



Wyandotte Public Schools Sinking Fund Ballot Proposal

Dr. Catherine Cost





Welcome, We Are Glad You Are Here

- Introductions





What Is A Sinking Fund?

- A Sinking Fund millage is a limited property tax for city homeowners
- “Pay-As-You-Go” funding method for technology, building maintenance and infrastructure projects
- No debt or interest expense is incurred
- The tax is levied each year and is designated to building upgrades /repairs and technology
- Sinking Fund expenses are audited by the Michigan Department of Treasury for compliance annually
- The Sinking Fund revenues cannot be used for salaries, books, etc.

Wyandotte’s Sinking Fund Proposal Will Be on March 10, 2020 Ballot



Why Do We Need A Sinking Fund?

- Increases have outpaced what we are reimbursed from the state, which is the primary source of funding for the district's ongoing operations
- The only additional means to fund the district is by asking voters for approval to levy mills for debt and sinking funds
- Without the Sinking Fund millage, major repairs would need to be paid for with operating funds

Sinking Fund Preserves The General Fund For Direct Educational Needs



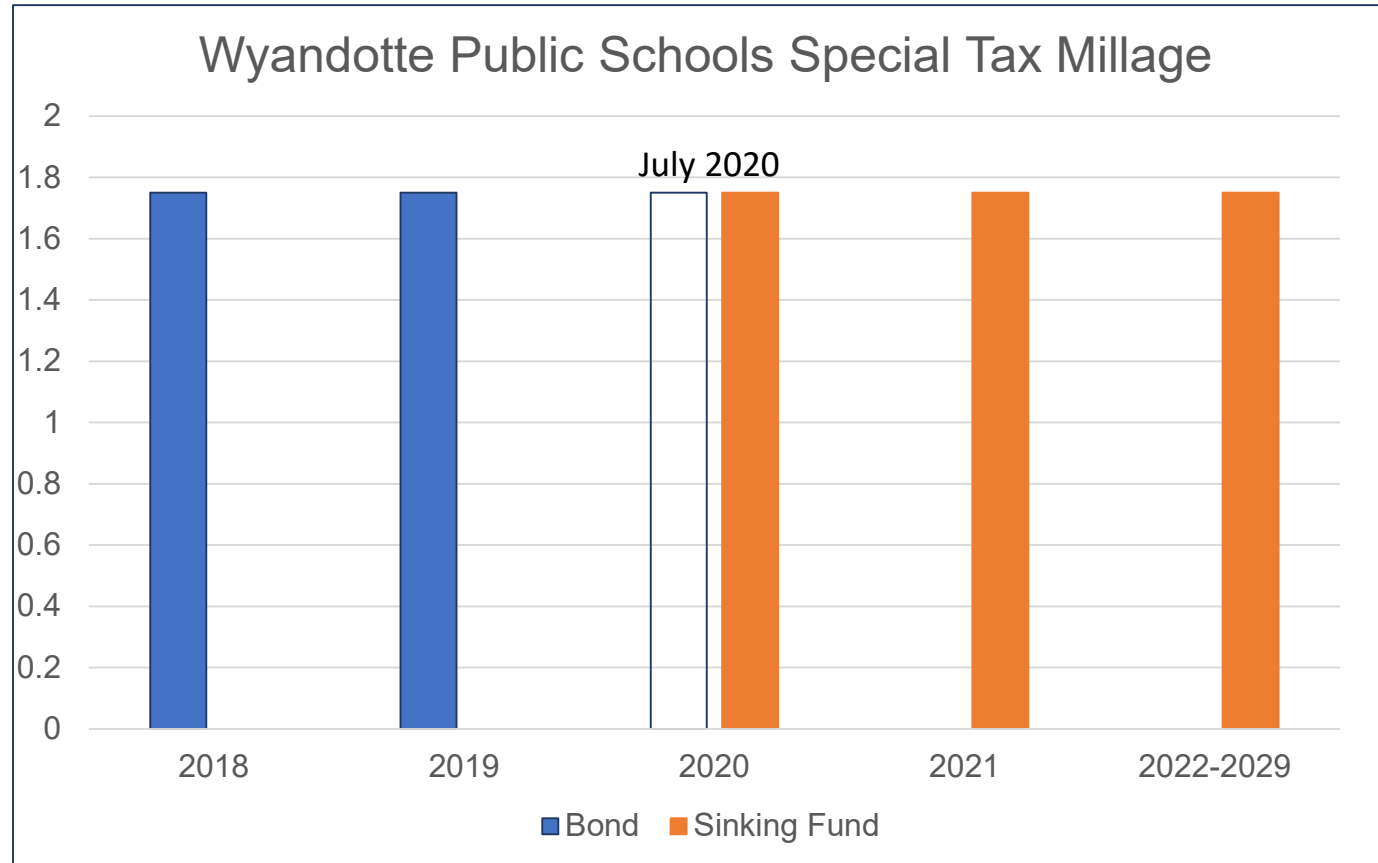
What is the Difference Between a Sinking Fund and a Bond?

