

Hustisford School District

Possible Referendum Financing Plans

November 30, 2022

Baird Public Finance

Michel Clark

Director

414.765.7326

mdclark@rwbaird.com

Considerations:

Interest Rate Environment

Equalized Valuation (Tax Base) Growth

State Aid Formula

Life of the Asset (Project)

Traditional Structure

Hustisford School District EXAMPLE REFERENDUM FINANCING PLAN ILLUSTRATION

		\$25,000,000					
		GENERAL OBLIGATION BONDS (A)					
		<i>Dated September 1, 2023</i>					
		<i>(First interest 3/1/24)</i>					
LEVY YEAR	YEAR DUE	PRINCIPAL (3/1)	INTEREST (3/1 & 9/1) AVG= 5.50%	TOTAL	STATE AID IMPACT ON NEW DEBT (B)	NET COST (Factoring Aid)	NET MILL RATE (C)
2022	2023						\$0.00
2023	2024	\$1,055,500	\$1,345,974	\$2,401,474	\$0	\$2,401,474	\$5.37
2024	2025	\$690,000	\$1,297,973	\$1,987,973	\$436,200	\$2,424,173	\$5.37
2025	2026	\$755,000	\$1,258,235	\$2,013,235	\$436,200	\$2,449,435	\$5.37
2026	2027	\$820,000	\$1,214,923	\$2,034,923	\$436,200	\$2,471,123	\$5.37
2027	2028	\$870,000	\$1,168,448	\$2,038,448	\$436,200	\$2,474,648	\$5.32
2028	2029	\$920,000	\$1,119,223	\$2,039,223	\$436,200	\$2,475,423	\$5.27
2029	2030	\$970,000	\$1,067,248	\$2,037,248	\$436,200	\$2,473,448	\$5.22
2030	2031	\$1,025,000	\$1,012,385	\$2,037,385	\$436,200	\$2,473,585	\$5.16
2031	2032	\$1,080,000	\$954,498	\$2,034,498	\$436,200	\$2,470,698	\$5.11
2032	2033	\$1,145,000	\$893,310	\$2,038,310	\$436,200	\$2,474,510	\$5.06
2033	2034	\$1,210,000	\$828,548	\$2,038,548	\$436,200	\$2,474,748	\$5.01
2034	2035	\$1,275,000	\$760,210	\$2,035,210	\$436,200	\$2,471,410	\$4.96
2035	2036	\$1,350,000	\$688,023	\$2,038,023	\$436,200	\$2,474,223	\$4.91
2036	2037	\$1,425,000	\$611,710	\$2,036,710	\$436,200	\$2,472,910	\$4.86
2037	2038	\$1,505,000	\$531,135	\$2,036,135	\$436,200	\$2,472,335	\$4.81
2038	2039	\$1,590,000	\$446,023	\$2,036,023	\$436,200	\$2,472,223	\$4.77
2039	2040	\$1,680,000	\$356,098	\$2,036,098	\$436,200	\$2,472,298	\$4.72
2040	2041	\$1,775,000	\$261,085	\$2,036,085	\$436,200	\$2,472,285	\$4.67
2041	2042	\$1,875,000	\$160,710	\$2,035,710	\$436,200	\$2,471,910	\$4.63
2042	2043	\$1,984,500	\$54,574	\$2,039,074	\$436,200	\$2,475,274	\$4.59
2043	2044				\$436,200	\$436,200	
		\$25,000,000	\$16,030,328	\$41,030,328	\$8,724,000	\$49,754,328	AVERAGE = (D) \$5.03

Summary:

20-year term
Level payments

Pros:

No interest rate risk

Cons:

Does not use the 25-year
repayment option

Larger negative aid impact

(A) May be preceded by a Bond Anticipation Note.

(B) State aid based on prior fiscal debt service at the following aid levels (2022-23 October 15 Certification):

Hold-Harmless Estimate.....	\$436,200
Tertiary Aid Percentage.....	-29.08%

(C) Mill rate based on 2022 Equalized Valuation (TID-OUT) of \$442,380,319 with annual growth of 1.00%

(D) Impact represents an average of the annual mill rate for Fund 39 debt service over the life of the debt issue.

Note: Planning estimates only. Significant changes in market conditions will require adjustments to current financing plan. Rates subject to change.

