Winnetka Village Council
SPECIAL STUDY SESSION
Village Hall
510 Green Bay Road
Thursday, July 11, 2013
6:30 PM

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AGENDA

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Agenda Item Executive Summary

Title: Stormwater Bond Financing

Presenter: Ed McKee, Finance Director

Agenda Date: 07/11/2013

Consent: ☐ YES ☑ NO

☐ Ordinance
☐ Resolution
☐ Bid Authorization/Award
☑ Policy Direction
☐ Informational Only

Item History:

The Village has over $40 million of stormwater improvements in the next five years. It is estimated that the Village will need to issue $30 to $35 million in bonds to finance these improvements. It is appropriate to evaluate the timing of debt issuance and what portion of the various projects will be paid for using debt versus reserves.

Executive Summary:

The Village has utilized Municipal and Financial Services Group's expertise to evaluate the feasibility of a stormwater utility, including paying for capital improvements. The Village has selected Kevin McCanna of Speer Financial Financial, Inc., to advise the Village on the financial impact of various items, including the issuance of debt. Mr. McCanna has been involved over the past two years with the stormwater improvement plan and has been educating and advising the Council and Staff on various debt options.

While it is not possible to predict future interest rates with certainty, there has been a recent upward trend in municipal borrowing costs. Even though the Village can fund projects over the next 12 months or so out of existing reserves, it may be less costly over the next 30 years to issue long-term debt in the near future to lock in current borrowing rates. There are costs associated with issuing debt earlier, but over the next 30 years, this may be a less expensive option. The attached materials explain the current municipal bond market, IRS regulations, and how three different bond issuances options would lock in current interest rates for a portion of the stormwater debt. The principal and interest payments for a $10 million, $16 million, and $35 million debt are included as background information for discussion and evaluation.

Recommendation / Suggested Action:

Preliminary policy direction on debt issuance.

Attachments:

1) Agenda report - stormwater financing
2) Speer Financial Inc. bonding discussion memo
3) Comparison of bond issues
4) $10 million bond issue debt service schedule
5) $16 million bond issue debt service schedule
6) $34.5 million bond issue (net) debt service schedule
7) Municipal and Financial Services Group - capital projects and borrowing schedule

Agenda Report

Subject:	**Stormwater Financing**
Prepared By:	Ed McKee, Finance Director EM
Date:	July 1, 2013

The Village has over $40 million of proposed stormwater improvements within the next five years, with an anticipated need for borrowing of $30 to $35 million. While no borrowing is needed to complete the stormwater projects in the budget this year, the interest cost for municipal borrowings has recently increased. Therefore, the Village wishes to evaluate the impact of higher interest rates and what might happen in the future to determine if our current borrowing schedule, as outlined in the Municipal and Financial Services Group (MFSG) plan final report, should be revised.

The Village has used Kevin McCanna of Speer Financial Inc., as its financial advisor for major projects. While the Village generally uses a pay-as-you-go approach to infrastructure investments, the cost of the stormwater improvements under consideration make a bond issue a logical way to move forward with the projects in an appropriate timeframe. Because this is a comprehensive stormwater improvement plan spanning several years, it may be appropriate to have multiple bond issuances. Issuing bonds also allows our residents and businesses who benefit from these improvements to pay over the life of the assets and as they accrue benefits of the stormwater management.

I have asked Kevin McCanna to prepare background materials to assist the Village in understanding the municipal bond market environment, general rules and considerations, and bond issuance alternatives. While it is not possible to predict future interest rates with certainty, it is possible to evaluate the impact of higher interest rates on issuing debt now, at current market rates, versus various levels of interest rates in the future.

Evaluating when to issue debt, it is important to understand the impact of borrowing money before the borrowed cash is spent. For illustrative purposes, the materials here assume the interest rate to be 4.00% on a 30 year debt issuance and the Village's investment rate until disbursed at 0.15%. This results in a negative arbitrage cost of about 3.85% (4.00% paid on the borrowing minus 0.15% earned on the investments). To put this into perspective, on a $10 million dollar bond issue, the 3.85% difference means the Village would pay $385,000 (3.85% * $10,000,000 = $385,000) more in interest over one year than it earned.

While it might seem imprudent to issue debt now when with high negative arbitrage, that is not necessarily the case. If short term rates remain as they are now and the Village's borrowing costs were to increase by about 0.15%, the $380,000 of negative arbitrage the Village would pay on the $10,000,000 of bonds issued would roughly be offset by lower interest payments on that borrowing over the next 30 years. If the Village's borrowing rate were to rise 0.50% or more, because of a change in the interest rate environment, issuing the debt now would result in a noticeably lower overall cost over the next 30 years.

