

Frequently Asked Questions – School Bond Proposal

Election Date: August 8, 2023

Background / Purpose

1. What is on the August 8, 2023 ballot?

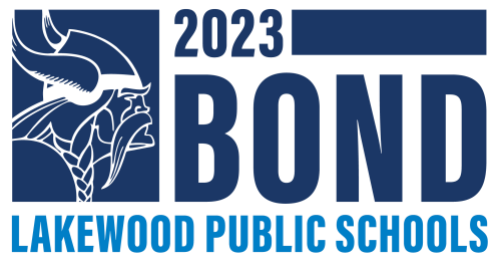
On August 8, 2023, voters in the Lakewood School District will be asked to consider a bond proposal focusing on safety enhancements, infrastructure upgrades, and facility improvements in accordance with the District's strategic plan. The proposed bond program for Lakewood Public Schools would include the following:

- Newly configured secure entries and improved outdoor lighting.
- Instructional technology upgrades for students and staff.
- Construction of a new facility for an upper elementary building to house our third and fourth graders with plans to purchase 30 acres of property adjacent to the Middle School.
- Improvements to building infrastructure.
- Partial repaving of parking lots and drives with the expansion of the Elementary school lot and driveway.
- Purchase of new buses and construction of a new bus garage to house and maintain our fleet of buses.

With the November 2022 bond proposal failing, the school debt millage dropped from 7.0 to 4.0 mills. If voters approve the bond proposal, it will authorize the issuance of \$39 million in bonds, bringing the 2023 school debt levy to 5.2 mills, still 1.8 mills under the 2021 level.

2. What are the Goals of the bond proposal?

Fiscal Responsibility – To address identified upgrades and improvements to our school facilities. Through bond programs, communities have the choice to provide funding for new construction, renovation of existing buildings, updating critical infrastructure items that have reached the end of their life cycles, and/or more costly capital expenses such as school buses. Without bond funds, several of these items would have to be purchased from the general fund reducing instructional opportunities for students.



Safety & Security – To secure our school buildings, especially our entrances, so individuals do not have access to hallways and classrooms without first passing through the school office. Repairing and replacing the high school track, and upgrading our schools’ accessibility for our disabled community members also create safer environments.

Strategic Plan for Student Success – To create flexible, developmentally age-appropriate instructional spaces for our students to foster exploration, innovation, and collaboration. And to meet Target 5 Goal 2 of our strategic plan, which states to pass a ballot initiative to provide financial resources to maintain (and expand) school facilities, instructional resources, and student programs.

Unified Lakewood Campus – To create one main campus to further Lakewood Public Schools’ goal to provide greater opportunities for the students of Clarksville, Lake Odessa, Sunfield, and Woodland communities. Our master plan consists of a main campus at the current high school and middle school campus. A part of our master plan is to purchase 30 acres to the west of the middle school for a new elementary building that will be designed for our third and fourth graders.

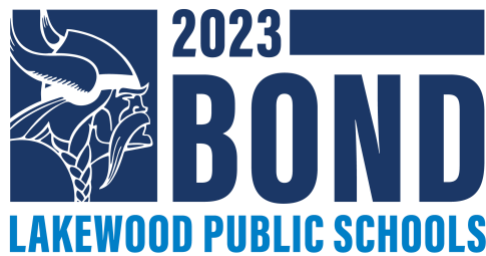
3. Why do school districts bring bond proposals to their communities for approval?

A bond proposal is how a public school district asks its community for authorization to borrow money to pay for the construction of new facilities, additions and remodeling of existing facilities, repurposing classroom and other learning spaces for new or updated instructional programs, replacement of higher cost capital assets such as roofs, boilers, drives and parking lots, site improvements such as athletic fields and playgrounds, buses, technology, furnishings, equipment, and other capital needs.

4. Why is Lakewood Public Schools pursuing a bond proposal? Why now?

Last November, the District failed to gain the community's support for a \$64 million bond proposal. As a result, the District surveyed the community for feedback to understand why the bond did not pass. Approximately 400 parents, community members, staff, and students completed the survey. In addition, several community members attended Board of Education workshop sessions to engage in discussion and share assessments on how to address short and long-term needs. The District reviewed and considered all feedback and worked to prioritize facility improvements to meet future goals.

On August 8, 2023, voters in our community will see a school bond proposal back on the ballot. Before the 2022 election, Lakewood property owners were levied 7 debt mills. With the unsuccessful bond passage in November, the 2022 millage rate dropped to 4 mills.



