



February 10, 2025

2025 MPS BOND COMMITTEE

Bond Planning Update and Bond Financing Presentation

Mason Public Schools

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
- Community Information
- Bond Committee Formation
- Bond Survey
- Board Committee Meetings
- Recommendations to Board
- Potential Ballot Proposal

- February 2024
- March 2024
- March – April 2024
- March – May 2024
- April – June 2024
- June 18, 2024
- Sept – Oct 2024
- Dec 2024 – Jan 2025
- January 2025
- Feb – June 2025
- June 2025
- November 2025

*



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 mills 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
Undesignated	<u>\$ 9,763,714</u>
Total Funds	\$72,608,812

Independent School Building Assessment 2025

	Square Footage	Year Built	Repair Costs				Replacment Cost
			Critical 1-3 years	Near Term 4-6 Years	Long Term 7-9 Years	Total	
Alaiedon Elementary	59000		\$ 1,155,528	\$ 722,940	\$ 1,957,623	\$ 3,836,091	
Harvey Educational Center	55000		\$ 146,232	\$ 3,253,970	\$ 15,055,486	\$ 18,455,688	
North Aurelius Elementary	60900		\$ 943,527	\$ 418,631	\$ 1,676,330	\$ 3,038,488	
Steele Street Elementary	41900		\$ 324,051	\$ 644,807	\$ 859,004	\$ 1,827,862	
Mason Middle School	131239	1969	\$ 13,565,168	\$ 5,241,192	\$ 10,106,830	\$ 28,913,190	\$ 82,146,148
Mason High School	220433	1959	\$ 11,383,455	\$ 3,416,488	\$ 15,486,038	\$ 30,285,981	\$ 142,618,393
Total	568472		\$ 27,517,961	\$ 13,698,028	\$ 45,141,311	\$ 86,357,300	\$ 224,764,541

General Funds – Prop A

State Funds

- **State Taxes**
 - » “Sales” and “Use” Taxes
 - » Income Tax
 - » State Education Tax
 - » Tobacco Tax
 - » Real Estate Transfer Tax
 - » Liquor Tax
 - » Other Tax-Related Revenues
- **State Taxes**
 - » Mostly funded by individual and corporate taxes
- **Lottery Profits**
- **State Educational Fund (6 Mils)**

Federal Funds

- **Mostly Dedicated Grant Money**

Local Funds

- **Non-Homestead Property Taxes (18 mils)**

RESOLUTION FOR ADOPTION BY THE BOARD OF EDUCATION
OF MASON PUBLIC SCHOOLS

RESOLVED, that this resolution shall be the general appropriations act of the Mason Public Schools for the fiscal year ending June 30, 2024. AN ACT to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all income received by the Mason Public Schools. BE IT FURTHER RESOLVED, that the total revenues and expenses estimated to be available for appropriations in the general fund of the Mason Public Schools for the fiscal year ending June 30, 2024 will be as follows:

Revenue	
Local Taxes*	\$ 5,188,775
State	35,475,225
Federal	2,202,297
Incoming Transfers and Other Transactions	<u>3,067,588</u>
Total Revenue and Other Transactions	<u>\$45,933,885</u>

BE IT FURTHER RESOLVED, that \$46,323,925 is hereby appropriated from the General Fund for the amounts and purposes set forth below:

Instruction	
Basic Programs (111-119)	\$22,352,475
Added Needs (122-127)	4,968,487
Support services	
Pupil Service (212-219)	3,821,233
Instructional Staff (221-227)	2,612,806
General administration (231/232/282/283)	1,184,569
School administration (241/249)	2,453,836
Business Services (252/259)	633,151
Operations & Maintenance (261/266)	3,488,203
Transportation (271)	1,816,032
Technology (284)	941,103
Athletics (293)	891,423
Community services (3XX)	799,002
Other Transactions (4XX-6XX)	<u>431,079</u>
Total expenditures and Other Financing Uses	<u>46,393,399</u>
Revenue over (under) expenditures	(\$459,514)
Fund Balance - June 30, 2023 (estimated)	<u>\$ 7,440,491</u>
Fund Balance - June 30, 2024 (projected)	<u>\$ 6,980,977</u>

* Local Taxes include a 17.9748 mill non-homestead levy

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. A sinking fund addresses infrastructure maintenance without incurring interest on loans or bonds.
- ❑ MPS currently has a sinking fund and generates approximately ~\$850,000 per year. The current sinking fund expires in 2026.

