

# Mendon Community Schools

## May 7, 2024 Bond – FAQs



### OVERVIEW & FUNDING

#### Why do we need a bond proposal?

Many school districts in the State of Michigan typically seek approval for bond proposals every 5-10 years. This allows for significant improvements to occur and keep district facilities current. The last bond proposal brought to the Mendon Community Schools district voters was a successful election in February of 2014.

The Board of Education and district administration would like to keep the momentum going and are hoping to build upon the recent facilities improvements successes that have been supported by the community. The desire for continuous facilities improvements is driven by the district strategic plan. Overall, a key goal for the district is to prepare our kids to compete in an ever-changing world. Upgraded facilities that support education for our current and future students will have a major impact in achieving this goal.

Due to the size and scale of school buildings, maintenance, updates, and replacement of facilities is costly and often not possible through the traditional funding received by school districts. Our district has a number of growing needs that require large sums of money to undertake. A bond proposal is the best approach to making the significant updates and improvements needed at MCS.

#### What funding sources are available to schools?

Schools receive funding from a number of sources. A simple breakdown of the sources is as follows:

##### ***Foundation Per Pupil Allowance\*\****

The State of Michigan provides a per pupil amount of funding to school districts. Currently, the amount received per pupil is \$9,608.

##### ***Operational Millage (Non-Homestead tax levy)\*\****

This is a voter-approved tax levy that provides operational funding to support the annual school budget. The current Non-Homestead levy in the Mendon Community Schools district is 18.0 mills. This funding is ***included*** in the Foundation Per Pupil Allowance above. This is ***not*** an additional funding source.

*\* Staff salaries and benefits account for approximately 80-85% of the use of Foundation and Operational Millage funding. The remainder of these funds are typically used for costs of educational programs, building operation costs, and supplies. This leaves very little funding available for facility improvements.*

*# In the State of Michigan, school infrastructure is not included in the Foundation Per Pupil Allowance. Funding for school infrastructure improvements is obtained through local voter support.*

***Voter-Approved Sinking Funds***

Voter-approved sinking funds provide an annual collection of taxes based on property values. Typically, the collection provides a smaller amount of funding that allows for minor facilities improvements and renovations. Under new legislation, sinking funds can pay for buses, student technology and safety/security improvements. Sinking funds cannot be used for the purchase of furniture. Mendon Community Schools currently does not levy a millage for sinking fund.

***Voter-Approved Bond Funds***

A bond is a state-approved borrowing process for a set scope of projects. When voters approve a bond proposal, the school district sells bonds in the authorized amount and uses the proceeds of the sale to pay for those projects identified in the bond proposal. Bond proposals are most useful when a district needs a large funding source for facility improvement projects.

In many ways, the bonding process is like a homeowner obtaining a mortgage and making payments over a period of years. The current levy for bond debt in the Mendon Community Schools District is 8.00 mills. The proposed levy would not increase the tax rate. The levy will stay at 8.00 mills.

**How does our current bond and sinking fund millage rate compare to other area districts?**

District	Bond Millage Rate (2023)	Sinking Fund Millage Rate (2023)	Combined Millage Rate (2023)
Sturgis	7.00	1.72	8.72
<b>Mendon</b>	<b>8.00</b>	<b>0.00</b>	<b>8.00</b>
Climax-Scotts	7.30	0.00	7.30
Centreville	7.00	0.00	7.00
Constantine	6.80	0.00	6.80
Three Rivers	4.90	0.00	4.90
Marcellus	4.50	0.00	4.50
White Pigeon	0.85	3.00	3.85

We appreciate the continued investment the community has made in our school district and have been mindful of our impact to taxpayers by not asking for a tax rate increase over the current levy. People often wonder why our levy is higher compared to some of the larger surrounding districts. The simple answer is that our tax base is smaller comparatively and requires us to levy a higher millage rate to generate more bond funding to support facilities projects.

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

No, by law, bond proposal funds cannot be used for employee salaries and benefits, athletics or student programming. They also cannot be used for repair or maintenance costs or other operating expenses. Bond proposal funds must be used only for purposes specified in the ballot language, and as required by state law, they must be independently audited.

