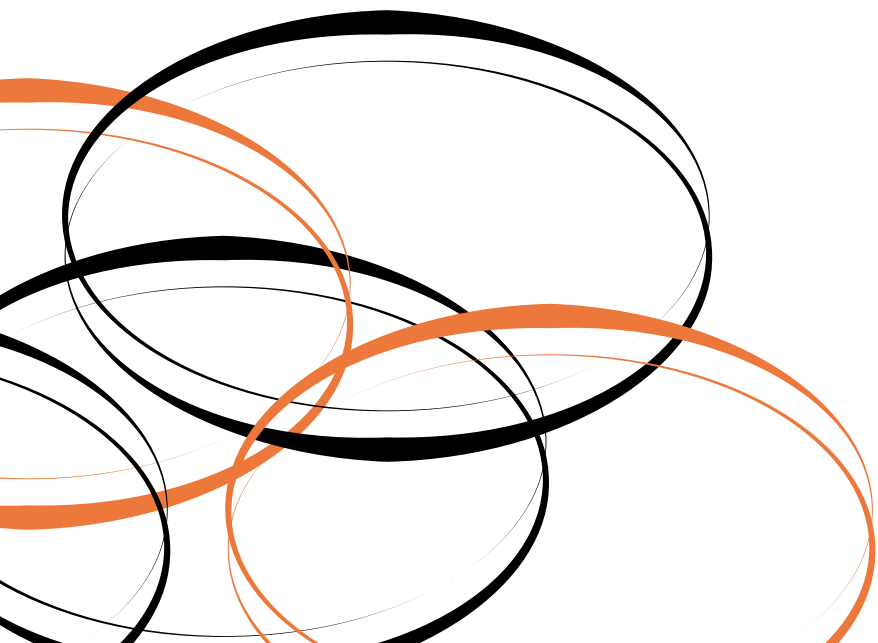




**Armada Area Schools
School Election
Background Information
May 2, 2023**





When is the election?

The election will be held on Tuesday, May 2, 2023. The polls will be open from 7 a.m. until 8 p.m. Absentee ballots will be available after March 23, 2023, and can be cast through Election Day.

What is on the ballot?

There will be two proposals on the ballot. Neither proposal will increase the current tax rate. The first proposal is a \$26.5 million no tax-rate increase bond proposal designed to improve safety and update and renovate schools and educational facilities across the school district.

The second proposal seeks voter approval to re-establish a sinking fund to support small-scale, ongoing maintenance projects throughout the school district.

Neither proposal will increase the current tax rate.

What did voters approve in November 2022?

In November, three proposals were on the ballot. Voters approved the renewal of the Non-Homestead Millage, which all Michigan school districts must levy to receive their full share of State Aid.

Also on the ballot were a no tax-rate increase bond proposal and a sinking fund proposal. Neither proposal would have increased the current tax rate. The school district is asking voters to reconsider these proposals.

Since the November vote, many residents have asked questions about how the revenue from the bond will be used to improve safety and support the educational program for students. Residents have also asked how the sinking fund revenue will be used. Now through Election Day, the school district will share what improvements will be made at each school facility through the bond proposal and how the sinking fund revenue will support additional facility repairs at all schools.

About the bond proposal...

What is a bond?

A bond is a state-approved funding process for an identified list of projects. When voters approve a bond proposal, the school district sells bonds in the authorized amount and uses the bond sale proceeds to pay for the bond proposal projects. Bonds are typically paid back in 20-30 years.

In many ways, the bonding process is like a homeowner refinancing their home and making payments over a period of years. The Armada Area Schools' bond proposal length is 25 years.





What can bond proposal revenue be used for?

A bond is a State-approved funding process for a set scope of projects.

