

Whiteford Agricultural Schools

November 5, 2019, Bond Proposal Frequently Asked Questions

On November 5, 2019, Whiteford Agricultural Schools will be asking the community to vote on a bond proposal that would provide funding for critical needs and infrastructure improvements throughout the district. If approved by the voters, the bond would strive to provide our community with safety and security upgrades, infrastructure renovations, and updated technology to provide our students with new tools and learning opportunities.

What is on the November 5, 2019, ballot?

The proposed bond program focuses on upgrades to address safety, security, and infrastructure needs, as well as improvements to learning environments to support the district's educational goals. The bond proposal authorizes the issuance of \$15.4 million in bonds in three separate series over five years.

What are the major features of this bond proposal?

The highlights of this program encompass five key areas that the district has determined have essential needs:

- Safety and security upgrades
- Improvements to address aging infrastructure
- Facility upgrades to support band and choir programs
- Technology upgrades to support work-based learning
- Athletic facility renovations

Why is Whiteford Agricultural Schools proposing a bond?

At Whiteford Agricultural Schools, we strive to engage, encourage, and empower our students. Through this bond, we would work to:

- Enhance the safety and security of our schools
- Keep stride with the pace of modern technology
- Improve learning environments
- Maintain community assets that are more than 50 years old
- Allow focus of general fund dollars to be on in-classroom learning while bond dollars address critical infrastructure needs

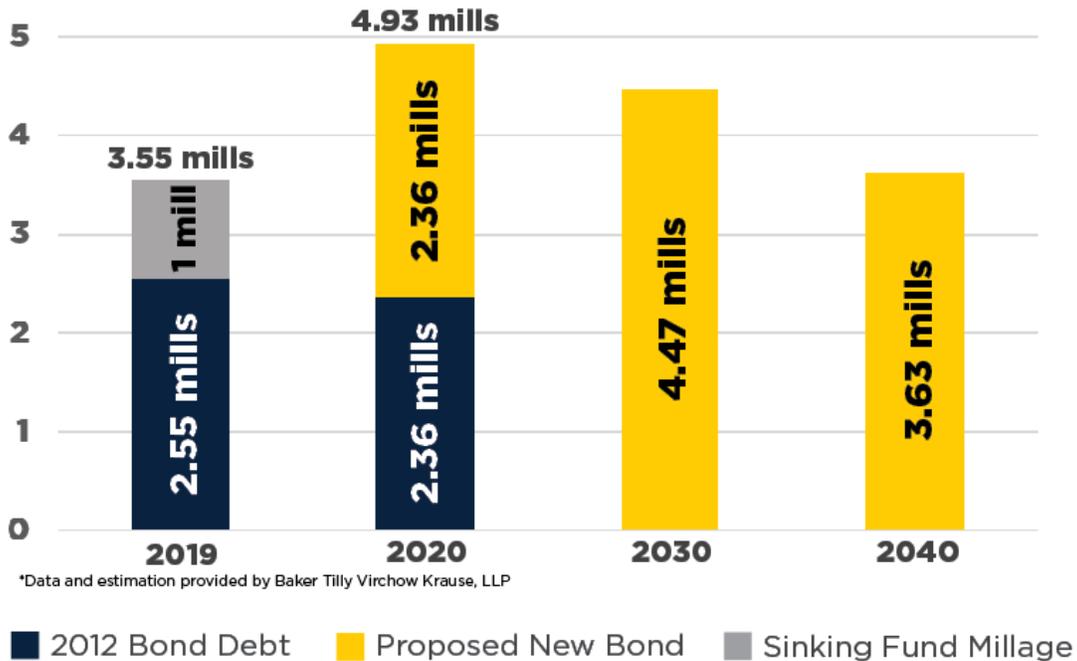
Is there an increase in the estimated debt millage rate in this bond proposal?

Yes, the debt service millage rate is estimated to increase by 2.38 mills. For a \$150,000 market value home this equates to an increase of approximately \$14.88 per month.

How would this bond proposal affect the district's bond debt millage? What about the district's sinking fund millage?