If the Village were to issue debt now, there are certain factors that should be considered. For example, while the Village has adequate reserves to finance the stormwater projects in the current budget, it may be advisable to use the bond proceeds to pay for or a portion of these projects. This is because one of the IRS requirements is that 85% of the bond proceeds be spent within three years. Allocating bond proceeds to projects in the current budget could allow the Village to meet the 85% requirement.

Another factor that should be considered if the Village issues debt now is the impact on the stormwater utility fee. The Village is currently looking at assessing a monthly fee based on Equivalent Runoff Units (ERU's), which is essentially impervious area. While the number of ERU's varies by property, an ERU of 1.0 is considered to be representative of a typical residential lot.

If the Village wishes to recover the $385,000 of negative arbitrage through the stormwater utility fee over the next year, the strowmater utility fee would be higher than projected in MFSG's final report (May 2013). Recovering $385,000 of negative arbitrage from the Village's 6,639 ERU's would equate an additional approximately $57.99 per ERU annual cost beginning in 2014.

The attached information from the Village's financial advisor, Kevin McCanna, provides background on the municipal bond market. It also contains three 30 year debt issuance options: 1) $10 million, 2) $16 million, and 3) $34,500,000 (net). Each debt issuance option has advantages and disadvantages as explained in the materials.

<u>Recommendation:</u>

Provide preliminary direction to the staff on debt issuance amounts and timing.

SPEER FINANCIAL, INC.

VILLAGE OF WINNETKA

Bonding Discussion

General Rules and Considerations

In funding the flood control program, certain federal tax rules must be kept in mind, as well as market considerations.

1. There is an interest rate advantage to bonds issued by a "small issuer" which is defined as bonds issued by any issuer that limits issuance to $10,000,000 of tax exempt debt in a given year. Under Internal Revenue Code section 265(b), a bank which purchases and holds this type of debt gets favorable tax treatment and this makes such bonds more valuable leading to a lower interest rate. Such interest rate benefit ranges from 0.10% to 0.30%, varying over time.

2. The proceeds of tax exempt debt must be substantially spent within three years of receipt. This is defined as the issuer having a good faith belief that 85% of the proceeds plus 85% of the interest earnings thereon are expended. Failure to do so results in a yield restriction penalty.

3. A market consideration is that tax exempt rates are still below their 20 year average but are currently trending upward.

4. Another market consideration is that the interest rate curve is upward sloping, meaning that rates for longer maturities are higher than rates for shorter maturities.

5. A legislative concern is that of restrictions on the use or benefit of tax exemption. Whether any action will occur in Congress is unknown but there seems to be a consensus that restricting deductability of tax exempt interest to 28% is possible. In such a case, tax exemption is worth less and rates can be expected to increase.

Planning Options

Given the Village's multi-year program, there are several general patterns to the debt plan available. Any of these alternatives may be modified. All follow the ultimate resulting pattern of a 30 year repayment for some $34,500,000 of project costs plus 1.5% for costs of issuance.

A. Take advantage of bank qualification and issue just $10,000,000 of debt this calendar year. As the project is not ready to begin, this is essentially a hedge against interest rate changes on nearly one-third of the debt. It captures the lower cost bank qualified debt. To further hedge rates, it is recommended that the debt issued would be the longest portion of the overall plan. Currently bank qualification is worth some 0.1%, or about $300,000 total for this $10,000,000 example. An additional interest rate hedge here is that by issuing the longest bonds now, future debt will be relatively shorter debt, impacting the Village less if interest rates rise.

B. Ignoring bank qualification but using the general idea in option A, issue one-half of the debt now. This increases the amount of bonds hedged and further shortens the length of future debt. And the multi-year payout expectation can still satisfy the federal 85% expenditure rule. The offset to loss of bank qualification is greater hedging.

C. Issue all of the debt now, thereby hedging all debt at today's rates. Given the planning done to date, this fails to comply with tax law. It also results in the maximum estimated debt being issued, with no construction bidding basis for the estimate, potentially resulting in the Village borrowing more than is needed.

Timing, Rate Impacts and Fee Implementation

It is generally accepted that rates will continue to rise. This is the basis of the A, B and C alternatives. However, there is no guarantee that this is the case. For each of these options there is an additional cost to sell debt now that results from borrowing early and investing at perhaps 0.15%, the current Treasury Bill rate, until the funds are needed one year later.

