

# DEBT UPDATE

## Raymond James Public Finance

PREPARED BY: Elizabeth Hennessy, Managing Director



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PREPARED FOR

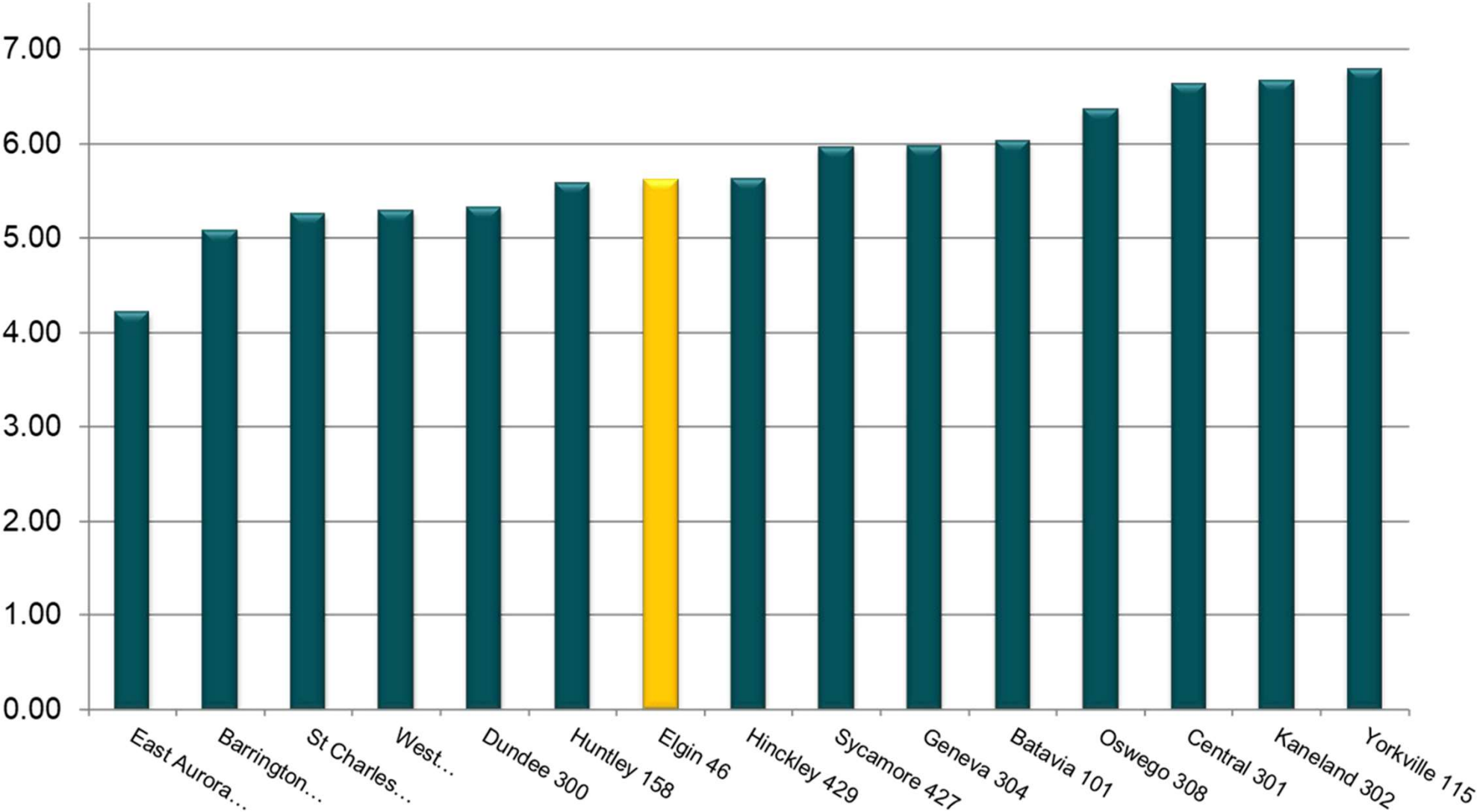
Elgin U-46 Finance Committee  
Kane, DuPage and Cook Counties, Illinois

