

# Building & Site Sinking Fund

# What is a Sinking Fund Millage?

- A **Sinking Fund** is a millage that a district can levy with voter approval.
  - A millage is the rate used to calculate local property taxes.
    - 1 mill = \$1.00 per one thousand dollars of taxable value (ie. 100,000 taxable value property would have a tax of \$100 a year).
- Generally utilized for “pay as you go” projects; ensures timely execution of infrastructure improvements
- Without a Sinking Fund, **general fund** dollars otherwise dedicated to supporting **education** would need to be used on **facility needs**

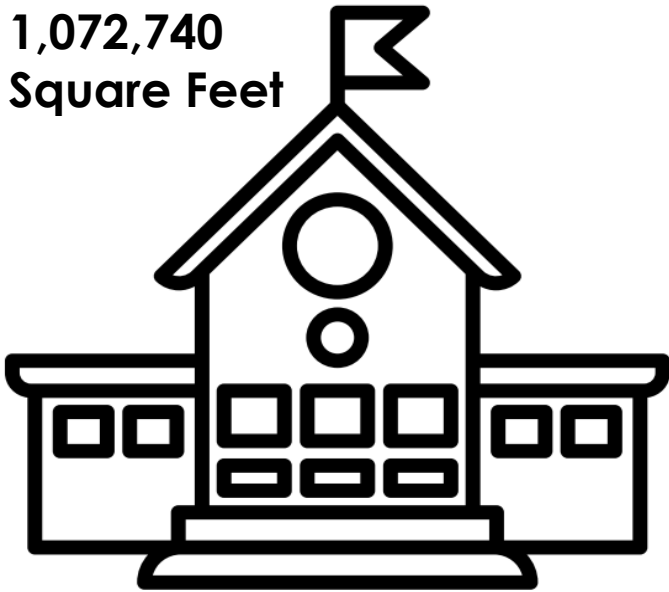
# Sinking Fund Allowable Uses

- A Sinking fund **can** be used for:
  - Buses, building upgrades and repairs, site improvements, security upgrades, instructional technology
- A Sinking fund **cannot** be used for:
  - Operating expenses, regular maintenance, employee salaries & benefits

# District Statistics

- Average sized home in Grand Haven = approximately 1,378 square feet

1,072,740  
Square Feet



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# Priorities for August 2024 Sinking Fund

- **Safety** – Improve the safety of students and staff while at school and on district property
- **Technology** – Maintain 1 to 1 devices for students
- **Facilities** – replace and improve current functionality in buildings and on sites. Modern equipment will be installed to provide **efficiency and cost savings** districtwide.

# Example Projects

- Upgrades to safety equipment districtwide
- Improve safety lighting in parking lots
- 1 to 1 devices for students
- Update the public announcement system



# Example Projects Continued

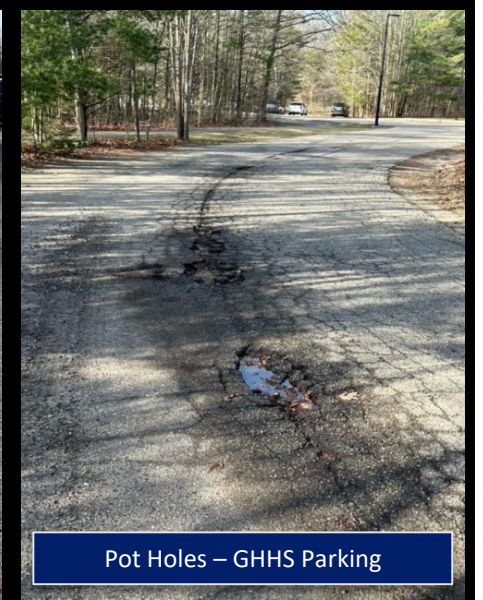
- New parking lots
- Site upgrades
- High school roof replacement
- Classroom carpet replacement
- Air handler and boiler upgrades
- Update Elevators for 2028 code changes



Boiler – Rosy Mound



Spider Webs – GHHS Parking



Pot Holes – GHHS Parking



Air Handler - ESC



Air Handler – Ferry

# Transparency

- Adopt language in **board policy 6220** that requires the Sinking Fund budget to be approved by the Board of Education annually.
- Regular updates on Sinking Fund projects
  - **Annual Financial Overview** board report each September.
  - **Capital Projects Dashboard** to be available on the District website
- Implementation of the **Annual Comprehensive Financial Report (ACFR)**. This is a more in depth process the District undergoes during the annual audit.
- The Sinking Fund is **required by law** to be audited each year.
- **Capital Projects Committee** made up of staff and community members



