BOND/SINKING FUND FREQUENTLY ASKED QUESTIONS

What is the difference between a Bond and a Sinking Fund?

The Bond is a State approved funding process that has a set scope of projects and cannot be expanded without communicating to the State – it is set in stone. A Sinking Fund is a funding initiative to give a district flexibility in meeting its individual needs. The project list is not set in stone and the district can add and subtract projects as needs arise or go away. Both of these initiatives are heavily watched and audited separately from the general budget to account for every dollar spent.

Why are we seeking both a Bond and Sinking Fund?

The economy and taxes recently took a downward turn in our district, due to the closing of power plants and scheduled de-taxation of other plants. This means that the Bond (being a long term investment) is negatively impacted, whereas a Sinking Fund is a short term investment that is not as effected. By combining both we are overcoming the limitations of both while listening to our community. The community wanted to see us work in stages and “Forging a New Foundation” is the first stage of improvement for EHPS.

Why do we need a bond issue?

Time has caught up with our four buildings and all need significant updating. Our kids deserve to have places to learn that are safe, secure and up to date. For instance, Verellen Elementary needs a multi-purpose room because the gym now being used as a cafeteria is in demand for classes; now lunches must be shoe-horned in the schedule and kids often don’t have enough time to eat. We need to eliminate gym time conflicts with instructional time. Every school building has drawbacks that need addressing as soon as possible. (Please see the listing of proposed improvements).

Why another bond election now?

We were able to get a proposal on the Michigan Loan Bond Fund (MLBF) just in time. Otherwise we would not be able to address infrastructure and technology problems until the MLBF opens again in 2016. Costs would be much higher if we had to use private bond markets. Passage of a bond and sinking fund now will save money.
What do better school buildings mean to a community?

Essexville-Hampton always has been considered the best place to live in Bay County because of its outstanding school system. Many people have moved to this community mainly because of the good schools. Without modern infrastructure and technology in our schools, property values would not be as solid as they have been for years. Homes would be worth less. We need to continue to attract new families and keep a solid tax base for the schools and also for all Essexville City and Hampton Township needs serving us all. And that means shoring up our educational foundations immediately.

Why weren’t the buildings maintained as the years passed?

We have made continual repairs and patchwork upgrades wherever possible with our custodial maintenance staff. For instance, the boilers at Bush Elementary are old and could go any day. The cost of replacement is about $150,000. Every homeowner knows roofs need replacement after 20 years or so and all our school roofs, Garber, Cramer, Verellen and Bush, need to be repaired or replaced.

Why are two questions going to be on the ballot Feb. 24th?

The architects determined that a Sinking Fund would give more flexibility in dealing with infrastructure problems; the Bond Issue can only be spent on specific improvements, nothing else. All the improvements will be listed on signs at each school for you to review. Passage of both issues is vital to catch up on needs of all schools that were built in the 1960s.

How much will the sinking fund and bond cost?

After two years school debt taxes actually will drop. In 2016, the old bond of 3.15 mills and a small increase of .46 mill (front-loaded to pay immediate needs) will be done and the debt reduced to 4.5 mills until 2019. After 5 years the debt millage will be 1.5mills for the remaining 10 years of the issues. After 2019, the owner of the typical home with average value of $65,000 State Equalized Value will have only half the school debt tax bill as before; those currently paying $205 per year will pay a lower tax of only $98 per year.

Will any of the bond money go to pay teachers and staff?

No, there are strict restrictions that all the funds raised under these issue must be used ONLY for buildings and equipment necessary to support the outstanding student achievement this community is known for. Bond funds cannot be used for administrative salaries or general operating expenses either.
Are we paying for kids from other districts under Schools of Choice?

No, students from outside the E-H district bring with them the state aid of $7,000+ per student per year, (depending on the state formula) and they are accommodated for learning in the classrooms and with the equipment we have for in-district students. There is no need for any extra spending for SOC students. Actually, the additional revenue they bring in helps us maintain programs for our kids.

What about achievement? Are E-H kids keeping up in academics as always was the case?

The graduates of Garber are among the highest achieving students in Bay County. Our graduation rate is the highest in the area. Many students receive college scholarships that help parents offset today’s high cost of college. We need to shore up the environment with buildings and technology to meet the needs of today and tomorrow so high student achievement can continue to be an E-H hallmark.

Q-This election is in February and many people will be out of town; how can they support the schools?

A-The parents and community supporters on the committee are making an effort to get the information on the questions and make absentee ballots available to all who wish to vote. If you know a neighbor who needs information and/or an absentee ballot please let a committee member know.

IN SUMMARY, this revised program of improvement of the Essexville-Hampton Schools on the ballot Feb. 24th is a much different approach than previously proposed. It will make us stronger and more closely tied to the community. We urge all voters to consider it carefully as our future, and that of the kids and the community, depends on its success.