October 24, 2022

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**RAYMOND JAMES**

# TAX RATE COMPARISON

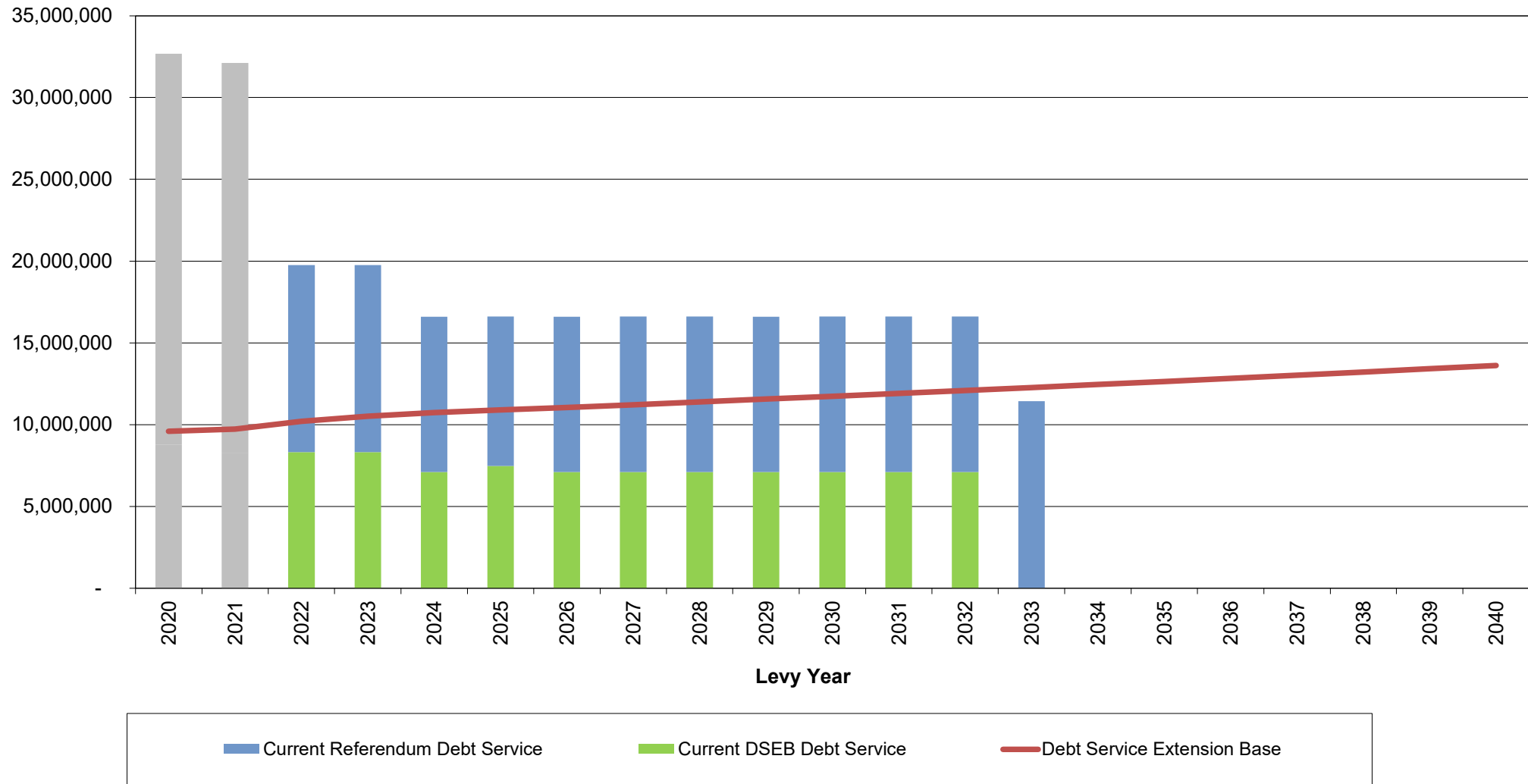


Source: Kane County Clerk’s Office, Tax rates for 2021, payable 2022.

Historical Abatements	Amount	Total Amount
2015 Tax Year	2,068,459	2,068,459
2016 Tax Year	3,902,326	5,970,785
2017 Tax Year	3,902,326	9,873,111
2018 Tax Year	9,605,212	19,478,323
2019 Tax Year	9,605,212	29,083,535
2020 Tax Year	9,605,212	38,688,747
2021 Tax Year	9,605,212	<b>\$48,293,959</b>

- The Series 2023A and Series 2023B Bonds are scheduled to close on November 30<sup>th</sup> of 2023 per the forward refunding documents.
- This transaction capitalized on low interest rates in December of 2021 and on the Series 2023B alone will save the taxpayers over **\$18.4M** in interest payments.
- There is a large tax decrease in levy year 2022 of \$12.3M in the debt service tax levy.
- We would like to explore the option of stabilizing the 2022 debt service tax levy by renegotiating a small portion of the Series 2023B forward refunding bonds and adding a taxable refinancing impacting the 2022 tax levy and increasing total savings to over an estimated **\$20.8M** by paying refunded bonds off earlier.

