



Finance Committee Meeting  
910 N Gary Ave  
Carol Stream, Illinois  
Room 120

**October 22, 2018**  
6:00 pm

**Topics:**

1. CSPD Outstanding Debt Workshop
2. Other items that may normally be addressed by the Finance Committee

Overview of Borrowing Capabilities

- Currently, Carol Stream Park District has **\$48,535,189** in principal amount of bonds outstanding.
- The District has approximately \$4.9 million of available borrowing margin under the Non-Referendum Debt Limit as calculated below:

	Non-Referendum Debt Limit at <u>0.575%</u> of EAV	Overall Debt Limit at <u>2.875%</u> of EAV
2017 EAV	\$1,386,357,406	\$1,386,357,406
Applicable Debt	\$3,065,000	\$33,535,189*
Debt Limit	\$7,971,555	\$39,857,775
Available Debt Margin	<b>\$4,906,555</b>	<b>\$6,322,586</b>

\*Reduced by \$15,000,000 according to special legislation

- The District is presently rated “A2” (stable outlook) by Moody’s Investors Service.
- The District’s Debt Service Extension Base (“DSEB”) is now **\$374,463**. This means that the District may issue certain types of bonds, without referendum, so long as the total annual tax levies to repay those bonds do not exceed the DSEB. Bonds that are subject to DSEB constraints are commonly referred to as Limited Bonds. The District’s DSEB is calculated as follows:

<u>Original Base</u>			
	1991 Levy		<b><u>\$318,987</u></b>
Levy Year	Previous Base	Consumer Price Index Increase	New Base
2009	\$318,987	0.1%	\$319,306
2010	319,306	2.7	327,927
2011	327,927	1.5	332,846
2012	332,846	3.0	342,832
2013	342,832	1.7	348,660
2014	348,660	1.5	353,890
2015	353,890	0.8	356,721
2016	356,721	0.7	359,218
2017	359,218	2.1	366,761
2018	366,761	2.1	374,463

- Based upon current bond market conditions, it is estimated that the District could issue approximately **\$2.9 million** of Limited Bonds and stay within the Debt Margin and DSEB constraint. This would be subject to the approval of Bond Counsel and the actual amount received would be dictated by actual market conditions at the time of issuance.
- There would be no direct impact to the taxpayer by issuing these bonds.

# Carol Stream Park District, Illinois

## Hypothetical Issuance of \$2.9 Million General Obligation Limited Park Bonds

May 4 Bond Year	Existing Debt Service (1)	Less Refunded Debt Service	Hypothetical 2018A Limited Park Bonds, Series 2018A (2)				Total Debt Service	Hypothetical Tanabeis 2018 Limited Park Refunding Bonds, Series 2018B (2)				Hypothetical Aggregate Debt Service	Estimated Debt Service Extension Base (6)	Estimated Remaining DSEB (6)
			Principal (1)(4)	Assumed Yield	Assumed Coupon	Interest (6)(7 & 1)(4)		Principal (1)(4)	Assumed Yield	Assumed Coupon	Interest (6)(7 & 1)(4)			
2019	\$320,632	(\$21,422)	\$60,164			\$19,690	\$376,064	\$327,927			\$19,690	\$376,064	\$327,927	\$2,639
2020	\$322,598	(\$111,374)	\$121,000			\$39,600	\$371,824	\$374,463			\$39,600	\$371,824	\$374,463	\$3,394
2021	\$323,723	(\$113,254)	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$4,484
2022	\$324,143	(\$114,764)	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$1,143
2023	\$323,564	(\$110,844)	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$3,310
2024	\$322,107	(\$111,554)	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$805
2025	\$320,192	(\$107,134)	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$3,762
2026	\$322,388	(\$112,288)	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$2,388
2027	\$318,490	(\$107,015)	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$1,857
2028	\$285,336	(\$53,130)	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$776
2029	\$283,547	(\$70,459)	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$4,507
2030	\$306,375	(\$97,019)	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$3,297
2031	\$0	\$0	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$2,372
2032	\$0	\$0	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$1,860
2033	\$0	\$0	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$1,760
2034	\$0	\$0	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$1,938
2035	\$0	\$0	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$2,363
2036	\$0	\$0	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$3,163
2037	\$0	\$0	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$4,363
2038	\$0	\$0	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$1,063
2039	\$0	\$0	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$3,263
2040	\$0	\$0	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$963
2041	\$0	\$0	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$4,163
2042	\$0	\$0	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$2,863
2043	\$0	\$0	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$2,163
2044	\$0	\$0	\$121,000			\$39,600	\$369,600	\$374,463			\$39,600	\$369,600	\$374,463	\$2,163
	\$3,753,094	(\$1,130,255)	\$2,622,839			\$5,552,664	\$5,552,664	\$5,552,664			\$5,552,664	\$5,552,664	\$5,552,664	\$9,576,180

