



Badger Independent School District #676

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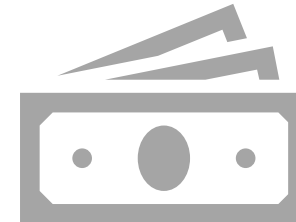
11/04/25 Referendum Successful Q1 + Q2  
Pre-Election Estimates vs. Post-Election Planning

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# Summary of Successful November Election Questions



**Q1 - \$5.34MM G.O. School Building  
Bonds**



**Q2 - \$429 Per APU of New Operating  
Levy Authority**

# Pre-Election vs. Post Election - What has Changed?

## Tax Base

- RMV: Increase of 2.27% from pay 25 to pay 26
- NTC: Increase of 9.54% from pay 25 to pay 26

## Tier One Debt Service Aid

- Do not qualify for Tier 1 Aid in pay 2026
- Safest to assume no future aid for payment structure

## Adjusted Pupil Units

- Decreased to 227.40 in pay 26 vs. 234.80 in pay 25
- Reduced new and existing revenue and impact for V-A operating levy

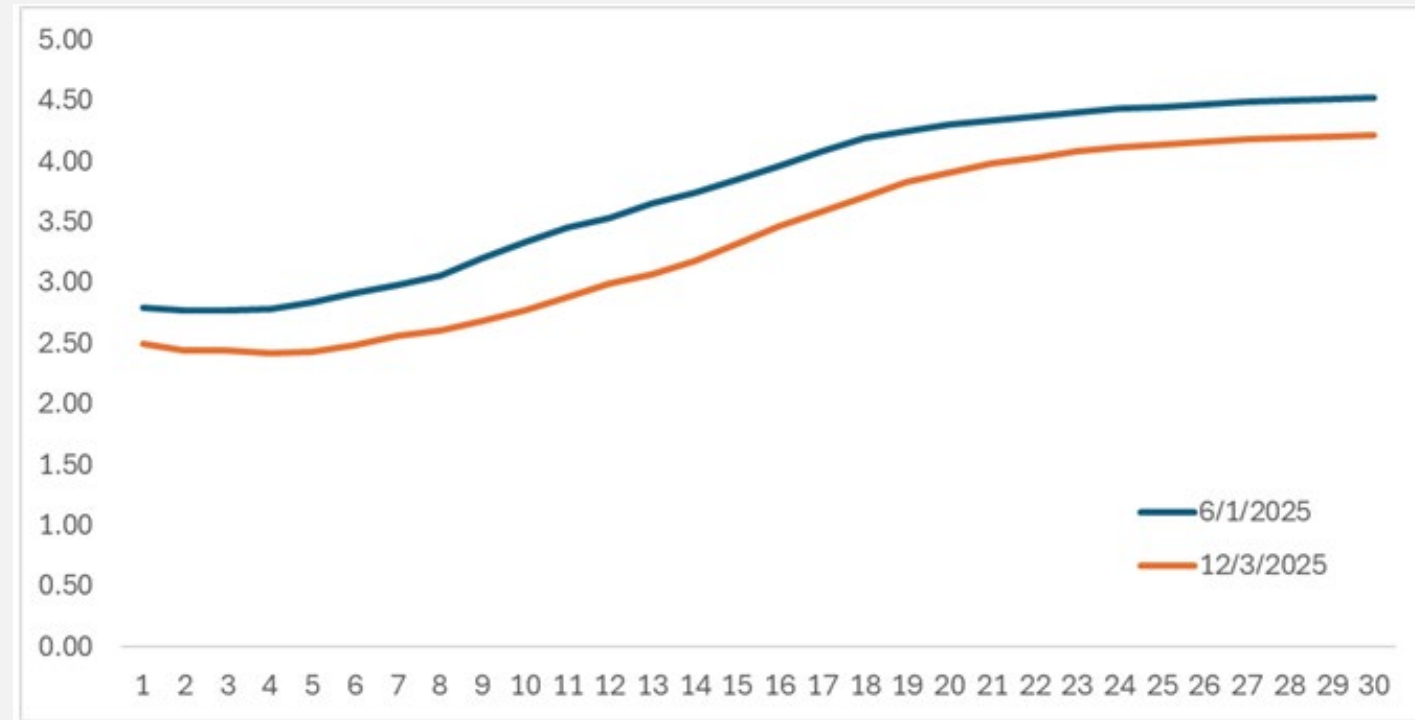
## Pay 26 Proposed Levy Prior to Successful Election

- RMV Levy Decreasing by 11.779%
- NTC Levy Increasing by 20.462%
- Homes and Commercial School Portion of Property Tax decreasing
- Ag. School Portion of Property Tax Increasing