Alternating Payment Structure

		\$25,000,000			HYPOTHETICAL STATE AID IMPACT (B)	COMBINED COST (Factoring Aid)	COMBINED MILL RATE (C)
		GENERAL OBLIGATION BONDS (A)					
		Dated September 1, 2023 (First interest 3/1/24)					
		PRINCIPAL (3/1 Even Years & 9/1 Odd Years)	INTEREST (3/1 & 9/1) AVG= 5.50%	TOTAL			
Jan-June 2023	July-Dec 2023						
Jan-June 2024	July-Dec 2024	\$1,655,000	\$687,500	\$2,342,500		\$2,342,500	\$5.25
Jan-June 2025	July-Dec 2025				\$436,200		
Jan-June 2026	July-Dec 2026	\$1,745,000	\$641,988	\$2,386,988	\$0	\$2,386,988	\$5.25
Jan-June 2027	July-Dec 2027	\$195,000	\$1,782,000	\$1,977,000	\$436,200	\$2,413,200	\$5.25
Jan-June 2028	July-Dec 2028	\$1,635,000	\$588,638	\$2,223,638	\$0	\$2,223,638	\$4.79
Jan-June 2029	July-Dec 2029	\$155,000	\$1,631,025	\$1,786,025	\$436,200	\$2,222,225	\$4.74
Jan-June 2030	July-Dec 2030	\$1,685,000	\$539,413	\$2,224,413	\$0	\$2,224,413	\$4.70
Jan-June 2031	July-Dec 2031	\$300,000	\$1,479,225	\$1,779,225	\$436,200	\$2,215,425	\$4.63
Jan-June 2032	July-Dec 2032	\$1,740,000	\$484,825	\$2,224,825	\$0	\$2,224,825	\$4.61
Jan-June 2033	July-Dec 2033	\$475,000	\$1,310,925	\$1,785,925	\$436,200	\$2,222,125	\$4.56
Jan-June 2034	July-Dec 2034	\$1,800,000	\$423,913	\$2,223,913	\$0	\$2,223,913	\$4.52
Jan-June 2035	July-Dec 2035	\$665,000	\$1,123,238	\$1,788,238	\$436,200	\$2,224,438	\$4.47
Jan-June 2036	July-Dec 2036	\$1,865,000	\$356,125	\$2,221,125	\$0	\$2,221,125	\$4.42
Jan-June 2037	July-Dec 2037	\$875,000	\$914,513	\$1,789,513	\$436,200	\$2,225,713	\$4.39
Jan-June 2038	July-Dec 2038	\$1,945,000	\$280,775	\$2,225,775	\$0	\$2,225,775	\$4.34
Jan-June 2039	July-Dec 2039	\$1,105,000	\$681,863	\$1,786,863	\$436,200	\$2,223,063	\$4.29
Jan-June 2040	July-Dec 2040	\$2,025,000	\$196,900	\$2,221,900	\$0	\$2,221,900	\$4.25
Jan-June 2041	July-Dec 2041	\$1,365,000	\$423,638	\$1,788,638	\$436,200	\$2,224,838	\$4.21
Jan-June 2042	July-Dec 2042	\$2,120,000	\$103,675	\$2,223,675	\$0	\$2,223,675	\$4.17
Jan-June 2043	July-Dec 2043	\$1,650,000	\$136,125	\$1,786,125	\$436,200	\$2,222,325	\$4.13
Jan-June 2044	July-Dec 2044				\$0	\$0	
		\$25,000,000	\$15,712,263	\$40,712,263	\$4,362,000	\$45,074,263	AVERAGE= \$4.61

Summary:

20-year term
Level Tax Levy

Pros:

No interest rate risk

Lower negative aid
impact

Cons: Does not use
the 25-year repayment
option

Risk of state aid
formula change

(A) May be preceded by a Bond Anticipation Note.

(B) State aid based on the following aid level :

Tertiary Aid Percentage.....	-29.08%
Hold-Harmless Estimate.....	\$436,200

(C) Mill rate based on 2022 Equalized Valuation (TID-OUT) of \$442,380,319 with annual growth of 1.00% thereafter.

(D) Impact represents an average of the annual mill rate for Fund 39 debt service over the life of the debt issue.

