Marshall school board starts laying groundwork for April bond issue

By Eric Crump. The Marshall Democrat-News: October 10, 2012.
The Marshall school board met in special session Wednesday, Oct. 10, to begin laying the groundwork for placing a bond issue on the April ballot, and it picked up an endorsement for the idea from Marshall-Saline Development Corporation Director Bill Riggins.

Following presentations on possible bond rates and building design for a new elementary school, the board turned to the community impact aspect of seeking approval for the bond issue.

Riggins and Zimmer Real Estate Group representative Troy Nash were invited to spell out how the bond issue would fit in the context of Zimmer's economic development plan, which has been in development throughout the year.

"We want to go forward with this ASAP," said board President Kathy Green, "but we want to be able to fit in your plan."

It fits fine, according to Nash and Riggins.

He mentioned the three forces the community will have to grapple with as it seeks to implement the plan: globalization, immigration and education. The first two, he said, are to some degree outside local control.
"Education is the biggest thing in economic development," Riggins said. "For economic development, we need to have a new school, period. We're going to be behind you 110 percent."

Several school board members reiterated their support for building new schools.

Mike Mills said he recommends the board spend more time talking about benefits of new buildings rather than criticism of current buildings.

"We need to point out why we need new buildings besides that the buildings were built in 1923," he said. "I live in a house that was built in 1923 and it's OK."

Douglas Koehn again urged the board to rethink strategies as it presents the issue to the public.

"We're going to need a very robust steering committee," he said, adding that popular social media should be used to present information.

Richard G. Bartow, executive vice president of George K. Baum & Company reviewed two scenarios as examples, one for a $10 million bond and one for a $15 million bond.

He recalled his message to the board prior to the November 2009 election, when he said there was no better time to borrow money -- thanks in part to federal stimulus program benefits. While conditions now don't quite approach the 2009 situation, he said interest rates remain uncommonly low.

The previous bond issue in April 2010, was for $16.8 million and would have imposed a 67-cent debt service levy on local district property owners.

Bartow estimated a $10 million bond now would require a 37-cent levy, and a $15 million bond would require a 55-cent levy. The levy rates are per $100 assessed value.

Bartow gave an example of the impact a 55-cent levy would have on the owner of a home valued by the county assessor at $100,000. The tax increase would be $8.71 per month.

He estimated the district's current bonding capacity at about $23.6 million.

The board has not yet approved a building design and doesn't have an estimated cost, so no decision was made on the levy rate.

Michael G. Kautz of ACI Frangkiser Hutchens, the architectural design firm the district has a contract with, presented the most recent design selected by the board. He noted the design was developed prior to the November 2009 election and suggested the board consider whether the design still meets the needs of the district.

The board has until Jan. 29, 2013, to place the bond issue on the ballot.

Following the open session, the board met in closed session to discuss real estate and personnel matters. No action was taken, according to unofficial minutes of the meeting.