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Energy Efficiency/Improvement Bond Issue Proposition

Update 6/22/2010

Savings to the School District on \$2.73 million General Obligation Qualified School Construction Bonds (QSCB) Series 2010D

Earlier we promised we would try to obtain information on the approximate savings the passage of the bond issue and sale of these bonds created for the school district. The district's bond counsel is estimating that the savings to the school district will amount to approximately \$1.5 million dollars. Another benefit to this issue is that beginning in 2014 the school district will begin putting funds in an interest bearing account to make the bond payments on this issue in 2025. Over the 11 years the district is accumulating the funds for the 2025 bond payments they will also receive interest on these designated funds. This interest when combined with the above mentioned savings in interest should result in an overall benefit to the district of in excess of \$1.8 million dollars.

The Mexico School District is extremely pleased with the savings they have obtained through the purchase and renovation of the Plastec building in the **Mexico Industrial Park**. The new Mexico Public Schools Transportation, Maintenance, and Central Delivery facility is 90% complete. The following table shows the districts expenditures to date on this project:

Budget Amounts: \$950,000.00

- **Building Purchase:** \$480,000.00
- **Asphalt:** \$149,096.00
- **Shelving:** \$2867.31
- **Lighting:** \$2464.91
- **Building Materials:** \$11,186.46
- **Mechanics Equip:** \$12,994.00
- **Cleaning:** \$362.29
- **Electrical:** \$8716.90
- **Heating:** \$5359.00
- **Video Surveillance:** \$7093.00
- **Concrete:** \$96.30
- **Flooring:** \$372.55
- **Wash Bay:** \$20,043.00
- **Balance of Project:** \$249,348.28

Highlights of Project:

- The school district will save in excess of \$200,000 in comparison to constructing a new facility. This savings will be utilized by the district to enhance their facilities in another area.
- The new facility will eliminate congestion at high school campus and provide the district with the ability to centralize food storage, maintenance, and supply delivery.
- The present transportation center alone cost the district \$24,000 per year in utilities. Projections for new facility are in the \$12,000 to \$15,000 range and this includes the addition of food storage and other services not presently housed in old transportation facility. Estimated annual savings are in excess of \$15,000 per year and this will be greater when 5200 sq ft of office space is utilized by the district.

- The additional 5200 square feet of office space will be utilized by the district in the future.

Update 6/11/2010

In addition to the Qualified School Construction Bonds (QSCB) issued by the school district, the school district is also issuing an additional \$2,517,596 in General Obligation Bonds. The interest rates on these issue are anticipated to run from .75% to 3.80% for bonds maturing in 2024. The average coupon is anticipated to be 3.31%.

This will leave the district with an additional \$1,250,000 in authorized bonds that have not been issued. Since passage of the bond issue the school district has now issued \$4,017,596 in General Obligation Bonds and \$2,732,404 in QSCB bonds for a total of \$6,750,000 in bonds.

Again, thanks to the passage of the recent bond issue the school district has been able to obtain very favorable rates on their bonds.

Update 6/3/2010

Governor Jay Nixon announced last week that Missouri school districts will receive a combined \$146,348,000 in interest-free federal bonds to pay for construction projects financed through voter-approved bond issuances. The Mexico school district was awarded **\$2,732,404.00** in Qualified School Construction Bonds issued through the American Recovery and Reinvestment Act.

These **interest-free bonds** will be of great benefit to the Mexico school district in maximizing the recent funding approved by local Mexico voters. The Qualified School Construction Bond program absorbs costs that would otherwise be incurred by the school districts, effectively allowing the district to borrow funds without paying interest. Bondholders are provided with federal tax credits in lieu of the interest that would ordinarily be paid by the school district that issues the bonds.

Be sure to check back for more updates...and watch your email for announcements.

Your support of the passage of the recent bond issue was critical in allowing the school district to take advantage of this program.

IMPROVEMENTS UPDATE: The Mexico Public Schools are beginning to put the funds from the passage of recent bond issue to work on needed improvements in the district. The following is an update on improvements that are presently being addressed by the school district.

- The school district recently purchased the Plastec Building in the Mexico Industrial Park. The plans are to utilize this facility as the district's **Transportation and Maintenance** facility. This should result in substantial savings to the school district when compared to purchasing a site and constructing a new building. The district will asphalt the old parking lot and extend pavement around the side and rear to fully utilize the site. The interior of the building will undergo renovations including video surveillance upgrades to prepare it for the maintenance and storage needs of the district. These improvements will begin in the near future. Please take a moment to review some of the updated construction photos below.
- The **Mexico High School** will start to see the bond funds being put to use in the form of the complete replacement of the windows in the 1928 and 1961 additions this summer. Another significant upgrade scheduled for this summer at the high school will be the installation of a HVAC Hybrid Heat Pump/Boiler system. These two projects should allow the district to start saving on energy costs next fall and winter. The video surveillance equipment at the high school will also be upgraded.
- The **Hart Career Center** and **Agricultural Center** will also see some improvements completed this summer with the Hart Career Center receiving an EMCS supervisory system for monitor and control of HVAC and the Agriculture Center receiving an expansion in their video surveillance equipment.
- A great deal of work will be completed at **Hawthorne Elementary** this summer. The district will start by replacing all windows, HVAC roof top units, and install an EMCS supervisory system for monitor and control of HVAC. Again all of these improvements should begin to pay for themselves in lower utility costs next fall and winter. In addition to energy upgrades Hawthorne will receive an upgrade to video surveillance equipment and parking lot improvements.
- The **Mexico Middle School** will receive upgrade to video surveillance equipment and the gymnasium floor will be resurfaced.

The school district is working hard to complete these projects in a timely fashion. Each project requires careful planning and a review of many options in an effort to maximize the resources available to the school district and achieve the greatest return in energy savings. **It appears that the district is off to a great start!**