25-Year Payment Structure

Hustisford School District HYPOTHETICAL REFERENDUM FINANCING PLAN

LEVEE YEAR	YEAR DUE	\$15,000,000 GENERAL OBLIGATION BONDS (A)		\$10,000,000 BAN		\$6,350,000 G.O. REFUNDING BONDS		FUND 39 DEBT LEVY	STATE AID IMPACT ON NEW DEBT (B)	NET COST (Factoring Aid) (B)	NET MILL RATE (C)
		PRINCIPAL (3/1)	INTEREST (3/1 & 9/1) AVG= 5.50%	PRINCIPAL (3/1)	INTEREST (3/1 & 9/1) AVG= 5.00%	PRINCIPAL (3/1)	INTEREST (3/1 & 9/1) AVG= 5.50%				
2022	2023										
2023	2024		\$825,000	\$1,075,000	\$303,681			\$2,203,681	\$0	\$2,203,681	\$4.93
2024	2025		\$825,000	\$530,000	\$433,000			\$1,788,000	\$436,200	\$2,224,200	\$4.93
2025	2026		\$825,000	\$580,000	\$405,250			\$1,810,250	\$436,200	\$2,246,450	\$4.93
2026	2027		\$825,000	\$635,000	\$374,875			\$1,834,875	\$436,200	\$2,271,075	\$4.93
2027	2028		\$825,000	\$830,000	\$179,500			\$1,834,500	\$436,200	\$2,270,700	\$4.88
2028	2029	\$500,000	\$811,250				\$523,875	\$1,835,125	\$436,200	\$2,271,325	\$4.84
2029	2030	\$705,000	\$778,113				\$349,250	\$1,832,363	\$436,200	\$2,268,563	\$4.78
2030	2031	\$745,000	\$738,238				\$349,250	\$1,832,488	\$436,200	\$2,268,688	\$4.74
2031	2032	\$790,000	\$696,025				\$349,250	\$1,835,275	\$436,200	\$2,271,475	\$4.69
2032	2033	\$835,000	\$651,338				\$349,250	\$1,835,588	\$436,200	\$2,271,788	\$4.65
2033	2034	\$880,000	\$604,175				\$349,250	\$1,833,425	\$436,200	\$2,269,625	\$4.60
2034	2035	\$930,000	\$554,400				\$349,250	\$1,833,650	\$436,200	\$2,269,850	\$4.55
2035	2036	\$985,000	\$501,738				\$349,250	\$1,835,988	\$436,200	\$2,272,188	\$4.51
2036	2037	\$1,040,000	\$446,050				\$349,250	\$1,835,300	\$436,200	\$2,271,500	\$4.47
2037	2038	\$1,095,000	\$387,338				\$349,250	\$1,831,588	\$436,200	\$2,267,788	\$4.42
2038	2039	\$1,160,000	\$325,325				\$349,250	\$1,834,575	\$436,200	\$2,270,775	\$4.38
2039	2040	\$1,225,000	\$259,738				\$349,250	\$1,833,988	\$436,200	\$2,270,188	\$4.33
2040	2041	\$1,295,000	\$190,438				\$349,250	\$1,834,688	\$436,200	\$2,270,888	\$4.29
2041	2042	\$1,370,000	\$117,150				\$349,250	\$1,836,400	\$436,200	\$2,272,600	\$4.25
2042	2043	\$1,445,000	\$39,738				\$349,250	\$1,833,988	\$436,200	\$2,270,188	\$4.21
2043	2044						\$318,038	\$1,453,038	\$436,200	\$1,889,238	\$3.47
2044	2045						\$253,825	\$1,453,825	\$436,200	\$1,890,025	\$3.43
2045	2046						\$186,038	\$1,451,038	\$436,200	\$1,887,238	\$3.39
2046	2047						\$114,538	\$1,449,538	\$436,200	\$1,885,738	\$3.36
2047	2048						\$38,913	\$1,453,913	\$436,200	\$1,890,113	\$3.33
2048	2049								\$436,200	\$436,200	
										AVERAGE IMPACT=	(D)
		\$15,000,000	\$11,226,050	\$3,650,000	\$1,696,306	\$6,350,000	\$6,324,725	\$44,247,081	\$10,905,000	\$55,152,081	\$4.37

Assumes remaining 2028
BAN principal to be refunded
with Bonds on 3/1/2028.

Summary:

25-year term
Level payments

Pros:

Longer repayment term
resulting in lower
average annual impact

Cons:

Interest rate risk on BAN
refunding
Highest total interest
cost

(A) May be preceded by Bond Anticipation Note.

(B) State aid based on prior fiscal year debt service at the following aid level (2022-23 Oct. 15 Aid Cert.):

Hold-Harmless Estimate.....	\$436,200
Tertiary Aid Percentage.....	-29.08%

(C) Mill rate based on 2022 Equalized Valuation (TID-OUT) of \$442,380,319 with annual growth of 1.00% thereafter.

(D) Impact represents an average of the annual mill rate for Fund 39 debt service over the life of the debt issue.

Note: Planning estimates only. Significant changes in market conditions will require adjustments to current financing plan. Rates are subject to change.

Questions?

Baird Public Finance

Michel Clark

Director

414.765.7326

mdclark@rwbaird.com