Bethel
SCHOOL DISTRICT

Capital Facilities Funding

November 6, 2017

Provided by:

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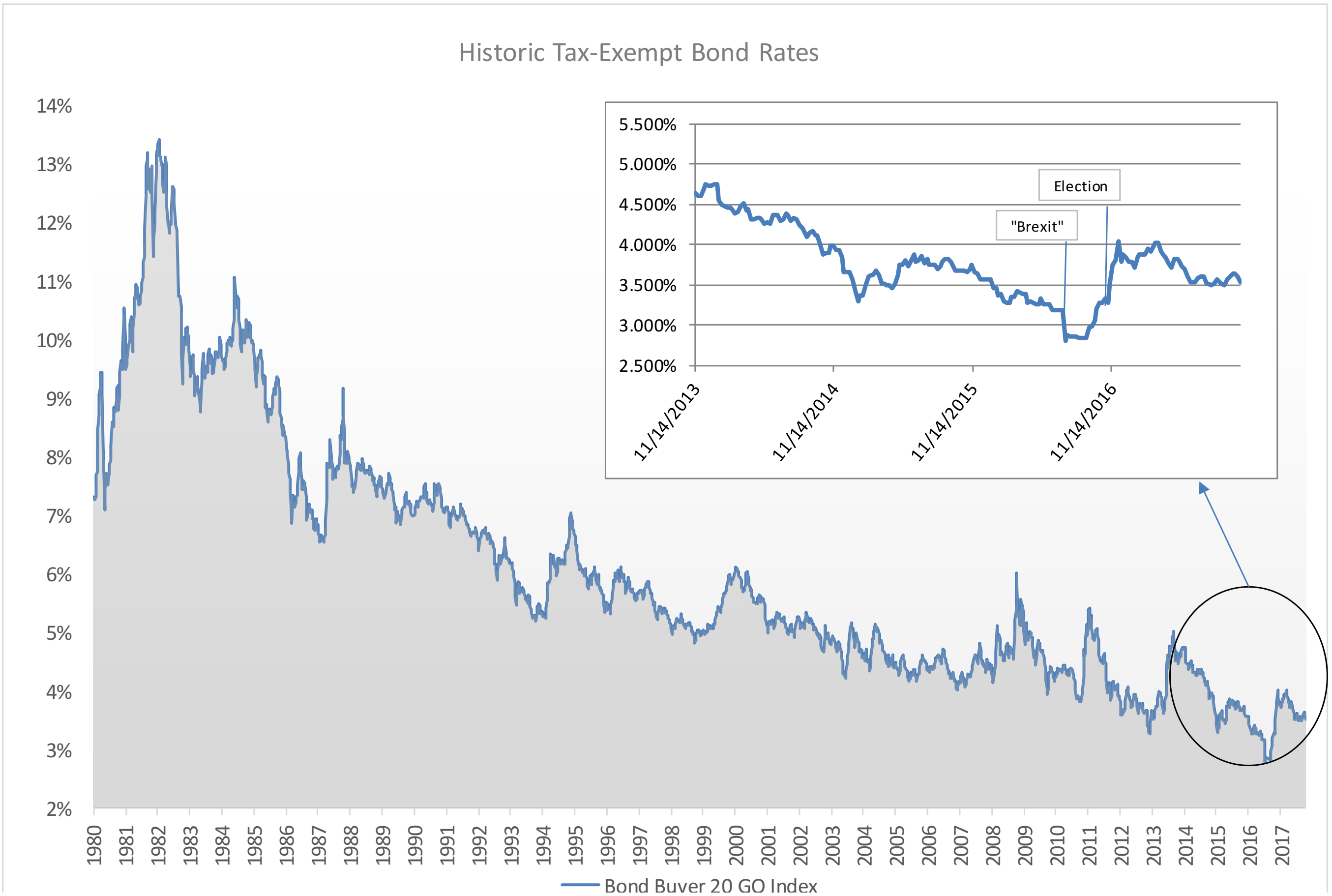
A program of Educational Service District 112
2500 NE 65th Ave, Vancouver, WA 98661

