



May 12, 2025

# 2025 MPS Potential School Improvement Bond

Community Information Forum

*Mason Public Schools*

# 2017 School Bond

On November 7, 2017 the Mason community supported a bond proposal to borrow up to \$69,700,000 for the purposes of significant improvements to the school buildings, equipment, and furnishings. This bond would levy 2.86 mills on property taxes, increasing the total school bond tax to 5.68 mils    Yes 2888    No 2529

The bonds were issued in three series:

Bond Sale 5/16/2018 -	\$34,398,862
Bond Sale 4/15/2021 -	\$19,191,345
Bond Sale 5/18/2023 -	<u>\$16,283,575</u>
Total Bonds	\$69,873,782
Interest	\$ 2,735,030
Total Funds	\$72,608,812

The funds were used as follows:

Alaiedon	\$ 8,492,113
North Aurelius	\$ 9,110,954
Steele	\$17,886,319
Harvey	\$11,475,178
Middle School	\$ 2,623,025
High School	\$13,257,508
Districtwide	<u>\$ 9,763,714</u> (Busses, FFE, Technology, Professional Fees)
Total Funds	\$72,608,812

# Why Now for another Bond?

- ❑ The original purpose of the 2017 bond was to focus primarily on updating our Elementary buildings with only minimal amounts of improvements to the Middle School and High School. Elementary buildings were prioritized due to significant overcrowding, environmental issues, updated statewide safety codes and creating a 21<sup>st</sup> century learning environments. The district knew that the next available window to issue a bond to cover critical work at the Middle School and High School would be in 2025,
- ❑ In March 2025, the Michigan Statewide School Facilities Study was released and projected that the Mason High School and Mason Middle School are expected to need over \$59,000,000 in just “Repair” costs over the next nine years,
- ❑ In 1995, Mason voters passed the 1995 School Bond that provided \$31,595,000 in renovations and additions across all of the district’s properties. That bond will be paid off in 2025 allowing the district to issue new bonds without raising taxes above the 2025 level.
- ❑ The district can raise an estimated \$65.7 million without raising taxes from 2025 levels due to lower interest rates, increased property values and growth in total number of homes since the 1995 bond was issued.

# Pre-Bond Planning Timeline

- ☐ Plante Moran Realpoint Internal Kick Off
- ☐ Public Information Presentation
- ☐ Enrollment Projections
- ☐ Utilization Study
- ☐ Facility Assessment / Capital Plan
- ☐ June Board Presentation Update
- ☐ Bond Committee Formation
- ☐ Bond Survey
- ☐ Bond Committee Meetings
- ☐ Community Information
- ☐ Recommendations to Board
- ☐ Information Campaign
- ☐ Potential Ballot Proposal

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February 2024  
 March 2024  
 March – April 2024  
 March – May 2024  
 April – June 2024  
 June 18, 2024  
 Dec 2024 – Jan 2025  
 January 2025  
 Feb – April 2025  
 May 2025  
 June 2025  
 July – November 2025  
 November 2025



The School Bond Committee included several members of the Mason Public Schools administration, along with board members, consultants, engineers, architects and construction consultants

Kurt Creamer	Gary Kinzer	Randy Barton	Tracey Wooden
Myriah Lillie	Ted Berryhill	Liz Evans	Bryan Droscha
Beth Bousfield	Gary Houghton	Scott Shattuck	Amy LeForge
Christie Surato	Jason Konkel	Kyle Wright	Nick Hayhoe
Ryann Warner	Jamie Robinson	Bruce Johnston	Mike Hamm
Brett Kaschinske	Ralph Beebe	Pete Hanover	Mary Shileikis

# How Does School Financing Work?

## Sinking Fund

- ❑ A sinking fund is a “pay as you go” system which is approved by local voters. It provides a school district with yearly funds to pay cash for repairs and improvements as needed without incurring interest on loans or bonds. Used for parking lots, roofs, building repairs, athletic facility repairs....
- ❑ MPS currently has a sinking fund and generates approximately ~\$850,000 per year. The current sinking fund started in 2006 and expires in 2026.