- Most school construction and major improvements are paid for with bonds, which is really borrowing money
- We would have to pay bond monies back with interest and fees, and have a special tax dedicated to paying off each bond
- Because bonds can be complicated, schools typically only use bonds for major projects every 10 to 20 years.
- The sinking fund allows schools to pay for smaller renovations and construction, as we go, without having to borrow money or pay interest
- It also means that we're not letting our schools deteriorate while we wait for a new bond project.

Sinking Funds Provide a Cost Effective Way for District to Fund Projects



Why Now?



- We have a bond tax that concludes in June 2020
- If approved, this sinking fund proposal would begin in July 2020
- 1.75 mills rate would be assessed annually thru July of 2029
- March 2020 ballot proposal timing would allow District to start with Summer tax collection
- Essentially swapping in cost of Sinking Fund at rate of expiring bond

Sinking Fund Would Not Represent an Additional Tax Increase



How Much Will This Cost?

1.75 Mills for 10 years

- We asked for 1.75 mills
- \$87.50 per year for \$100,000 home
- Requesting for a period of 10 years

Estimated Impact:

- This will add up to about \$1,000,000 per year for facility improvements or about \$10,000,000 in ten years.
- Below is the impact on property taxes for a home valued at \$100,000

HOME MARKET VALUE	HOME TAXABLE VALUE	ANNUAL TAX	MONTHLY COST
\$100,000	\$50,000	\$87.50	\$7.29



Monroe Elementary School

Recommended Projects Include:

- Removal of built-in cafeteria tables from gymnasium
- Rebuild wall and add padding for improved safety
- Construction of a new cafeteria
- Construction of two new classrooms and bathrooms to accommodate students



Roosevelt High School

Recommended Projects Include:

- Renovate bathrooms
- Potential new cheerleading/wrestling facility



Wilson Middle School

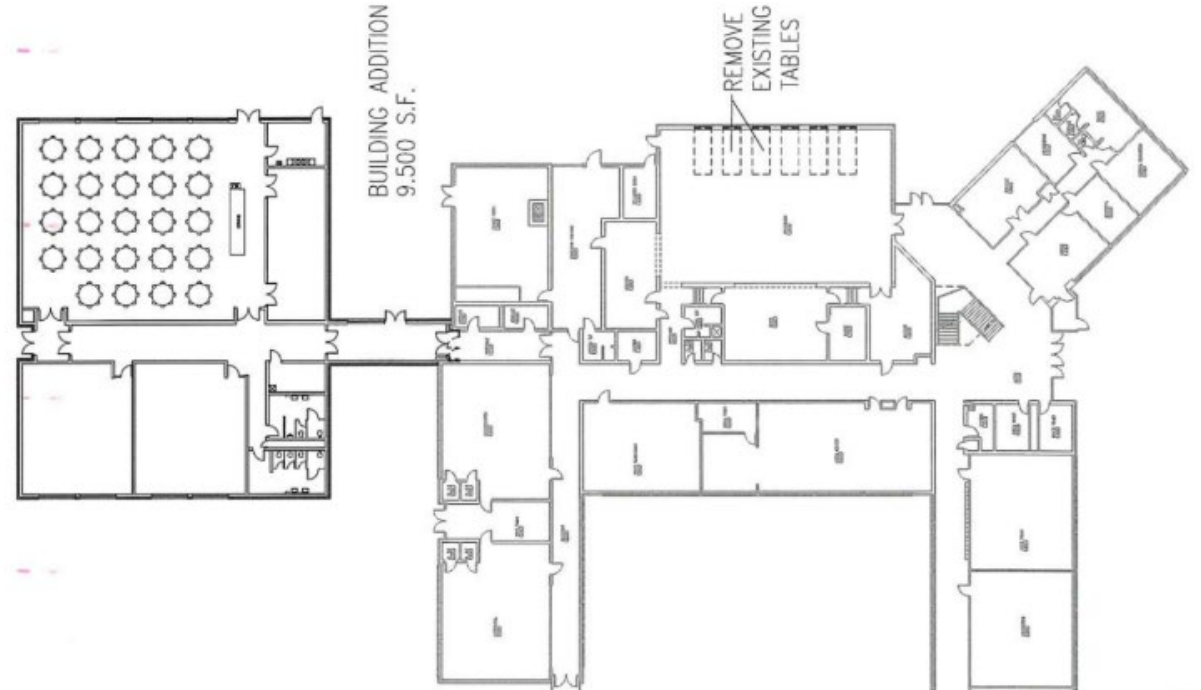
Recommended Projects Include:

- Renovate bathrooms
- Update elevator
- New exterior doors

When Can We Expect to See These Renovations and Repairs?



- First priority is the Monroe Elementary project
- Estimated costs of project is \$3,000,000
- Sinking fund monies would accrue in a savings account for approximately 3 years to fund this project
- Construction is estimated to begin in June of 2021 and conclude by Month 2023





Please Vote

- Absentee ballots expected to be available on January 25th, 2020
- February 24, 2020 last day for voters to register by mail to vote in March election
- Saturday March 7th, 2020 or Sunday March 8th, 2020 the weekend before election day, city clerk office open to issue and receive absentee voter ballots
- March 10, 2020 election day for voters to register in person to vote in March election with proper documentation
- Tuesday March 10, 2020 election day, polls open at 7:00 am and will close at 8:00 pm



Thank you!