

# Clarkston Community Schools

## 2022 BOND *OUR Kids. OUR Community. OUR Future.*

### PROPOSED BOND IMPROVEMENTS

Election Day: Tuesday, November 8, 2022

### ZERO TAX RATE INCREASE

*over the current year levy*

## UNDERSTANDING THE BOND BALLOT LANGUAGE

Shall Clarkston Community Schools, Oakland County, Michigan, borrow the sum of not to exceed One Hundred Ninety-Seven Million Five Hundred Thousand Dollars (\$197,500,000) and issue its general obligation unlimited tax bonds therefor, in one or more series, for the purpose of:



The District would sell bonds totaling no more than \$197,500,000

erecting, furnishing, and equipping additions to, and an outdoor learning space and a storage structure at, the Junior High School; remodeling, furnishing and refurbishing, and equipping and re-equipping school buildings and other facilities; acquiring, installing, and equipping and re-equipping school buildings for, instructional technology; and preparing, developing, improving, and equipping playgrounds, athletic fields and facilities, parking areas, drives, sidewalks, and sites?



The proposal focuses on three key, district-wide areas:

**SAFETY AND SECURITY**  
**NEW CLARKSTON JUNIOR HIGH**  
**AGING BUILDING AND SITES**

The following is for informational purposes only:

The estimated millage that will be levied for the proposed bonds in 2023, under current law, is 1.58 mills (\$1.58 on each \$1,000 of taxable valuation) for a -0- mills net increase over the prior year's levy. 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 3.27 mills (\$3.27 on each \$1,000 of taxable valuation).



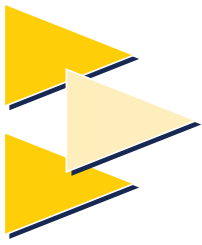
### ZERO TAX RATE INCREASE

If the bond proposal is approved by voters, it is estimated the current millage rate would remain the same, with no tax rate increase

The school district expects to borrow from the State School Bond Qualification and Loan Program to pay debt service on these bonds. The estimated total principal amount of that borrowing is \$26,620,735 and the estimated total interest to be paid thereon is \$10,512,610. The estimated duration of the millage levy associated with that borrowing is twelve (12) years and the estimated computed millage rate for such levy is 7.0 mills. The estimated computed millage rate may change based on changes in certain circumstances.

The total amount of qualified bonds currently outstanding is \$146,305,000. The total amount of qualified loans currently outstanding is approximately \$4,966,052.

(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.)



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## UNDERSTANDING THE BOND BALLOT LANGUAGE

### What are the numbers in the bottom of the ballot language?

The ballot language states “The estimated millage that will be levied for the proposed bonds in 2023, under current law, is 1.58 mills (\$1.58 on each \$1,000 of taxable valuation) for a -0- mills net increase over the prior year's levy. What does this mean?

This means the estimated new bond millage for this proposal to be levied in the first year in 2023 is 1.58 mills. The 1.58 mills of new bond mills plus the existing bond mills would equal 7.0 mills for a 0 mill net increase over the current levy.

The ballot language states “the maximum number of years the bonds of any series may be outstanding, exclusive of any refunding, is twenty-five (25) years.” What does this mean?

The district plans to issue the bonds in three separate series, and each bond series would have a length of 25 years or shorter.

The ballot language states “The estimated simple average annual millage anticipated to be required to retire this bond debt is 3.27 mills (\$3.27 on each \$1,000 of taxable valuation).” What does this mean?

It means over the entire life of the bonds to be issued the average annual debt millage rate is estimated to be 3.27 mills.

The ballot language states “The school district expects to borrow from the State School Bond Qualification and Loan Program to pay debt service on these bonds. The estimated total principal amount of borrowing is \$26,620,735 and the estimated total interest to be paid thereon is \$10,512,610.” What does this mean?

The Michigan School Bond Qualification and Loan (SBQL) Program is a state program that assists school districts with voted bond issues by providing a bond rating credit enhancement and loan mechanism for school district bond issues. Qualified bonds provide school districts with access to the state's credit rating, which will usually result in a lower interest rate and cost and the ability to borrow for the principal and interest requirements of outstanding qualified bonds. \$26,620,735 represents the amount estimated to be borrowed under the SBQL Program, and \$10,512,610 represents the amount estimated of interest related to that borrowing.

The ballot language states “The total amount of qualified bonds currently outstanding is \$146,305,000. The total amount of qualified loans currently outstanding is approximately \$4,966,052.” What does this mean?

The term “qualified” means the school district has existing bonds outstanding that are qualified by the SBQL Program at the time of the election the amount of the school district's qualified bonds is \$146,305,000. The school district is utilizing a State program known as the School Loan Revolving Fund (SLRF). The SLRF is a self-sustaining fund that makes loans to school districts to assist with making debt service payments on state qualified bonds issued under the SBQL Program. The term “qualified loans” is referring to the school district's present estimated principal and interest SLRF balance of \$4,966,052.