Bonds can be used for:

- Constructing new school buildings
- Constructing additions to existing school buildings
- Remodeling existing school buildings
- Energy conservation improvements
- Land purchases
- Site development and improvements
- Athletic and physical education facility development and improvements
- Playground development and improvements
- Refunding debt (if new present value savings can be demonstrated)
- Direct bond program costs such as professional fees, election fees, issuance costs, qualification fees, insurance fees, and final audit costs
- School bus purchases
- Purchasing loose furnishings and equipment (including administrative technology)
- Technology purchases are limited to hardware and communication devices that transmit, receive or compute information for pupil instructional purposes only. The initial purchase of an operating system and customized application software is allowed if purchased with the initial hardware.

Bonds cannot be used for:

- Salaries, service contracts, lease payments, installment contracts, and supplies
- Repairs, maintenance, or maintenance agreements
- Purchasing automobiles, trucks, or vans
- Portable classrooms purchased for temporary use
- Uniforms
- Textbooks
- Upgrades to an existing computer operating system or application software
- Computer training, computer consulting, or computer maintenance contracts

Can any of the bond proposal funds be used for employee salaries or operating expenses?

No. Bond proposal funds cannot be used for employee salaries. They also cannot be used for repair or maintenance costs or other operating expenses. Bond proposal funds must be used only for purposes specified in the ballot language, and as required by state law, they must be independently audited.

How were the bond proposal projects identified?

As part of the Armada Area Schools' strategic plan, school administrators worked with architectural and construction management specialists to identify short- and long-term facility needs. The list of projects was prioritized, and the final list was developed.

Who reviews bond proposal projects before they are placed on the ballot?

Bond Proposal projects must be reviewed and approved by the Michigan Department of Treasury. All renovations and upgrades must comply with the Americans with Disabilities Act (ADA).

Bond revenue and expenditures must be independently audited annually to ensure compliance with legal regulations.



Did the Michigan Department of Treasury approve the ACS bond proposal?

Yes. The Michigan Department of Treasury reviewed and approved all bond proposal projects.

Will my tax rate increase if voters approve the bond proposal?

No. Voter approval of the bond proposal will not increase the current tax rate.

How can approval of the bond proposal not raise the current tax rate?

Armada Area Schools will extend the current tax rate for the entirety of the bond, which will not require any tax rate increase to complete the projects.

Will the bond provide for the installation of secure entrances at all schools?

In 2015, secure entrances were provided at Krause Elementary School and Armada Middle School. This bond proposal will provide secure entrances at Armada High School and the Academy.

Why is the purchase of buses included in the bond proposal?

Purchasing school buses through the bond proposal relieves pressure on the general fund operating budget. It also ensures that the Armada Area Schools' bus fleet will be systematically upgraded as buses reach the end of their useful life. Nine school buses will be purchased with the bond proposal revenue. Two buses will be purchased each year beginning in 2024.

Will bond revenue be used to purchase gas-fueled buses?

Yes. Gas-fueled buses cost approximately \$100,000 each. The school district plans to purchase nine new buses, starting with two buses purchased each year beginning in 2024.

In November, Armada Area Schools received a grant from the U.S. Environmental Protection Agency to purchase one electric bus and one charging station. The bus cost \$387,000, and the charging station cost \$20,000. This bus has a range of only 120 miles on a single charge. Hence, it will be used on short runs between Armada High School and the Academy and for short runs within the Village of Armada.

While electric school buses are in the future, at this time they are not feasible for Armada Area Schools due to their high cost, limited range, and the lack of charging infrastructure to support long bus runs.



