

Mason County Central School District
May 2, 2023 Bond Proposal
Frequently Asked Questions & Answers

Introduction: This past May, over 1,400 residents turned out to vote on a school bond proposal. Though the proposal failed, we thank you for the valuable feedback received following the election. The Board of Education has carefully reviewed community feedback, and has drafted a revised smaller proposal that if approved by voters, would improve all school buildings and impact every student.

Looking to the future of Mason County Central School District, the Board of Education is asking the community to vote on a revised bond proposal on the election ballot on Tuesday, May 2, 2023. If approved by voters, it would provide \$31,540,000 for district-wide improvements to address identified and ongoing facility projects based on facility assessments and community input.

What is a bond proposal and how can funds from a bond be spent?

A bond proposal is how a public school district asks its community for authorization to borrow money to pay for capital expenditures. Voter-approved bond funds can be spent on new construction, additions, remodeling, site improvements, athletic facilities, playgrounds, buses, furnishings, equipment, and other capital needs. Funds raised through the sale of bonds cannot be used on operational expenses such as employee salaries and benefits, school supplies, and textbooks. Bond funds must be kept separate from operating funds and expenditures must be audited by an independent auditing firm.

How would the bond proposal impact my property taxes?

If approved by voters, this bond would be an estimated 1.60 mill increase to the current millage rate. This equals approximately an additional \$3.33 per month for every \$50,000 of market value home (or \$25,000 of taxable value). A tax calculator is available on the district’s website to estimate how much the bond would cost based on the taxable value of your property.

MARKET VALUE	TAXABLE VALUE	COST/YEAR	COST/MONTH
\$50,000	\$25,000	\$40.00	\$3.33
\$100,000	\$50,000	\$80.00	\$6.67
\$150,000	\$75,000	\$120.00	\$10.00

Why a bond proposal now?

In 2006, voters approved a \$16,935,000 million bond issue for improvements to construct the Upper Elementary School, and fund minor improvements to the other school buildings. While the 2006 bond took care of some critical issues at that time, there are many infrastructure systems that have since outlived their expected useful lives. This bond proposal would address the remaining, currently identified issues. The District continues to perform preventative maintenance on these systems.

Specific systems have exceeded their expected lifecycle(s) – roofing, flooring, etc. If the bond proposal is approved, it would include the replacement of the identified systems and would extend the useful life of our school buildings. This bond proposal also addresses safety and relevance. Safety by upgrading secure building entrances, providing additional parking, safer parent and bus drop-off areas, and relevance by providing upgraded facilities to create healthier learning spaces, and a new community events center.

Would the approval of the bond proposal have any impact on our current operational budget?

While funding from this bond proposal is independent of the district's general fund operating budget, the bond would likely have a positive impact on the district's general fund by allowing the district to reallocate operating funds that are currently being spent on aging facilities, mechanical systems, and technology. The operational savings generated from new and more cost-efficient facilities could be redirected to student programs and resources.

When would the millage for this proposal first be levied if the bond proposal is approved by voters?

On the December 1, 2023 property tax bill.

Why is synthetic turf not included in the proposal?

After the 2022 bond proposal was not approved by voters, the district conducted a variety of community feedback sessions. Synthetic turf was a previously proposed project that was not well-supported during the feedback sessions.

How would I know the bond funds would be spent the way they are supposed to be spent?

Michigan law requires that expenditure of bond proceeds be audited, and the proceeds cannot be used for repair or maintenance costs, teacher, administrator or employee salaries, or other operating expenses. An audit would be completed at the end of each series to ensure compliance.