In 2019, the District expects to levy 2.55 debt service mills to pay principal and interest on outstanding bonds that the voters approved in 2002, along with 1.0 sinking fund mill to pay for improvements that the voters approved in 2012, providing a combined debt service/sinking fund levy of 3.55 mills.

Because the final levy of the District's sinking fund millage will be in 2019, if the voters approve this bond proposal, it is estimated that, in 2020, the District would levy 4.93 debt service mills to pay principal and interest on both its outstanding bonds and its newly-approved bonds. This would reflect an increase in the combined debt service/sinking fund levy of 1.38 mills (4.93 - 3.55 = 1.38).



Explain what bond money can cover and what it can't.

Bond proceeds cannot be used for the following items:

- a) Staff salaries and wages;
- b) General operating expenses, repairs and maintenance;
- c) Classroom supplies and textbooks; and
- d) Administrative costs.

Bond proceeds can be used for the following items:

- a) Construction and remodeling of facilities;
- b) Purchase of technology equipment and infrastructure;
- c) Purchase of equipment and furniture;
- d) Site improvements

Why are the improvements needed?

Whiteford Agricultural Schools has worked hard to preserve and maintain the facilities and infrastructure in our places of learning. However, just like many of us experience with our own homes, as important components of building infrastructure approach or outlive their useful lives, major renovations or replacements are needed.

Before bringing this bond program proposal to the community, Whiteford Agricultural Schools engaged an outside firm to conduct an in-depth facility analysis. Based on the findings of that study, the District worked with school board members and the community to prioritize which projects were of “critical need” status and should be included in the November 5 bond proposal.

What are some of the features of the proposed bond program?

| | |
|------------------------------|---|
| SAFETY & SECURITY | <ul style="list-style-type: none">• New bus loop to enhance traffic flow and student safety during pick up and drop off• Continue to improve secure entrances at elementary and high schools• Campus ADA accessibility improvements |
| INFRASTRUCTURE | <ul style="list-style-type: none">• Restroom renovations at all buildings• New high school septic field• Replace damaged masonry• Replace domestic water lines and damaged storm lines• Upgrade electrical systems• Replace boiler• High school parking lot expansion |
| ARTS & MUSIC | <ul style="list-style-type: none">• Band room addition• Choir room addition• Art room addition including kiln room for pottery instruction• Band and choir practice spaces• New band instruments and choir piano |
| WORK-BASED LEARNING | <ul style="list-style-type: none">• Agriculture classroom and laboratory upgrades and renovations• Dedicated STEM classroom and laboratory• Collaborative space for individualized learning and study groups• Media center upgrades and revitalization• Science lab relocation and upgrades |
| ATHLETICS | <ul style="list-style-type: none">• New track and field facility including rubber track installation• New multipurpose facility including an expanded weight training facility• Stadium bleacher upgrades |

Is Whiteford Agricultural Schools investing bond money in technology?

The bond proposal contains plans to enrich spaces that encourage collaboration and hands on learning with modern technology that will help prepare students for high-demand career fields. Media center upgrades, a dedicated STEM classroom and laboratory, and agriculture classroom renovations and upgrades are all included in the bond proposal.

What impact will this bond proposal have on the average taxpayer in Whiteford Agricultural School District?

If approved by the voters, the following table illustrates the approximate additional cost per household based on the estimated increase of 1.38 mills, as calculated above:

| Market Value of Home | Estimated Cost |
|----------------------|-------------------|
| \$150,000 | \$8.63 per month |
| \$200,000 | \$11.50 per month |
| \$250,000 | \$14.38 per month |

Why doesn't the District use the general fund to pay for all of this?