**How would the bond proposal affect my taxes?**

If approved, the ballot proposal would allow the district to sell bonds in the amount of **\$20.05 million** with a **0.0-mill net increase** over the current tax rate, meaning **the current debt levy of 8.0 mills will not change.**

Some community members may be eligible for the Michigan Homestead Property Tax Credit. This tax credit indicates that households that pay homestead property taxes greater than 3.2% of their annual income may be eligible. Eligible households may deduct up to 60% and senior citizens may be eligible to deduct up to 100% of the millage increase cost up to a \$1,500 Homestead Tax Credit limit. The eligibility for the credit begins to decrease after the household income exceeds \$54,001 and ends completely after the household income exceeds \$63,001. To understand how this applies to your situation, please consult your account or tax advisor or preparer to determine the actual impact on your taxes.

General Credit Reduction	
Resources	% of Credit
<b>\$54,000</b>	<b>100.00%</b>
\$54,001	90.00%
\$55,001	80.00%
\$56,001	70.00%
\$57,001	60.00%
\$58,001	50.00%
\$59,001	40.00%
\$60,001	30.00%
\$61,001	20.00%
\$62,001	10.00%
\$63,001	0.00%

Senior Credit	
Resources	% of Credit
<b>\$21,000</b>	<b>100%</b>
\$21,001	96%
\$22,001	92%
\$23,001	88%
\$24,001	84%
\$25,001	80%
\$26,001	76%
\$27,001	72%
\$28,001	68%
\$29,001	64%
\$30,001	60%

**If I own multiple properties, how does the millage impact me? Does it only apply to my primary residence or business?**

The millage will impact all real properties that you own that are located within the Mendon Community Schools District boundary.

**Would all the bonds be sold at one time?**

No. The bonds would be sold in series. A series bond means that voters are asked to approve the overall bond amount once at the May 7th, 2024 election. Approval at this election authorizes the district to sell bonds up to the amount of \$20.05 million over the next few years. Timing of the sale of bonds is monitored and suggested by the district’s financial manager, Baker Tilly. Following a successful election, the first series would be sold in 2024, the second series is anticipated to be sold in 2026, and the third series in 2028. This approach is an opportunity to save in interest costs, and it also staggers cash flow for the project, so it is received when needed for construction to align with the potential staggered start and completion dates of the proposed projects.

**If the bond proposal passes in May, will the district seek a bond anytime in the near future?**

School buildings are constantly in need of facility updates. As we move into the future, the district will monitor opportunities for generating funding for necessary facility improvements. There is no specific timing that has been identified, however we would anticipate a future opportunity to exist in 8-10 years to seek voter approval of another bond. The timing will be dependent upon property value changes and other variables. As these future opportunities arise, the district intends to continue to be transparent with the community and will seek feedback on potential approaches.

**BOND SCOPE & SCHEDULE**

**How was the project scope of the bond proposal developed?**

Mendon Community Schools is committed to a process of creating and maintaining a proactive approach to updating facilities. Continually evaluating and monitoring school facilities helps to protect the community’s investment in its schools. A comprehensive effort has been made early in the process to identify current facility needs while also identifying and anticipating future needs through the creation of a long-term facilities plan. We appreciate the previous community investments and want to continue to build upon the success of past projects. Facilities are a major component in creating environments that prepare students for competing in an ever-changing world.

During the early spring of 2023, working with architectural, engineering and construction specialists, the school district completed an in-depth facility study. The study identified district-wide facility needs and has helped inform the proposed direction of the bond proposal. Overall, there were approximately \$31.9 million of total facilities recommendations indicated in the report for Mendon Elementary, Mendon Middle/High School Building, and the Mendon Bus/Maintenance Facility.