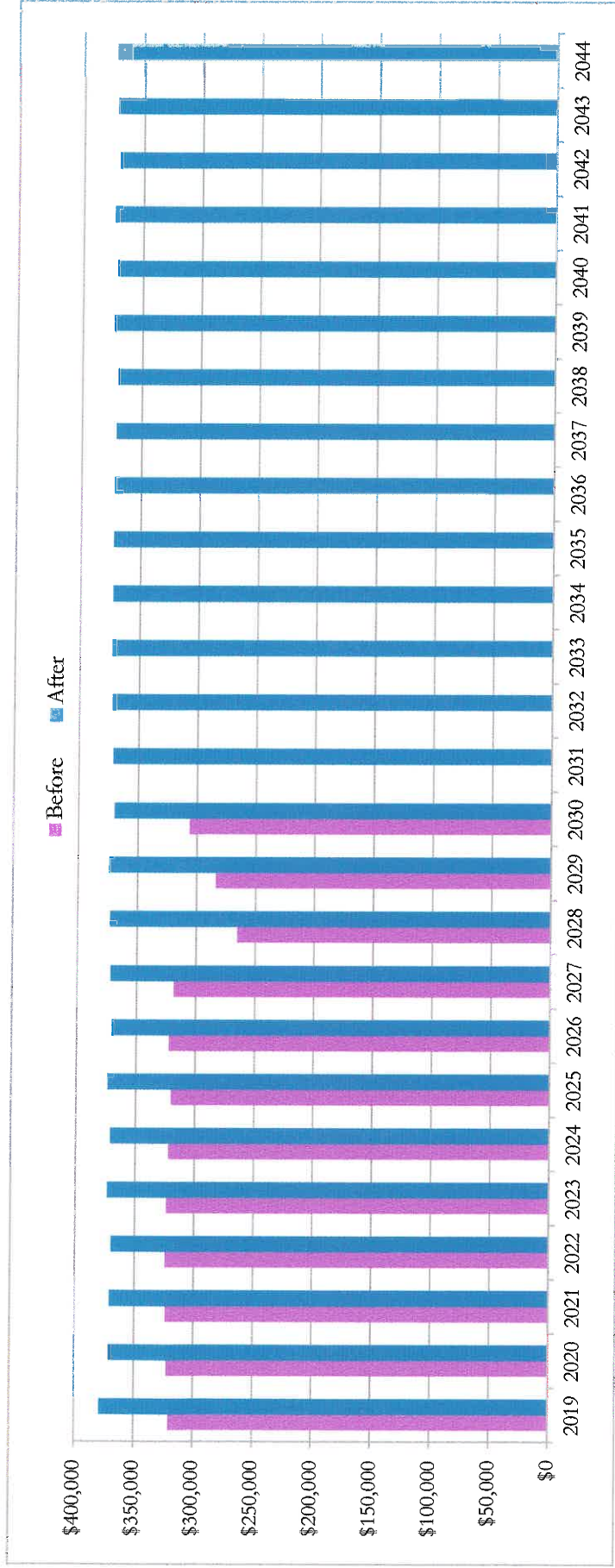
  

Sources of Funds		Sources and Uses of Funds	
Par Amount	\$3,025,000	Par Amount	\$960,000
Less: Original Issue Discount	(\$11,917)	Less: Original Issue Discount	(\$12,318)
Total Sources	\$3,013,083	Total Sources	\$947,682
<b>Uses of Funds</b>		<b>Uses of Funds</b>	
Deposit to Project Fund	\$2,922,333	Deposit to Escrow Fund	\$906,630
Assumed Costs of Issuance (4)	\$90,750	Assumed Costs of Issuance (4)	\$28,800
Rounding Amount	\$0	Rounding Amount	\$12,252
Total Uses of Funds	\$3,013,083	Total Uses of Funds	\$947,682
<b>Potential True Interest Cost (5)</b>	<b>4.137%</b>	<b>Potential True Interest Cost (5)</b>	<b>4.399%</b>
		<b>Potential Present Value Cost of Borrowing (7)</b>	<b>\$29,213</b>
		<b>Potential % Present Value Cost of Borrowing (7)</b>	<b>-3.04%</b>

