



PMA[™]
SECURITIES

Niles Township District for Special Education



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Updated Project Allocation

Distribution by 6th Day District Enrollment and Equal Shares

Member District		Allocations	\$8 Million Project		
District Number	Name	% of Total	Up front Payment	Average Annual Payment over 10 Years	Average Annual Payment over 20 Years
67	Golf	8.33%	\$ 666,507	\$ 73,924	\$ 44,434
68	Skokie	17.40%	1,391,707	154,359	92,780
69	Skokie/Morton Grove	16.14%	1,290,907	143,179	86,060
70	Morton Grove	10.11%	808,747	89,701	53,916
71	Niles	7.67%	613,307	68,024	40,887
72	Fairview South	9.17%	733,707	81,378	48,914
73	East Prairie	7.10%	567,947	62,993	37,863
73.5	Skokie	11.47%	917,387	101,750	61,159
74	Lincolnwood	12.62%	1,009,787	111,999	67,319

Total 100.00% \$ 8,000,000 \$ 887,307 \$ 533,333

Rates based upon the "AAA" MMD index for September 23, 2020 and recent bond sales which PMA believes to be accurate and reliable, plus 0.50%.

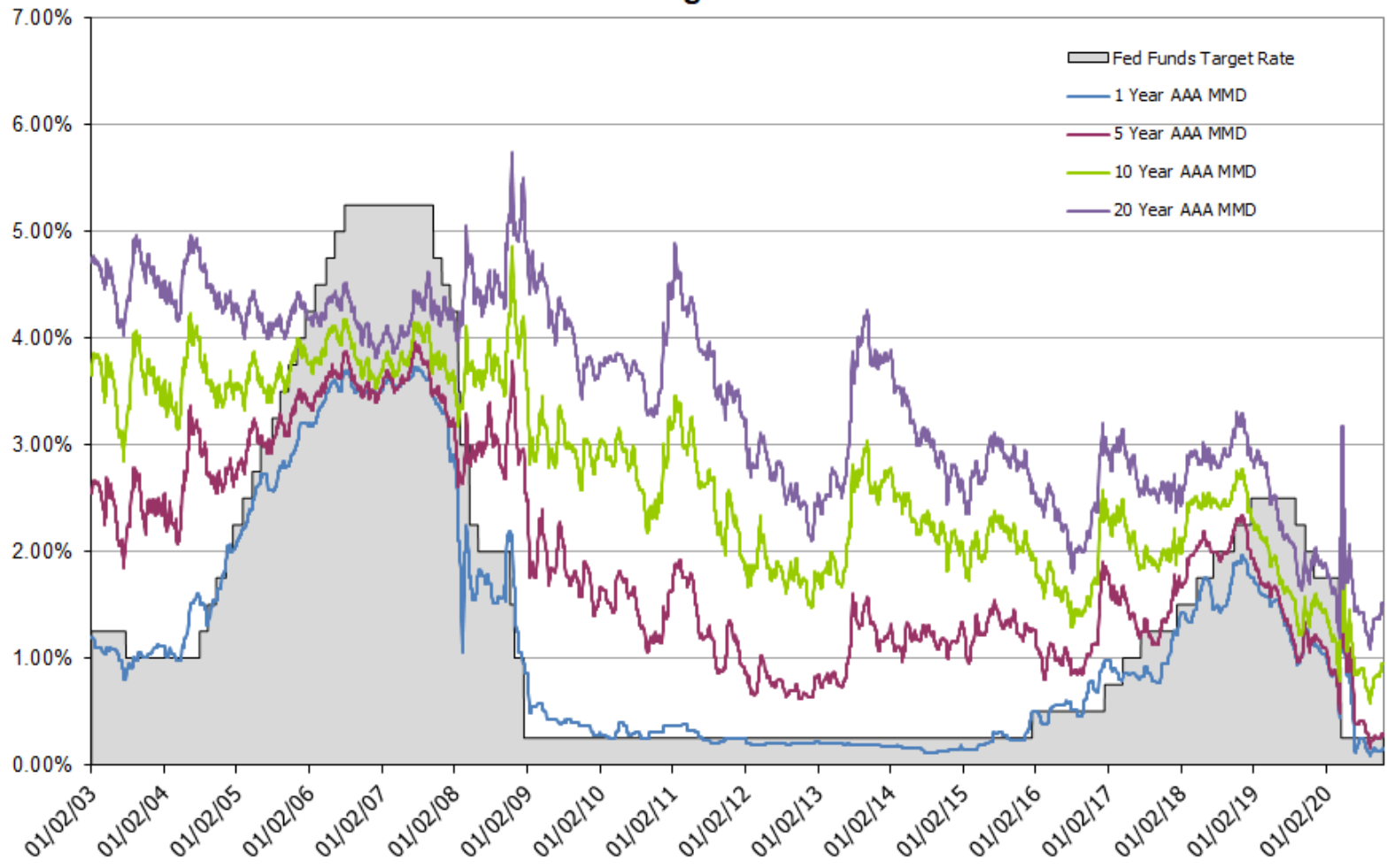
The analysis assumes a credit rating of Aa3/AA-.