Bond Fund

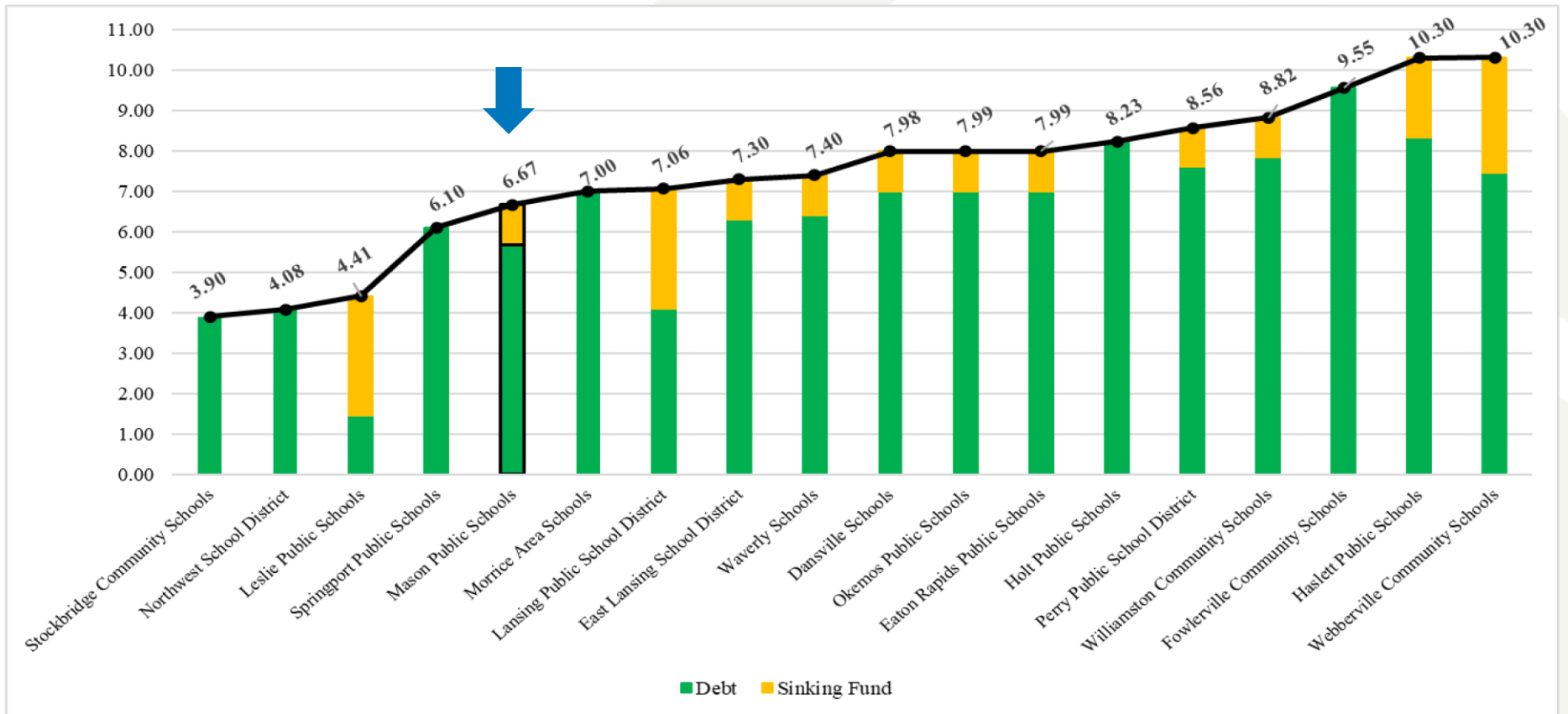
- ❑ A bond is a form of borrowing, and taxpayers must pay back the borrowed funds over a period of years with interest.
- ❑ MPS has successfully passed bond proposals to address its
 - 2004 - \$11,400,000 (focus on High School, athletics (pool, lockers) and sites)
 - 2017 - \$69,700,000 (focused on Elementary expansions/renovations)

