

**Capital Improvement (Sinking Fund) Millage Election**  
**Please VOTE on May 3, 2011**

**Frequently Asked Questions**

**Q: What are the details of the capital improvement millage request?**

A: Voters residing in the Northville Public Schools attendance boundaries (including the Novi area south of Nine-and-a-half Mile Road and parts of Lyon and Salem townships) will be asked on Tuesday, May 3, 2011 to consider a capital improvement millage proposal to make much-needed repairs to the school district's 11 school buildings and other facilities.

The 1-mill request for five years will provide the district with approximately \$2.4 million each year to address capital needs — from roof replacements to sidewalk repairs — across the school district.

**Q: Why do we need a capital improvement (sinking fund) millage?**

A: More than half of Northville's school buildings are over 30 years old, and many are much older. All of the district's school buildings need repairs to maintain a safe and healthy learning environment for students.

Over the past six years, severe cuts in state funding for public schools have delayed necessary repairs to Northville school buildings as the district has strived to protect the learning that takes place in the classroom.

Without the millage, any necessary facility repairs will be paid for with operating funds that would otherwise go to support educational programs for students.

**Q: What study and research went into determining the need for the capital improvement millage request?**

A: In November 2010, the Northville Board of Education convened a study committee of school district staff, students, parents and community members to explore the potential for a capital improvement millage (the legal term is a "sinking fund"). As part of that study, an assessment of the district's capital improvement needs was conducted by the construction management firm McCarthy & Smith, Inc. The study committee presented its findings to the Board of Education and on February 17, 2011, the Board unanimously supported the May 3, 2011 millage request to address capital improvement needs across the district.

**Q: How will passage of the capital improvement millage benefit students and the community?**

A: If approved, the money raised through the 1-mill capital improvement millage will:

- Enable Northville students to learn and grow in a safe, secure and healthy environment.

- Ensure the school district's limited operating funds are available to support student learning.
- Protect the community's investment in the school district's buildings and facilities.
- Maintain optimal learning facilities that enable the district (and the community) to keep and attract residents.
- Keep Northville's taxpayer dollars in Northville!

**Q: What will the money be used for?**

A: Money raised by the capital improvement millage will fund district projects in the following areas.

- High Priority Facility Repairs: Facility conditions, which if not addressed, could present future safety issues for students, staff and visitors, including replacement of broken or uneven concrete sidewalks; replacement of worn and buckling carpet; and soft surface installation in play areas. Also, projects that ensure compliance with updated federal, state or local building codes (e.g. the Americans with Disabilities Act, fire, safety and building construction) not grandfathered by law, including construction of ramps and sidewalks and replacement of elevators and lifts.
- Facility/System Replacement: Repairs, which if not made within a reasonable time period, may lead to program interruption and/or classroom disruption, including roof replacement or repair; boiler and mechanical room replacement; and gym floor replacement.
- Facility/Building Improvements: Current building conditions that create a less than optimal environment for learning and teaching, including upgrading air conditioning in technology areas; replacement of interior lighting with more energy efficient fixtures; and replacement of worn and damaged cabinet casework.
- Technology Infrastructure Updates: Network infrastructure upgrades that will facilitate the increased use of the network, expand wireless to building-level availability, and accommodate new applications in the future such as video streaming and IP phone systems.

**Q: If approved, what will be the impact of the 1-mill increase on annual property taxes?**

A: If the millage is approved, the average Northville homeowner will pay about \$150 more per year in property taxes over the next five years for a home with a taxable value of \$150,000 (or a market value of approximately \$300,000). A mill

represents \$1 for every \$1,000 of a home's taxable value. See the chart below for additional detail.

<b>Impact of 1-Mill Increase on Annual Property Tax Bills</b>		
<b>Market Value</b>	<b>Taxable Value</b>	<b>Maximum Annual Tax Increase</b>
\$200,000	\$100,000	\$100
\$300,000	\$150,000	\$150
\$400,000	\$200,000	\$200
\$500,000	\$250,000	\$250
\$600,000	\$300,000	\$300

**Q: What is a mill?**

A: 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 and substantially lower (50 percent or more) than the market value. Also, it is important to remember that property taxes, including any increases, can be deductible on your federal income tax returns and may count as a credit on your state returns.

**Q: What is the difference between a bond and a sinking fund millage?**

A: A bond is a lump-sum dollar amount that the school district borrows, through the sale of bonds, in order to fund capital projects such as building construction. (For example, Northville voters approved bonds to build the new high school and Ridge Wood Elementary School.) Taxpayers pay the bond money back over a period of years, with interest, similar to a home mortgage.

This is the first time Northville Public Schools has asked voters to consider a sinking fund millage. A sinking fund millage is a limited property tax (for five years in this case) considered a pay-as-you-go method, for addressing building repairs and improvements. The district does not pay interest on this money.

**Q: Explain what money from a sinking fund millage can and cannot be used for?**

A: Sinking fund money can be used for purchasing, completing, remodeling or repairing facilities, or parts of or additions to facilities; acquiring and improving sites, for school buildings, structures, athletic facilities, playgrounds, or other facilities; and technology infrastructure. Technology infrastructure in this case refers to wiring or materials used for installing technology. It does not include

equipment or software. Sinking funds may be used for repair, but not for maintenance.

The State of Michigan has legal requirements, restrictions and guidelines for public school districts that plan to fund capital improvements or repairs through sinking fund millage levies. The law is very specific about what is considered an allowable use and what reporting and audit requirements are expected. Money raised through sinking fund millages cannot be used for school district operating expenses such as textbooks, technology software or equipment updates, or replacement buses.

