

***Oak Park and River Forest High School  
District 200***

*201 North Scoville Avenue • Oak Park, IL 60302-2296*

TO: Board of Education  
FROM: Tod Altenburg, Chief School Business Official  
DATE: June 23, 2016  
RE: Pool Funding Options

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**BACKGROUND:**

As the District is considering the pool and capital needs, different funding options are being reviewed.

**SUMMARY OF FINDINGS:**

Elizabeth Hennessy, Managing Director, from William Blair and Company will be in attendance this evening to present funding options.

**NEXT STEP:**

Next steps will be determined as part of the discussion.

June 23, 2016

Oak Park-River Forest  
High School District 200  
Cook County, Illinois

Financing Options

Elizabeth M. Hennessy  
Managing Director  
William Blair & Company

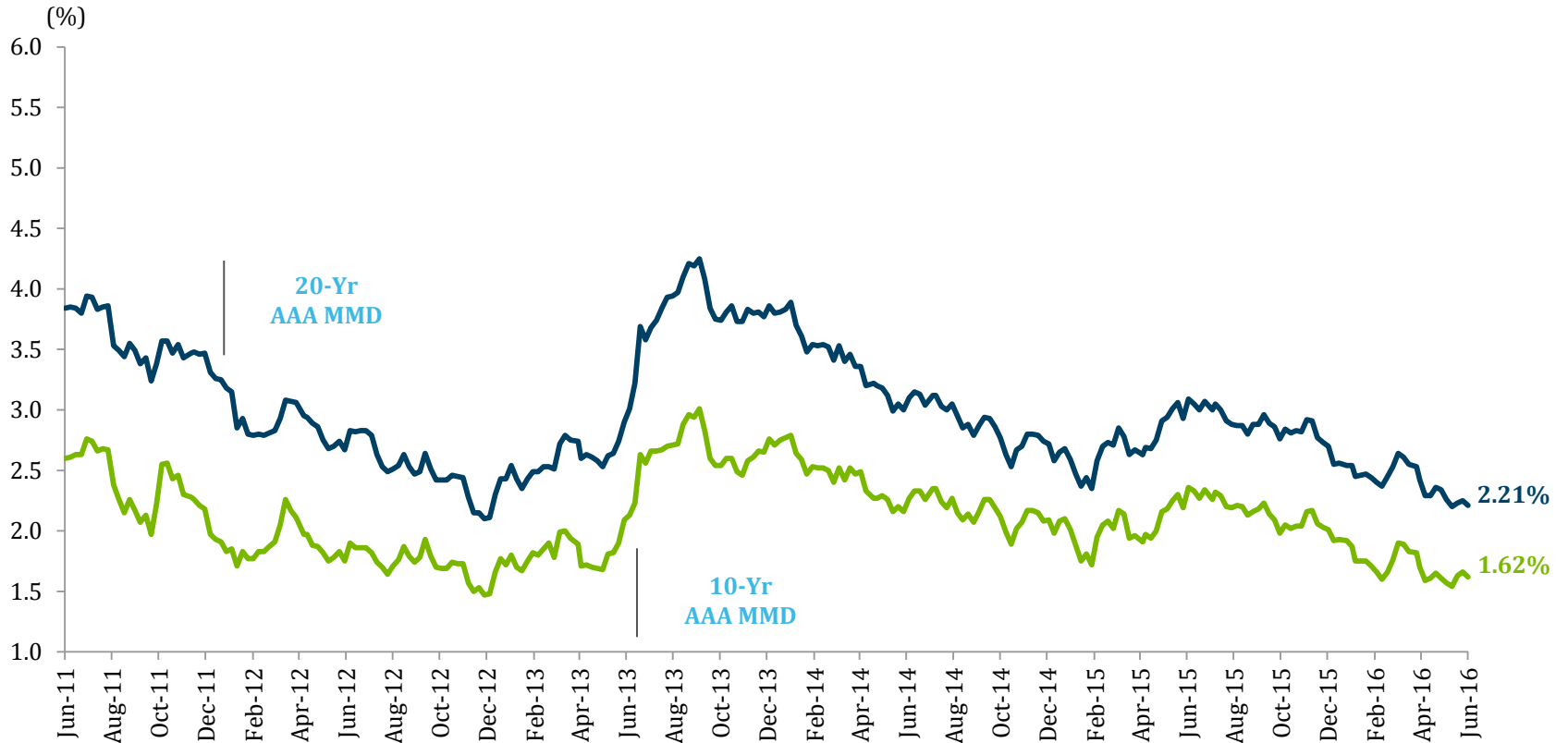
(312) 364-8955  
[ehennessy@williamblair.com](mailto:ehennessy@williamblair.com)