Should Lakewood residents approve this proposal, the new millage rate of 5.2 mills in 2023 will still be lower than the 2021 millage rate. If approved by voters, this bond proposal will provide \$39 million to finance safety, security, instructional, and infrastructure improvements across the District.

5. What does our future enrollment look like?

Between the 2011-12 and 2016-17 school years, the average high school enrollment was 646. From 2017-18 through 2022-23 the average high school enrollment was 549. Looking forward, high school enrollment should fluctuate between 446-480.

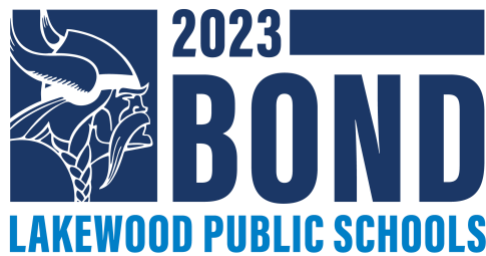
In February 2023, the District received the independent enrollment projection it commissioned from the Middle Cities Education Association. Using county birth data, the high school enrollment projection provides three scenarios – most conservative, most likely, and most optimistic. These high school projections run out to the 2027/28 school year – 446 most conservative, 462 most likely, and 480 most optimistic.

Because those high school enrollment projections are directly in line with what we see from grades K-8 moving through the system, District enrollment has stabilized.

Scope of Bond Program

6. What projects are being considered to achieve these District goals?

- a) Safety and Security Enhancements in All Buildings
 - i. Remodel Building Entrances
 - ii. Replace/Add Interior/Exterior Cameras and Building Access Systems
 - iii. Replace Building Fire Alarm System
 - iv. Stadium Track Replacement
 - v. Improve Exterior Lighting
 - vi. Replace School Buses
- b) Instructional Technology Upgrades / Furniture, Finishes, and Equipment
- c) Building Infrastructure
 - i. Replace HVAC including Boilers/Chillers
 - ii. Partial Replacement of Roofs
 - iii. Replace Bathroom Fixtures/Partitions
- d) New Construction
 - i. Early Childhood Center / Elementary Building
 - ii. Bus Garage, Maintenance, and Canopy

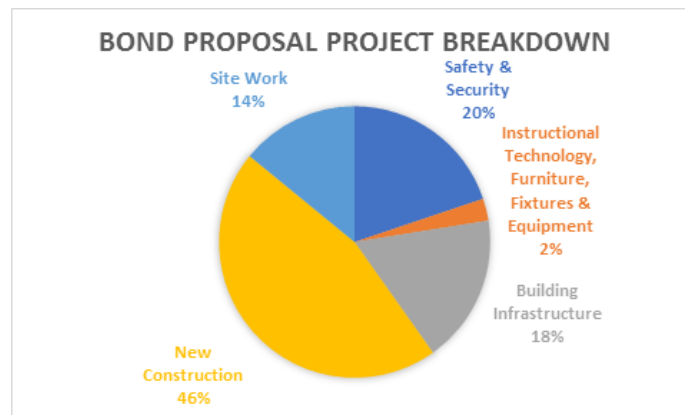


e) Site Work

- i. Partial Repaving Parking Lots and Drives at all buildings
- ii. Elementary School Driveway & Parking Lot Expansion

7. What is an overview of the estimated costs of the projects being considered?

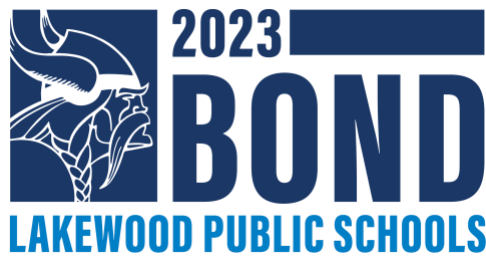
Safety & Security	\$ 7,742,650
Instructional Technology / Furniture, Fixtures & Equipment (FF&E)	\$ 1,025,000
Building Infrastructure	\$ 6,902,350
New Construction	\$ 17,831,000
Site Work	\$ 5,499,000



8. How were these projects identified?

At their September 13, 2021 regular meeting, the Board of Education approved, through a competitive bidding process, contracts with TMP Architecture and Granger Construction for architectural and construction management services. Representatives of TMP and Granger toured each District facility with principals and directors to initially identify possible projects. As part of their services, TMP and Granger then conducted a second tour of District facilities with representatives of firms with whom they work to complete more detailed and specific mechanical and plumbing, electrical, civil engineering, technology, and athletic facilities assessments.

