

## Structuring of New Levy Bonds

Presentation by Bradley Payne Advisors, LLC, to SLSD Board of Education at August 17, 2017 meeting, regarding the proposed structuring of the new bonds to be issued, pending the passage of the November levy.

The debt structuring, called a “wrap-around,” will allow the District to reduce the millage amount on the new levy for the first 10 years. The community is currently paying 2.50 mills on the Activity Center Bonds, which is set to expire in 2027.

The “wrap-around” will allow the District to reduce the new levy millage from 6.99 mils to 4.49 mils for the first 10 years, keeping the total millage for the new levy

**AND** the activity center at 6.99. Once the activity center bonds are paid off, the millage would remain at 6.99 for the remaining 28 years in order to pay off the remainder of the building project.

The benefit to local taxpayers: Local residents are currently paying \$88 annually per \$100,000 in market value for the current outstanding activity center bonds. In November, the new bond issue would add an additional \$244 annually per \$100,000 in market value for a total of \$332. However, the proposed bond structuring would adjust the amount on the new bonds to \$156 for the first 10 years making the total annual payment \$244. Once the activity center bonds are paid off in 2027, the amount for the new bonds would increase, keeping the total annual payment of \$244 for the remaining 28 years.