Bond Market Update

- Municipal bond interest rates remain near historic lows
- Interest rates have remained relatively stable through the Summer / Fall of 2017
- Federal Reserve interest rate actions impact the short-term borrowing rates, while the long-term rates are driven more by global demand for U.S. Treasury securities, which are also relatively low



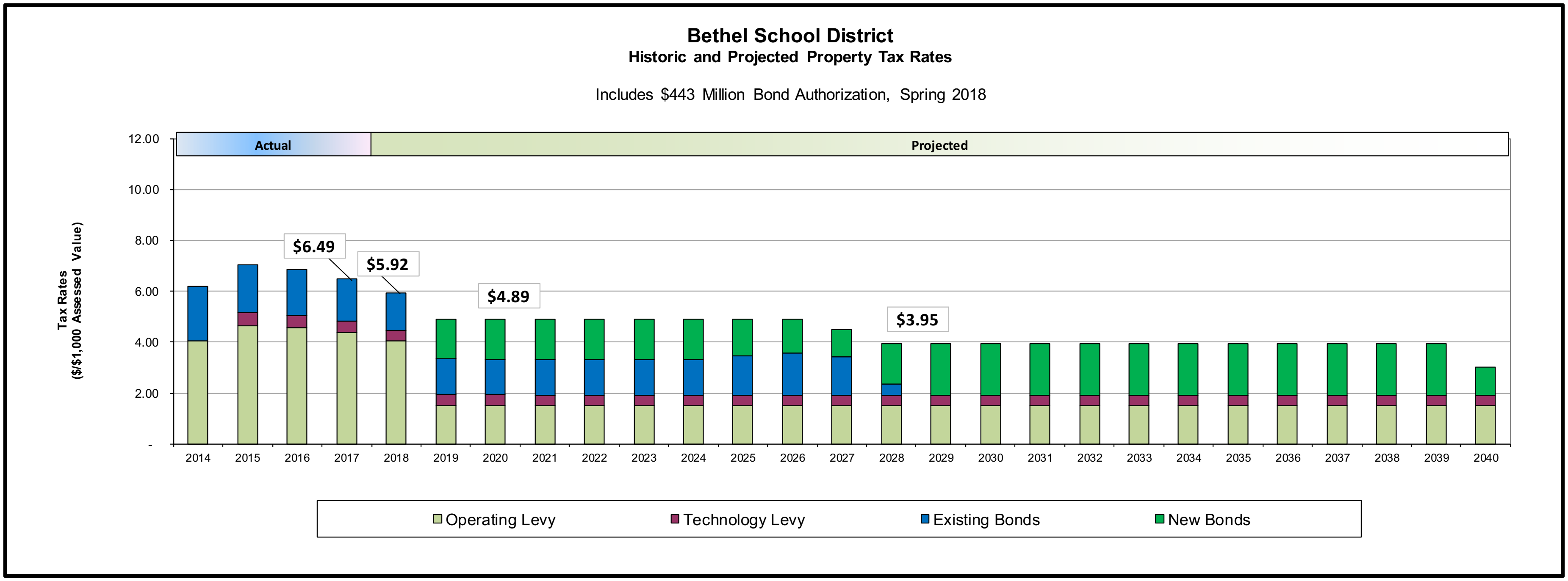
Key Inputs

- Bond Election Date – Spring 2018
- Current M&O Levy remains in place for 2018
- New Levy of $1.50 / $1,000 begins in 2019
- Assessed value increases at:
  - 2018 +12.60%
  - 2019 +7.00%
  - 2020 +5.00%
  - 2021 +4.00%
  - 2022 and later +3.00%
- New bond authorization amount
  - $443 Million
- Bonds are sold in multiple series to meet construction cash flow
- Interest rates:
  - 2018 Issue: Current rates +.75%
  - Later Issues: Current rates +1.25%
- 21 year maximum bond term

