

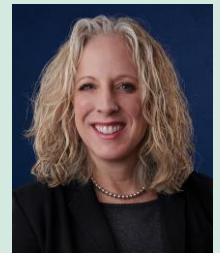


**PMA**<sup>TM</sup>  
SECURITIES



# Non-Referendum Borrowing Discussion

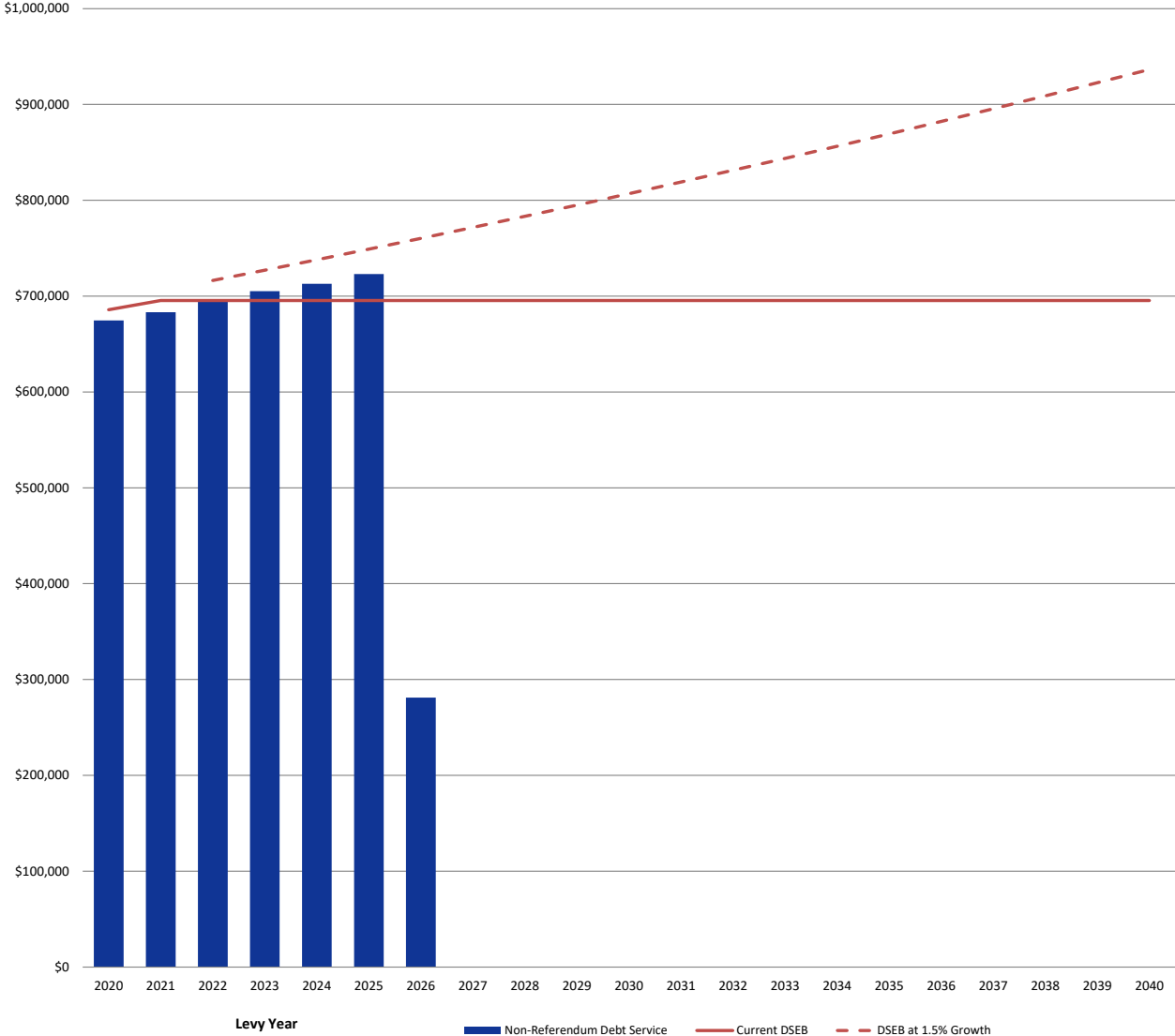
**Tammie Beckwith Schallmo**  
Senior Vice President, Managing Director  
PMA Securities, LLC



