

# ISD #363 Indoor Air Quality (IAQ) Revenue Proposals

# Revenue Needed

- According to ARI's cost analysis, our district would need to generate **\$3.6 million** to complete two Indoor Air Quality (IAQ) projects, which would include replacing the boilers and air handlers at both Northome and Indus schools.

# Proposal #1 (Fund entire 3.6 million with LTFM-(IAQ) Board Approved 20-Year Bond

- Fund the entire \$3.6 million dollar project with an additional Board Approved Tax Levy. For a \$100,000 residential property the estimated tax increase would be \$29 annually or (\$2.41 per month). The pre-election estimate for a \$100,000 residential property during the referendum was \$74 annually.

## Proposal Two (Fund 3.6 million project through combination of LTFM (IAQ) and 15 Year Deferred Maintenance Bonds.)

- By Borrowing against the district's \$380 per pupil of LTFM revenue (Generates \$115,000 annually), the tax impact could be mitigated slightly. This option has an estimated tax increase of \$20 annually (or \$1.66 per month) for a \$100,000 residential property. The downside is that it would tie up an estimated 25% of the district's annual \$380 per pupil LTFM revenue for 15 years. This leaves the district with around \$90,000 annually to fund LTFM and other ongoing deferred maintenance projects.
- Board approved IAQ Bond (3.3 million) and 15 Year Deferred Maintenance LTFM Bond (300,000).

# Proposal Three (Fund project through LTFM-IAQ Bond and ESSER III dollars)

- This proposal is similar to Proposal number Two. Fund the 3.6 million project through a Board Approved 3.3 million LTFM-IAQ Bond. Estimated tax increase of \$20 annually (\$1.66 month) for a \$100,000 residential property. Utilize \$300,000 of \$460,000 of ESSER III funds to pay for the remaining portion of the 3.6 million dollar project.

# Proposal Four (Tax Neutral)

- Ehlers estimates a \$2.8 million dollar bond would result in approximately the same debt service levy that is set to expire after taxes payable 2022. This would provide the district with approximately \$2.625 million for project costs. The district would need to make up the remaining balance of the project through both ESSER funding and fund balance. This plan would be tax neutral for taxpayers.

# Impact to District Fund Balance

- 2021-2022 Fund Balance \$4.7 million dollars
- November 2021, Board approved 1.2 million of the fund balance to reroof both Indus and Northome schools. (3.5 million Fund Balance Remaining).
- Use \$600,000 District Fund Balance for IAQ project and \$375,000 of ESSER III dollars to generate \$975,000, with a project total of 3.6 million.
- If approved, the District would be left with 2.9 million in the Fund Balance or 44% of the District's Annual Budget.