

School Project Bonding Update

- Town's "AAA Stable" reaffirmed by S&P
 - Cited very strong management, budgetary flexibility and liquidity as offsetting weak debt position
- Went with single rating due to recent trend and bond advisor advice
- \$80mil bond offered on Feb 20, 2019, 8 bids received
- Winning bid from Citibank: 3.38% average rate over 30yr life of bond
 - Favorable drop in rates since December, 2018
- "Clean up" bond of up to \$8.5mil targeted in 2021

Annual Residential Tax Bill Increase for School Building Project

Using FY2019 Valuations and Including Stabilization and Free Cash

	Borrowing Amount	Interest Rate	Property Value						Percentage Increase
			\$ 500,000	\$ 750,000	\$ 998,400	\$ 1,250,000	\$ 1,500,000	\$ 2,000,000	
Scenarios presented at Dec 1, 2018 Special Town Meeting	\$ 88,500,000	4%	\$ 1,210	\$ 1,814	\$ 2,415	\$ 3,024	\$ 3,629	\$ 4,838	17.2%
		5%	\$ 1,361	\$ 2,041	\$ 2,717	\$ 3,402	\$ 4,082	\$ 5,442	19.4%
School Bond Issuance on Feb 20, 2019	\$ 80,000,000	3.38%	\$ 1,015	\$ 1,522	\$ 2,026	\$ 2,537	\$ 3,044	\$ 4,058	14.5%
FY20 Proposed Budget excl Bonding			\$ (123)	\$ (184)	\$ (245)	\$ (307)	\$ (368)	\$ (491)	-1.7%
Total Estimated FY20 Tax Bill Increase			\$ 892	\$ 1,338	\$ 1,781	\$ 2,230	\$ 2,676	\$ 3,568	12.7%
2nd School Bond Issuance, maximum amount, target 2021	\$ 8,500,000	4%	\$ 116	\$ 174	\$ 232	\$ 290	\$ 349	\$ 465	1.7%
		5%	\$ 131	\$ 196	\$ 261	\$ 327	\$ 392	\$ 523	1.9%
Ultimate Total Tax Bill Increase		4%	\$ 1,008	\$ 1,512	\$ 2,013	\$ 2,520	\$ 3,024	\$ 4,032	14.4%
		5%	\$ 1,023	\$ 1,534	\$ 2,042	\$ 2,557	\$ 3,068	\$ 4,090	14.6%

Median Taxpayer: 2019 Tax Bill of \$14,008

Annual Residential Tax Bill Increase

Using FY2019 Valuations

	Borrowing Amount	Interest Rate	Tax Impact for Median Taxpayer	Percentage Increase over FY19
Scenarios presented at Dec 1, 2018 Special Town Meeting	\$ 88,500,000	4%	\$ 2,415	17.2%
		5%	\$ 2,717	19.4%
School Bond Issuance on Feb 20, 2019	\$ 80,000,000	3.38%	\$ 2,026	14.5%
FY20 Proposed Budget excl Bonding			\$ (245)	-1.7%
Total Estimated FY20 Tax Bill Increase			\$ 1,781	12.7%
Scenarios for final "cleanup" borrowing sometime in 2021	\$ 8,500,000	4%	\$ 232	1.7%
		5%	\$ 261	1.9%
Ultimate Total Tax Bill Increase		4%	\$ 2,013	14.4%
		5%	\$ 2,042	14.6%

Median Taxpayer: 2019 Tax Bill of \$14,008

\$ Impact of School Project Debt on Median Tax Bill

