



Hinsdale Middle School Referendum • November 8, 2016 Election

Cost and Tax Impact

Last Updated: September 30, 2016 • www.d181.org > Our District > HMS Referendum

The Board of Education approved a resolution to place a referendum question on the ballot in the November 8, 2016 General Election. The referendum seeks authority to sell up to \$53,329,194 in bonds for the purpose of building a new school that would replace Hinsdale Middle School. The Board of Education, Board Finance Committee, and administration have worked in collaboration with the District's financial advisor PMA Securities, Inc. to review the District's financing options. In August 2016, the Board of Education selected option "1F" as the preferred bond sale scenario to use should the referendum be approved. An explanation of that scenario, showing the impact to taxpayers, is outlined on Pages 2-4.

Included in the HMS Project Budget

It is important to note that the total HMS project budget of \$53,329,194 includes not only the cost of actually building a school, but also these components below:

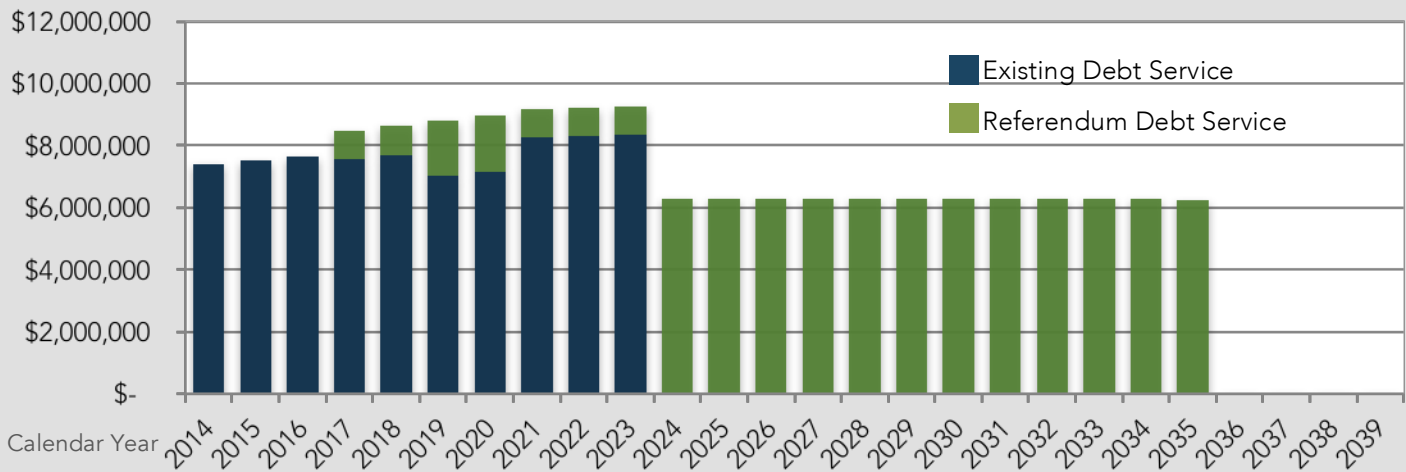
- A design contingency of 5%, a construction contingency of 5%, and an owner's contingency of 2%, for a total contingency of \$4,836,321
- An escalation factor of 3% to address potential cost increases in labor or materials over the length of the project, totaling \$1,168,400
- General Liability Insurance
- Pre-referendum design services being provided by Cordogan Clark & Associates architects.
- The temporary relocation of two four-classroom trailers (mobiles / portables)
- The temporary relocation of staff and Village parking spaces
- Demolition of the current building
- Additional, mandated storm water retention
- Moving and legal costs to address the requirement of specially importing and exporting soil (Site tests confirmed that soil in the HMS "bowl" (the grassy area south of the building) cannot be stored on site or re-used during construction.)
- Asbestos-related environmental needs (i.e. on-site project management)
- A fee for Construction Management and Construction Management staff
- A surface parking lot with approximately 115 spaces for staff and visitors. Discussions have continued with the Village of Hinsdale regarding construction of a two-level parking deck (instead of a surface lot). The deck would have approximately 172 additional spaces specifically for community use and would be funded by the Village, pending formal agreements and final approval. HMS staff and visitor spaces would be available for community use when not in use by the school (i.e. weekends, holidays, summertime).
- Soil borings, material testing, Flagg Creek Water Reclamation District fees, and more

The complete project budget can be found on our website: www.d181.org > Our District > HMS Referendum. Please continue to Pages 2-4 to learn more about the referendum's estimated impact for taxpayers.



