



CAPITAL BOND DISCUSSION FINANCING AND THE TAX IMPACT

Rye City School District
April 23, 2019

Presented in part by Jeanine Rodgers Caruso of Fiscal Advisors & Marketing, Inc.

WHO ARE



- Fiscal Advisors & Marketing, Inc. (FA) is the largest municipal advisory firm in New York State
- FA is currently working with 245 school districts on their capital project financing needs
- Since its incorporation in 1967, FA has assisted in the issuance of approximately \$65 billion of obligations and is consistently ranked as one of the top ten firms nationally, both in dollar volume and number of issues brought to market
- Please visit the firm's website www.fiscaladvisors.com for more information about the firm

JEANINE RODGERS CARUSO

- 30+ years in the Municipal Bond Business
 - 4 years as Senior Bond Rating Analyst at Moody's
 - 6 years as Municipal Investment Banker at First Albany Corp.
 - 21 years as Municipal Advisor at Fiscal Advisors (President since 2009)
- MBA in Finance
- Past President of National Association of Municipal Advisors
- Member of NYS Government Finance Officers Assoc., and NYS Association of School Business Officials



WHAT ARE BORROWING ASSUMPTIONS BASED ON?

- Capital project cash flow requirements
- Interest rate assumptions
 - BANs (2.20%-2.40%) and Bonds (3.25%)
- Phasing in of debt service requirements
- BAN principal reductions based on local finance law
- IRS tax-exempt bond rules: 95% of bond proceeds should be expended within two years, with 5% withheld for reasonable retainage



