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# MAPS may seek sinking bond millage

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MANISTEE — The Manistee Area Public Schools Board of Education has been regrouping since a \$14 million bond was shot down by voters in August.

In the meantime, the roof on Kennedy Elementary School is still leaking and the old adjacent high school is still a danger and eyesore.

The solution? At its regular meeting Jan. 11, the board and superintendent John Chandler discussed a different method of funding building repairs: a sinking fund millage.

"It's no secret that we had a bond election in August that was soundly defeated, but our needs have not gone away," Chandler said. "They are way beyond what is possible to address with our general fund."

The bond would have implemented a 1.62 millage increase and raised enough money for projects besides



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the the roof and old school. "(It) was a lot for voters to grasp and understand," Chandler said.

Now, those two proj-

ects — which Chandler and the board identified as the most crucial — could be singled out for voters with a sinking fund mill-

age, which is similar to a bond, but does have differences.

Instead of getting all the money up front, if vot-

ers passed a sinking fund millage, the district would receive the money in increments.

"What we could do with this, we could take it in smaller chunks," Chandler said, "and show the public that we're good stewards with the money."

Sinking funds are also for shorter periods of time, generally about five years. Chandler explained that you levy a certain millage then apply that to the property tax values. Whatever that is, that's what the district would collect every year and to spend on repair projects.

Examples of this are projects involving roofs, boilers, flooring, windows

and energy efficiency projects.

Like a bond, it could never be used for any employee costs.

"We came up with, for a starting point of discussion, .9 mills in a sinking fund for five years," Chandler said. "That would generate a little under \$2.3 million over the five years. There is a way we can get an advance on some of that money to be able to do a bigger project like the middle school roof or tear down the old high school. Some of the money we would get in a lump sum up front and the rest we'd get over the course of five years."

Even though the \$2.6 million one mill would generate would barely make a dent in the \$14 million needed for repairs, it may be the district's only option.

MAPS business manager, Howard Vaas, said if the bigger projects are done with borrowed money, funds from the ensuing years would go to pay it off.

"We would be in a situation ... where we would have to borrow some money, then pledge the sinking fund proceeds to service the debt," he said.

In order to get the millage on the ballot by the next school elections, the board would have to agree on terms and a millage rate and put it to a vote at its next regular meeting on Feb. 8.

Board members hope this can be achieved.

"I don't think anybody would seriously contest that these things need to be done," said trustee Joel Raddatz. "We have needs that are critical and must be addressed."