



Onaway Area Community Schools
May 6, 2025 Bond Proposal

FAQs: Frequently Asked Questions and Answers

Introduction: Voters in Onaway Area Community Schools district will consider a school bond proposal on the May 6, 2025 election ballot. If approved, it would provide approximately \$10,290,000 for building & site improvements to address identified facility issues and other improvements based on completed assessments and community input. If approved by voters, the estimated debt levy for these bonds in 2025 would be 1.41 mills, with a net increase of 0.85 mill from the 2024 debt millage rate. The average millage rate for these bonds over the life of the bonds is expected to be 1.78 mills.

1. What is a bond proposal and how can bond funds be spent?

A bond proposal is how a public school district asks its community whether to authorize borrowing money to pay for capital expenditures. Voter-approved bond funds can be spent on additions, remodeling, site improvements, athletic facilities, playgrounds, furnishings, equipment, and other capital needs. Funds raised through the sale of bonds cannot be used for operational expenses such as employee salaries and benefits, school supplies, and textbooks. Bond funds must be kept separate from operating funds and must be audited by an independent auditing firm.

2. What are the key projects in this bond proposal?

The focus of projects for this bond would occur in two phases, with projects scheduled to be completed in the summers of 2026 and 2027:

Summer 2026 Projects

- Upgrade the **heating and cooling systems** in classrooms with a system capable of bringing in more fresh air, including new systems controls. This would improve the **air quality** and classroom temperatures.
- Install a new **secure entrance vestibule** at the front of the building with an office for the School Resource Officer to control access to the building.
- **Site work to improve drainage** that is currently causing water to flow into the building in areas of lower elevation.

Summer 2027 Projects

- Complete the remainder of the **heating and cooling upgrades** to cover the central portion of the building, including the office, gymnasium, cafeteria, band room, and library.

3. Why a bond proposal now?

If approved by voters, the 2025 bond proposal would address the currently identified issues such as indoor air quality, replacement of heating and cooling systems throughout the building that are beyond their life-cycle, and lack of a secure entry. This bond would also address the site issues that are causing poor site drainage and creating flooding in the building. Also, due to existing school bond debt falling off in 2025, the net debt millage increase is expected to be 0.85 mill from the 2024 rate.

4. How would the bond proposal impact my property tax rate?

In 2024, Onaway Area Community Schools levied 1.00 mill for current bonds/debt. If the 2025 bond proposal is approved by voters, the estimated debt levy in 2025 for these bonds would be 1.41 mills, with a net increase of 0.85 mill from the 2024 debt millage rate. The average millage rate for these bonds over the life of the bonds is expected to be 1.78 mills. The debt payoff for this bond is expected to be less than 21 years.

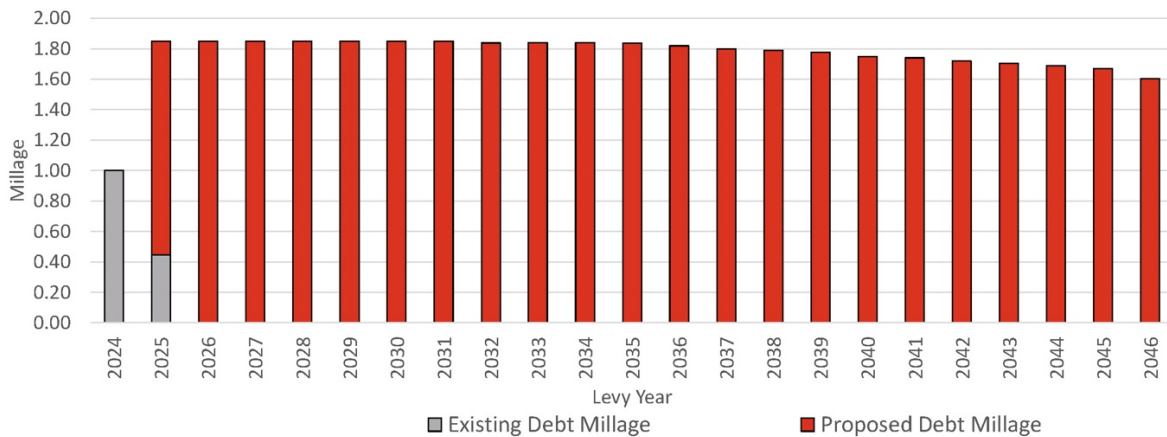
The following chart calculations are based on the estimated millage increase of .85 mill:

HOME MARKET VALUE	HOME TAXABLE VALUE	YEARLY COST	MONTHLY COST	DAILY COST
\$100,000	\$50,000	\$42.50	\$3.54	\$0.12
\$150,000	\$75,000	\$63.75	\$5.31	\$0.18
\$200,000	\$100,000	\$85.00	\$7.08	\$0.24
\$250,000	\$125,000	\$106.25	\$8.85	\$0.30
\$300,000	\$150,000	\$127.50	\$10.63	\$0.35

NOTE: If taxpayer qualifies for the State Homestead Property Tax Credit, the "net" tax rate could be less than shown above. Talk to your tax preparer to see if you qualify.

