



Cleveland Independent School District
**BOND PLANNING
COMMITTEE**

Meeting 2 | November 7, 2024

MEETING AGENDA

Review & Recap

Your Feedback

School of the Future

Facility Assessments

Financial Capacity & Tax Impact Scenarios

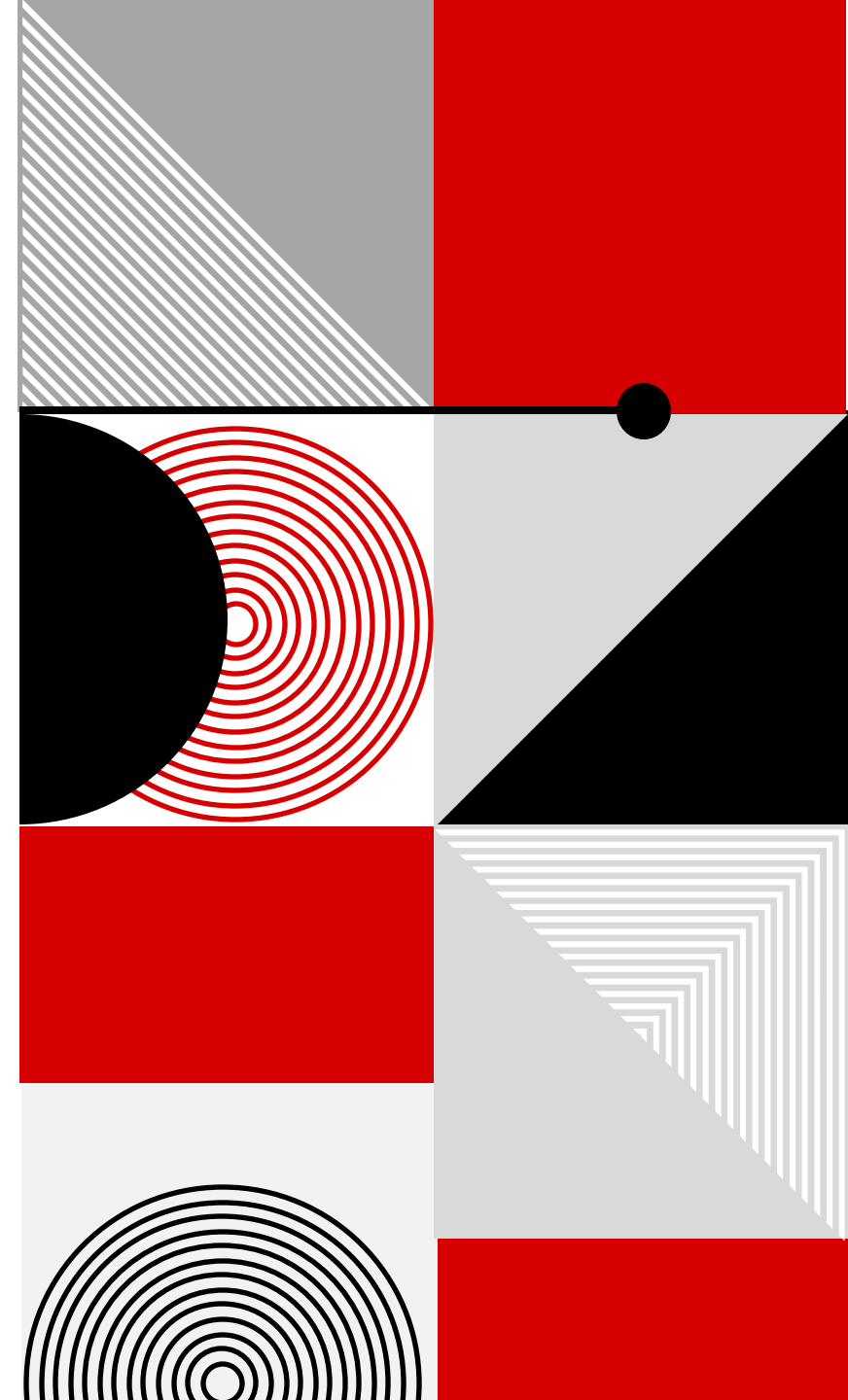
Wrap-Up

REVIEW & RECAP



OUR PROMISE TO YOU

- **Respect** your time
- **Provide** you with all the **tools** you need
- **Adjust plans** based on your feedback
- **Ensure** the process is **transparent**
- **Answer** all **questions** and serve as a resource to you



A decorative graphic on the left side of the slide, consisting of a vertical stack of four colored sections: a black top section with a white concentric circle pattern, a red middle section, a grey bottom section, and a red bottom section with a white concentric circle pattern.

PURPOSE

The purpose of the Bond Planning Committee is to review and consider information related to:

- Needs of Students
- Demographic Projections
- Existing Condition of Facilities
- Support for Quality Educational Programs
- Comprehensive District Goals
- Impact on Cleveland ISD Taxpayer

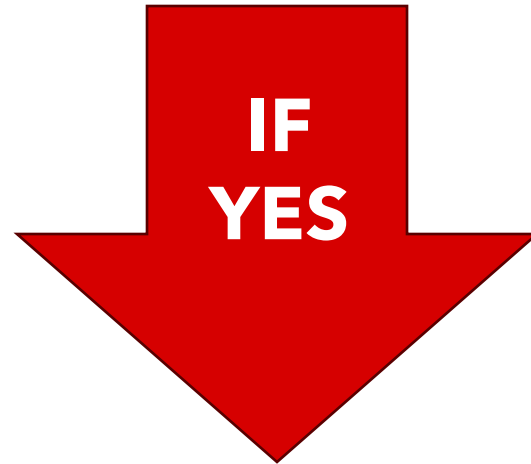
The Committee will develop and recommend a potential bond program that will help Cleveland ISD meet the challenges of the future as well as support prospective growth and change.

YOUR CHARGE

- **Review information** related to the District's facility needs, enrollment trends, and educational vision
- **Prioritize student needs**
- Develop a **fiscally responsible plan**
- Work with the "**big picture**"
- **Provide input** regarding District's facilities ability to support education in your community
- Provide insight into what the **broader community** might support
- Serve as **ambassadors** for the process and the proposed plan

...and hopefully **have fun!**

DETERMINE IF A BOND REFERENDUM IS NEEDED



THEN

Develop a package that meets our needs and can be supported by the Board of Trustees and ultimately the voters in Cleveland ISD.



CONSENSUS BUILDING

What number most aligns with your view of consensus?

- 100%
- 75%
- 66%
- 50%
- Less than 50%

75%



YOUR FEEDBACK



MENTIMETER EXERCISE RESULTS

In the context of the Long-Range Facility Plan, what would you like to see or consider in relation to ...

- *Educational Programs*
- *Facility Improvements*
- *Safety & Security*
- *Technology*
- *Other District Facilities*
- *Community & Neighborhoods*
- *Enrollment & Capacity*



EDUCATIONAL PROGRAMS

- ❖ More programs to teach about suicide prevention
- ❖ New CTE building with diesel mechanics, new welding spaces, drone and flight program, computer lab for cyber security and a potential robotics program
- ❖ Building for an automotive class
- ❖ Science labs and classroom for students to meet the 40% state requirements
- ❖ Improvements in curriculum
- ❖ Healthy cafeteria options, Better food for students
- ❖ I would like to see restorative practices throughout Cleveland ISD.
- ❖ CTE
- ❖ Better updated and improved curriculum for all grades, with upcoming years in mind
- ❖ I want to see a CTE building that allows for retail spaces so students learn the entire process of business... find out what your customer wants/needs, fulfill that want/need based on your career path
- ❖ Improvements for c9 electives on campus
- ❖ Tangible educational ways of learning
- ❖ Science labs, performing arts, qualified caring teachers
- ❖ Materials that kids need to learn

FACILITY IMPROVEMENTS

- ❖ New High School and New Middle School
- ❖ New schools
- ❖ New school buildings
- ❖ New high school!
- ❖ A new, modern high school that meets the needs of today's student
- ❖ New school buildings with safety and security improvements, such as metal detectors.
- ❖ Pineburr needs a shade and tables for cafeteria
- ❖ More room for high school kids
- ❖ New High School
- ❖ Improvements to dated facilities
- ❖ New High School with updated learning spaces like labs for science
- ❖ Facilities that accommodate our students with enough classrooms and areas for our programs

FACILITY IMPROVEMENTS

- ❖ Definitely two high schools, without thinking about it
- ❖ A closer high school where children are not at bus stop at 5:30am
- ❖ High School in the South
- ❖ Additional wing added to the high school, 3rd floor in the high school
- ❖ More elementary schools in the south
- ❖ New Middle school, new CTE building with diesel mechanics, new welding spaces, drone and flight program, computer lab for cyber security and a potential robotics program.
- ❖ Move away from more portable
- ❖ Need shade cover for our school for our kids not to be so hot in summer.
- ❖ Possibly some water fountain outside.
- ❖ New middle school
- ❖ Make the high school better
- ❖ A new high school building
- ❖ Working elevators in all the buildings for accessibility

