

MONTABELLA COMMUNITY SCHOOLS
BONDING PROPOSAL

Shall Montabella Community Schools, Montcalm, Isabella and Mecosta Counties, Michigan, borrow the sum of not to exceed One Million Five Hundred Fifty Thousand Dollars (\$1,550,000) and issue its general obligation unlimited tax bonds therefor, for the purpose of:

constructing and improving athletic facilities and purchasing equipment and buses?

The following is for informational purposes only:

The estimated millage that will be levied for the proposed bonds in 2010, under current law, is .33 mill (\$0.33 on each \$1,000 of taxable valuation). The maximum number of years the bonds may be outstanding, exclusive of any refunding, is ten (10) years. The estimated simple average annual millage anticipated to be required to retire this bond debt is .81 mill (\$0.81 on each \$1,000 of taxable valuation).

If the school district borrows from the State to pay debt service on the bonds, the school district may be required to continue to levy mills beyond the term of the bonds to repay the State.

(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.)