# August 2024 Ballot Language

## GRAND HAVEN AREA PUBLIC SCHOOLS SINKING FUND MILLAGE PROPOSAL

Shall the limitation on the amount of taxes which may be assessed against all property in Grand Haven Area Public Schools, Ottawa and Muskegon Counties, Michigan, be increased by and the board of education be authorized to levy not to exceed .7 mill (\$0.70 on each \$1,000 of taxable valuation) for a period of 10 years, 2025 to 2034, inclusive, to create a sinking fund for the purchase of real estate for sites for, and the construction or repair of, school buildings; for school security improvements; for the acquisition or upgrading of technology; for the acquisition of student transportation vehicles; for the acquisition of parts, supplies, and equipment used for the maintenance of student transportation vehicles; for the acquisition of eligible trucks and vans used to carry parts, equipment, and personnel for or in the maintenance of school buildings; for the acquisition of parts, supplies, and equipment used to maintain such trucks and vans; and all other purposes authorized by law; the estimate of the revenue the school district will collect if the millage is approved and levied in 2025 is approximately \$2,218,148?

# Ballot Language Breakdown

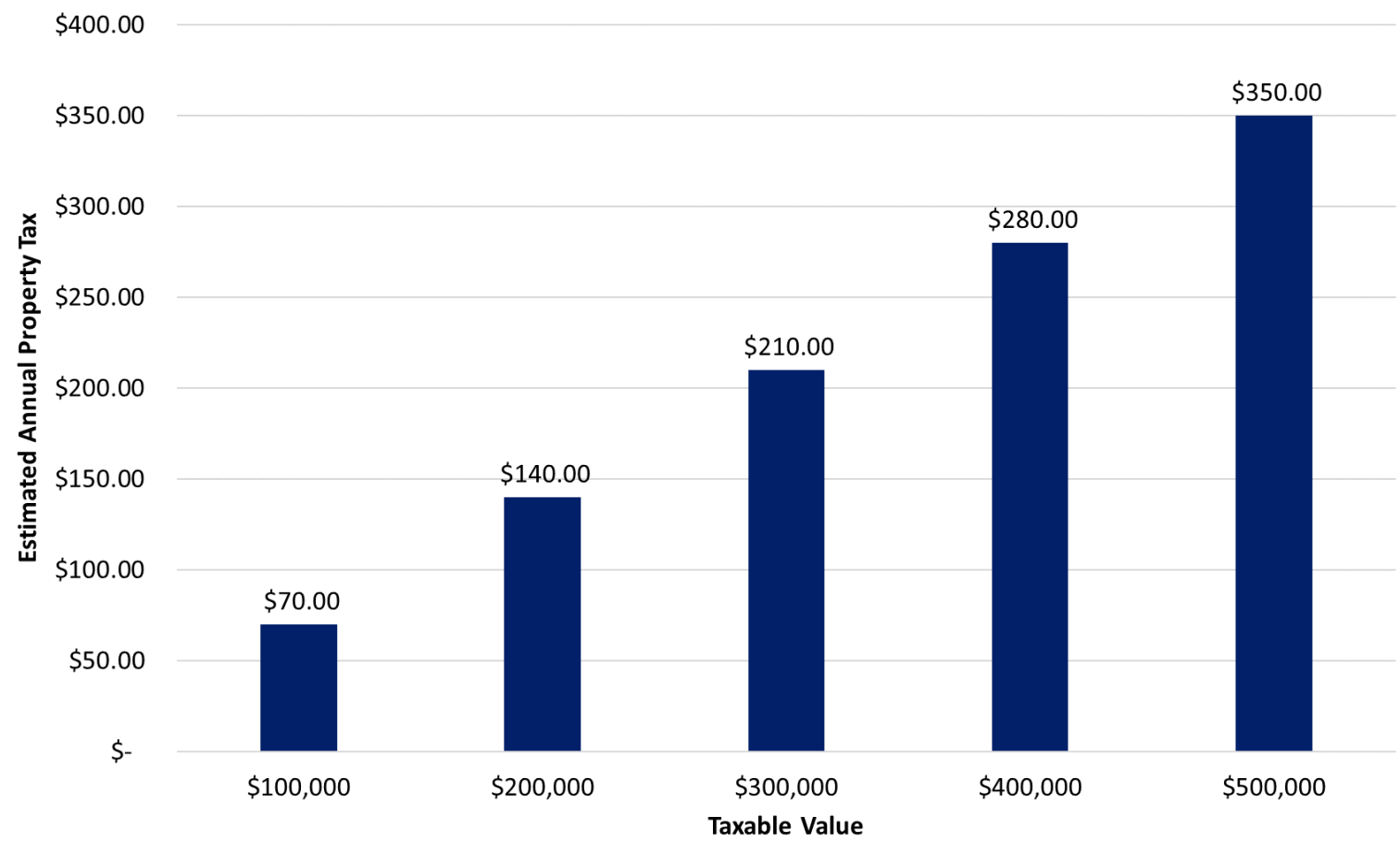
- Levy not to exceed 0.7000 mills (\$0.70 on each \$1,000 of taxable valuation)
- Duration of 10 years (2025-2034)

