

The Sinking Fund Surplus Proposal

Repairing Our Schools for Our Children



Our Community

Our Future

The Proposal — A Brief Description

- Van Buren Public Schools is seeking with this proposal to reduce the tax collected by .13 mills and asking the voters to approve spending the sinking fund surplus money on much needed repairs to our school buildings throughout the District.
- The original purpose of the 1998 sinking fund has been met.
- The 1998 sinking fund has a \$4.6 Million surplus due to increased property value.
- The balance owed on the sinking fund cannot be paid-off until 2015.
- There are pressing building repair needs throughout the District.
- The proposal is on the Tuesday, November 4, 2008 Ballot

Q: Okay, what is the School District proposing?

A: The proposal on the ballot is asking the voters for permission to reduce the mills currently collected from tax payers to 1.15 mills and approve the spending of the sinking fund surplus on repairs to aging buildings within the District. It is a win/win proposal: The tax payer gets reduced taxes and the school District can make much needed repairs with out using general fund dollars. Example: The tax savings on a \$200,000 home would be \$13.00 per year.

Q: What was covered in the 1998 sinking fund election?

A: The community approved the construction of two new elementary schools in the District and upgrading the air quality systems in all Van Buren Public Schools' buildings. Any other use of these funds constitutes a violation of Michigan law. Edgemont and Rawsonville have been built and all the air quality systems upgrades in our buildings were completed in 2006.

Q: If all of the requirements have been met, why is there a surplus?

A: When the sinking fund was passed, the number of mills was calculated on the current assessed property value in the District in 1998 to collect the

necessary funds to complete the job. The property values within the District increased much more quickly than anticipated during the last ten years.

Q: Great! We can pay the sinking fund off early, the schools have been built, and the tax will no longer have to be collected. It's a win/win situation, right?

A: Not quite. The bonds connected with the sinking fund were refinanced two years ago for a better interest rate, much like refinancing a mortgage for a lower interest rate. The earliest it can be paid off is 2015. If the sinking is left to run its course, it will be paid off in 2016.

Q: On a personal mortgage I can pay my loan off early. Why can't we do this with the sinking fund?

A: On something like a personal mortgage, you can make extra payments to shorten the term of the loan or even pay it off early. When you buy bonds, like in a sinking fund, the buyers of those bonds are looking to make money. If you pay the bonds off early they lose money that they consider "income". That's why the buyers put in clauses in the contracts against the early payback of bonds.

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Sinking Fund Surplus Continued

Q: What kind of repairs are needed?

A: A partial list of maintenance items include:*

Career Center

- Replace Roof \$192,000.00
- Replace Air Handlers in Shop \$50,000.00
- Replace Water Heater \$3,500.00
- Repave/Expand Parking Area \$60,000.00
- Add Emergency Lighting \$5,000.00

ECDC

- Replace Exterior Window \$90,000.00
- Replace Main Entry Door,
Furnace and Boiler
Room Doors \$18,000.00
- Replace Lighting Throughout \$32,000.00

Elwell

- Replace Boiler \$130,000.00
- Replace Water System \$220,000.00
- Replace Sanitary System to
Restrooms \$350,000.00
- Add Electrical Outlets
in Classrooms \$40,000.00
- Replace Exterior Soffits \$35,000.00
- Replace Emergency/Exit Lights
and Add Emergency Lighting \$40,000.00

Haggerty

- Replace Boiler \$140,000.00
- Replace Hot Water System \$20,000.00
- Replace Sanitary Plumbing \$300,00.00
- Replace Ceilings in Hallway
and Classrooms \$60,000.00
- Replace Lighting Throughout \$80,000.00

North Middle School

- Replace Roof \$1,106,000.00
- Replace Boilers \$180,000.00
- Add Emergency Lighting to
Hallways and Restrooms \$20,000.00

Savage

- Replace Boiler \$140,000.00
- Replace Air Conditioning Units .. \$80,000.00
- Replace Lighting Throughout ... \$180,000.00
- Replace Flooring Throughout .. \$130,000.00
- Replace Galvanized Piping,
Fittings, and Shut Off Valves ... \$180,000.00

South Middle School

- Replace Boilers \$180,000.00
- Replace Flooring/Asbestos
Abatement \$115,000.00
- Replace Domestic Piping \$180,000.00
- Replace Sanitary Piping \$200,000.00
- Replace Exterior Doors \$140,000.00
- Replace Lighting Throughout ... \$170,000.00

Tyler

- Replace Boilers \$140,000.00
- Replace Air Conditioning
Condensing Units \$80,000.00
- Replace Lighting Throughout ... \$180,000.00
- Replace Flooring Throughout .. \$130,000.00
- Replace Galvanized Piping \$180,000.00
- Replace Exterior
Doors/Windows \$160,000.00

***All prices are estimates and subject to change.
For a complete list of repairs, please visit our web site at
www.vanburenschools.net.**

**MILLAGE PROPOSAL
BUILDING AND SITE SINKING FUND TAX LEVY**

Shall Van Buren Public Schools, Counties of Wayne and Washtenaw, State of Michigan, create a sinking fund for the purpose of construction or repair of school buildings and the improvement and development of sites and for any other purpose which may be authorized by law, and be authorized to levy not to exceed 1.13 mills (\$1.13 on each \$1,000 of taxable valuation) for a period of seven (7) years, 2009 to 2015 inclusive, therefor, the amount of such levy not to exceed 1.13 mills when combined with the 1998 sinking fund levy originally approved by the voters for 1.30 mills? The approved 1998 sinking fund levy is currently 1.26 mills, as reduced by the Michigan Constitution of 1963. If the voters approve this proposition, the 1998 sinking fund will be reduced from 1.26 mills to a levy not to exceed 1.13 mills. It is estimated that the revenue the school district will collect if the millage is approved and levied in the 2009 calendar year shall be approximately \$2,232,157 from the local taxes authorized in this proposal.

YES NO