The results of these specific assessments were then reviewed by the Project Steering Committee, a group including a board member, administrators, teachers, coaches, and community members. Over the course of more than two months, the Project Steering Committee worked closely with TMP and Granger to develop a recommendation of potential projects and their associated costs.



9. How would the bond projects impact students?

Student safety is the District's primary concern. The bond program includes constructing a safe and secure entrance where visitors are directed to the main office only. Building a new school on the 30 acres west of the middle school will create a more convenient learning environment for our students. Three of the four buildings will be located on the main campus, which will decrease the amount of time our students are on the bus to and from school each day. In addition to the expansion of the main campus, improvements to infrastructure will ensure students and staff can maintain proper lighting and temperatures throughout the school year.

10. When would the projects be complete?

By law, school districts must reasonably expect to spend bond proceeds within three years from the issuance of the bonds (not the date of election). Because of this, many districts will split the total voter approved amount in what is referred to as two "series" of bonds, selling bonds to receive an initial amount of revenue and the remainder either during the initial three-year period or immediately afterward.

Our Lakewood bond project calls for the issuance of bonds in two series, the first series including all new construction, while pushing the timeline out for those projects like replacing roofs with usable life beyond the next three years so as to get the most "bang for our buck". Therefore, an estimated timeline would include a successful bond vote in August 2023, sale of bonds in November 2023, renovation of building entrances and new construction completed over the following five years.

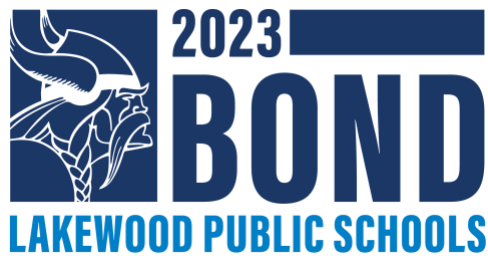
11. Can I vote 'yes' on some projects and 'no' on others?

No. By law, a ballot question may only be voted on in its entirety. The District is placing a single question on the ballot for community members to vote yes or no on the entire scope of projects.

12. Having closed buildings under prior administration, why does this proposal include new construction?

Careful consideration was given by the Steering Committee before recommending the construction of new facilities. The recommendation to build:

New Lakewood Early Childhood Center / Elementary Building was based on:



- The current building was not designed for early childhood education or similar community uses. Current students are 4- and 5-year-olds in a building originally built for students ages five to eighteen.
- The cost, including unknown and unexpected costs, of renovating a significantly older building is higher than the cost of new construction.

New Bus Garage was based on the:

- Age and condition of the current bus garage. Not only is renovation not possible, there would be no location house and maintain buses while renovation work was being conducted.
- Ability to provide the space and equipment necessary to complete more bus maintenance on site thereby reducing contracted maintenance expenses.

13. Where will the new Elementary Building be built?

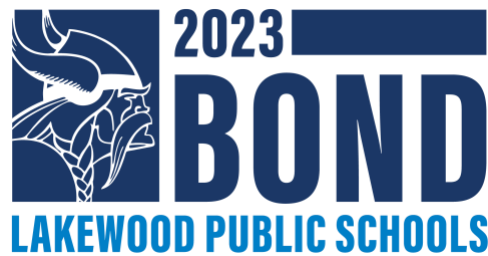
The new facility will be built on a 30-acre property to be purchased on Brown Road, west of the Middle School, creating a Lakewood School District main campus.

14. If the bond is passed, what will happen to the Woodland building and the historical items in it?

The District wants to avoid a situation where the building sits empty and either 1) requires the District to spend money to maintain it or 2) be allowed to deteriorate. For this reason, money is set aside in the bond proposal to demolish the building but the first choice is to sell the building and property for alternative use, including, but not limited to, residential development.

The District will work closely with the Woodland community to make sure that the historical items currently contained in the building are preserved. So too, will it ensure the area youth soccer program that uses the field space has a home should the property be sold.

15. The proposal includes replacing buses. How will that replacement take place – all at once or over time?



Buses will be replaced over time and not through a one-time purchase. The District plans to issue the bonds in two series as that allows it to spread projects and purchases out as bond proceeds must be expended within three years of receipt of funds. Issuing the bonds in two series allows for a six-year span to spread out bus purchases. The proposal includes purchasing 4 buses in each series (8 buses in total).