*William Blair*

# Market Overview

# Historical AAA MMD Interest Rates

AAA Municipal Market Data (“MMD”) During the Past Five Years

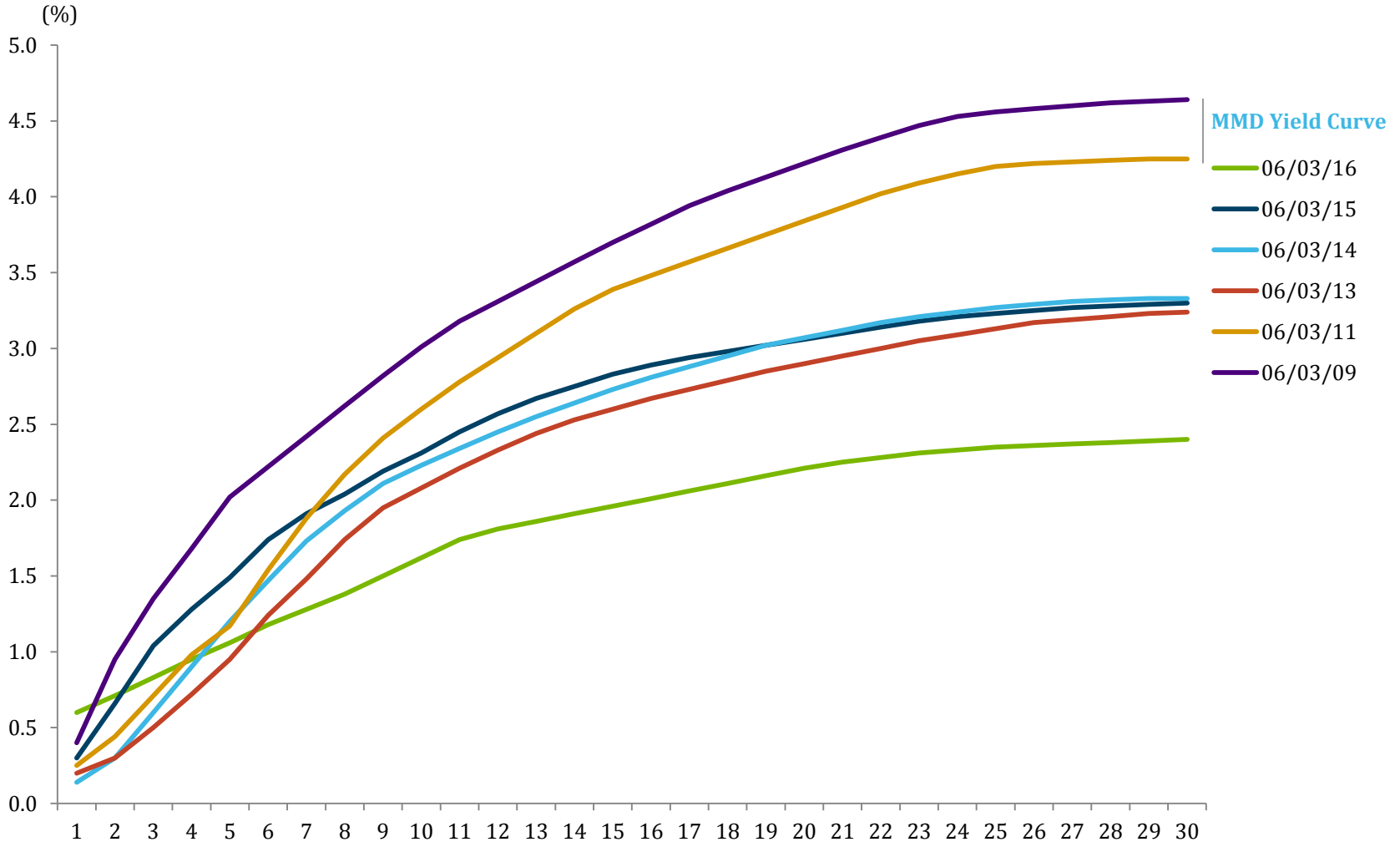


Note: Reflects market conditions as of June 3, 2016

Source: Thomson Financial

# Municipal Yield Curve Comparison

## AAA MMD Curves During the Past Seven Years



Note: Reflects market conditions as of June 3, 2016  
Source: Thomson Financial

# Outstanding Debt

# Outstanding Debt

	December 15, 2009				February 1, 2005			
	Amount	Coupon	Interest	Total	Amount	Coupon	Interest	Total
<b>DATED</b>	2009				2005			
<b>ISSUE</b>	G.O. LIMITED TAX SCHOOL BONDS				G.O. LIMITED TAX SCHOOL BONDS			
<b>SERIES</b>	2009				2005			
<b>ORIGINAL PAR</b>	\$11,810,000				\$1,675,000			
<b>CALL DATE</b>	Non-Callable				12/1/2015 @ 100			
<b>FINAL MATURITY</b>	12/1/2016				12/1/2017			
06/01/16	-		45,300	45,300	-		20,538	20,538
12/01/16	2,265,000	4.00%	45,300	2,310,300	70,000	3.80%	20,538	90,538
06/01/17					-		19,208	19,208
12/01/17					985,000	3.90%	19,208	1,004,208
06/01/18								
12/01/18								
06/01/19								
12/01/19								
06/01/20								
12/01/20								
06/01/21								
12/01/21								
06/01/22								
12/01/22								
06/01/23								
12/01/23								
<b>TOTAL</b>	<b>\$ 2,265,000</b>		<b>\$ 90,600</b>	<b>\$ 2,355,600</b>	<b>\$ 1,055,000</b>		<b>\$ 79,490</b>	<b>\$ 1,134,490</b>

