

May 28, 2013

Dear Community Member,



In 2007, Allendale voters approved utilizing the School Bond Loan Fund, (a program created by the Michigan Legislature to assist school districts in bonding for new facilities) to construct new school buildings in order to accommodate our growing population of students. Your generosity allowed the district to provide facilities that serve our diverse student needs, and many community groups as well.

You may recall last February, Allendale Public Schools notified our community members through the district newsletter that the Michigan Legislature recently passed reforms to the School Bond Loan Fund (SBLF) and that this would have an effect on our schools.

The new legislation passed in December 2012 obligates school districts to annually review their outstanding debt beginning in the fall of 2013 and levy a millage to ensure that the bond debt will be paid within a newly appointed 30-year period.

Due to an economic recession and the new legislation, the Allendale Board of Education will levy a higher millage rate beginning in the summer of 2013. Following the recommendation of the state, we are implementing the increase prior to the 2014 tax levy in order to lessen the impact of future millage recalculations.

With this new millage rate, a homeowner with a Taxable Value of \$100,000 on his/her home may see an increase of \$200 (or \$16.67 per month) for the next tax assessment.

We have assembled some frequently asked questions to assist you in understanding the upcoming changes. They are included with this letter as well as posted on the district website. If you have any additional questions, please contact Scott Powers, APS Chief Financial Officer at 892-5572.

Sincerely,

Allendale Board of Education

Scott MacDonald, President; Meegan Zickus, Vice-President; Sheryl Pineiro, Secretary; Ron Brouwer, Treasurer, and Trustees Christopher Breen, Jennifer Coffey, and Jim Crawley

Dr. Daniel Jonker, Superintendent
Scott Powers, Chief Financial Officer

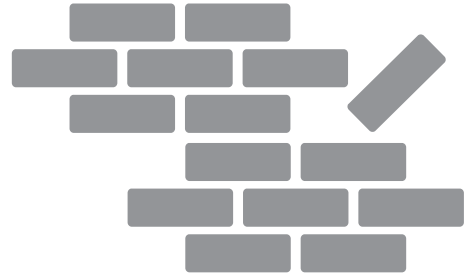
School Bond Loan Fund

Frequently Asked Questions

1

What is the School Bond Loan Fund?

The School Bond Loan Fund was created by the Michigan Legislature to assist school districts in bonding for construction of new facilities. The intent of the fund was to use the borrowing power of the State of Michigan to provide bonds at a reasonable and stable interest rate for those districts that lacked large industrial or commercial ventures.



Does the School Bond Loan Fund affect the General Operating Budget of the District?

No, the School Bond Loan Fund is a separate debt fund that the District uses to borrow and repay bonds for construction projects.

2

How did Allendale Public Schools use the borrowed funds?

The 2007 bond built the following facilities in Allendale:

- Oakwood Intermediate School
- Allendale Middle School
- Middle School athletic fields
- Middle School concession building
- The funds also remodeled the Allendale High School science rooms and office.

3

Why did the Michigan Legislature update the School Bond Loan Fund Act?

The SBLF was designed to be self-sustaining and repaid through taxing home/business property values. As property values declined starting in 2008/2009, the financial obligation to the state increased. The state needed a more stable way to collect on their loans in a more timely fashion.

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Could Allendale's Board of Education have prevented this tax increase?

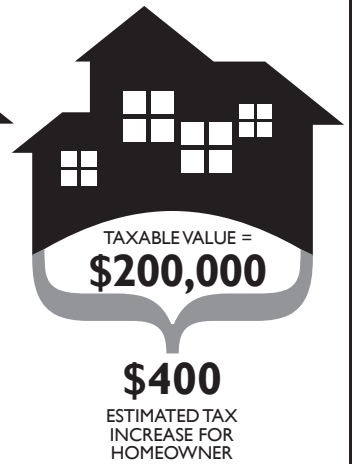
No, this change was mandated by the legislature. Allendale has consistently abided by the rules of the SBLF, and will continue to abide. By levying taxes one year earlier than mandated, APS hopes to lessen the tax burden on our community members over the remaining years.



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What does this mean for Allendale residential and business property taxes?

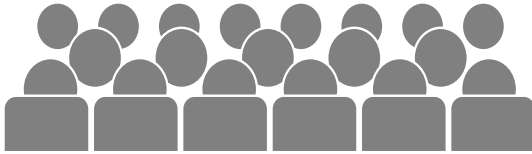
Because of an economic recession and new legislation requiring all schools with an open loan to repay it within 30 years, the Board of Education will levy an estimated 10.59 mills beginning summer of 2013. For a homeowner with a Taxable Value of \$100,000 on his/her home, the estimated increase is \$200 for the coming tax assessment. APS currently levies 8.59 mills for bond repayment. The estimated levy for 2014 is 12.50 mills.



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How can I learn more about this property tax increase?

The Board of Education will hold a "Truth in Taxation" Public Hearing on June 10 at 6 PM in the Board Conference Room at Oakwood Intermediate School to provide further information and answer questions.



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Is there any way to stop this increase?

No, once the Township's residents approve issuing bonds for construction, they are responsible for the repayment of the bond within the 30-year timeframe.

Who can I contact about the SBLF legislation changes?

You can contact your local legislators below and request they work to amend the legislation and reduce the impact on property taxes for both homeowners and businesses.

Rep. Roger Victory
(517)-373-1830
RogerVictory@house.mi.gov

Or

Sen. Arlan Meekhof
P.O. Box 30036
Lansing, MI 48909-7536
Toll Free: (866) 305-2130
Fax: (517) 373-2751
SenAMeekhof@senate.michigan.gov



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