

## **Hamilton Community Schools** **November 2, 2021 Bond Proposal** **Frequently Asked Questions & Answers**

Hamilton Community Schools values community feedback as we look to provide the best opportunities for our students.

As we plan for the future, the district is continually evaluating district-wide facility infrastructure, enrollment numbers, expenses, and existing debt pay off. A lot has changed since Spring 2020 and this November 2, 2021 school bond proposal was developed based on those changes and community feedback.

In early 2020 the Board of Education considered putting a \$65,625,000 school bond proposal on the May 2020 election ballot. That proposal was postponed by the Board until August 2020 due to the uncertainties of COVID-19 and its impact on our schools and community.

The August 2020 bond was not approved by voters. Based on community feedback, and out of financial responsibility to district taxpayers, the Board of Education is asking the community to consider a smaller proposal that focuses on immediate facility needs on November 2, 2021.

**If approved by voters, this bond proposal would generate \$21,675,000 while keeping the debt millage rate the same, with no projected increase in the debt levy paid by property owners as compared to the 2021 levy. These dollars would be spent gradually to address facility and site issues and improve learning environments.**

### **PROPOSED BOND PROJECT SCOPE INFORMATION**

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#### ***What is a bond proposal and how can funds from a bond be spent?***

A bond proposal is how a community authorizes a school district 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 technology. Funds raised through the sale of bonds cannot be used on operational expenses such as employee salaries and benefits, school supplies, and textbooks. Bond funds must be kept separate from operating funds and must be audited by an independent auditing firm.

#### ***What are the key projects in this bond proposal?***

##### **DISTRICT INFRASTRUCTURE**

- Continue to be good stewards of our resources by identifying and planning for replacements of aging infrastructure such as roofing, electrical systems, lighting, flooring, plumbing, boilers, doors, interior finishes, and lockers
- Deconstruct the oldest wing of Hamilton Elementary, built in the 1950s

##### **LEARNING ENVIRONMENTS**

- 8-classroom addition at Hamilton Elementary, including Special Education and STEM (Science, Technology, Engineering and Math)
- Flex space addition at Hamilton High School for group learning, band, and athletics
- Update classroom casework and finishes as needed throughout the district
- Purchase educational technology as needed throughout the district

**For a complete list of building specific information, please visit**  
<https://www.hamiltonschools.us/our-district/nov-2-2021-bond-proposal/>

### ***What has changed since the 2020 bond proposal?***

#### **WHAT CHANGED:**

- Removed new 7/8 building
- Removed new Community Center
- Bond proposal amount reduced from \$65,625,000 to \$21,675,000
- No projected tax rate increase to property owners over 2021 debt tax levy

#### **WHAT STAYED THE SAME:**

- District wide replacements where needed for roofing, electrical systems, lighting, plumbing, classroom casework, and finishes
- Deconstruct 1950's wing at Hamilton Elementary. Construct 8-classroom addition including Special Education and STEM (Science, Technology, Engineering and Math).
- Replace dehumidification system at community pool
- Replace aging school buses
- Purchase educational technology as needed

### ***If approved, would the bond proposal have any impact on our current operational budget?***

Bond proposal funds cannot be used for general fund or operating purposes. However, if approved, the bond would likely have a positive impact on the annual operating budget. Operating funds otherwise intended for capital expenditures could be spent on student programs and resources. Bond funds may be spent on capital projects.

## **FINANCIAL INFORMATION**

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### ***How would the bond proposal impact my homeowner property taxes?***

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

### ***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.

### ***When would the millage for this proposal first be levied?***

On the July 1, 2022 or December 1, 2022 property tax bills, if approved by voters on November 2, 2021.

### ***Would technology purchases be amortized (or paid back) over a 18-year period?***

No. Technology purchases are required to be amortized over a 5-year period beginning from the date of installation.

### ***Would bus purchases be amortized (or paid back) over a 18-year period?***

No. Bus purchases are required to be amortized over a 6-year period beginning at the time the buses are put into service.

**Please Vote: Tuesday, November 2, 2021**

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***Are there property tax exemptions to anyone of any kind?***

If a business has been granted an Industrial Facilities Tax ("IFT") credit, then only half of the taxable value is subject to the bond millage. The business would need to verify if any portion of their taxable value has been designated for the IFT credit.

