

Investor Presentation

Palatine Community Consolidated School District Number 15,
Cook County, Illinois

General Obligation School Bonds, Series 2023



December 20, 2022

Participants:

Dr. Laurie Heinz, *District Superintendent*

Diana McCluskey, *District Chief School Business Official*

Elizabeth Hennessy, *Raymond James, Municipal Advisor*



Disclaimer

The Financing Team (Robert W. Baird & Co. Incorporated, Stifel, Nicolaus & Co., and Mesirow Financial, Inc.) are providing this information to you for discussion purposes. We are not recommending that you take any action, and this information is not intended to be regarded as “advice” within the meaning of Section 15B of the Securities Exchange Act of 1934 or the rules thereunder.

Please reference the Preliminary Official Statement for complete information in regard to this offering.

- For Institutional Use Only -

Plan of Finance Overview



Series 2023 General Terms Summary

Issuer	Palatine Consolidated School District Number 15, Cook County, Illinois
Issue Description	General Obligation School Bonds, Series 2023
Par Amount*	\$43,650,000
Tax Status	Federally Tax-Exempt, State Taxable
Rating	"Aa2" by Moody's
Security	Payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount.
Maturities	December 1, 2023 – December 1, 2042
Interest Payment Dates	June 1 and December 1, Commencing June 1, 2023
Optional Redemption	Bonds due on or after December 1, 2033, are subject to redemption on any date on or after December 1, 2032
Use of Proceeds	The bond proceeds will be used to (i) pay certain costs of altering, repairing and equipping existing buildings and constructing and equipping building additions, including but not limited to improving safety and security, replacing roofs, plumbing and HVAC systems, installing energy-efficiency improvements and certain Americans with Disabilities Act compliance measures, updating classrooms, science labs, libraries and instructional technology, and constructing improvements to establish middle schools and provide full-day kindergarten, and improve sites of the District, and (ii) to pay the costs of issuance.
Timing*	Pricing January 11 th , Delivery February 1 st

**Preliminary, subject to change*



District Overview

- The District is located in Cook County, Illinois about 25 miles northwest of Chicago and 15 miles from O'Hare International Airport. The District serves all of the City of Rolling Meadows and the Villages of Hoffman Estates and Palatine, as well as portions of the Villages of Arlington Heights, Inverness, Schaumburg and South Barrington. The District covers 35 square miles.
- **The District is the 2nd largest elementary school district in the State with 20 schools and four additional facilities.**
- The District currently employs approximately 2,000 full-time staff.

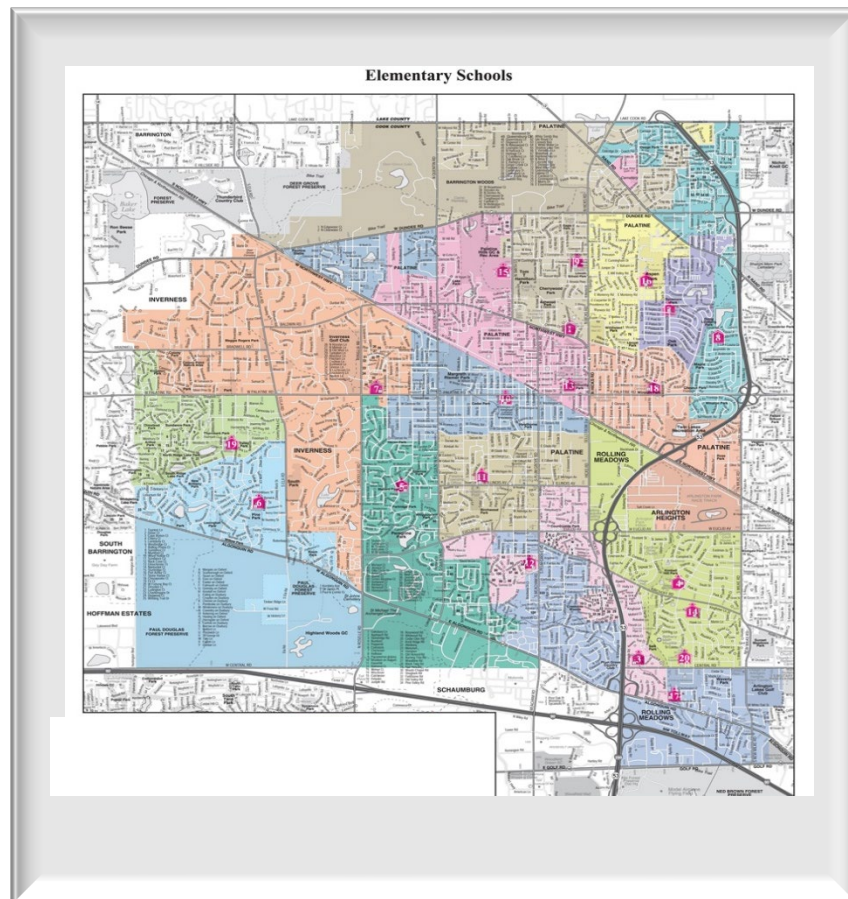
ENROLLMENT

Historical

2017/2018	12,372
2018/2019	12,316
2019/2020	11,946
2020/2021	11,525
2021/2022	11,092
2022/2023	11,290