PROJECTED \$70.8M BORROWING MODEL

Fiscal Year	Current Bonded Debt Service	Current \$1.8M Project Debt Service	Projected New Project BAN Debt Service	Projected New Project Bonds Debt Service	Total Debt Service	Increase/(Decrease) in Annual Debt Service		
2019	\$ 3,831,450	\$ 40,500	\$ -	\$ -	\$ 3,871,950.00	\$ -		
2020	\$ 3,717,625	\$ 39,260	\$ -	\$ -	\$ 3,756,885.00	\$ (115,065)		
2021	\$ 2,952,875	\$ 69,264	\$ -	\$ -	\$ 3,022,138.70	\$ (734,746)		
2022	\$ 2,870,875	\$ 68,424	\$ 571,628	\$ -	\$ 3,510,926.51	\$ 488,788		
2023	\$ 2,802,525	\$ 78,063	\$ 1,146,372	\$ -	\$ 4,026,959.50	\$ 516,033		
2024	\$ 1,581,125	\$ 81,925	\$ 2,902,994	\$ -	\$ 4,566,044.25	\$ 539,085		
2025	\$ 1,572,600	\$ 80,625	\$ 3,431,263	\$ -	\$ 5,084,487.78	\$ 518,444		
2026	\$ 1,550,050	\$ 79,325	\$ -	\$ 3,948,763	\$ 5,578,137.50	\$ 493,650		
2027	\$ 1,546,200	\$ 78,025	\$ -	\$ 3,951,075	\$ 5,575,300.00	\$ (2,838)		
2028	\$ 1,522,950	\$ 81,725	\$ -	\$ 3,946,438	\$ 5,551,112.50	\$ (24,188)		
2029	\$ 1,060,650	\$ 80,263	\$ -	\$ 3,950,013	\$ 5,090,925.00	\$ (460,188)		
2030	\$ 1,058,200	\$ 78,800	\$ -	\$ 3,946,475	\$ 5,083,475.00	\$ (7,450)		
2031	\$ 1,060,000	\$ 82,338	\$ -	\$ 3,950,988	\$ 5,093,325.00	\$ 9,850		
2032	\$ 1,060,900	\$ 80,713	\$ -	\$ 3,948,225	\$ 5,089,837.50	\$ (3,488)		
2033	\$ 1,060,900	\$ 79,088	\$ -	\$ 3,948,350	\$ 5,088,337.50	\$ (1,500)		
2034	\$ -	\$ 82,463	\$ -	\$ 3,951,200	\$ 4,033,662.50	\$ (1,054,675)		
2035	\$ -	\$ 80,675	\$ -	\$ 3,946,613	\$ 4,027,287.50	\$ (6,375)		
2036	\$ -	\$ 78,888	\$ -	\$ 3,949,750	\$ 4,028,637.50	\$ 1,350		
2037	\$ -	\$ 82,100	\$ -	\$ 3,950,288	\$ 4,032,387.50	\$ 3,750		
2038	\$ -	\$ 80,150	\$ -	\$ 3,948,225	\$ 4,028,375.00	\$ (4,013)		
2039	\$ -	\$ 78,200	\$ -	\$ 3,948,563	\$ 4,026,762.50	\$ (1,613)		
2040	\$ -	\$ 81,250	\$ -	\$ 3,951,138	\$ 4,032,387.50	\$ 5,625		
2041	\$ -	\$ 79,138	\$ -	\$ 3,950,788	\$ 4,029,925.00	\$ (2,463)		
2042	\$ -	\$ 82,025	\$ -	\$ 3,947,513	\$ 4,029,537.50	\$ (388)		
2043	\$ -	\$ 79,750	\$ -	\$ 3,946,313	\$ 4,026,062.50	\$ (3,475)		
2044	\$ -	\$ 82,475	\$ -	\$ 3,947,025	\$ 4,029,500.00	\$ 3,438		
2045	\$ -	\$ 80,038	\$ -	\$ 3,949,488	\$ 4,029,525.00	\$ 25		
2046	\$ -	\$ 82,600	\$ -	\$ 3,948,538	\$ 4,031,137.50	\$ 1,613		
2047	\$ -	\$ -	\$ -	\$ 3,949,175	\$ 3,949,175.00	\$ (81,963)		
2048	\$ -	\$ -	\$ -	\$ 3,946,238	\$ 3,946,237.50	\$ (2,938)		
2049	\$ -	\$ -	\$ -	\$ 3,949,725	\$ 3,949,725.00	\$ 3,488		
2050	\$ -	\$ -	\$ -	\$ 3,949,313	\$ 3,949,312.50	\$ (413)		
TOTAL:	\$ 29,248,925	\$ 2,148,085	\$ 8,052,257	\$ 98,720,213	\$ 138,169,479			
BORROWING SCHEDULE FOR \$70,852,616 PROJECT								
Dated	Due	BAN/BOND	Amount	Interest Rate	FY	Principal Reductions	Interest Expense	Total
7/1/2020	7/1/2021	BAN	\$ 13,028,537	2.20%	2021-22	\$ 285,000	\$ 286,628	\$ 571,628
7/1/2021	7/1/2022	BAN	\$ 35,394,311	2.25%	2022-23	\$ 350,000	\$ 796,372	\$1,146,372
7/1/2022	7/1/2023	BAN	\$ 57,304,098	2.30%	2023-24	\$ 1,585,000	\$ 1,317,994	\$2,902,994
7/1/2023	7/1/2024	BAN	\$ 70,052,616	2.40%	2024-25	\$ 1,750,000	\$ 1,681,263	\$3,431,263
7/1/2024	7/1/25-50	BOND	\$ 66,882,616	3.25%	2025-2050	\$ -	\$ -	\$ -
					\$ 70,852,616	\$ 3,970,000		
BORROWING SCHEDULE FOR \$1,800,000 PROJECT								
7/1/2019	7/1/2020	BAN	\$ 1,392,654	2.20%				
7/1/2020	7/1/2021	BAN	\$ 1,357,654	2.25%				
7/1/2021		BOND	\$ 1,322,654	3.25%				



