



# **Ann Arbor Public Schools**

## **School Building and Site Sinking Fund**

**March 2026**

---

**PFM Financial Advisors LLC**

---

**555 Briarwood Circle  
Suite 333  
Ann Arbor, MI 48108**

---

**P: 734-994-9700  
[www.pfm.com](http://www.pfm.com)**



# Sinking Fund Millage Information

## What is a sinking fund millage?

- Voter approval required
- Maximum of 3.00 mills
- 10 year maximum
- A sinking fund millage is placed on the district's annual Tax Rate Request Form (L-4029) that generates property tax revenue annually
- Subject to Headlee rollback

## STATUTORY REQUIREMENTS FOR A SINKING FUND

Pre-2017 Voter Authorization	Post-2016 and Pre 2023 Voter Authorization	Post-2022 Voter Authorization
<ul style="list-style-type: none"> <li>• Up to 5 mills for up to 20 years.</li> </ul>	<ul style="list-style-type: none"> <li>• Up to 3 mills for up to 10 years.</li> </ul>	<ul style="list-style-type: none"> <li>• Up to 3 mills for up to 10 years.</li> </ul>
<ul style="list-style-type: none"> <li>• Purchase of real estate for sites for, and the construction or repair<sup>1</sup> of, school buildings.</li> <li>• NO EQUIPMENT OR FURNISHINGS.</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase of real estate for sites for, and the construction or repair<sup>1</sup> of, school buildings.</li> <li>• NO EQUIPMENT OR FURNISHINGS OTHER THAN THE FOLLOWING:               <ul style="list-style-type: none"> <li>• School Security Improvements<sup>3</sup>;</li> <li>• Technology<sup>4</sup>;</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Purchase of real estate for sites for, and the construction or repair<sup>1</sup> of, school buildings.</li> <li>• NO EQUIPMENT OR FURNISHINGS OTHER THAN THE FOLLOWING:               <ul style="list-style-type: none"> <li>• School Security Improvements<sup>3</sup>;</li> <li>• Technology<sup>4</sup>;</li> <li>• Student Transportation Vehicles<sup>5</sup> and parts, supplies and equipment to maintain these vehicles;</li> <li>• Trucks and Vans<sup>6</sup> and parts, supplies and equipment to maintain these vehicles.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• NO MAINTENANCE<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• NO MAINTENANCE<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• NO MAINTENANCE<sup>2</sup></li> </ul>
<ul style="list-style-type: none"> <li>• ANNUAL AUDIT</li> </ul>	<ul style="list-style-type: none"> <li>• ANNUAL AUDIT</li> </ul>	<ul style="list-style-type: none"> <li>• ANNUAL AUDIT</li> </ul>



# Michigan Election Timing & Considerations

2026	2027	2028
N/A	N/A	February 22, 2028*
May 5, 2026	May 4, 2027	May 2, 2028
August 4, 2026*	August 3, 2027	August 8, 2028*
November 3, 2026**	November 2, 2027	November 7, 2028**

\*Presidential, Federal and/or State **Primary** Election Dates.

\*\*Presidential, Federal, State and/or School **Regular** Election Dates.

## There are several timing considerations when considering a sinking fund election:

- When is the current sinking fund millage authorized through?
  - Levy year 2026 (fiscal year end 2027)
- What sinking fund millage amount should be requested?
  - 2.50 mills was authorized in May 2017
  - current (levy year 2025) maximum millage is 2.4030 mills
- How many years should the millage be requested?
  - 10 years was authorized in May 2017
- What election date should be targeted?

Election Dates	Filing Deadline
Aug. 4, 2026	May 12, 2026
Nov. 3, 2026	Aug. 11, 2026
May 4, 2027	Feb. 9, 2027



# Estimated Sinking Fund Revenue Projections

## ANN ARBOR PUBLIC SCHOOLS - PROJECTED SINKING FUND REVENUE SCHEDULE

Net 2025 Taxable Value \$13,228,011,072  
 Assumed Annual Growth in Valuation 2.50%

Levy/ Valuation	Estimated Sinking Fund Revenue					
	2.4030 Mill*		2.5000 Mill*		3.0000 Mill*	
	(Renewal)		(Restoration)		(Maximum)	
Year	Gross	NPV**	Gross	NPV**	Gross	NPV**
2027	\$33,396,123	\$31,465,300	\$34,744,198	\$32,735,435	\$41,693,037	\$39,282,522
2028	34,231,026	31,305,718	35,612,803	32,569,411	42,735,363	39,083,293
2029	35,086,802	31,146,944	36,503,123	32,404,228	43,803,747	38,885,074
2030	35,963,972	30,988,976	37,415,701	32,239,883	44,898,841	38,687,860
2031	36,863,071	30,831,809	38,351,093	32,076,372	46,021,312	38,491,647
<b>5 Yr. Total:</b>	<b>\$175,540,993</b>	<b>\$155,738,747</b>	<b>\$182,626,918</b>	<b>\$162,025,330</b>	<b>\$219,152,301</b>	<b>\$194,430,396</b>
2032	\$37,784,648	\$30,675,439	\$39,309,871	\$31,913,690	\$47,171,845	\$38,296,428
2033	38,729,264	30,519,862	40,292,618	31,751,833	48,351,141	38,102,200
2034	39,697,496	30,365,074	41,299,933	31,590,797	49,559,920	37,908,957
2035	40,689,933	30,211,072	42,332,431	31,430,578	50,798,918	37,716,694
2036	41,707,181	30,057,850	43,390,742	31,271,171	52,068,891	37,525,406
<b>10 Yr. Total:</b>	<b>\$374,149,515</b>	<b>\$307,568,044</b>	<b>\$389,252,513</b>	<b>\$319,983,400</b>	<b>\$467,103,015</b>	<b>\$383,980,080</b>

\* Assumes the sinking fund millage is not reduced by future Headlee rollbacks

\*\* Net Present Value ("NPV") calculation is at 3.00%

# Questions?



pfm



# PFM Financial Advisor LLC - Disclosures

## ABOUT PFM

*PFM is the marketing name for a group of affiliated companies providing a range of services. All services are provided through separate agreements with each company. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation.*

*Financial advisory services are provided by PFM Financial Advisors LLC, a registered municipal advisor with the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) under the Dodd-Frank Act of 2010. Swap advisory services are provided by PFM Swap Advisors LLC which is registered as a municipal advisor with both the MSRB and SEC under the Dodd-Frank Act of 2010, and as a commodity trading advisor with the Commodity Futures Trading Commission. Additional applicable regulatory information is available upon request.*

*Consulting services are provided through PFM Group Consulting LLC. PFM's financial modelling platform for strategic forecasting is provided through PFM Solutions LLC.*

*For more information regarding PFM's services or entities, please visit [www.pfm.com](http://www.pfm.com).*