



Vestaburg Community School Proposal

Sinking Fund Millage

August 8, 2017

Frequently Asked Questions

1. What is on the August 8, 2017 ballot?

On August 8, 2017 voters in the Vestaburg Community School District will be asked to consider a 3 mill for 10 year Sinking Fund. The Sinking Fund millage would generate approximately \$265,391 each year to fund the District's safety and security needs, urgent and necessary building and site repairs/improvements, and student instructional technology while preserving General Fund dollars for the other educational needs of our students.

2. What is a Sinking Fund?

A sinking fund millage is a limited property tax to fund major repairs and renovations to school facilities, security improvements, and instructional technology. The tax is levied each year and the revenue generated is used to address the most urgent building and site improvements identified by a school district. Sinking fund uses are limited by law to the construction or repair of school buildings, school security improvements, and acquisition or upgrading of instructional technology. Sinking Fund revenues cannot be used for general fund expenditures (i.e., to keep schools open).

3. How can a Sinking Fund be used?

Sinking fund uses are limited by law to the construction or repair of school buildings, school security improvements, and acquisition or upgrading of instructional technology.

4. What are the restrictions on Sinking funds?

The Sinking Fund cannot be used to fund ongoing operating expenses, salaries or benefits, textbooks and supplies, or preventative maintenance.

5. Why ask for a Sinking Fund?

Over the past decade, there have been cuts to the state's per pupil allocation, which is the primary source of funding for the district's ongoing operations. Without the Sinking Fund millage, major repairs would need to be paid for with operating funds that would otherwise be used to support educational needs of the district. Since funds are already strained to meet

educational needs, repairs may need to be postponed which may result in more expensive repair costs in the future.

Through strategic planning, the District has created a systematic plan that has identified several projects over the course of the next 10 years that could be addressed by the Sinking Fund. The main project that has been identified by the District is to repair, replace, and restore the roof on the school buildings. It has been estimated that it would cost approximately 1.8 million dollars to address the roofing issues. This would include a 30 year, warranted roof. A cost analysis estimated that by installing a 30 year roof versus other options such as, 15 year systems, the district would save approximately 1.2 million dollars over the the next 30 years. Additional needs, include but are not limited to, parking lot replacements, bathroom upgrades and remodeling in the Elementary and Middle School, track repairs and replacement, additional security improvements, student technology, replacing carpeting and flooring in classrooms, and increased and improved storage facilities for equipment and school buses. With the passing of the Sinking Fund, the District could implement a strategic plan that systematically plans and schedules projects which may help to avoid paying for costly emergency repairs.

6. What is a mill?

A mill represents \$1 for every \$1,000 of taxable value of your property. The taxable value of your property is the same, or lower than, the state equalized value (SEV) and is approximately 50% or more lower than the market value of your property.

7. What is the approximate impact of the Sinking Fund millage on property taxes?

Home Value	Taxable Value	1.0 Mill Multiplier	Cost per year per mill	Cost per year@ 3 mills	Cost per Month
50,000	25,000	.0010	\$25.00	\$75.00	\$6.25
75,000	37,500	.0010	\$37.50	\$112.5	\$9.38
100,000	50,000	.0010	\$50.00	\$150	\$12.50
150,000	75,000	.0010	\$75.00	\$225	\$18.75

8. What is the difference between a bond and a Sinking Fund millage?

A bond is a form of borrowing, which means taxpayers must pay back the borrowed funds over a period of years with interest. A Sinking Fund millage is levied, not borrowed, which means the revenues are generated from a tax and do not include the district taking on additional debt or interest expense. This is a prudent way for a district to pay for improvements without issuing

bonded debt. A major advantage of a sinking fund is that it can reduce the district's need to bond or borrow, overall. This can reduce interest costs associated with bonded or borrowed debt.

9. How will the proposal appear on the ballot?

VESTABURG COMMUNITY SCHOOL SINKING FUND MILLAGE PROPOSAL

Shall the limitation on the amount of taxes which may be assessed against all property in Vestaburg Community School, Montcalm, Isabella and Gratiot Counties, Michigan, be increased by and the board of education be authorized to levy not to exceed 3 mills (\$3.00 on each \$1,000 of taxable valuation) for a period of 10 years, 2017 to 2026, inclusive, to create a sinking fund for the purchase of real estate for sites for, and the construction or repair of, school buildings, for school security improvements, for the acquisition or upgrading of technology and all other purposes authorized by law; the estimate of the revenue the school district will collect if the millage is approved and levied in 2017 is approximately \$265,391?

11. Where do I vote?

All residents of the Vestaburg Community School District will vote at the Richland Township Hall at 8755 3rd St, Vestaburg, MI 48891 . Polls are open Tuesday, August 8, 2017 from 7:00 a.m. to 8:00 p.m.

12. If I have questions not covered here, where can I get additional information?

If you have additional questions, please call the Administration Office at 989-268-5353 or email Mr. Brandon Hubbard, Superintendent, at bhubbard@vcs-k12.net