Ingham County Property Tax - 2024

Mason School District		Other School Districts			
			Low	High	Avg
Mason City	71.5267	Holt	68.5491	83.0678	75.8085
Delhi Twp	66.9584	East Lansing	67.6825	82.1334	74.9080
Wheatfield Twp	59.4585	Waverly	66.0073	80.4582	73.2328
Onondaga Twp	57.1909	Lansing	65.6010	80.0519	72.8265
Leslie Twp	57.1765	Okemos	57.4647	82.8228	70.1438
Aurelius Twp	56.6076	Haslett	63.1166	76.7168	69.9167
Vevay Twp	56.2772	Webberville	61.5398	76.1666	68.8532
Ingham Twp	56.2467	Williamston	57.2330	74.4797	65.8564
Alaiedon Twp	56.1190	Mason	56.1190	71.5267	63.8229
		Stockbridge	54.3293	70.4921	62.4107
		Leslie	54.8421	69.5532	62.1977
		Dansville	57.6164	65.7593	61.6879
		Eaton Rapids	52.4592	62.8100	57.6346
		Fowlerville	53.7258	58.8626	56.2942

Bond Financing Presentation

Comparative Area Capital Millage Rates

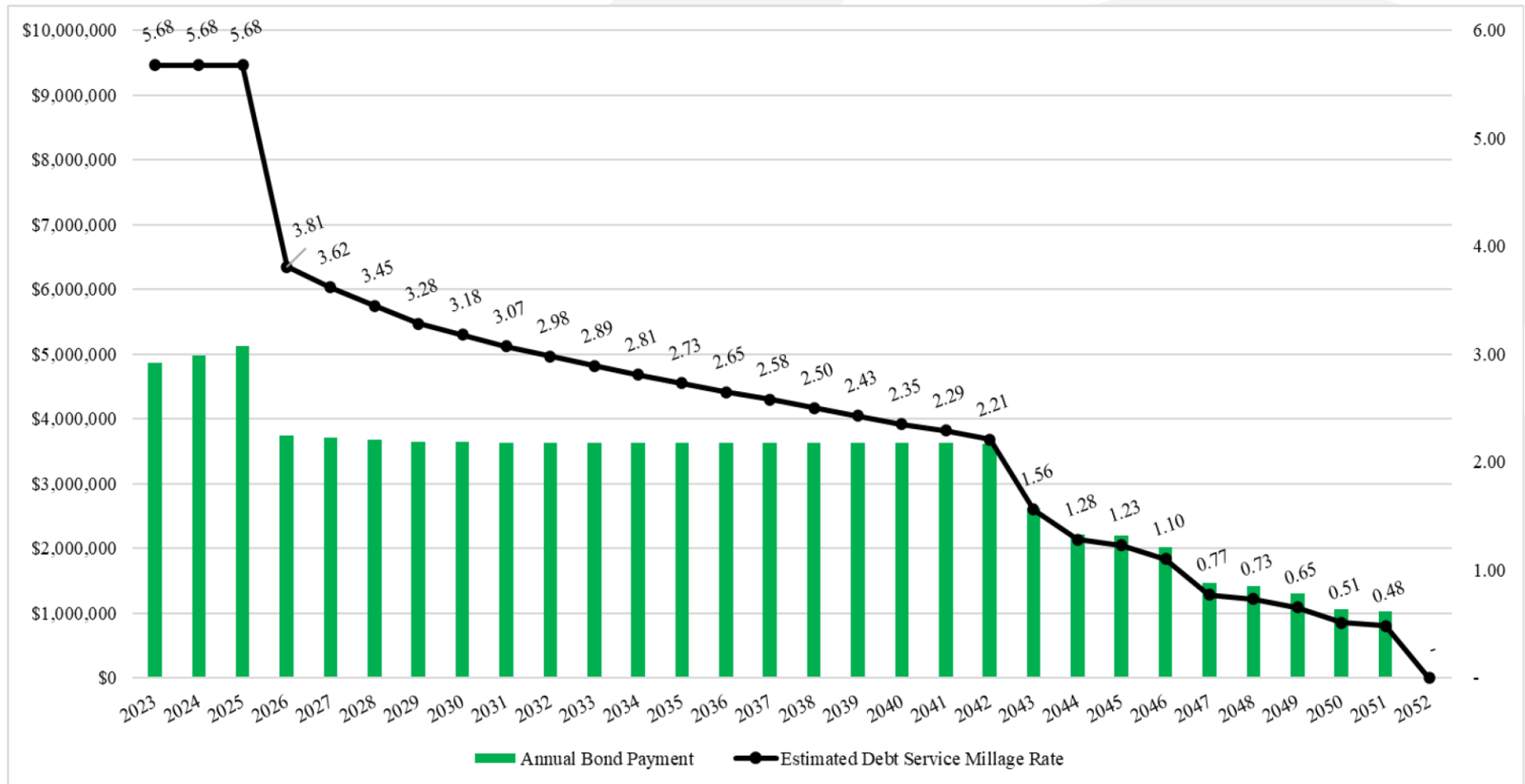


Per Michigan Department of Treasury website as of 6/12/25.