# Bond Market Update – MMD Benchmark Rate

## June 1<sup>st</sup> vs. December 3<sup>rd</sup>

Year	Mty Yr	6/1/2025	12/3/2025	Change
2026	1	2.79	2.50	-29
2027	2	2.77	2.44	-33
2028	3	2.77	2.44	-33
2029	4	2.78	2.42	-36
2030	5	2.84	2.43	-41
2031	6	2.91	2.48	-43
2032	7	2.98	2.56	-42
2033	8	3.06	2.61	-45
2034	9	3.20	2.68	-52
2035	10	3.33	2.77	-56
2036	11	3.45	2.88	-57
2037	12	3.53	2.99	-54
2038	13	3.65	3.07	-58
2039	14	3.74	3.18	-56
2040	15	3.85	3.32	-53
2041	16	3.96	3.46	-50
2042	17	4.08	3.59	-49
2043	18	4.19	3.71	-48
2044	19	4.25	3.83	-42
2045	20	4.30	3.91	-39
2046	21	4.34	3.98	-36
2047	22	4.37	4.03	-34
2048	23	4.40	4.08	-32
2049	24	4.43	4.11	-32
2050	25	4.45	4.14	-31
2051	26	4.47	4.16	-31
2052	27	4.49	4.18	-31
2053	28	4.50	4.19	-31
2054	29	4.51	4.20	-31
2055	30	4.52	4.21	-31



# Pre-Election Q1 Payment Structure

Period Ending	Principal	Coupon	Interest	Debt Service
02/01/2027	130,000	5.000%	261,643.25	391,643.25
02/01/2028	165,000	5.000%	255,143.25	420,143.25
02/01/2029	185,000	5.000%	246,893.25	431,893.25
02/01/2030	190,000	5.000%	237,643.25	427,643.25
02/01/2031	200,000	5.000%	228,143.25	428,143.25
02/01/2032	210,000	5.000%	218,143.25	428,143.25
02/01/2033	220,000	5.000%	207,643.25	427,643.25
02/01/2034	235,000	5.000%	196,643.25	431,643.25
02/01/2035	245,000	5.000%	184,893.25	429,893.25
02/01/2036	255,000	4.875%	172,643.25	427,643.25
02/01/2037	265,000	4.330%	160,212.00	425,212.00
02/01/2038	280,000	4.450%	148,737.50	428,737.50
02/01/2039	290,000	4.540%	136,277.50	426,277.50
02/01/2040	305,000	4.650%	123,111.50	428,111.50
02/01/2041	320,000	4.770%	108,929.00	428,929.00
02/01/2042	335,000	4.900%	93,665.00	428,665.00
02/01/2043	350,000	5.020%	77,250.00	427,250.00
02/01/2044	370,000	5.090%	59,680.00	429,680.00
02/01/2045	385,000	5.150%	40,847.00	425,847.00
02/01/2046	405,000	5.190%	21,019.50	426,019.50
	5,340,000		3,179,161.50	8,519,161.50

***Payment amounts increased in year two and thereafter to account for tier 1 D/S aid being received from the state.***

***Unable to mimic this first-year debt levy amount and maximize dollars available for project (\$21K less to project compared to pre-election).***

# Proposed Post-Election Q1 Payment Structure

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
02/01/2027	140,000	5.000%	267,000	407,000
02/01/2028	145,000	5.000%	260,000	405,000
02/01/2029	180,000	5.000%	252,750	432,750
02/01/2030	190,000	5.000%	243,750	433,750
02/01/2031	200,000	5.000%	234,250	434,250
02/01/2032	210,000	5.000%	224,250	434,250
02/01/2033	220,000	5.000%	213,750	433,750
02/01/2034	230,000	5.000%	202,750	432,750
02/01/2035	240,000	5.000%	191,250	431,250
02/01/2036	255,000	5.000%	179,250	434,250
02/01/2037	265,000	5.000%	166,500	431,500
02/01/2038	280,000	5.000%	153,250	433,250
02/01/2039	290,000	5.000%	139,250	429,250
02/01/2040	305,000	5.000%	124,750	429,750
02/01/2041	320,000	5.000%	109,500	429,500
02/01/2042	340,000	5.000%	93,500	433,500
02/01/2043	355,000	5.000%	76,500	431,500
02/01/2044	375,000	5.000%	58,750	433,750
02/01/2045	390,000	5.000%	40,000	430,000
02/01/2046	410,000	5.000%	20,500	430,500
	5,340,000		3,251,500	8,591,500

*Payment increase in year three and thereafter would be offset by debt excess levy adjustment from 5% over-levy.*

# Potential Post-Election Q1 Sources and Uses of Funds

<b>Sources:</b>		
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Bond Proceeds:		
Par Amount		5,340,000.00
Premium		399,919.30
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		5,739,919.30
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<b>Uses:</b>		
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Project Fund Deposits:		
Project Fund		5,617,164.30
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Delivery Date Expenses:		
Cost of Issuance		56,005.00
Underwriter's Discount		66,750.00
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		122,755.00
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		5,739,919.30
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*Estimated additional project proceeds of \$277K are a result of original issue premium that could be generated from the borrowing.*

