



Antioch School District 34

Debt Service Extension Base Referendum Overview

Tammie Beckwith Schallmo

Senior Vice President, Managing Director

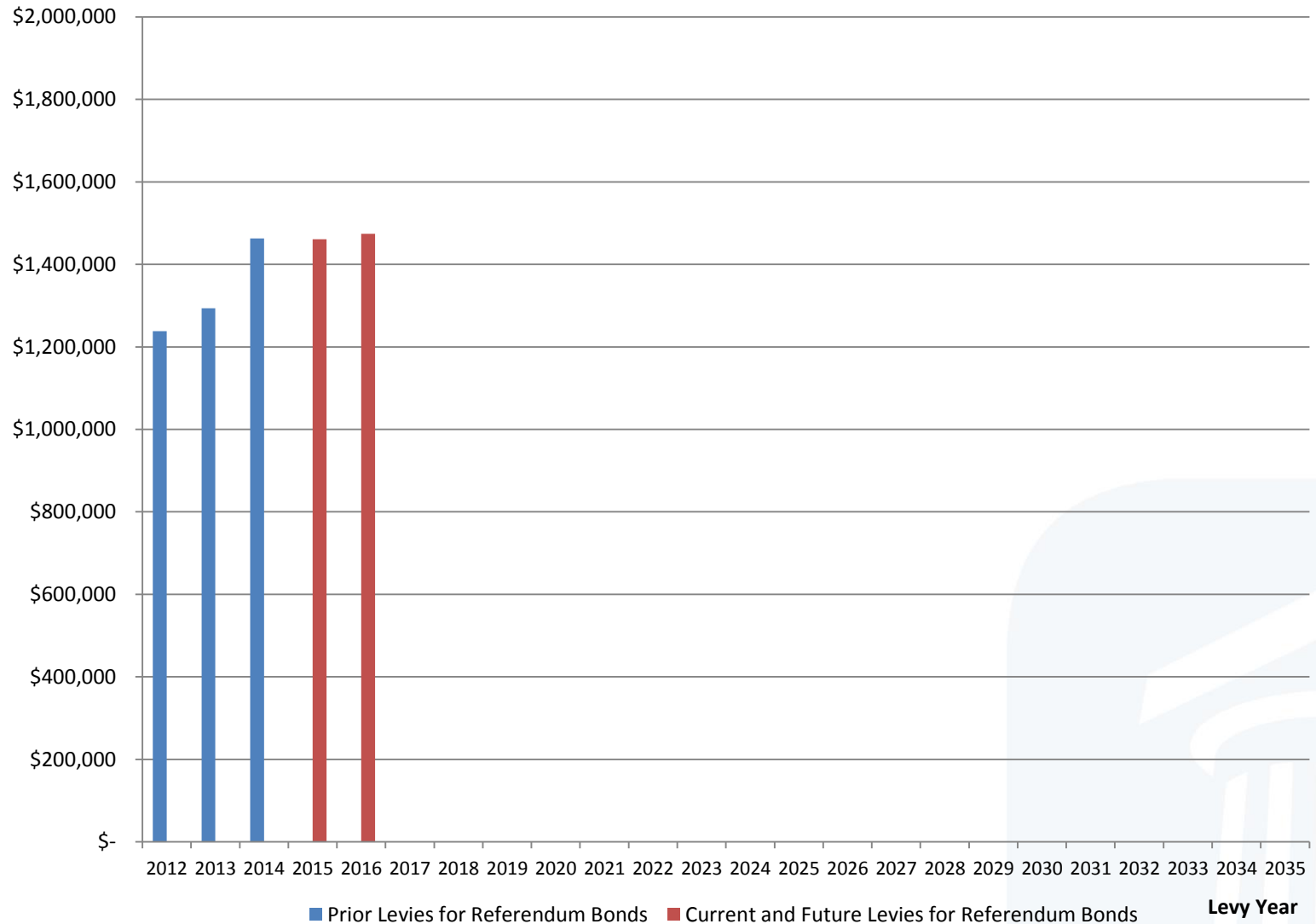
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- The District's Existing Debt
- What is a Debt Service Extension Base (DSEB) Referendum?
- Estimated Structure for Bonds
- Estimated Impact on the Homeowner
- Estimated Sources of Funds for Capital Projects