FACILITY IMPROVEMENTS

- ❖ New middle school, get away from portable buildings
- ❖ Safety & security improvements as well as improvements to shared school and community spaces
- ❖ More schools in the south middle school and high school.
- ❖ New C9 campus that meets: Safety, security needs, Allows opportunity to grow with incoming students, Meets all tech needs and is modern with energy efficiency in mind
- ❖ New middle school, C9 renovated, Southside updated, Eastside renovated, New high school
- ❖ New School Building and Learning Spaces
- ❖ I would also like another high school closer to Santa Fe middle school
- ❖ Grade bands, multiple schools, etc.
- ❖ Add a new high school
- ❖ Renovate C9 restrooms
- ❖ More school buildings

SAFETY & SECURITY

- ❖ New school buildings with safety and security improvements, such as metal detectors.
- ❖ Metal detectors at all campuses
- ❖ Metal detectors at all secondary schools
- ❖ As a parent I want the best facilities for my children to get a quality education with no question about their safety.
- ❖ Safety improvements
- ❖ Working elevators in all the buildings for accessibility
- ❖ Safety & security improvements as well as improvements to shared school and community spaces
- ❖ New C9 campus that meets: Safety, security needs, Allows opportunity to grow with incoming students, Meets all tech needs and is modern with energy efficiency in mind
- ❖ Safety & Security
- ❖ Safety & security improvements

TECHNOLOGY

- ❖ New C9 campus that meets: Safety, security needs, allows opportunity to grow with incoming students, meets all tech needs and is modern with energy efficiency in mind
- ❖ Laptops for all kids to borrow

COMMUNITY & NEIGHBORHOODS

- ❖ Better engagement with community
- ❖ We need more ELE/MS Clusters to create more neighborhood schools.
- ❖ More buses

OTHER DISTRICT FACILITIES:

- ❖ Performance Art Center
- ❖ Renovated C9 FFA barn for students
- ❖ New uniforms for the band
- ❖ Building for an automotive class
- ❖ Performance arts center
- ❖ Bigger trailer for band
- ❖ New field house
- ❖ New high school on the south side, CTE high school, Pre-K/3, Swimming Pool, FFA Barn

ENROLLMENT & CAPACITY

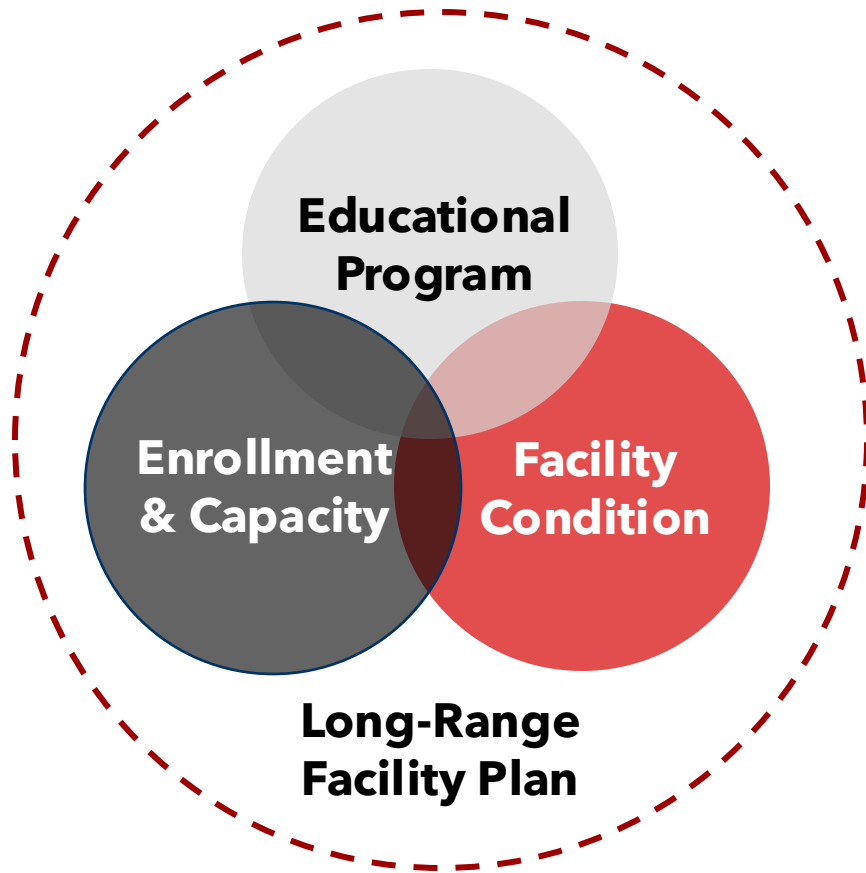
- ❖ Capacity for students not to be squeezed into classrooms, so teachers can manage the classrooms and students feel safe.
- ❖ Expand the capacity of CHS
- ❖ Our school is growing and we are in need of more tables
- ❖ A high School in the Colony Ridge Community south of Plum Grove. The area has grown significantly and continues to grow rapidly.
- ❖ Physical structures in the south end of district to alleviate the overpopulated stress incurred at our high school
- ❖ The high school to have fewer students, however that may look
- ❖ Our school is growing, and we are in need of more tables
- ❖ New high school on the south side

FUTURE THINKING

Using the paper provided at your table, **imagine** what the **School of the Future** will look like in **40 Years!**



WHAT IS CONSIDERED WHEN PLANNING FOR FUTURE FACILITY NEEDS?



Facility Needs

- ✓ Ability to accommodate educational programs
- ✓ Capacity to accommodate projected enrollment
- ✓ Condition of District's facilities

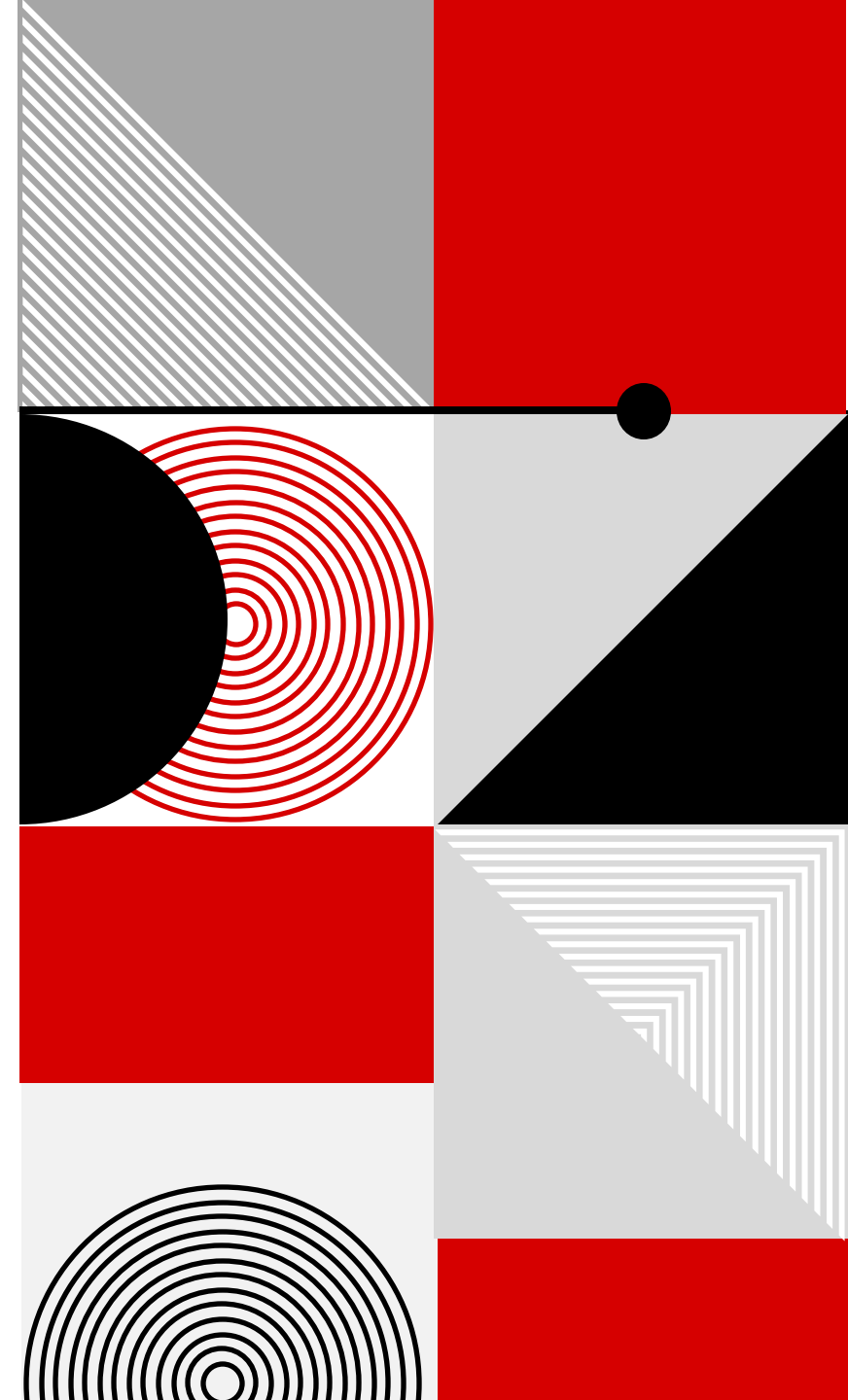
District-Wide Scope

- ✓ Explores modernizations, additions, replacements, and new construction
- ✓ Identifies opportunities for more efficient use of sites and facilities
- ✓ Creates a plan that aligns with community support

