



## **NEW LOTHROP AREA PUBLIC SCHOOLS FREQUENTLY ASKED QUESTIONS (FAQ)**

On Tuesday, May 7, New Lothrop Area Public Schools will ask voters to consider two proposals; a bond and sinking fund that if approved, would generate dollars for current and upcoming district facilities needs. The following is a list of Frequently Asked Questions (FAQs) regarding the proposals. For more information, please visit the New Lothrop website at [www.newlothrop.k12.mi.us](http://www.newlothrop.k12.mi.us) or call Superintendent Anthony Berthiaume at (810) 638-5091.

### **1. Why are we considering a bond issue and sinking fund now?**

Based on community, board of education and staff input, an internal facilities audit was conducted in 2017, followed by a third-party assessment in the summer of 2018. The studies identified \$10.68 million in facility deficiencies. With a goal of reducing the list of projects to those of greatest importance to education, safety and handicap accessibility, the priorities were narrowed through community forums and board meetings to \$6.74 million. A five-year sinking fund to generate dollars for smaller construction and repairs, combined with a bond for the larger more immediate needs was developed. This plan minimizes the cost for taxpayers, while funding the most important projects.

### **2. What is the proposed millage increase and how much would it generate for the projects?**

The proposals that will appear on the May 7, 2019 ballot for voter consideration are two-fold:

- 1.25 mill increase for a bond issue that would generate \$5.97 million
- 1.25 mill increase to establish a sinking fund that would generate \$154,000 per year for five years

### **3. What is the difference between the bond and the sinking fund?**

A bond is a State-approved borrowing stream that specifies a set scope of projects. When voters approve a bond, the money is borrowed and the school district makes payments over 20-30 years, much like a homeowner pays a mortgage. If approved, this bond would be in place for approximately 30 years. A sinking fund is much like a savings account, funded with voter-approved millage revenue that allows a district to pay cash for projects as they arise or accumulate dollars for bigger projects down the road. The school district does not plan on borrowing with this sinking fund, so there would be no loans to pay off. Sinking funds can be used for the construction and repair of school facilities. If approved, this sinking fund would be in place for five years.



**4. How would the money be used?**

Nearly 80% of the bond and sinking fund revenue would be spent in the High School/Middle School and surrounding campus, built in 1979. Highlighted priorities include:

- Security and safety enhancements
- Updating toilet rooms, which are currently not handicap accessible
- Updating locker rooms and bleachers which are not handicap accessible and do not meet physical education or athletics needs
- Upgrades to science labs, the media center and CAD classroom for Career and Technical Education to meet 21<sup>st</sup> century educational programming needs
- Taking care of deficiencies in the mechanical, electrical and technology infrastructure

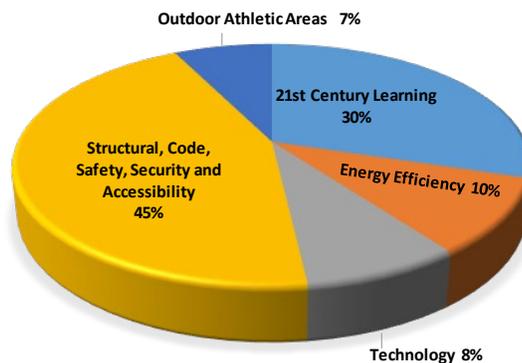
There are some specific needs in the elementary school, which opened in 2007, as part of the bond project; this represents approximately 6% of the budget. Highlighted priorities are as follows:

- Security and safety enhancements, including updates to the door hardware to today’s safety standards and to address ongoing needs to reduce repairs
- Building a new Pre-School Entry and library bathroom, so that preschoolers are not sharing a bathroom with members of the general public who are using the library
- Boiler and related pump replacement, nearing the end of its 15-20 year life expectancy

The outdoor athletic areas account for nearly 15% of the budget, roughly half of that is dedicated to structural, code, safety, security and handicap accessibility. Projects in this area include:

- Creating a basic entrance to the football and track area
- Replacing home and away bleachers and bringing toilet rooms up to code for safety and accessibility
- Resurfacing the track and improving the drainage of the baseball field
- Expanding concessions building, adding visiting team room and providing field equipment storage

**Projects by Priority Area**





**5. What would the football and track gate area include?**

The plan includes \$125,000 (roughly 2% of the budget) for a basic entrance to the football and track area, including the gates, ticket booths and some replacement fencing. Some examples of how this could look are provided below.



**6. How would this impact my taxes?**

If the proposals are approved by voters, it will cost homeowners a tax increase of approximately \$2.50 for every \$1,000 of taxable value. For example, a home valued at \$150,000 (taxable value of \$75,000) would pay an additional \$187.50 per year, or \$16 per month. A bond tax calculator is available on the [New Lothrop Area Public Schools website](#), if you would like to determine the expected cost based on your home value.



**7. Are the school buildings old enough to need this kind of work? What about previous bond projects?**

The high school and surrounding campus are more than forty years old and the elementary is twelve years old. The High School/Middle School originally opened in 1979 as a High School and as the student population decreased, the Middle School classes were moved into the building. The 2018 facilities study confirmed that over the years the building has been very well maintained.

Successful upgrades from the 2005 Bond included roof and main entry upgrades, replacement of exterior windows and doors, installation of carpet tile at many areas, and boiler replacement. The reason for the new proposals is that structural, code, security, safety and handicap accessibility needs have arisen since that time, as well as changing needs for educational programming in science labs, the CAD classroom and media center.

The \$770,000 2013 Tech Bond was used for infrastructure, student devices/labs, staff computers, technology in the classroom, an upgrade to the phone system and campus security cameras. After six years, there are approximately \$607,000 in needed upgrades for technology and related infrastructure.

**8. What is the timeframe for the bond construction work?**

Should voters approve the bond in May, the final design, planning and procurement stage will begin immediately, with construction starting in spring of 2020.

**9. Why does the bond language state that the school district would borrow to pay for debt service on the bonds? How much will it cost?**

As part of Michigan’s School Bond Qualification and Loan Program, school districts may access the State’s credit rating (which usually results in lower interest rates and costs) for schools and schools may borrow for some or all of the principal and interest (debt service) requirements of outstanding qualified bonds. If this bond proposal is passed, New Lothrop Area Schools expects to tap into this program and borrow to pay for a portion of the debt service on the bonds. The estimated principal of that borrowing is \$712,876 and the estimated total interest is \$1,910,452.

**10. Does the district have a record of accomplishment for managing its finances effectively?**

Yes, New Lothrop was one of only 17 districts across 587 in Michigan named as financially and academically “exemplary.” This is based on a study of financial responsibility and academic achievement conducted on behalf of the State of Michigan.

The study commissioned by the Michigan Department of Treasury reviews the revenues and expenditures of districts meeting standards such as base expenditures, expenditures for students with special needs, including economically and disadvantages students, English Language Learner (ELL) students and special education students.



**11. Who is eligible to vote in this election? How do I get registered and when is the deadline?**

If you are a registered voter within New Lothrop Area Public Schools, you are eligible to participate in this election. If you are not yet registered, it is possible to register up to and including the day of the election. For more information, visit the Secretary of State's Michigan Voter Information Center website at <https://webapps.sos.state.mi.us/MVIC>.

*Please visit the New Lothrop website at [www.newlothrop.k12.mi.us](http://www.newlothrop.k12.mi.us) or call Superintendent Anthony Berthiaume at (810) 638-5091 for more information about the May 7, 2019 bond and sinking fund election.*