Projected

2023/2024	10,237
2024/2025	10,045

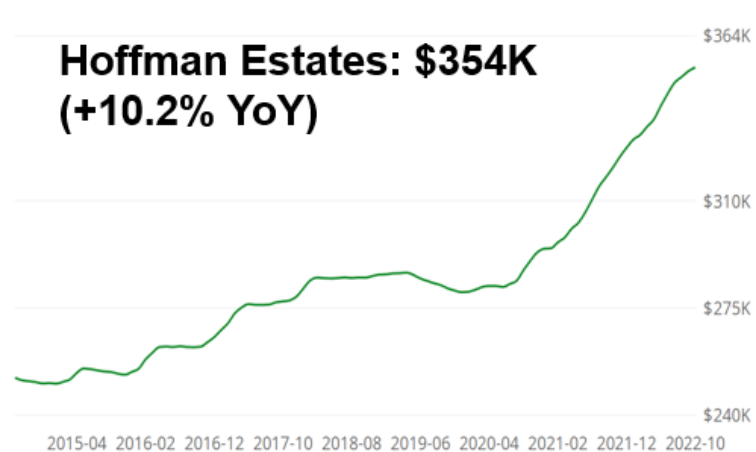
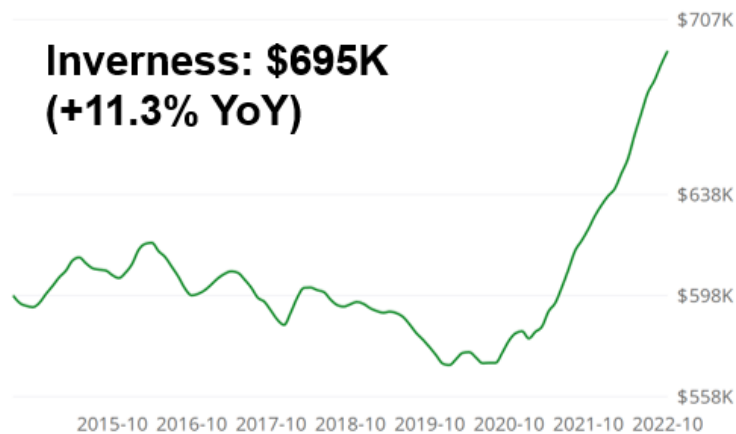
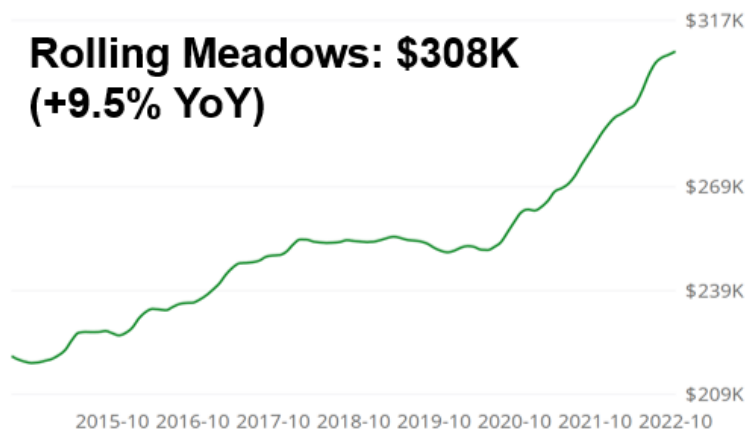


Source: The District and RSP Enrollment Study, 2022



District Overview

Average Home Value in Palatine, Rolling Meadows, Inverness and Hoffman Estates



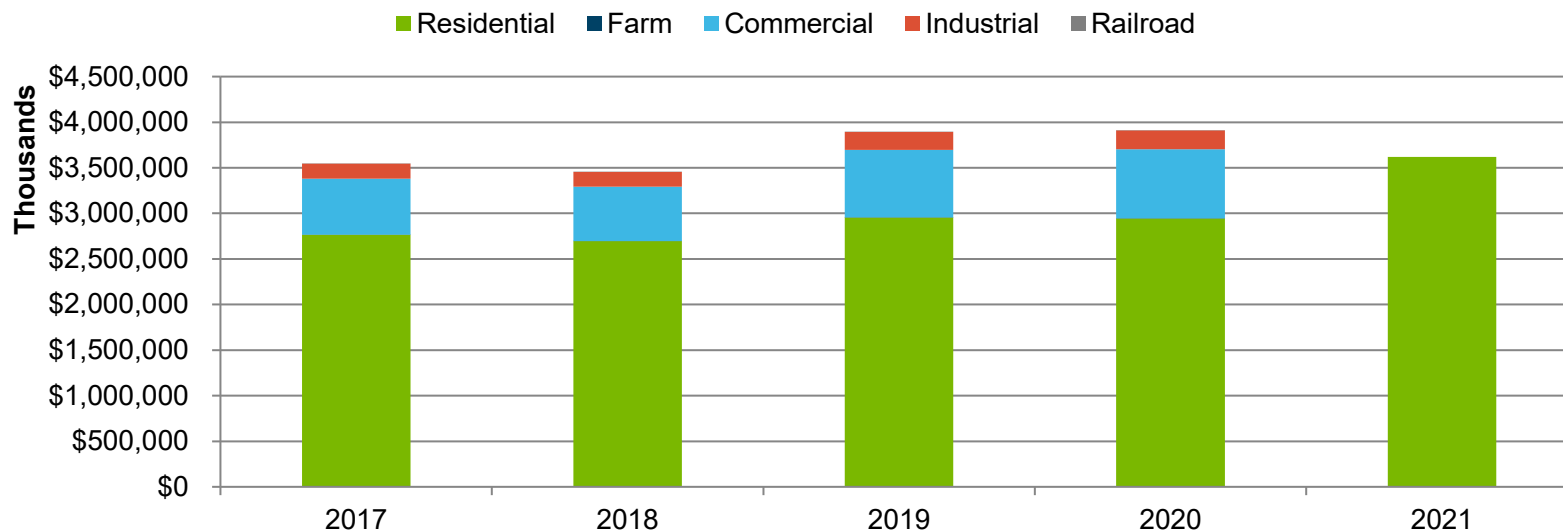
Source: Zillow, data through October 2022 – Graphs exclude: Arlington Heights, Village of Schaumburg, and Village of South Barrington



