



REFERENDUM BOND FINANCING UPDATE

Discussion Materials
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Elizabeth M. Hennessy
Managing Director – Public Finance
312.612.7641 (voice)
elizabeth.hennessy@raymondjames.com

RAYMOND JAMES

2018 EFMP UPDATE

2018 EFMP						
PHASE	YEAR	BUILDING	Costs	TENTATIVE DESIGN PHASE	TENTATIVE CONSTRUCTION PHASE	Tentative School Year Occupancy
1	2019	Sullivan Center	\$13,500,000	Substantially Complete	04/2019 - 03/2020	08/2020
2	2020	Middle North	\$9,818,859	03/2019 - 02/2020	04/2020 - 07/2021	08/2021
3	2021	Elementary South	\$9,787,850	03/2020 - 02/2021	04/2021 - 06/2022	08/2022
4	2022	Middle South & Aspen Elementary	\$7,955,791	03/2021 - 02/2022	04/2022 - 06/2023	08/2023
5	2023	Elementary North / TL / DL	\$7,638,901	03/2022 - 02/2023	04/2023 - 06/2024	08/2024
TOTALS			\$48,701,402			

\$48.7M REFERENDUM BONDS PLUS REFINANCING

REFERENDUM BONDS

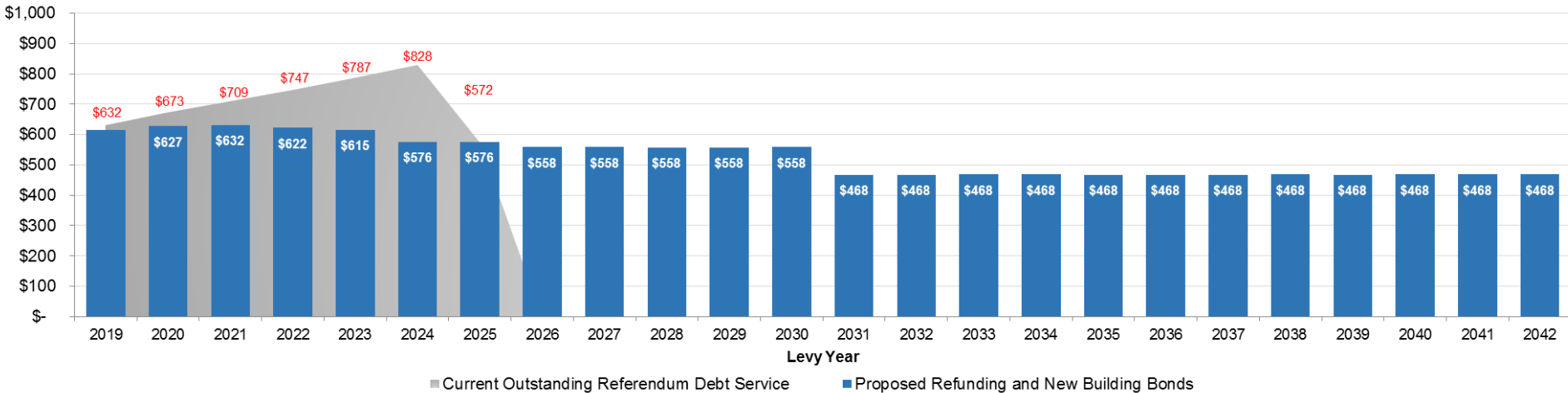
Year	Series 2019-Refinancing			Phase 1-2019	Phase 2-2020	Phase 3-2021	Phase 4-2022	Phase 5-2023	Referendum Debt Service	Current Referendum Total Debt Service	Proposed Referendum Total Debt Service	Current Referendum Debt Service Tax Rate	Estimated Cost \$350,000 Market Value Home Current Referendum Debt Service	Proposed Referendum Debt Service Tax Rate	Estimated Cost \$350,000 Market Value Home Proposed Referendum Debt Service
	Current Referendum Debt Service	Less: Refunded Series 2002, 2004 CABS and 2009A Debt Service	Plus: Refunding Bonds	Proposed \$13.5M Referendum Debt Service	Proposed \$9.9M Referendum Debt Service	Proposed \$9.8M Referendum Debt Service	Proposed \$8.0M Referendum Debt Service	Proposed \$7.5M Referendum Debt Service							
2019	7,567,250	(1,832,250)	1,095,569	522,652					7,353,221	7,567,250	7,353,221	0.571	632	0.555	614
2020	8,057,250	(2,632,250)	1,139,899	543,800	398,092				7,506,791	8,057,250	7,506,791	0.608	673	0.567	627
2021	8,487,250	(3,432,250)	1,139,899	543,800	414,200	410,779			7,563,677	8,487,250	7,563,677	0.641	709	0.571	632
2022	8,937,250	(4,707,250)	1,484,899	543,800	414,200	427,400	349,076		7,449,374	8,937,250	7,449,374	0.675	747	0.562	622
2023	9,417,250	(5,272,250)	1,127,375	543,800	414,200	427,400	363,200	340,041	7,361,016	9,417,250	7,361,016	0.711	787	0.556	615
