



Alden Hebron CUSD 19

Referendum Financing Options

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SEPTEMBER 19, 2018

- The District's existing bond & interest tax rate is approximately \$0.05
- A taxpayer with a \$150,000 market value home will pay \$21 in property taxes this year for the District's debt service on bonds

- Per statute, referendum bonds may be paid off over a period of up to 20 years
- The District may determine how the annual debt service (principal and interest) payments are structured
- Two common structures are level debt service and level tax rate

- Level debt service
 - Annual debt service payments are level
 - Results in lower total debt service but a higher homeowner impact in the first year
 - Provides the District and taxpayers with a stable debt structure
- Level tax rate
 - Payments are structured to achieve a level bond & interest tax rate each year
 - Annual payments increase each year
 - Total debt service cost is higher, but the initial homeowner impact is lower
 - Structured around assumed future growth in equalized assessed valuation

Description	Opinion of Probable Cost	Level Debt Service		Level B&I Rate	
		Estimated B&I Tax Rate Increase (1)	Estimated Tax Bill Increase for \$150,000 Homeowner (2)	Estimated B&I Tax Rate Increase (1)	Estimated Tax Bill Increase for \$150,000 Homeowner (2)
School Building & Basic Sitework	\$ 16,000,000	\$1.51	\$742.49	\$0.997	\$489.81
Varsity Football, Track & Parking	1,350,000	0.128	62.65	0.084	41.33
Bus Barn	250,000	0.024	11.60	0.016	7.65
Varsity Baseball & Softball	1,200,000	0.113	55.69	0.075	36.74
Varsity Soccer	130,000	0.012	6.03	0.008	3.98
Practice Fields	450,000	0.043	20.88	0.028	13.78
Water & Sewer Extension	1,000,000	0.094	46.41	0.062	30.61
Total Construction Cost	\$ 20,380,000	\$1.925	\$945.75	\$1.270	\$623.89

(1) Rates based upon the "AAA" MMD index for May 22, 2018 and recent bond sales which PMA believes to be accurate and reliable plus 1.00%.

(2) Homeowner impact includes \$6,000 homeowner exemption and assumes \$150,000 home is reassessed at 5% for levy years 2018 and 2019.

Actual tax rates and payments may vary based on EAV growth, State Law changes, property tax rate initiatives and other factors.

		Level Debt Service		Level B&I Rate	
		Estimated B&I Tax Rate Increase (1)	Estimated Tax Bill Increase for \$150,000 Homeowner (2)	Estimated B&I Tax Rate Increase (1)	Estimated Tax Bill Increase for \$150,000 Homeowner (2)
Total Construction Cost	\$ 14,000,000	\$1.320	\$648.32	\$0.863	\$424.12

(1) Rates based upon the "AAA" MMD index for May 22, 2018 and recent bond sales which PMA believes to be accurate and reliable plus 1.00%.
 (2) Homeowner impact includes \$6,000 homeowner exemption and assumes \$150,000 home is reassessed at 5% for levy years 2018 and 2019.
 Actual tax rates and payments may vary based on EAV growth, State Law changes, property tax rate initiatives and other factors.

Ley Year	2017	2018	2019	2020	2021	2022	2023	2024
Collection Year	2018	2019	2020	2021	2022	2023	2024	2025
Fiscal Year Ending 6/30	2019	2020	2021	2022	2023	2024	2025	2026
Direct Debt, Beginning of Period (1)	\$ 415,000	\$ 395,000	\$ 375,000	\$ 350,000	\$ 325,000	\$ 300,000	\$ 270,000	\$ 240,000
Principal Paydown, Series 2001 (2)	(20,000)	(20,000)	(25,000)	(25,000)	(25,000)	(30,000)	(30,000)	(35,000)
Direct Debt, End of Period (1)	<u>\$ 395,000</u>	<u>\$ 375,000</u>	<u>\$ 350,000</u>	<u>\$ 325,000</u>	<u>\$ 300,000</u>	<u>\$ 270,000</u>	<u>\$ 240,000</u>	<u>\$ 205,000</u>
Equalized Assessed Valuation	\$ 81,327,861	\$ 85,394,254	\$ 89,663,967	\$ 94,147,165	\$ 98,854,523	\$ 103,797,250	\$ 108,987,112	\$ 114,436,468
Assumed EAV Increase		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Statutory Debt Limit @ 13.80%	\$ 11,223,245	\$ 11,784,407	\$ 12,373,627	\$ 12,992,309	\$ 13,641,924	\$ 14,324,020	\$ 15,040,221	\$ 15,792,233
Direct Debt, End of Period as % of EAV	0.49%	0.44%	0.39%	0.35%	0.30%	0.26%	0.22%	0.18%
Statutory Debt Margin at End of Period (1)	\$ 10,828,245	\$ 11,409,407	\$ 12,023,627	\$ 12,667,309	\$ 13,341,924	\$ 14,054,020	\$ 14,800,221	\$ 15,587,233

(1) Assumes that the principal due in the current year is paid or that the funds are set aside for payment. Does not include leases.

(2) Principal paid on February 1 of the fiscal year.

- The District's current debt capacity is \$10.8 million

- Upon a successful building bond referendum, the District may lawfully exceed its statutory debt capacity if it secures legislative approval from the General Assembly
- Newly enacted Public Act 100-0503 requires the Board of Education to hold a public hearing prior to the sale of referendum bonds in an amount that exceeds the District's debt capacity
 - The notice of the hearing must include several details regarding the estimated debt structure and impact of the bonds on homeowners



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