July 20, 2021

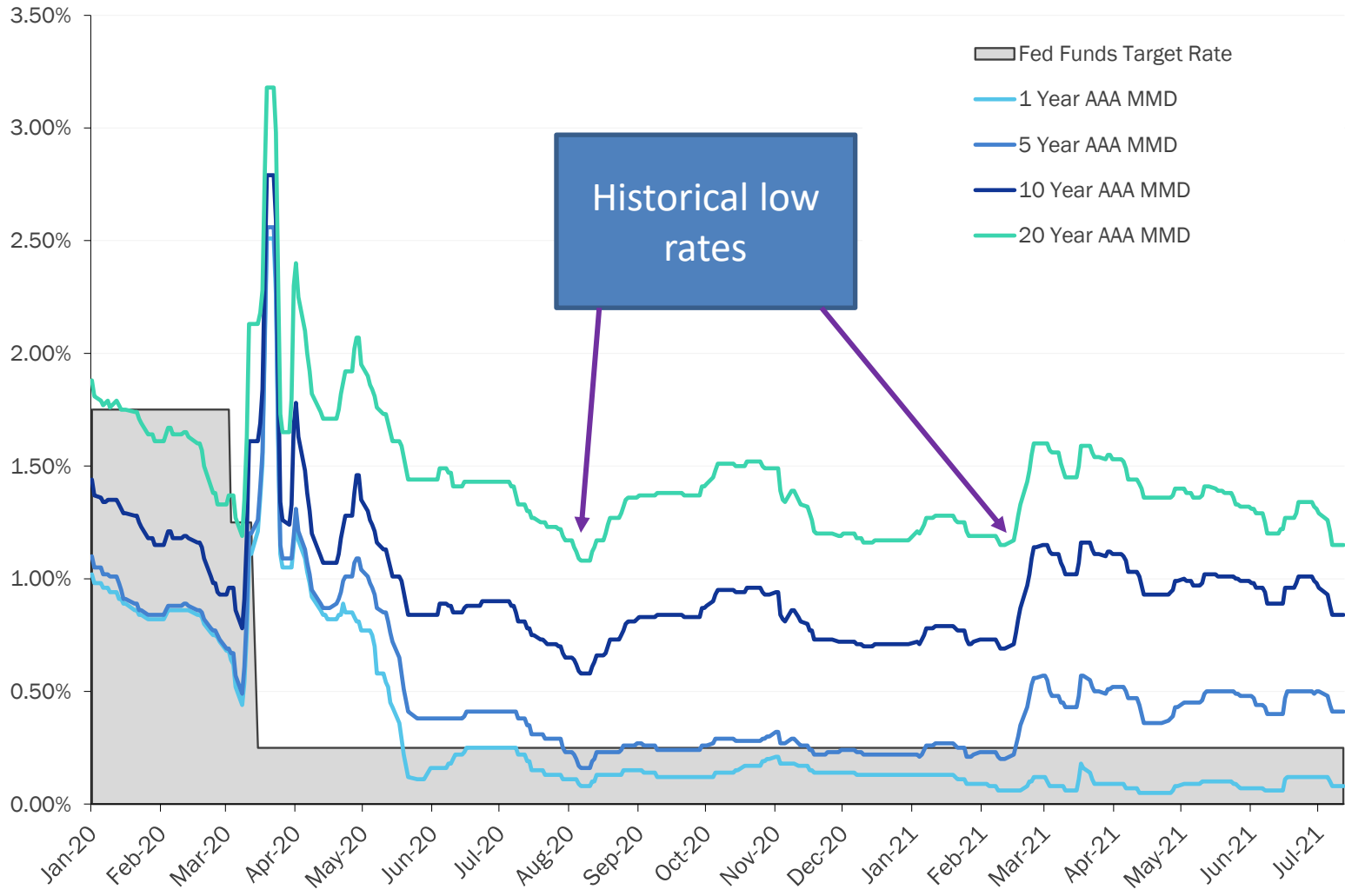


# Existing Debt Service on Bonds





# Historical Tax-Exempt Interest Rates Since January 1, 2020



\*The Municipal Market Data "MMD" is a AAA municipal bond market index produced by TM3. As of July 13, 2021.

