

# Saugatuck Public Schools

## Building & Site Sinking Fund Proposal

### Myth vs. Fact

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#### **Myth #1: This is a new tax.**

**Fact:**

This proposal is primarily a **renewal of the district's existing sinking fund**, with a restoration to **0.5 mills**, which is the same rate previously approved by voters in 2022.

#### **Myth #2: The sinking fund can be used for salaries or everyday expenses.**

**Fact:**

Under Michigan law, sinking fund revenues **cannot be used for employee salaries or routine operating expenses**.

#### **Myth #3: This is the same as a bond proposal.**

**Fact:**

A sinking fund is **separate from a bond**:

- A **bond** allows a district to borrow money and repay it over time.
- A **sinking fund** collects funds annually and uses them for eligible projects without borrowing.

#### **Myth #4: The district can spend sinking fund dollars on anything it chooses.**

**Fact:**

Sinking fund expenditures are limited by Michigan law to specific building and site-related purposes, including:

- Construction or repair of school buildings
- Safety and security improvements
- Technology infrastructure
- Other building and site-related projects

Final decisions regarding projects are made by the Board of Education in accordance with legal requirements.

**Myth #5: Funds will be used for instructional programs or staffing.**

**Fact:**

Sinking fund revenues are restricted to facilities and infrastructure, not instructional programming or staffing.

**Myth #6: The district has not used sinking fund dollars before.**

**Fact:**

Historically, the district has used sinking fund revenues for:

- Mechanical system repairs
- Roofing
- School security measures
- Instructional technology

**Myth #7: This proposal funds large-scale construction like the 2020 bond.**

**Fact:**

The district's 2020 bond funded major facility improvements.

The sinking fund, if approved, would support ongoing maintenance, repairs, and smaller-scale improvements allowed under law.

**Myth #8: The district is committing to a fixed list of projects.**

**Fact:**

If approved, funds may be used for eligible projects as needs arise, and specific project decisions are made by the Board of Education following legal guidelines.

**Myth #9: There is no transparency or public information available.**

**Fact:**

Additional information, including ballot language and election details, is available on the district website or through local election authorities.

**Myth #10: This proposal lasts indefinitely.**

**Fact:**

If approved, the proposal would authorize the district to levy up to 0.5 mills for a period of three years.

**Important Reminder**

This document is intended to provide factual, informational content regarding the sinking fund proposal. Voters are encouraged to review all available information and participate in the election.