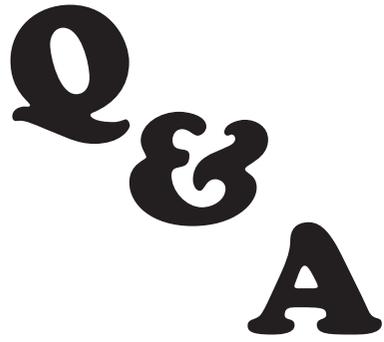


Bond Proposal Questions and Answers



Q: What is a bond proposal?

A: A bond proposal asks voters whether to approve the sale of bonds to pay for building improvements, construction, and equipment purchases. Mattawan Consolidated School (MCS) is requesting voter approval to fund:

- Additional school safety measures district-wide;
- Early Childhood Education Center;
- Middle School/High School roofs and road replacement;
- Replacement of outdated technology;
- Team rooms with additional public restrooms (eliminate portables and porta-potties);
- Remodeled space for Central Office and community usage; and
- Create green space and additional parking by taking down the outdated, vacant buildings on the MCS campus.

Q: How was this bond proposal developed?

A: In December of 2015, conversations began about our soon-to-be vacant buildings. Our study began with a partnership between MCS and Western Michigan University (WMU). A cohort of WMU senior engineering students, along with their professors in the Civil Engineering Department, spent a year studying our buildings. In November 2016, the cohort gave a recommendation to the Board regarding the feasibility to retain or demolish all or parts of the vacant buildings.

Concurrently, MCS, partnered with WMU's Department of Civil and Construction Engineering, wrote a grant to the National Science Foundation for a "Smart Civil Structure Accessibility Assessment System for Seniors and People with Disabilities."

This grant would have allowed WMU and MCS to establish a testbed, in the Center Building, to study the ease of mobility and the behavioral responses to maneuvering in public places for our senior citizens and people with mobility issues. We were not awarded the grant.

This information led to multiple discussions about what is best for the Mattawan school district in terms of future growth, financial responsibility, and what is best for the Village of Mattawan in terms of economic development. In November of 2017, approximately 30 community stakeholders consisting of real estate agents, developers, investors, Mattawan Village leaders, Mattawan Business Association members, and school personnel met to brainstorm the specifics, good and bad, about the buildings and the possible other uses for the buildings and/or property.

In January 2018, after further study and review, the Mattawan School Board decided it was in the best interest of the school district to retain the property allowing for continued growth and future needs of our consolidated campus.

With this decision, the District continued to gather information on costs related to tearing down buildings, creating green space, and considering the possibility of repurposing the best portions of the buildings. On March 16, 2018, a survey was created to gain feedback on what the community would support in terms of a potential bond proposal, to shape the future of the campus, in regards to the vacant buildings. The survey was made available to the Mattawan community, parents, and staff. Survey results will be shared on our website.

Q: What would it cost to leave all of the buildings vacant?

A: The cost to leave all buildings vacant would be an estimated \$400,000 annually. This includes vacancy insurance, minimal utilities, and required safety maintenance. *Source: Analysis by WMU Department of Civil Engineering Senior Students' Cohort Study, December 2016*

Q: What would it cost to demolish all of the buildings?

A: The cost to demolish the buildings would be an estimated \$2.35 million. All three vacant buildings have asbestos and would require costly removal procedures. *Source: Kingscott, March 14, 2018*

Q: What would it cost to renovate the two-story center building?

A: Renovating the Center Building, portions of the Later Elementary classrooms and gym, would cost approximately \$10.05 million. This would include selective demolition, exterior window and door replacement, brick tuckpointing, chimney removal, remodel restrooms for barrier free, add fire rated stair towers, add new elevator, new finishes, lighting, power and technology upgrades, new fire alarm, new heating, ventilating and air conditioning and fire sprinkling. *Source: Kingscott, February 14, 2018*

Q: What is the cost to replace portions of the middle school and the high school roofs?

A: The cost to remove existing roof systems, add new insulation, roof membrane and flashings is estimated at \$4.6 million. This includes existing roofing that is out of warranty and does not include recent additions.

