



FAQ'S

(Frequently Asked Questions)

Q: What are residents being asked to vote on April 3, 2012?

A: On April 3, 2012, residents have the opportunity to cast their ballots on one referendum question to address critical capital facility needs, primarily at Riverside Middle School and Watertown High School. If approved by voters, the total project cost cannot exceed \$6,200,000.

Q: Why are we proposing this referendum on critical capital needs now?

A: The Board of Education believes it is important that the proposed referendum be considered by the community now for several important reasons:

- **We must address our urgent capital facility needs** to continue providing quality and energy efficient learning environments for all students.
- **There is a tremendous opportunity to address the needs without a great cost to our taxpayers.** On April 1st the high school will be completely paid for, freeing up dollars to address the capital needs without an increase in taxes on the debt service portion of the levy.
- **There are historically low interest rates available for financing,** keeping the cost of borrowing very reasonable.
- **There is also a great opportunity** with the current competitive bid environment for construction services.

Q: What are the projects for the referendum, and what are the costs for each of those projects?

A: The referendum projects and their estimated costs are as follows:

Riverside Middle School:

Classroom Ceiling and Lighting Replacement	\$416,422
Replace Casework and Cabinetry in 20 Rooms	\$226,720
Renovate Science Classrooms	\$241,910
Renovate Large Group Instruction Room	\$40,576
Replacement of Elevator Mechanical System	\$110,565
Asbestos Abatement/New Flooring in Lower Level	\$208,133
Classroom Window Replacement/Installation	\$92,715
Renovate/Expand Special Education Room	\$270,885
Locker Room Renovations	\$191,010

Replace (24) Heating and Cooling Unit Ventilators	\$169,533
Replace Roof/Shingled Roof and Wood Soffits Restore	\$1,451,488
Watertown High School:	
Renovate (8) Restrooms (Ceilings, Lights and Fixtures)	\$231,826
Replace (11) Sets of Entrance Doors	\$278,576
Replace Hallway Ceilings and Lights	\$350,000
Replace HVAC Computerized Control System	\$544,226
Replace Roof	\$1,200,000
Lincoln Elementary School:	
Install Air Conditioning in Classrooms	\$175,000

Q: How was the list of projects determined?

A: The projects were determined by immediate need. The District originally identified more than \$11.7 million in immediate facility issues. After reaching out to the community for feedback, this list has been reduced to \$6.2 million of the most critical capital needs.

Q: How does the referendum impact me?

A: If the referendum is approved, taxpayers will see an estimated **\$4 DECREASE** in their taxes for every \$100,000 of property value.

Q: Was the original roof on the High School installed improperly?

A: There has been a great deal of discussion regarding the initial installation of the roof. The roof was properly installed, and has lasted well beyond its estimated useful life of eight to twelve + years.

Q: If the school district knows it will need to replace a roof, why not save for that project year to year?

A: There is over six acres of roof that needs replacement at the High School facility. Much like our homes, when a roof needs replacement there is usually not enough savings to address the enormity of a roof project. The normal home owner would need to consider a bank loan, home equity line of credit, etc. to provide the dollars necessary to replace a roof. Most school districts need a voter approved referendum to borrow the funds to replace an entire roof.

Q: What happens if the referendum doesn't pass?

A: If the referendum fails, the Board of Education and the District administration will review the results and determine the next steps to address the still-needed capital improvements to its schools.

Q: Why can't these issues be addressed as part of the District's regular operating budget?

A: The District maintains 10 buildings, which includes more than 700,000 square feet of space, on an annual capital improvement budget of approximately \$400,000. An energy savings lighting project was done in the hallways in the Middle School two years ago so approximately \$50,000 of that amount is committed to that energy related capital improvement. That leaves about \$350,000 for remaining projects that are determined each budget year. As you can see from the list of referendum projects listed above, that amount of money is not sufficient to address the needs that have been identified. The majority of these items are too costly to pay from the District's annual operating budget without directly impacting funding available for student programs and services.

