

Frankfort-Elberta Area Schools
November 2, 2021 Bond Proposal
Frequently Asked Questions & Answers

Introduction: Looking to the future of Frankfort-Elberta Area Schools, the Board of Education is asking the community to vote at the Tuesday, November 2, 2021 election on a bond proposal for district-wide improvements to address identified and ongoing building, facility, and site issues. If approved, this bond proposal would generate \$13,075,000 for district-wide improvements over four years.

How would the bond proposal impact my property taxes?

If approved by voters, the millage rate is projected to remain the same as the 2021 millage rate with no tax rate increase expected for property owners.

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, or textbooks. Bond funds must be kept separate from operating funds and must be audited by an independent auditing firm.

What are the key focuses in this bond proposal?

- Addressing aged systems that have been identified as near or at the end of their useful lifecycles:
 - Building and site improvements
 - Technology
 - Buses
- Addressing growth in our student population by adding a three classroom addition to the Junior-Senior High School

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

While funding from this bond proposal is independent of the 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. Moreover, the operational savings generated from new and cost-efficient facilities would be redirected to student programs and resources.

Why a bond proposal now, and what is the importance of the bond proposal?

Quality programs, facility upgrades, and site improvements along with technology refresh and infrastructure can keep us as a district where parents want to send their children to school and where teachers want to teach.

Our preschool program has grown by leaps and bounds with now three full classrooms for the 2021-22 school year and a waiting list, which means that the elementary building will soon be over capacity by two classrooms by the 2023-24 school year. As we look ahead to the future of FEAS, there is an opportunity to address the projected over-capacity elementary space and to take a look at the structure and programming for our students. This is the time to look at a restructuring of our future grade configurations: Preschool-5, Middle School 6-8, High School 9-12.

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

Michigan law requires that 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. An audit would be completed at the end of each series to ensure compliance.

I'm concerned about my younger Middle School student mingling with older High School students. How does the district plan to address this?

Grades 7-8 have been in the Junior High - High School building since the 1990s. The proposed reconfiguration would not happen for two more years and allows for the district to reimagine the Middle School experience, which is different than the High School experience. The district does not intend to just move a grade to the other building to address elementary school capacity/lack of space. The administration and staff are committed to the Middle School concept to support the student population in grades 6-8 through the following:

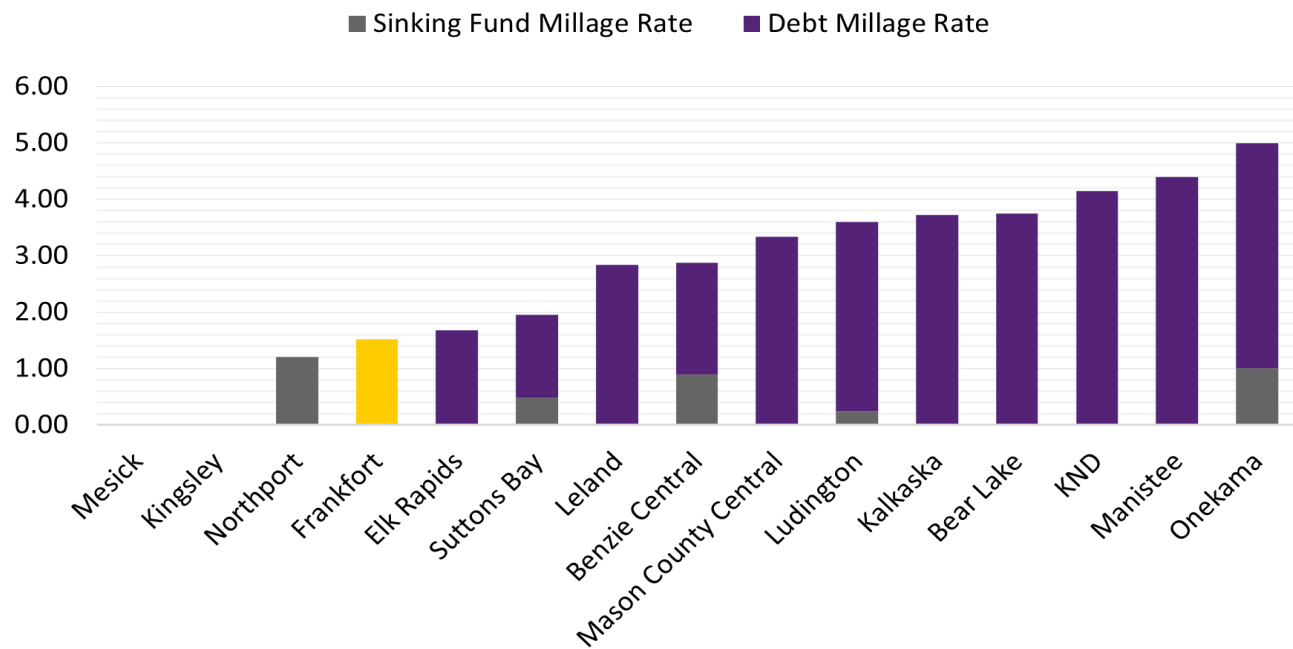
- The classroom addition would be on the Middle School end of the building and new, designated Middle School bathrooms are planned as a part of the bond proposal. The district commits to the assurance there would be separation from the High School as much as possible and feasible.
- Educational programs would still be designed to be different from High School instruction, and the district would commit to Middle School core subject teachers.
- Age-appropriate programming for Middle School students is just as important as Preschool, Elementary, and High School programs.
- Programs would be grounded in the Middle School concept, with age-appropriate resources to support 6th-8th graders and programs that develop personal skills for students, setting them up for High School success.

