

# IN A 'PERFECT STORM,' THE ALMA SCHOOL DISTRICT LOWERED ITS MILLAGE AND RAISED CONSTRUCTION FUNDS

Superintendent David Woolly details the successful bond proposal.



Normally, when a school district needs funds for capital construction projects, it does not ask voters for less in taxes. But that is exactly the plan the Alma School District proposed and its voters endorsed on Nov. 3, when they approved bond initiatives that will both lower their millage — from 43.4 to 42.4 — and also generate \$10 million for much-needed construction projects.



David Woolly, Superintendent of the Alma School District

“We use the term perfect storm from time to time, and usually we mean something negative by that,” Alma Superintendent David Woolly said. “Well, this was a perfect storm, but it was a positive of several things coming together at once that made everything work.”

Woolly details the confluence of fortunate events, how the construction funds will better Alma students’ professional prospects,

and what Stephens Public Finance has done to help the district wade through a pile of paperwork “literally a foot tall.”

## What was the district’s bond situation when it went to the district with this proposal?

The last major construction projects in the district that were funded by bonds were completed about 15 years ago. The bonds that financed that construction, about \$35 million to \$40 million, were sold about 20 years ago. That was the last time we sold bonds, and we have been paying on them ever since. If we did nothing at all, in 19 years those bonds would have been paid off. Of course, it is common for districts to pay off bonds early and refinance them.

## And that is what voters in your district agreed to do. Can you describe the bond issue?

It is a new bond issue that will go out 35 years. A large portion of the bond issue will go to pay off the existing bonds. By taking our existing debt and paying on it over the next 35 years, instead of the next 19 years, we dramatically lower our payments — just like refinancing your house.

In addition to refinancing our existing bonds, we are selling the new bonds for \$10 million more than what it takes to

refinance our existing bonds. That is where the \$10 million for new construction comes from.

The other part of the perfect storm is the record-low interest rates right now, which applies to school bonds, too. We anticipate these bonds selling a very low rate, far lower than what we are paying on our bonds now. That also lowers our annual payment. So, if our annual payment is lower than the amount of money we need to have coming in from taxes, we want to give that back to people in the district by lowering the tax rate.

## What was the impetus for the bond proposal?

Like most schools in this part of the country, Alma High School had an agriculture education program forever, up until about 10 years ago. With the program ending 10 years ago, when we restarted it in fall of 2019, we did not have really good agriculture facilities. We started the program in a regular classroom, which was OK for getting going, but obviously that is not OK for the long term if you want to have a high-quality program that meets students’ needs. So, we knew we were going to need to build something, and sooner rather than later.

## How will these new agriculture facilities benefit students’ education?

Agriculture is far more than soybeans and cows, which are certainly important, along with every other kind of crop and livestock. Agriculture is also welding and other skills you learn in a machine shop. The new agriculture building, which will be physically attached to the high school, will have that. Right out the back door of that building will be a greenhouse, where students will learn about growing crops.

Farther out, there will be a barn for livestock education. We have some students who live on working farms but not very many, even if their parents are involved in agriculture. So, if a student is going to raise livestock, they do not have a place to do it. They cannot raise a cow or pig in their backyard. That is why modern agriculture programs have barns, including everything from pit pens, pasture land around it, and facilities for medical treatment of the animals.

## Besides the new agriculture facilities, what else will the \$10 million in construction funds pay for?

We built one of the first multipurpose student activity centers in Arkansas about 25 years ago. Now, it is nowhere near state of the art in terms of size. The new facility will basically

look like an indoor football field, but the football team is the student organization that will probably use it least. We have a very active and strong Navy ROTC program that drills every day; in inclement weather they will have a place to do that. Our marching band will use it for the same reason in the fall. We have a strong robotics and engineering program, and this will be the perfect place for big robotics competitions. It will also be perfect for our science fair and History Day, which is like a science fair for history. So, this will truly be a multipurpose student activity center. Construction should closely follow and overlap some with the construction of the agriculture facilities, which we hope to start on in the spring.

The administration building is 41 years old, and the only thing we have done to it in 41 years is have it recarpeted. In the meantime, our enrollment has increased by about 40%, which means more administrative staff. Right now, we have people who ought to have their office in this building but are spread out all over the district, just anywhere we could find a place to put them. So, we will expand this building and bring all those people into this building, and it will greatly improve our efficiency and our operations.

We will also do a great deal of parking lot and driveway work. All of our parking lots and driveways were last paved in 1989, and it is really only designed to have a life of 15 to 20 years before you need to overlay it. And if we wait any longer, we would have to tear it out and start all over, which is much more expensive; whereas right now we can just overlay it with fresh asphalt.

We also have some roof work we need to do. You do not want to wait until a roof is leaky before you work on it.

The last piece of all this goes back to the administration building. Fifteen or so years ago we purchased a building across the street from our administration building that had been built as a doctor’s office, and we converted it to office space for our people we did not have space for in the admin building. When we get them moved into here, we are going to convert that building to be used for an early childhood education program.

## What kind of partner has Stephens Public Finance been for the district?

Stephens has been our financial advisor for bond issues forever. Well, not forever, but this is my 49th year with the district, and Stephens has been our financial advisor at least that long.

And in my 30-plus years as an administrator, we have worked with only three different people. They are great to work with. The selling of bonds has always been kind of complicated, and it would be absolutely impossible for a district to do a bond issue without a financial advisor.

## What makes bond issues so complicated?

After the new financial laws in 2008, the paperwork doubled. I am not exaggerating. The forms that you have to fill out, the things you have to check and attest to — a district could not do that. That is why you want to work with somebody like Stephens. At the end of this, the documents that our school board president and secretary will have to sign will be literally a foot tall. You dang sure do not want anything in there that you missed. So, Stephens is there for there to be sure no stone is left unturned, that the district can make the payments, and that the bondholders are going to get their money back. It is a lot of work.

## Is there a message you have for voters for approving the proposal?

We could not have done all this without the voters having trust in us. On behalf of our students, our thanks go out to them for agreeing to our proposal. Of course, they were helping themselves out, too, by lowering their taxes. This will benefit lots and lots of people. Like I said, it was a perfect storm.



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