Q: What is fund balance and why do we need to maintain one?

A: Fund balance is essentially the reserve savings account for the District. Our fund balance is approximately \$10.4 million, or approximately 23% of our total expenditure budget. The Watertown School District is a self-funded health insurance district, so it is necessary for the District to maintain a higher percentage of fund balance to pay for health insurance claims for its employees.

- Fund balance is also necessary to meet operational obligations (i.e. paying employees) prior to receiving tax revenues in January. In order to meet those obligations, most school districts need to short-term borrow to accommodate those expenditures. The Watertown School District avoids short-term borrowing due to having a solid fund balance, so it avoids any interest expense that would be associated with short term borrowing each year.
- A healthy fund balance also directly affects the borrowing rate for funding bonds for a referendum. For instance, the District will likely receive a better rate of interest for the bonds that it will borrow if the referendum is successful. That's great for the taxpayers because it increases the savings amount on the tax rate.

Q: How is the fund balance being used as a part of the referendum?

A: The fund balance is being used to address other capital needs that have been identified but are not included in the proposed April 3rd referendum. The committee originally looked at three options to address its capital needs -- \$11 million, \$8 million and \$5 million options. Ultimately, after community discussion, the Board of Education settled on a \$6.2 million referendum amount which address our most critical needs yet minimizes the impact to taxpayers.

Projects planned using fund balance include:

Replace H.S. Auditorium Carpet and Refinish Stage	\$120,548
Asphalt Repair and Replacement at Webster	\$46,142
Replace Fieldhouse Flooring	\$413,013
Asphalt North Parking Lot at H.S.	\$232,034
Asphalt H.S. Phy.Ed/Gymnasium Service Area	\$26,910
Asphalt Riverside Middle School and Pool Parking Lots	\$147,420
Paint Classrooms at Middle School	\$109,337
Replace 900 Hallway Lockers	\$120,000

Q: If property values are going down in Watertown, how do I know that I will see a \$4/ per \$100,000 of property value decrease?

A: Recently, the city has begun a reassessment of properties. It was reported that they were expecting a drop in property values of seven to ten percent. It is important to realize that this estimate is based on assessed valuation. The District reports property valuations on equalized property values and has already experienced those decreases.

Q: If our taxes decrease by \$4/ per \$100,000 of property value if the referendum passes, how much will they decrease if the referendum does not pass?

A: If the referendum fails property owners will realize an approximate reduction of \$30 on a property valued at \$100,000, \$45 on a property valued at \$150,000 and \$60 on a property valued at \$200,000 on the debt service portion of your tax levy.

Q: What does the “debt service portion of the tax levy” mean?

A: The tax levy is divided into three areas. There is the general fund portion which makes up the amount for operational purposes, the community services portion which is the amount used for recreational services such as the pool, and the debt service portion which is used to pay back any debt that the District issues for referendum or borrowing purposes. Combined, they equal your total tax levy rate that you see on your tax bill.

Q: What happened to the original Phase 2 (building a 7/8 building)?

A: The original recommendation from the Facilities Advisory Committee during the 2008 referendum was to build a new school to house seventh and eighth grades on District owned land near the High School. In response to our current economic climate, the School Board is now focusing on critical capital needs for **Phase II** instead of a broader discussion on Middle School space challenges as originally planned for 2012. It is anticipated the Middle School space issues will require additional community discussion in future years.

Q: How can I absentee vote? When and where will that be an option?

A: In person you can check with the municipal clerk at Watertown City Hall to obtain an Absentee Ballot. This can be done up until 5 p.m. on the Friday before the election. You can also download the Absentee Ballot as well as other information at <http://gab.wi.gov/elections-voting/voters/absentee>.

Q: How do I find out where to vote if I have not voted before?

A: Contact the municipal clerk at Watertown City Hall at 920-262-4000 or visit the website at www.ci.watertown.wi.us or visit the state Government Accountability Board website for complete voting information at www.gab.wi.gov.