

**Manchester Community Schools
November 7, 2023 Bond Proposal
Frequently Asked Questions & Answers**

Introduction Looking to the future of Manchester Community Schools, our community will have an opportunity to vote on a school bond proposal on the November 7, 2023 election ballot. If approved by voters, this bond proposal would provide \$64,820,000 for district-wide improvements, with a **zero mill increase** over the current millage rate. Using our Strategic Plan as a foundation, and through stakeholder and community feedback, the highest priority projects for this bond proposal have been identified. The identified projects focus on two areas: warm, safe, and dry schools, and enhancing learning environments.

BOND BASICS

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 must be audited by an independent auditing firm.

What are the key projects in this bond proposal?

This bond proposal focuses on two key areas:

Warm, Safe and Dry Schools - replacements of aging infrastructure as needed throughout the district:

- o Secure entrance improvements with security film on windows
- o Updating communication safety systems such as fire alarms and smoke detectors
- o Mechanical system upgrades as needed throughout the district to replace failing infrastructure: Heating and cooling units, controls and ductwork
- o Roofing replacements to address leaking and roofing past its useful lifecycle

Learning Environments – modernizing school buildings

- o Updating media centers at Klager and Riverside
- o Classroom renovations, including casework, finishes, flooring
- o Creating STEAM lab space (Science, Technology, Engineering, Arts and Math) to support hands-on learning and student experiences at the Jr./Sr. High
- o Auxiliary/community gym addition at the Jr./Sr. High to support community wellness and student clubs
- o Resurface and expand the track
- o Replace classroom technology as needed throughout the district

For a detailed list, see the district website.

What was the process to determine what is in the bond proposal?

The District has consistently studied the current and projected needs of school buildings and educational programs to determine a facility plan. Using this information, supplemented with the district’s strategic plan initiatives, staff input, a community survey, and a community forum, district leaders and the Board of Education are now asking voters to consider a school bond proposal on the November 7, 2023 election ballot.

FINANCIAL INFORMATION

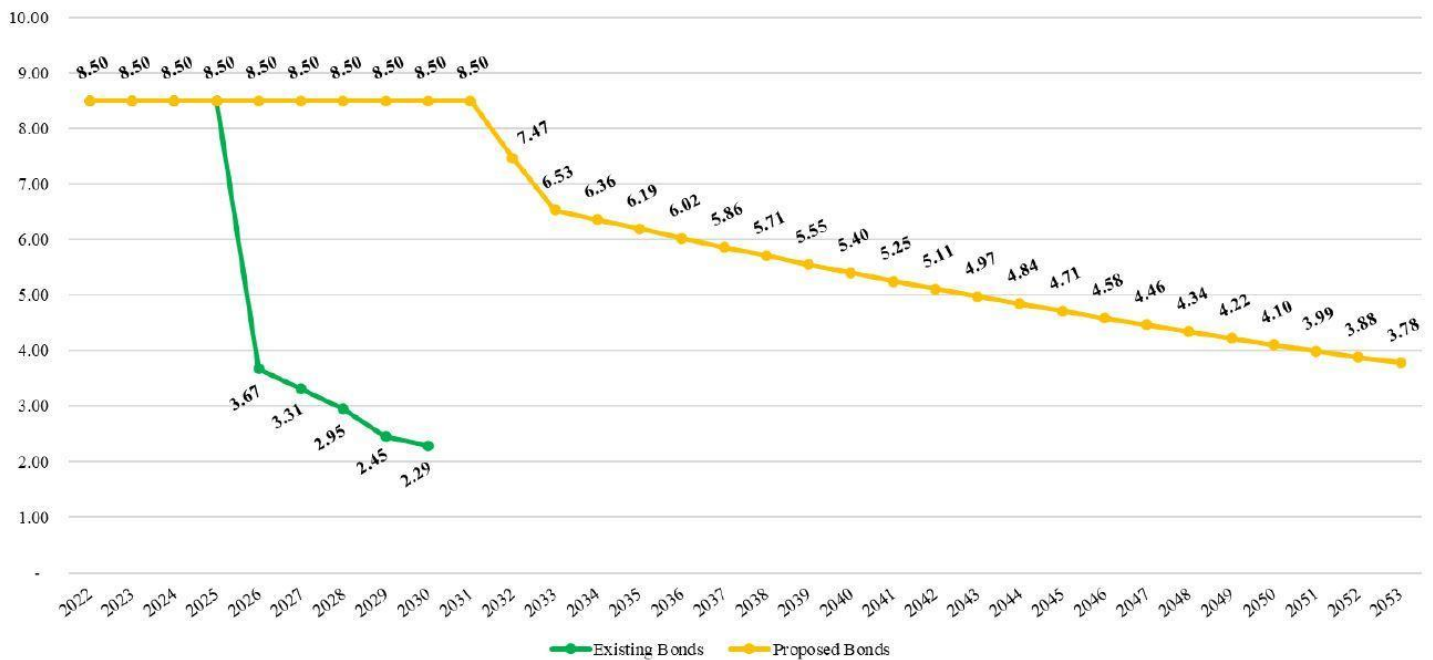
How would the bond proposal impact my property tax rate?

If approved by voters, the MCS debt millage rate is estimated to remain the same as the current levy with a zero mill increase to property owners over the current millage rate.

