

Bentley Community Schools
2023 Bond Proposal
Frequently Asked Questions (FAQs)



1. When is the election?

Tuesday, November 7, 2023. Registered voters living in the Bentley area can **vote at the polls 7 AM – 8 PM on Election Day, Nov. 7th, or by absentee ballot Sep. 29th – Nov. 6th at 4 PM (including Saturday, Nov. 4th from 9 AM – 5 PM).** You can register to vote and/or request an absentee ballot application from the Clerk's Office or by going online to www.michigan.gov/vote and clicking on Absentee Voting in the left column.

2. How was the bond proposal developed?

The bond proposal was developed following a comprehensive facility assessment held in 2019. The facility assessment process led to development of the bond proposal. Two Community Forums were held to solicit feedback from the community on district priorities. If approved by voters, the bond proposal will provide revenue for addressing short- and long-term facility needs. Every project in the bond proposal was reviewed and approved by the Michigan Department of Treasury.

3. What is the purpose of the bond proposal?

Our facilities were originally constructed in the 1950's. A recent facility assessment suggests we have more than \$11.2 million dollars in facility needs. With the last bond and COVID money, we were able to address many of the critical needs such as boiler, roofing, building automation, and more. However, we still need to provide ventilation to rooms at Bentley High School and all of Bentley Middle School. Additionally, all parking lots and drives are deteriorating and have reached the end of their useful life. And, the traffic situation on Roberta Street going into Barhitte is dangerous every day with traffic backed up from the school typically to Belsay Road. This project would allow us to add a parent drop off/pick up lane on the school campus.

4. What is on the ballot?

Voters will vote on an \$8.4 million bond proposal (2.10 mills) designed to fund improvements at all Bentley Community Schools' facilities. **If approved by voters, there will be a 1.10 mill net increase over the prior year's levy** as a result of a decrease in bond payments from the existing debt.

Here is the exact ballot wording:

BUILDING AND SITE BOND PROPOSAL Shall Bentley Community School District, Genesee County, Michigan, borrow the sum of not to exceed Eight Million Three Hundred Twenty Thousand Dollars (\$8,320,000) and issue its unlimited tax general obligation bonds therefore, for the purpose of defraying all or part of the cost of:

Remodeling and equipping or reequipping school buildings, including structures, or other facilities, or parts of those facilities; and preparing, developing, or improving sites, or parts of sites, for school buildings, including structures, athletic fields, playgrounds, repaving parking lots, adding a drop off lane, or other facilities?

YES

NO

The following is for informational purposes only: The estimated millage that will be levied for the proposed bonds in the year 2024, under current law, is 2.10 mills (\$2.10 per \$1,000 of taxable valuation) for a 1.10 mill net increase over the prior year's levy. The bonds may be outstanding for a maximum of twenty one (21) years, exclusive of any refunding. The estimated simple average annual millage anticipated to be required to retire this bond debt is 3.04 mills (\$3.04 per \$1,000 of taxable valuation). The school district currently has \$8,400,000.00 of qualified bonds outstanding and \$0.00 of qualified loans outstanding under the State School Bond Qualification and Loan Program. The school district does not expect to borrow from the program to pay debt service on these bonds. The estimated computed millage rate may change based on changes in certain circumstances. (Pursuant to State law, expenditures 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.)

5. What is included in the bond proposal?

- HVAC at Bentley High School, Bentley Middle School, and Barhitte's office
- All district parking lots and drives, including the athletic lot and bus lot
- Remove glass block at BHS that contains asbestos and replace with new windows
- Parent drop off/pick up lane at Barhitte Elementary
- Barhitte playground, pavilion, and athletic fields as needed to facilitate new drive
- Baseball and softball field updates and and entryway to athletic complex

6. A YES vote typically means that a voter supports a proposal. Is that the case in this election?

Yes. Voters who support Bentley Community Schools bond proposal should vote YES. Voters who oppose the bond proposal should vote NO.

7. What is the schedule for bond proposal projects?

Work on the bond proposal projects will begin summer 2024. The plan is to have all work completed by September 2025.

8. Will all bond proposal revenue benefit Bentley Community Schools?

Yes. All revenue from the bond proposal will benefit Bentley Community Schools. None of the revenue will go to Lansing or to any other school district or political entity.

9. What will the bond proposal cost me?

If voters approve the November 7th bond proposal, there will be a 1.10 mill net increase over the prior year's tax levy. If approved, the table below reflects the approximate financial impact for taxpayers.