- Debt service payments on the bonds will begin in fiscal year 2022
 - Initial payments on December 1, 2021 and June 1, 2022



Historical Tax-Exempt Interest Rates

Fed Funds Target Rate vs. MMD

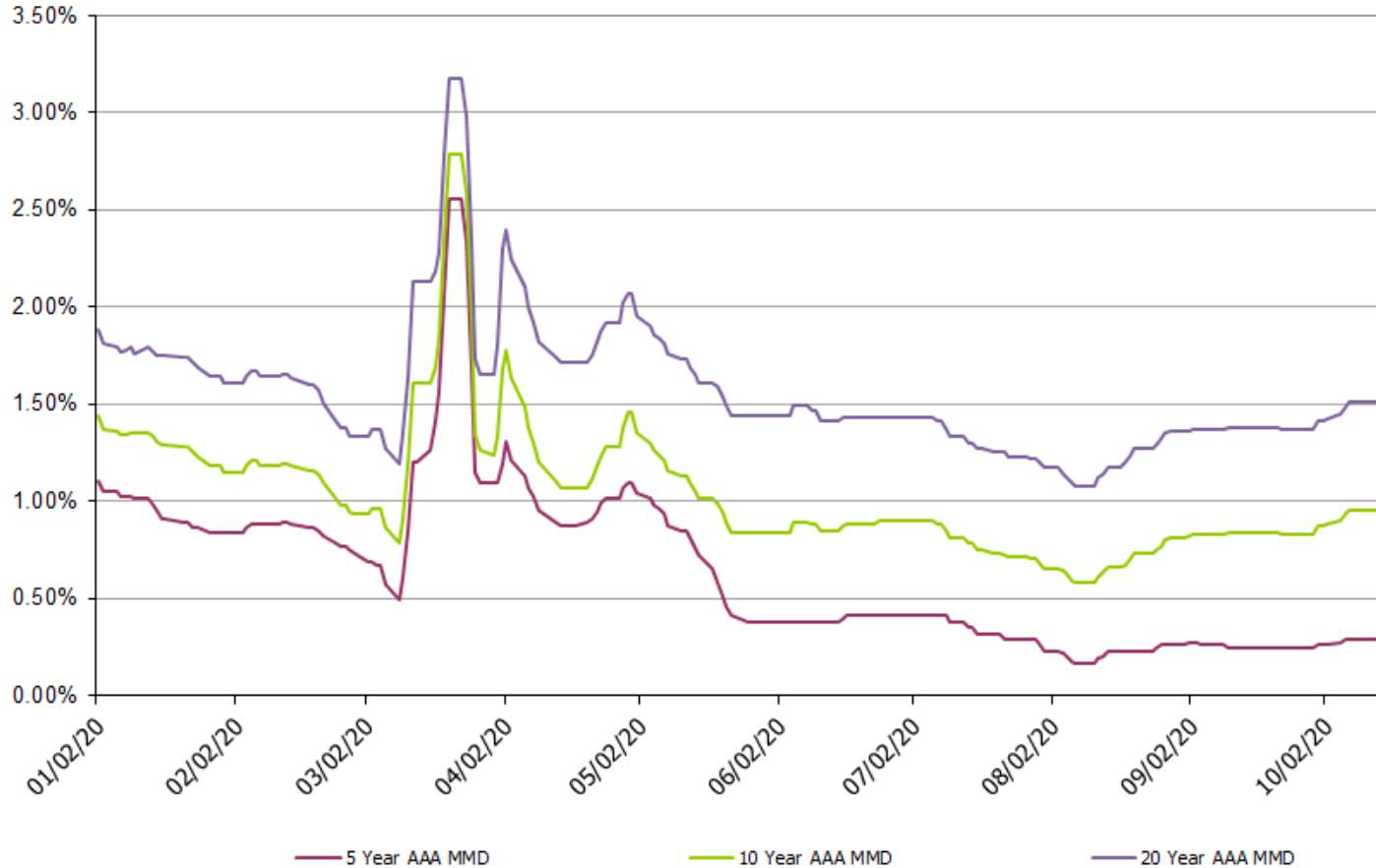


*The Municipal Market Data "MMD" is a AAA municipal bond market index produced by TM3. As of October 16, 2020



Historical Tax-Exempt Interest Rates since January 1, 2020

**MMD Bond Index
January 2020 - Current**



