



November 3, 2015 School Bond Election

Answers to Frequently Asked Questions

The Southgate Community Schools Board of Education formally approved the ballot language for a bond proposal to be put forward to the community. The bond issue will fund important improvements and upgrades to our aging facilities. The school district will be seeking \$20 million. This request will be brought to the community in an election on Tuesday, November 3, 2015. The school district would like to take this opportunity to provide additional information about the bond proposal in a question-and-answer format. You can also find valuable information about the bond proposal on our district website at www.southgateschools.com.

The following are some Frequently Asked Questions:

When is the election?

Tuesday, November 3, 2015. The polls will be open from 7 a.m. until 8 p.m.

Why did the school district choose a November election date?

There are both pro's and con's to different election dates. May and August are other options. November elections are beneficial because they typically align with other municipal elections, which reduces the cost of the election to the school district. Additionally, a November election allows enough time to put work in place the following summer.

When was the last time the district had a bond issue program?

In 2001, the school district passed a bond for facility improvements. This new proposal includes facilities, security, technology, and site improvements.

Why is the district looking at doing this work now?

The district completed an extensive facilities analysis (highlighted below) to characterize its current condition. From this assessment it was determined that:

- The school buildings are 40-60 years old. Many of the original fixtures and infrastructures have aged and worn out. Equipment and structures not replaced in 2001 now must be addressed.
- The district is falling behind in its ability to provide a high-quality educational environment and learning tools for students.
- Neighboring districts are investing more into their facilities and technology to keep them upgraded.

- New State testing requirements, mandating on-line testing, would require added capital investment.
- Safety and security needs have changed dramatically since the 2001 bond issue.

Based on this analysis, it was deemed that additional investment into school facilities, above current resources, was necessary to meet the expectations set by the district.

What question will voters be asked on the November 3 ballot?

Voters residing within the boundaries of the Southgate Community School District (SCSD) will vote to approve a bond that effectively extends the current millage rate to fund updates, renovation, and construction in four general areas:

1. Student safety and security
2. District wide facility improvements
3. Technology
4. Site and athletic field improvements

Here is the actual ballot language. Vote YES to approve the bond proposal; vote NO to oppose the bond proposal.

BONDING PROPOSAL:

Shall Southgate Community School District, Wayne County, Michigan borrow the sum of not to exceed Twenty Million Eighty Thousand Dollars (\$20,080,000) and issue its general obligation unlimited tax bonds therefor, for the purpose of:

Partially remodeling, furnishing and refurnishing, equipping and re-equipping school facilities; acquiring, installing and equipping instructional technology for school facilities; constructing, equipping, developing and improving athletic facilities and playfields; and developing and improving sites?

YES

NO

Why is this election necessary?

The primary purpose of the election is to enhance student safety and security, to ensure that the schools and school facilities are updated and in good repair, and to continue providing quality educational programs.

The bond proposal on the November ballot is an outgrowth of the school district's strategic plan. This plan called for a review of Southgate's facilities and operations. To conduct this review the school district formed a committee that worked with a professional consulting firm to develop the proposal that will appear on the November ballot.

The bond proposal was formulated to continue support for Southgate's quality educational programs.

How will the bond proposal benefit students and the community?

The bond proposal will benefit students by enhancing security at the entrances of all elementary schools. It will also provide upgraded technology and enhance school facilities and sites.

The bond proposal will assure that schools and school facilities are upgraded and will reduce ongoing operational repair expenses. This will ensure that the learning environment is up-to-date which research tells us has a direct impact on student learning.

All bond proposal projects are designed to maintain the community's investment in its school district and to reflect positively on homeowner property values. All of this will make our school district more competitive with surrounding communities and, consequently, more attractive to current and future residents, which helps to maintain and improve home values.

Tell me a little more about the facility improvements

Some of the roofs are nearing the end of their useful life and require replacement in order to continue to protect the assets below. Some of the exterior doors are continuously being repaired and need to be replaced to maintain the security of the building. Interior door hardware is in need of upgrades to meet current codes. Various plumbing and piping improvements are necessary to maintain constant temperatures within the classrooms. Also, some boilers are well past their useful life. The exterior areas of the buildings are not well illuminated, so the lighting around the building will be upgraded and lights will be added in the parking lots.

