



Frequently Asked Questions – Bond Proposal Election Date: November 8, 2022

Updated 7/20/22

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 and repair 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.

Why is the Lakewood Public Schools pursuing a bond proposal?

In December, 2020, the Board of Education adopted a new strategic plan that included the goal, “Successfully pass a ballot initiative to provide financial resources to maintain (and expand) school facilities, instructional resources, and student programs.”

Why now?

While the District has some immediate and upcoming facility and equipment priorities (roofs, boilers, etc.), the recent events in Oxford, MI and Uvalde, TX have heightened our awareness and concerns regarding the safety and security of our school buildings’ entrances. The pandemic has also made us keenly aware of our schools’ role in bringing together our entire community – east to west, north to south, youngest to oldest. Our schools not only can be, but should be the place where we support one another intellectually, recreationally, and emotionally.

What are the goals of the bond proposal?

The scope of projects in this bond proposal seek to meet our needs in four critical ways:

Safety & Security – We must secure our school buildings, especially their 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, tennis courts and upgrading our schools’ accessibility for our disabled community members also create safer environments.

Instruction – Students who are exposed to experiences that foster exploration, innovation, and collaboration gain a competitive advantage in post-secondary education and the workplace. Creating flexible, developmentally and age-appropriate instructional spaces for our students and staff today and into the future is a focus of this proposal.

Fiscal Responsibility – Through bond programs, communities periodically have the choice to provide resources 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, these items would have to be purchased from the general fund eliminating instructional, arts, and athletic opportunities for students.

Community Engagement – The Lakewood Public Schools was formed to provide greater opportunities to the students of Clarksville, Lake Odessa, Sunfield, and Woodland than those communities could do so individually. In doing so, we became the Lakewood community where from east to west, north to south, youngest to oldest our schools are the places where we come together to support one another intellectually, recreationally, and emotionally.

What projects are being considered to achieve these goals?

Safety and Security

- Remodel Building Entrances
- Replace/Add Interior/Exterior Cameras and Building Access Systems
- Replace Building Fire, Clock, and PA Systems
- Stadium Track Replacement
- Resurface Tennis Courts
- Improve Exterior Lighting
- Replace School Bus Fleet

Instruction

- Band/Choir/Theater/Visual Arts/Auditorium Enhancements
- Building Media Centers Renovations
- Creation of STEM/Makerspaces
- Instructional Technology Replacement

Building Infrastructure

- Replace HVAC including Boilers/Chillers
- Replace/Repair Roofs
- Replace/Repair Bathroom Fixtures/Partitions
- Replace Mechanical Systems, Sound and Lighting in Gyms and Cafeterias

New Construction

- Early Childhood Center
- Elementary School Multi-Purpose Room Addition
- Bus Garage, Maintenance and Canopy
- Unity Athletic Center

Site Work

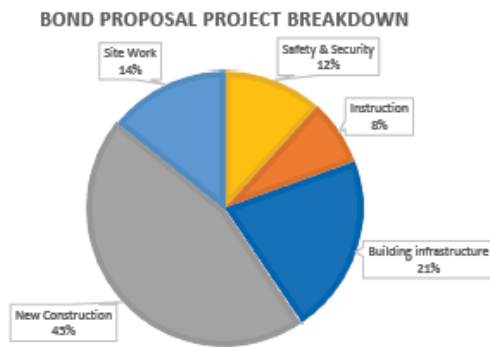
- Install Field Turf in Stadium
- New Restroom Facilities at the Baseball/Softball Fields
- Repair/Repave Parking Lots and Drives

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.

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



Safety & Security	\$ 8,197,000
Instruction	\$ 5,456,000
Building Infrastructure	\$14,763,000
New Construction	\$31,618,000
Site Work	\$ 9,966,000

How would the bond impact students?

School media centers, once referred to as libraries, are ever evolving. The District plans to equip these spaces to be the communal hub of teaching and learning in the school. The Steering Committee recognized this along with the opportunity to transform our current school media centers, and other underutilized classroom spaces, to places for student exploration, innovation, inquiry, teamwork, and presentation.

The LHS Auditorium provides our band, choir, and theatre students a state of the art facility in which to rehearse, perform, and learn the behind scenes elements of staging a production. This proposal not only invests in auditorium improvements, but also invests in our other band, choir, and art spaces including replacing and adding equipment for students pursuing the arts as a career or avocation.