# \$1.3 Million Working Cash Bond Proceeds in 2021 with ~\$150,000 Taxable Restructuring of 2015 Bonds

Levy Year	Fiscal Year	Prior Bonds Debt Service	\$3,090,000 Taxable GO Limited School Bonds, Series 2012	Taxable GO Limited Tax Bonds, Series 2015	Proposed 2021 Taxable Restructuring of Series 2015 Bonds (2) [Est. Change in D/S]	Proposed \$1,300,000 GO Limited Tax School Bonds, Series 2021 (2)	Total	Non Referendum Debt Service Extension Base Created W/1994 Levy (1)	Remaining Margin (1)	Approximately 1% County Loss/Cost Debt Service	EAV	Growth Rate	B&I Tax Rate
2018	2020	\$ -	\$ 517,640	\$ 137,528	\$ -	\$ -	\$ 656,068	\$ 667,926	\$ 2,858	\$ 661,618	\$ 289,977,168	7.17%	0.2282
2019	2021	-	523,475	137,528	-	-	661,003	670,427	9,424	667,613	292,473,928	0.86%	0.2283
2020	2022	-	57,063	617,528	-	-	674,590	685,846	11,256	681,336	302,684,820	3.49%	0.2251
2021	2023	-	-	683,128	(41,311)	53,063	694,879	695,448	569	701,828	308,738,516	2.00%	0.2273
2022	2024	-	-	695,208	(25,685)	42,450	711,973	716,312	4,339	719,092	314,913,287	2.00%	0.2283
2023	2025	-	-	705,148	(24,835)	42,450	722,763	727,056	4,294	729,990	321,211,552	2.00%	0.2273
2024	2026	-	-	712,828	(18,935)	42,450	736,343	737,962	1,620	743,706	327,635,784	2.00%	0.2270
2025	2027	-	-	723,128	(18,175)	42,450	747,403	749,032	1,629	754,877	334,188,499	2.00%	0.2259
2026	2028	-	-	281,070	82,615	42,450	406,135	760,267	354,132	410,196	340,872,269	2.00%	0.1203
2027	2029	-	-	-	71,295	347,450	418,745	771,671	352,926	422,932	347,689,715	2.00%	0.1216
2028	2030	-	-	-	-	430,250	430,250	783,246	352,996	434,553	354,643,509	2.00%	0.1225
2029	2031	-	-	-	-	444,250	444,250	794,995	350,745	448,693	361,736,379	2.00%	0.1240
2030	2032	-	-	-	-	46,350	46,350	806,920	760,570	46,814	368,971,107	2.00%	0.0127
2031	2033	-	-	-	-	-	-	819,024	819,024	-	376,350,529	2.00%	0.0000
2032	2034	-	-	-	-	-	-	831,309	831,309	-	383,877,539	2.00%	0.0000
2033	2035	-	-	-	-	-	-	843,779	843,779	-	391,555,090	2.00%	0.0000
2034	2036	-	-	-	-	-	-	856,435	856,435	-	399,386,192	2.00%	0.0000
2035	2037	-	-	-	-	-	-	869,282	869,282	-	407,373,916	2.00%	0.0000
2036	2038	-	-	-	-	-	-	882,321	882,321	-	415,521,394	2.00%	0.0000
2037	2039	-	-	-	-	-	-	895,556	895,556	-	423,831,822	2.00%	0.0000
2038	2040	-	-	-	-	-	-	908,989	908,989	-	432,308,458	2.00%	0.0000
2039	2041	-	-	-	-	-	-	922,624	922,624	-	440,954,628	2.00%	0.0000
2040	2042	-	-	-	-	-	-	936,463	936,463	-	449,773,720	2.00%	0.0000
2041	2043	-	-	-	-	-	-	950,510	950,510	-	458,769,194	2.00%	0.0000
2042	2044	-	-	-	-	-	-	964,768	964,768	-	467,944,578	2.00%	0.0000
<b>Total DS From</b>													
<b>Current FY:</b>		\$ -	\$ 57,063	\$ 4,418,035	\$ 24,969	\$ 1,533,613	\$ 6,033,679			\$ 6,094,016			

(1) Pursuant to Public Act 96-0501, the District's DSEB will increase by the lesser of CPI or 5% each year starting with levy year 2009.