Outstanding Debt Service Payments



**Large tax decrease in 2022 levy year is due to retiring Series 2003B bonds resulting in tax DECREASE of \$209 for \$300,000 market value home.**

# PROPOSED RENEGOTIATED SERIES 2023B FORWARD REFUNDING AND SERIES 2022 TAXABLE ADVANCE REFUNDING

PUBLIC FINANCE

Tax Year	Equalized Assessed Valuation <sup>(1)</sup>	Current <sup>(2)</sup> Non-Referendum Debt Service	Series 2003B ULT Debt Service	Series 2015D ULT Debt Service	LESS: Series 2015D REFUNDED ULT Debt Service	Series 2022 TAXABLE ULT <sup>(4)</sup> Debt Service	Series 2023B ULT Debt Service	Current <sup>(2)</sup> Referendum Debt Service	TOTAL Current DSEB + REF Debt Service	TOTAL Current DSEB + REF Tax Rate	TOTAL Current DSEB + REF Debt Payments \$300,000 Home	Tax Decrease with 2023C Bonds Issued
2020	5,392,991,871	8,763,638	18,944,788	4,969,150				23,913,938	32,677,576	0.606	\$570	
2021	5,539,069,658	8,240,763	18,899,788	4,969,150				23,868,938	32,109,701	0.580	\$545	
2022	5,539,069,658	8,316,163		11,449,150	(606,000)	12,902,667		23,745,817	32,061,979	0.579	\$544	-\$1
2023	5,539,069,658	8,310,774		11,450,000	(11,450,000)		11,164,497	11,164,497	19,475,271	0.352	\$331	-\$214
2024	5,539,069,658	7,095,337		11,448,500	(11,448,500)		9,247,648	9,247,648	16,342,985	0.295	\$277	
2025	5,539,069,658	7,468,063		11,449,500	(11,449,500)		8,877,176	8,877,176	16,345,239	0.295	\$277	
2026	5,539,069,658	7,096,893		11,447,000	(11,447,000)		9,246,072	9,246,072	16,342,965	0.295	\$277	
2027	5,539,069,658	7,103,800		11,445,250	(11,445,250)		9,244,048	9,244,048	16,347,848	0.295	\$277	
2028	5,539,069,658	7,105,462		11,448,250	(11,448,250)		9,243,592	9,243,592	16,349,054	0.295	\$277	
2029	5,539,069,658	7,099,248		11,449,750	(11,449,750)		9,244,600	9,244,600	16,343,848	0.295	\$277	
2030	5,539,069,658	7,105,266		11,448,750	(11,448,750)		9,246,968	9,246,968	16,352,234	0.295	\$278	
2031	5,539,069,658	7,103,195		11,449,250	(11,449,250)		9,245,592	9,245,592	16,348,787	0.295	\$277	
2032	5,539,069,658	7,103,142		11,445,000	(11,445,000)		7,875,472	7,875,472	14,978,614	0.270	\$254	
2033	5,539,069,658	-		11,445,000	(11,445,000)		-	-	-	0.000	\$0	
2034	5,539,069,658	-					-	-	-			
2035	5,539,069,658	-					-	-	-			
2036	5,539,069,658	-					-	-	-			
2037	5,539,069,658	-					-	-	-			
2038	5,539,069,658	-					-	-	-			
2039	5,539,069,658	-					-	-	-			
2040	5,539,069,658	-					-	-	-			
2041	5,539,069,658	-					-	-	-			
2042	5,539,069,658	-					-	-	-			
<b>Total</b>		<b>\$ 89,148,101</b>	<b>\$ 18,899,788</b>	<b>\$ 142,344,550</b>	<b>\$ (126,532,250)</b>	<b>\$ 12,902,667</b>	<b>\$ 92,635,665</b>	<b># \$ 140,250,420</b>	<b>\$ 229,398,522</b>			

Dated: 1/3/2023 11/30/2023 Total  
Cashflow Savings 6,242,333 \$14,570,335 \$20,812,667.85

<sup>(1)</sup>EAV estimated increase 0% and CPI increase 3% in 2023, 2% in 2024 and 1.5% thereafter to be conservative