Finally, it would be incorrect to say that the recommendations related to athletics are solely focus on individual and team sports. Physical education as part of the curriculum also benefits. Each year at LES, some students have their PE class in the cafeteria. The recommendation to add a multi-purpose room facility at LES will not only provide all students with a physical education facility designed for that purpose, but will also provide 1) the opportunity for physical activity during inclement weather when students cannot go outside for recess and 2) the flexibility to do large group instruction combining classrooms or an entire grade level.

Would community members see any direct benefit from the bond?

As previously described, one of the goals of the Board of Education and Project Steering Committee was to develop a bond program that provided services and opportunities to our community. These services and opportunities will be described in more detail in the questions that follow that share information regarding the construction of a new Early Childhood Center and Unity Athletic Center.

When would the projects be complete?

By law, school districts have three years from the sale of the bonds (not the date of election) to expend the funds on the approved projects. Because of this, many districts will split the total voter approved amount in what is referred to as two “series” of bonds, selling bonds so as 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 sales 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 November, 2022, sale of bonds in Jan-Mar, 2023, renovation of building entrances and new construction completed over the following three years.

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 2021 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 12.76% and its bond rating was increased from A to A+ by Standard and Poor's.

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

Schools are labor intensive organizations with employees being the largest expense. During the 2020-21 school year, seventy-four cents on the dollar went toward personnel expenses. That leaves twenty-six cents of that dollar to pay for utilities, purchase instructional materials and supplies, and the annual maintenance of facilities.

A district seeks the approval of a bond issue for those allowable "big ticket" capital improvements that would otherwise impact the operating budget. Without bond funds, failing roofs and boilers would still have to be replaced to keep classrooms warm and dry and would need to be paid for from the operational budget and thereby reducing funding for student programming and staffing.

What is the Unity Athletic Center?

The Unity Athletic Center is twelve-month instructional and athletic facility for use by student-athletes and the community. A "sister" facility to Unity Field will provide opportunities for:

- Multipurpose fitness and meeting opportunities for the community during and after the school day,
- Opportunities for school athletes to train with coaches out of season,
- Practice facilities for fall and spring athletic teams during inclement weather
- Opportunities for youth programs to practice and compete, especially during the interscholastic winter sports seasons when school gyms are used extensively after school hours,
- Facility space for family and group events.

Could the construction and then operation of the Unity Athletic Center negatively impact the General Fund?

The cost of constructing the Unity Athletic Center would have no impact on the General Fund as it would be paid for completely from bond proceeds. We believe that the on-going operation of the facility would be self-sustaining through the charging of usage fees. Fees would be established such to cover the operation of the facility and not to make a profit. To verify the feasibility of this, the Project Steering Committee has visited Whitehall Schools, which just recently built and now operates a similar facility without contribution from its General Fund.

How much money would the bond proposal generate?

The proposal recommended by the Project Steering Committee would generate \$64M which would be raised by the selling of bonds over two series to be spent over six years on district-wide capital improvement projects. This recommendation has not yet been approved by the Board of Education.

Can I vote to yes on some projects and no on others?

The District is placing a single question on the ballot for community members to vote yes or no on the entire scope of projects.

I've heard that the repayment schedule for this bond proposal is 30 years. That's a long time.

A bond issue can be likened to a mortgage. The homeowner enters into a 30-year mortgage for their house and a community enters into a 30-year bond repayment plan for their schools.

The 2022 proposal is no different in structure than the \$29.255 million bond proposal passed by the Lakewood Community in 2007 and it provides three new facilities that everyone in our community – from birth to retirement – can use and provides the resources to properly maintain our remaining facilities.

How would the bond proposal impact my property taxes?

For tax year 2021, which is paid in 2022, the LPS debt millage is 7 mills. The debt millage rate will decrease for tax year 2022, paid in 2023 during what is a transition period from the current bond debt and, if approved by voters, would return to 7 mills for the first fourteen years of the new bond debt before beginning to once again decrease for the remainder of the bond repayment.

If the value of my property goes up or down with the economy, how is my individual bond contribution impacted?

An individual's bond contribution would fluctuate with the taxable value of their home. However, to the extent that the District's overall taxable value grows more than projected, the millage rate would be reduced accordingly.

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.

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.

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

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 at the end of each project to ensure compliance with allowable uses.

Lakewood has experienced declining enrollment for the past decade, are there any specific reasons for that?

