



Executive Summary Finance Committee Meeting

DATE: November 19, 2020

TOPIC: NTDSE Molloy Renovations and Additions Project Funding

PREPARED BY: Courtney Whited

Recommended for:

- Action
- Discussion
- Information

Purpose/Background:

Niles Township District for Special Education #807 recently requested answers from SD74 relative to the payment for Molloy's renovations and additions. The image below was taken directly from NTDSE's online survey sent to the Niles Township school districts that will assist with the project's funding. The corresponding NTDSE slideshow presentation is attached.

Which payment option will your district be utilizing for the Molloy Renovation project? *

- One time payment - We will not participate in the bond sale.
- Debt service payments on the bonds over 10 years
- Debt service payments on the bonds over 20 years

Is your district planning to sell bonds in FY21? *

- Yes
- No
- Other: _____

If the District were to submit a one-time payment using funds from a bond issuance, the timeline for securing the bond is as follows:

Board Meeting #1: Board adopts resolution of intent and a resolution calling a public hearing (required legal notices to be published in the local newspaper within days after this meeting)

Board Meeting #2: Board holds the public hearing

Board Meeting #3: Board adopts parameters resolution for the sale of the bonds

Please note that these meetings may be either regular or special meetings. As a general rule, it usually takes 3 to 4 months from the time the Board of Education approves the sale of working cash bonds to the time the District receives the working cash bond proceeds.

Fiscal Impact:

\$1,009,787 paid up front in early FY22 (potentially financed with a bond issued by SD74)

Or

\$111,999 estimated average annual payment over a 10-year period

Or

\$67,319 estimated average annual payment over a 20-year period

Recommendation:

The Administration requests direction from the Finance Committee on answers to the following:

Will the District answer NTDSE's survey by opting to make a one-time payment or express interest in joining other Districts for the 10-year or 20-year payoff generated by a bond sale?

Will the Finance Committee make a recommendation to the Board of Education to proceed with a working cash bond issuance to pay the \$1,009,787 share up front?