Referendum Bonds Debt Service

Actual amount extended with loss and cost

Levy Year	Fiscal Year	\$9,460,000 GO School Bonds, Series 1999	\$2,340,000 GO School Bonds, Series 2000	\$9,485,000 GO Refunding School Bonds, Series 2004	\$4,260,000 Refunding Bonds, Series 2014	Total	Total General Obligation Bonds Debt Service	Approximate 1.0% County Loss/Cost Debt Service	EAV	Growth Rate	B&I Tax Rate
2012	2014	\$	\$	\$ 1,237,800	\$	\$ 1,237,800	\$ 1,237,800	\$ 1,250,178	\$ 599,578,306	-6.38%	0.2085
2013	2015			1,293,400		1,293,400	1,293,400	1,306,334	551,507,529	-8.02%	0.2369
2014	2016				1,462,900	1,462,900	1,462,900	1,477,529	532,115,122	-3.52%	0.2777
2015	2017	-	-	-	1,460,600	1,460,600	1,460,600	1,475,206	529,985,999	-0.40%	0.2783
2016	2018	-	-	-	1,473,900	1,473,900	1,473,900	1,488,639	529,985,999	0.00%	0.2809
2017	2019	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2018	2020	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2019	2021	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2020	2022	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2021	2023	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2022	2024	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2023	2025	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2024	2026	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2025	2027	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2026	2028	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2027	2029	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2028	2030	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2029	2031	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2030	2032	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2031	2033	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2032	2034	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2033	2035	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2034	2036	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
2035	2037	-	-	-	-	-	-	-	529,985,999	0.00%	0.0000
Total DS From											
Current FY:		\$	\$	\$	\$ 2,934,500	\$ 2,934,500	\$ 2,934,500	\$ 2,963,845			



- Without a referendum, District 34's existing bonds will be paid off in levy year 2016 (calendar year 2017)

- District 34 must have referendum approval to issue bonds in the future
- The Board has decided upon a type of referendum that will enable it to sell non-referendum bonds in the future
- If the referendum is successful, District 34 could sell non-referendum bonds with a maximum 20-year maturity
 - The amount of annual principal and interest payments will be limited

- As a school district in a tax capped county, in order to levy for the annual debt service (principal and interest) payments on non-referendum bonds District 34 must have a Debt Service Extension Base (DSEB)
 - Many tax-capped school districts have had a DSEB for over 20 years, due to a law that passed in the early 1990s
 - For those districts, the DSEB was determined by the amount of non-referendum debt service levied for in the levy year tax caps first applied (1994 in Lake County)

- District 34 did not have any non-referendum bonds outstanding in levy year 1994; therefore, it does not have a DSEB
- To create a DSEB, District 34 must pass a referendum

- The following are the types of non-referendum bonds (annual payments must fit within a DSEB):
 - Working Cash (for capital projects or operating capital)
 - Life Safety (issued in evidence of life safety approvals)
 - Funding (pays off a claim or liability)
 - Tort
- All of these require a BINA (Bond Issue Notification Act) hearing before the bonds can be sold

- If a DSEB referendum passes, the Board of Education must declare its intent to issue Working Cash and possibly Funding Bonds via a resolution
 - A notice of intent must then appear in the local newspaper and begins a 30-day clock
 - If at least 10% of registered voters sign and submit valid petitions to the Board within the 30 days, the District would be required to seek voter approval for the sale of the bonds at a referendum
- The 30-day petition process is not required for Life Safety Bonds

Possible Debt Service Extension Base (DSEB) Ballot Language

Shall the **debt service extension base** under the Property Tax Extension Limitation Law for Antioch Community Consolidated School District Number 34, Lake County, Illinois, for payment of principal and interest on limited bonds **be established at \$1,400,000 for the 2017 levy year and all subsequent levy years?**