**NOTES** *Refunded portions of the 1998 Bonds*

*New Money for 2005 renovations*

# Statutory Debt Limit

## High School District Number 200 (Oak Park and River Forest)

### Statutory Debt Limit

Equalized Assessed Valuation	2015	1,804,789,911.00
Times: Statutory Debt Limit	6.90%	124,530,503.86
Less: Outstanding Bond Principal		<u>(3,320,000.00)</u>
<u>Net Debt Limit</u>		<u>121,210,503.86</u>

William Blair & Company, LLC

6/15/2016



# Proposed Plan of Finance

# Financing Plan

The District is considering these scenarios for addressing its capital needs in the next 5 years:

- Option A:
  - Renovate two pools in place
  - Build performing arts addition
  - Renovate locker rooms
  - Build additional instructional space
  - Total Cost Estimated at \$40M
- Option B:
  - Build Natatorium and parking garage addition
  - Expand performing arts space
  - Renovate locker rooms
  - Build additional instructional space
  - Total Cost Estimated at \$55M
- Option C:
  - Build underground Natatorium
  - Expand performing arts space
  - Renovate locker rooms
  - Build additional instructional space
  - Total Cost Estimated at TBD

In each option the District intends to use \$20M of its fund balance so the resulting bond financing questions would be in the amount of \$20M for Option A and \$35M for Option B. Option C bond amount is not yet known.