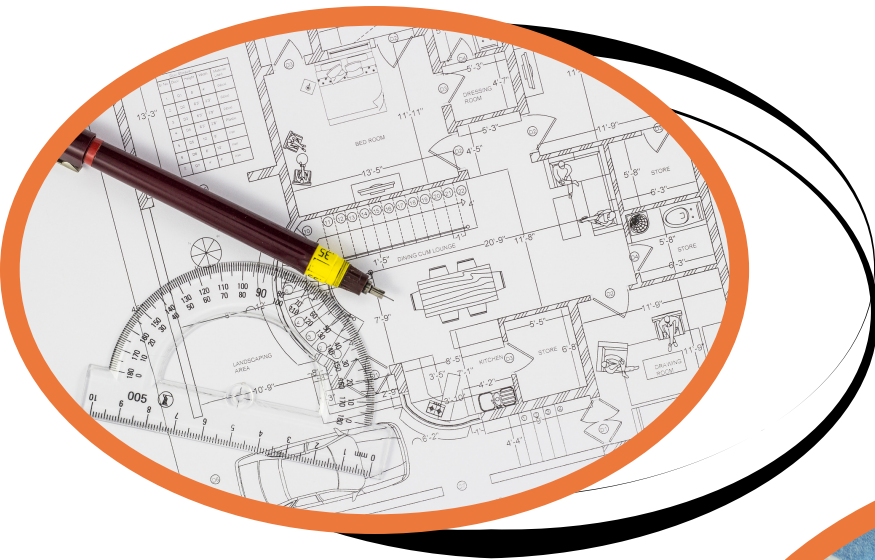
What are the benefits of installing synthetic turf on athletic fields?

According to the Michigan High School Athletic Association, synthetic turf is becoming more common at the high school level because it is safer for student-athletes, resulting in lower injury rates.

Moreover, synthetic turf allows increased instructional use of the athletic field and reduces maintenance costs. Installing synthetic turf at the high school stadium will allow expanded use of the field. For example, the field can be used for physical education classes, the Armada High School soccer team practice and competition play, practice drills for spring sports, and to support youth football and soccer programs.

Will voter approval of this bond proposal accommodate all immediate facility needs for the next five to ten years?

Yes. The bond proposal was developed to improve safety and address all immediate and facility needs for the next five to ten years.





If voters approve the bond proposal, what improvements will be completed at Krause Elementary School?

Year built: 1999

Project improvements: \$2.8 million

K-2nd enrollment: 360

3rd-5th grade enrollment: 400

Safety improvements

- Replace entry door systems
- Re-key all doors
- Add an emergency generator

Interior improvements to support the learning environment

- Replace sinks in hallway bathrooms
- Replace the hot water boiler
- Replace the water softener
- Update HVAC (vertical unit vents, temperature controls)
- Replace the backstage curtain
- Replace select furniture where needed

Exterior improvements to the facility

- Install gutters/downspouts at roof valleys
- Repave the parent parking lot
- Repave the bus loop
- Expand the parking lot to the east
- Repave the Tiger Tracks loop
- Improve stormwater management





If voters approve the bond proposal, what improvements will be completed at Armada Middle School?

Year built: 1955

Project improvements: \$3.2 million

6th-8th grade enrollment: 540

Safety improvements

- Abate asbestos/hazardous materials
- Re-key all doors
- Replace select interior doors

Interior improvements to support the learning environment

- Expand cafeteria
- Renovate the locker rooms
- Renovate the stage into a fitness room
- Replace water softener
- Replace gym air handling units
- Replace unit vents
- Replace exhaust fans
- Upgrade temperature controls
- Replace the clock system
- Replace select furniture where needed

Exterior improvements to the facility

- Replace select roofing



If voters approve the bond proposal, what improvements will be completed at Armada High School?



Year built: 1976

Project improvements: \$16.8 million

9th-12- grade student enrollment: 595

Safety improvements

- Construct a new front office with a secure entry
- Abate asbestos/hazardous materials
- Replace select interior doors
- Replace select exterior doors
- Re-key all doors
- Replace emergency generator
- Add interior lights
- Install a fence at the athletic complex

Interior improvements to support the learning environment

- Replace the foyer flooring
- Replace the gym floor logo
- Replace the boiler system (piping and valves)
- Replace the hot water holding tank
- Replace the kitchen condenser
- Replace the gym/locker air handling units
- Replace the kitchen make-up air unit
- Replace exhaust fans
- Upgrade temperature controls
- Replace the clock system
- Replace select furniture where needed
- Add a storage area to support the building trades program

