

Ballot Language for August 7th

I. MATTAWAN CONSOLIDATED SCHOOL BONDING PROPOSAL

Shall Mattawan Consolidated School, Van Buren and Kalamazoo Counties, Michigan, borrow the sum of not to exceed Nineteen Million One Hundred Twenty Thousand Dollars (\$19,120,000) and issue its general obligation unlimited tax bonds therefor, for the purpose of:

partially remodeling, furnishing and refurbishing, and equipping and re-equipping school facilities; acquiring, installing and equipping school facilities with instructional technology; erecting, furnishing and equipping a team room/restroom/concession facility; demolishing the former Early Elementary School building and the Central Administration building; and developing, equipping, and improving a playground and sites?

The following is for informational purposes only:

The estimated millage that will be levied for the proposed bonds in 2018, under current law, is .45 mill (\$0.45 on each \$1,000 of taxable valuation), for a .45 mill net increase over the prior year's levy. The maximum number of years the bonds may be outstanding, exclusive of any refunding, is twenty (20) years. The estimated simple average annual millage anticipated to be required to retire this bond debt is 1.37 mills (\$1.37 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 \$4,622,828 and the estimated total interest to be paid thereon is \$2,941,842. The estimated duration of the millage levy associated with that borrowing is sixteen (16) years

and the estimated computed millage rate for such levy is 7.00 mills. The estimated computed millage rate may change based on changes in certain circumstances.

The total amount of qualified bonds currently outstanding is \$80,110,000. The total amount of qualified loans currently outstanding is \$-0-

(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.)

II. MATTAWAN CONSOLIDATED SCHOOL OPERATING MILLAGE RENEWAL PROPOSAL

This proposal will allow the school district to continue to levy the statutory rate of not to exceed 18 mills on all property, except principal residence and other property exempted by law, required for the school district to receive its full revenue per pupil foundation allowance and renews millage that will expire with the 2018 tax levy.

Shall the currently authorized millage rate limitation of 19.5752 mills (\$19.5752 on each \$1,000 of taxable valuation) on the amount of taxes which may be assessed against all property, except principal residence and other property exempted by law, in Mattawan Consolidated School, Van Buren and Kalamazoo Counties, Michigan, be renewed for a period of 4 years, 2019 to 2022, inclusive, to provide funds for operating purposes; the estimate of the revenue the school district will collect if the millage is approved and 18 mills are levied in 2019 is approximately \$2,136,000 (this is a renewal of millage that will expire with the 2018 tax levy)?

Ballot Issues Explained

There will be two separate ballot issues for voters to decide on for Mattawan Consolidated Schools on August 7, 2018.

The first ballot is the request for bond funds in the amount of \$19,120,000 which is an increase of approximately .45 mills. For a home with a market value of \$100,000 and taxable value of \$50,000, the annual estimated increase would be \$22.50 per year or \$1.88 per month.

The second ballot is the renewal

of the non-homestead millage which is for operating funds for the District and has no cost to homeowners. Districts are required to obtain voter approval for non-homestead millage renewals. If this millage is not renewed, the District would have to continue to go back to the voters until approved. If this millage fails a second time, cuts would have to be made for the approximate \$2 million in lost funding to the District.

Bond Proposal Information

\$19,120,000
.45 Mill Increase
Vote August 7, 2018

Proposal includes the following:

- Enhancing district wide school safety
- Improving district technology and replacing outdated devices
- Renovation of a portion of the vacant Later Elementary building for an Early Childhood Education Center, administrative offices, and community spaces
- Demolition of Early Elementary and Center Building for green space, future growth, and/or parking needs
- Replacement of Middle School and High School roofs which are out of warranty
- Improvement of roads serving the Middle School and High School portion of campus
- Addition of a building for team locker rooms and public restrooms near the softball, baseball, and football fields to eliminate the need for public porta-potties and teams utilizing portable classrooms as locker spaces for sporting events

For a home with a market value of \$100,000 and taxable value of \$50,000, the annual estimated increase would be \$22.50 per year or \$1.88 per month.