A summary by building is as follows:

Mendon Elementary School	\$9,357,179
Priority 1 Recommendations	\$4,119,444
Priority 2 Recommendations	\$3,801,400
Priority 3 Recommendations	\$321,524
Priority 4 Recommendations	\$1,114,812
 Mendon Middle / High School	 \$21,165,909
Priority 1 Recommendations	\$10,864,675
Priority 2 Recommendations	\$6,556,600
Priority 3 Recommendations	\$2,773,858
Priority 4 Recommendations	\$970,776
 Mendon Transportation / Maintenance Facility	 \$1,385,651
Priority 1 Recommendations	\$957,625
Priority 2 Recommendations	\$387,753
Priority 3 Recommendations	\$40,273
Priority 4 Recommendations	\$0
 <b>TOTAL ALL RECOMMENDATIONS</b>	 <b>\$31,908,740</b>

In late spring of 2023, conversations with staff and the Board of Education identified additional thoughts for advancing the facility offerings as they relate to the educational needs and goals of the district. An all-staff survey was conducted in addition to these conversations to allow for input from all roles within the district. Many of the items that were shared were beyond the maintenance and upkeep needs identified in the facility study and were focused on projects that help support educational programming needs.

As ideas and scenarios were studied for a potential bond proposal, additional input was provided by a community-based steering committee during the late summer and fall of 2023. Input received was critical in testing potential scope ideas for a bond proposal along with gaining feedback on the financial impact to the community of a prospective bond.

## What are the main goals of the proposed bond scope?

### Key Priorities of the Established Bond Scope Include:

**Safety and Security** – The safety and security of our students and staff is the highest priority. Peace of mind in the classroom allows for a more comfortable learning experience.

**Improved Office Presence/Visitor Flow** – A small addition at the elementary office will allow for improvements to visitor flow to be directly into the office from the secure vestibule. Additional space is needed to allow for renovation of the current space to create this flow. The addition will also provide additional office space amenities currently missing, such as a health room so that it is easy for secretaries and administrators to monitor students not feeling well.

**Communication Upgrades** – Replacement of phone devices will allow for better communication between office staff and classroom spaces. Better emergency notification will be provided with the new phone devices.

**Door + Window Replacement** – Doors at the elementary are out of date and difficult to secure properly for maintaining a secure environment. Many of the windows at the middle school / high school are in poor operational condition which limits the ability to maintain a secure environment. The poor operation also inhibits proper egress from classrooms in the event of an emergency.

**Fire Alarm System Replacement** – The current fire alarm system at the elementary is out of date and difficult to service. The proposed fire alarm system will provide enhanced emergency communication with students and staff that meets today's code requirements.

**Educational Environment Improvements** – As educational trends continue to change and evolve, our facilities need to be flexible and relevant in ways that best support best practices in teaching and learning. State-of-the-art educational environments that are comfortable will help our students to be prepared for careers of the future. The bond scope seeks to provide a combination of new amenities to support student performance.

**Classroom Environment Improvements** – Replacement of classroom interior finishes and fixtures at the elementary will include new flooring, cabinetry and sinks. Classroom flexibility will be possible through the replacement of outdated furniture that is difficult to rearrange for a variety of teaching and learning modes. New classroom furniture will provide a comfortable environment for students that is agile enough to adjust for a variety of arrangements in the rooms.

**Thermal Comfort and Air Quality Improvements** - Mechanical systems will be upgraded to provide air conditioning, creating year-round comfort for students and staff. New temperature control systems will be installed to provide greater monitoring and adjustment of the mechanical systems. The new mechanical systems will improve ventilation in our buildings, providing better air quality throughout for healthier environments for our students and staff. Classroom ventilators currently being replaced at the Elementary using ESSER funds will be upgraded as part of the bond to add cooling capabilities. Replacement of units at the Middle/High School will be with new units that have the capability to provide heating and cooling.

**Educational Programming Upgrades** – Renovation of space at the elementary is proposed to provide additional opportunities for STEAM (Science, Technology, Engineering, Art and Math) education. This will help provide greater exposure to these subjects to students at our youngest levels. Funds are also allocated for renovation to the library and computer lab that will provide a new media center environment that will provide increased opportunities for student interactions with media and technology.