(1) Existing debt service includes the District's outstanding Series 2008B, 2008F, 2010A, and 2010B Bonds.  
(2) Assumed the restructuring of a portion of certain maturities of the Series 2008B, 2010A, and 2010B Bonds.  
(3) This illustration represents a mathematical calculation of potential interest cost, assuming hypothetical rates for a general obligation limited tax bond rated "A2" with "AA" rated insurance as of September 12, 2018. Actual rates may vary. If actual rates are higher than those assumed, the interest cost would be higher. This illustration provides information and is not intended to be a recommendation, proposal or suggestion for a financing or otherwise be considered as advice. Preliminary, subject to change.  
(4) Assumed costs of issuance of 3.0% of the par amount of the bonds. Preliminary, subject to change.  
(5) True Interest Cost is the rate of interest, compounded semi-annually, required to discount the payments of principal and interest to bondholders to the original purchase price.  
(6) Current debt service extension base of \$374,463 in bond year 2019 and no growth thereafter.  
(7) Calculated using the all-inclusive TIC of 4.306% as the discount rate.



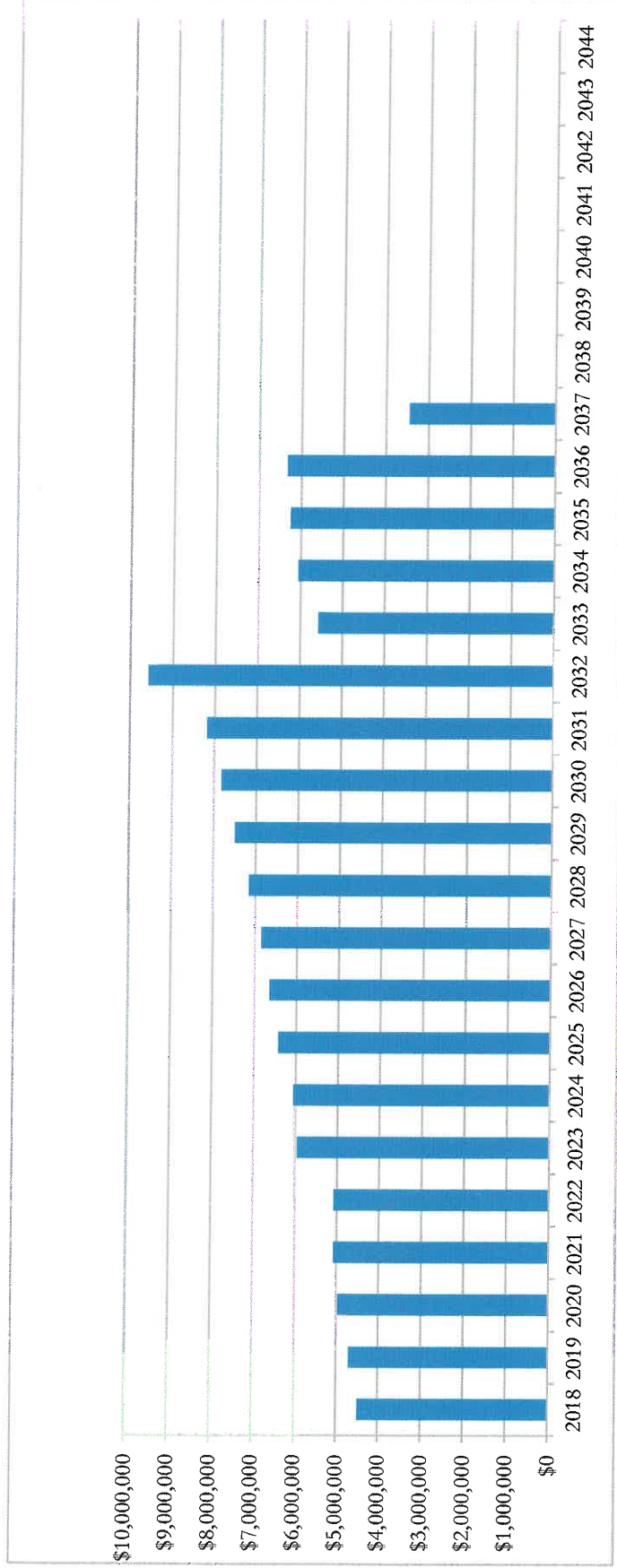
### Hypothetical Limited Debt Service Comparison



Notes:

- Reflects the hypothetical issuance of \$2.9MM of new money
- Nominal increase to the limited bond levy
- Assumes no change to the voter-approved bond repayment

## Existing Debt



### Notes:

- Assumes no new issuance of bonds
- Bond payments continue to climb through 2032
- Can be restructured to remove annual increases
- Any new park bonds can be taken out a maximum term of 25 years