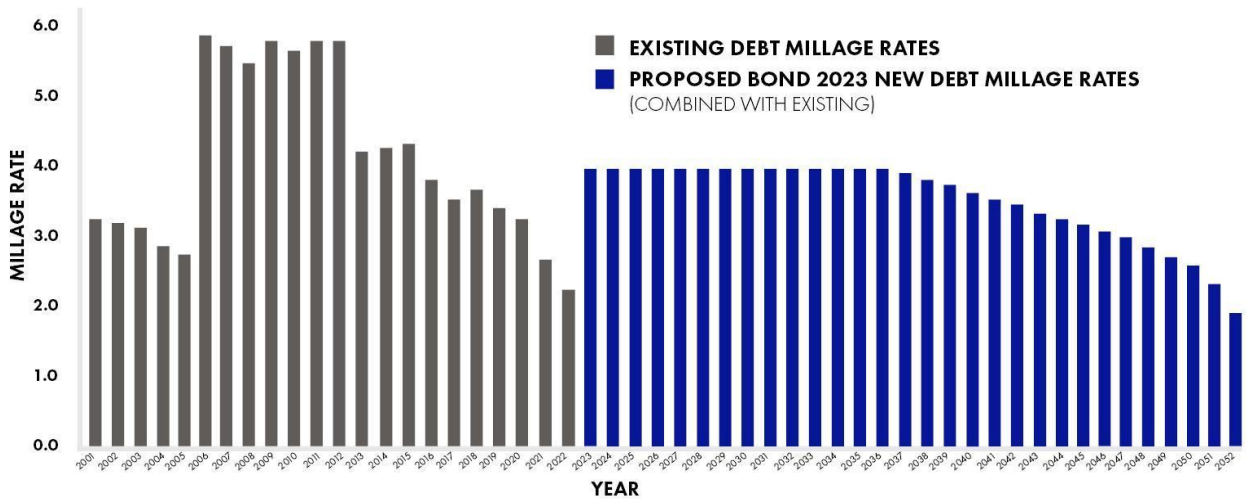
How much money would the bond proposal generate and would the funding be issued all at once?

The proposal would generate \$31,540,000 which would be spent over six years on district-wide school building and site improvements. The bonds are proposed to be issued in 3 separate series (in 2023, 2026, and 2027). This would allow for years of bond repayments to occur before a new bond issue is completed.

How does our current millage rate compare to our historic millage rate?

Mason County Central School District property owners are currently paying the lowest debt tax rate in recent history due to previous bond debt being paid off.

The debt millage rate is estimated to be near the previous rate in 2015, and remain significantly lower than the district's previous bond debt millage rates in 2006–2012.



Is the bond millage rate expected to be the same for the next 30 years?

No. The bond millage rate is estimated to initially increase by 1.60 mills in the first year, then remain at 4.02 mills through 2036, and thereafter it is estimated to decline due to bond repayment and taxable value growth, as illustrated in the chart above.

Are technology purchases going to be amortized over a 30 year period?

No. Most technology purchases are required to be amortized over a 5 year period beginning at the time of installation.

Is there a technology replacement plan?

Yes, each bond series has an allowance for future technology purchases and updates.

Are businesses and second homes (non-homestead properties) and primary homes (homestead properties) treated the same regarding bond millage?

Yes, businesses and second homes (non-homestead properties) and primary homes (homestead properties) are treated the same regarding bond millage.

Are there property tax exemptions to anyone of any kind?

If a business has been granted an Industrial Facilities Tax ("IFT") credit then only half of the taxable value is subject to the bond millage. The business would need to verify if some of the taxable value has been designated for the IFT credit. One item a community member could research is the Michigan Homestead Property Tax Credit. The Michigan Homestead Property Tax Credit is a method through which some taxpayers can receive a credit for an amount of their property tax that exceeds a certain percentage of their household income. This program establishes categories under which homeowners or renters are eligible for a Homestead Property Tax Credit. We would recommend that community members consult their tax advisor to determine if they are eligible for this tax credit.

Can you help residents understand how schools of choice students impact the district?

The foundation allowance follows the student, which means the district receives State funding for each student that is enrolled at Mason County Central School District. For each student who attends through schools of choice, Mason County Central receives state funding, similar to how it receives State funding for in-district students. School of choice students help round out classrooms and sports teams, and other extracurricular programs.