**Locker Room Renovations** – Throughout many of our conversations during the planning process, we received input that suggested significant improvements to the locker room environments. Renovation to the locker room spaces will provide an entirely new layout that will provide the adequate number of spaces for athletic teams and physical education needs. Space design will also seek to provide adequate space for athletic trainers, officials and coaches.

**Infrastructure-** Energy savings improvements allow the district to divert funding from operational costs toward items that will directly affect education and have student impact. The proposed bond scope includes a number of infrastructure and energy efficiency upgrades.

**Public Restroom + Storage Addition** – The construction of a new public restroom and storage addition will provide new restroom facilities that are available for improved convenience for visitors attending events in the main gymnasium and auxiliary gymnasium. The storage component of the addition will provide much needed storage for athletic equipment, such as wrestling mats and volleyball equipment adjacent to the auxiliary gym.

**Energy Efficiency Upgrades** – Window replacement at the Middle/High School will involve replacement with better performing window systems that are equipped with thermally broken frames and high performing low-E insulating glass. As part of the roof replacements, the amount of insulation at the roof level will be increased to meet current energy codes. Select areas of the Middle/High School building will have existing lighting replaced with new LED fixtures.

**Mechanical Systems Replacement** – As part of the mechanical systems replacement, we will look at installing higher-efficiency equipment. Upgrades to our mechanical systems will include updated building controls that will allow for greater monitoring and control over energy use.

**Additional Infrastructure Upgrades** – Electrical service upgrades are planned in order to provide additional electrical capacity in both the Elementary and Middle/High School buildings. The clock system at the Elementary is slated for replacement. Exterior improvements include upgrades to the parking lot asphalt, site lighting and drainage upgrades at the Middle/High School.

**Athletics** – Athletics upgrades are proposed at both interior and exterior athletic environments. The upgrades will provide improved facilities to support our student athletes and other programs.

**Interior Upgrades** – Interior improvements at the Middle/High School will provide new motorized backboards in the main gymnasium and will include the installation of new scoreboards. The storage addition will provide much needed storage space for the auxiliary gymnasium.

**Athletics Sites Upgrades** – Updates to our athletic facilities will seek to improve the experiences for our student athletes as well as to provide updated amenities for visitors and spectators. Upgrades will include replacement of stadium lighting, scoreboard replacement at all venues as

well as improvements to the PA and sound systems at the athletic venues. Upgrades to turf and the installation of irrigation systems at our baseball and softball facilities will provide better playing surfaces. Track equipment replacement will address the outdated condition of our pole vault and high jump pits.

**What is the breakdown of the estimated costs for the bond scope within each of these categories?**

<b>Category</b>	<b>Estimated Investment</b>	<b>Percentage of Bond Fund Distribution</b>
Total for All Bond Projects	\$19,864,118	
Safety and Security Upgrades	\$1,534,226	7.72%
Educational Environment Upgrades	\$7,848,421	39.51%
Infrastructure Upgrades	\$9,125,545	45.94%
Athletics Upgrades	\$1,355,926	6.83%

**Will local emergency response teams be involved in the design process?**

Yes, representatives of local law enforcement and emergency management organizations will be brought into the design process early to gain feedback on how the facilities designs best support access and response for emergency personnel.

**When would the projects be complete?**

An overall project schedule that includes designs and construction dates hasn't been finalized. The timelines and sequencing for the various projects will be based upon further analysis by our architectural and construction management teams. The preliminary breakdown of projects by series is as follows. This also is subject to change based upon advice from the architectural and construction management teams. Timing for the Series 2 and Series 3 bond sales will be monitored by the district's financial manager and the actual timing will be determined at a later date after further analysis of market conditions.