One item a community member could research is the Michigan Homestead Property Tax Credit. The Michigan Homestead Property Tax Credit is a method through which some taxpayers can receive a credit for an amount of their property tax that exceeds a certain percentage of their household income. This program establishes categories under which homeowners or renters are eligible for a Homestead Property Tax Credit. We would recommend that all community members consult their tax service provider to determine if they are eligible for this tax credit.

***Are businesses and second homes (non-homestead) and primary homes (homestead) treated the same for purpose of the bond millage?***

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

***What are the present 5 year and 20-year historical taxable value growth averages for the school district? What taxable value growth assumptions are being utilized to estimate the proposed bond millage rate?***

The present 5-year historical taxable value growth rate for the school district is 4.06%. The present 20-year average taxable value growth rate is 4.04%. The district has chosen to assume a more conservative growth rate. For years 2022 through 2026, a 2.50% taxable value growth assumption has been used. For years 2027 and beyond, a 2.50% taxable value growth assumption has been used.

## BALLOT LANGUAGE BREAKDOWN

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### **What is the bond ballot language?**

The bond ballot language is as follows:

#### HAMILTON COMMUNITY SCHOOLS BONDING PROPOSAL

Shall Hamilton Community Schools, Allegan County, Michigan, borrow the sum of not to exceed Twenty-One Million Six Hundred Seventy-Five Thousand Dollars (\$21,675,000) and issue its general obligation unlimited tax bonds therefor, for the purpose of:

erecting, furnishing and equipping additions to school buildings; remodeling, furnishing and refurbishing, and equipping and re-equipping school buildings; acquiring and installing instructional technology and instructional technology equipment for school buildings; purchasing school buses; and developing and improving playgrounds, multipurpose and athletic fields, and sites?

The following is for informational purposes only:

The estimated millage that will be levied for the proposed bonds in 2022 is 1.85 mills (\$1.85 on each \$1,000 of taxable valuation) for a -0- mill net increase over the prior year's levy. The maximum number of years the bonds 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 1.49 mills (\$1.49 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 \$30,380,000. 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.)

### ***In the ballot language, it states a not to exceed figure of \$21,675,000 of general obligation unlimited tax bonds. What does this mean?***

If this bond proposal is approved by voters, the maximum amount of bonds to be issued can be no greater than \$21,675,000.

### ***In the ballot language, it states that the estimated millage that will be levied in 2022 to pay the proposed bonds in the first year is 1.85 mills. What does this mean?***

This means that the allocated bond millage for this specific bond proposal to be levied in the first year (2022) would be 1.85 mills. (1.85 mills new bonds + 2.50 mills existing bonds = 4.35 total estimated 2022 millage rate).

### ***In the ballot language, it states that the maximum number of years any series of bonds may be outstanding, exclusive of refunding, is not more than 18 years, what does this mean?***

The school district plans to issue the bonds in one series in 2022. The bond series would have a length of 18 years or shorter. The State of Michigan allows for 30 years, however, the District has decided upon 18 years to save on interest expenses.

**Please Vote: Tuesday, November 2, 2021**

For more information: <https://www.hamiltonschools.us/our-district/nov-2-2021-bond-proposal/>

***In the ballot language it states that estimated simple average annual millage that will be required to retire each bond series is 1.49 mills annually. What does this mean?***

This means that over the entire life of the bond proposal (bond series) that the average annual bond millage rate for these specific bonds would be estimated to be 1.49 mills.

***Is the bond millage rate estimated to be the same for the entire life of the bond proposal?***

No. The district's total bond millage rate (including existing bonds and these proposed bonds) is estimated to remain at 4.35 mills through 2025. Thereafter it is estimated to decline due to bond repayment and taxable value growth.

***In the ballot language, it states that the District does not expect to borrow from the State to pay debt service on the bonds. What does this mean?***

There is a State program known as the School Loan Revolving Fund ("SLRF") that can assist school districts with completing voted bond issues by allowing schools to receive loans from the SLRF for bond payments. The school district does not anticipate borrowing from the SLRF for this proposal, which should save taxpayers interest costs.

