HOME OF THE HORNETS

PELLSTON PUBLIC SCHOOLS

BACKGROUND INFORMATION

August 8, 2023, Bond Proposal

When is the election?
The election will be held on Tuesday, August 8, 2023. The polls will be open from 7 a.m. until 8 p.m. Absentee ballots will be available after June 29, 2023, and can be cast through Election Day.

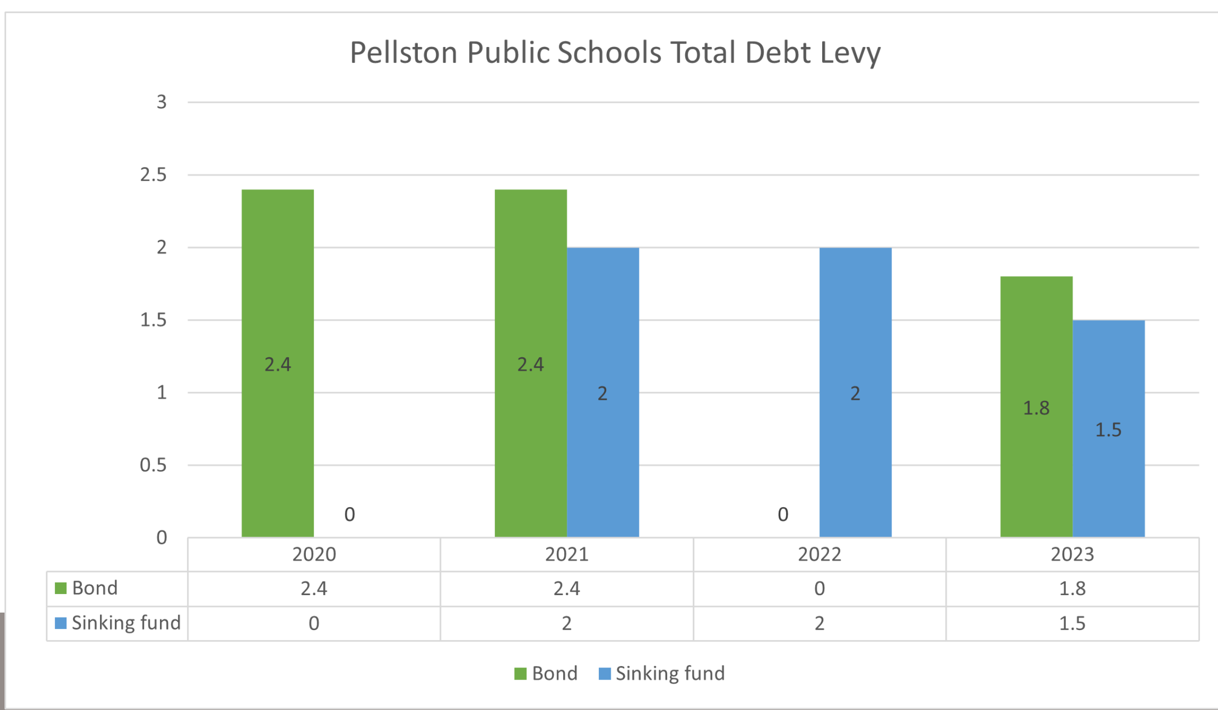
What is on the ballot?
An $11.75 million bond proposal to construct a new fieldhouse for student and community use.

How much will the bond proposal cost?
The bond proposal will cost $11.75 million and will require a 1.8 mill increase. For a homeowner living in a $100,000 home with a tax-assessed value of $50,000, the cost would be $90 per year or $7.50 per month. Some Pellston homeowners would pay more, but most homeowners would pay less than $7.50 per month.

Has Pellston Public Schools' 2008 bond been paid off?
Yes. The 2.4 mill 2008 bond expired in 2021 and has been fully paid. The 2.4 mills no longer appear on property tax bills.

Does Pellston Public Schools have a sinking fund to pay for projects?
Yes. In 2020, Pellston Public Schools' voters approved a 2 mill sinking fund for three years. (A sinking fund is a pay-as-you-go method of funding upgrades and repairs to schools and school facilities.) The 2 mill sinking fund was replaced by a five-year, 1.5 mill sinking fund in 2022. This reduced the sinking fund levy by 0.5 mills.

If voters approve the August 1.8 mill increase bond proposal, what will the total debt levy be?
The August 8, 2023, bond proposal will require a 1.8 mill tax levy. Reducing the sinking fund levy by one-half mill in 2022 means, in effect, that the 1.8 mill levy will be less than it would have been without the one-half mill reduction.



	2020	2021	2022	2023
Bond	2.4	2.4	0	1.8
Sinking fund	0	2	2	1.5

What is a bond?
A bond is a state-approved funding process for an identified list of projects. When voters approve a bond proposal, the school district sells bonds in the authorized amount and uses the bond sale proceeds to pay for the bond proposal projects. Bonds are typically paid back in 20-30 years.

