

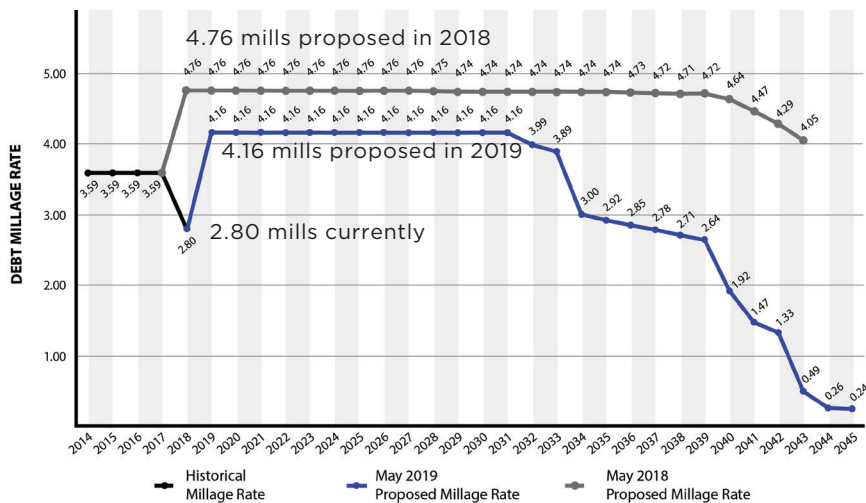
MAY 7, 2019 BOND PROPOSAL FINANCIAL FACTS

Planning for the future of Saugatuck Public Schools, the Board of Education is asking the community to consider a new bond proposal on May 7, 2019. If approved by voters, it would generate \$39,940,000 for improvements to Saugatuck Public Schools.

Q. How would the bond proposal impact my homeowner property taxes?

A. If approved by voters, it is projected that the debt tax rate would increase by approximately 1.36 mills over the current debt tax rate. This equals approximately an additional \$5.67 per month for every \$100,000 of home market value.

MARKET VALUE	TAXABLE VALUE	COST/ YEAR	COST/ MONTH	COST/ WEEK
\$100,000	\$50,000	\$68.00	\$5.67	\$1.31
\$200,000	\$100,000	\$136.00	\$11.33	\$2.62
\$300,000	\$150,000	\$204.00	\$17.00	\$3.92
\$400,000	\$200,000	\$272.00	\$22.67	\$5.23



Q. What is the difference in taxpayer impact from the 2018 bond proposal to the new 2019 bond proposal?

A. The new bond proposal reduces the net impact to taxpayers by .6 mills, from a proposed total debt tax rate of 4.76 mills in 2018 to a proposed total debt tax rate of 4.16 mills in 2019.

Two things impacted the reduction of the debt tax rate:

- The District paid off an existing bond debt, which lowered the debt tax rate in 2018 from 3.59 mills to 2.80 mills
- The District also reduced the total project scope of the bond by 21%, from \$50.7M to \$39.9M

Q. In the ballot language, the first paragraph states a not to exceed figure of \$39,940,000 of general obligation unlimited tax bonds, what does this mean?

A. With approval of this bond proposal, the maximum amount of bonds to be issued can be no greater than \$39,940,000.

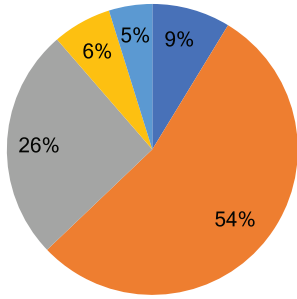
Q. If the bond proposal is approved, will homestead properties and non-homestead properties be taxed at the same debt millage rate?

A. Yes. If the bond proposal passes on May 7, 2019, the debt millage rate for both homestead and non-homestead property is expected to increase by 1.36 mills above the 2018 debt millage rate.

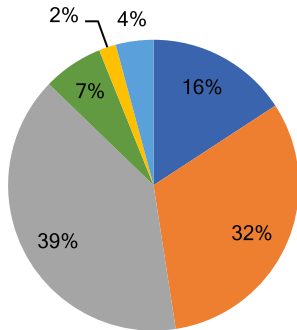
Q. When would the new bond proposal be paid off?

A. If the bond proposal is approved by voters on May 7, 2019, the new bond would be paid off by 2046. The maximum number of years the bonds of any series may be outstanding, exclusive of any refunding, is twenty-seven (27) years.

PROJECT BREAKDOWN



DOUGLAS ELEMENTARY SCHOOL	
New secure building entrance	\$940,000
Renovating classrooms, bathrooms, educational spaces	\$5,841,000
Media center, science, art	\$2,778,000
Traffic and site circulation, site safety improvements	\$706,000
Furniture, fixtures, equipment	\$520,000
Total Project Cost at DES	\$10,785,000



MIDDLE SCHOOL/HIGH SCHOOL	
New secure building entrance, office and band room additions	\$4,526,000
Classroom renovations and educational spaces	\$9,102,000
Science and art classrooms, media center, multi-use cafeteria	\$11,367,000
Renovating kitchen, gymnasium, common-use spaces	\$1,914,000
Traffic and site circulation, site safety improvements	\$546,000
Furniture, fixtures, equipment	\$1,200,000
Total Project Cost at MS/HS	\$28,655,000

BUSES	
(5) Buses	\$500,000

TOTAL BOND PROJECTS	\$39,940,000
----------------------------	---------------------

Q. \$39,940,000 is a lot of money. Why does it cost so much to renovate the buildings?

A. Commercial building costs have greatly increased over the years due to rising material and labor costs. According to RS Means (Reed Construction Data), the Historical Cost Index for Commercial Construction in Grand Rapids, Michigan has increased as the following:

- 2003-2018 (15yrs) - increase of 173.9%
- 1998-2018 (20yrs) - increase of 193.4%
- 1988-2018 (30yrs) - increase of 254.4%

National averages are similar to these figures.

Q. Would money from the bond proposal be used to pay teachers' salaries and benefits?

A. No. School districts are not allowed to use funds from a bond for operating expenses such as teacher, administrator or employee salaries, routine maintenance, or operating costs. Bond revenue must be kept separate from operating funds and bond revenue expenditures must be audited by an independent auditing firm.

Q. How would I know the bond funds would be spent the way they are supposed to be spent?

A. Michigan law requires that 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. An audit would be completed at the end of the project to ensure compliance.

Where can I find additional information?

Visit the district website for more information regarding the bond proposal: www.saugatuckpublicschools.com

If you have further questions, contact Dr. Tim Travis, Superintendent, at ttravis@saugatuckps.com or (269)857-1444. This informational material is paid for by Saugatuck Public Schools, 201 Randolph, Douglas, MI 49406.