HMS Referendum: Cost and Tax Impact

(Continued from Page 1)



Should the referendum be approved, homeowners would see an increase in their tax payment in Calendar Year (CY) 2017. However, because the District's existing debt (shown above in blue) will be paid in full by CY 2023, homeowners would see a decrease in their overall bond and interest tax payment in CY 2024.

Total Referendum Proceeds	\$53,329,194	Estimated Net Debt Service ¹ (Total Cost Plus Interest)	\$83,454,225
Estimated Combined TIC ^{1,2}	3.63%	Calendar Year of Final Maturity	2035
% Capital Appreciation Bonds ³	58%	Est. Tax Rate Increase (CY 2017)	0.040

The District's current debt is primarily due to seven different bond series issued from 2011-2016, which were issued to refinance original bonds for renovations and/or additions at five schools (Madison, Oak, Monroe, Elm, The Lane), and new construction of three schools (CHMS, Prospect, Walker). Information about the successful referenda that allowed for those projects is available on our website.

Data provided by PMA Securities, Inc. See the PMA Analysis posted on the District 181 website for further information. (1) Rates based upon the "AAA" MMD index for December 31, 2015 and recent bond sales which PMA believes to be accurate and reliable. Assumes bonds are sold in multiple phases. CAB premium estimated at 0.50%. (2) True Interest Cost (TIC) is the semiannual discount rate which equates the principal and interest payments to the purchase price paid by the purchaser. (3) A Capital Appreciation Bond (CAB) is a bond that does not have periodic interest payments. The investor receives one payment at maturity equal to the principal invested plus interest compounded annually at the original yield to maturity.

The complete project budget can be found on our website:
www.d181.org > Our District > HMS Referendum.

Please continue to Pages 3 and 4 to learn more about
the referendum's estimated impact for taxpayers.



HMS Referendum: Cost and Tax Impact

(Continued from Page 2)

Estimated Homeowner Tax Impact ^{1,2,3,4}

Should the referendum be approved, homeowners would see an increase in their tax payment in Calendar Year (CY) 2017. However, because the District's existing debt will be paid in full by CY 2023, homeowners would see a decrease in their overall bond and interest tax payment in CY 2024.

On Page 4 of this document is a chart provided by PMA Securities, Inc. The middle column on that page shows the estimated payments for the HMS bonds as reflected in property taxes, listed by home value. Assuming no additional financing, a homeowner's overall bond and interest tax payment would decrease in CY 2024, however the amount contributed toward referendum bond payments would increase at that time. The aggregate cost of the referendum (as noted below) is determined by adding those payments over the 20-year life of the bond.

For a \$500,000 Home

Current Annual Tax Bill (D181 Only):	\$4,394
Increase from CY 2016-17:	\$64
Decrease from CY 2023-24:	(\$210)
Aggregate for Referendum (Over 20 Years):	\$5,862

For a \$765,400 Home (Median)

Current Annual Tax Bill (D181 Only):	\$6,814
Increase from CY 2016-17:	\$100
Decrease from CY 2023-24:	(\$326)
Aggregate for Referendum (Over 20 Years):	\$9,089

For a \$1,000,000 Home

Current Annual Tax Bill (D181 Only):	\$8,953
Increase from CY 2016-17:	\$131
Decrease from CY 2023-24:	(\$428)
Aggregate for Referendum (Over 20 Years):	\$11,942

For a \$1,500,000 Home

Current Annual Tax Bill (D181 Only):	\$13,511
Increase from CY 2016-17:	\$198
Decrease from CY 2023-24:	(\$646)
Aggregate for Referendum (Over 20 Years):	\$18,022

For a \$2,000,000 Home

Current Annual Tax Bill (D181 Only):	\$18,069
Increase from CY 2016-17:	\$264
Decrease from CY 2023-24:	(\$864)
Aggregate for Referendum (Over 20 Years):	\$24,103

For a \$2,500,000 Home

Current Annual Tax Bill (D181 Only):	\$22,628
Increase from CY 2016-17:	\$331
Decrease from CY 2023-24:	(\$1,082)
Aggregate for Referendum (Over 20 Years):	\$30,183

Data provided by PMA Securities, Inc. See the PMA Analysis posted on the District 181 website for further information. (1) Actual tax rates and payments may vary based on EAV growth, State Law changes, property tax rate initiatives and other factors. Includes \$6,000 homeowner exemption. (2) The estimated tax payment increases do not include the impact from existing debt service. (3) The CY 2024 tax decrease reflects the levy decrease from its highest point (not from the existing levy prior to the referendum financing). (4) Reflects the sum of the estimated payments over the life of the proposed referendum for the respective home value assuming no change in District-wide EAV or the respective home value.