Would money from the bond proposal be used to pay teachers' salaries and benefits?

No. School districts are not allowed to use funds from a bond for operating expenses such as teacher, administrator or employee salaries, routine maintenance, or operating costs. Bond proceeds must be kept separate from operating funds and expenditures must be audited by an independent auditing firm.

What oversights would hold the district accountable?

If approved by voters, the district's Architect/Engineer would design the proposed projects and prepare construction documents and specifications for the projects. Once the projects are designed, the district's Construction Manager will assemble bid packages and publicly advertise to solicit competitive bids for all work. This is required by law, as outlined in the Revised School Code. This process ensures that the district selects the lowest responsive and responsible bidder. All qualified contractors will have an opportunity to attend a pre-bid meeting to obtain additional information and project clarification. All qualified contractors will have the opportunity to participate in the competitive bid process.

At what point would the State of Michigan, as well as the local fire and police departments, provide input regarding the bond projects?

Each project will be required to be submitted to both the Bureau of Construction Codes (BCC) and the Bureau of Fire Services (BFS) for both plan review and permitting. These agencies will review the projects to ensure they comply with applicable codes, before any building permits are issued. Building plans and specifications must be signed and sealed by a Licensed Architect/Professional Engineer before submission. As of March 21, 2019, Michigan law requires school districts to consult on the plans for the construction or major renovation regarding school safety issues with the law enforcement agency that is the first responder for that school building. This consultation would happen after a bond proposal has been approved by voters, before construction documents are finalized prior to project commencement.

How do I register to vote?

Visit Michigan.gov/vote to register to vote online. It is recommended by the Secretary of State to register by mail by April 17, 2023 to participate in the May 2, 2023 election. Individuals may also

register in-person at their local clerk's office through May 2, 2023, with the required documentation. For assistance in obtaining the address of your local clerk, visit [Michigan.gov/vote](https://www.michigan.gov/vote).

Are owners of property in the school district eligible to vote if they do not reside in the school district?

Owners of property are only eligible to vote if they reside within the school district's boundaries. To be eligible to register to vote you must be:

- A Michigan resident (at the time you register) and a resident of your city or township for at least 30 days (when you vote)
- A United States citizen
- At least 18 years of age (when you vote)
- Not currently serving a sentence in jail or prison

If I rent a house or apartment, can I vote?

Yes, if you rent a house or apartment you can still vote. You must be a registered voter in the city or township you are living in and live within the school district's boundaries.

How is an absentee voter ballot obtained?

Registered voters must complete and submit the application to receive their absentee voter ballot. To vote by mail, fill out the application and sign it, and then return it to your local clerk. For assistance in obtaining the address of your local clerk, visit [Michigan.gov/vote](https://www.michigan.gov/vote). When filling out the application, if you check the box to be added to the permanent absentee voter list, you will get an application mailed to you before every election.

If you registered to vote after absentee voter ballot applications were mailed, applications may be obtained online at [Michigan.gov/vote](https://www.michigan.gov/vote). Absentee voter ballots are available as early as March 23 through election day, May 2, 2023.

What are the key dates leading up to the Tuesday, May 2, 2023 election day?

- Registering to vote:
 - o The last day for voters to register by mail is April 17, 2023
 - o Voters may register in-person through May 2, 2023 (election day) with the required documentation
- Absentee Voting:
 - o Absentee voter ballots are available as early as March 23 until May 2, 2023 (election day)
 - o Contact your local clerk with questions
- Attend a public information community forum:

- o Wednesday, April 5 from 6–7:30 pm in the High School Library. Tours of the High School are available that evening and upon request.

Where and when will the vote occur?

Tuesday, May 2, 2023 is election day, but absentee voting can occur leading up to that date. All registered voters may cast an absentee voter ballot by mail. Voters may also cast a ballot at the polling location established by their city/township. If you have questions or do not know where you vote, please contact your city/township clerk's office. Polls will be open from 7:00 am to 8:00 pm on Tuesday, May 2, 2023.