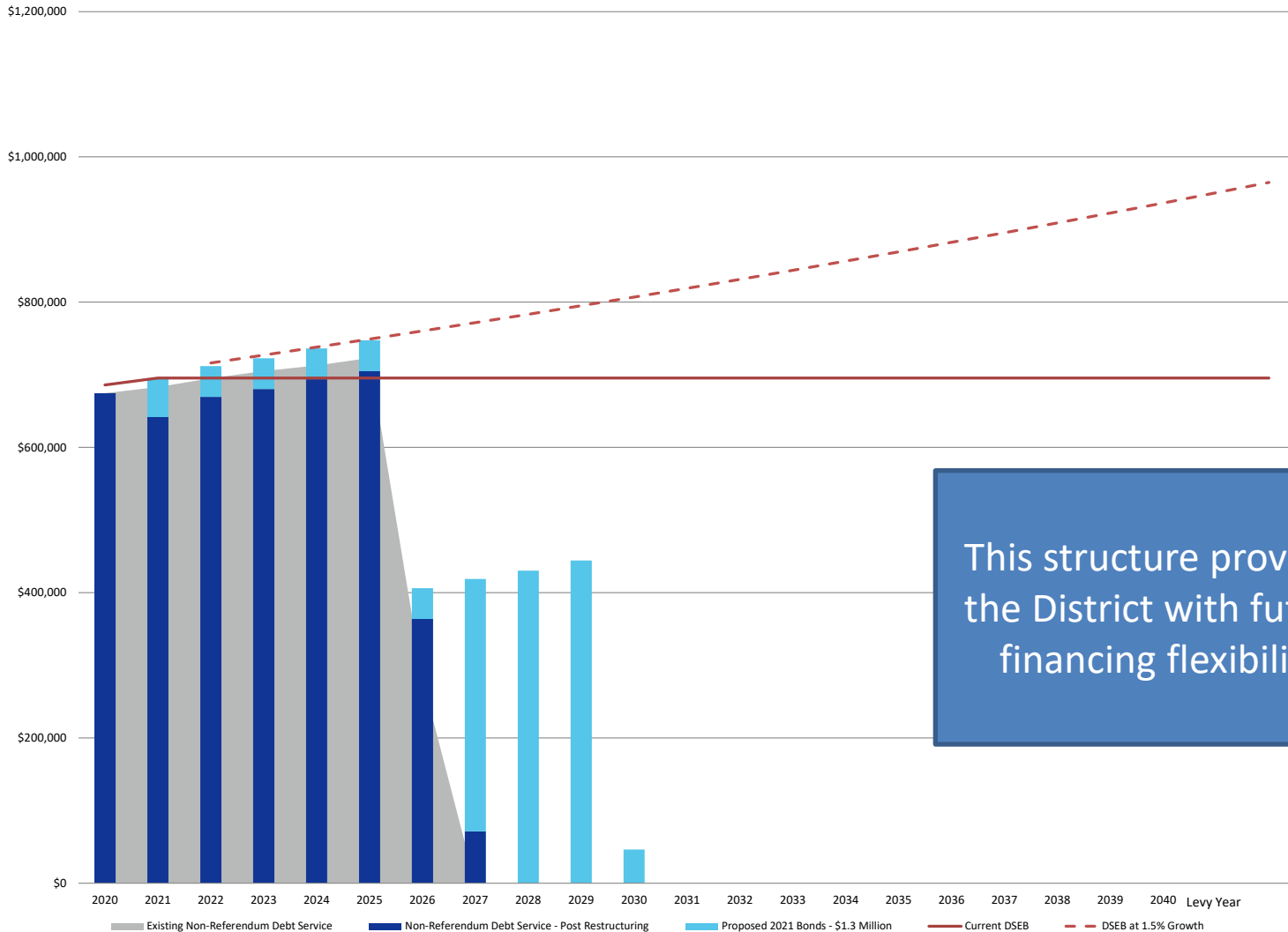
The applicable CPI increase has been applied to levy years 2009-2021, assumed to be 3% for levy year 2022 and 1.50% per year thereafter.