## Bond Fund

- ❑ A bond is a form of borrowing, and taxpayers must pay back the borrowed funds over a period of years with interest.
- ❑ The Mason Community has supported several prior bond proposals including:
  - 1995 - \$31,595,000 (district wide improvements and renovations)
  - 2004 - \$11,400,000 (focus on High School, athletics (pool, lockers) and sites)
  - 2017 - \$69,700,000 (focused on Elementary expansions/renovations)
  - 2025 - ??

# How Do MPS Current Taxes Compare?

District	Debt Service	Sinking Fund	Total
Webberville	7.45	2.85	10.30
Haslett	8.33	1.95	10.28
Fowlerville	9.55	0.00	9.55
Perry	7.60	0.96	8.56
Holt	8.23	0.00	8.23
Eaton Rapids	7.00	0.99	7.99
Okemos	7.00	0.99	7.99
Dansville	7.00	0.98	7.98
Waverly	6.40	1.00	7.40
East Lansing	6.30	1.00	7.30
Lansing	4.10	2.96	7.06
Williamston	6.04	0.98	7.02
Morrice	7.00	0.00	7.00
<b>Mason</b>	<b>5.68</b>	<b>0.98</b>	<b>6.66</b>
Springport	6.10	0.00	6.10
Leslie	1.34	2.96	4.30
Northwest	4.08	0.00	4.08
Stockbridge	3.30	0.00	3.30

# And the survey says.....

	Excellent & Good
Elementary	77%
Athletics	57%
STEM	34% (48% n/a)
MMS	34%
MHS	34%
Performing Arts	30%

Was the 2017 bond a success

YES 62%

NO 13%

Would you support improvements to the Auditorium?

YES 74%

NO 26%

Best use of future bonds dollars

MMS 6%

MHS 10%

Combination 71%

Would you support upgrading fields to turf?

NO 63%

YES 37%

How likely would you support...

Strong/Support

Strong/Oppose

Keeping current taxes at 5.68 mils

65%

18%

Increasing taxes to 7 mils

48%

30%

# Potential Bond Options

## Voted Bonds Capital Planning Illustrations

<b>I. Debt Service Millage Rate</b>	<b>Option 1 - 1.82 Mill Increase</b>	<b>Option 2 - 1.32 Mill Increase</b>	<b>Option 3 - 0.00 Mill Increase</b>
Estimated 12/1/2026 tax bill	7.50	7.00	5.68
Estimated 12/1/2025 tax bill	(5.68)	(5.68)	(5.68)
Difference	1.82	1.32	-
Annual difference \$100,000 market value \$50,000 taxable value property	\$91.00	\$66.00	\$0.00
Per Month	\$7.58	\$5.50	\$0.00

### II. Proposal Summary

<b>Bonds - Series I</b>	<b>2026</b>	<b>2026</b>	<b>2026</b>
Construction deposit	\$9,965,461	\$9,965,461	\$9,965,461
Underwriting allowance	100,000	100,000	100,000
Bond issuance costs	121,950	121,950	121,950
Less interest income [1]	(187,411)	(187,411)	(187,411)
Par amount of bonds	\$10,000,000	\$10,000,000	\$10,000,000
<b>Bonds - Series II</b>	<b>2028</b>	<b>2028</b>	<b>2028</b>
Construction deposit	\$37,603,325	\$37,603,325	\$37,603,325
Underwriting allowance	374,500	374,500	374,500
Bond issuance costs	179,350	179,350	179,350
Less interest income [1]	(707,175)	(707,175)	(707,175)
Par amount of bonds	\$37,450,000	\$37,450,000	\$37,450,000
<b>Bonds - Series III</b>	<b>2030</b>	<b>2030</b>	<b>2030</b>
Construction deposit	\$70,920,292	\$50,055,278	\$16,074,144
Underwriting allowance	705,500	558,000	160,500
Bond issuance costs	257,950	240,950	117,650
Less interest income [1]	(1,333,742)	(1,054,188)	(302,294)
Par amount of bonds	\$70,550,000	\$55,800,000	\$16,050,000
<b>Total Proposal</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
Construction deposit	\$118,489,078	\$103,624,024	\$63,642,930
Underwriting allowance	1,180,000	1,032,500	635,000
Bond issuance costs	559,250	542,250	418,950
Less interest income [1]	(2,228,328)	(1,948,774)	(1,196,880)
Par amount of bonds	\$118,000,000	\$103,250,000	\$63,500,000

