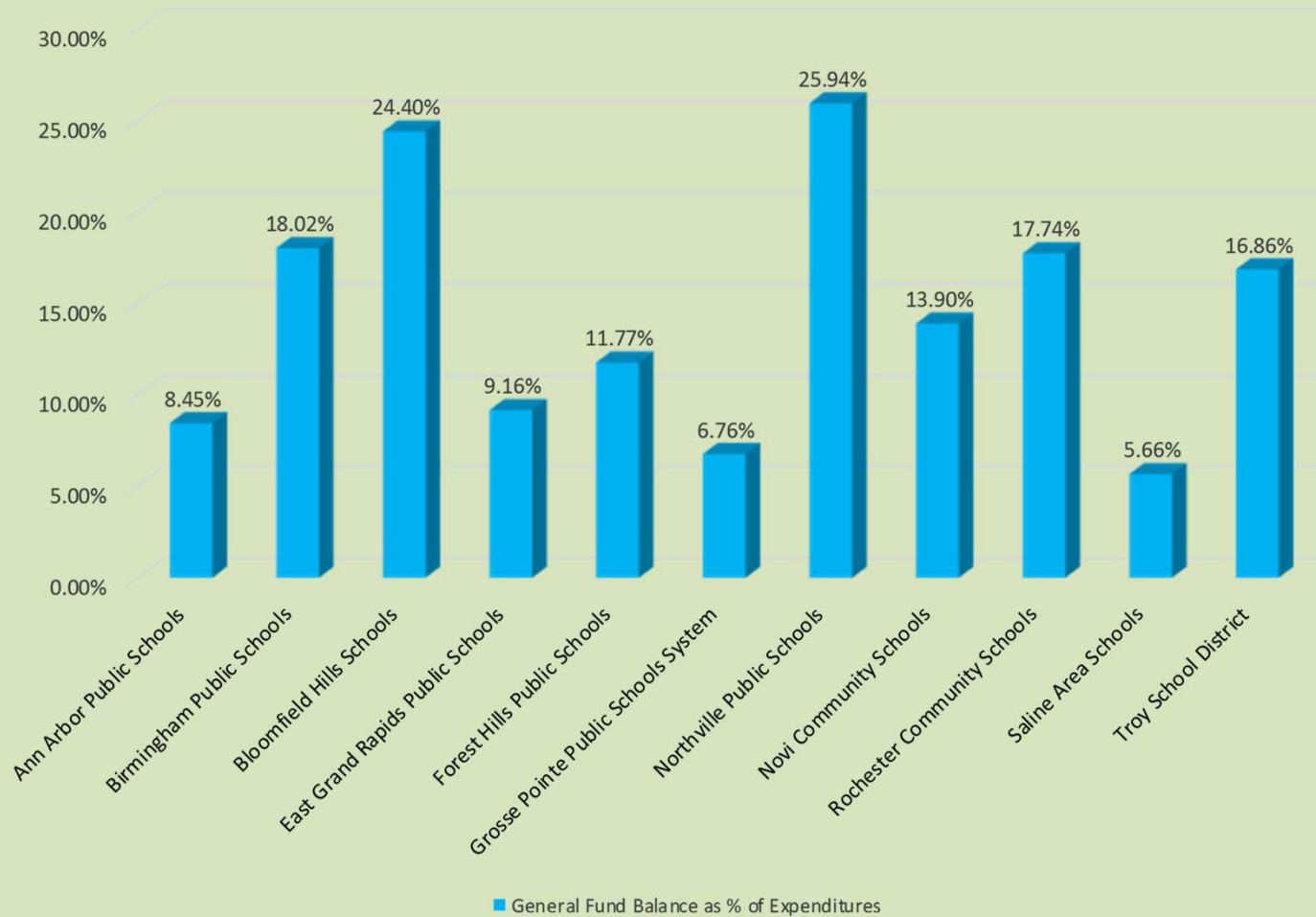
Bond Issue/Millage Campaign **A⁺**

Project Management **A⁺**



Current Fund Bal / Expenditure Ratio

GPPSS Peer District Review



Per Audited financial statements for 6/30/17



Upcoming Meeting Dates

Thursday, December 7, 2017– South High School Library



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