Bond Financing

Estimated Existing Bond Millage Rate



Assumes taxable value growth of 3.00% – 4.25%.



Bond Financing

Voted Bonds Capital Planning Illustrations

I. Debt Service Millage Rate	Option 1 - 1.82 Mill Increase	Option 2 - 1.32 Mill Increase	Option 3 - 0.00 Mill Increase
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	<u>1.82</u>	<u>1.32</u>	<u>-</u>
Annual difference \$100,000 market value \$50,000 taxable value property	<u>\$91.00</u>	<u>\$66.00</u>	<u>\$0.00</u>
Per Month	\$7.58	\$5.50	\$0.00

II. Proposal Summary

Bonds - Series I	2026	2026	2026
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	<u>\$10,000,000</u>	<u>\$10,000,000</u>	<u>\$10,000,000</u>
Bonds - Series II	2028	2028	2028
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	<u>\$37,450,000</u>	<u>\$37,450,000</u>	<u>\$37,450,000</u>
Bonds - Series III	2030	2030	2030
Construction deposit	\$70,920,292	\$56,055,238	\$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	<u>\$70,550,000</u>	<u>\$55,800,000</u>	<u>\$16,050,000</u>
Total Proposal	Total	Total	Total
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	<u>\$118,000,000</u>	<u>\$103,250,000</u>	<u>\$63,500,000</u>

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

Middle School Considerations

Existing Middle School Summary

- Age of Building / Year Built (55) years, Built in 1969
- Square Footage 131,239 sf
- Property Size 23.26 acres
- Current Enrollment 748 students

Potential Options Considered

Potential Options Examples

- | | |
|---|------------------------------------|
| <input type="checkbox"/> Renovation of Existing Building | 131,239 x \$200sf = \$26.2M |
| <input type="checkbox"/> Renovation w/ Building Additions | 131,239 x \$300sf = \$39.4M |
| <input type="checkbox"/> New Middle School | 131,239 x \$450sf = \$59.1M |

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

High School Considerations

Existing High School Summary

- Age of Building / Year Built (65) years, Built in 1959
- Square Footage 220,433 sf
- Property Size 47.96 acres
- 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 = **\$33.1M**
- 220,433 x \$175sf = **\$38.1M**
- 220,433 x \$200sf = **\$44.1M**

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

Zero Mil increase is anticipated to yield approximately a \$65M program depending on future taxable values and projections evaluated by Baker Tilly. For conversation purposes (2) options / considerations were developed.

Option #01 (Renovated Middle School / Major Additions – Transportation Garage)

Renovation of Middle School (High Range)	65,500sf x \$200sf	~\$13M
Major Additions Middle School	65,500sf x \$450sf	~\$30M
New Transportation Garage		~\$ 8M
Technology. Furniture-Fixtures-Equipment, Soft Costs		~\$14M
Total Option #01		~\$65M

Option #02 (Renovate Middle School – Misc. High School – Transportation Garage)

Renovation of Middle School (High Range)	131,000sf x \$200sf	~\$26M
Miscellaneous HS Improvements Allowance		~\$17M
New Transportation Garage		~\$ 8M
Technology. Furniture-Fixtures-Equipment, Soft Costs		~\$14M
Total Option #02		~\$65M

1.32 Mil increase is anticipated to yield approximately a \$100M program depending on future taxable values and projections evaluated by Baker Tilly. For conversation purposes (2) options / considerations were developed.

Option #01 (New Middle School – HS Performing Arts-Turf – Transportation Garage)

New Middle School	131,000sf x \$450sf	~\$59M
High School Performing Arts Renovation		~\$10M
New Stadium Football Turf		~\$ 2M
New Transportation Garage		~\$ 8M
Technology. Furniture-Fixtures-Equipment, Soft Costs		~\$21M
Total Option #01		~\$100M

Option #02 (Renovated MS / Additions – Partial HS, Performing Arts, Turf, Transportation Garage)

Renovation of Middle School (High Range)	65,000sf x \$200sf	~\$13M
Major Additions Middle School	65,000sf x \$450sf	~\$29M
Partial High School Renovation (High Range)	85,000sf x \$200sf	~\$17M
High School Performing Arts Renovation		~\$10M
New Football Stadium Turf		~\$ 2M
New Transportation Garage		~\$ 8M
Technology. Furniture-Fixtures-Equipment, Soft Costs		~\$21M
Total Option #02		~\$100M