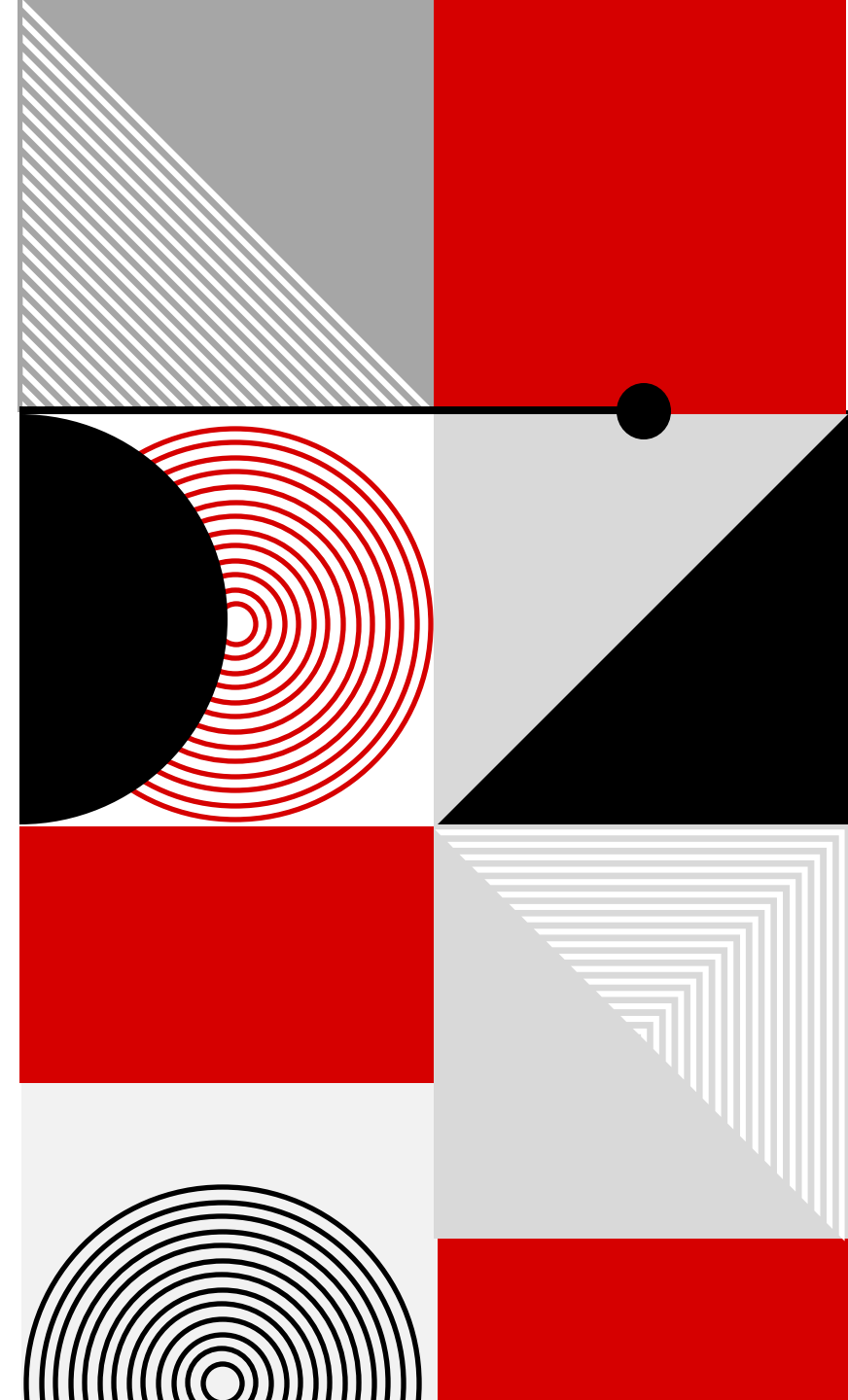
FACILITY ASSESSMENTS

PT. 1

Process and Tools
Condition of Schools



PROCESS & TOOLS



WHAT IS A FACILITY CONDITION ASSESSMENT (FCA)?

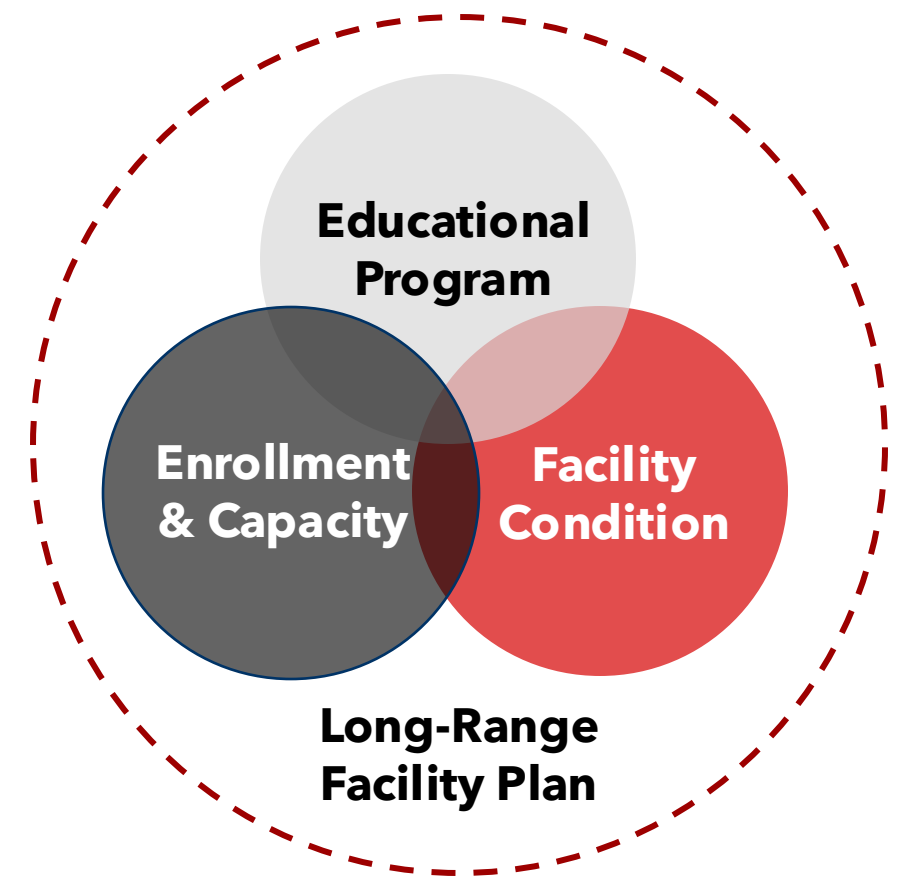
Facility Condition Assessment is the process of evaluating the physical condition (and/or functional value) of a facility or group of facilities. The FCA measures and evaluates the current condition of all building assets (roofing, flooring, etc.) and major systems (mechanical, electrical, plumbing).



WHAT IS A LONG-RANGE FACILITY PLAN?

Long-Range Facility Planning (LRFP):

The process of developing a comprehensive summary of current and future facility needs (i.e. educational program needs, enrollment/capacity studies, etc.) and collecting information (i.e. instructional programs, age/condition of buildings, educational specifications, etc.) to support the proposed facility needs.