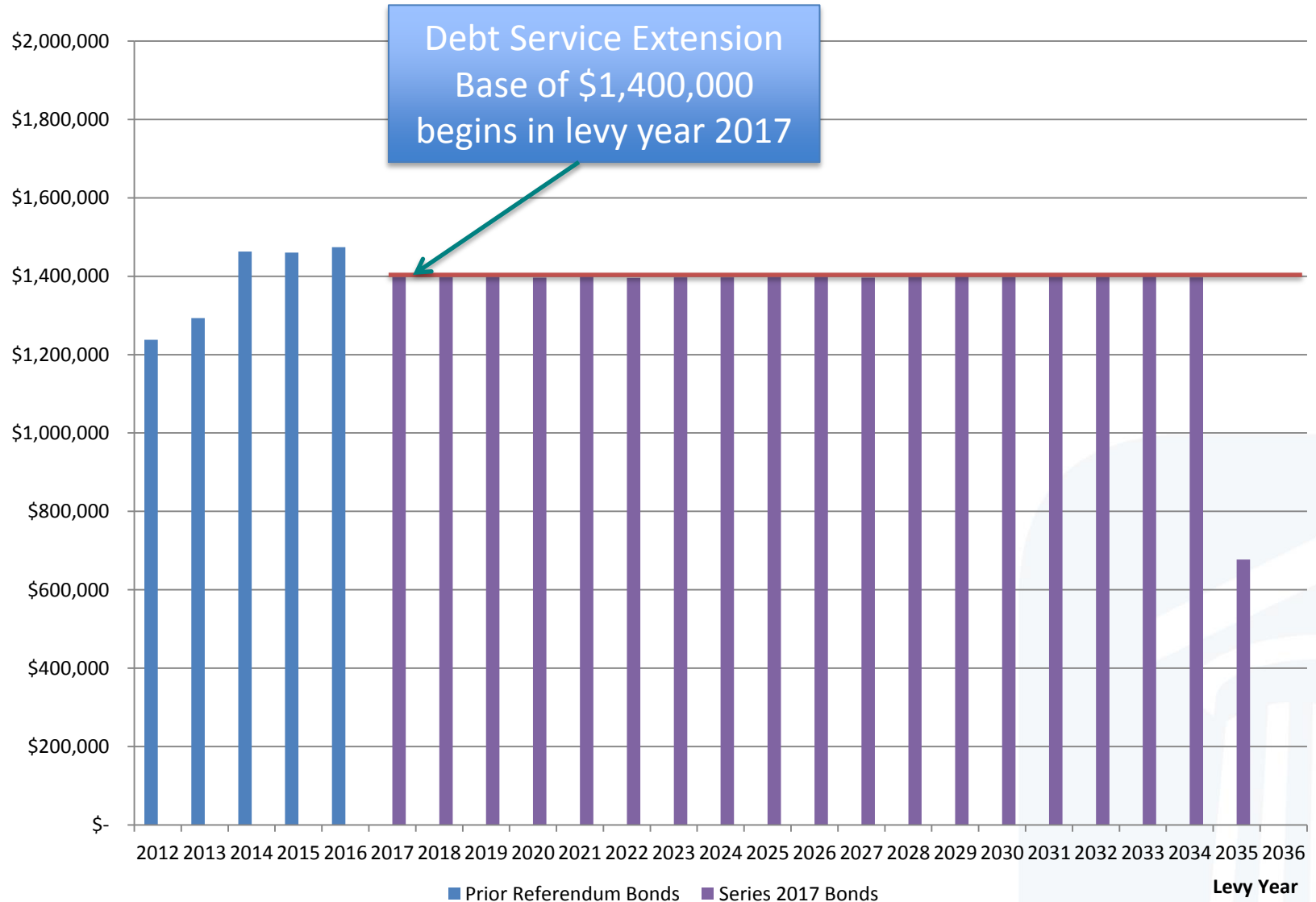
- A DSEB referendum provides District 34 with an annual amount of property taxes that may be extended to pay non-referendum debt service subject to the District completing the required proceedings for a non-referendum bond issue