(2) Rates based upon market conditions as of June 1, 2021 and recent bond sales which PMA believes to be accurate and reliable.

**NOTE: Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.**



# \$1.3 Million Working Cash Bond Proceeds in 2021 with Room for a Future Working Cash Bond Issue



This structure provides the District with future financing flexibility



# Preliminary Timeline for Working Cash and Refunding Bonds in 2021

<b>August 17</b>	Board adopts Notice of Intent Resolution and Resolution calling for Bond Issue Notification Act (BINA) hearing
<b>August 21</b>	Notices of Intent and BINA Hearing are published in the newspaper
<b>September 21</b>	BINA Hearing
<b>September 21</b>	30 Day Petition Period Ends
<b>By early October</b>	District receives credit rating for the Bonds, if needed
<b>October 19</b>	Board approves parameter resolution authorizing the sale of Working Cash and Refunding Bonds
<b>Late October</b>	Bonds sold; delegates approve final results
<b>Mid November</b>	Bonds close; District receives funding for projects



# Existing Debt Service on Bonds – Assumes 3% CPI in LY22 and 1.5% Annually Thereafter

## Non-Referendum Debt Service

Levy Year	Fiscal Year	Prior Bonds Debt Service	\$3,090,000		Total	Non Referendum Debt Service Extension Base Created W/1994 Levy		Approximately 1% County		Growth Rate	B&I Tax Rate	DSEB Growth Rate
			Taxable GO Limited School Bonds, Series 2012	Taxable GO Limited Tax Bonds, Series 2015		Remaining Margin (1)	Loss/Cost Debt Service	EAV				
2018	2020	\$ -	\$ 517,540	\$ 137,528	\$ 655,068	\$ 657,926	\$ 2,858	\$ 661,618	\$ 289,977,158	7.17%	0.2282	2.10%
2019	2021	-	523,475	137,528	661,003	670,427	9,424	667,613	292,473,928	0.86%	0.2283	1.90%
2020	2022	-	57,063	617,528	674,590	685,846	11,256	681,336	302,684,820	3.49%	0.2251	2.30%
2021	2023	-	-	683,128	683,128	695,448	12,321	689,959	308,738,516	2.00%	0.2235	1.40%
2022	2024	-	-	695,208	695,208	716,312	21,104	702,160	314,913,287	2.00%	0.2230	3.00%
2023	2025	-	-	705,148	705,148	727,056	21,909	712,199	321,211,552	2.00%	0.2217	1.50%
2024	2026	-	-	712,828	712,828	737,962	25,135	719,956	327,635,784	2.00%	0.2197	1.50%
2025	2027	-	-	723,128	723,128	749,032	25,904	730,359	334,188,499	2.00%	0.2185	1.50%
2026	2028	-	-	281,070	281,070	760,267	479,197	283,881	340,872,269	2.00%	0.0833	1.50%
2027	2029	-	-	-	-	771,671	771,671	-	347,689,715	2.00%	0.0000	1.50%
2028	2030	-	-	-	-	783,246	783,246	-	354,643,509	2.00%	0.0000	1.50%
2029	2031	-	-	-	-	794,995	794,995	-	361,736,379	2.00%	0.0000	1.50%
2030	2032	-	-	-	-	806,920	806,920	-	368,971,107	2.00%	0.0000	1.50%
2031	2033	-	-	-	-	819,024	819,024	-	376,350,529	2.00%	0.0000	1.50%
2032	2034	-	-	-	-	831,309	831,309	-	383,877,539	2.00%	0.0000	1.50%
2033	2035	-	-	-	-	843,779	843,779	-	391,555,090	2.00%	0.0000	1.50%
2034	2036	-	-	-	-	856,435	856,435	-	399,386,192	2.00%	0.0000	1.50%
2035	2037	-	-	-	-	869,282	869,282	-	407,373,916	2.00%	0.0000	1.50%
2036	2038	-	-	-	-	882,321	882,321	-	415,521,394	2.00%	0.0000	1.50%
2037	2039	-	-	-	-	895,556	895,556	-	423,831,822	2.00%	0.0000	1.50%
2038	2040	-	-	-	-	908,989	908,989	-	432,308,458	2.00%	0.0000	1.50%
2039	2041	-	-	-	-	922,624	922,624	-	440,954,628	2.00%	0.0000	1.50%
2040	2042	-	-	-	-	936,463	936,463	-	449,773,720	2.00%	0.0000	1.50%
<b>Total DS From</b>												
<b>Current FY:</b>		\$ -	\$ 57,063	\$ 4,418,035	\$ 4,475,098			\$ 4,519,848				