PROJECTED \$79.9M BORROWING MODEL

Fiscal Year	Current Bonded Debt Service	Current \$1.8M Project Debt Service	Projected New Project BAN Debt Service	Projected New Project Bonds Debt Service	Total Debt Service	Increase/(Decrease) in Annual Debt Service		
2019	\$ 3,831,450	\$ 40,500	\$ -	\$ -	\$ 3,871,950.00	\$ -		
2020	\$ 3,717,625	\$ 39,260	\$ -	\$ -	\$ 3,756,885.00	\$ (115,065)		
2021	\$ 2,952,875	\$ 69,264	\$ -	\$ -	\$ 3,022,138.70	\$ (734,746)		
2022	\$ 2,870,875	\$ 68,424	\$ 523,592	\$ -	\$ 3,462,890.95	\$ 440,752		
2023	\$ 2,802,525	\$ 78,063	\$ 1,144,075	\$ -	\$ 4,024,662.23	\$ 561,771		
2024	\$ 1,581,125	\$ 81,925	\$ 2,987,915	\$ -	\$ 4,650,964.80	\$ 626,303		
2025	\$ 1,572,600	\$ 80,625	\$ 3,697,920	\$ -	\$ 5,351,145.00	\$ 700,180		
2026	\$ 1,550,050	\$ 79,325	\$ -	\$ 4,502,963	\$ 6,132,337.50	\$ 781,193		
2027	\$ 1,546,200	\$ 78,025	\$ -	\$ 4,502,150	\$ 6,126,375.00	\$ (5,963)		
2028	\$ 1,522,950	\$ 81,725	\$ -	\$ 4,499,225	\$ 6,103,900.00	\$ (22,475)		
2029	\$ 1,060,650	\$ 80,263	\$ -	\$ 4,504,188	\$ 5,645,100.00	\$ (458,800)		
2030	\$ 1,058,200	\$ 78,800	\$ -	\$ 4,501,713	\$ 5,638,712.50	\$ (6,388)		
2031	\$ 1,060,000	\$ 82,338	\$ -	\$ 4,501,963	\$ 5,644,300.00	\$ 5,588		
2032	\$ 1,060,900	\$ 80,713	\$ -	\$ 4,499,775	\$ 5,641,387.50	\$ (2,913)		
2033	\$ 1,060,900	\$ 79,088	\$ -	\$ 4,500,150	\$ 5,640,137.50	\$ (1,250)		
2034	\$ -	\$ 82,463	\$ -	\$ 4,502,925	\$ 4,585,387.50	\$ (1,054,750)		
2035	\$ -	\$ 80,675	\$ -	\$ 4,502,938	\$ 4,583,612.50	\$ (1,775)		
2036	\$ -	\$ 78,888	\$ -	\$ 4,500,188	\$ 4,579,075.00	\$ (4,538)		
2037	\$ -	\$ 82,100	\$ -	\$ 4,499,675	\$ 4,581,775.00	\$ 2,700		
2038	\$ -	\$ 80,150	\$ -	\$ 4,501,238	\$ 4,581,387.50	\$ (388)		
2039	\$ -	\$ 78,200	\$ -	\$ 4,499,713	\$ 4,577,912.50	\$ (3,475)		
2040	\$ -	\$ 81,250	\$ -	\$ 4,500,100	\$ 4,581,350.00	\$ 3,438		
2041	\$ -	\$ 79,138	\$ -	\$ 4,502,238	\$ 4,581,375.00	\$ 25		
2042	\$ -	\$ 82,025	\$ -	\$ 4,500,963	\$ 4,582,987.50	\$ 1,613		
2043	\$ -	\$ 79,750	\$ -	\$ 4,501,275	\$ 4,581,025.00	\$ (1,963)		
2044	\$ -	\$ 82,475	\$ -	\$ 4,503,013	\$ 4,585,487.50	\$ 4,463		
2045	\$ -	\$ 80,038	\$ -	\$ 4,501,013	\$ 4,581,050.00	\$ (4,438)		
2046	\$ -	\$ 82,600	\$ -	\$ 4,500,275	\$ 4,582,875.00	\$ 1,825		
2047	\$ -	\$ -	\$ -	\$ 4,500,638	\$ 4,500,637.50	\$ (82,238)		
2048	\$ -	\$ -	\$ -	\$ 4,501,938	\$ 4,501,937.50	\$ 1,300		
2049	\$ -	\$ -	\$ -	\$ 4,504,013	\$ 4,504,012.50	\$ 2,075		
2050	\$ -	\$ -	\$ -	\$ 4,501,700	\$ 4,501,700.00	\$ (2,313)		
TOTAL:	\$ 29,248,925	\$ 2,148,085	\$ 8,353,502	\$ 112,535,963	\$ 152,286,474			
BORROWING SCHEDULE FOR \$79,990,000 PROJECT						Principal	Interest	
Dated	Due	BAN/BOND	Amount	Interest Rate	FY	Reductions	Expense	Total
7/1/2020	7/1/2021	BAN	\$ 14,708,739	2.20%	2021-22	\$ 200,000	\$ 323,592	\$ 523,592
7/1/2021	7/1/2022	BAN	\$ 39,958,877	2.25%	2022-23	\$ 245,000	\$ 899,075	\$1,144,075
7/1/2022	7/1/2023	BAN	\$ 64,691,948	2.30%	2023-24	\$ 1,500,000	\$ 1,487,915	\$2,987,915
7/1/2023	7/1/2024	BAN	\$ 79,080,000	2.40%	2024-25	\$ 1,800,000	\$ 1,897,920	\$3,697,920
7/1/2024	7/1/25-50	BOND	\$ 76,245,000	3.25%	2025-2050	\$ -	\$ -	\$ -
					\$ 79,990,000	\$ 3,745,000		
BORROWING SCHEDULE FOR \$1,800,000 PROJECT								
7/1/2019	7/1/2020	BAN	\$ 1,392,654	2.20%				
7/1/2020	7/1/2021	BAN	\$ 1,357,654	2.25%				
7/1/2021		BOND	\$ 1,322,654	3.25%				