District Overview

Composition of Equalized Assessed Valuation

	2017	2018	2019	2020	2021
Residential	\$2,766,799,371	\$2,694,973,069	\$2,957,126,700	\$2,946,461,307	<i>*Breakdown of 2021 EAV is not yet available on Clerk website</i>
Farm	37,680	37,680	37,660	37,660	
Commercial	612,236,367	599,256,156	739,513,668	757,137,599	
Industrial	166,646,118	161,841,997	196,266,917	207,625,063	
Railroad	<u>2,699,526</u>	<u>2,900,322</u>	<u>3,165,872</u>	<u>3,300,416</u>	
Total EAV	\$3,548,419,062	\$3,459,009,224	\$3,896,110,817	\$3,914,562,045	\$3,619,746,577*



Source: Cook County Clerk's Office; Does not include TIF

Master Facility Plan



The District's voters approved a \$93M referendum with 62.67% approval on November 8th.

- The new bonds will repair and equip existing buildings and construct and equip building additions.
- There will also be installation of energy-efficient improvements and certain Americans with Disabilities Act compliance measures, updating classrooms, science labs, libraries, and instructional technology, and constructing improvements to establish middle schools and provide full-day kindergarten.



Repair & Restore Facilities

Update Learning Spaces

**Improve Student Transitions
(From Elementary > Junior High > High School)**

- Impacted Schools include Thomas Jefferson, Plum Grove, Walter R Sundling in Phase 1. Phase 2 includes 13 elementary schools.
- The District will also redistrict the elementary schools, create 6-8 middle schools and align attendance areas with current high school attendance areas.



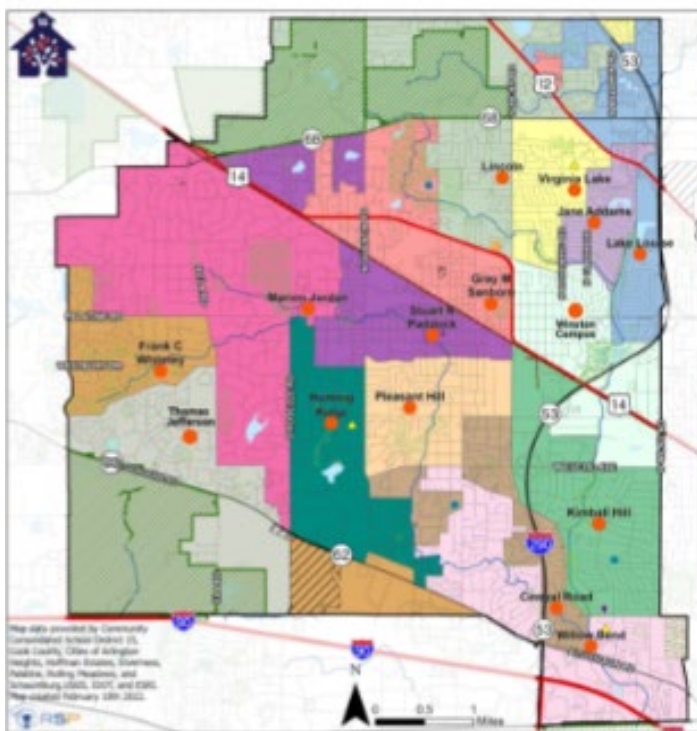
Master Facility Plan

The District will go from 15 K-6 elementary schools to 13 K-5 elementary schools with full day kindergarten. Conyers Learning Academy will be Pre-K-8th grade serving Early Childhood and Therapeutic Day School.

Elementary Attendance Areas



Current

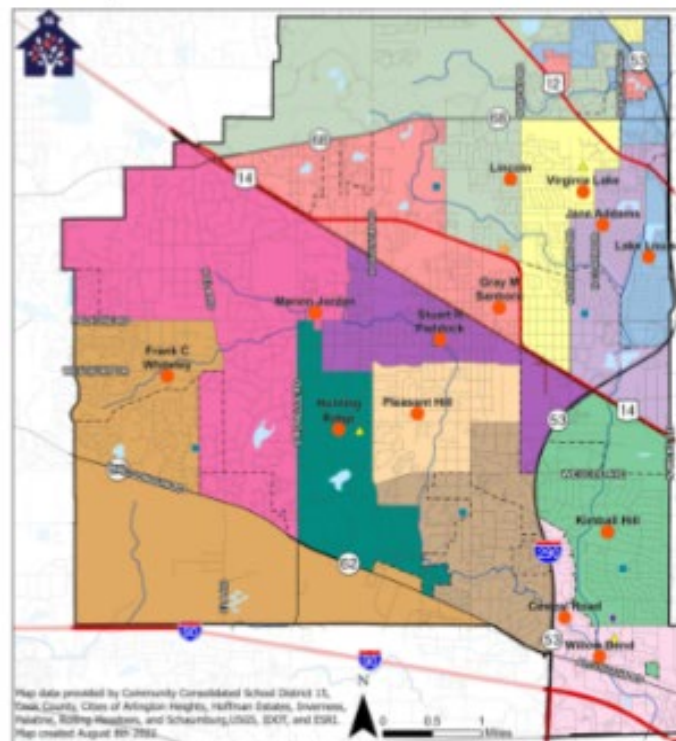


Central Road
Frank C. Whiteley
Gray M. Sanborn
Hunting Ridge
Jane Addams
Kimball Hill
Lake Louise
Lincoln
Marion Jordan
Pleasant Hill
Stuart R. Paddock
Thomas Jefferson
Virginia Lake
Willow Bend
Winston Campus