# FY2017 Budget for Operating Funds Including \$20M for Capital Projects

	<u>Education</u>	<u>Oper &amp; Maint.</u>	<u>Working Cash</u>	<u>Operating Funds</u>	<u>Fund Balance/Expenditures</u>
Fund Balance July 1, 2016	\$76,229,788	\$1,395,520	\$4,889,505	\$82,514,813	125.28%
Revenues	58,349,780	11,411,732	1,007,036	70,768,548	
Expenditures	58,994,731	6,870,482	0	65,865,213	
Capital Project Expenditures	0	0	0	0	
Total Expenditures	58,994,731	6,870,482	0	65,865,213	
Surplus/Deficit	(644,951)	4,541,250	1,007,036	4,903,335	
Transfers to Capital Projects	(20,000,000)	(3,792,513)		(23,792,513)	
Transfer from Ed Fund to O&M					
Transfer from Working Cash to Debt Service			(2,420,045)	(2,420,045)	
Ending Balance June 30, 2017	\$55,584,837	\$2,144,257	\$3,476,496	\$61,205,590	92.93%

# Option A: \$20M Referendum Bonds; \$20M Fund Balance

## High School District Number 200 (Oak Park and River Forest)

Summary of Outstanding Debt Service Tax Rate

\$20 Million Referendum, Level Debt Service, January 2017

Tax Year	Equalized Assessed Value	Non-Referendum		Referendum Proposed \$20mm ULT D/S	Referendum Proposed CAPI/FOH	Referendum Total ULT D/S	Total Proposed Debt Service	Debt Service Tax Rate	Estimated Tax Rate Increase	Estimated Impact on \$362,000 Home (1)	Estimated Impact on \$394,000 Home (1)	Remaining DSEB Capacity
		Current DSEB D/S	Debt Service Abatements									
2015	1,804,789,911	2,466,675	(2,466,675)	-	-	-	-	0.000				2,662,433
2016	1,804,789,911	1,023,415	(1,023,415)	810,104	(810,104)	-	-	0.000				2,681,070
2017	1,804,789,911	-	-	1,463,750	-	1,463,750	1,463,750	0.081	0.081	\$72.67	\$79.59	2,707,881
2018	1,804,789,911	-	-	1,459,750	-	1,459,750	1,459,750	0.081				2,734,959
2019	1,804,789,911	-	-	1,464,500	-	1,464,500	1,464,500	0.081				2,762,309
2020	1,804,789,911	-	-	1,462,500	-	1,462,500	1,462,500	0.081				2,789,932
2021	1,804,789,911	-	-	1,464,000	-	1,464,000	1,464,000	0.081				2,817,831
2022	1,804,789,911	-	-	1,463,750	-	1,463,750	1,463,750	0.081				2,846,010
2023	1,804,789,911	-	-	1,461,750	-	1,461,750	1,461,750	0.081				2,874,470
2024	1,804,789,911	-	-	1,463,000	-	1,463,000	1,463,000	0.081				2,903,214
2025	1,804,789,911	-	-	1,462,250	-	1,462,250	1,462,250	0.081				2,932,247
2026	1,804,789,911	-	-	1,464,500	-	1,464,500	1,464,500	0.081				2,961,569
2027	1,804,789,911	-	-	1,459,500	-	1,459,500	1,459,500	0.081				2,991,185
2028	1,804,789,911	-	-	1,462,500	-	1,462,500	1,462,500	0.081				3,021,097
2029	1,804,789,911	-	-	1,463,000	-	1,463,000	1,463,000	0.081				3,051,308
2030	1,804,789,911	-	-	1,461,000	-	1,461,000	1,461,000	0.081				3,081,821
2031	1,804,789,911	-	-	1,461,500	-	1,461,500	1,461,500	0.081				3,112,639
2032	1,804,789,911	-	-	1,464,250	-	1,464,250	1,464,250	0.081				3,143,765
2033	1,804,789,911	-	-	1,464,000	-	1,464,000	1,464,000	0.081				3,175,203
2034	1,804,789,911	-	-	1,460,750	-	1,460,750	1,460,750	0.081				3,206,955
2035	1,804,789,911	-	-	1,459,500	-	1,459,500	1,459,500	0.081				3,239,024
		1,023,415	(1,023,415)	28,595,854	(810,104)	27,785,750	27,785,750					85,295,384