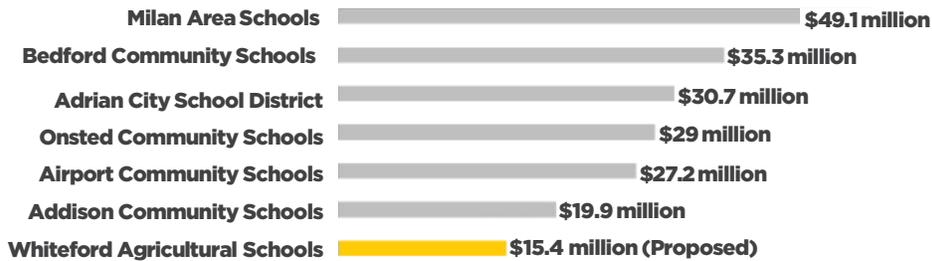
The general fund budget cannot afford to pay for these large capital investments AND maintain day-to-day operations. With aging facilities now requiring more heavy maintenance and renovations, allocating general fund dollars to these projects would mean additional strain and less resources for in-classroom learning.

Why does it make financial sense to present this bond to the voters at this time?

- It allows the District to preserve general fund dollars for instruction and classroom needs by providing a dedicated funding source to address identified and prioritized site, facility, and equipment upgrades;
- Current interest rates are historically low, translating to a relatively low cost of borrowing money for both the District and taxpayers.
- Construction costs are significantly rising. Putting off this bond program may raise overall costs of the planned projects.

How are other schools addressing the aging condition of their schools?

Since 2009, many neighboring school districts have implemented school bond programs to address their aging facilities. Below is a table that illustrates the total bond dollars issued and implemented in each school district in the last 10 years:



What if the bond proposal doesn't pass?

Over the past decade, several cuts in school funding throughout the State of Michigan, coupled with the rising cost of operating the school system, have put tremendous pressure on the district's general operating fund budget. Failure to approve the bond proposal would mean the district would have to delay much-needed improvements and any emergency projects would have to be paid for with general operating funds that would otherwise go to support educational programs for students.

Where and when do I register to vote?

To vote in the November 5, 2019 school election, you must be:

- A U.S. citizen
- At least 18 years of age by Election Day
- A resident of Michigan and Whiteford Agricultural Schools
- Registered to vote

You may register to vote online or in person up until Tuesday, October 21, 2019. From October 22 – November 5, registration will be open in-person ONLY at the local clerk's office.

Voter registration forms are available online at www.michigan.gov/sos.

What is the process for voting by absentee ballot?

Applications for Absentee Ballots are available online at www.michigan.gov/sos or in-person at your local clerk's office.

Where do I vote?

The voting location for both Whiteford Agricultural Schools precincts is

St. Michael Lutheran Church

5790 W Temperance Rd.

Ottawa Lake, MI 49267

How will the bond proposal appear on the ballot?

WHITEFORD AGRICULTURAL SCHOOL DISTRICT BONDING PROPOSAL

Shall Whiteford Agricultural School District of the Counties of Monroe and Lenawee, Michigan, borrow the sum of not to exceed Fifteen Million Four Hundred Five Thousand Dollars (\$15,405,000) and issue its general obligation unlimited tax bonds therefor, in one or more series, for the purpose of:

erecting, furnishing, and equipping an arts program addition and a multi-purpose gymnasium addition to the middle/high school; remodeling, furnishing and refurbishing, and equipping and re-equipping existing school buildings; acquiring and installing instructional technology in school buildings; erecting, furnishing, and equipping a new bus garage; and preparing, developing, improving, and equipping athletic fields and facilities and sites?

The following is for informational purposes only:

The estimated millage that will be levied for the proposed bonds in 2020 is 2.57 mills (\$2.57 on each \$1,000 of taxable valuation). The maximum number of years the bonds of any series may be outstanding, exclusive of any refunding, is twenty-five (25) years. The estimated simple average annual millage anticipated to be required to retire this bond debt is 3.41 mills (\$3.41 on each \$1,000 of taxable valuation).

The school district does not expect to borrow from the State to pay debt service on the bonds. The total amount of qualified bonds currently outstanding is \$3,760,000. The total amount of qualified loans currently outstanding is \$-0-. The estimated computed millage rate may change based on changes in certain circumstances.

(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.)

Who may I contact if I have additional questions?

For more details on Bond 2019, you can visit www.whiteford.k12.mi.us

You are welcome to contact Superintendent Val Orr at val.orr@whiteford.k12.mi.us