There is no one reason for the decline in District enrollment. Following the 2008 economic recession, the results of the 2010 census showed a significant migration out of Michigan the result of which was a loss of a congressional seat. While the 2020 census showed the overall population of the state had stabilized, the District continues to feel the impact of the pandemic on student enrollment.

What's the future enrollment look like?

Between the 2011-12 and 2016-17 school years, the average high school enrollment was 646. From 2017-18 through 2021-22 the average high school enrollment was 555. Looking forward, high school enrollment should fluctuate between 480-520.

In February, 2022, 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 2026/27 school year – 490 most conservative, 515 most likely, and 540 most optimistic.

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

After passing the last bond proposal, Lakewood ultimately closed two elementary schools. Are we still paying off bonds for buildings that were closed?

Payment on the bond proposal that was passed in 2007 runs through 2037. While these bonds were refinanced in 2015 and 2022 to achieve savings for the community through reduced interest rates, the final payment on these existing bonds will be made in 2037.

Does the District still own these buildings and if not, could they reacquire them?

The District sold the buildings so as to not have recurring maintenance and liability costs. Though it may be possible to reacquire the buildings, the savings and efficiencies that were achieved by closing and selling them would be lost.

Having closed buildings, why does this proposal include the construction of three new buildings?

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

New Lakewood Early Childhood Center was based on:

- 1) 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,
- 2) The cost, including unknown and unexpected costs, of renovating a significantly older building is higher than the cost of new construction,
- 3) While the community has dedicated childcare providers, the demand for childcare exceeds their ability to provide it,
- 4) Michigan is experiencing a teacher shortage and having available daycare for staff is positive for recruiting new staff. Also, when the ability to have staff's children on site, there is a greater likelihood those children will be enrolled as students whether the staff member lives in the district or not.

New Bus Garage was based on the:

- 1) 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.
- 2) Ability to provide the space and equipment necessary to complete more bus maintenance on site thereby reducing contracted maintenance expenses.

Unity Athletic Center was based on what is believed can be a mutually beneficial partnership between the District and its community that provides:

- 1) Multipurpose fitness and meeting opportunities for the community during and after the school day,
- 2) Facility space for family and group events,
- 3) Opportunities for youth programs to practice and compete, especially during the interscholastic winter sports seasons when school gyms are used extensively after school hours,
- 4) Opportunities for school athletes to train with coaches out of season,
- 5) Practice facilities for fall and spring athletic teams during inclement weather

Where will the new Early Childhood Center be built?

The new Early Childhood Center will be built on the middle school/high school campus. All new construction will occur here as buildings will be positioned so that should the District build a new elementary school sometime in the future, it too can be placed on this site as well creating an entire Pre-K – 12 campus.

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

It is important that the building not sit empty and either 1) require the District to spend money to maintain 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.

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

The bus fleet 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 of 15 buses in each series or 30 buses in 6 years = 5 buses/year.

If I pay taxes, why would I have to pay to use the Unity Athletic Center?

Currently, the District has a rental/use pricing structure for its existing facilities. The purpose of charging nominal use fees for these facilities now and the planned Unity Athletic Center is not to make a profit, but to meet the expenses of operating the facility (utilities, cleaning, etc) so as not to draw upon the District's limited operational budget.

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.

Field turf has to be replaced every ten to twelve years, how will that be funded when the time comes?

First, it's best to explain that field turf at the stadium is being recommended because of the additional uses that would result. LHS boys' and girls' soccer teams would move their games into the stadium thereby allowing the

District to raise revenue by charging admission and those in attendance a better viewing experience and access to better concession and bathroom facilities.

Field turf in the stadium would also allow the District to host MHSAA district and regional competitions and MSBOA District Marching Band Festivals. These are events that bring many visiting teams, participants, their families and the associated revenue into the community hosting them.

Depending on use, the lifespan of field turf is ten to twelve years. The District will set aside the money spent annual to maintain the existing grass field (mowing, irrigation, fertilizing and reseeding, lining, etc) into a special fund/budget line item to help offset some of the cost for turf replacement when the time comes.

How will new construction affect the cross-country course and the Soccer Club's use of fields at LECC?

While the final locations for any new buildings are yet to be determined, it is understood by everyone involved that current programs and partnerships will be maintained.

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

Please contact Dr. Steven Skalka, Superintendent, by phone at 616-374-8043 or via email at stevenskalka@lakewoodps.org.

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

Email your question to:

LPSbond2022@lakewoodps.org

Or

Contact Dr. Steven Skalka, Superintendent
616-374-8043 or stevenskalka@lakewoodps.org