Exterior improvements to the facility

- Build a new athletic entry and support building with a concession stand and bathrooms
- Replace select roofing
- Cover skylights that are being removed
- Add a paved driveway to the fieldhouse
- Add a paved driveway to the baseball field
- Replace/reconfigure paving for the circle drive
- Repave the staff parking lot
- Improve stormwater management

Site work/Athletic improvements

- Renovate the old athletic building
- Add a varsity baseball press box
- Replace the stadium press box
- Resurface the track
- Install synthetic turf at the stadium
- Install synthetic turf at the softball field
- Demo the original tennis courts that are no longer in use and create a practice field for the Marching Band
- Install a flag and a scoreboard at the JV softball field





If voters approve the bond proposal, what improvements will be completed at Armada Academy/Administration Building?

Year built: 1929

Project improvements: \$879,770.00

Safety improvements

- Install a secure entry
- Abate asbestos/hazardous materials
- Replace the exterior door at the staff entry
- Re-key all doors

Interior improvements

- Add water softener
- Replace office unit ventilators
- Upgrade temperature controls
- Replace select furniture where needed

Exterior improvements

- Replace select roofing





If voters approve the bond proposal, what improvements will be completed at the Transportation Complex?

Year built: 1977

Project improvements: \$2,5 million

Safety Improvements

- Re-key all doors
- Replace the north gate
- Replace the power pole
- Add lighting to the bus drive
- Widen the bus drive
- Purchase nine buses

Exterior improvements

- Build maintenance/storage space
- Repave the bus parking lot
- Improve stormwater management





What will appear on the May 2nd ballot?

Here is the exact ballot wording for the no tax-rate increase bond proposal:

EXHIBIT A

ARMADA AREA SCHOOLS BOND PROPOSAL

Shall Armada Area Schools, Macomb and St. Clair Counties, Michigan, borrow the sum of not to exceed Twenty-Six Million Five Hundred Thousand Dollars (\$26,500,000) and issue its general obligation unlimited tax bonds therefor for the purpose of:

erecting, furnishing and equipping additions to school buildings; remodeling, furnishing and refurnishing and equipping and re-equipping school buildings; purchasing school buses; and erecting, preparing, developing, improving and equipping structures, athletic fields and facilities and sites?

The following is for informational purposes only:

The estimated millage that will be levied for the proposed bonds in 2023, under current law, is 0 mill (\$0.00 on each \$1,000 of taxable valuation). The maximum number of years the bonds may be outstanding, exclusive of any refunding, is twenty-five (25) years. The estimated simple average annual millage anticipated to be required to retire this bond debt is 1.67 mills (\$1.67 on each \$1,000 of taxable valuation).

The school district expects to borrow from the State School Bond Qualification and Loan Program to pay debt service on these bonds. The estimated total principal amount of that borrowing is \$1,764,932 and the estimated total interest to be paid thereon is \$4,160,352. The estimated duration of the millage levy associated with that borrowing is 25 years and the estimated computed millage rate for such levy is 7.00 mills. The estimated computed millage rate may change based on changes in certain circumstances.

The total amount of qualified bonds currently outstanding is \$26,685,000. The total amount of qualified loans currently outstanding is approximately \$6,743,130.

(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.)



A YES vote typically means that a voter supports a ballot proposal. Is that the case in this election?

Yes. Voters who support the Armada Area Schools' Bond proposal and the sinking fund should vote YES; voters who oppose the proposals should vote NO.

What will happen if voters do not approve the bond proposal?

The bond projects cannot be completed as proposed.

About the sinking fund...

What is a sinking fund?

A sinking fund is a pay-as-you-go method of funding upgrades and repairs to schools and school facilities. Sinking funds cannot be used for operating expenses, salaries, benefits, or routine maintenance. In accordance with State law, projects paid for through a sinking fund must be audited annually and reviewed by the Michigan Department of Treasury.