BORROWING OPTIONS: STAGGERED VS. 1 TIME BORROWING

	<u>Staggered</u>			<u>1 Time Borrowing</u>		
	<u>Debt Service</u>	<u>Issuance Costs</u>	<u>Total</u>	<u>Debt Service</u>	<u>Issuance Costs</u>	<u>Total</u>
Total Debt Service and Fees:	\$ 120,889,465	\$ 232,220	\$ 121,121,685	\$ 124,725,113	\$ 135,000	\$ 124,860,113
Interest Earnings at 2.00%			\$ (298,246)			\$ (2,066,319)
Net Debt Service/Fees and Interest:			\$ 120,823,439			\$ 122,793,794
Savings from Staggered Borrowing:			\$ 1,970,355			

IMPACT ON DISTRICT'S CREDIT RATING

- Rye City School District Moody's Investors Service Rating=Aaa
 - Four key bond rating factors:
 - Financial Operations
 - Balance Sheet and Income Statement review (5 years)
 - General Fund balance as % of expenditures
 - Budget vs. actual
 - Debt Profile
 - Debt burden (Total debt as % of full value)
 - Debt per capita (Total debt/population)
 - Debt service expense as % of total expenses
 - Economy
 - Tax base makeup and changes
 - Economic development objectives
 - Type of economy (Service, manufacturing, tourist)
 - Management
 - Team approach is very important
 - Longevity of managers
 - Relationship between Board and Administration



CITY SCHOOL DISTRICT DEBT LIMIT

Constitutional Debt Limit

In New York State, there are limits to how much debt a local government or school district can incur.

Small city school districts are districts whose territory lies partially or wholly within the limits of a city having a population of less than 125,000.

The debt limit is 5% of the average full value of last five years' tax rolls.