		Non-Referendum Debt Service				Referendum Debt Service							
Ley Year	Fiscal Year	\$18.8 Million Proposed General Obligation Bonds, Series 2017 (2)	Potential Non-Referendum Debt Service		\$9,485,000 GO Refunding School Bonds, Series 2004	\$4,260,000 Refunding Bonds, Series 2014	Total General Obligation Bonds Debt Service	Approximate 1.0% County Loss/Cost Debt Service	EAV	Growth Rate	B&I Tax Rate		
			Extension Base (1)	Remaining Margin								Total	Total
2011	2013	\$	\$	\$	\$ 1,214,800	\$	\$ 1,214,800	\$ 1,214,800	\$ 1,226,948	\$ 640,446,032	-9.79%	0.1916	
2012	2014				1,237,800		1,237,800	1,237,800	1,250,178	599,578,306	-6.38%	0.2085	
2013	2015				1,293,400		1,293,400	1,293,400	1,306,334	551,507,529	-8.02%	0.2369	
2014	2016					1,462,900	1,462,900	1,462,900	1,477,629	532,116,122	-3.62%	0.2777	
2015	2017	-	-	-	-	1,460,600	1,460,600	1,460,600	1,475,206	529,985,999	-0.40%	0.2783	
2016	2018	-	-	1,400,000	1,400,000	-	1,473,900	1,473,900	1,488,639	529,985,999	0.00%	0.2809	
2017	2019	1,398,233	1,398,233	1,400,000	1,767	-	-	1,398,233	1,412,215	529,985,999	0.00%	0.2665	
2018	2020	1,397,800	1,397,800	1,400,000	2,200	-	-	1,397,800	1,411,778	529,985,999	0.00%	0.2664	
2019	2021	1,398,500	1,398,500	1,400,000	1,500	-	-	1,398,500	1,412,485	529,985,999	0.00%	0.2665	
2020	2022	1,396,600	1,396,600	1,400,000	3,400	-	-	1,396,600	1,410,566	529,985,999	0.00%	0.2662	
2021	2023	1,399,100	1,399,100	1,400,000	900	-	-	1,399,100	1,413,091	529,985,999	0.00%	0.2666	
2022	2024	1,395,850	1,395,850	1,400,000	4,150	-	-	1,395,850	1,409,809	529,985,999	0.00%	0.2660	
2023	2025	1,397,000	1,397,000	1,400,000	3,000	-	-	1,397,000	1,410,970	529,985,999	0.00%	0.2662	
2024	2026	1,397,400	1,397,400	1,400,000	2,600	-	-	1,397,400	1,411,374	529,985,999	0.00%	0.2663	
2025	2027	1,398,600	1,398,600	1,400,000	1,400	-	-	1,398,600	1,412,586	529,985,999	0.00%	0.2665	
2026	2028	1,398,400	1,398,400	1,400,000	1,600	-	-	1,398,400	1,412,384	529,985,999	0.00%	0.2665	
2027	2029	1,396,800	1,396,800	1,400,000	3,200	-	-	1,396,800	1,410,768	529,985,999	0.00%	0.2662	
2028	2030	1,398,800	1,398,800	1,400,000	1,200	-	-	1,398,800	1,412,788	529,985,999	0.00%	0.2666	
2029	2031	1,399,200	1,399,200	1,400,000	800	-	-	1,399,200	1,413,192	529,985,999	0.00%	0.2666	
2030	2032	1,398,000	1,398,000	1,400,000	2,000	-	-	1,398,000	1,411,980	529,985,999	0.00%	0.2664	
2031	2033	1,399,500	1,399,500	1,400,000	500	-	-	1,399,500	1,413,495	529,985,999	0.00%	0.2667	
2032	2034	1,398,250	1,398,250	1,400,000	1,750	-	-	1,398,250	1,412,233	529,985,999	0.00%	0.2665	
2033	2035	1,399,250	1,399,250	1,400,000	750	-	-	1,399,250	1,413,243	529,985,999	0.00%	0.2667	
2034	2036	1,397,250	1,397,250	1,400,000	2,750	-	-	1,397,250	1,411,223	529,985,999	0.00%	0.2663	
2035	2037	677,250	677,250	1,400,000	722,750	-	-	677,250	684,023	529,985,999	0.00%	0.1291	
2036	2038	-	-	1,400,000	1,400,000	-	-	-	-	529,985,999	0.00%	0.0000	
Total DS From Current FY:		\$ 25,841,783	\$25,841,783			\$ -	\$ 2,934,500	\$ 2,934,500	\$ 28,776,283	\$ 29,064,046			

(1) Public Act 96-0501 only applies to DSEBs created by tax cap legislation and does not apply to voted DSEBs.

Therefore the DSEB is expected to remain flat for future levy years.

(2) Rates based upon the "AAA" MMD index for March 18, 2016 and recent bond sales which PMA believes to be accurate and reliable, plus 50bps. Estimated TIC = 3.71%.



- Debt service payment in levy year 2016 (taxes payable in calendar year 2017): **\$1,473,900**
- Annual debt service payment beginning in levy year 2017 (taxes payable in calendar year 2018): **\$1,400,000**
- With a successful referendum, District 34 will have the ability to extend \$1.4 million in annual debt service payments for 20 years subject to the District completing the required proceedings for a non-referendum bond issue

- Without a referendum, District 34's existing bonds will be paid off in levy year 2016 (calendar year 2017)
 - Property taxes for a taxpayer with a \$200,000 market value home will decline by approximately \$168 in calendar year 2018
- A successful \$1.4 million DSEB referendum will not increase the amount of annual property taxes currently paid by a homeowner for District 34's principal and interest payments

Series 2017 Bond Proceeds*	\$18.8 Million
Fund Balance Contribution	<u>4.5 Million</u>
Estimated Total Sources of Funds	\$23.3 Million

* Rates based upon the "AAA" MMD index for March 18, 2016 and recent bond sales which PMA believes to be accurate and reliable, plus 50bps. Estimated TIC = 3.71%.

- **A Successful DSEB Referendum Will...**
 - Provide District 34 with an opportunity to fund capital projects, both now and in the future
 - Extend property taxes on the payment of bonds for 20 years
 - Limit the amount of property taxes District 34 may extend annually for principal and interest payments on bonds at \$1,400,000 per year
- **A Successful DSEB Referendum Will Not...**
 - Increase the annual amount of property taxes currently paid by a homeowner for District's 34 principal and interest payments on bonds

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