

# **OKEMOS PUBLIC SCHOOLS**

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**Capital Projects Funding  
Energy Savings Projects**




**Board Meeting of May 20,2024**

# Guiding Principles - February 9, 2022

- Support the implementation of the OPS vision, mission, values and equity plan.
- Allow flexibility for future changes in enrollment, funding and government mandates.
- Promote decisions as a good steward of taxpayer dollars; ensure financial stability of the district and tax implications for the citizens of Okemos.
- Promote optimal utilization of school buildings/facilities for our children, families, staff and community.
- Maintain a commitment to listen to those who are willing to share their input and consistently and transparently share available information for data driven decisions.
- These guiding principles and this bond proposal will serve as the foundation of a long-term master plan for Okemos Public Schools.
- Provide facilities and grounds that are reflective of the high expectations of the community and are representative of the district's reputation



## Capital Project Funding Methods

- General Fund / Capital Projects Fund 
- Sinking Fund 
- Voted Bonds 
- Non-Voted Bonds
  - Including Non-Voted Energy Conservation Bonds

 - *implemented in the Okemos Public Schools*

## Comparison of Capital Project Funding Methods

	Voted Bonds	Non-Voted Bonds	Energy Conservation Non-Voted Bonds
<b>Usage allowability</b>	Least Restrictive of uses except cash, cannot be used for repairs		Limited to Energy Conservation Improvements
<b>Process before Bond Sale</b>	Community approval for amount & uses	BOE authorizing resolution	BOE authorizing resolution for allowable energy savings improvements to be financed
<b>Legal Debt Margin</b>	State Qualified are exempt; else limited to 15% of SEV less non-voted	Limited to 5% of SEV	Exempt
<b>How paid down?</b>	Annual debt millage rate levy	May be paid from GF, Energy Savings, SF if all projects are eligible	
<b>Additional Reporting</b>	n/a	n/a	5 Yrs w/State - annual measurement & verification

## **Non-Voted Bonds Financial Availability**

- Limited to 5% of SEV = \$8,445,000
- Energy conservation bonds are exempt from limitation

# Energy Savings Projects

## Guaranteed Energy Savings Performance Contracting (ESPC)

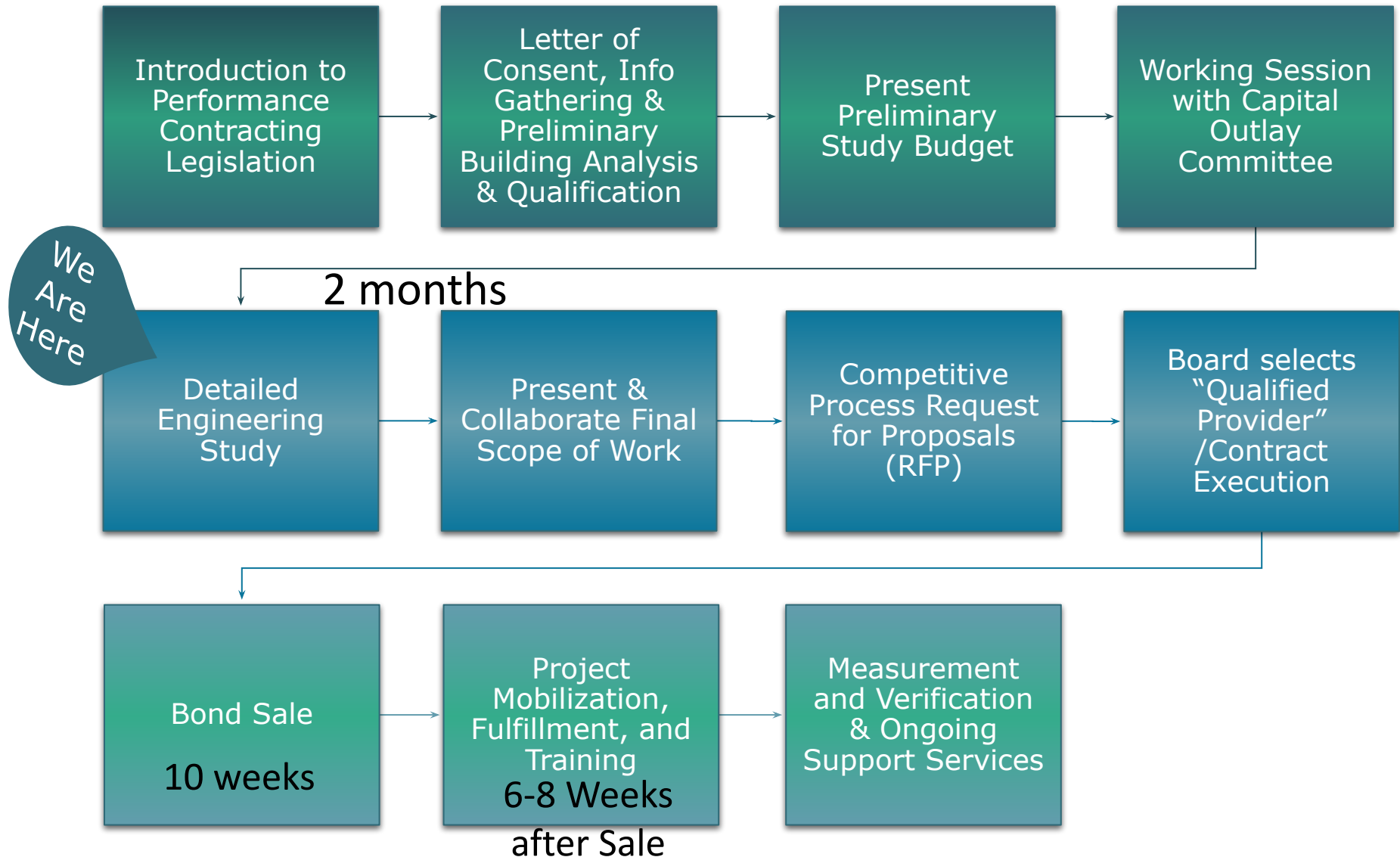
- Energy Savings Company guarantees a certain level of energy costs savings
- Non-voted bond is structured to match annual energy savings
- Types of Energy Conservation Measures
  - Modernization of HVAC Systems
  - Energy Managements Systems
  - Building Envelope - roofs, windows
  - LED Lighting/Electrical Upgrades
  - Water Conservation - low flow devices

## Non-Voted Bonds - Energy Conservation Improvement Example

<b>Year</b>	<b>Estimated Annual Energy Savings</b>	<b>Bond Payment Principal &amp; Interest</b>	<b>Difference</b>
1	\$100,000	\$75,000	\$25,000
2	\$200,000	\$180,000	\$20,000
3	\$200,000	\$180,000	\$20,000
4	\$200,000	\$180,000	\$20,000
5	\$200,000	\$180,000	\$20,000



# Michigan Process - Timeline



## Summary

- Non-Voted Bonding Capacity up to \$8,445,000
- Proposed Energy Savings \$150-\$200,000/yr
- Project Size \$3-\$3,500,000
- No Impact to General Fund
- Aligns with adopted BOE Guiding Principles for long range planning
- Alleviates Pressure on 2022 Bond Projects/Sinking Fund
- District will pursue proposal for consideration by BOE

**Questions?**