***In the ballot language, it states that the amount of qualified bonds currently outstanding is \$30,380,000 and that the total amount of qualified loans currently outstanding is \$0. What does this mean?***

The School Loan Revolving Fund ("SLRF") is a state program that can assist school districts with voted bond issues by providing a bond rating credit enhancement which assists in reducing borrowing costs. The term "qualified" in this case means that the school district has existing bonds outstanding that are qualified by the SLRF. At the time of the election, the principal amount of all of the District's qualified bonds is \$30,380,000.

That same SLRF program can provide loans to school districts to assist with voted bonds annual debt service payments, if needed. The term "qualified loans" refers to any SLRF loan balances outstanding. The school district has not needed to borrow from this program and therefore the balance at the time of the election is \$0.

## **VOTING INFORMATION**

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***How do I register to vote?***

Individuals can register in-person at their local clerk's office through November 2, 2021, with the required documentation. Or, visit [Michigan.gov/vote](https://michigan.gov/vote) to register to vote online. Or, by mail by October 18, 2021 (as recommended by the Secretary of State) to participate in the November 2, 2021 election. For assistance in obtaining the address of your local clerk, visit [Michigan.gov/vote](https://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](https://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](https://michigan.gov/vote). Absentee voter ballots are available by September 18 through November 2, 2021.

***Where and when will the vote occur?***

Tuesday, November 2, 2021 is election day, 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.

**Please Vote: Tuesday, November 2, 2021**

For more information: <https://www.hamiltonschools.us/our-district/nov-2-2021-bond-proposal/>

### **Can I vote if I rent a house? How would my taxes increase if I rent a house?**

Yes, if you rent a house you can still vote. However, you do need to be a registered voter in the city or township you are living in. As a renter, unless you are responsible for paying the property taxes on the rental, your taxes would not increase.

### **What are the key dates leading up to the Tuesday, November 2, 2021 vote?**

- 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

## **INPUT AND FEEDBACK**

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### **What oversights would hold the district accountable?**

If approved by voters, the district's Architect/Engineer would design the proposed projects and prepare construction documents and specifications for the projects. Once the projects are designed, the district's Construction Manager will assemble bid packages and publicly advertise and solicit competitive bids for all work. This is required by law, as outlined in the Revised School Code. This process ensures that the district selects the lowest responsive and responsible bidder. All qualified contractors will have an opportunity to attend a pre-bid meeting to obtain additional information and project clarification. All qualified contractors will have the opportunity to participate in the competitive bid process.

### **At what point would the State of Michigan, as well as the local fire and police departments, provide input into the bond projects?**

Design documents for each project will be required to be submitted to both the Bureau of Construction Codes (BCC) and the Bureau of Fire Services (BFS) for both plan review and permitting. These agencies will review the projects to ensure they comply with applicable codes before any building permits are issued. Building plans and specifications must be signed and sealed by a Licensed Architect/Professional Engineer before submission.

As of March 21, 2019, Michigan law requires school districts to consult on the plans for the construction or major renovation regarding school safety issues with the law enforcement agency that is the first responder for that school building. This consultation would happen after a bond proposal has been approved by voters, but before construction documents are finalized prior to project commencement.

## **FOR MORE INFORMATION**

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### **Where can I find more information about this bond proposal?**

- Visit the district website at <https://www.hamiltonschools.us/our-district/nov-2-2021-bond-proposal/>
- Like us on Facebook at [www.facebook.com/hamiltonschoolsmi](http://www.facebook.com/hamiltonschoolsmi)
- Follow us on Twitter at [www.twitter.com/hamiltonschools](http://www.twitter.com/hamiltonschools)
- Follow us on Instagram at [www.instagram.com/hamiltonhawkeyes](http://www.instagram.com/hamiltonhawkeyes)
- Contact Dave Tebo at [dtebo@hamiltonschools.us](mailto:dtebo@hamiltonschools.us) or (269) 751-5148
- Attend an Informational Forum
  - Monday, September 13, 2021, 5:30 p.m., Hamilton High School Auditorium
  - Monday, October 11, 2021, 5:30 p.m., Hamilton Elementary Gymnasium

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