Market Value	Taxable Value	Annual Impact	Monthly Impact	Daily Impact
120,000	60,000	\$66.00	\$5.50	\$0.18
160,000	80,000	\$88.00	\$7.33	\$0.24
200,000	100,000	\$110.00	\$9.17	\$0.30
240,000	120,000	\$132.00	\$11.00	\$0.36

GENERAL INFORMATION ABOUT BONDS AND VOTING

10. What is a bond proposal?

A bond is a State-approved funding process for a set scope of projects. When voters approve a bond proposal, the school district sells bonds in the authorized amount and uses the proceeds of the sale to pay for those projects in the bond proposal. Bonds are usually paid back in 20-30 years. In many ways, the bonding process is like a homeowner obtaining a mortgage and making payments over a period of years.

11. What can school bonds be used for?

- Constructing new school buildings
- Constructing additions to existing school buildings
- Remodeling existing school buildings
- Energy conservation improvements
- Land purchases
- Site development and improvements
- Athletic and physical education facility development and improvements
- Playground development and improvements
- Refunding debt (if new present value savings can be demonstrated)
- Direct bond program costs such as professional fees, election fees, issuance costs, qualification fees, insurance fees, and final audit costs
- School bus purchases

- Purchasing loose furnishings and equipment (including administrative technology)
- Technology purchases limited to hardware and communication devices that transmit, receive, or compute information for pupil instructional purposes only. The initial purchase of an operating system and customized application software is allowed if purchased with the initial hardware.

12. What can school bonds not be used for?

- Salaries, service contracts, lease payments, installment contracts, and supplies
- Repairs, maintenance, or maintenance agreements
- Purchasing automobiles, trucks, or vans
- Portable classrooms purchased for temporary use
- Uniforms
- Textbooks
- Upgrades to an existing computer operating system or application software
- Computer training, computer consulting, or computer maintenance contracts

13. If the bond proposal is approved by voters, will property values be affected?

A report by the National Bureau of Economic Research (2002) titled “Using Market Valuation to Assess Public School Spending” found that for every dollar spent on public schools in a community, home values increased by about \$20.

14. Who can vote in a bond proposal election?

Residents of the Bentley Community Schools area who will be 18 years of age or older on Election Day and are registered to vote.

15. Where can I get information about voting (such as how to register, where to vote, and absentee voting)?

You can register to vote and/or request an absentee ballot application from the Clerk's Office or by going online to www.michigan.gov/vote and clicking on Absentee Voting in the left column. You can call the City of Burton Clerk's office with questions at 810-743-1500.

16. Do I need to update my voter registration?

You need to update your voter registration if you have changed your name or address since the last time you voted. You can do this at any Secretary of State Office or at the Clerk's Office where you reside.

17. Can I vote by absentee ballot?

Yes. Since voter approval of Proposal 3 in November 2018, registered voters do not need a reason to vote by absentee ballot. You can request an absentee ballot application from your Clerk's Office or by going online to www.michigan.gov/vote and clicking on Absentee Voting in the left column.

QUESTIONS FROM CITIZENS

18. What company will benefit from the bond?

The district has not hired any construction firm yet, as it is waiting for the outcome of the bond vote. If the bond passes, the district will follow a competitive bidding process to select qualified and reputable firms that can deliver the best value and quality for the bond projects.

19. What construction or architectural firm has been hired?

Bentley Community Schools is working with Progressive AE for the development of the bond. This firm was selected through a competitive process with previous work.

20. How have voters been informed about the bond?

The Superintendent informed the public about the bond proposal through various channels, such as the district website, social media, flyers, mailers, and informational meetings. The bond proposal was also discussed at numerous board meetings that were open to the public and the minutes for which are posted online:

- 11/08/21 Refunding 2013 Bond (it was discussed that this refunding would afford the district the opportunity to run another bond in 2023 w/less of an impact to homeowners)
- 11/29/21 2013 Bond Refunding
- 12/15/21 Resolution for Bond Refunding
- 01/31/22 Structure of 2013 Bond Refunding
- 07/11/22 BMS HVAC
- 07/25/22 Bus Lot and Parking Lots
- 08/08/22 HVAC
- 10/10/22 Future opportunities for capital projects
- 11/14/22 Bond
- 12/12/22 Bond
- 01/09/23 Planning for Facility Upgrades
- 01/23/23 Planning for Facility Upgrades
- 02/27/23 Bond Proposal
- 03/20/23 Proposed Bond Work
- 04/10/23 Proposed Bond Work
- 04/17/23 Proposed Bond Work
- 04/24/23 Proposed Bond Work
- 05/08/23 Bond Update
- 05/22/23 Prioritization of Additional Bond Work
- 06/12/23 Preliminary Qualification of Bonds
- 06/26/23 Bond Language
- 09/25/23 Bond