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Sale Type

PUBLIC OFFERING

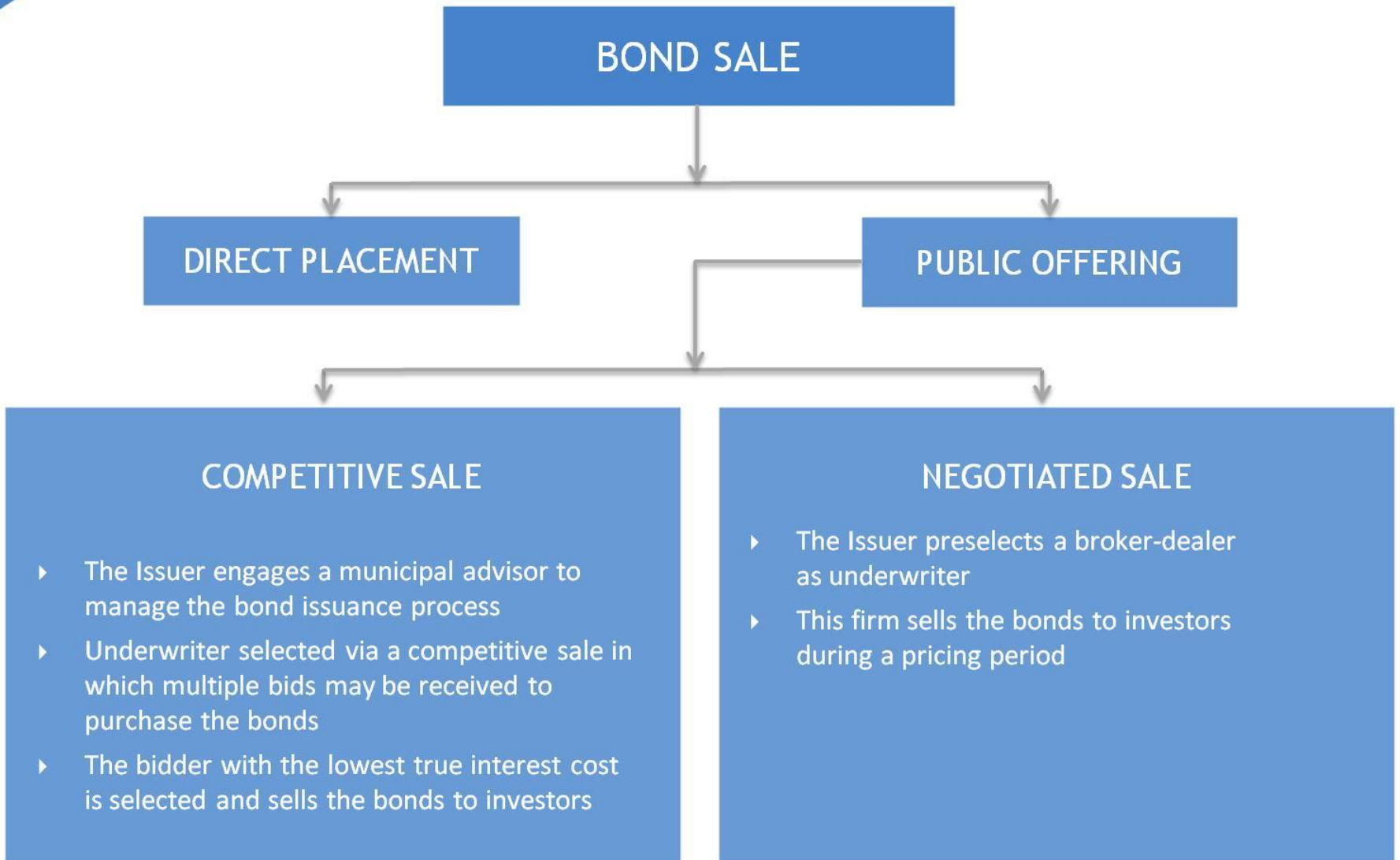
- ▶ The Issuer and financial advisor prepare an official statement
- ▶ Underwriter that will resell the bonds to investors is selected via a competitive or negotiated sale
- ▶ Issuer obtains a bond rating
- ▶ Requires disclosure counsel to review the official statement
- ▶ Will likely have a lower interest rate, but will have higher costs of issuance