(1) Pursuant to Public Act 96-0501, the District's DSEB will increase by the lesser of CPI or 5% each year starting with levy year 2009. The applicable CPI increase has been applied to levy years 2009-2021, and assumed to be 0% per year thereafter.



# Existing Principal on Debt

Levy Year	Fiscal Year	Taxable GO Limited Tax Bonds, Series 2012	Taxable GO Limited Tax Bonds, Series 2015	\$8,720,000 GO Debt Certificates, Series 2017	Total	Ending Principal Balance	Cumulative Principal Retirement as Percent of Total
2020	2022	\$ 55,000	\$ 480,000	\$ 360,000	\$ 895,000	\$ 10,735,000	7.70%
2021	2023	-	560,000	375,000	935,000	9,800,000	15.74%
2022	2024	-	590,000	390,000	980,000	8,820,000	24.16%
2023	2025	-	620,000	405,000	1,025,000	7,795,000	32.98%
2024	2026	-	650,000	420,000	1,070,000	6,725,000	42.18%
2025	2027	-	685,000	440,000	1,125,000	5,600,000	51.85%
2026	2028	-	270,000	455,000	725,000	4,875,000	58.08%
2027	2029	-	-	475,000	475,000	4,400,000	62.17%
2028	2030	-	-	490,000	490,000	3,910,000	66.38%
2029	2031	-	-	505,000	505,000	3,405,000	70.72%
2030	2032	-	-	525,000	525,000	2,880,000	75.24%
2031	2033	-	-	540,000	540,000	2,340,000	79.88%
2032	2034	-	-	555,000	555,000	1,785,000	84.65%
2033	2035	-	-	575,000	575,000	1,210,000	89.60%
2034	2036	-	-	595,000	595,000	615,000	94.71%
2035	2037	-	-	615,000	615,000	-	100.00%
<b>Total:</b>		<u>\$ 55,000</u>	<u>\$ 3,855,000</u>	<u>\$ 7,720,000</u>	<u>\$ 11,630,000</u>		
Purpose:		Working Cash Advance Refund	Working Cash Advance Refund	Projects			
Callable:		N/A	01/01/24	06/01/27			