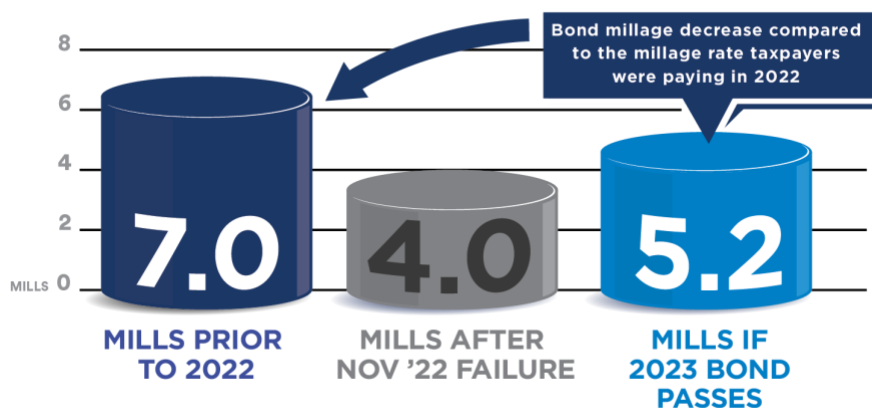
16. Unity Field was renovated completely with community donations. Will any of the work those donations provided be lost, torn down, or replaced?

No. The Board of Education greatly appreciates the support of the community to make the improvements at Unity Field and will only approve projects that enhance the work that has been done there.

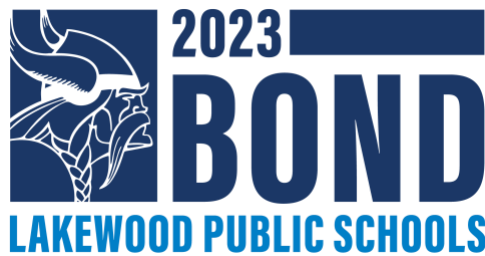
Financial Information

17. How would the bond proposal impact my property taxes?

Before the 2022 election, Lakewood property owners were levied 7 debt mills. With the unsuccessful bond passage in November, the 2022 millage rate dropped to 4 mills. Should Lakewood residents approve this proposal, the new 2023 millage rate of 5.2 mills will still be lower than the 2021 millage rate.



18. What is the current financial health of the District?



The District's finances are independently audited every year. Consistent with previous audits, the Fiscal Year 2022 audit was "clean" in that there were no findings requiring corrective action. In addition, since the consolidation of schools in 2015-16, the district's fund balance has increased from 5.95% to 13.72% and its bond rating was increased from A to A+ by Standard and Poor's.

19. Would the approval of the bond proposal have any impact on the District's current operational budget (General Fund)?

This bond program proposes replacement of old mechanical and electrical equipment with new, more efficient systems. These changes will help reduce the operational costs to the District. In addition, if the proposal does not pass, any urgent and necessary upgrades to our HVAC or roofs to keep our buildings safe would have to be funded from General Fund, thus leaving less money to put towards student programs and opportunities.

20. How much money would the bond proposal generate?

The proposal recommended by the Project Steering Committee would generate \$39 million which would be raised by the selling of bonds over two series to be spent over six years on district-wide capital improvement projects.

21. How long will it take for the District to repay this bond proposal?

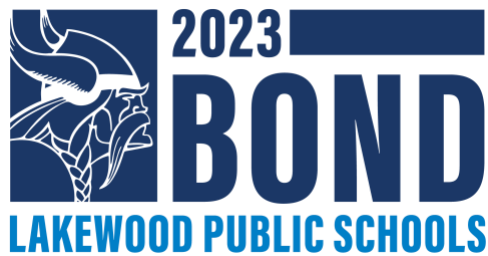
Through several community meetings, the district heard the consensus of keeping the bond terms to 20 years or less. This will indeed save interest and has still made it possible to achieve the funding amount of \$39 million.

22. Can I deduct these property taxes on my income tax return?

Property taxes may be deductible as itemized deductions on your federal income tax return if you itemize. You may also be eligible for the Michigan Homestead Property Tax Credit on your Michigan Income Tax Return. Please consult your tax preparer.