FACILITY CONDITION ASSESSMENT FAST FACTS

4

Multi-Disciplinary Assessment Teams



64

Survey Responses

15

Average Facility Age

1,795,368

SF Walked

1,780

Database Line-Items



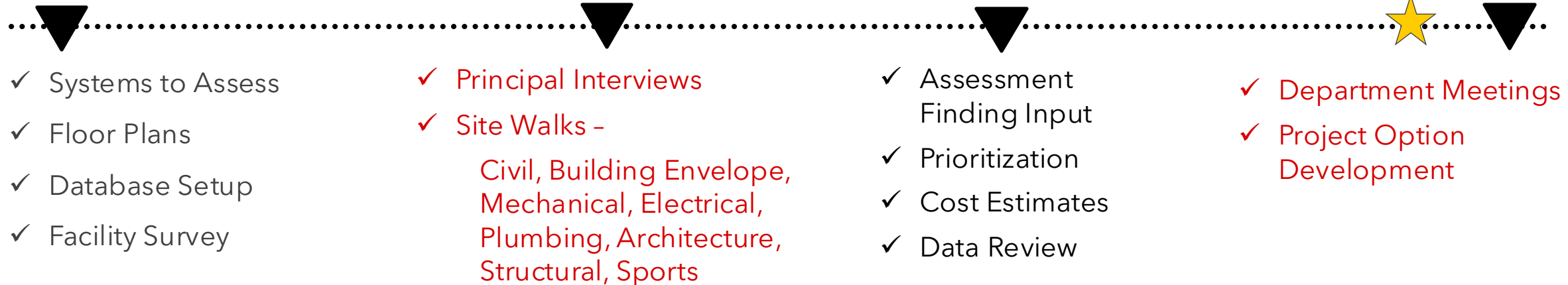
PROJECT TIMELINE

Information Gathering
September - October 2024

On-Site Assessments
October 2024

Data Refinement
October 2024

Master Planning
November 2024



PLAN & DISCOVER

Facility Type	Facility Name	Address	Total Building Area ①	Grades Served
High Schools	Cleveland High School	1600 E Houston St Cleveland, TX 77327	402,104	10-12
Middle Schools	Cleveland 9th Grade Center	1522 N Blair Ave Cleveland, TX 77327	97,132	9
Middle Schools	Cleveland Middle School	2000 Houston St Cleveland, TX 77327	201,296	6-8
Middle Schools	Santa Fe Middle School	7581 County Rd 3540 Cleveland, TX 77327	219,606	6-8
Elementary Schools	Cottonwood Elementary School	1922 County Rd 3549 Cleveland, TX 77327	136,384	Pk-5
Elementary Schools	Eastside Elementary School	1602 Shell Ave Cleveland, TX 77327	117,758	Pk-5
Elementary Schools	Northside Elementary School	1020 Northside Blvd Cleveland, TX 77327	133,000	Pk-5
Elementary Schools	Pine Burr Elementary School	7054 Road 3540 Cleveland, TX 77327	139,856	Pk-5
Elementary Schools	Santa Fe Elementary School	7499 County Rd 3540 Cleveland, TX 77327	126,000	Pk-5
Elementary Schools	Southside Elementary School	303 E Fort Worth St Cleveland, TX 77327	159,949	Pk-5
Alternative / Special Programs	DAEP	900 Sam Wiley Dr Cleveland, TX 77327	9,216	All Grades
Alternative / Special Programs	Douglass Learning Academy	1309 Jefferson Ave Cleveland, TX 77327	15,840	9-12
Support Facilities	CISD Administration Building	1901 E. Houston St Cleveland, TX 77327	51,000	N/A
Support Facilities	CISD Annex (aka Central Office)	316 East Dallas Cleveland Tx 77327	10,365	
Support Facilities	CISD Maintenance Building	326 Farm to Market 1010 Rd Cleveland, TX 77327	45,881	N/A
Support Facilities	CISD Service Center	326 Farm to Market 1010 Rd Cleveland, TX 77327	45,881	N/A
Support Facilities	CISD Technology	216 East Dallas Cleveland, Tx 77327	3,608	N/A

PLAN & DISCOVER FACILITIES SURVEY & PRINCIPAL INTERVIEWS

2024 FACILITIES PLANNING Cleveland ISD Facility Survey

#18

COMPLETE

Collector: Web Link 1 (Web Link)
 Started: Sunday, October 06, 2024 8:30:47 PM
 Last Modified: Monday, October 07, 2024 8:57:58 AM
 Time Spent: 12:27:11
 IP Address: 143.109.115.146

Page 2: CONTACT & FACILITY INFORMATION

Q1
Please provide your contact name.
Brandt Smith

Q2
What is your role?
Principal

Q3
What is your email address?
brandt.smith@clevelandisd.org

Q4
What campus/facility are you submitting a response for?
Cleveland Ninth Grade Center

Page 3: SAFETY & SECURITY

Q5
Does the facility have adequate exterior site identification and directional signage? (Marquee, Building Signage, Way-Finding Signage, Parking Signage)
NO
One marquee, but not indicative of front entry. Front entrance is difficult to locate.
Banner at front of school was personally purchased.

Q6
Does the facility have adequate interior room signage?
YES

1 / 9

2024 FACILITIES PLANNING Cleveland ISD Facility Survey

YES

NO

NO
back doors are key only; intercom system is main issue - no way to access other buildings unless someone is present to open doors (3 out of 4 main buildings), having intercom w/ buzzer would be beneficial

NO,
Please note doors that need access control card readers.: 200 to 300 card readers needed, Phone intercom (buzz-in) main portables, 200, and 300

YES

NO,
Please provide more detail regarding any known fire suppression deficiencies.: Not connected to any emergency services.

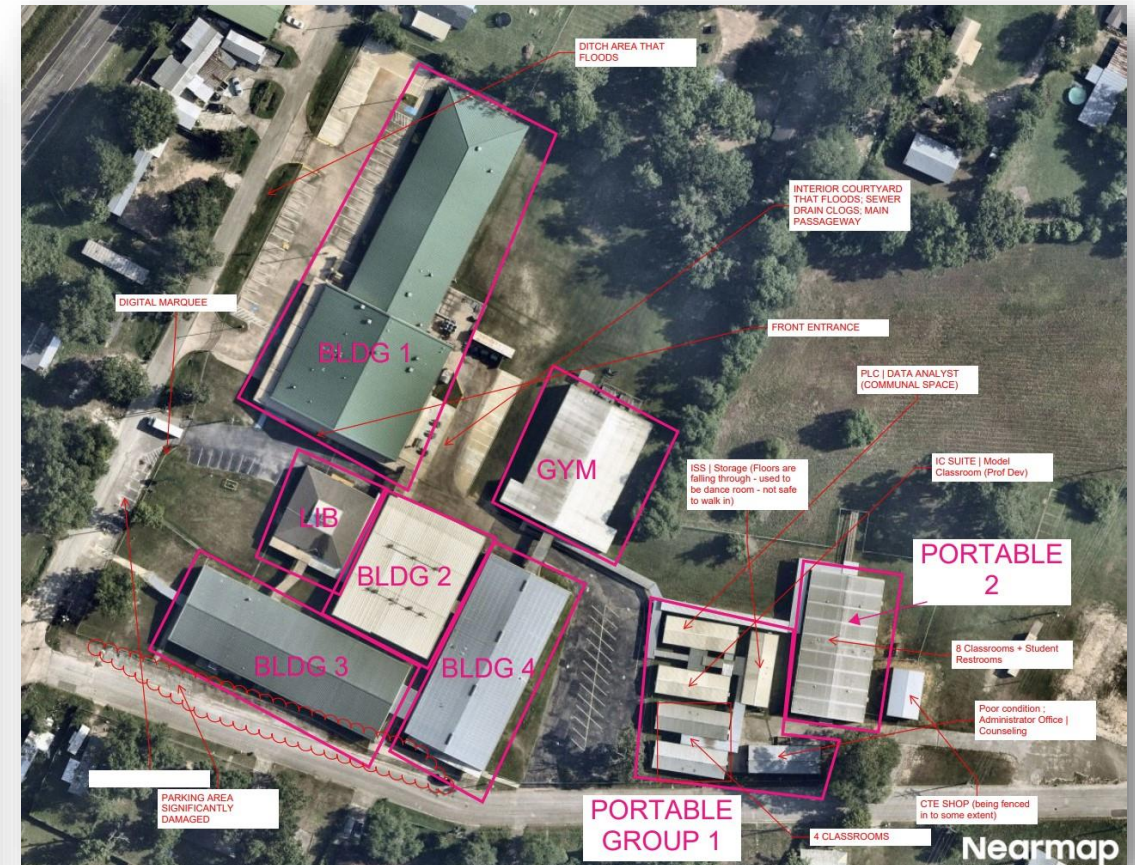
NO,
Please provide more detail regarding any known fire suppression deficiencies.: Not in all areas.