In many ways, the bonding process is like a homeowner refinancing their home and making payments over a period of years.

What can bond proposal revenue be used for?
A bond is a State-approved funding process for a set scope of projects.

Bonds can be used for:
- Constructing new school buildings
- Constructing additions to existing school buildings
- Remodeling existing school buildings
- Energy conservation improvements
- Land purchases
- Site development and improvements
- Athletic and physical education facility development and improvements
- Playground development and improvements
- Refunding debt (if new present value savings can be demonstrated)
- Direct bond program costs such as professional fees, election fees, issuance costs, qualification fees, insurance fees, and final audit costs
- School bus purchases
- Purchasing loose furnishings and equipment (including administrative technology)
- Technology purchases are limited to hardware and communication devices that transmit, receive or compute information for pupil instructional purposes only. The initial purchase of an operating system and customized application software is allowed if purchased with the initial hardware.

Bonds cannot be used for:
- Salaries, service contracts, lease payments, installment contracts, and supplies
- Repairs, maintenance, or maintenance agreements
- Purchasing automobiles, trucks, or vans
- Portable classrooms purchased for temporary use
- Uniforms
- Textbooks
- Upgrades to an existing computer operating system or application software
- Computer training, computer consulting, or computer maintenance contracts.

Can any of the bond proposal funds be used for employee salaries or operating expenses?
No. Bond proposal funds cannot be used for employee salaries. They also cannot be used for repair or maintenance costs or other operating expenses. Bond proposal funds must be used only for purposes specified in the ballot language, an, as required by state law, they must be independently audited.

What will appear on the August 8th ballot?

Here is the exact ballot wording for the bond proposal:

PELLSTON PUBLIC SCHOOLS
BOND PROPOSAL

Shall Pellston Public Schools, Emmet and Cheboygan Counties, Michigan, borrow the sum of not to exceed Eleven Million Seven Hundred Fifty Thousand Dollars ($11,750,000) and issue its general obligation unlimited tax bonds therefor, for the purpose of:

> erecting, furnishing, and equipping a fieldhouse facility; and preparing, developing, and improving the site?

The following is for informational purposes only:

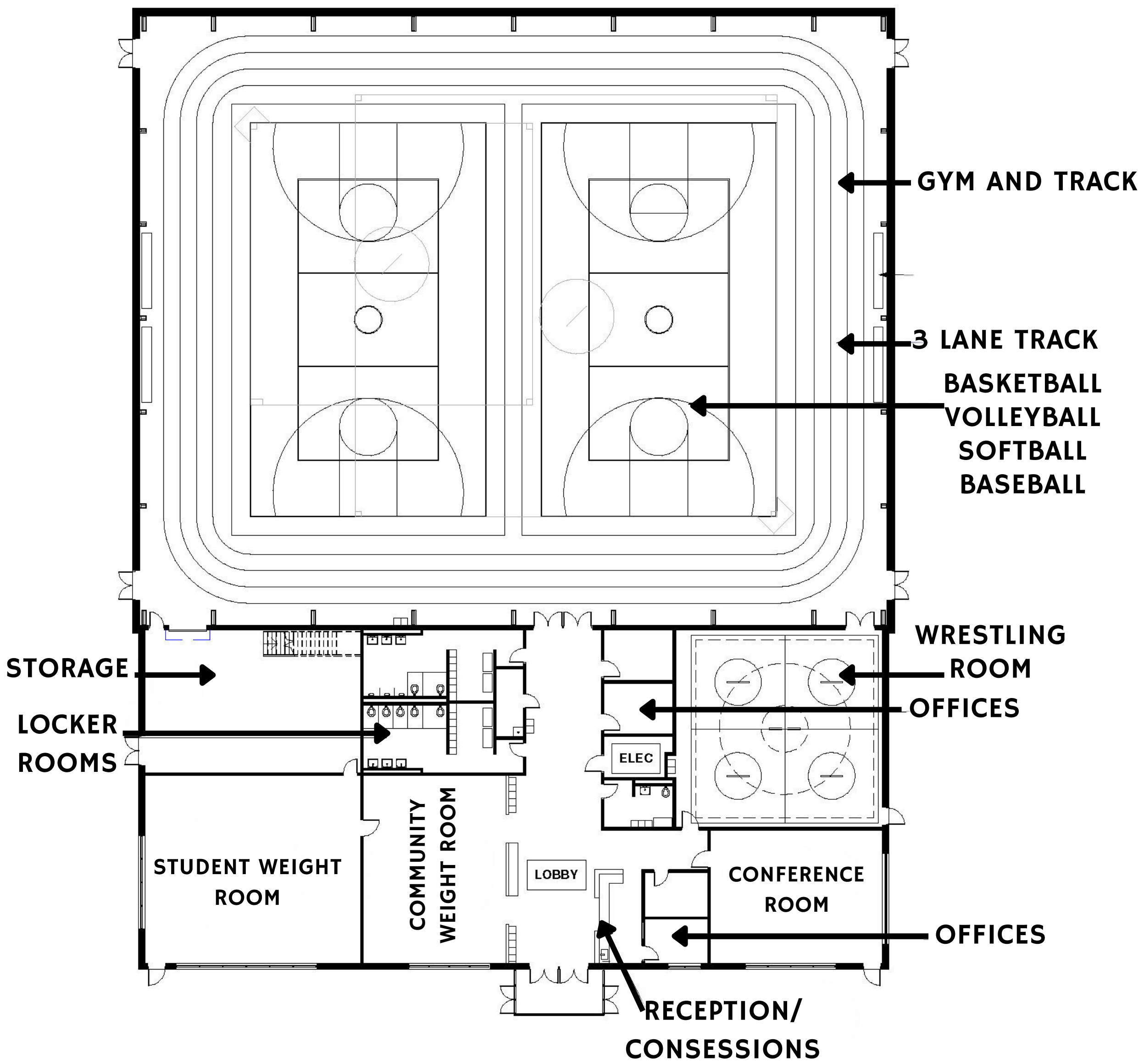
The estimated millage that will be levied for the proposed bonds in 2024, under current law, is 1.80 mills ($1.80 on each $1,000 of taxable valuation). The maximum number of years the bonds of any series may be outstanding, exclusive of any refunding, is twenty-five (25) years. The estimated simple average annual millage anticipated to be required to retire this bond debt is 1.48 mills ($1.48 on each $1,000 of taxable valuation).