Community Consolidated
School District 15
Proposed Elementary
Attendance Areas

- Legend
- Elementary Schools
 - Junior High Schools
 - High Schools
 - ★ John G. Conyers Learning Academy
 - District Office
 - ▨ Areas Impacted in Boundary Change
 - ▭ District boundary

Proposed





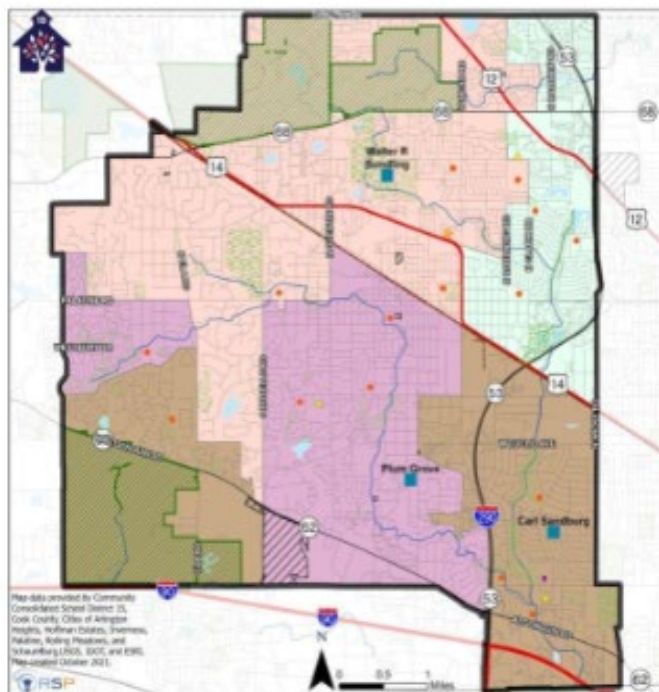
Master Facility Plan

The District will go from 4 junior high schools (7-8) to 5 Middle Schools serving 6-8 grades. Winston Campus and Jane Addams will be the K-5 dual language programs in Palatine. Kimball Hill School K-5 dual language in Rolling Meadows.

Junior High > Middle School Attendance Areas



Current



Carl Sandburg

Plum Grove

WR Sundling

Winston

Campus

Thomas

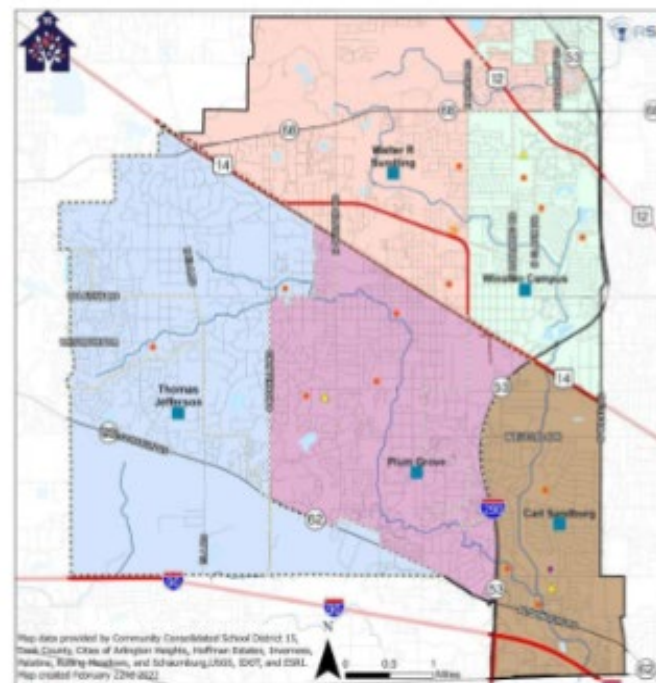
Jefferson

Community Consolidated
School District 15
Proposed Junior High
Attendance Zones

Legend

- Elementary Schools
- Junior High Schools
- High Schools
- John G. Conyers Learning Academy
- District Office
- District Boundary
- Areas Impacted in Boundary Change

Proposed





Master Facility Plan

The District will continue to address its long term facility capital plan making critical improvements district-wide.