NO

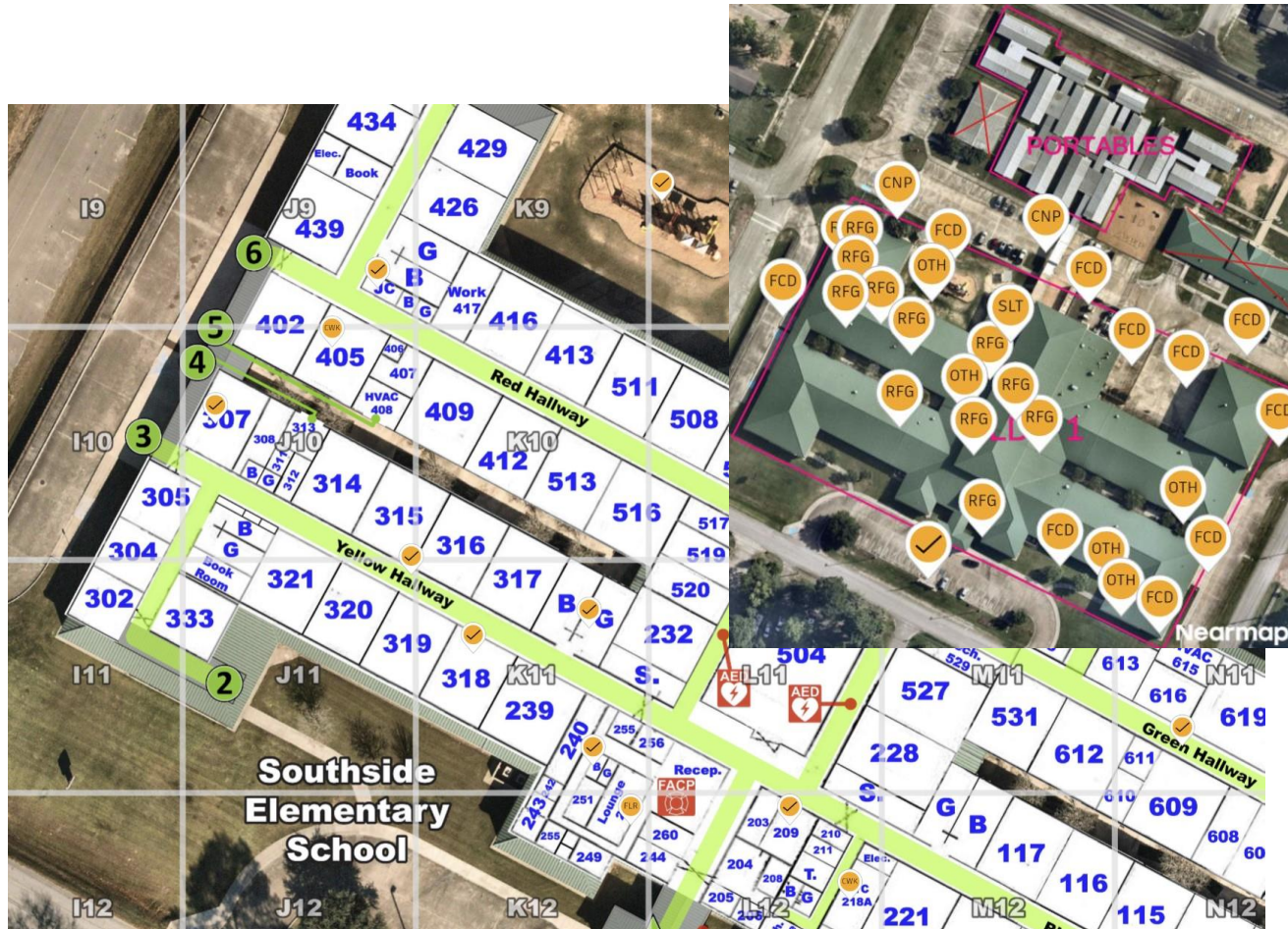
NO

NO

2 / 9



FACILITY CONDITION ASSESSMENT ASSESSMENT TOOLS



Issue #509

Details Activity log

Unpublish Delete

Title: Other / Misc

Status: Open

Type: 1_ARCHITECTURE > Other / Misc

System Type (Other): Corridors

Condition: Good

Remaining Useful Life (Observed): 11+ Years

Assessor Notes: VCT, BASE, PAINT, AND TILE ALL IN GOOD CONDITION. ALL LIGHTS RETROFITTED WITH LED FROM FLUORESCENT

References (0): Add references

Add references to other objects or project files.

SYSTEM LIFE-CYCLES

SYSTEM	LIFE EXPECTANCY
Roofing (Mod-Bit)	20 years
Ceilings (ACT)	20 years
Exterior Doors	40 years
Flooring (VCT)	20 years
Casework	30 years
Interior Doors	25 years
Restroom Finishes	20 years
Walls (Paint)	10 years
HVAC (ACCUs)	20 years
Electrical Distribution	40 years
Plumbing Fixtures	50 years
Fire Suppression - Sprinklers	50 years

CONDITION OF SCHOOLS



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Punch List

If you had blue tape, what would you "mark" as something that needs to be handled, prioritized?



COTTONWOOD ELEMENTARY

Existing Conditions & Identified Needs:

Year Built: 2021

Building Area: 136,384 SF



COTTONWOOD ELEMENTARY

Existing Conditions & Identified Needs:

- Back gate is not automated; teachers must manually unlock it, which leads to the back gate being left open at times
- Insufficient staff parking
- Play areas/equipment are limited; ground is uneven
- Poor cellular service and inconsistent WiFi; dismissal system is hooked to the WiFi
- Campus is reaching capacity; no space on site to house an additional portable
- Inadequate Life Skills space; no padding on walls and stationary desks

EASTSIDE ELEMENTARY

Existing Conditions & Identified Needs:

Year Built: 1998

Building Area: 117,758 SF



EASTSIDE ELEMENTARY

Existing Conditions & Identified Needs:

- Originally constructed as Intermediate School, not designed for elementary students
- Two separate intercom systems that do not function and are not serviceable
- Intrusion detection system has reached end of life and does not function
- Difficult transition between main building and portables due to lack of card readers; no buzz-in system
- Playground equipment is in disrepair; campus cannot use playground equipment
- HVAC and roofing issues at new addition
- HVAC system is problematic overall; humidifiers are in place to mitigate mold growth
- Air Handling Units (AHUs) are in poor condition
- Fluorescent lighting in original building area, kitchen
- Insufficient number of restrooms for campus size; plumbing fixtures are aging
- Inadequate gymnasium; no insulation on roof; concrete flooring; only one HVAC unit is functional
- Inadequate stage area at cafeteria
- Inadequate library space for elementary students; do not utilize the two computer labs
- Insufficient space for teacher planning; no dedicated workroom
- Classrooms are small and have inconsistent amounts of storage/cubbies
- Portables are in poor condition; many are unusable

EASTSIDE ELEMENTARY

IN PHOTOS



AIR CONDITIONER



RESTROOM



GYMNASIUM



NORTHSIDE ELEMENTARY

Existing Conditions & Identified Needs:

Year Built: 2022

Building Area: 133,000 SF



NORTHSIDE ELEMENTARY

Existing Conditions & Identified Needs:

- No needs or concerns noted.

NORTHSIDE ELEMENTARY

IN PHOTOS



EXTERIOR



MEDIA CENTER



CAFETERIA



HALLWAY



GYM

PINE BURR ELEMENTARY

Existing Conditions & Identified Needs:

Year Built: 2021

Building Area: 139,856 SF



PINE BURR ELEMENTARY

Existing Conditions & Identified Needs:

- Poor cellular service and inconsistent WiFi at portable building; cannot utilize radios
- No security alarm or intrusion detection system
- Poor site drainage (overflows from street)
- No shade structure or seating at play areas
- Difficult transition between main building and portables due to lack of card readers

SANTA FE ELEMENTARY

Existing Conditions & Identified Needs:

Year Built: 2022

Building Area: 126,000 SF



SANTA FE ELEMENTARY

Existing Conditions & Identified Needs:

- Poor site drainage (back field, front patio)
- Insufficient parking
- Insufficient play structures for campus size; ground at field area is unlevel and not ideal for play area
- Inadequate cafeteria space that does not reflect an elementary level campus; campus must run 7 lunch periods
- HVAC system is not balanced; HVAC system requires manual reset at times after power outage
- Electrical breakers trip and surge frequently
- Portable classroom doors have no vision panel
- Difficult transition between main building and portables due to lack of card readers
- Interior classroom door hardware inconsistent
- Poor cellular service and inconsistent WiFi at portable building; cannot utilize radios
- Insufficient gymnasium for campus size
- Insufficient number of restrooms for campus size

SOUTHSIDE ELEMENTARY

Existing Conditions & Identified Needs:

Year Built: 2002

Building Area: 159,949 SF



SOUTHSIDE ELEMENTARY

Existing Conditions & Identified Needs:

- Exterior and interior doors are in poor condition; rusted, aged, safety concern
- Aged playground structures (original); no shade structures
- Inadequate gymnasium; flooring is not appropriate; bleachers are in poor condition and not utilized
- HVAC system cannot be regulated
- Fluorescent lighting in place at half of campus
- Insufficient electrical outlets and capacity
- Insufficient number of restrooms for campus size; restrooms are aged
- Portables are in poor condition
- Fire alarm system does not function properly in portables
- No water fountain near portable buildings
- Cafeteria lacks projector; utilize portable projector
- Security cameras and security alarm system are not linked; alarm system original to building
- Roof is reaching end of life

SOUTHSIDE ELEMENTARY

IN PHOTOS



PLAY AREA



FACADE



GUTTERS



BLEACHERS

CLEVELAND MIDDLE SCHOOL

Existing Conditions & Identified Needs:

Year Built: 1972

Building Area: 201,296 SF



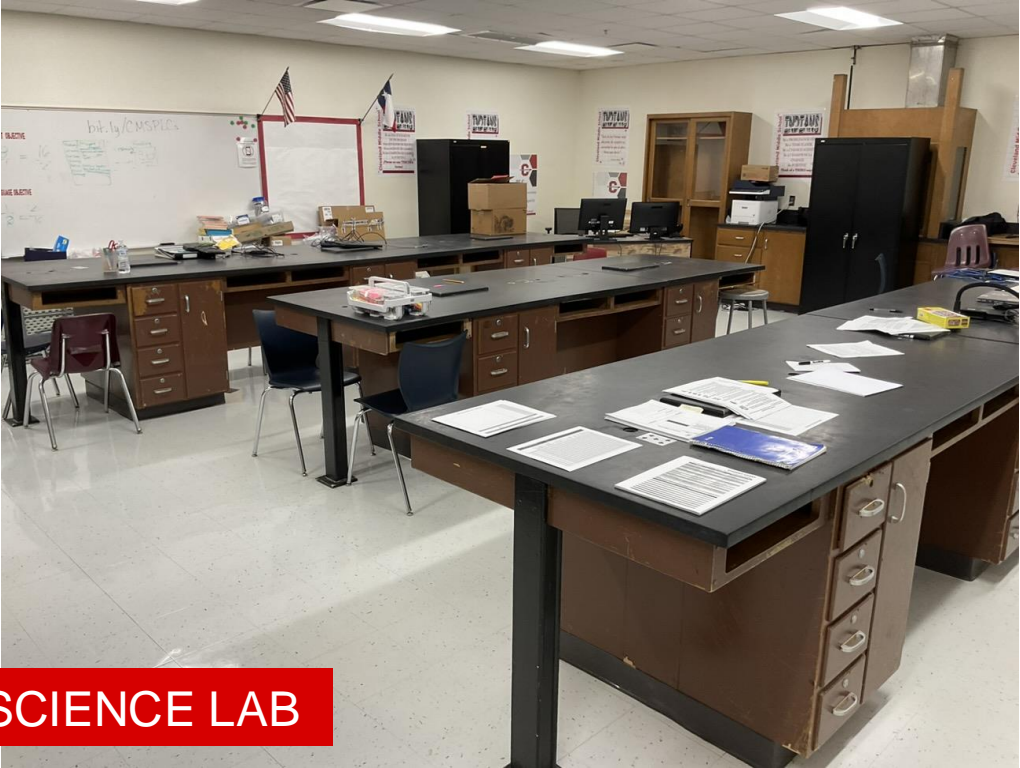
CLEVELAND MIDDLE SCHOOL

Existing Conditions & Identified Needs:

- Portable buildings lack adequate communication systems; no public address capabilities; safety and security concern
- Portable buildings have poor cellular service and WiFi; teachers' phones are not alerted
- Portables are in poor condition; many are unusable/condemned
- Approximately 500 students are housed in portable buildings
- Insufficient space for teacher planning; no dedicated workroom/lounge space
- Fluorescent lighting throughout; many dim areas
- Restroom fixtures are aging and consistently break
- Reoccurring sewage backup in newer addition
- Inadequate choir room; located in typical classroom
- Inadequate theater room; located in portable building; cannot practice stage, set design
- Inadequate science labs; furniture and equipment is aged
- Inadequate special education spaces for number of Life Skills classes
- Access control systems (wiring, wire management) in poor condition
- Original distribution switchboard in place

CLEVELAND MIDDLE SCHOOL

IN PHOTOS



SCIENCE LAB



RESTROOMS



CARPET

SANTA FE MIDDLE SCHOOL

Existing Conditions & Identified Needs:

Year Built: 2022

Building Area: 219,606 SF



SANTA FE MIDDLE SCHOOL

Existing Conditions & Educational Adequacy:

- Insufficient wayfinding signage
- Poor site drainage
- Insufficient band hall space (3 band directors, band hall only accommodates 2 classes)

CLEVELAND HIGH SCHOOL

Existing Conditions & Identified Needs:

Year Built: 2006

Building Area: 402,104 SF



CLEVELAND HIGH SCHOOL

Existing Conditions & Identified Needs:

- Insufficient wayfinding signage
- Portable buildings lack adequate communication systems; public address system does not function; safety and security concern
- Difficult transition between main building and portables due to lack of card readers
- Portables are in poor condition; significant leaking - ceiling panels are falling down due to moisture
- Insufficient window coverings in areas; prevents adequate lockdown situation
- HVAC system is problematic and cannot be regulated
- Air Handling Units (AHUs) reaching end of life
- Fluorescent lighting
- Inadequate weight room for 6A school
- Insufficient cafeteria space for campus size; students are sitting on floor and stage due to lack of space; hallways back up at lunch time which is a safety concern
- 30 classrooms in portables with no administrative offices
- Inadequate special education/program space; 18+ program is operating out of office space
- VCT, carpet flooring in poor condition
- Roof is reaching end of life

CLEVELAND HIGH SCHOOL

IN PHOTOS



FLOORING



ROOF



MECHANICAL EQUIPMENT

CLEVELAND NINTH GRADE CENTER

Existing Conditions & Identified Needs:

Year Built: 2003

Building Area: 97,132 SF



CLEVELAND NINTH GRADE CENTER

Existing Conditions & Identified Needs:

- Originally constructed as Elementary School, not designed for secondary
- Difficult transition between buildings due to doors being key only; no buzz-in system
- Insufficient site lighting
- Portable buildings lack adequate communication systems; do not have public address system, alarm system; safety and security concern
- Poor site drainage
- Aged playground structures that need to be removed
- Structural issues in library that have prompted shutting off the plumbing system; restrooms and sink are unable to be utilized
- Inadequate library that is not being utilized well; outdated with no technology
- Roof leaks
- Flooring in poor condition throughout
- HVAC system is aged and in poor condition; constantly fails, inconsistent, creates humid and wet conditions
- Inadequate gymnasium; insulation is falling apart and equipment is in poor condition
- Limited programs (i.e. fine arts, athletics) on site; must bus students to Cleveland High School
- Limited special education programs on site; Life Skills must go to Cleveland High School
- Inadequate dance room; concrete flooring
- Portables are in poor condition; floor is falling through in some areas
- Student and staff restrooms are in poor condition with aging fixtures
- Roof replacement needed

CLEVELAND NINTH GRADE CENTER

IN PHOTOS



RESTROOM



COOLING TOWER



SINKS



FACADE



GYM

DOUGLAS LEARNING ACADEMY

Existing Conditions & Identified Needs:

Year Built: 2024

Building Area: 15,840 SF



DOUGLAS LEARNING ACADEMY

Existing Conditions & Identified Needs:

- Fire detection, fire alarm system is not connected to the portable buildings
- Poor site drainage
- Roof and window leaks; water intrusion
- Fluorescent lighting in one building

DAEP Existing Conditions & Identified Needs:

Year Built: 2024

Building Area: 9,216 SF

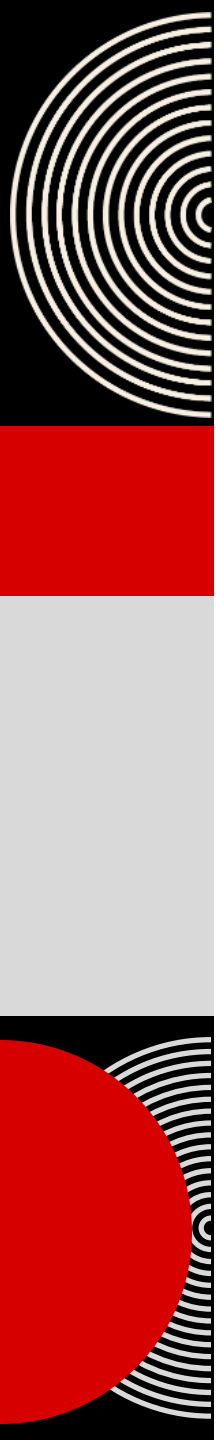


DAEP

Existing Conditions & Identified Needs:

- Security alarm is not functioning
- Back door lacks a card reader
- HVAC system performs inconsistently
- No dedicated cafeteria space; students eat in classrooms
- Roof is reaching end of life

Your turn...
**What would you
prioritize?**



FINANCIAL CAPACITY & TAX IMPACT SCENARIOS



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Tax Rates of Local Districts



■ Total2 ■ Total ■ I&S ■ M&O

Contact: Jeff Robert
214.953.8744
jeff.robert@hilltopsecurities.com



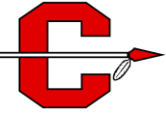
November 7, 2024

Bond Information, Discussion & Analysis
Cleveland Independent School District

Presentation Topics



Texas ISD Bond FAQs	Pages 3 – 7
Bond Structuring Variables	Pages 8 – 11
Historical Tax Exempt Interest Rates – BBI 20 Index	Page 12
Tax Base & Tax Rate History	Page 13
Tax Base Assumptions for Capacity Scenario	Page 14
CISD Current Outstanding Bonds	Page 15
Bond Capacity Scenario – Projected I&S Tax Rates	Page 16
Bond Capacity Scenario – Projected I&S Tax Impacts	Page 17
Ballot Language & Propositions	Page 18

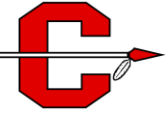


What is a Bond?