The school district does not expect to borrow from the State to pay debt service on the bonds. The total amount of qualified bonds currently outstanding is $0. The total amount of qualified loans currently outstanding is $0. The estimated computed millage rate may change based on changes in certain circumstances.

(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.)

What is included in the new fieldhouse?
The new fieldhouse will have two basketball courts, two fitness/weight rooms, one for students and one for community members, a dedicated wrestling room, space for cheerleading, volleyball, baseball, and softball practice, a walking track, a conference room for school and community use, and an office for the school resource officer.

What is the purpose of a new fieldhouse?
The new fieldhouse will enhance the athletic program, provide fitness and cardio programs for community members, have a conference room for school and community use, and even serve as an indoor recess space for elementary students during unfavorable weather conditions. In addition, it will allow the school district to convert our existing weight room back into a band room for high school students.



Where will the new fieldhouse be constructed?
The fieldhouse would be located on the north side of the elementary campus.

Who reviews bond proposal projects before they are placed on the ballot?
Bond proposal projects must be reviewed and approved by the Michigan Department of Treasury. In addition, all renovations and upgrades must comply with the Americans with Disabilities Act (ADA).

Did the Michigan Department of Treasury approve the Pellston Public Schools bond proposal?
Yes. The Michigan Department of Treasury reviewed and approved all bond proposal projects.

A YES vote typically means that a voter supports a ballot proposal. Is that the case in this election?
Yes. Voters who support the Pellston Public Schools bond proposal should vote YES; voters who oppose the proposal should vote NO.

What will happen if voters do not approve the bond proposal?
The fieldhouse cannot be completed as proposed.

INFORMATION ABOUT VOTING…

Who can vote in the August 8 election?
Residents of Pellston Public Schools who will be 18 years of age or older on Election Day and are registered to vote can vote in this election.

Where can I get information about voting (such as how to register, where to vote, and absentee voting)?
Go to the Michigan Voter Information website (www.michigan.gov/vote) or call your local Clerk's Office.

Do I need to update my voter registration?
You need to update your voter registration if you have changed your name or address since the last time you voted. You can do this at any Secretary of State Office or your local Clerk's Office.

Can I vote by absentee ballot?
Registered voters do not need a reason to vote by absentee ballot. You can request an absentee ballot application from your Clerk's Office or by going online to www.michigan.gov/vote and clicking on Absentee Voting in the left column. Applicants will receive their absentee ballot in the mail.

Absentee ballots will be available to voters after June 29 and can be cast through Election Day.

Where can I get more information about the bond proposal?

- Go to www.pellstonchools.org and click on *School Bond Info*
- Call any Pellston Public Schools Principal
- Contact Superintendent of Schools Stephen Seelye at sseelye@pellstonschools.org.

Where can I voice my opinions—pro or con—on the bond proposal?
Simply scan the QR code below or go to www.research.net/r/pellstonpublicschools to complete a brief survey.