The school district already has a sinking fund. Why isn't the sinking fund proposal a renewal? Armada Area School District residents first approved the sinking fund in 2004 and renewed the sinking fund in 2014. At that time, sinking funds could only be used to purchase real estate for sites and to construct or repair school buildings.

In 2016 the law changed, and now sinking funds can be used for the purchase of school property sites, the construction or repair of school buildings, school security improvements, and the acquisition or upgrading of technology. Due to the change in the law, the Armada Area Schools cannot seek a renewal but must ask voters to approve the sinking fund with language that includes the allowable expense areas. Even though the sinking fund ballot language calls for a .85 mill increase, it is the same amount that residents now pay. The length of the sinking fund proposal is ten years.

What will happen if voters do not approve the sinking fund proposal?

The sinking fund generates approximately \$400,000 annually to complete facility updates and repairs to school facilities. If the sinking fund is not approved, facility updates will become an expense of the school district's operational budget, which is used to support the educational program and other operational costs.



What types of projects have been completed through the sinking fund?

Voters first approved the establishment of a sinking fund in 2004. Voters renewed the sinking fund in 2014. Projects that have been completed using sinking fund revenue include:



Project	Building	Year Completed
Shingled roof	Academy	2012
Replaced student parking lot	Academy	2012
Replaced hot water heater	Academy	2014
Renovated rooms for robotics	Academy	2014
Replaced partitions in bathrooms	Academy	2015
Ceiling removal/installation in Enberg Gym	Academy	2015
Replaced faucets in bathrooms	Academy/Administration	2018
Replaced gym lights	Academy/Administration	2018
Window replacement	Administration	
Replaced power poles for busses	Bus Garage	2014
Replaced heating system in shop at bus garage	Bus Garage	2014
Shingled roof	Bus Garage	2015
Replaced lights in bus garage	Bus Garage	2018
Replaced west gate at bus garage	Bus Garage	2019
Preschool playground	Elementary	2013
Replaced parking lot	Elementary	2015
Office roof top unit replacement	Elementary	2016
Installed soccer field sprinkler system	Elementary	2018
Kitchen hot water heater replacement	Elementary	2018
Vestibule carpet replacement	Elementary	2019
Replaced playground structures	Elementary	2019
Courtyard remodel	Elementary	2019
Replaced exterior entrance lighting	Elementary	2020
Replaced interior entrance lighting	Elementary	2020
Walkway lighting replacement	Elementary	2021
Replaced soccer field bleachers	Elementary	2021
Parking lot lighting replaced	Elementary	2022
Walkway light poles replaced	Elementary	2022
Replaced gym lights	Elementary	2022
Replaced tile in 10 classrooms	Elementary	2022
Stadium lighting at football field	High	2013
Auditorium sound system replacement	High	2013
Built theatre storage area	High	2013
Construction of Black Box Theatre	High	2014
Installed 4 foot fence to enclose spectator area at football field	High	2015
Renovate office and staff bathrooms	High	2015
Replaced baseball field bleachers	High	2016
Replaced gym lights	High	2016
Softball field press box	High	2017
Remodeled high school counseling area	High	2017
Installed football field sprinkler system	High	2018
Replaced condensing unit for server room	High	2018
Replaced exterior entrance lighting	High	2018
Replaced interior entrance lighting	High	2018
Walkway lighting replacement	High	2018
Replace faucets	High	2018
Installed double doors in between two shops	High	2018
Installed 6 foot fence to enclose varsity softball field	High	2019
Replaced ceiling in locker pit areas	High	2019
Replaced interior doors	High	2019
Replaced cooler and freezer	High	2019
Installed new roof on pressbox at football field	High	2020
Repaired teachers parking lot	High	2020
Well replacement	High	2020
Installed shed with concrete at football field	High	2021
Replaced driveway	High	2021
Replaced softball field bleachers	High	2021
Replaced tennis court bleachers	High	2021
Parking lot lighting replaced	High	2022
Installed outfield fence at jv softball field	High	2022
Installed new concrete throwing circle and net (shotput/discuss)	High	2022
Constructed jv softball dugouts	High	2022
Re-surfacing tennis courts	High	as needed
Replaced parking lot	High	2012
Bathroom tile replacement	High	2012
Toilet, urinal, and sink replacement	High	2013
Replaced football field visitor bleachers	High	2016

Continued on next page.