5. If the May 6, 2025 bond proposal passes, how will it impact the projected debt levy in the future?

Below is a graph depicting both the district's current debt millage as well as the estimated debt millage if the May 2025 bond proposal is approved by the voters.



6. When will the existing debt millage be paid off?

The district's last bond proposal was distributed in two series of bonds: the first series in 2016 was paid off in May 2024 (the millage was lowered to 1.00 mill in 2024), and the second series distributed in 2018 is expected to be paid off in May 2026.

7. When would the millage for this proposal first be levied, if approved?

The millage for this proposal, if approved, would first be levied on the December 1, 2025 property tax bill.

8. Would the approval of the bond proposal have any impact on our current operational budget?

While funding from this bond proposal is independent of the district's general fund operating budget, the bond would likely have a positive impact on the district's general fund by allowing the district to reallocate operating funds that are currently being spent on aging facilities, mechanical systems, and technology. The operational savings generated from new and cost-efficient facilities could then be redirected to student programs and resources.

9. Are businesses and second homes (non-homestead properties) and primary homes (homestead properties) treated the same regarding bond debt millage?

Yes, businesses and second homes (non-homestead) and primary homes (homestead) are treated the same regarding bond debt millage.

10. What oversights would hold the district accountable?

If approved by voters, the district's Architect/Engineer would design the proposed projects and prepare construction documents and specifications for the projects. Once the projects are designed, the district's Construction Manager will assemble bid packages and publicly advertise to solicit competitive bids for all work. This is required in the Revised School Code, Michigan law, and district policy. This process ensures that the district selects the lowest responsible bidder. All qualified contractors will have an opportunity to attend a pre-bid meeting to obtain additional information and project clarification. All qualified contractors will have the opportunity to participate in the competitive bid process. [add language re: how bond funds/expenditures are required to be audited?]

11. At what point would the State of Michigan, as well as the local fire and police departments, provide input into the bond projects?

Each project will be required to be submitted to both the State's Bureau of Construction Codes (BCC) and the Bureau of Fire Services (BFS) for both plan review and permitting. These agencies will review the projects to ensure they comply with applicable codes, before any building permits are issued. Building plans and specifications must be signed and sealed by a Licensed Architect/Professional Engineer before submission. As of March 21, 2019, Michigan law requires school districts to consult on the plans for the construction or major renovation regarding school safety issues with the law enforcement agency that is the first responder for that school building. This consultation would happen if the bond proposal is approved by voters, before construction documents are finalized prior to project commencement.

12. Are owners of property in the school district eligible to vote if they do not reside in the school district?

Owners of property are only eligible to vote if they reside in the school district boundaries. To be eligible to register to vote, you must be:

- A Michigan resident (at the time you register) and a resident of your city or township for at least 30 days (when you vote)
- A United States citizen
- At least 18 years of age (when you vote)

13. If I rent a home, can I vote?

Yes. If you rent a home, you can still vote as long as you are a registered voter in the city or township in which you live, and you live within the district’s boundaries.

14. How is an absentee voter ballot obtained?

Registered voters must complete and submit the application to receive their absentee voter ballot. To vote by mail, fill out the application and sign it, and then return it to your local clerk. If you registered to vote after absentee voter ballot applications were mailed, applications may be obtained online at Michigan.gov/vote. Absentee voter ballots are available from March 27 through May 6, 2025.

15. What are the key dates leading up to the Tuesday, May 6, 2025 election day?

- Registering to vote:
 - The last day for voters to register by mail/online is April 21, 2025.
 - Voters may register in-person through May 6, 2025 (election day) with the required documentation.
- Absentee Voting:
 - Absentee voter ballots are available from March 27 until May 6, 2025.
 - Contact your local clerk with questions

16. What is the ballot language?

ONAWAY AREA COMMUNITY SCHOOLS
BOND PROPOSAL

Shall Onaway Area Community Schools, Presque Isle and Cheboygan Counties, Michigan, borrow the sum of not to exceed Ten Million Two Hundred Ninety Thousand Dollars (\$10,290,000) and issue its general obligation unlimited tax bonds therefor, in one or more series, for the purpose of:

partially remodeling, equipping, and re-equipping the school building, including for heating, cooling, ventilation, and control systems, with electrical and natural gas systems to support the HVAC replacement; and preparing, developing, and improving the site?

The following is for informational purposes only:

The estimated millage that will be levied for the proposed bonds in 2025 is 1.41 mills (\$1.41 on each \$1,000 of taxable valuation). The maximum number of years the bonds of any series may be outstanding, exclusive of any refunding, is twenty-one (21) years. The estimated simple average annual millage anticipated to be required to retire this bond debt is 1.78 mills (\$1.78 on each \$1,000 of taxable valuation).

(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.)

Questions?

Contact our administration team via email at bond2025@oacsd.com