	Computed Using Regular State Equalization Rates
Five-year Average Full Valuation of Taxable Real Property.....	\$7,241,433,889
Debt Limit 5% thereof	\$362,071,694
Total Net Indebtedness (1)(2)	\$23,307,654
The percent of debt contracting power exhausted is.....	6.44%
Total Net Indebtedness w/ Additional \$79.9M (1)(2)	\$103,297,654
The percent of debt contracting power exhausted is.....	28.53%



DEBT AS % OF TOTAL ANNUAL EXPENSE

- 2016/2017 state average for school districts: 6.92%
 - Rye City School District (RCSD): 4.93%
- In 2024/2025, at the peak of borrowing \$79.9M, RCSD projected annual debt expense: \$6,133,962
 - Assuming a 2% annual growth in total expense, RCSD debt as a % of total annual expense: 6.26%

STATE AID POTENTIAL

- Building aid ratio for 2019-20: 14.9%
- Conservative estimates for project aidability: 75%
- State assumed interest rate: 2.50%
- State aid does not flow until Final Cost Reports are filed
- Based on \$79,990,000, the District may receive approximately \$11.05 million, or \$736,503 annually for 15 years



PROJECTED TAX IMPACT

Year	Total Debt @ \$70.8M	Annual Change in Debt	Annual Change in Tax Rate	Annual Change in Tax Bill	Total Debt @ \$79.9M	Annual Change in Debt	Annual Change in Tax Rate	Annual Change in Tax Bill
2019	\$ 3,871,950.00				\$ 3,871,950.00			
2020	\$ 3,756,885.00	\$ (115,065.00)	\$(0.90)	\$ (16.57)	\$ 3,756,885.00	\$ (115,065.00)	\$ (0.90)	\$ (16.57)
2021	\$ 3,022,138.70	\$ (734,746.30)	\$(5.72)	\$(105.78)	\$ 3,022,138.70	\$ (734,746.30)	\$ (5.72)	\$(105.78)
2022	\$ 3,510,926.51	\$ 488,787.81	\$ 3.80	\$ 70.37	\$ 3,462,890.95	\$ 440,752.26	\$ 3.43	\$ 63.46
2023	\$ 4,026,959.50	\$ 516,032.99	\$ 4.02	\$ 74.30	\$ 4,024,662.23	\$ 561,771.28	\$ 4.37	\$ 80.88
2024	\$ 4,566,044.25	\$ 539,084.76	\$ 4.20	\$ 77.61	\$ 4,650,964.80	\$ 626,302.57	\$ 4.87	\$ 90.17
2025	\$ 5,084,487.78	\$ 518,443.53	\$ 4.03	\$ 74.64	\$ 5,351,145.00	\$ 700,180.20	\$ 5.45	\$ 100.81
2026	\$ 5,578,137.50	\$ 493,649.72	\$ 3.84	\$ 71.07	\$ 6,132,337.50	\$ 781,192.50	\$ 6.08	\$ 112.47
2027	\$ 5,575,300.00	\$ (2,837.50)	\$(0.02)	\$ (0.41)	\$ 6,126,375.00	\$ (5,962.50)	\$ (0.05)	\$ (0.86)
2028	\$ 5,551,112.50	\$ (24,187.50)	\$(0.19)	\$ (3.48)	\$ 6,103,900.00	\$ (22,475.00)	\$ (0.17)	\$ (3.24)
2029	\$ 5,090,925.00	\$ (460,187.50)	\$(3.58)	\$ (66.26)	\$ 5,645,100.00	\$ (458,800.00)	\$ (3.57)	\$ (66.06)
2030	\$ 5,083,475.00	\$ (7,450.00)	\$(0.06)	\$ (1.07)	\$ 5,638,712.50	\$ (6,387.50)	\$ (0.05)	\$ (0.92)