Tell me a little more about proposed safety and security improvements.

We currently have a variety of security measures in place to ensure a safe environment at school, including surveillance cameras, card access systems at certain doors, and a door bell ring-in system at our elementary and secondary schools. We will enhance our current equipment by putting cameras in areas where camera coverage is currently not available. We would need to add card access points at each of our schools to create more secured entrance areas. We also plan to improve our communication systems within the buildings for announcements into classrooms and hallways. Lastly, we will evaluate the most up-to-date and effective security technology to determine which items, within security budget allocations, will best meet our security needs.

Tell me a little more about the technology improvements.

Most of the workstations in the district are eight to ten years old. The current technology owned by the district can no longer be upgraded and will not be supported.

The student lab and teacher computers are due for replacement in order to meet State online testing requirements. The demands of online testing dictate the need for specific device quantities that allow students to complete assessments within the prescribed testing window. Other classroom enhancements include data projector replacements, interactive boards, and presentation systems that current instruction relies on.

These new technologies will lower costs by implementing virtualization, cloud storage, and free cloud based applications.

Tell me a little more about the site improvements

Some of the parking lot surfacing and concrete walks are reaching or past its useful life and deteriorating. The asphalt is crumbling and creating trip hazards and ice ponding in the winter. Additionally, when the parking lot surfacing is replaced, it is the ideal time to implement any reconfiguration to improve traffic flow. There will also be some drainage improvements around the site to protect and extend the longevity of the improvements.

At the high school, there will be improvements to the ball fields, track and tennis courts, and stadium and gym bleachers.

What will the bond proposal cost?

If voters approve the bond proposal request, there will be no increase in the current school debt tax rate. The 2014 school debt rate was 6.11 mills. During the 2014-15 school year, the District successfully refinanced bonds

originating in 2001 that will reduce the District's debt obligation in future years. The debt millage of 6.11 mills will remain the same. The savings from refinancing the old bonds will offset the annual debt obligations of a new bond issue. There will be NO increase in your tax bill as a direct result of approving this bond proposal.

Will all bond proposal revenue stay in the Southgate Community School District?

Yes. All revenue from the bond proposal will stay in the Southgate Community School District. None of the revenue will go to Lansing or to any other school district.

If the bond proposal is approved by voters, will property values improve?

Real estate values tend to be higher in communities with school districts that offer a quality education program and up-to-date school facilities. Property values tend to be lower in communities that do not offer an adequate curriculum or that have schools that are out of date and poorly maintained.

Can any of the bond proposal funds be used for employee salaries or operating expenses?

No. Bond proposal funds cannot be used for employee salaries. They also cannot be used for repair or maintenance costs, other operating expenses, or items such as textbooks. Bond proposal funds must be used only for purposes specified in the ballot language, and, as required by State law, they must be audited.

How are Michigan's schools funded?

The majority of the funding to operate Michigan's schools comes from the State of Michigan. Each district receives an amount per pupil referred to as the *foundation allowance*. The foundation allowance comes from the 6.0 mills the State collects from every homeowner in Michigan. For businesses and people with second homes, the State collects an additional 18.0 mills. This revenue is then divided among public schools in Michigan.

Every year the Michigan legislature sets the foundation allowance for school districts. As a result, the operating revenue of school districts is subject to the political process every year. The current school funding process does not provide for the capital needs of school districts. That is why capital needs such as upgrades, renovations, and construction are typically financed by a bond proposal or sinking fund.

Does the foundation allowance follow the student?

Yes. If student enrollment increases, the State's foundation allowance payment is increased by the amount of the enrollment increase. Similarly, if enrollment declines, the State's foundation allowance payment is decreased by the amount of the enrollment decrease.

This is also true for Schools of Choice students. If a student living in ABC School District enrolls in another public school, that school receives the foundation allowance payment that would have gone to ABC School District. Similarly, if a student from outside ABC School District enrolls in the ABC School District, ABC School District receives the foundation allowance that would have gone to the school district outside ABC School District.