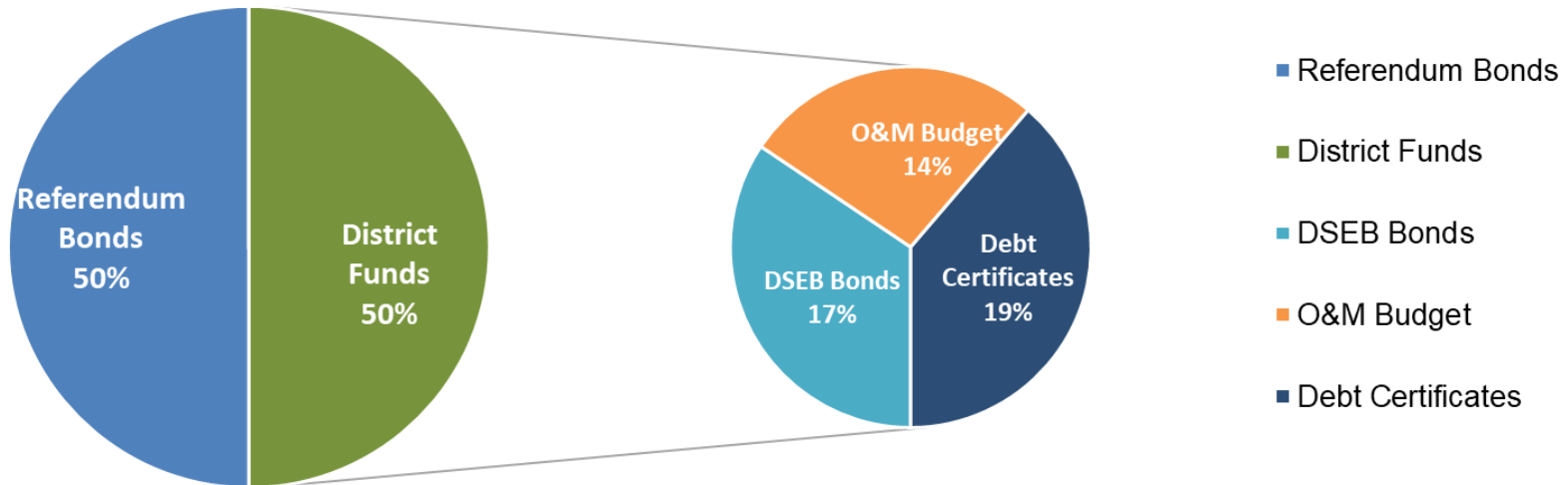
CATEGORY	FISCAL YEAR				
	22-23	23-24	24-25	25-26	26-27
ASPHALT	724,368	482,477	673,057	1,717,957	913,697
MULTI-PURPOSE ROOMS / CAFES	0	0	0	330,571	906,690
CASEWORK / STORAGE	0	0	0	601,680	955,316
CEILINGS	0	0	0	228,065	1,071,331
COAT STORAGE / CUBBIES	0	0	0	331,144	1,018,267
FLOORING	747,609	322,041	0	1,315,097	2,649,862
FURNITURE	0	0	5,958,974	822,893	0
EMERGENCY GENERATORS					
GYMNASIUMS	0	0	0	467,222	2,007,410
HVAC	2,715,000	4,681,585	8,663,047	4,690,101	9,478,372
LED LIGHTING	0	0	0	634,000	1,552,750
LIBRARIES	350,000	472,781	161,534	331,144	169,711
PLAYGROUNDS	250,000	1,418,344	349,989	573,983	367,708
PLUMBING	0	0	0	0	483,338
ROOFS	0	0	963,579	3,597,301	3,774,559
SECURITY CAMERAS	2,975,095	0	0	0	0
SITWORK / SIDEWALKS	0	0	0	0	0
EXTERIOR ATHLETIC TRACKS	0	0	0	993,432	0
DOORS / WINDOWS / EXT ENVELOPE	0	0	0	0	346,098
ADA			1,666,381	0	
ANNUAL TOTAL BUDGET	\$ 7,762,072	\$ 7,377,228	\$ 18,436,560	\$ 16,634,589	\$ 25,695,109
FY	22-23	23-24	24-25	25-26	26-27
	TOTAL FY 22-23 THROUGH FY26-27				\$ 75,905,558

Master Facility Plan



Projected Funding Sources for Capital Plan

\$186M Capital Plan - Estimated Funding Sources



Non-Referendum DSEB Bonds	\$	32,000,000	FY2026
O&M Operating Budget-Pay Go Projects (Over 5 Years)		25,000,000	FY2023-27
Debt Certificates		36,000,000	FY 2024
Referendum Bonds		93,000,000	FY 23-24
Estimated Funding Sources for Projects	\$	186,000,000	