Installed glycol filter systems for heating hot water system	High, Middle, Academy	2022
Replaced gym lights	Middle	2017
Replaced driveway between middle school driveway and transportation	Middle	2018
Replaced 2 unit ventilators	Middle	2019
Replaced condensing unit for server room	Middle	2019
Replaced kitchen make up air unit	Middle	2019
Gym floor repairs	Middle	2020
Installed new backboards in gym	Middle	2022
Built salt building	Middle	2010
Replace bathroom partitions	Middle	2014
Football practice field	Middle	2018
Replaced hot water heater	Middle	2018
Concrete replacement	District	as needed
Catch basin repair/replace	District	as needed
Upgraded HVAC building controls	District	as needed
Drinking fountain replacement	District	as needed
Bleacher repairs	District	as needed
Door hardware replacement	District	as needed
Roof repairs	District	as needed
Tree removal	District	as needed
Boiler and heating system repairs	District	as needed
Tuck pointing	District	as needed
Electrical installation and repairs	District	as needed
Plumbing repairs	District	as needed
Window replacement	District	as needed
Fire system repairs	District	as needed
Gutter replacement	District	as needed
Flagpole lighting replaced	District	
Installed flagpole lighting	District	
Classroom carpet replacement	District	as needed

What is the exact language of the sinking fund proposal?

Here is the exact ballot wording for the sinking fund proposal:

**II.ARMADA AREA SCHOOLS
SINKING FUND MILLAGE PROPOSAL**

Shall the limitation on the amount of taxes which may be assessed against all property in Armada Area Schools, Macomb and St. Clair Counties, Michigan, be increased by and the board of education be authorized to levy not to exceed .85 mill (\$.85 on each \$1,000 of taxable valuation) for a period of 10 years, 2025 to 2034, inclusive, to create 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 2025 is approximately \$500,000?



Information about voting...

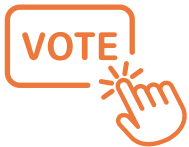


Who can vote in the May 2 election?

Residents of Armada Area Schools who will be 18 years of age or older on Election Day and are registered to vote can vote in this election.

Where can I get information about voting (such as how to register, where to vote, and absentee voting)?

Go to the Michigan Voter Information website (www.michigan.gov/vote) or call your local Clerk's Office.



Do I need to update my voter registration?

You need to update your voter registration if you have changed your name or address since the last time you voted. You can do this at any Secretary of State Office or your local Clerk's Office.



Can I vote by absentee ballot?

Registered voters do not need a reason to vote by absentee ballot. You can request an absentee ballot application from your Clerk's Office or by going online to www.michigan.gov/vote and clicking on Absentee Voting in the left column. Applicants will receive an absentee ballot in the mail.

Absentee ballots will be available to voters after March 23 and can be cast through Election Day.

Absentee ballots will be available to voters after March 23 and can be cast through Election Day.



Where can I get more information about the bond proposal and the sinking fund?

- Go to www.armadaschools.org and click on *School Election Information*
- Call any Armada Area Schools Principal
- Contact Superintendent of Schools Michael Musary at (586) 784-2112 or email him at mmusary@armadaschools.org.



Where can I voice my opinions—pro or con—on the ballot proposals?

Simply scan the QR code below or go to www.research.net/r/ArmadaAreaSchools to complete a brief survey. The online survey is open to all staff and community members and can be accessed 24 hours a day.