What about a sinking fund millage to improve its facilities?

A sinking fund levy could help the district complete facility projects such as mechanical system replacement, boiler replacement, door replacement, and parking lot improvements; however, it could take 20 years to complete the work proposed in this bond issue if the sinking fund was the only funding source. Also, a sinking fund cannot be used for loose equipment items such as technology.

Are you going to make improvements to schools and then end up not needing those schools in the future?

Using District enrollment data and reports from Middle Cities Education Association, we completed enrollment trend projections to answer that question. In grades 5-12, projections show a need for all the existing facilities into the near future. Since the district closed some schools a few years ago, we are maximizing capacity usage, which will save a significant amount of work.

Why is Gerisch Middle School included? Isn't that building closed?

Gerisch Middle School currently houses our Beacon Day Treatment Program; a center based K-12 school for emotionally impaired students, and our Transitions Program; a center based program for students who have earned a certificate of completion and are transitioning to independent living. The District Special Services and Curriculum Departments also occupy that building bringing it to full capacity.

How long will it take to complete the project?

Our plan is to complete the majority of the work over a three-year period. We also set a goal to begin work in some form at every school within the first year.

Won't some of the purchases be obsolete or past their useful life by the time the bond is paid off?

Requirements for bond issues outline that the average useful life (how long items are expected to last) of all renovations to schools and equipment purchased through a bond must equal or exceed the average maturity in which the bonds will be paid off. In our case, the average life of all the items in the bond is approximately 28 years and the bonds will be paid off in just over 24 years. These requirements exist so items such as boilers, technology, or building renovations purchased through bond financing will, in aggregate, last as long, or longer, than the length of time the money is owed.

Who can vote in this bond proposal election?

Anyone who resides in the Southgate Community School District, will be 18 years of age or older on Election Day, and is registered to vote by October 5, 2015.

Where can I register to vote?

You can register to vote at any Secretary of State office or at the Clerk's Office where you reside. You can download a voter registration application at <http://www.michigan.gov/documents>.

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.

Where do I vote?

You will vote at your regular school district precinct. If you are unsure of your precinct, call the Clerk's Office where you reside. The information is also available online at <http://www.michigan.gov/sos>. Follow the links to *Elections in Michigan* then *Michigan Voter Information Center (MVIC)*.

Can I vote by absentee ballot?

Registered voters can vote by absentee ballot if they meet one of the following requirements:

1. They expect to be out of town on Election Day;
2. They are 60 years of age or older;
3. They are unable to vote without assistance at the polls; or,
4. They cannot attend the polls due to religious reasons.

Absentee ballots will be available to voters after September 19.

After September 19, voters can complete their absentee ballot application and vote in one stop at their Clerk's Office. The whole process takes less than five minutes.

The Clerk will mail absentee ballot applications to residents on the permanent absentee voter list before or shortly after September 19.

What will be Plante Moran Cresa's role in the construction process?

If the bond passes on November 3, Plante Moran Cresa will act as an owner's representative, facilitating the Request for Proposal (RFP) process for the design professionals and construction management (CM) firm. One of the criteria the CM firm will be judged upon is their process for encouraging local participation. The CM, in turn, will oversee both the public bidding process for the trade contractors and the construction.

How is the district encouraging the use of local contractors during the proposed project?

All of the construction work will be publically bid per state law, ensuring local contractors have an opportunity to bid on the project. Public bidding is the best way for the district to compare contractors and ensure the best resources are hired for the project. In addition, the district will utilize a construction manager (in lieu of a general contractor) to break down the project into smaller individual bid categories. In this way, contractors will be able to bid on the portions of the project that align with their line of service and available resources.

All contractors who bid directly must be properly bonded and insured. For local contractors that cannot become bonded or bid on the entire scope of work in a bid category, the district will pass along their information to other bidders to potentially partner as a subcontractor.

Where can I get more information about the election?

Go to <http://www.southgateschools.com> and click on *School Election Information*.

Alternatively, you can call any school principal or Superintendent of Schools Leslie Hainrihar at 734-246-4600. You also can send an email to Superintendent Hainrihar at hainrihal@sgate.k12.mi.us.