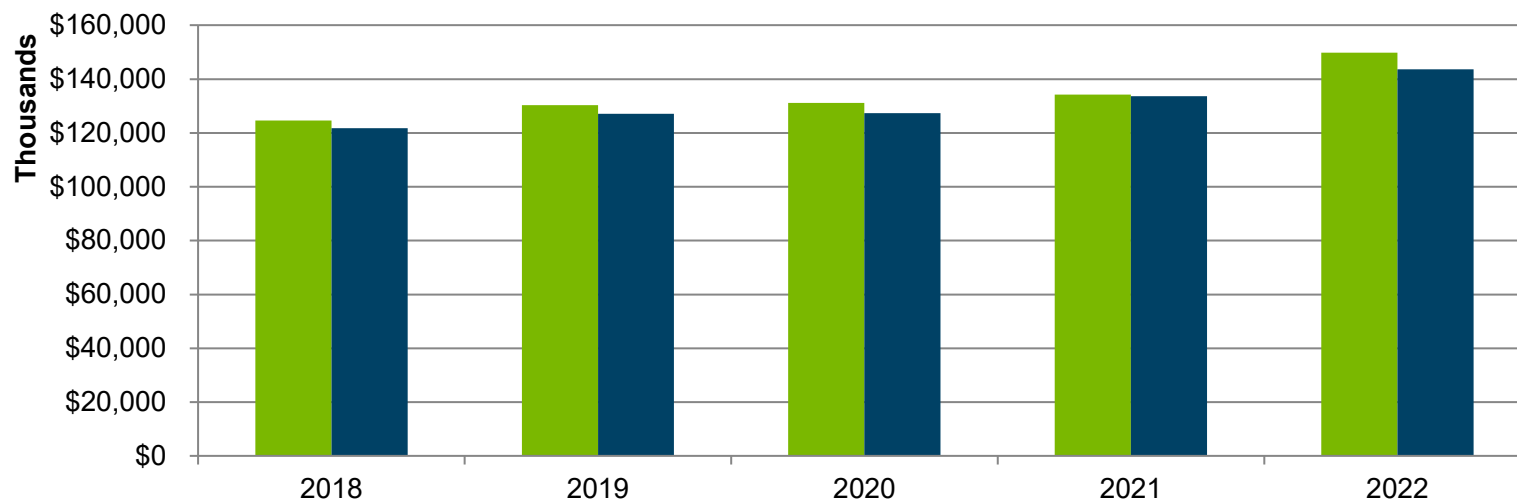


Financial Position

General Fund* – Revenues and Expenses

	2018	2019	2020	2021	2022
Revenues	124,583,739	130,390,512	131,145,986	134,218,791	149,788,394
Expenditures	121,784,112	127,090,429	127,345,750	133,670,534	143,657,094
Net Transfers	<u>(154,186)</u>	<u>(4,654,186)</u>	<u>(7,362,414)</u>	<u>(2,580,862)</u>	<u>(1,080,862)</u>
Net Surplus (Deficit)	\$2,967,728	(\$1,354,103)	(\$3,562,178)	(\$2,032,605)	\$5,050,438

■ Revenues ■ Expenditures



Source: The District, Comprehensive Annual Financial Statements, FY2018-2022.

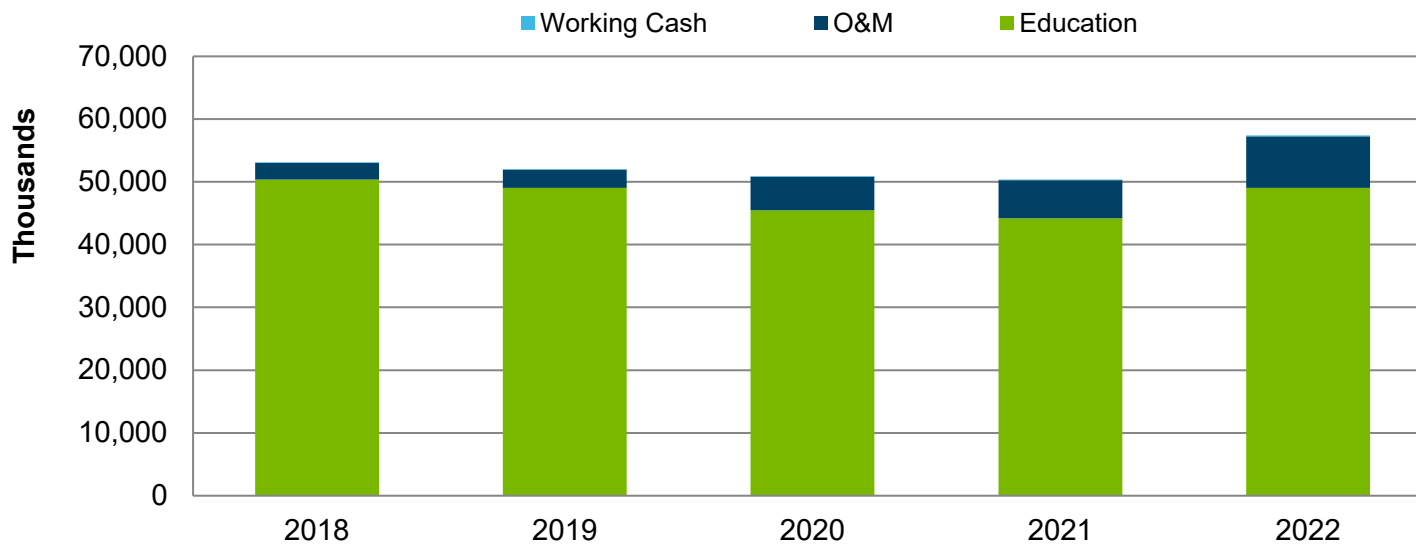
*General Fund includes Education and Working Cash Funds.



Financial Position

General Fund, O&M, and Working Cash Fund Balances

Fund	2018	2019	2020	2021	2022
Education	50,366,746	49,009,950	45,445,732	44,181,936	49,051,318
O&M	2,626,191	2,936,817	5,364,468	6,072,306	8,207,352
Working Cash	112,990	115,683	117,723	117,983	118,080
TOTAL	\$53,105,927	\$52,062,450	\$50,927,923	\$50,372,225	\$57,376,750



Source: The District, Comprehensive Annual Financial Statements, FY2018-2022.