2024	9,912,250	(9,912,250)	4,787,375	543,800	414,200	427,400	363,200	353,800	6,889,775	9,912,250	6,889,775	0.748	828	0.520	576
2025	6,840,750	(6,840,750)	4,790,243	543,800	414,200	427,400	363,200	353,800	6,892,643	6,840,750	6,892,643	0.516	572	0.520	576
2026			4,580,176	543,800	414,200	427,400	363,200	353,800	6,682,576	-	6,682,576	0.000		0.505	558
2027			4,580,288	543,800	414,200	427,400	363,200	353,800	6,682,688	-	6,682,688	0.000		0.505	558
2028			4,572,439	543,800	414,200	427,400	363,200	353,800	6,674,839	-	6,674,839	0.000		0.504	558
2029			4,573,180	543,800	414,200	427,400	363,200	353,800	6,675,580	-	6,675,580	0.000		0.504	558
2030			4,581,200	543,800	414,200	427,400	363,200	353,800	6,683,600	-	6,683,600	0.000		0.505	558
2031				4,038,800	414,200	427,400	363,200	353,800	5,597,400	-	5,597,400	0.000		0.423	468
2032				4,039,000	414,200	427,400	363,200	353,800	5,597,600	-	5,597,600	0.000		0.423	468
2033				4,043,600	414,200	427,400	363,200	353,800	5,602,200	-	5,602,200	0.000		0.423	468
2034				2,787,200	1,669,200	427,400	363,200	353,800	5,600,800	-	5,600,800	0.000		0.423	468
2035				-	4,454,000	427,400	363,200	353,800	5,598,400	-	5,598,400	0.000		0.423	468
2036				-	4,455,400	427,400	363,200	353,800	5,599,800	-	5,599,800	0.000		0.423	468
2037				-	785,200	4,097,400	363,200	353,800	5,599,600	-	5,599,600	0.000		0.423	468
2038				-	-	4,885,600	363,200	353,800	5,602,600	-	5,602,600	0.000		0.423	468
2039				-	-	2,506,400	2,738,200	353,800	5,598,400	-	5,598,400	0.000		0.423	468
2040				-	-	-	5,248,200	353,800	5,602,000	-	5,602,000	0.000		0.423	468
2041				-	-	-	1,794,000	3,808,800	5,602,800	-	5,602,800	0.000		0.423	468
2042				-	-	-	-	5,605,600	5,605,600	-	5,605,600	0.000		0.423	468
Total:	\$ 59,219,250	\$ (34,629,250)	\$ 38,452,541	\$ 21,413,052	\$ 17,146,492	\$ 18,311,179	\$ 15,940,676	\$ 15,769,041	\$ 151,622,981	\$ 59,219,250	\$ 151,622,981	Average 2019-2025	\$707		
												Average 2019-2042			\$528
												Difference			-\$179
			All-In True Interest Cost:	4.02%	4.06%	4.38%	4.69%	4.98%	5.25%						
			Total Savings: \$	(3,823,291)	13,500,000	9,900,000	9,800,000	8,000,000	7,500,000						
			Net PV Savings: \$	113,055											
			PV Savings as % of Refunded Bonds:	0.44%											