The complete project budget can be found on our website: www.d181.org > Our District > HMS Referendum.

Please continue to Page 4 to learn more about the referendum's estimated impact for taxpayers.



Hinsdale Community Consolidated School District #181

\$53,329,194 Million Referendum - Estimated Homeowner Impact^{1,2}

Actual and Proposed Debt Service Payments				Homeowner Impact \$765,500 Home Value (Median)			Homeowner Impact \$500,000 Home Value			Homeowner Impact \$1,000,000 Home Value			
Levy Year	Bill Payment Year	Current Principal & Interest Payments	Estimated Principal & Interest Payments for Proposed HMS Bonds	Estimated Total Principal & Interest Payments	Estimated Property Tax Payment for Current Bonds	Estimated Property Tax Payment for Proposed HMS Bonds	Estimated Total Property Tax Payment for Bonds	Estimated Property Tax Payment for Current Bonds	Estimated Property Tax Payment for Proposed HMS Bonds	Estimated Total Property Tax Payment for Bonds	Estimated Property Tax Payment for Current Bonds	Estimated Property Tax Payment for Proposed HMS Bonds	Estimated Total Property Tax Payment for Bonds
2015	2016	\$ 7,651,368	\$ -	\$ 7,651,368	\$ 833.42	\$ -	\$ 833.42	\$ 537.41	\$ -	\$ 537.41	\$ 1,094.88	\$ -	\$ 1,094.88
2016	2017	7,568,431	915,800	8,484,231	824.39	99.75	924.14	531.58	64.32	595.90	1,083.01	131.05	1,214.06
2017	2018	7,697,781	919,625	8,617,406	838.48	100.17	938.65	540.67	64.59	605.26	1,101.52	131.59	1,233.12
2018	2019	7,026,631	1,767,650	8,794,281	765.37	192.54	957.92	493.53	124.15	617.68	1,005.48	252.94	1,258.43
2019	2020	7,131,131	1,844,650	8,975,781	776.76	200.93	977.69	500.87	129.56	630.43	1,020.44	263.96	1,284.40
2020	2021	8,244,581	914,150	9,158,731	898.04	99.57	997.61	579.07	64.21	643.28	1,179.77	130.81	1,310.58
2021	2022	8,305,631	911,275	9,216,906	904.69	99.26	1,003.95	583.36	64.00	647.36	1,188.50	130.40	1,318.90
2022	2023	8,359,300	912,825	9,272,125	910.54	99.43	1,009.96	587.13	64.11	651.24	1,196.18	130.62	1,326.80
2023	2024	-	6,279,225	6,279,225	-	683.96	683.96	-	441.03	441.03	-	898.53	898.53
2024	2025	-	6,275,825	6,275,825	-	683.59	683.59	-	440.79	440.79	-	898.04	898.04
2025	2026	-	6,278,600	6,278,600	-	683.90	683.90	-	440.99	440.99	-	898.44	898.44
2026	2027	-	6,275,800	6,275,800	-	683.59	683.59	-	440.79	440.79	-	898.04	898.04
2027	2028	-	6,275,800	6,275,800	-	683.59	683.59	-	440.79	440.79	-	898.04	898.04
2028	2029	-	6,275,800	6,275,800	-	683.59	683.59	-	440.79	440.79	-	898.04	898.04
2029	2030	-	6,275,800	6,275,800	-	683.59	683.59	-	440.79	440.79	-	898.04	898.04
2030	2031	-	6,275,800	6,275,800	-	683.59	683.59	-	440.79	440.79	-	898.04	898.04
2031	2032	-	6,275,800	6,275,800	-	683.59	683.59	-	440.79	440.79	-	898.04	898.04
2032	2033	-	6,275,800	6,275,800	-	683.59	683.59	-	440.79	440.79	-	898.04	898.04
2033	2034	-	6,275,800	6,275,800	-	683.59	683.59	-	440.79	440.79	-	898.04	898.04
2034	2035	-	6,228,200	6,228,200	-	678.41	678.41	-	437.45	437.45	-	891.23	891.23
2035	2036	-	-	-	-	-	-	-	-	-	-	-	-

