

# **Information Regarding the extension of the \$1.3300 Special Operating Levy for the Stanberry R-II School District at the August 3, 2021 Election**

## **1. What is the purpose for the extension of the \$1.3300 operating levy proposal?**

Approval of the *“Room to Learn-Room to Grow”* ballot will make permanent the existing \$1.3300 operating levy that is scheduled to expire after tax year 2026. This extension will be used as a revenue source to repay the Lease Certificates of Participation financing that is expected to produce at least \$2,000,000 of funding for the purpose of constructing, equipping, and furnishing a High School Agriculture Building; creating Additional Elementary Rooms by renovating the existing agriculture room/shop; and extending the weight room to create space for a Wrestling Room and Community Fitness Room. In addition, the levy will help provide for the increased costs associated with educational programs, including providing additional Elementary Teachers.

The District has reviewed a cost analysis of adding elementary classrooms and has determined that it is more cost effective to construct a new agriculture building and to create classroom space in the existing agricultural room/shop which is conveniently located next to the present elementary classrooms.

## **2. Why did the Board of Education select this method to fund the project instead of a general obligation bond issue?**

The District has historically selected a lease financing over a general obligation bond issue mainly due to Article VI, Section 26(b) of the Missouri Constitution which limits the amount of authorized bonds of a school district to 15.00% of assessed valuation. This was the case in 2007 in which the old building was removed, and a new high school, intermediate classrooms and media center were constructed. The lease financing has proved to work well for the district as our debt has been restructured twice (2012 and 2016) through re-financings when interest rates have been more favorable producing total interest savings of \$547,287. A lease financing supported by a levy extension also provides more flexibility with the overall funding amount. A levy extension is needed whether we fund our projects through Lease Certificates or a Bond Issue.

## **3. Why are additional Elementary Teachers and other operational revenue needed?**

Our elementary is overcrowded. Since 2015 our PK-6 enrollment has climbed by over seventy (70) students. Additional teachers will provide much smaller class sizes. In addition, when compared to area school districts, our base teacher salary is low. This levy will help address both these operational needs.

## **4. What is the likely interest rate for the proposed Lease Certificates of Participation?**

Since the lease financing is to be repaid in fifteen years or less, the interest rates are expected to be less than 3.00% under current conditions in the municipal bond market assuming the District can obtain an ‘A’ rating from S&P Global. The interest paid by the District to the investors is exempt from federal and state of Missouri income taxes.

## **5. Will local investors be allowed to purchase the Lease Certificates of Participation?**

Yes, the District’s municipal bond underwriter, L.J. Hart & Company of St. Louis, Missouri has been directed by the Board of Education to make these lease certificates available to local individuals and banks within Gentry Counties prior to selling them to others. The lease certificates will be sold in \$5,000 denominations. Anyone interested in purchasing the lease certificates should provide their name, address and telephone number to the Board of Education, Superintendent, or to L.J. Hart & Company at 800-264-4477 to have a preliminary official statement (prospectus) mailed directly to them. The lease certificates will contain a five-year optional redemption (call) provision that enables the District to pay them off early without penalty in the event surplus revenue makes that possible. The call feature also can accommodate a refunding to lower interest rates whenever such action proves to be economical.

**6. Can I vote by absentee ballot?**

The last day the County Clerks will accept requests for absentee ballots through the mail is July 21, 2021. Patrons can vote in the County Clerk's office by absentee ballot through August 2, 2021. To be valid, all mailed absentee ballots must be received by August 3, 2021.

**7. What does the actual ballot say?**

The official ballot for "*Room to Learn-Room to Grow*" appears below:

Shall the Board of Education of the Stanberry R-II School District, Missouri, be authorized to make permanent the existing temporary operating tax levy of \$1.3300 per one hundred dollars of assessed valuation without an estimated increase in the levy for the purpose of maintaining and improving district facilities, and paying the increased costs associated with educational programs and other operational needs of the school district?

If this proposition is approved, the current operating levy of the District of \$5.4300 per one hundred dollars of assessed valuation is to continue unchanged without any estimated increase and the present expiration of the existing temporary levy of \$1.3300 per one hundred dollars of assessed valuation scheduled to occur after tax year 2026 is eliminated.

YES

NO

**8. How many votes are required to approve the operating levy extension?**

To pass the "*Room to Learn-Room to Grow*" proposal, it is necessary to receive a simple majority of all the votes cast on August 3, 2021.

**9. Will there be public forums and other opportunities to learn more about this proposal prior to the election?**

There are no planned public forums or other opportunities to learn more about this proposal prior to the election. If you wish to learn more feel free to contact the Superintendent, Mr. Bob Hedding, at 660-783-2136 to arrange a meeting where your questions will be answered.