(1) According to Zillow Median Home Sale Values in Oak Park is \$362,000

(1) According to Zillow Median Home Sale Values in River Forest is \$394,000

All In True Interest Cost: 3.19%

Formula: Impact of Tax Rate Increase on Market Value Home  
 (Market Value of Home\*10%\*2.6685 – 7,000 Homestead exemption \*  
 (Tax Rate Increase/100)

# Option B: \$35M Referendum Bonds; \$20M Fund Balance

## High School District Number 200 (Oak Park and River Forest)

### Summary of Outstanding Debt Service Tax Rate

\$35 Million Referendum, Level Debt Service, January 2017

Tax Year	Equalized Assessed Value	Non-Referendum Current DSEB D/S	Debt Service Abatements	Referendum Proposed \$35mm ULT D/S	Referendum Proposed CAPI/FOH	Referendum Total ULT D/S	Total Proposed Debt Service	B&I Tax Rate	Tax Rate Increase	Estimated Impact on \$362,000 Home (1)	Estimated Impact on \$394,000 Home (1)	Remaining DSEB Capacity
2015	1,804,789,911	2,466,675	(2,466,675)	-	-	-	-	0.000				2,662,433
2016	1,804,789,911	1,023,415	(1,023,415)	1,417,396	(1,417,396)	-	-	0.000				2,681,070
2017	1,804,789,911	-	-	2,561,250	-	2,561,250	2,561,250	0.142	0.142	\$127.15	\$139.27	2,707,881
2018	1,804,789,911	-	-	2,560,500	-	2,560,500	2,560,500	0.142				2,734,959
2019	1,804,789,911	-	-	2,557,250	-	2,557,250	2,557,250	0.142				2,762,309
2020	1,804,789,911	-	-	2,561,500	-	2,561,500	2,561,500	0.142				2,789,932
2021	1,804,789,911	-	-	2,557,750	-	2,557,750	2,557,750	0.142				2,817,831
2022	1,804,789,911	-	-	2,561,250	-	2,561,250	2,561,250	0.142				2,846,010
2023	1,804,789,911	-	-	2,556,500	-	2,556,500	2,556,500	0.142				2,874,470
2024	1,804,789,911	-	-	2,558,750	-	2,558,750	2,558,750	0.142				2,903,214
2025	1,804,789,911	-	-	2,557,500	-	2,557,500	2,557,500	0.142				2,932,247
2026	1,804,789,911	-	-	2,557,750	-	2,557,750	2,557,750	0.142				2,961,569
2027	1,804,789,911	-	-	2,559,250	-	2,559,250	2,559,250	0.142				2,991,185
2028	1,804,789,911	-	-	2,556,750	-	2,556,750	2,556,750	0.142				3,021,097
2029	1,804,789,911	-	-	2,560,250	-	2,560,250	2,560,250	0.142				3,051,308
2030	1,804,789,911	-	-	2,559,250	-	2,559,250	2,559,250	0.142				3,081,821
2031	1,804,789,911	-	-	2,558,750	-	2,558,750	2,558,750	0.142				3,112,639
2032	1,804,789,911	-	-	2,558,500	-	2,558,500	2,558,500	0.142				3,143,765
2033	1,804,789,911	-	-	2,558,250	-	2,558,250	2,558,250	0.142				3,175,203
2034	1,804,789,911	-	-	2,557,750	-	2,557,750	2,557,750	0.142				3,206,955
2035	1,804,789,911	-	-	2,556,750	-	2,556,750	2,556,750	0.142				3,239,024
		3,490,090	(3,490,090)	50,032,896	(1,417,396)	50,032,896	48,615,500					85,295,384