Q: Why weren't the high school and middle school roofs replaced during the 2014 bond request?

A: There were many needs during the 2014 bond request. With the desire to keep the cost down and focus on more immediate student needs, the roofs did not make the cut. At that time, many of the sections of each roof were still under warranty and had not developed leaks.

Q: How old are the roads running between the high school and middle school?

A: The average lifespan of a road, with maintenance, is typically 15 to 20 years. The middle and high school roads are approximately 25 years old.

Q: Why didn't we renovate the existing buildings rather than build in 2014?

A: Simply put, our schools were crumbling, inefficient, and too small for our current space requirements. As a temporary solution, five portable facilities were brought in to accommodate the need for additional classrooms. While improvements had been made to the buildings over the years, it just was not enough to keep up with the demands of our growing community.

Q: Why an Early Childhood Education Center?

A: In 2008, the community and District came together to create a strategic plan. In that plan, an Early Childhood Education program was a strong desire to better support our youngest learners. At that time, MCS didn't have the space to accommodate this vision. By renovating the vacant Later Elementary building, MCS could make this plan a reality. An Early Childhood Education program would address the unique needs of our preschoolers and the increased requirements for kindergarten readiness and literacy proficiency. All these factors were considered when making the decision to renovate the vacant Later Elementary into Early Childhood Education classrooms, office space, and community spaces.

Q: How will you honor the rich history of the old building?

A: Many community members shared their interest to preserve the history of the Center Building. They were concerned about the historical pictures and treasures that are currently housed in the Center Building. Many community members have asked to donate additional items. The renovation of the vacant Later Elementary building will include space for a community museum which will house these artifacts which are a valued piece of MCS history.

(continued on page 11)

Bond Proposal Questions and Answers

(continued from page 10)

Q: If I own a \$100,000 home, what would the increase in taxes be?

A: For a home with a market value of \$100,000 and taxable value of \$50,000, the annual estimated increase, in comparison to the 2017 debt levy, would be \$22.50 per year or \$1.88 per month (formula is Taxable Value/\$1,000 x .45 = \$22.50 - annual estimated increase).

Q: What is the bond history for the District?

A: Historically, in the late 1980's, Mattawan Consolidated School began School Bond Loan Fund (SBLF) participation with a millage rate of 7.73 mills. That loan was paid off in 2006 and the District left the SBLF. After that time, our debt levy has varied between 4.2-4.7 mills until the 2014 bond vote which then raised our millage rate to 7.14 mills. Since then, we have been paying down the refunded debt and will make our final technology bond repayment in May 2018. Our current millage rate is 6.55 mills. Potentially, a bond proposal to the voters is estimated to increase our current millage rate by 0.45 mills and we will then participate in the SBLF again. By participating in the SBLF, any future District needs for bond requests are not likely to increase your taxes given the existing property tax structure.

Q: Why would we remodel the vacant Later Elementary building instead of the soon to be vacated Early Elementary building?

A: After a comprehensive analysis, it was determined that the Early Elementary building needed a new roof. The configuration of the layout would not have been conducive to the planned use for the building. Size was also a factor given the uses that were needed for the building.

Q: What would happen to the playground equipment behind Early Elementary?

A: The playground equipment that is still in compliance with playground safety rules and regulations would be moved to the new Early Childhood Education Center.

Q: What is the plan for the area directly next to the vacant Later Elementary building adjacent to the new parking that is being added?

A: This will be additional green space and practice playing fields.

Q: What do you mean specifically by green space?

A: Where the buildings were located would be restored into grass fields.

Q: Why didn't we go for more than the amount in this bond proposal?

A: Our biggest priority is making the best decisions for the vacant buildings and meeting the needs for our infrastructure and safety. It is important to be financially responsible with the requests that we are making of the voters.

Q: What is the timeline of this bond proposal?

A: If it passes in August, the bonds will be sold in November. Renovation would happen at that point. After the space is renovated and the central office is relocated, then the demolition can occur. Roofs and roads will be done when weather and contractor schedules permit in 2019.