**PROPOSED SERIES 1 WORK – Bonds to be sold in November 2024**

- Mendon Elementary - Anticipated Projects
  - Replace fire alarm system (replacement of outdated system and components for better emergency notifications)
  - Phone system upgrades (replacement of phone devices for better communication)
  - Replace exterior storefront door (current door does not lock/seal appropriately)
  - Construct new office addition + remodel current office (create secure vestibule and direct visitors directly to main office)
  - Add cooling capabilities to classroom unit ventilators
  - Replace classroom sinks and casework
  - Replace flooring in classrooms and cafeteria
  - Replace gymnasium flooring



- Replace electrical service
- Replace clock system
- Replace corridor lockers (replace lockers that are in poor condition)
- Mendon Middle/High School - Anticipated Projects
  - Phone system upgrades (replacement of phone devices for better communication)
  - Replace exterior windows (existing windows do not operate properly for easy egress and do not lock/seal appropriately)
  - Renovate locker rooms
  - Replace corridor lockers (replace lockers that are in poor condition with wider lockers for student belongings)

**PROPOSED SERIES 2 WORK** - Bonds anticipated to be sold in November 2026

- Mendon Elementary School
  - No projects anticipated
- Mendon Middle/High School
  - Replace select classroom casework
  - Replace art room sinks
  - Replace select classroom flooring
  - Replace classroom unit ventilators (new units to provide heating and cooling to classroom spaces)
  - Repave parking lots + address drainage issues
  - Construct addition for restrooms and storage near auxiliary gymnasium
  - Replace tile and drinking fountains at gymnasium entries
  - Replace select areas of concrete sidewalks
  - Replace parking lot lighting
  - Replace electrical service
  - Replace interior scoreboards
- Athletics Sites Upgrades
  - Replace stadium lighting
  - Replace exterior scoreboards
  - Reconstruct baseball infield
  - Concessions/fieldhouse upgrades
  - Replace athletic facilities PA and sound systems
  - Install irrigation system at baseball and softball facilities + turf repair

- Replace athletic equipment (track equipment)

**PROPOSED SERIES 3 WORK** - Bonds anticipated to be sold in November 2028

- Mendon Elementary School
  - Renovate library + computer lab into media center
  - Renovate Room 112 into STEAM room (dedicated space for Science, Technology, Engineering, Arts and Math instruction)
  - Replace classroom furniture (replacement of outdated furniture with new furniture that promotes comfort and flexibility)
- Mendon Middle/High School
  - Replace select classroom furniture
  - Partial roof replacement
  - Replace lighting in select areas with LED fixtures
  - Replace gymnasium basketball goals
- Transportation Facility
  - Construct new transportation facility

**Why aren't all of the projects being completed on the same timeline?**

The amount of work being proposed in the bond proposal is significant. As such, our Construction Management partners believe it to be the best practice to stagger the implementation of the projects. This will allow for greater contractor participation and will not overstress the construction market, which is currently struggling with labor availability. Greater participation of bidders means greater competition and hopefully better bid results that will benefit the school district.

**How do cost escalation and the current market impact the project scope?**

The budgeting that has been provided for the proposed bond scope is based on current market conditions. Going forward, the costs include typical yearly escalation factors and construction contingency funds for unforeseen conditions that are encountered during construction. The district will work to preserve the projects as originally presented to the community during the pre-bond planning phase. In the event unexpected market conditions arise, the district intends to implement projects in order of highest priority to lowest priority and will be fully transparent about any change in plans that may be necessary due to elements outside of their control.

## **VOTING INFORMATION**

### **Who can vote in this bond proposal election?**

Residents within the Mendon Community Schools district who will be 18 years of age or older on Election Day and are registered to vote.

### **Where can I get information about voting (such as how to register, where to vote, and absentee voting)?**

Go to the Michigan Voter Information website [www.michigan.gov/vote](http://www.michigan.gov/vote) or call the Clerk's Office where you reside.

### **Do I need to update my voter registration?**

You need to update your voter registration if you have changed your name or address since the last time you voted. You can do this at any Secretary of State Office or at the Clerk's Office where you reside.

### **Can I vote by absentee ballot?**

Yes. Since voter approval of Proposal 3 in November 2018, registered voters do not need a reason to vote by absentee ballot. You can request an absentee ballot application from your Clerk's Office or by going online to [www.michigan.gov/vote](http://www.michigan.gov/vote) and clicking on Absentee Voting in the left column.

Absentee ballots should be available to voters no later than March 28, 2024, and may be cast through Election Day.