TAX IMPACT

\$19,120,000 Million | 0.45 Mill Net Increase

Market Value	Taxable Value	Annual Increase	Monthly Increase
\$100,000	\$50,000	\$22.50	\$1.88
\$140,000	\$70,000	\$31.50	\$2.63
\$170,000	\$85,000	\$38.25	\$3.19
\$200,000	\$100,000	\$45.00	\$3.75
\$150,000	\$125,000	\$56.25	\$4.69
\$300,000	\$150,000	\$67.50	\$5.63
\$400,000	\$200,000	\$90.00	\$7.50

Formula: Taxable Value ÷ 1000 × 0.45 = Annual Increase

Mattawan Consolidated School 2018 Operating Millage Renewal Information

When Michigan voters approved Proposal A in 1994, they changed the way our public schools receive their funding. Primarily, the funding now comes from an increased sales tax with less reliance on property taxes. The levy on homes and agricultural property was reduced to 6 mills. The levy on business and vacation homes was reduced to 24 mills.

Because of the Headlee Amendment, the State of Michigan can levy only six mills on all State property. That means local school districts are required to seek the additional 18 mills on businesses and vacation properties. The 18 mills represents the difference between the 24 mills allowed by Proposal A and the 6 mills the State levies.

The foundation grant funding from Proposal A assumes that a school district levies 18 mills. If a school district does not levy 18 mills, it does not get full per pupil funding from the State.

The second proposal on the ballot for Mattawan Consolidated School voters at the election on August 7, 2018 is the four year renewal of the 19.5752 mills, which is presently being levied on certain businesses and other non-homestead property. This renewal millage does not affect the property taxes home owners pay on their own residence or property tax on most agricultural property.

Public school districts use this millage as part of their budget for operations. For Mattawan, this millage represents approximately \$2 million each year or 6 percent of it's budget.

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The following questions are some commonly asked questions about this millage.

What will the millage renewal cost homeowners?

Nothing. The 18 mills Non-Homestead Millage Renewal only applies to local business, industrial and commercial property or property that is not the owner's primary residence (the home in which you live). There is no impact on homeowners.

Will this increase taxes on Non-Homestead properties?

No. This is a renewal, not an increase, so businesses will keep paying the same millage rate they are currently paying (18 mills).

What does Non-Homestead mean?

Non-Homestead properties

represent business, industrial, commercial and some agricultural property and second homes. It does not include a family's primary residence.

Why do we have to have a millage election?

The Non-Homestead millage is required by Proposal A (the State's school funding structure), in order for Mattawan Consolidated Schools to receive it's full per pupil foundation allowance from the State. The law requires that the 18 mills on Non-Homestead property cannot be levied unless it is approved by voters in an election. Our voters last approved the operating millage in 2014.

What is the Headlee Rollback?

Mattawan Consolidated School's Non-Homestead millage was permanently reduced (or rolled back) as of 2016. A Headlee Rollback occurs when local units of government (including schools) are required by law to reduce or rollback the millage rate when growth on existing property is greater than the rate of inflation. As a result of a Headlee Rollback, school districts collect less revenue than is allowable under Proposal A.

Why are voters being asked to renew 19.5752 mills, when the maximum Non-Homestead levy law is 18 mills?

Beginning in 2016, the school district's operating millage rate was reduced below 18 mills through a Headlee Rollback. To restore the full operational dol-

lars authorized by the State under Proposal A, Mattawan's voters approved additional mills in 2016 to ensure full funding from the State.

Although the District is seeking renewal of 19.5752 mills (18 mills + 1.5752 mills) the district will only levy the maximum allowable 18 mills that is legally authorized to be levied in any given year. The balance of the 1.5752 mills would be approved and available in the event of future Headlee Rollbacks.

What happens if the proposal fails?

Because a portion of the District's operating budget comes from this millage, we would have to make cuts in programming for students to offset the funding loss.

Can the District use bond money to cover the loss in revenue if the millage is not approved?

No. These funds are restricted by law to building and site projects and cannot be used for general fund expenditures such as staffing, classroom supplies, or to operate our school buildings.

If I have questions, where can I get additional information?

If you have additional questions, please call the Central Office at 269-668-3361 or email either Robin Buchler, Superintendent, at rbuchler@mattawanschools.org or Brenda Graham, Director of Finance, at bgraham@mattawanschools.org.