Q: How does the District pay for the additional teachers needed in the Early Childhood Center?

A: The preschool (3 and 4 year olds) will be a tuition-based program which will fund instructional staff.

Q: Could Mattawan pay for the proposed projects without bonding?

A: Schools in Michigan are funded from a variety of sources. Each school district receives a different total amount of revenue each year to use to pay for general fund expenditures. Included in those expenditures are the following:

- Basic and added needs Instruction-Classroom expenditures for salaries, benefits, services, supplies

- Supporting Services- This includes pupil support, instructional staff, building administration, maintenance, transportation, technology, central office and capital outlay

For Mattawan, in 2017-18, 64% was budgeted for instruction, 35% for supporting services and in the current year, 1% on capital outlay. The amount available for capital needs in the district is not enough to pay for the items that are being asked for in the bond proposal. The only way for the District to spend more on capital projects using the operating budget would be to spend less in the classroom or in the support services for the school. The District does not have enough in it's fund equity (similar to savings) to fund these projects. The District has to borrow funding each year to meet cash flow needs.

When school districts do not have the funds in their operating budgets to fund capital projects, a district either has to postpone or choose portions of projects that can be funded. The district can also go to the voters to ask for majority approval for a bond project. The money for capital costs is borrowed by school districts and paid back with funds raised from local taxes.

Q: When is the bond election?

A: August 7, 2018. Polls will be open at 7:00am and close at 8:00pm.

Q: When is the last day I can register to vote in this election?

A: The last day to register in order to vote in the August 7, 2018 election is Monday, July 9, 2018.

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

A: Go to the Michigan Voter Information website (webapps.sos.state.mi.us) or call the Clerk's Office where you reside. You will need to be registered 30 days prior to the election to be eligible to vote. The last day to register is July 9, 2018.

Q: Do I need to update my voter registration?

A: 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.

Q: Can I vote by absentee ballot?

A: Registered voters can vote by absentee ballot if they meet one of the following:

1. They expect to be out of town on Election Day;
2. They are 60 years of age or older;
3. They are unable to vote without assistance at the polls; or
4. They cannot attend the polls due to religious reasons

Absentee ballots will be available to voters on or before Saturday, June 23, 2018. Below are the dates the five township clerks' mail absentee ballots for residents on the permanent voter list:

Oshtemo - First two weeks in June
Antwerp - Beginning June 11
Texas Corners - 3rd Week in June
Almena - June 15th
Prairie Ronde - Week of June 17

Election clerk offices must be open until 2:00pm the last Saturday before the election to accommodate application requests for absent ballots. The whole process takes about 5 minutes.

Q: Where can I get more information about the Bond?

A: You can find more information about the bond proposal on the District website (www.mattawan-schools.org), in the Special Bond Edition of the May edition of the Mattawan Wildcat Connection, or by visiting the superintendent during community coffee hours.