- A school bond is similar to a home mortgage. It is a contract to repay borrowed money over time with typically a fixed, tax-exempt interest rate.
- Bonds are approved/authorized by voters and later sold by a school district to investors via bond underwriting firms to raise funds to pay for the costs of construction, acquisitions, renovations and/or equipment.
- Bonds are the only way that a Texas ISD can make significant impacts to current and/or future facilities.
- Bond authorizations can be sold in one bond issuance or multiple issuances over several years.

Bond Authorization: Amount of bonds approved by voters that a district is authorized to issue/sell; interest does not accrue on bond authorization

Bond Issuance or Bond Sale: Amount of bonds from the authorization that a district issues/sells; interest rate is set and interest starts to accrue on bonds that are issued/sold



How are the Bonds Repaid?

A school district has two components to its total tax rate:

1. Maintenance and Operations ("M&O") tax rate
2. Interest and Sinking Fund ("I&S") tax rate
 - The district levies an annual I&S tax rate against the taxable property in the district to make their bond payments.
 - **The Interest and Sinking Fund ("I&S") tax rate can only be levied for repayment of voted bonds.**
 - The State Attorney General will not approve a bond issue that is projected to result in an I&S tax rate above \$0.50 in any year that the bonds are outstanding using the current tax base at the time of bond issuance ("AG Fifty Cent Test").

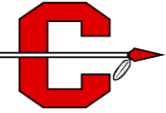


What is the Term/Payback Period of a Bond?

typically **25-35** years

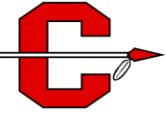
(maximum legal term is 40 years)

Short life projects like technology or transportation are paid off within 3-10 years.



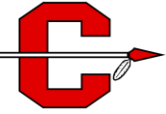
What Will the Interest Rate Be?

- The interest rate will not be finalized until bonds are issued/sold.
- School districts are able to borrow money at lower, tax-exempt interest rates
- Texas school district bond issues are also eligible to receive the State Permanent School Fund Guarantee ("PSF").
 - This guarantee allows for the bonds to receive the highest credit ratings of 'AAA'/'Aaa'.
- Cleveland ISD's stand-alone **Moody's "A1"** and **Fitch's "AA-"** ratings along with the PSF Guarantee ratings, means that **Cleveland ISD bonds will be priced at or near the lowest available interest rates** at the time of issuance.



What is Bond Capacity?

- Bond capacity is the projected maximum amount of bonds that a district can issue/sell for each issuance at a specified I&S tax rate using:
 - tax base
 - interest rate
 - term
 - issuance timing assumptions/projections
- Bond capacity is also impacted by the makeup of the projects being included in the bond package.
 - Having more short-life projects included in a bond package (technology and transportation) will reduce a district's overall bond capacity because the bonds associated with those projects must be amortized (paid off) within the useful life of that project.



Tax Base

- Tax base assumptions have to be made when issuing tax supported bonds that have a term from 2 to 40 years.
- When tax base goes down, same tax rate from prior year produces fewer dollars; tax base goes up, same tax rate produces more dollars
- Goal is to produce tax base assumptions that are conservatively realistic based on recent past annual tax base growth

NOTE: Increases in CISD's tax base **DOES HELP** the I&S budget, but they **DO NOT HELP** CISD's M&O budget.



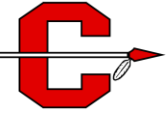
Interest Rates

- Interest rates are not finalized for a bond issue until the day the bond issue is sold. The earliest date would be about 1.5 to 2 months after a successful election.
- While interest rates have risen some recently, they are still at relatively low levels when compared to rates over the last 40 years.
- Note that when the Fed takes action on interest rates, it directly impacts short term interest rates; it does not necessarily have the same impact on long term interest rates
- We always use interest rate assumptions that are higher than current interest rates to try to give some cushion in the event that interest rates rise from the time the bond election is called to the time the bonds are issued.



Term

- Shorter term results in lower interest rate but higher annual payments; therefore higher tax rate impact
- Longer term results in higher interest rate but lower annual payments; therefore lower tax rate impact
- Bond issuances will not have a term that exceeds the useful life of the project(s)



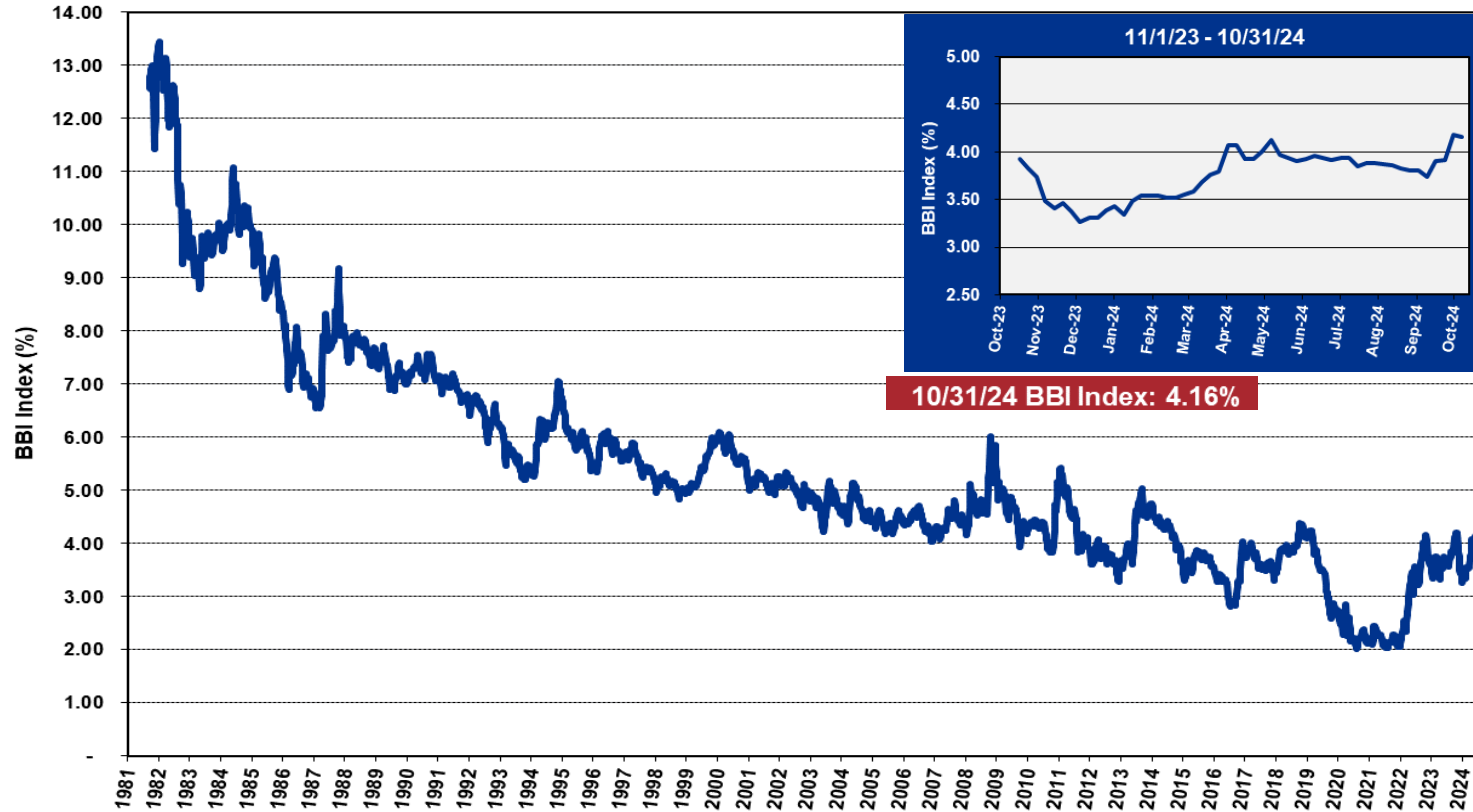
Issuance Size & Timing

- Issuing a voter-approved bond in lesser amounts and/or over a longer period of time can reduce the impact on a district's I&S budget.
- If tax base growth is greater than projected and/or interest rates are lower than projected, districts might consider issuing more of their voter-approved bond authorization earlier than originally projected, which might mean the full bond authorization is ultimately issued over a shorter period of time.
- If tax base growth is slower than projected and/or interest rates are higher than projected, districts might have to consider issuing their authorization slower and/or in lesser amounts than originally projected.