[1] Assumes 24 month draw schedule at an assumed interest rate of 2.00%

# Middle School Considerations

## Existing Middle School Summary

<input type="checkbox"/> Age of Building / Year Built	(55) years, Built in 1969
<input type="checkbox"/> Square Footage	131,239 sf
<input type="checkbox"/> Property Size	23.26 acres
<input type="checkbox"/> Current Enrollment	748 students

## Potential Options Considered

- ☐ Renovation of Existing Building
- ☐ Renovation w/ Building Additions
- ☐ New Middle School

## Potential Options Examples

131,239 x \$200sf =	<b>\$26.2M</b>
131,239 x \$300sf =	<b>\$39.4M</b>
131,239 x \$450sf =	<b>\$59.1M</b>

\*Above examples are in construction costs only using existing building square footage

# High School Considerations

## Existing High School Summary

<input type="checkbox"/> Age of Building / Year Built	(65) years, Built in 1959
<input type="checkbox"/> Square Footage	220,433 sf
<input type="checkbox"/> Property Size	47.96 acres
<input type="checkbox"/> Current Enrollment	986 students

## Potential Options Considered

- ☐ Low Range Renovation of Existing Building
- ☐ Mid Range Renovation of Existing Building
- ☐ High Range Renovation of Existing Building

## Potential Options Examples

220,433 x \$150sf =	<b>\$33.1M</b>
220,433 x \$175sf =	<b>\$38.1M</b>
220,433 x \$200sf =	<b>\$44.1M</b>

\*Above examples are in construction costs only using existing building square footage

# Auditorium Considerations

## Existing Auditorium Summary

<input type="checkbox"/> Originally Built	1959
<input type="checkbox"/> Back of House Updates	1995
<input type="checkbox"/> Seating	Appx 575

## Potential Options Considered

## Estimated Cost

<input type="checkbox"/> Build a New Auditorium	\$18 - \$20 M
<input type="checkbox"/> Renovate Front of House	\$3M
<input type="checkbox"/> Renovate Back of House	\$3M

\*Above examples are in construction costs only using existing building square footage

# Transportation/Maintenance Facility

## Existing Bus Garage Summary

<input type="checkbox"/> Originally Built	1978
<input type="checkbox"/> Addition	1997
<input type="checkbox"/> Number of Busses Maintained	43

## Potential Options Considered

- ☐ Build a New Garage
- ☐ Renovations

## Estimated Cost

\$5 - \$8M  
???



### Committee Recommendation

A Zero Mil increase which is anticipated to yield approximately \$65M depending on future taxable values and projections evaluated by Baker Tilly. For conversation purposes, these are approximate bond dollar allocations per the School Bond Committee recommendation to the Board of Education:

Renovation of Middle School (High Range) 131,000sf x \$200sf	~\$26M
Miscellaneous HS Improvements Allowance	~\$11M
Auditorium Renovations	~ 6M
New Transportation/Maintenance Facility	~\$ 8M
Technology, Furniture-Fixtures-Equipment, Professional Costs	~\$14M
<b>Total</b>	<b>~\$65M</b>

# And We Would Still Have Some of the Lowest Taxes

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