Summary of Analysis

Bond Authorization		
Election Date		Spring 2018
Total Project Costs	$	570,100,000
Less: State Matching Funds	$	(127,100,000)
Bond Authorization Amount	**$**	**443,000,000**
Bond Sale Amounts		
6/1/2018	$	160,000,000
12/1/2021		155,000,000
12/1/2022		128,000,000
	$	**443,000,000**
Maximum Bond Term		
2017 Total Tax Rate	$	6.49
Projected 2018 Total Tax Rate	$	5.92
Projected 2019 Total Tax Rate	$	4.89
Projected Change in Total Tax Rate	**$**	**(1.03)**
Example Home Value		**$100,000**
Projected Change in Tax Per Year		**($103.31)**
Projected Change Per Month		**($8.61)**

Projected Total Tax Rates



Projected Tax Rates

Projected Tax Rates							
	Bond Tax Rates						Total
Calendar Year	AV Growth Rate	Existing Bonds	New Bonds	Total Bonds	Technology Levy	Operating Levy	Tax Rate
2014	**3.20%**	2.15	-	2.15	-	4.04	6.19
2015	**9.70%**	1.87	-	1.87	0.52	4.65	7.04
2016	**6.40%**	1.81	-	1.81	0.49	4.57	6.87
2017	8.77%	1.65	-	1.65	0.45	4.39	6.49
2018	12.60%	1.45	-	1.45	0.40	4.07	5.92
2019	7.00%	1.39	1.54	2.93	0.46	1.50	4.89
2020	5.00%	1.38	1.57	2.95	0.44	1.50	4.89
2021	4.00%	1.39	1.57	2.96	0.42	1.50	4.88
2022	3.00%	1.41	1.57	2.98	0.41	1.50	4.89
2023	3.00%	1.41	1.57	2.98	0.41	1.50	4.89
2024	3.00%	1.41	1.57	2.98	0.41	1.50	4.89
2025	3.00%	1.55	1.43	2.98	0.41	1.50	4.89
2026	3.00%	1.66	1.32	2.98	0.41	1.50	4.89
2027	3.00%	1.50	1.10	2.60	0.41	1.50	4.51
2028	3.00%	0.44	1.60	2.04	0.41	1.50	3.95
2029	3.00%	-	2.04	2.04	0.41	1.50	3.95
2030	3.00%	-	2.04	2.04	0.41	1.50	3.95
2031	3.00%	-	2.04	2.04	0.41	1.50	3.95
2032	3.00%	-	2.04	2.04	0.41	1.50	3.95
2033	3.00%	-	2.04	2.04	0.41	1.50	3.95
2034	3.00%	-	2.04	2.04	0.41	1.50	3.95
2035	3.00%	-	2.04	2.04	0.41	1.50	3.95
2036	3.00%	-	2.04	2.04	0.41	1.50	3.95
2037	3.00%	-	2.04	2.04	0.41	1.50	3.95
2038	3.00%	-	2.04	2.04	0.41	1.50	3.95
2039	3.00%	-	2.04	2.04	0.41	1.50	3.95
2040	3.00%	-	1.09	1.09	0.41	1.50	3.00

Bond Sales	
Sale Date	Amount
6/1/2018	$160,000,000
12/1/2021	155,000,000
12/1/2022	128,000,000
Total	**$443,000,000**

Tax Change	
2018 Home Value	**$100,000**
2019 Change in Total Tax Rate	**($1.03)**
2019 Change in Total Tax	**($103.00)**

Projected Taxpayer Impact

Bethel School District

TAXPAYER IMPACT ANALYSIS

Total Project Cost:	**$ 570,100,000**
State Funding:	**(127,100,000)**
Local Bond Funding:	**$ 443,000,000**

Projected Change in Tax Rate (per $1,000 assessed value):	**(1.03)**

Property Value	Gross Property Tax Change for Bonds	Monthly Gross Change
$100,000	($103.00)	($8.58)
150,000	(154.50)	(12.88)
200,000	(206.00)	(17.17)
250,000	(257.50)	(21.46)
300,000	(309.00)	(25.75)
350,000	(360.50)	(30.04)

Next Steps

- ✓ Finalize project list and scope
- ✓ Refine project costs
- ✓ Evaluate construction cash flow
- ✓ Determine bond sale dates and amounts
- ✓ Refine project funding options and taxpayer costs
- **Community outreach**
- **Work with Bond Counsel to draft Election Resolution**
- **File the Election Resolution with the County by December 15, 2017 for a February 2018 election**

Contact Information

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