

MONTAGUE AREA PUBLIC SCHOOLS
BONDING PROPOSAL

Shall Montague Area Public Schools, Muskegon and Oceana Counties, Michigan, borrow the sum of not to exceed Twelve Million Seven Hundred Thirty Thousand Dollars (\$12,730,000) and issue its general obligation unlimited tax bonds therefor, in one or more series, for the purpose of:

erecting, furnishing and equipping an addition to the high school building; remodeling, furnishing and refurbishing, and equipping and re-equipping school buildings; acquiring, installing, equipping and re-equipping the high school building for instructional technology; erecting, furnishing and equipping an agricultural barn and a soccer field storage structure; purchasing school buses; and preparing, developing and improving 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 1.08 mills (\$1.08 on each \$1,000 of taxable valuation) for a -0- mill net increase over the prior year's levy. The maximum number of years the bonds of any series may be outstanding, exclusive of any refunding, is twenty-four (24) years. The estimated simple average annual millage anticipated to be required to retire this bond debt is 1.96 mills (\$1.96 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 \$801,327 and the estimated total interest to be paid thereon is \$2,626,577. The estimated duration of the millage levy associated with that borrowing is 15 years and the estimated computed millage rate for such levy is 7.80 mills. The estimated computed millage rate may change based on changes in certain circumstances.

The total amount of qualified bonds currently outstanding is \$33,180,000. The total amount of qualified loans currently outstanding is approximately \$7,377,204.

(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.)