(1) According to Zillow Median Home Sale Values in Oak Park is \$362,000

(1) According to Zillow Median Home Sale Values in River Forest is \$394,000

All In True Interest Cost: 3.19%

$$\text{Formula: Impact of Tax Rate Increase on Market Value Home} \\ (\text{Market Value of Home} * 10\% * 2.6685 - 7,000 \text{ Homestead exemption} * \\ (\text{Tax Rate Increase} / 100))$$

# Summary

- Below is a summary chart:

Estimated Project Cost	\$40,000,000	\$55,000,000
Amount of Bonds	\$20,000,000	\$35,000,000
Estimated Tax Rate Increase	0.07	0.09
Estimated Impact on \$362,000 Home (Oak Park)	\$72.67	\$127.15
Estimated Impact on \$394,000 Home (River Forest)	\$79.59	\$139.27
Fund Balance Used for Project	\$20,000,000.0	\$20,000,000.0
FY2017 Operating Fund Balance	\$61,205,590.0	\$61,205,590.0
Estimated After Paying \$20M for Project		
FY2016 Fund Balance as % of Expenditures	93%	93%

# Referendum

# Referendum Bonds

- Referendum dates for upcoming elections are shown below:

Election Date:	Election Type:	Resolution Deadline:
November 8, 2016	General Election	August 27, 2016
April 4, 2017	Consolidated Election	January 15, 2017
March 13, 2018	General Primary Election	December 24, 2017
November 6, 2018	General Election	August 25, 2018
April 2, 2019	Consolidated Election	January 13, 2019

- Max amortization period without special legislation is 20 years
- Debt payback should match average life of the capital improvements being financed
- Debt service is repaid level debt service like a mortgage given that the District is mostly build out



# Form of the Ballot Question

- With referendum bond questions, the District has latitude with regard to what is described in the ballot language
- It is important to consider that if the referendum is approved, all that is described in the ballot question must be completed
- The following examples of ballot language range from the very general to more descriptive and specific and are shown to begin discussion about the ballot question only

# Form of the Ballot Question

## A. SCHOOL BUILDING BONDS - GENERAL

Shall the Board of Education of Oak Park and River Forest Consolidated High School District Number 200, Cook County, Illinois, build and equip one or more additions to and alter, repair and equip the Oak Park and River Forest High School Building, improve the site thereof and issue bonds of said School District to the amount of \$_____ for the purpose of paying the costs thereof?	YES	
	NO	

# Form of the Ballot Question

## B. SCHOOL BUILDING BONDS - SOUTH END OPTION A

Shall the Board of Education of Oak Park and River Forest Consolidated High School District Number 200, Cook County, Illinois, build and equip a performing arts addition to and alter, repair and equip the Oak Park and River Forest High School Building, including the swimming pools therein, improve the site thereof and issue bonds of said School District to the amount of \$ _____ for the purpose of paying the costs thereof?	YES	
	NO	

# Form of the Ballot Question

## C. SCHOOL BUILDING BONDS - SOUTH END OPTION B

Shall the Board of Education of Oak Park and River Forest Consolidated High School District Number 200, Cook County, Illinois, build and equip performing arts, swimming pool and parking additions to and alter, repair and equip the Oak Park and River Forest High School Building, improve the site thereof and issue bonds of said School District to the amount of \$_____ for the purpose of paying the costs thereof?	YES	
	NO	

# Notice and Disclaimer

**William Blair & Company**  
**222 West Adams**  
**Chicago, IL 60606**  
**[www.williamblair.com](http://www.williamblair.com)**

## **Contact Information:**

Elizabeth M. Hennessy  
Managing Director  
[ehennessy@williamblair.com](mailto:ehennessy@williamblair.com)  
Phone: (312) 364-8955  
Fax: (312) 236-0174

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