



Oak Park Elementary School District 97

260 Madison ▪ Oak Park ▪ Illinois ▪ 60302 ▪ ph: 708.524.3000 ▪ fax: 708.524.3019 ▪ www.op97.org

**TO: Dr. Carol L. Kelley, Superintendent
Board of Education**

FROM: Alicia Evans, Assistant Superintendent for Finance and Operations

RE: Debt Service Extension Base (DSEB)

DATE: March 13, 2018

Attached are the parameters and the reimbursement resolutions. These resolutions were discussed at February 13, 2018 Board meeting. The FORC committee discussed these options and recommends the approval of these resolutions.

February 13, 2018

Based on the ongoing conversations with FORC, the issuance of DSEB (non-referendum bonds) will be delayed. Currently, FORC is exploring options for a July 2018, December 2018 or a March 2019 issuance. In addition, the \$10 million issue amount will be \$7.5 million as a result of the levy abatement. However, the expenditures related the construction activity will be due in July, August and September 2018. Under this scenario, the District will pay for construction expenditures using operating funds and reimburse itself using DESB funds in an effort to save interest.

Consequently, two resolutions will be required. The first resolution is to create the DSEB parameters. The second resolution allows the District to reimburse itself for expenditures paid through its operating funds. The resolutions are attached along with the proposed timeline.

December 19, 2017

On October 25, 2016, the Board of Education passed a resolution regarding its intent to sell \$16 million of Working Cash Fund Bonds. Subsequently, \$6 million of the \$16 million in bonds was sold in December of 2016. The initial plan was to issue the remaining \$10 million in December of 2017. The funds were to be used to fund capital projects. Specifically, the remaining life safety projects and the Holmes expansion during summer 2018. Recently, there has been some discussion about whether to issue the remaining \$10 million in 2017 or to postpone the issue until 2018.

DSEB is part of the District's financing options overall. They should be considered in conjunction with other funding such as the levy and abatement options. Consequently, FORC has included this item for discussion on their agenda to provide and recommendation to the Board of Education regarding the amount and timing of the next DSEB issue. In addition, the group consulted with Raymond James to provide market projections to explore the various options.