23. What exactly is the Michigan Homestead Property Tax Credit?

The Michigan Homestead Property Tax Credit is a method through which some taxpayers can receive a tax credit for an amount of their property tax that exceeds a certain percentage of their household income. This program establishes categories under which homeowners or renters are eligible for a homestead property tax credit. Please consult your tax preparer to determine if you are eligible for this important and valuable tax credit.



24. Once approved, can bond money be used for any purpose a District may choose?

No. Bond proceeds cannot be used for:

- Salaries and wages
- Retirement, health care, or benefits
- General operating expenses and maintenance
- Classroom materials, supplies, and textbooks

Bond proceeds can be used for:

- Construction and remodeling of facilities
- Purchase of instructional technology equipment
- Equipment and furniture
- Site improvements

25. How can I be assured the bond funds will be spent the way they are supposed to be spent?

Construction contracts for bond projects are competitively bid and then presented and approved by the Board of Education in an open meeting. In addition, Michigan law requires that expenditure of bond proceeds must be audited to ensure compliance with allowable uses.

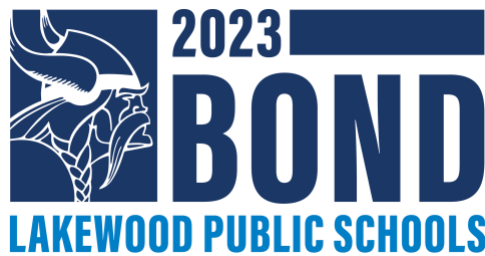
Election/Misc. Information

26. What are the key dates leading up to the August 8, 2023, election day?

- Registering to vote:
 - a. The last day for voters to register by mail is July 24, 2023
 - b. Voters may register in-person through August 8, 2023 (election day) with the required documentation
- Absentee voter ballots are available as early as June 29 until August 8, 2023
- Contact your local clerk with questions

27. Where and when will the vote occur?

Tuesday, August 8, 2023, is election day, but absentee voting can occur leading up to that date. All registered voters may cast an absentee voter ballot by mail. Voters may also cast a ballot at the polling location established by their city/township. If you have questions or do



not know where you vote, please contact your city/township office. Polls will be open from 7am to 8pm on Tuesday, August 8, 2023.

28. Are you hosting a public information community forum?

Yes, three community forums are planned:

- LECC Gymnasium – Tuesday, May 30th @ 7:00 pm
- Sunfield Village – Wednesday, May 31st @ 7:00 pm
- Clarksville Township Hall – Wednesday, June 7th @ 7:00 pm
- Lake Odessa Library – Thursday, June 8th @ 7:00 pm

29. Bond Proposal Ballot Language

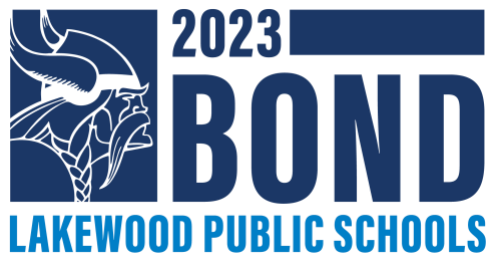
Shall Lakewood Public Schools, Ionia, Barry, Eaton and Kent Counties, Michigan, borrow the sum of not to exceed Thirty-Nine Million Dollars (\$39,000,000) and issue its general obligation unlimited tax bonds therefore, in one or more series, for the purpose of:

remodeling, furnishing, and refurbishing and equipping and re-equipping school buildings, including for school security; acquiring a site for and erecting, furnishing, and equipping an early childhood/elementary building; erecting, furnishing, and equipping a bus garage; acquiring and installing instructional technology; equipping, preparing, developing, and improving athletic fields and facilities, playgrounds, sidewalks, parking areas, driveways, and sites; and purchasing school buses?

The following is for informational purposes only:

The estimated millage that will be levied for the proposed bonds in 2023 is 1.54 mills (\$1.54 on each \$1,000 of taxable valuation) for a 1.20 mills net increase over the prior year's levy. The maximum number of years the bonds of any series may be outstanding, exclusive of any refunding, is twenty (20) years. The estimated simple average annual millage anticipated to be required to retire this bond debt is 3.21 mills (\$3.21 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 \$22,795,000. 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.)

30. How can I request a District representative to speak at a neighborhood, service club, or business organization meeting?

Please contact Jodi Duits, Superintendent, by phone at 616-374-8043 or via email at duitsj@lakewoodps.org

31. How do I get a question answered that wasn't included in this FAQ?

Contact Jodi Duits, Superintendent, 616-374-8043 or duitsj@lakewoodps.org