# HOW DOES NTC TAX BASE GROWTH IMPACT THE Q1 DEBT LEVY?

Pre-Election		Post-Election	
Q1		Q1	
R&C 105% Levy	411,225	New 105% Levy	427,350
R&C NTC	1,884,610	Prelim Pay 26 NTC	2,064,358
<b>Tax Rate</b>	<b>21.82%</b>	<b>Tax Rate</b>	<b>20.70%</b>
NTC of 165,705 Home	1,341	NTC of 165,705 Home	1,341
Est. Annual Tax Impact	292.61	Est. Annual Tax Impact	277.61
		DIFFERENCE	(15.00)
NTC of \$3K Ag Hmstd	15	NTC of \$3K Ag Hmstd	15
Est. Annual Tax Impact	0.98	Est. Annual Tax Impact	0.93
		DIFFERENCE	(0.05)

*Because of NTC tax base growth, the estimated tax rate from the new debt levy is lower than pre-election even though the debt levy amount is slightly higher.*



# Tax Impact Summary

No Property  
Valuation Change  
Year-Over-Year

SCHOOL PORTION OF PROPERTY TAX PRIOR TO 11/04/2025 REFERENDUM		
Property Type	Hmstd Residential	Ag. Hmstd.
Property Value	165,705	3,000
School Portion of		
Property Tax - 2025	1,403.17	1.53
School Portion of		
Property Tax - 2026	1,242.76	1.68
DIFFERENCE	(160.41)	0.15

SCHOOL PORTION OF PROPERTY TAX WITH Q1 & Q2 FROM 11/04/2025 REFERENDUM		
Property Type	Hmstd Residential	Ag. Hmstd.
Property Value	165,705	3,000
School Portion of		
Property Tax - 2025	1,403.17	1.53
School Portion of		
Property Tax - 2026	1,719.93	2.61
DIFFERENCE	316.76	1.08

PRE-ELECTION ESTIMATES COMPARED TO YEAR- OVER-CHANGE (2025 vs. 2026)		
Property Type	Hmstd Residential	Ag. Hmstd.
Property Value	165,705	3,000
Pre-Election Tax		
Impact Estimate Q1+Q2	527.04	0.98
School Portion of		
Tax Change 2025 vs. 2026	316.76	1.08
DIFFERENCE	(210.28)	0.10

# Tax Impact Summary

## 9% Increase in Property Valuation Year-Over-Year

SCHOOL PORTION OF PROPERTY TAX PRIOR TO 11/04/2025 REFERENDUM		
Property Type	Hmstd Residential	Ag. Hmstd.
Property Value	180,618	3,270
School Portion of		
Property Tax - 2025	1,403.17	1.53
School Portion of		
Property Tax - 2026	1,359.23	1.83
DIFFERENCE	(43.94)	0.30

SCHOOL PORTION OF PROPERTY TAX WITH Q1 & Q2 FROM 11/04/2025 REFERENDUM		
Property Type	Hmstd Residential	Ag. Hmstd.
Property Value	180,618	3,270
School Portion of		
Property Tax - 2025	1,403.17	1.53
School Portion of		
Property Tax - 2026	1,887.90	2.85
DIFFERENCE	484.73	1.32

PRE-ELECTION ESTIMATES COMPARED TO YEAR- OVER-CHANGE (2025 vs. 2026)		
Property Type	Hmstd Residential	Ag. Hmstd.
Property Value	180,618	3,270
Pre-Election Tax		
Impact Estimate Q1+Q2	562.39	0.98
School Portion of		
Tax Change 2025 vs. 2026	484.73	1.32
DIFFERENCE	(77.66)	0.34

# Q1 - Pre-Election vs. Post-Election Estimate

PRE-ELECTION VS. POST-ELECTION ESTIMATE				
	R&C Plan Submittal		Post Election Struc. Estimate	DIFFERENCE
Borrowing Amount	5,340,000.00		5,340,000.00	0.00
Premium	119,756.70		399,919.30	280,162.60
Costs of Issuance / Rounding	119,756.70		122,755.00	2,998.30
<b>Deposit to Project</b>	<b>5,340,000.00</b>		<b>5,617,164.30</b>	277,164.30
Total P&I	8,519,161.50		8,591,500.00	72,338.50
True Interest Cost %	4.789%		4.307%	-0.483%
Dated/Closing Date	2/1/2026		2/1/2026	N/A
Final Maturity	2/1/2046		2/1/2046	N/A

# Next Steps

## December 10<sup>th</sup> – School Board Adopts Parameters Resolution for the Borrowing

- Sets goal for the borrowing
  - Not to exceed borrowing amount of \$5,340,000
  - Not to exceed True Interest Cost of 4.80%
- Authorizes Superintendent and School Board Officer to Sign Bond Purchase Agreement
- Authorizes the bonds to be part of the MN School District Credit Enhancement Program

## Month of December – Provide documents to S&P to secure underlying and MN School District Credit Enhanced credit rating

## Early to Mid-January – Baird brings the bonds to market for pricing

- Interest rates and payment structure locked in
- Bond Purchase Agreement signed

## January Regular Scheduled School Board Meeting: School board adopts Awarding Resolution for the bonds

- Formal school board approval of the financing

## Late January / Early February: Bonds close, district receives bond proceeds

**FURTHER  
THOUGHTS /  
QUESTIONS**