**\$2,218,148**

estimated annual revenue

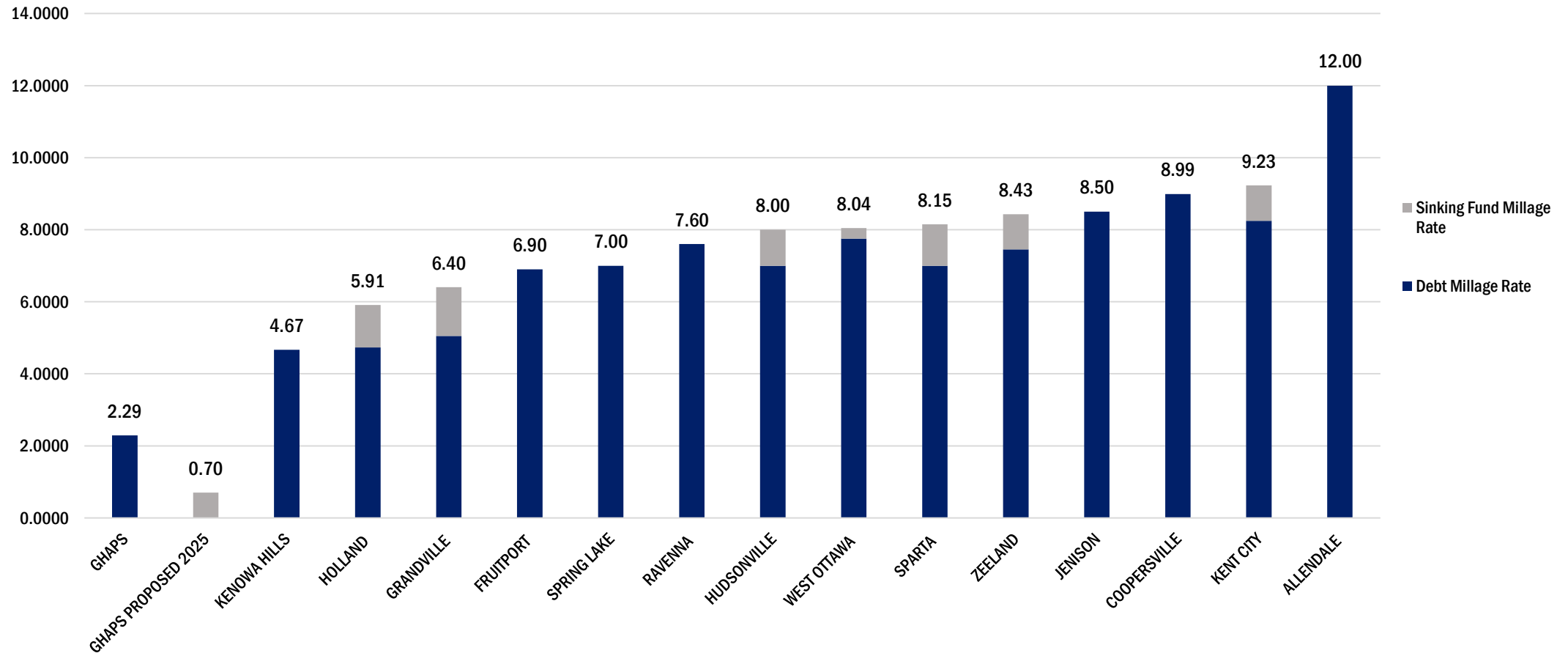
- Allowable uses
  - Facility upgrades
  - Security improvements
  - Instructional Technology
  - Buses and vehicles
  - Purchase of real estate

# Estimated Annual Property Tax by Taxable Value (\$0.70 mills)



Taxable Value	Estimated Annual Property Tax
\$100,000	\$70.00
\$200,000	\$140.00
\$300,000	\$210.00
\$400,000	\$280.00
\$500,000	\$350.00

# Comparable District Millage Rates



# In Summary

- Sinking Fund revenues support the ability to repair and improve the facilities and infrastructure of the District.
- Without these funds, funds may need to be diverted from operating expenditures to facility upgrades.
- Adopt policies and reports for transparency
- The millage rate (**0.7000 mills**) would be the **only additional tax** levied by the District in the 2025 tax year. The District expects to ask voters to consider the renewal of the annual Non-Homestead Operating Millage in May 2025.
- **August 6, 2024** special election

# Questions?