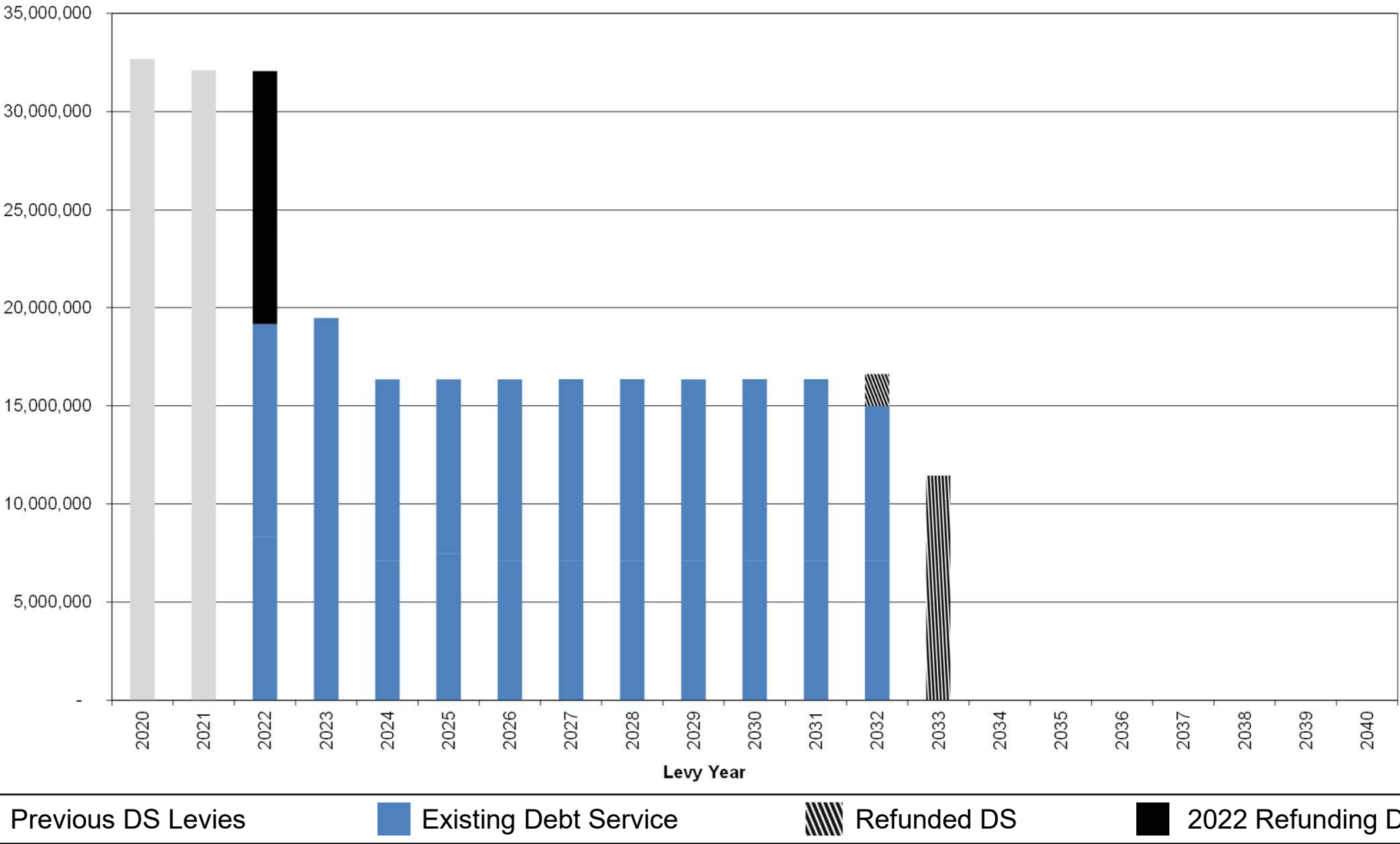
<sup>(2)</sup>"Current" D/S includes Series 2023A and 2023B Forward Refundings.

<sup>(3)</sup> Cook County EAV is not yet available, using Cook County 2020 EAV.

<sup>(4)</sup> Rates for proposed Series 2022 & 2023D Bonds are based on MMD/UST as of October 6, 2022 plus 50bps for volatility.

**Renegotiating the Series 2023B forward refunding and adding the taxable advance refunding Series 2022 stabilizes the 2022 debt service levy, potentially allowing for a no tax increase bond referendum to occur in April 2023.**

Proposed Outstanding Debt Service Payments



**Tax decrease occurs in levy year 2023 post refunding resulting in tax DECREASE of \$214 for a \$300,000 market value home.**

Date	Activity
<b>Finance Committee Meeting October 24, 2022</b>	Discuss proposed Refunding Plan with Finance Committee and review resolution amending Notice of Sale of Refunding Bonds and Taxable Refunding Bond Sale Resolution
<b>Regular Board Meeting October 24, 2022</b>	Review proposed Refunding Plan with Board of Education and review resolution amending Notice of Sale of Refunding Bonds and Taxable Refunding Bond Sale Resolution
<b>Regular Board Meeting November 7, 2022</b>	Approve amendment to Notice of Sale of Refunding Bonds and approve Taxable Refunding Bond Sale Resolution
Ongoing	Sign and file required documents
December 7, 2022	Close taxable refunding bond sale
November 30, 2023	Close forward refunding bond sales Series 2023A and 2023B

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