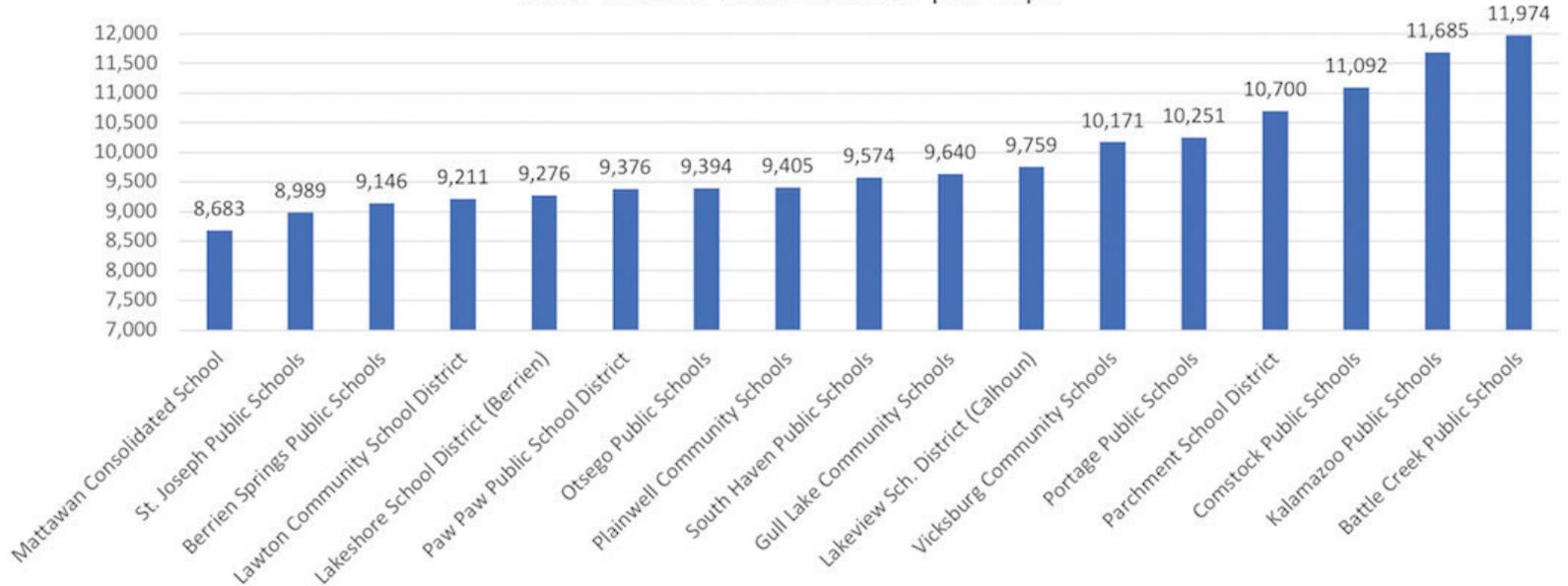
Understanding School Funding

Schools in Michigan are funded from a variety of sources. Each school district receives a different total amount of revenue each year to use to pay for general fund expenditures. Included in those expenditures are the following:

- Basic and added needs Instruction (classroom expenditures for salaries, benefits, services, supplies)
- Supporting Services (this includes pupil support, instructional staff, building administration, maintenance, transportation, technology, central office and capital outlay)

Information from Michigan Department of Education Bulletin 1014 for 2016-2017 School Year

Total General Fund Revenue per Pupil



For Mattawan, in 2017-18, 64% was budgeted for instruction, 35% for supporting services and in the current year, 1% on capital outlay. The amount available for capital needs in the district is not enough to pay for the items that are being asked for in the bond proposal.

The sources of revenue that school districts receive are as follows:

Foundation allowance- After the passing of Proposal A, all schools receive a minimum amount of money per student that the Legislature guarantees. This amount is based on the pupil count for each district from the two counts done during the year. Taxes are levied on non-homestead property- this is our operating millage. The remainder of the foundation allowance is paid to the districts from the School Aid fund.

Mattawan receives \$7,631 per pupil for the 2017-2018 school year of which approximately \$2 million is levied and the rest is received through the School Aid fund. The District must go to the voters periodically to renew this operating millage. If the operating millage is not renewed by the voters, the state aid fund WOULD NOT make up the difference.

Categorical funds - Schools also receive funds in the form of categorical funds which include pension debt, at risk funding and other categories as legislated.

Federal funds - Schools receive flow-through funds from the State from the

US Department of Education for various programs such as Title 1, Title 2, and others.

There are other local sources of revenue for all schools including tuition, fees, transfers from ISD districts to the local districts, and others.

For Mattawan, for the 2016-2017 school year, we received in all sources of revenue, \$8,683 per pupil. For all 830 districts in Michigan, Mattawan was the 769th lowest funded school in the 16-17 school year. By comparison, please review the chart above for selected school districts.

The only way for the District to spend more on capital projects using the operating budget is to spend less in the classroom or in the support services for the school. The District does not have enough in its fund equity (similar to savings) to fund these projects. The District has to borrow funding each year to meet cash flow needs.

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