

# VOTE - TUESDAY, MAY 5

# SINKING FUND

# RENEWAL

# INFORMATION

## WHAT IS A SINKING FUND?

A sinking fund is a savings account into which a local school district can deposit voter approved local millage revenue in order to pay cash for projects or repairs as they arise rather than having to borrow through short-term notes or long-term bonds. Sinking funds provide districts with a cost-effective alternative to borrowing or bonding for some expenditures because they require none of the associated interest costs or legal fees. A school district that levies a sinking fund tax shall have an independent audit of its sinking fund conducted annually.

**Currently** under statute, the board of a school district may, with voter approval, levy a property tax (millage) in the school district each year under the following conditions:

**Millage and Duration:** A sinking fund may be authorized up to a maximum of 3 mills for a period not to exceed 10 years.

**Allowable Use:** A sinking fund may be used for the purchase of real estate for school construction and for the construction and repair (but not maintenance) of school buildings, for school security improvements, or for the acquisition or upgrading of technology.

What is a "mill"?

1.6 mills would generate approximately \$490,000 each year for 5 years. Here's how it would look:

Value of Home	Taxable Value	Annual Cost
\$ 75,000	\$ 37,500	\$ 60.00
\$ 100,000	\$ 50,000	\$ 80.00
\$ 150,000	\$ 75,000	\$ 120.00



**Hopkins Public Schools** will be asking voters to consider renewing a sinking fund of 1.6 mills for a period of 10 years in the May election. The sinking fund will allow the district to improve its facilities by addressing the following needs:

- Asphalt Repair/Replacement
- Roof Repair/Replacement
- Mechanical Unit Replacement
- Athletic Field Refurbishment
- Interior & Exterior Lighting
- Safety and Security Improvements
- Classroom Restructuring/Enhancements

## INFORMATIONAL

## MEETING

## MARCH 23 6:30PM

## HHS CAFETERIA