

Chippewa Valley moves toward bond question



Ron Roberts Photo courtesy of CHIPPEWA VALLEY SCHOOLS

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Chippewa Valley Schools is in the early stages of preparing a new bond issue question to be brought before voters.

On July 16, the Chippewa Valley Schools Board of Education approved an application for preliminary qualification of bonds. As part of the motion, the board also approved submission to the state Department of Treasury.

“Consideration and planning for the 2018 bond issue has been in the process for many months,” Chippewa Valley Schools Superintendent Ron Roberts said. “In order to move forward and call for an election, the district must complete the application for preliminary qualification of bonds and receive approval from the state treasurer.”

Roberts also said district legal counsel, construction managers, architects and financial advisors have met with treasury representatives to review the application.

The board will decide on Aug. 13 if it plans to move ahead with a bond.

“We have done a lot of work preparing for this, and there are so many important things that we are putting forward to the state at this point in time that really deal with student safety,” Roberts said.

In 2017, voters defeated Chippewa Valley’s \$89.9 million, 25-year bond proposal. On July 16, Roberts cited data that the district collected during a recent telephone-conducted town hall, indicating that the community is interested in school safety.

In a separate motion on July 16, the board approved the preliminary School Loan Revolving Fund application resolution.

Chippewa Valley Assistant Superintendent for Business and Operations Scott Sederlund said the district levies 8.64 mills for debt retirement. Sederlund also said that without access to the School Loan Revolving Fund, the district would need to levy additional millage for debt retirement. On July 17, district spokesperson Diane Blain said the motion is an annual one, as the district participates in

the School Bond Loan Fund. The district has been at 8.64 mills since 2014-15. The district's outstanding balance in the School Bond Loan Revolving Fund as of June 30 is \$63.6 million, according to Sederlund.

After the meeting, Sederlund said state and treasury department approvals are necessary before the board can finally approve the matter on Aug. 13. Sederlund also said that the July 16 motion was completely separate from whether or not the district chooses to have a bond issue in August.

The School Bond Loan Fund program was created as a revolving fund to provide schools with a chance to borrow money without using other financial institutions. Districts receive money from the fund for projects and repay the loans into the fund over time. Districts can also borrow more by extending their obligations, which eliminated the need to increase the debt retirement millage rates for taxpayers.

A 2012 state law changed the terms of how schools repay loans secured through the state-financed School Bond Loan Fund. Those that participate in the program must recalculate their millage rates annually to ensure schools generate enough money to meet the new financial obligations in a timely way. State officials indicated that schools should repay loans within a 30-year time frame, even if millage rates increased. In 2012, School Bond Qualification and Loan Program information showed that Chippewa Valley carried a debt of \$143.1 million.