

Bond Proposal Election

November 5, 2019

Frequently Asked Questions

What is a bond proposal?

A bond is a State-approved funding process that specifies a set scope of projects. When voters approve a local school bond, the money specified in the bond proposal is borrowed and the school district makes payments over a period of years, much like a homeowner pays a mortgage. Bonds are usually issued for periods of between 20-30 years. The 20-year bond proposal on the November 5 ballot will authorize the Lakeview Public Schools to issue bonds in the amount of \$54 million dollars. The proceeds from the sale of the bonds will be used to pay for the projects included in the bond proposal.

Will my taxes go up if I vote “yes”?

No. The timing of retiring old debt, and the financing of the new debt allows the District to structure this bond proposal with the same amount of debt levy, currently 7.99 mills. Homeowner taxes will not go up if this bond proposal passes.

What can the bond funds be used for?

The District had to apply to the Michigan Department of Treasury for approval of our desired list of projects under this bond proposal. Our detailed list that impact all seven of our sites, with estimates from architects and construction management firms, was approved by Treasury in June 2019.

Bond funds can be used to finance long-term capital assets such as:

- Constructing additions to existing school buildings (adding classrooms, an office, or gym)
- Remodeling existing school buildings (doors, security door locks, reconfigure offices, etc.)
- Energy conservation improvements (new windows, energy efficient lighting)
- Site development and improvements (parking lots, sidewalks, playgrounds)
- Athletic, physical education and playground facility development and improvements
- Refunding debt (if new present value savings can be demonstrated)
- Direct bond program costs such as architectural and construction management fees, election fees, issuance costs, qualification fees, insurance fees, permits, final audit costs
- Loose furnishings and equipment purchasing (tables, chairs, book shelves)
- Technology purchases limited to hardware and communication devices that transmit, receive or compute information for pupil instructional purposes only. The initial purchase of operating system and customized application software is allowed if purchased with the initial hardware.
- Constructing new school buildings (no new buildings in LPS proposal)
- Land purchases (if building a new school – not in LPS proposal)
- School bus purchases (LPS does not have buses – so not in LPS proposal)

Bond funds cannot be used for:

- Salaries, supplies, service contracts, lease payments, installment contracts
- Repairs, maintenance, or maintenance agreements
- Purchasing automobiles, trucks, or vans
- Portable classrooms purchased for temporary use
- Uniforms, balls, or protective athletic equipment
- Textbooks, pencils, pens, paper, etc.
- Upgrades to an existing computer operating system or application software
- Computer training, computer consulting, or computer maintenance contracts.



Can any of the bond proposal funds be used for employee salaries or other operating expenses?

No. State Law restricts the use of bond proceeds to only be used on the pre-approved set of projects listed in the Department of Treasury Application the Board of Education approved and submitted before the election. Bond funds cannot be used for staff wages, salaries, or operational costs. They also cannot be used for repair or maintenance costs, such as paying for a technician to fix an existing, broken air conditioning unit. Bond proposal funds must be used only for purposes specified in the ballot language and the Treasury Application, and, as required by State law, they must be audited by a third party, independent auditor.

Would my taxes go down if I vote “no”?

Taxes would go down eventually (assuming taxable values continued to rise), even if this bond proposal does not pass. The School District currently levies 7.99 debt mills to repay the existing debt. Eventually, the existing debt will be retired so the mills required to pay the old debt would go away. However, the timing of current debt retirement and the financing structure for this new \$54 Million bond proposal will NOT require additional mills, so a “yes” vote will not raise your taxes.

What is the ballot wording?

Below is the actual ballot wording. A YES vote means that you are in favor of the bond proposal; a NO vote means that you are opposed to the bond proposal.

OFFICIAL BALLOT
City General Election
Tuesday, November 5, 2019
Macomb County, Michigan
St. Clair Shores City, Precinct ...#...

LAKEVIEW PUBLIC SCHOOLS
BONDING PROPOSAL

Shall Lakeview Public Schools, Macomb County, Michigan, borrow the sum of not to exceed Fifty-Four Million Dollars (\$54,000,000) and issue its general obligation unlimited tax bonds therefor, in one or more series, for the purpose of:

erecting, furnishing, and equipping additions to and remodeling, furnishing and refurbishing, and equipping and re-equipping school buildings; acquiring and installing instructional technology in school buildings; and erecting, furnishing, equipping, developing, and improving playgrounds, athletic fields and facilities, and sites?

YES NO

The following is for informational purposes only:

The estimated millage that will be levied for the proposed bonds in 2020, under current law, is 2.17 mills (\$2.17 on each \$1,000 of taxable valuation) for a -0- mill net increase over the prior year’s levy. The maximum number of years the bonds of any series may be outstanding, exclusive of any refunding, is twenty-one (21) years. The estimated simple average annual millage anticipated to be required to retire this bond debt is 6.42 mills (\$6.42 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 \$16,365,000. 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.)



Who can vote on this bond proposal?

Residents of Lakeview Public Schools who are 18 on Election Day (November 5, 2019) and are registered to vote can vote in the election. Recent changes in election law in Michigan have made voting easier in that a person can register as late as the day of the election and vote. Additionally, many more voters are seeking to vote by Absentee Ballot because there are no longer any restrictions. Anyone can seek to vote by Absentee Ballot.

How do I register to vote?

Registering to vote is easy and can be done more than 15 days prior to the election by mail, or at any of the following locations:

- 🐾 The City of St. Clair Shores, Clerk's Office
- 🐾 Any Michigan Secretary of State Branch Office
- 🐾 The Macomb County Clerk's Office
- 🐾 Other designated State agencies that offer this assistance

Register early and ask about Absentee Voting if there is a chance you may not be able to appear at a polling place on Election Day. If you are attempting to register within 14 days of the Election Day, even on the last day, you will be required to show a current identification and proof of residency to vote.

Who pays the debt millage and what will it cost?

The debt levy is placed on all residential and non-residential property in the District. The owner of that property is responsible for payment. Based on the financing structure and current debt and levy, Lakeview will be able to pay for this new \$54 Million ballot proposal without raising the debt levy (old debt from prior voted 2001 bonds is being retired at the time new debt would be incurred).

Will all of this money be used only for improving Lakeview's buildings and sites?

Yes. The \$54 Million designated in this ballot proposal can ONLY be used for the pre-approved projects authorized by the Michigan Department of Treasury and voted on by the Board of Education. No money can be used for City projects, special projects, or salary and benefits of employees.

Why does Lakeview participate in "school of choice"? Do those families have to pay for this bond?

Students attending Lakeview under the school of choice law do not pay for bond debt. In most cases, those families attending Lakeview schools under "choice" are paying bond debt for the district in which they live, even though their children are attending Lakeview. State law is somewhat antiquated in how schools must be built and renovated (capital funds like bonds should follow the student, like the annual operational dollars do). School of choice students are counted as part of Lakeview's annual funding for operational purposes (in 2018-19, each student attending Lakeview brought \$8,373 to the operational budget of \$45 Million). These funds can and are used in the daily operation of our schools, such as paying for teacher salary/benefits, textbooks, pencils, computers, cleaning and routine maintenance, energy costs, new uniforms, etc.

How can I find out more details about the projects in this ballot proposal?

Specific amounts per school and project breakdowns under various categories, along with site drawings, are available on links on our main webpage:

www.lakeviewpublicschools.org