DIRECT PLACEMENT

- ▶ No official statement, rating, underwriter or disclosure counsel is required
- ▶ A term sheet is sent out to banks and other local units of government that will provide a proposal to purchase the bonds directly
- ▶ The interest rate is typically higher than a public offering but may result in a lower overall financing cost since some costs of issuance are avoided
- ▶ This process has typically proven to be effective for relatively smaller bond issues paid off with a shorter amortization



Types of Sales





Choosing the Method of Sale

A competitive sale is appropriate when:

- ▶ Issuer has a strong underlying credit rating at least in the “A” category
- ▶ General obligation bonds or full faith obligations (e.g. alternate revenue bonds or debt certificates)
- ▶ Structure does not include special features that would require extensive explanation to the market
- ▶ Issuer is frequently in the market and/or issue size is conducive to attracting investors

A negotiated sale is appropriate when:

- ▶ Issuer has a credit rating lower than “A”
- ▶ Bond insurance is unavailable
- ▶ Debt structure is complicated
- ▶ Issuer wants input in how bonds are allocated among underwriting firms and/or the types of investors to be reached
- ▶ Other factors exist that the issuer, in consultation with its municipal advisor, believes favor the use of a negotiated sale process

Source: Selecting and Managing the Method of Sale of Bonds (February 2014), Government Finance Officers Association (Best Practice).
See the following webpage: <http://www.gfoa.org/selecting-and-managing-method-sale-bonds>



Preliminary Timeline

Member districts communicate their intent to participate in the bond sale or to pay their share up front	December 1
PMA determines the method of sale for the bonds	December 3
PMA distributes Request for Proposals (RFP) to underwriters/placement agents for the sale of the bonds	December 7
Proposals due from underwriters/placement agents	December 21
PMA delivers underwriter/placement agent Recommendation to NTDSE	January 7



Preliminary Timeline

NTDSE Governing Board adopts parameters resolution for sale of bonds and approves underwriter/placement agent selection	January 14
NTDSE secures credit rating, if necessary	By January 25
Bonds sold; delegates approve results	Early February
Bonds close; NTDSE receives proceeds	Late February



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