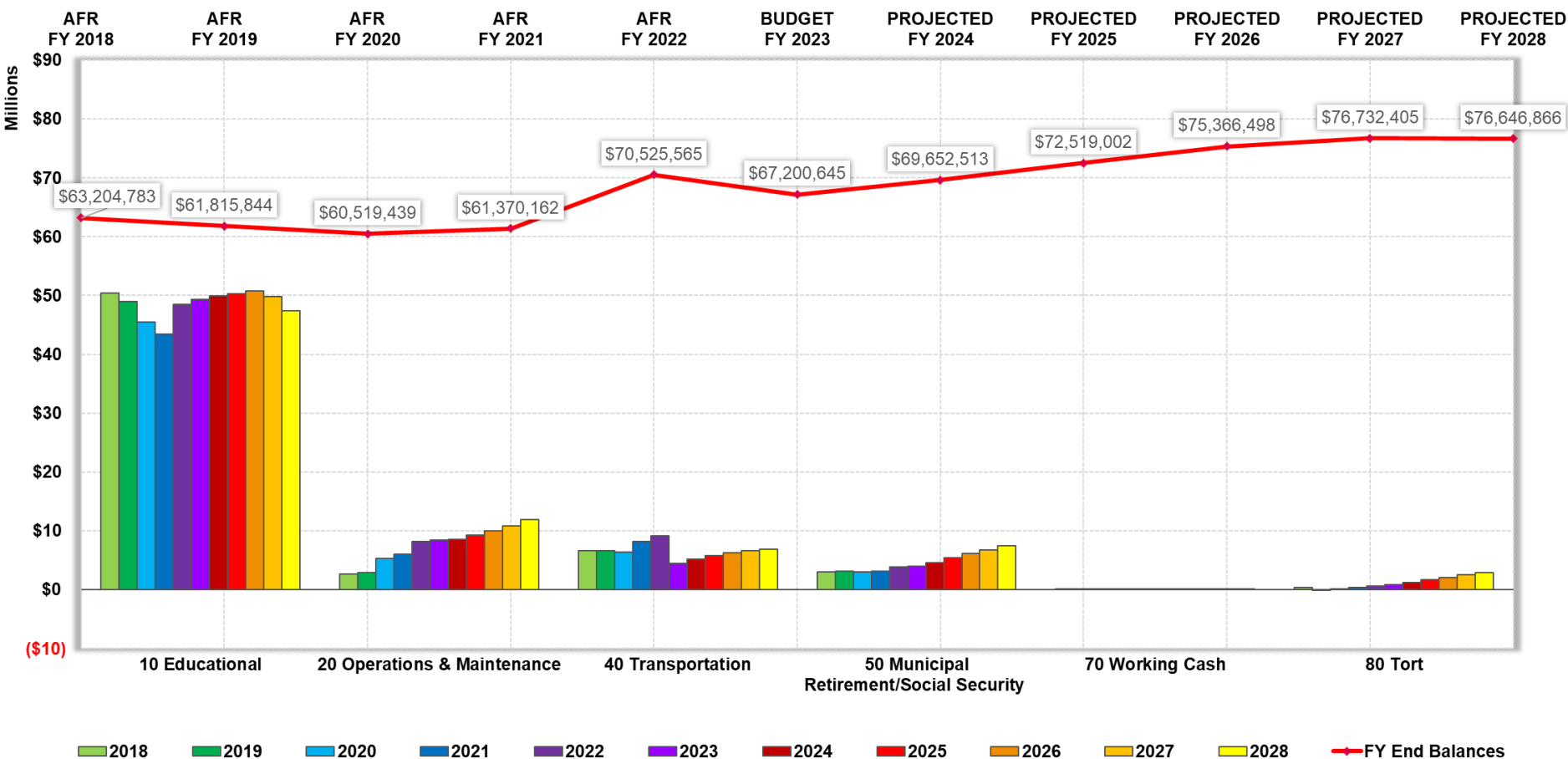
*General Fund includes Education and Working Cash Funds.



Financial Position

Five Year Projections

Fund Balances



Source: The District



Referendum Approved Bonds Fiscal Year 2023 and 2024

Year Taxes Paid	Tax Year	Equalized Assessed Valuation	% Change	Estimated \$46.5M Referendum Bonds January 2023*	Estimated \$46.5M Referendum Bonds January 2024*	Total Estimated Referendum Bond Debt Service	Estimated Tax Rate Referendum Bond Debt Service
2021	2020	3,914,562,045	0.47%				
2022	2021	3,619,746,577	-7.53%				
2023	2022	3,619,746,577	0.00%	6,508,057	-	6,508,057	0.18
2024	2023	3,619,746,577	0.00%	2,140,000	4,374,857	6,514,857	0.18
2025	2024	3,619,746,577	0.00%	3,258,750	3,255,938	6,514,688	0.18
2026	2025	3,619,746,577	0.00%	3,256,000	3,255,188	6,511,188	0.18
2027	2026	3,619,746,577	0.00%	3,260,000	3,251,438	6,511,438	0.18
2028	2027	3,619,746,577	0.00%	3,255,250	3,259,688	6,514,938	0.18
2029	2028	3,619,746,577	0.00%	3,257,000	3,254,188	6,511,188	0.18
2030	2029	3,619,746,577	0.00%	3,254,750	3,260,438	6,515,188	0.18
2031	2030	3,619,746,577	0.00%	3,258,500	3,252,688	6,511,188	0.18
2032	2031	3,619,746,577	0.00%	3,262,750	3,251,438	6,514,188	0.18
2033	2032	3,619,746,577	0.00%	3,257,250	3,256,188	6,513,438	0.18
2034	2033	3,619,746,577	0.00%	3,257,250	3,256,438	6,513,688	0.18
2035	2034	3,619,746,577	0.00%	3,257,250	3,257,188	6,514,438	0.18
2036	2035	3,619,746,577	0.00%	3,257,000	3,258,188	6,515,188	0.18
2037	2036	3,619,746,577	0.00%	3,256,250	3,254,188	6,510,438	0.18
2038	2037	3,619,746,577	0.00%	3,254,750	3,260,188	6,514,938	0.18
2039	2038	3,619,746,577	0.00%	3,257,250	3,255,438	6,512,688	0.18
2040	2039	3,619,746,577	0.00%	3,253,250	3,260,188	6,513,438	0.18
2041	2040	3,619,746,577	0.00%	3,257,750	3,253,688	6,511,438	0.18
2042	2041	3,619,746,577	0.00%	3,255,000	3,256,188	6,511,188	0.18
2043	2042	3,619,746,577	0.00%	-	6,514,975	6,514,975	0.18
Total				\$ 67,274,057	\$ 69,498,707	\$ 136,772,764	
All-In TIC:				4.05%	4.12%	4.08%	
Bond Proceeds:				\$46,500,000	\$46,500,000	\$93,000,000	