Homeowner Impact \$1,500,000 Home Value				Homeowner Impact \$2,000,000 Home Value			Homeowner Impact \$2,500,000 Home Value			Homeowner Impact \$3,000,000 Home Value			
Levy Year	Bill Payment Year	Estimated Property Tax Payment for Current Bonds	Estimated Property Tax Payment for Proposed HMS Bonds	Estimated Total Property Tax Payment for Bonds	Estimated Property Tax Payment for Current Bonds	Estimated Property Tax Payment for Proposed HMS Bonds	Estimated Total Property Tax Payment for Bonds	Estimated Property Tax Payment for Current Bonds	Estimated Property Tax Payment for Proposed HMS Bonds	Estimated Total Property Tax Payment for Bonds	Estimated Property Tax Payment for Current Bonds	Estimated Property Tax Payment for Proposed HMS Bonds	Estimated Total Property Tax Payment for Bonds
2015	2016	\$ 1,652.35	\$ -	\$ 1,652.35	\$ 2,209.83	\$ -	\$ 2,209.83	\$ 2,767.30	\$ -	\$ 2,767.30	\$ 3,324.78	\$ -	\$ 3,324.78
2016	2017	1,634.44	197.77	1,832.21	2,185.87	264.50	2,450.37	2,737.31	331.22	3,068.53	3,288.74	397.95	3,686.68
2017	2018	1,662.38	198.60	1,860.97	2,223.23	265.60	2,488.83	2,784.09	332.60	3,116.69	3,344.94	399.61	3,744.55
2018	2019	1,517.44	381.73	1,899.17	2,029.39	510.52	2,539.92	2,541.35	639.31	3,180.66	3,053.31	768.10	3,821.41
2019	2020	1,540.01	398.36	1,938.37	2,059.58	532.76	2,592.34	2,579.15	667.16	3,246.31	3,098.72	801.56	3,900.28
2020	2021	1,780.46	197.42	1,977.88	2,381.16	264.02	2,645.18	2,981.85	330.62	3,312.48	3,582.55	397.23	3,979.78
2021	2022	1,793.65	196.79	1,990.44	2,398.79	263.19	2,661.98	3,003.93	329.58	3,333.52	3,609.08	395.98	4,005.06
2022	2023	1,805.24	197.13	2,002.36	2,414.29	263.64	2,677.93	3,023.34	330.15	3,353.49	3,632.40	396.65	4,029.05
2023	2024	-	1,356.03	1,356.03	-	1,813.53	1,813.53	-	2,271.03	2,271.03	-	2,728.53	2,728.53
2024	2025	-	1,355.30	1,355.30	-	1,812.55	1,812.55	-	2,269.80	2,269.80	-	2,727.06	2,727.06
2025	2026	-	1,355.90	1,355.90	-	1,813.35	1,813.35	-	2,270.81	2,270.81	-	2,728.26	2,728.26
2026	2027	-	1,355.29	1,355.29	-	1,812.54	1,812.54	-	2,269.79	2,269.79	-	2,727.05	2,727.05
2027	2028	-	1,355.29	1,355.29	-	1,812.54	1,812.54	-	2,269.79	2,269.79	-	2,727.05	2,727.05
2028	2029	-	1,355.29	1,355.29	-	1,812.54	1,812.54	-	2,269.79	2,269.79	-	2,727.05	2,727.05
2029	2030	-	1,355.29	1,355.29	-	1,812.54	1,812.54	-	2,269.79	2,269.79	-	2,727.05	2,727.05
2030	2031	-	1,355.29	1,355.29	-	1,812.54	1,812.54	-	2,269.79	2,269.79	-	2,727.05	2,727.05
2031	2032	-	1,355.29	1,355.29	-	1,812.54	1,812.54	-	2,269.79	2,269.79	-	2,727.05	2,727.05
2032	2033	-	1,355.29	1,355.29	-	1,812.54	1,812.54	-	2,269.79	2,269.79	-	2,727.05	2,727.05
2033	2034	-	1,355.29	1,355.29	-	1,812.54	1,812.54	-	2,269.79	2,269.79	-	2,727.05	2,727.05
2034	2035	-	1,345.01	1,345.01	-	1,798.80	1,798.80	-	2,252.58	2,252.58	-	2,706.36	2,706.36
2035	2036	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

- (1) Actual tax rates and payments may vary based on EAV growth, State Law changes, property tax rate initiatives and other factors. Includes \$6,000 homeowner exemption.
- (2) Analysis assumes District EAV and value of homes remain constant throughout life of proposed bonds