What is the ballot language?

Shall Mason County Central School District, Mason, Lake and Oceana Counties, Michigan, borrow the sum of not to exceed Thirty-One Million Five Hundred Forty Thousand Dollars (\$31,540,000) and issue its general obligation unlimited tax bonds therefor, in one or more series, for the purpose of:

erecting, furnishing, and equipping additions to school facilities; remodeling, furnishing and refurbishing, and equipping and reequipping school facilities; acquiring and installing instructional technology and instructional technology equipment for school facilities; erecting, furnishing, and equipping a stadium restroom building; and preparing, developing, improving, remodeling, and equipping playgrounds, play fields, athletic fields and facilities, and sites?

The following is for informational purposes only:

The estimated millage that will be levied for the proposed bonds in 2023, under current law, is 1.60 mills (\$1.60 on each \$1,000 of taxable valuation). The maximum number of years the bonds of any series may be outstanding, exclusive of any refunding, is thirty (30) years. The estimated simple average annual millage anticipated to be required to retire this bond debt is 3.42 mills (\$3.42 on each \$1,000 of taxable valuation).

The school district does not expect to borrow from the State to pay debt service on the bonds. The total amount of qualified bonds currently outstanding is \$3,150,000. The total amount of qualified loans currently outstanding is \$0. The estimated computed millage rate may change based on changes in certain circumstances.

(Pursuant to State law, expenditure of bond proceeds must be audited and the proceeds cannot be used for repair or maintenance costs, teacher, administrator or employee salaries, or other operating expenses.)

In the ballot language, the first paragraph states a not to exceed the figure of \$31,540,000 of general obligation unlimited tax bonds, what does this mean?

If this bond proposal is approved by voters, the maximum amount of bonds to be issued can be no greater than \$31,540,000.

In the ballot language, it states that the estimated millage that will be levied in 2023 to pay the proposed bonds in the first year is 1.60 mills, what does this mean?

This means that the projected bond millage for this proposal to be levied in the first year (2023) is 1.60 mills. (1.60 mills new bonds + 2.42 mills existing bonds = 4.02 total estimated 2023 millage rate)

In the ballot language, it states that the maximum number of years any series of bonds may be outstanding, exclusive of refunding, is not more than 30 years, what does this mean?

The school district plans to issue the bonds in 3 separate series, in 2023, 2026, and 2027. Each bond series would have a length of 30 years or shorter.

In the ballot language, it states that the estimated simple average annual millage that will be required to retire each bond series is 3.42 mills annually, what does this mean?

This means that over the entire life of the bond proposal (all 3 bond series) that the average annual bond millage rate is estimated to be 3.42 mills.

In the ballot language, it states that the school district does not expect to borrow from the State to pay debt service on the bonds. What does this mean?

There is a State program known as the School Loan Revolving Fund ("SLRF") that assists school districts with completing voted bond issues by allowing schools to receive loans from the SLRF for bond payments. The school district does not anticipate borrowing from the SLRF for this proposal.

In the ballot language it states that the amount of qualified bonds currently outstanding is \$3,150,000 and that the total amount of qualified loans currently outstanding is \$0. What does this mean?

The Michigan School Bond Qualification and Loan Program ("SBQLP") is a state program that assists school districts with voted bond issues by providing a bond rating credit enhancement which assists in reducing borrowing costs. The term "qualified" in this case means that the school district has existing bonds outstanding that are qualified by the SBQLP. At the time of the election the principal amount of the school district's qualified bonds will be \$3,150,000. Another State program known as the School Loan Revolving Fund ("SLRF") provides loans to school districts to assist with voted bonds annual payments if needed. The term "qualified loans" refers to any SLRF loan balances outstanding. The school district has not needed to borrow from this program and therefore the balance at the time of the election will be \$0.

Questions?

If you have further questions, contact Jeff Mount, Superintendent,
at 231-757-3713 or by email at jmount@mccschools.org