**Q: Can the money from a sinking fund be used to pay teacher or other employee salaries and benefits?**

A: No. School districts are not allowed to use sinking fund money for operating expenses such as teacher, administrator or employee salaries or benefits. Sinking funds must be kept separate from the district's operating funds.

**Q: Is the school district required to spend the entire \$2.4 million in the year it is received or can the funds accumulate?**

A: The district is not required to spend the entire \$2.4 million during the year it is received. The district is required to track the millage revenues and expenditures separately in a Building & Site Sinking Fund, and is allowed to maintain a positive fund balance in this fund at year-end. The district is not required to spend the money within a specified time period. (Note: the Michigan Department of Treasury requires that the fund be audited each year, as is the case with the district's other funds.)

**Q: How much is the district currently spending for the kinds of repairs that would be made with sinking fund revenues?**

A: Currently, any necessary building repairs are paid for using the district's General Fund revenues, or in the case of Old Village and Cooke schools, with the rental income derived from the Wayne County Regional Educational Service Agency through Act 18, which provides funding for Wayne County special education center programs. With recent cuts in state funding, the district has limited spending to about \$250,000 on critical building and site repairs that could otherwise have been funded with sinking fund revenues. Other needed repairs have been deferred, and many of these repairs will likely continue to be deferred if the sinking fund millage does not pass.

**Q: What if the millage proposal doesn't pass?**

A: Over the past six years, severe cuts in school funding coupled with the rising cost of operating the school system have put tremendous pressure on the district's general operating fund, forcing the district to delay needed repairs and improvements to district facilities in order to ensure funding is available to preserve the learning that takes place in the classroom. If approved, the 1-mill request for five years (equal to about \$2.4 million each year) will enable the

school district to make important building repairs and improvements that will ensure a safe, secure and healthy environment for students, without compromising educational programs.

Failure to pass the millage will mean the district will have to continue to delay these much-needed repairs and improvements and that any emergency repairs to address potential safety issues at the district's facilities will have to be paid for with general operating funds that would otherwise go to support educational programs for students.

**Q: Why hold the millage election in May instead of the November General Election?**

A: First, a successful election in May would make sinking fund revenues available in the summer to complete some projects before school resumes in September. Second, a successful election in May will allow the first-year assessment to be spread over both the summer and winter tax collection periods, rather than having residents be assessed the full amount on their winter tax bills.

**Q: How do I register to vote?**

A: If you are not registered to vote in the community, you must do so by Monday, April 4, to participate in the May 3 election. You can register at your city or township offices or any Michigan Secretary of State Office. You must register in person.

**Q: What is the process for voting by absentee ballot?**

A: Absentee ballot applications for those unable to get to the polls on May 3 are currently available through your city or township clerk's office. Voters who have requested absentee ballots in previous elections should already have received their applications. If you have not received your absentee ballot application, contact your city or township clerk's office. Absentee ballots are generally mailed to your address within 24-48 hours after the application is received by your clerk's office.

Once you have voted, place your completed ballot in the envelope provided by your clerk's office. Absentee ballots can be hand delivered to your clerk's office or mailed (First Class postage is required). Your completed ballot must be delivered by U.S. Mail to your clerk's office by election day, Tuesday, May 3, or hand-delivered by 8 p.m. on May 3.

**Q: How can I find my voting precinct?**

A: If you are unsure of which voting precinct you reside in, contact your city or township clerk's office.

Voting precincts for **Northville Township** are as follows:

- Precincts 3 & 4 — Northville High School, 45700 Six Mile Road, Northville
- Precinct 5 — Kings Mill Club House, 18120 Jamestown Circle, Northville

- Precincts 1 & 15 — Moraine Elementary School, 46811 Eight Mile Road, Northville
- Precincts 2, 8, 9, & 13 — Silver Springs Elementary School, 19801 Silver Springs Drive, Northville
- Precincts 6 & 11 — Winchester Elementary School, 16141 Winchester Drive, Northville
- Precinct 12 — Meads Mill Middle School, 16700 Franklin Road, Northville
- Precincts 10 & 14 — Ridge Wood Elementary School, 49775 Six Mile Road, Northville, (plus Northville school district residents living in **Salem Township**)

Voting precincts for the **City of Northville** are as follows:

- Precinct 1 — Northville City Hall, 215 West Main Street, Northville, for city residents living in Wayne County
- Precinct 2 — Amerman Elementary School, 847 North Center Street, Northville, for city residents living in Oakland County

Voting precincts for Northville school district residents living in the **City of Novi** are as follows:

- Precincts 17 & 18 — Novi Civic Center, 45175 West 10 Mile Road, Novi
- Precinct 19 — Thornton Creek Elementary School, 46180 Nine Mile Road, Novi

Voting precincts for Northville school district residents living in **Novi Township** are as follows:

- Vote at the home of Township Clerk Derwood Haines.

Voting precincts for Northville school district residents living in **Lyon Township** are as follows:

- Precinct 4 — South Lyon Church of Christ, 21860 Pontiac Trail, South Lyon (between 8 and 9 Mile Roads)

**Q: What are the hours for voting on May 3?**

A: Polls will be open from 7 a.m. to 8 p.m. on Election Day — Tuesday, May 3, 2011.

**Q: If I have questions not covered here, where can I get additional information?**

A: E-mail your questions to [nps@northville.k12.mi.us](mailto:nps@northville.k12.mi.us) or visit [www.northville.k12.mi.us](http://www.northville.k12.mi.us) and click on the “Capital Improvement (Sinking Fund) Millage Proposal” button.