21. Why was the informational meeting held after absentee ballots were sent out?

The town hall meeting is not the first or the only opportunity for the public to learn about the bond proposal and ask questions. The district has been discussing this since November 2021 in open board meetings; sent mailers to all voters; posted to the Burton City Chat, Bentley Facebook page, District Facebook page, and District website (which includes a detailed letter and Frequently Asked Questions, and a calculator to determine tax impact); and communicated with *The Burton View*, which highlighted the upcoming informational meetings and is publishing an article the week of October 9th. The informational meeting is another way to reach out to voters and address any concerns they may have before they cast their ballots. The open letter sent to all voters provides a special email address for specific bond questions: bentleybond2023@bentleyschools.org

The district planned for the open letter to the Bentley Community to arrive via U.S. Post at the end of the week of September 25 at the same time as absentee ballots. However, due to an error on the part of the printer and an additional error on the part of the USPS, the letters did not arrive until October 4th and 5th. One final note: the district is sensitive to voter fatigue, and therefore did not send literature out earlier than 6 weeks in advance.

22. How much has the district spent on the bond so far? (Election committee, brochures, flyers)

The district has spent a minimal amount on the bond campaign, using existing funds to submit the preliminary qualification to the Department of Treasury as required by law. Moreover, bond counsel and financial advisor fees are contingent on the passing of the bond proposal. Trifold letters and postage cost approximately \$3,000. The district has been transparent and accountable about its spending and has complied with all legal and ethical requirements for bond campaigns.

23. Has the Burton View been informed on what this tax increase would mean to their tax bill?

The Burton View has been informed about the bond proposal and its tax implications for the residents of Burton. The district has provided factual and accurate information to the newspaper and has invited its reporters to cover the bond campaign events and activities—they published the informational meeting in its October 5th edition and are running a full article in its October 12th edition.

24. What is the current debt ratio for the school district?

The current debt ratio for the school district is low compared to other districts in the county and the state. The district has been prudent and fiscally responsible in managing its debt and has taken advantage of favorable interest rates and refinancing opportunities to save taxpayers money. Specifically, the most common way to calculate the debt ratio is to add the outstanding principal for the voted and non-voted debt together and divide by the Taxable Value. Each year there is principal being paid down and usually, the Taxable Value increases, so the debt ratio is lowered unless there are new bonds issued. The Bentley area Taxable Value has

increased significantly in recent years, with a 5-year average annual growth of 6% - and that helps the debt ratio. Below is a history of the debt ratio. A debt ratio of 10.63% with the new bonds is considered moderate. Thus, the current debt ratio of 5.51% is low and a debt ratio over 12% would be considered high.

	After Last Voted Bonds Were issued 6/30/2020	Before Proposed Bonds (Current)	After Proposed Bonds
Outstanding Principal	10,365,000	8,950,000	17,270,000
Taxable Value	133,353,532	162,499,159	162,499,159
Debt Ratio	7.77%	5.51%	10.63%

The district’s current rating is A3 from Moody’s, which is considered a good rating. If the bond proposal passes, there will be a credit review and it is possible the rating will improve from A3 to A2. A Moody's credit rating of A3 for a school district has several benefits:

- **Creditworthiness**: The A3 rating reflects a relatively low risk of default and the school district's strong ability to meet financial commitments³. This rating is a quantified assessment of the creditworthiness of the borrower.
- **Investment Grade**: The A3 rating is considered medium-level investment-grade, which means it's four rankings above the cutoff that separates investment-grade debt from high-yield, or non-investment-grade debt². This signifies that the school district has financial backing and some cash reserves, making the risk of default for investors somewhat low.
- **Attract Investors**: An A3 rating can attract investors as it indicates that the school district has a strong capacity to meet its financial commitments.
- **Low Credit Risk**: According to Moody's, A-rated bonds are judged to be upper-medium grade and are subject to low credit risk.
- **Positive Perception**: Such a rating can also contribute to a positive perception of the school district's financial health, which could be beneficial in various ways, such as negotiations with vendors or in community relations.

25. To get more information and answers to your questions about the bond election

- Go to <http://www.bentleyschools.org/> click on Bond 2023
- Call any Bentley Community Schools principal
- Call Superintendent Kristy Spann at 810.591.9121 or email questions to BentleyBond2023@bentleyschools.org

This document was prepared to provide factual information about the Bentley Community Schools November 7, 2023 election and was paid for by Bentley Community Schools, 1170 N. Belsay Road, Burton, MI 48509