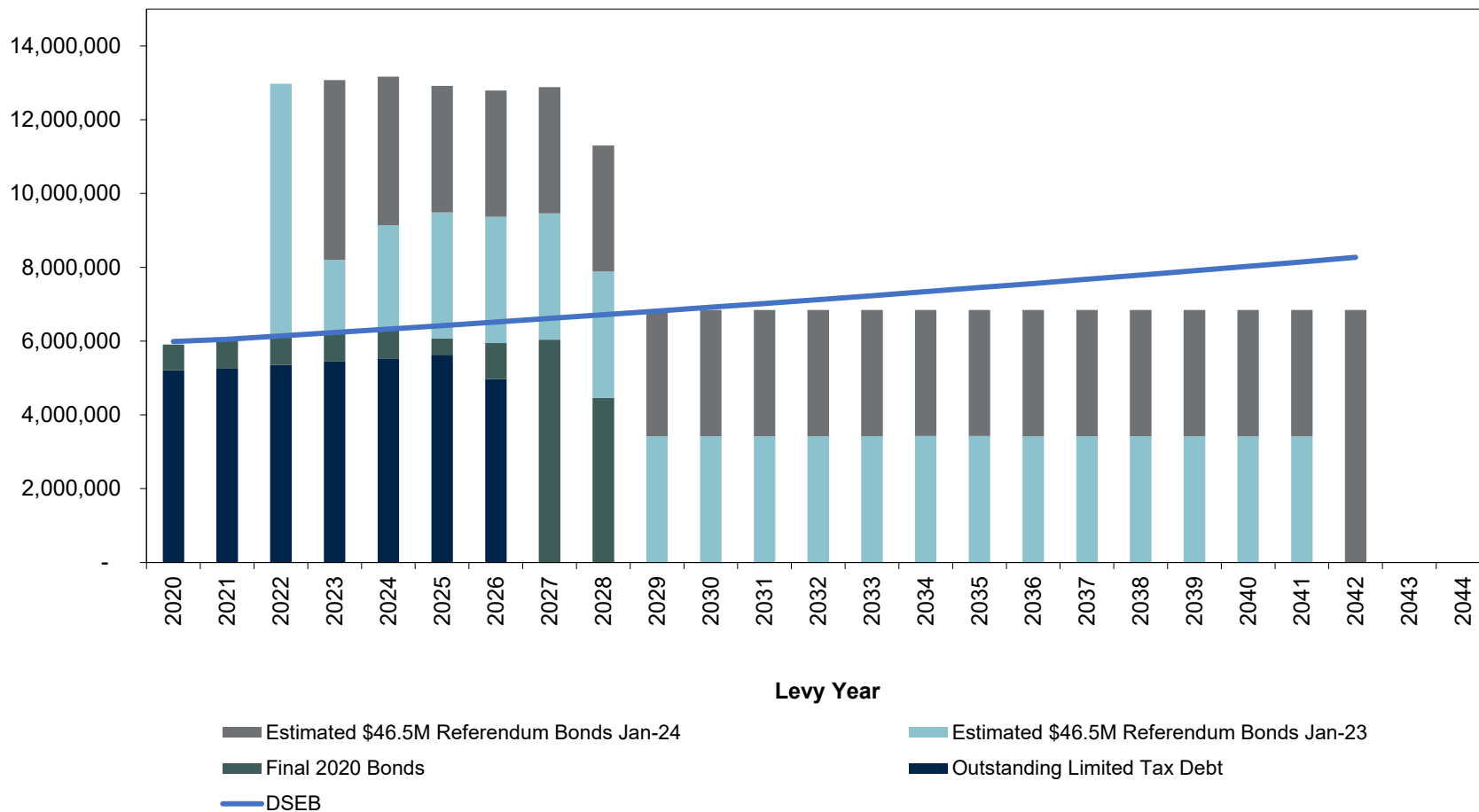
Bonds contemplated for this issuance include the 2023 Bonds only. All schedules are estimated at this point, and subject to change.

*Debt service reflects interest rates for Aa2 rated bonds as of December 5, 2022, no cushion.



Referendum Approved Bonds Fiscal Year 2023 and 2024

Total Outstanding Debt Service





Timing

December 2022							January 2023							February 2023						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7					1	2	3
4	5	6	7	8	9	10	8	9	10	11	12	13	14	4	5	6	7	8	9	10
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28
25	26	27	28	29	30	31	29	30	31											

Preliminary Official Statement Released: Wednesday, December 28

Marketing Plan Executed: Thursday, December 29 – Tuesday, January 10

The Daily Herald Advertisement: Sunday, January 1 and Sunday, January 8

Price: Wednesday, January 11, 2023*

Close: Wednesday, February 1, 2023*

Please direct any questions you may have to the following individuals:

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