

**Bridgman Public Schools**  
**December 2024**  
**Tax Appeal Settlement Agreement Update**

The District would like to update staff and community stakeholders on our ongoing efforts to address the recent developments regarding the tax appeal settlement with AEP.

On December 19, the Michigan House adjourned abruptly due to a lack of quorum caused by Republican walkouts and a Democratic boycott over party priorities, effectively ending our final opportunity to secure state support for Bridgman Public Schools before the session formally concludes on December 31. Over the past several months, we have dedicated ourselves fully to advocating for the district. We met with legislators, presented our case before the House, and highlighted the devastating impact of the AEP tax appeal and the 'dark store' loophole. Despite our unwavering commitment and countless hours of effort, the support we desperately needed did not come through. While this is not the outcome we had hoped for, it is not for lack of trying—we gave it our all. Moving forward, our focus will shift to the difficult task of reducing the district's operating budget by approximately \$1.5 million for the 2025-2026 school year. This will require making tough decisions about staffing, programs, and services. These decisions will be incredibly challenging, but we remain committed to acting thoughtfully and transparently, always prioritizing the best interests of our students, staff, and community. We want to express our sincere gratitude to the Board for their continued support, guidance, and understanding throughout this process. Together, we will navigate this challenging moment to ensure the best possible future for Bridgman Public Schools.

The proposed Hold Harmless Agreement with Bridgman Public Schools is effectively a dead issue, as AEP has clearly stated that they are not interested in pursuing it at this time. With no progress being made and each passing week, the likelihood of revisiting the agreement decreases. While it seems unlikely that this matter will be resolved anytime soon, it remains prudent to leave the door open for potential future discussions.

On December 11, Superintendent Peters had the opportunity to testify before the House Tax Policy Committee, advocating for legislation aimed at closing the "dark store" tax loophole and pushing for property tax reforms that better support schools and communities. Unfortunately, the committee was unable to move the bill forward to the full House due to corporate interests once again undermining progress. Closing the dark store loophole is a crucial step toward achieving long-term revenue stability for Bridgman Public Schools, as well as for other schools and communities across Michigan.

HB6029, introduced by Representative Joey Andrews, did not receive a hearing and will therefore expire with the end of the current legislative session. We are optimistic that the bill will be reintroduced in 2025. If passed, the bill would allow Bridgman Public Schools to request voter approval for increasing the Non-Homestead levy from 8.376 mills to 18 mills. However, even if the bill is reintroduced, it will face significant challenges, as it requires an amendment to the Michigan Constitution and a  $\frac{3}{4}$  majority vote in the legislature. While this will be a difficult process, it is an effort we must all continue to advocate for.

Superintendent Peters will be addressing the financial effects of the recent tax appeal settlement and its impact on district funds in upcoming Board of Education meetings:

**November 25, 2024:** Superintendent Peters reviewed the tax settlement's impact on the District's Sinking Fund. The Board approved two recommendations in regards to the Sinking Fund. 1) Use the Sinking Fund conservatively to preserve our buildings' current condition and to plan ahead for any significant future renovations or repairs and 2) All future expenditures from the Sinking Fund require approval from the Board of Education.

**December 16, 2024:** Superintendent Peters reviewed the tax settlement's impact on the District's Recreation Fund. The Board approved four recommendations in regards to the Recreation Fund. 1) Utilize the Recreation Fund prudently to safeguard the operations of the Aquatics Center and community recreation programs while setting aside resources to address anticipated facility renovations or repairs in the future. 2) Approve that all Recreation Fund expenditures, including those from the Pool Fund, exceeding \$10,000 require prior approval from the Board of Education, with the exception of utilities, payroll, routine expenses, and emergencies. Any emergency expenditures will be reported to the Board of Education within 48 hours. 3) The District will be reducing programming and staffing as part of efforts to address budget constraints, which will include reorganizing the administrative structure of the Aquatic Center. Beginning in the 2025-2026 school year, the District will eliminate 1 FTE (full-time equivalent) position. 4) Adjust and Expand Patron Fee Structure – Beginning on July 1, 2025, revise the fee structure to include differentiated rates for residents and non-residents, ensuring fair access and equity. This may involve implementing tiered pricing based on residency status, increasing fees to reflect operational costs and inflation, and introducing additional charges for specialized programs or facilities. Such adjustments will help sustain programs and services while maintaining accessibility for residents.

**March 24, 2025:** Superintendent Peters will outline the implications for the District's General Fund and propose necessary adjustments, including potential administrator and teacher layoffs and program reductions.

**April 28, 2025:** Superintendent Peters will provide an update on staff and program reductions from March, including any additional adjustments necessary to address budgetary challenges. This update will cover anticipated changes impacting staffing and programs across the District.

For additional details or to discuss these initiatives further, please don't hesitate to reach out to Superintendent Shane M. Peters at 269-466-0220 or via email at [speters@bridgmanschools.com](mailto:speters@bridgmanschools.com). Superintendent Peters is available to provide more context, answer questions, and keep you informed on these important developments impacting our District and community.