Historical Tax Exempt Interest Rates – Bond Buyer 20 Yr Index



Bond Buyer 20 Year GO Index
September 1981 - October 31, 2024



10/31/24 BBI Index: 4.16%

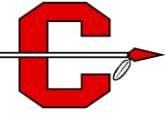
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Bond Buyer 20 Year GO Index is a weekly index estimating the composite yield on 20 general obligation bonds rated "A" or better.



This graph depicts historical interest rates. Future interest rates are dependent upon many factors such as, but not limited to, interest rate trends, tax rates, the supply and demand of short term securities, changes in laws, rules and regulations, as well as changes in credit quality and rating agency considerations. The effect of changes in such factors individually or in any combination could materially affect the relationships and effective interest rates. These results should be viewed with these potential changes in mind as well as the understanding that there may be interruptions in the short term market or no market may exist at all.

Tax Base and Tax Rate History



<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Fiscal Year	Tax Base	Growth Rate	M&O Tax Rate	I&S Tax Rate	Total Tax Rate
2015	\$ 850,307,008		\$1.040	\$0.275	\$1.315
2016	932,700,302	9.69%	\$1.040	\$0.275	\$1.315
2017*	1,071,937,872	14.93%	\$1.040	\$0.340	\$1.380
2018	1,191,258,516	11.13%	\$1.040	\$0.375	\$1.415
2019	1,393,607,710	16.99%	\$1.040	\$0.375	\$1.415
2020	1,655,512,193	18.79%	\$0.970	\$0.375	\$1.345
2021	2,227,184,124	34.53%	\$0.875	\$0.375	\$1.250
2022	2,682,734,911	20.45%	\$0.872	\$0.375	\$1.247
2023**	3,555,021,659	32.51%	\$0.855	\$0.357	\$1.212
2024***	3,776,933,604	6.24%	\$0.669	\$0.357	\$1.026
2025	4,321,025,585	14.41%	\$0.667	\$0.357	\$1.024

NOTE: CISD's current total tax rate is the **lowest** it has been since fiscal year **1994**

* - State Mandatory Homestead Exemption increased from **\$15,000** to **\$25,000**

** - State Mandatory Homestead Exemption increased from **\$25,000** to **\$40,000**

*** - State Mandatory Homestead Exemption increased from **\$40,000** to **\$100,000**

SOURCE: Municipal Advisory Council of Texas website

Tax Base Assumptions



Because school districts issue long term bonds to pay for their large capital projects/expenditures, tax base assumptions are used in structuring the issuance of any new bond authorization in order to calculate/project the I&S tax rate going forward.

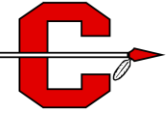
If the CISD tax base grows at a slower than projected rate, the District will use I&S fund balance, bond refinancings and/or issue the new authorization over a longer period of time to keep the I&S tax rate at the maximum level communicated to CISD Taxpayers.

Fiscal Year	Tax Base Growth Assumptions	
	Tax Base	Growth Rate
2026	\$ 4,645,102,504	7.50%
2027	4,993,485,192	7.50%
2028	5,243,159,451	5.00%
2029	5,505,317,424	5.00%
2030	5,780,583,295	5.00%
2031	5,925,097,877	2.50%
2032	6,073,225,324	2.50%
2033	6,225,055,957	2.50%
<u>Tax Base Assumed to Grow at 1.00% Thereafter</u>		

Cleveland ISD Outstanding Bonds

Bonds Outstanding as of 11/1/24	
Series 2006	\$ 364,989
Series 2015	\$ 4,875,000
Series 2016	\$ 30,290,000
Series 2017	\$ 2,955,000
Series 2018	\$ 30,785,000
Series 2018A	\$ 37,160,000
Series 2020	\$ 14,685,000
Series 2020A	\$ 114,155,000
Series 2020B	\$ 65,920,000
	\$ 301,189,989

Bond Election Scenarios – Projected I&S Tax Rates



<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
<i>PROJECTED</i> Issued August 1, 2025			<i>PROJECTED</i> Existing Debt Allotment* Funds	Maximum I&S Tax Rate	2024-25 I&S Tax Rate	I&S Tax Rate Increase
Election Size	Term	Rate				
\$ 140,000,000	30 Yr	4.50%	\$ 89,357,183	\$ 0.3572	- \$ 0.3572	= \$ -
\$ 150,000,000	30 Yr	4.50%	\$ 95,581,516	\$ 0.3672	- \$ 0.3572	= \$ 0.0100
\$ 160,000,000	30 Yr	4.50%	\$ 100,724,225	\$ 0.3772	- \$ 0.3572	= \$ 0.0200
\$ 170,000,000	30 Yr	4.50%	\$ 104,564,675	\$ 0.3872	- \$ 0.3572	= \$ 0.0300
\$ 180,000,000	30 Yr	4.50%	\$ 105,391,605	\$ 0.3972	- \$ 0.3572	= \$ 0.0400
\$ 190,000,000	30 Yr	4.50%	\$ 106,182,738	\$ 0.4072	- \$ 0.3572	= \$ 0.0500

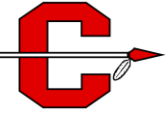
* - Projected Existing Debt Allotment (“EDA”) funds received over the life of the bond issue based on District tax base and enrollment assumptions

Bond Election Scenarios – Tax Rate Impacts



	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
	Tax Rate Impact on Cleveland ISD Homeowners**									
Tax Rate	<i>Home Values</i>*									
Increase	\$ 100,000	\$ 125,000	\$ 150,000	\$ 175,000	\$ 200,000	\$ 225,000	\$ 250,000	\$ 275,000	\$ 300,000	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 0.0100	\$ -	\$ 2.50	\$ 5.00	\$ 7.50	\$ 10.00	\$ 12.50	\$ 15.00	\$ 17.50	\$ 20.00	\$ 20.00
\$ 0.0200	\$ -	\$ 5.00	\$ 10.00	\$ 15.00	\$ 20.00	\$ 25.00	\$ 30.00	\$ 35.00	\$ 40.00	\$ 40.00
\$ 0.0300	\$ -	\$ 7.50	\$ 15.00	\$ 22.50	\$ 30.00	\$ 37.50	\$ 45.00	\$ 52.50	\$ 60.00	\$ 60.00
\$ 0.0400	\$ -	\$ 10.00	\$ 20.00	\$ 30.00	\$ 40.00	\$ 50.00	\$ 60.00	\$ 70.00	\$ 80.00	\$ 80.00
\$ 0.0500	\$ -	\$ 12.50	\$ 25.00	\$ 37.50	\$ 50.00	\$ 62.50	\$ 75.00	\$ 87.50	\$ 100.00	\$ 100.00

* - Tax rate impacts calculated based on Home Value LESS \$100,000 State Mandatory Homestead Exemption.



Ballot Language

Legislation passed in 2019 REQUIRES the following language to appear on every proposition on the bond ballot:

“THIS IS A PROPERTY TAX INCREASE”

EXPLANATION: Regardless of whether the I&S tax rate goes up, stays the same, or goes down, taxes will have to be levied to repay any new bonds through the end of their term

Bond Propositions

Legislation passed in 2019 REQUIRES separate propositions for certain types of projects: Any work on athletic stadiums with 1,000+ seating, natatoriums, technology device purchases, performing arts facilities, teacher housing and recreational facilities other than gyms, playgrounds or play areas

WRAP-UP





**BOND
PLANNING
COMMITTEE**

CLEVELAND ISD

MEETING SCHEDULE

Thursday, Oct. 24

Orientation, Framework, Public School Finance,
Demographics

CONCEPTUALIZE

Thursday, Nov. 7 & Tuesday, Nov. 19

Facility Condition, Needs & Proposed Projects,
Financial Capacity & Tax Impact Scenarios

EXPLORE

Thursday, Dec. 5

Develop Bond Scenarios

DEVELOP

Thursday, Dec. 12

Committee Deliberations & Final Recommendation

REFINE

*All members are expected to attend and contribute to all scheduled meetings consistently.
Additional dates may be added as needed.*