What do you mean there is no tax rate increase over the current rate?

| <u>Bond millage rate difference</u> | | | |
|-------------------------------------|------|------|------------|
| | 2024 | 2023 | Difference |
| Proposed bonds | 3.16 | | 3.16 |
| Existing bonds | 5.34 | 8.50 | (3.16) |

The current debt millage tax rate of 8.50 mills is expected to remain the same if the bond proposal is approved by voters on November 7, 2023. The bond millage rate is estimated to remain the same as illustrated in the table to the right. The overall debt millage rate of 8.50 mills would be extended until 2034, thereafter it is expected to decline, shown in the chart below.



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

While funding from this bond proposal is independent of 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 cost-efficient facilities could be redirected to student programs and resources.

How can voters be sure the bond funds would be spent the way they are supposed to be spent?

Michigan law requires that expenditure of bond proceeds be audited. The bond proceeds can only be spent for purposes approved by the voters. The bond cannot be used for repair or maintenance costs, teacher, administrator or employee salaries, or other operating expenses. An audit would be completed and filed with the Department of Treasury to ensure compliance.

Is the school district going to immediately issue \$64,820,000 of bonds?

No. The bonds are proposed to be issued in 3 series (2024,2026,2028). This allows for years of bond repayments to occur before a new bond issue is completed.

Are technology purchases going to be amortized over a 30-year period? Is there a technology replacement plan?

No, technology purchases are required to be amortized over a 5-year period beginning at the time of installation. Yes, each bond series has an allowance for future technology purchases and updates.

When will the millage for this proposal first be levied?

On the December 1, 2024 property tax bill.

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

Yes, businesses and second homes (non-homestead) and primary homes (homestead) are treated the same regarding bond millage. All properties are assessed for debt millage based on their taxable value.

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 provider to determine if they are eligible for this tax credit.

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 can only be spent for purposes approved by the voters. Bond revenue must be kept separate from operating funds and expenditures must be audited by an independent auditing firm.

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

Every bond construction fund is required to have an independent audit, per Michigan Department of Treasury Bulletin 7 and the Revised School Code. One objective of the audit is to determine if the bond proceeds have been expended consistent with the stated purposes for which the bonds were authorized by the voters.

The audit must be performed by an independent CPA, licensed with the Michigan State Board of Accountancy, and comply with generally accepted auditing standards as adopted by the American Institute of CPAs. A bond construction fund audit report is required after construction is completed as determined by a Certificate of Substantial Completion. This report is for the entire construction period, from the sale of the bond issue or the beginning of the project (whichever is earlier) through completion, and must include all activity in the fund for that period.

BOND PROJECT INFORMATION***What is "STEAM" and the importance of that program?***

STEAM stands for Science, Technology, Engineering, Arts and Math. STEAM programs blend together those subject matters into a curriculum. STEAM programs help students develop key skills: problem-solving, creativity, critical analysis, teamwork, independent thinking, initiative, communication, and digital literacy. Students with STEAM skills may have additional opportunities for employment and more capable to meet employers needs. Local employers have voiced their desire for workers with higher-level STEAM skills for today's workforce.

What are the qualities of STEAM classrooms?

A STEAM workspace or lab space needs to support making, learning, exploring, and collaborating that uses high-tech to no-tech tools. These are hard-working spaces typically with concrete flooring, electrical power for tools and equipment, and large surfaces for building & sharing materials.

Why is a new auxiliary / community gym included in the proposed projects?

There is a lack of gym space district-wide for various sports and extracurricular activities, including school gatherings, practices, and community events. Practices are having to be scheduled late in the evening. The new auxiliary/community gymnasium addition at the Jr./Sr. High would support athletics, community wellness, and student clubs. It would provide additional space for events, practices, and games, and also provide more space for large gatherings. Community members are also lacking gym space, and this new gymnasium is intended to be shared with the community.

With a successful bond election, what are the typical phases essential to the completion of a project?

After a successful bond election, bond projects will typically go through a (1) design phase, (2) state approval phase, (3) bidding phase, (4) site work phase, and (5) construction phase. For new construction, the design phase portion alone could take at least 1 year before moving into state approval, bidding, site work, and construction. It is important to keep in mind that the timeline for bond project site work and construction should have minimal disruption to students' schedule and therefore must be coordinated with the district's calendar.

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 into 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. Michigan law also 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.

VOTING INFORMATION

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 October 23, 2023, to participate in the November 7, 2023 election. Individuals may also register in-person at their local clerk's office through November 7, 2023, with the required documentation. For assistance in obtaining the address of your local clerk, visit 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 in the school district 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, can I vote?

Yes, if you rent a house 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. 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 at Michigan.gov/vote. Absentee voter ballots are available to the general public by September 28 through election day, November 7, 2023.

What are the key dates leading up to Tuesday, November 7, 2023, election day?

- Registering to vote:
 - The last day for voters to register by mail is October 23, 2023

- Voters may register in-person through Tuesday, November 7, 2023 (election day) with the required documentation
- o Absentee Voting:
 - Absentee voter ballots are available by September 23 until Tuesday, November 7, 2023
 - Contact your local clerk with questions
- o Attend a public information community presentation:
 - Tuesday, September 19 at 6:00 p.m. at Luther C. Klager Elementary Media Center
 - Thursday, September 28 at 6:00 p.m. at Manchester Jr./Sr. High School Media Center

Where and when will the vote occur?

Tuesday, November 7, 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 office. Polls will be open from 7:00 am to 8:00 pm on Tuesday, November 7, 2023.

Questions?

If you have further questions, Contact Dr. Bradley Bezeau,
Superintendent at bbezeau@mcs.k12.mi.us or (734) 428-9711