# Debt Capacity

Levy Year	2020	2021	2022	2023	2024	2025	2026	2027	2028
Collection Year	2021	2022	2023	2024	2025	2026	2027	2028	2029
Fiscal Year Ending 6/30	2022	2023	2024	2025	2026	2027	2028	2029	2030
Direct Debt, Beginning of Period (1)	\$ 11,630,000	\$ 10,735,000	\$ 9,800,000	\$ 8,820,000	\$ 7,795,000	\$ 6,725,000	\$ 5,600,000	\$ 4,875,000	\$ 4,400,000
Principal Paydown, Series 2012 (2)	(55,000)	-	-	-	-	-	-	-	-
Principal Paydown, Series 2015 (2)	(480,000)	(560,000)	(590,000)	(620,000)	(650,000)	(685,000)	(270,000)	-	-
Principal Paydown, Series 2017 DC (3)	(360,000)	(375,000)	(390,000)	(405,000)	(420,000)	(440,000)	(455,000)	(475,000)	(490,000)
Direct Debt, End of Period (1)	<u>\$ 10,735,000</u>	<u>\$ 9,800,000</u>	<u>\$ 8,820,000</u>	<u>\$ 7,795,000</u>	<u>\$ 6,725,000</u>	<u>\$ 5,600,000</u>	<u>\$ 4,875,000</u>	<u>\$ 4,400,000</u>	<u>\$ 3,910,000</u>
Equalized Assessed Valuation	\$ 302,684,820	\$ 308,738,516	\$ 314,913,287	\$ 321,211,552	\$ 327,635,784	\$ 334,188,499	\$ 340,872,269	\$ 347,689,715	\$ 354,643,509
Assumed EAV Increase		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Statutory Debt Limit @ 6.90%	\$ 20,885,253	\$ 21,302,958	\$ 21,729,017	\$ 22,163,597	\$ 22,606,869	\$ 23,059,006	\$ 23,520,187	\$ 23,990,590	\$ 24,470,402
Direct Debt, End of Period as % of EAV	3.55%	3.17%	2.80%	2.43%	2.05%	1.68%	1.43%	1.27%	1.10%
Statutory Debt Margin at End of Period (1)	<b>\$ 10,150,253</b>	\$ 11,502,958	\$ 12,909,017	\$ 14,368,597	\$ 15,881,869	\$ 17,459,006	\$ 18,645,187	\$ 19,590,590	\$ 20,560,402

- (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 January 1 of the fiscal year.
- (3) Principal paid on June 1 of the fiscal year.

- The District's current debt capacity is \$9.2 million
- It will increase to \$10.1 million on June 1, 2022 (based on current EAV)



## Non-Referendum GO Bonds

- ▶ Since the District is subject to tax caps, the annual debt service (principal and interest) payments on non-referendum GO bonds are limited by the District's Debt Service Extension Base (DSEB)
- ▶ Original DSEB was determined in tax year 1994 and was equal to the amount of non-referendum debt service levied for that year
  - ▶ The types of non-referendum bonds are described on the next slide
- ▶ Public Act 96-0501, enacted in 2009, increases a district's DSEB annually by the Consumer Price Index (CPI)
  - ▶ Original DSEB: \$560,455
  - ▶ DSEB for levy year 2021: \$695,448



## Non-Referendum GO Bonds

- ▶ The following types of non-referendum GO bonds are available to the District and the levy for these bonds needs to fit within the District's DSEB:
  - ▶ Working Cash (for capital projects or operating capital)
    - ▶ If for capital, funds are abated (permanent transfer) to the O&M fund and then transferred to the capital projects fund
  - ▶ Life Safety (issued in evidence of life safety approvals)
  - ▶ Funding (pays off a claim or liability like a land contract)
  - ▶ Tort
- ▶ All of these require a BINA (Bond Issue Notification Act) hearing
- ▶ Working Cash Bonds and Funding Bonds also require a back door referendum which is a 30-day petition process (10% of registered voters)



# Working Cash Bonding Capacity

Current equalized assessed valuation (Including TIF)			\$302,684,820
Times the maximum educational fund tax rate	\$3.5000	x	0.0350
Equals			<u>\$10,593,969</u>
Plus the lesser of the actual amount of replacement taxes received by the District during 2020 or the estimated amount of replacement taxes to be received during 2021.		+	\$120,176
<i>Plus the total Evidence-Based Funding most recently received*</i>		+	<u>\$590,418</u>
Equals			<u>\$11,304,563</u>
Times 85%		x	85%
Equals			<u>\$9,608,878</u>
Less the greater of working cash fund bonds outstanding OR the amount presently to the credit of the working cash fund (including amounts loaned to other funds)		-	\$3,000,000
			Principal Outstanding
<b>[(Assumes Working Cash Fund is Abated)]</b>			
<b>TOTAL (Authorized Issue Size)</b>			<b><u>\$6,608,878</u></b>

*\*Pursuant to Public Act 101-0416.*



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