



Sinking Fund Millage May 4, 2021 FREQUENTLY ASKED QUESTIONS

1. What is on the May 4, 2021 ballot?

On May 4, 2021, voters in the Memphis Community Schools District will be asked to consider a 1 mill five year Sinking Fund. The Sinking Fund millage would generate approximately \$230,589 each year to fund the District's safety and security needs, urgent and necessary building and site repairs/improvements, while preserving General Fund dollars for the educational needs of our students.

2. What is a Sinking Fund?

A Sinking Fund millage is a limited property tax, considered a "pay-as-you-go" method for funding building maintenance and infrastructure projects. No debt or interest expense is incurred with a Sinking Fund. The tax is levied each year and the revenue generated from this levy is designated to building upgrades or repair. Sinking Fund expenses are audited by the Michigan Department of Treasury for compliance annually. The Sinking Fund revenues cannot be used for general fund expenditures (i.e., to keep schools open).

3. How can a Sinking Fund be used?

Sinking Funds can be used for remodeling, repair/replacement of buildings and sites. Expenses must be audited for compliance with the Michigan Department of Treasury guidelines.

4. What are the restrictions on Sinking funds?

The Sinking Fund cannot be used to fund ongoing operating expenses, salaries or benefits, textbooks and supplies, or preventative maintenance.

5. Why do we need a Sinking Fund?

Over the past decade, there have been severe cuts to the state's per pupil allocation, which is the primary source of funding for the district's ongoing operations. Without the Sinking Fund millage, major repairs would need to be paid for with operating funds that would otherwise be used to support educational needs of the district. Since funds are already strained to meet educational needs and repairs may need to be postponed which may result in more expensive repair costs in the future. The District has identified several projects that fall under school safety, building and site repair/improvements and technology.





6. What is a mill?

A mill represents \$1 for every \$1,000 of taxable value of your property. The taxable value of your property is the same, or lower than, the state equalized value (SEV) and is approximately 50% or more lower than the market value of your property.

7. What is the approximate impact of the Sinking Fund millage on property taxes?

The impact on your property taxes for a 1 mill levy is illustrated below:

Home Market Value	Home Taxable Value	Annual Tax Increase (1 mill)	Approximate Monthly Cost
\$75,000	\$37,500	\$37.50	\$3.13
\$100,000	\$50,000	\$50.00	\$4.17
\$125,000	\$62,500	\$62.50	\$5.21
\$150,000	\$75,000	\$75.00	\$6.25

8. What is the difference between a bond and a Sinking Fund millage?

A bond is a form of borrowing, which means taxpayers must pay back the borrowed funds over a period of years with interest. A Sinking Fund millage is levied, not borrowed, which means the revenues are generated from a tax and do not include the district taking on additional debt or interest expense.

9. What are the potential Sinking Fund projects for the District?

Projects based on safety and need	Estimated Costs
Jr/Sr High School Parking Lot – milling and replacement of asphalt	\$340,000
Jr/Sr High School Roof – replacement/repair	\$400,000
Security Keycard Entry System at Jr/Sr HS & Elementary School	\$25,000
Elementary Classroom Heaters – replacement/repair	\$5,000/room
Hands Free Sinks/Soap Dispensers at Ele and Jr/Sr HS	\$15,000
Remodeling of Jr/Sr HS Cafeteria Patio – Band/Robotics room access - concrete	\$22,000
Continued support and upgrades to technology	\$50,000/year



10. How will the proposal appear on the ballot?

MEMPHIS COMMUNITY SCHOOLS SINKING FUND MILLAGE RENEWAL PROPOSAL

This proposal will allow the school district to continue to levy the building and site sinking fund millage that expires with the 2021 tax levy.

Shall the currently authorized millage rate of 1 mill (\$1.00 on each \$1,000 of taxable valuation) which may be assessed against all property in Memphis Community Schools, St. Clair and Macomb Counties, Michigan, be renewed for a period of 5 years, 2022 to 2026, inclusive, to continue to provide for 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 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 2022 is approximately \$247,047 (this is a renewal of millage that will expire with the 2021 tax levy)?

11. Where do I vote?

Voting will take place at Riley Township, Wales Township, and Columbus Township Halls. Polls will be open Tuesday, May 4th, 2021 from 7:00 am to 8:00 pm.

12. Where can I get an Absentee Ballot?

Voters can obtain an Absentee Ballot Application at Memphis Schools' Central Office, at your local city or township clerk's office, or online, <https://mvic.sos.state.mi.us/AVApplication/Index>. Online and mail requests for an absent voter ballot must be received by your township or city clerk no later than 5:00 p.m. on Friday, April 30, 2021. Completed Absentee Ballots must be returned to your city or township clerk by 8:00 p.m. on election day, Tuesday, May 4, 2021 to be counted.

13. If I have questions not covered here, where can I get additional information?

If you have additional questions, please call the Administration Office at 810 - 392 - 2151 or email Mr. Brad Gudme, Superintendent, at bgudme@memphisk12.org