(1) Assumes CPI increases of 1.5% in 2019 onwards

(2) Rates used are based on Aa2 rated market spreads over AAA-MMD Index and US Treasury rates (for taxable refunding portions) as of August 8, 2018 with 0.50% cushion for 2019, 0.75% for 2020, 1.00% for 2021, 1.25% for 2022, and 1.50% for 2023.

\$48.7M REFERENDUM BONDS PLUS REFINANCING

Proposed Net Impact of Refinancing, New Building Bonds, and Tax Rate Increase on \$350,000 Home



- If the bond referendum passes, your tax bill will actually be less than you are paying right now for debt, but will extend for a longer period of time.
- The proposed \$48.7M of bonds will be combined with a refinancing of a portion of the outstanding referendum bonds.
- The annual payments on the \$48.7M Bonds plus Refunding (blue bars above), will be LOWER than the payments on the current bonds (gray shaded area above).
- However, the payments on the proposed bonds extend over 24 years versus 7 year for the current bonds.
- The cost for a \$350,000 market value home is shown in white for the proposed bonds and in red for the current bonds.
- The median home value in Vernon Hills as of July 31st is \$316,200 according to Zillow

IMPACT OF BOND AND LIMITING RATE REFERENDUM QUESTIONS

Market Value of Home Input 350,000

<u>Year Taxes Paid</u>	Impact of \$48.7M Bonds Plus Refunding			
	<u>Estimated Payments on Current Referendum Bonds</u>	<u>Estimated Payments on \$48.7M Plus Refinancing Bonds</u>	<u>Estimated Annual Average Difference Debt Payment</u>	<u>Estimated Annual Average Difference Over 7 and 24 Years</u>
2019	632	614	(18)	
2020	673	627	(46)	
2021	709	632	(77)	
2022	747	622	(124)	
2023	787	615	(172)	
2024	828	576	(253)	
2025	572	576	4	(98) First 7 Years
2026		558	558	
2027		558	558	
2028		558	558	
2029		558	558	
2030		558	558	
2031		468	468	
2032		468	468	
2033		468	468	
2034		468	468	
2035		468	468	
2036		468	468	
2037		468	468	
2038		468	468	
2039		468	468	
2040		468	468	
2041		468	468	
2042		468	468	494 Next 17 years
Current Average 2019-2025	707			
Proposed Average 2019-2042		528		
Difference		(179)		

Impact of Limiting Rate Referendum

Annual Impact of Limiting Rate(1) 111

(1) Limiting rate increase is permanent and may increase with inflation over time.

IMPACT OF \$48.7M REFERENDUM BONDS ON \$350,000 HOME

- If the referendum passes, your tax bill will actually be less than you are paying right now for debt, but will extend for a longer period of time.
- For a \$350,000 market value home, the estimated average annual bond payment over the life of the proposed bonds (24 years) with refinancing is **\$528**, which is **\$179 LESS** than the current estimated average annual bond payment over the next seven years of **\$707**.
- For a \$350,000 market value home, the estimated average annual payment on the proposed bonds in the next 7 years are on average \$98 LESS than the current bond payments
- For the following 17 years, after the current bonds are retired, the estimated payments on the proposed bonds for a \$350,000 market value home are \$494
- \$494 is less than the 2018 payment on the current bonds (\$632)

IMPACT OF LIMITING RATE ON \$350,000 HOME

- For a \$350,000 market value home, the estimated tax impact of the limiting rate increase is \$111 on your 2019 tax bill.
- The limiting rate increase is permanent and may increase with inflation over time

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