How much money would the bond proposal generate?

The proposal would generate \$13,075,000 which would be spent over four years on district-wide school building and site improvements.

How does the district's tax rate compare to neighboring school communities?

Frankfort-Elberta Area Schools currently levies one of the lowest debt and sinking fund combined millage rates compared to neighboring districts; FEAS does not levy a sinking fund millage. If approved by voters, the district would still remain in the lower third of these neighboring districts.



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 revenue must be kept separate from operating funds, and bond revenue expenditures must be audited by an independent auditing firm.

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 that property is their homestead residence. 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.

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 18, 2021, to participate in the November 2, 2021, election. Individuals may also register in-person at their local clerk's office through November 2, 2021, with the required documentation. For assistance in obtaining the address of your local clerk, visit Michigan.gov/vote.

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 online at Michigan.gov/vote. Absentee voter ballots are available from September 18 through November 2, 2021.

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 FEAS boundaries.

Where and when will the vote occur?

Election Day is Tuesday, November 2, 2021, 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 2, 2021.

What are the key dates leading up to the Tuesday, November 2, 2021, election day?

- Registering to vote:
 - The last day for voters to register by mail is October 18, 2021.
 - Voters may register in-person through November 2, 2021, (election day) with the required documentation.
- Absentee Voting:
 - Absentee voter ballots are available from September 18 until November 2, 2021.
 - Contact your local clerk with questions.

When will the millage for this proposal first be levied, if approved by voters?

On the July 2022 property tax bill.

Is the district going to immediately issue \$13,075,000 of bonds?

No. If approved by voters, the bonds are proposed to be issued in 2 series (2022 and 2024). This allows for years of bond repayments to occur before a new bond issue is completed.

Is the bond millage rate expected to be the same for the next 18 years?

No. If approved by voters, the bond millage rate is estimated to remain at 1.52 mills through 2027; thereafter, it is estimated to decline due to bond repayment and taxable value growth.

What is the term of the bond?

If approved by voters, the term of the bonds is 18 years – the maximum number of years the bonds of any series may be outstanding, exclusive of any refunding, is expected to be (18) years. Similar to how individuals finance a mortgage, a school district finances capital improvements through selling voter-approved bonds, which have length terms, similar to mortgages.

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

Yes, businesses and second homes (non-homestead) and primary homes (homestead) are treated the same regarding bond millage.

What is the ballot language?

FRANKFORT-ELBERTA AREA SCHOOLS
BONDING PROPOSAL

Shall Frankfort-Elberta Area Schools, Benzie County, Michigan, borrow the sum of not to exceed Thirteen Million Seventy-Five Thousand Dollars (\$13,075,000) and issue its general obligation unlimited tax bonds therefor, in one or more series, for the purpose of:

erecting, furnishing and re-equipping additions to the middle/high school building; remodeling, equipping and re-equipping and furnishing and refurnishing school buildings; acquiring, installing, and equipping or re-equipping school buildings for instructional technology; purchasing school buses; and preparing, developing, improving and equipping athletic facilities and sites?

The following is for informational purposes only:

The estimated millage that will be levied for the proposed bonds in 2022 is 0.21 mill (\$0.21 on each \$1,000 of taxable valuation), for a net -0- mill increase from the prior year's levy. The maximum number of years the bonds of any series may be outstanding, exclusive of any refunding, is eighteen (18) years. The estimated simple average annual millage anticipated to be required to retire this bond debt is 1.20 mills (\$1.20 on each \$1,000 of taxable valuation).

(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.)

Questions?

If you have further questions, contact Jeff Tousley, Superintendent
at 231-352-4641 ext. 214 or jtousley@frankfort.k12.mi.us