2031	\$ 5,093,325.00	\$ 9,850.00	\$ 0.08	\$ 1.42	\$ 5,644,300.00	\$ 5,587.50	\$ 0.04	\$ 0.80
2032	\$ 5,089,837.50	\$ (3,487.50)	\$(0.03)	\$ (0.50)	\$ 5,641,387.50	\$ (2,912.50)	\$ (0.02)	\$ (0.42)
2033	\$ 5,088,337.50	\$ (1,500.00)	\$(0.01)	\$ (0.22)	\$ 5,640,137.50	\$ (1,250.00)	\$ (0.01)	\$ (0.18)
2034	\$ 4,033,662.50	\$(1,054,675.00)	\$(8.21)	\$(151.85)	\$ 4,585,387.50	\$(1,054,750.00)	\$ (8.21)	\$(151.86)
2035	\$ 4,027,287.50	\$ (6,375.00)	\$(0.05)	\$ (0.92)	\$ 4,583,612.50	\$ (1,775.00)	\$ (0.01)	\$ (0.26)
2036	\$ 4,028,637.50	\$ 1,350.00	\$ 0.01	\$ 0.19	\$ 4,579,075.00	\$ (4,537.50)	\$ (0.04)	\$ (0.65)
2037	\$ 4,032,387.50	\$ 3,750.00	\$ 0.03	\$ 0.54	\$ 4,581,775.00	\$ 2,700.00	\$ 0.02	\$ 0.39
2038	\$ 4,028,375.00	\$ (4,012.50)	\$(0.03)	\$ (0.58)	\$ 4,581,387.50	\$ (387.50)	\$ (0.00)	\$ (0.06)
2039	\$ 4,026,762.50	\$ (1,612.50)	\$(0.01)	\$ (0.23)	\$ 4,577,912.50	\$ (3,475.00)	\$ (0.03)	\$ (0.50)
2040	\$ 4,032,387.50	\$ 5,625.00	\$ 0.04	\$ 0.81	\$ 4,581,350.00	\$ 3,437.50	\$ 0.03	\$ 0.49
2041	\$ 4,029,925.00	\$ (2,462.50)	\$(0.02)	\$ (0.35)	\$ 4,581,375.00	\$ 25.00	\$ 0.00	\$ 0.00
2042	\$ 4,029,537.50	\$ (387.50)	\$(0.00)	\$ (0.06)	\$ 4,582,987.50	\$ 1,612.50	\$ 0.01	\$ 0.23
2043	\$ 4,026,062.50	\$ (3,475.00)	\$(0.03)	\$ (0.50)	\$ 4,581,025.00	\$ (1,962.50)	\$ (0.02)	\$ (0.28)
2044	\$ 4,029,500.00	\$ 3,437.50	\$ 0.03	\$ 0.49	\$ 4,585,487.50	\$ 4,462.50	\$ 0.03	\$ 0.64
2045	\$ 4,029,525.00	\$ 25.00	\$ 0.00	\$ 0.00	\$ 4,581,050.00	\$ (4,437.50)	\$ (0.03)	\$ (0.64)
2046	\$ 4,031,137.50	\$ 1,612.50	\$ 0.01	\$ 0.23	\$ 4,582,875.00	\$ 1,825.00	\$ 0.01	\$ 0.26
2047	\$ 3,949,175.00	\$ (81,962.50)	\$(0.64)	\$ (11.80)	\$ 4,500,637.50	\$ (82,237.50)	\$ (0.64)	\$ (11.84)
2048	\$ 3,946,237.50	\$ (2,937.50)	\$(0.02)	\$ (0.42)	\$ 4,501,937.50	\$ 1,300.00	\$ 0.01	\$ 0.19
2049	\$ 3,949,725.00	\$ 3,487.50	\$ 0.03	\$ 0.50	\$ 4,504,012.50	\$ 2,075.00	\$ 0.02	\$ 0.30
2050	\$ 3,949,312.50	\$ (412.50)	\$(0.00)	\$ (0.06)	\$ 4,501,700.00	\$ (2,312.50)	\$ (0.02)	\$ (0.33)
Assumes projected total assessments for 2019/20 of \$128,495,223								

WHAT DOES THIS MEAN TO RYE TAXPAYERS?

- An easy way to calculate the estimated impact to YOUR taxes:
 - <https://www1.spreadsheetweb.com/SpreadsheetWeb/Form.aspx?ApplicationId=350460b2-6953-4a18-b93f-fc56ffb5a726>
- Not sure where to find your assessed value?
 - <http://infotaxonline.com>
 - <http://www.kizoa.com/Movie-Video-Slideshow-Maker/d263326081k4340949o1l1/tax-info-final>

QUESTIONS??