The "breakeven" difference for each alternative is as follows:

A. ($10,000,000) 0.13%
B. ($16,000,000) 0.12%
C. ($35,000,000) 0.15%

In each case, the number above represents the cost of borrowing now and investing at low rates – any rate movement over the next year greater than these estimates would represent how much the Village saved by acting now. If rates rise by less than these factors, it indicates the loss to the Village of early action.

A corollary to sale in 2013 with expected need in 2014 is that the debt needs a source of repayment. The bonds will be full faith and credit general obligation debt of the Village, complete with a property tax levy. It is expected that the levy will be annually abated from fee income. However, such fee income is not expected to be available during the 2013-2014 period. Either the fees must be instituted early, perhaps at a lower rate, or the Village needs to fund the early bond payment with reserves. It may be possible to reimburse the Village from fee income.

Interest Rate Movements

For each of the three alternatives, a 0.10% movement in rates up or down has approximately the following effect on total interest paid.

	Total	Average Annual
A. ($10,000,000)	$300,000	$10,000
B. ($16,000,000)	$450,000	$15,000
C. ($35,000,000)	$700,000	$23,300

Bond Issuance Process and Costs

As a home rule municipality, the Village has great flexibility in issuing debt and has no legal debt limit.

The process for issuing debt is as follows, although most tasks will overlap in timing. Generally all can be accomplished in 60 to 90 days.

Early Period

- Board discussion of repayment source.
- Speer Financial, as Village financial consultant, will continue to prepare financing options for the Board.
- Speer Financial will prepare the Official Statement for the sale.

Middle Period

- Chapman and Cutler as Village bond counsel will begin preparation of bond ordinance.
- Board action on selection of financing plans, particularly size of initial size and timing.
- Speer will coordinate a meeting with one or two bond rating organizations at Village Hall (the number depends on the size of the issue).

Late Period

- On a Board meeting date, bids for the bonds will be taken, the Board will act on the bids and the bond ordinance will be passed.
- Chapman will generate, and Village staff will complete, a large number of documents that comprise the showings for the bond issue, being the basis of Chapman's legal opinion.
- Approximately 15 days later, the bonds will be delivered in exchange for the sale proceeds.
- Proceeds will be deposited into a bond ordinance specified construction fund. Careful tracking of investments and expenditures will be needed as arbitrage rebate tracking is necessary.

This process may be repeated as often as necessary through project completion.

Once any or all bonds are issued, the Village will need to coordinate fee collection, semi-annual debt repayment and annual levy abatement.

Costs of issuance are approximately 1.5% of a bond issue. So the net from a $10,000,000 bond issue is some $9,850,000. Of the 1.5%, approximately one-half of this is the underwriter's fee. The other one-half covers the fees of financial advisor, bond counsel, local counsel, bond registrar and paying agent, rating fee(s), and printing and postage along with internet sales platform, if used.

Most of these vary with size, so the 1.5% ratio holds for issues $10,000,000 or greater.

Other than rating fees, all are contingent upon sale. All fees come from the bond issue proceeds.

Methods of Sale

There are essentially two types of sales, competitive and negotiated. Additionally, there is a variation on negotiated sale known as private placement.

A competitive sale is an open bidding process whereby bids are taken at a specified time. This is the most transparent process and is recommended by GFOA as a best practice where the issuer has a good credit rating, the issue is "vanilla" such as a general obligation bond and the market is fairly stable. Currently sales are being done on internet auction platforms with great success.

A negotiated sale consists of selecting one purchaser and working with that firm to market the debt. Not a transparent process, it is recommended for difficult issues, poor credits and uncertain markets.

The Village's history is one of competitive sales. Having the highest credit rating and issuing general obligation bonds results in a conclusion that a competitive sale is in the best interests of the Village. The only caveat is the market. Should there be some unlikely market turmoil, then a negotiated sale might be better.

Over-issuance and Under-issuance

The Village believes it has reasonable cost estimates for the stormwater project from the experts that have assisted in the process so far. Current stormwater project cost estimates include contingencies that should cover inflationary impacts and some unforeseen issues. However, once actual bids are obtained from contractors, the projected project cost can be refined further.

If the Village proceeds to issue debt in one or more issues and there is a shortfall of construction funds, then the solution will be to issue additional debt when needed, perhaps to be repaid over a period longer than 30 years.

Alternatively, if the Village issues some amount of debt and then finds that it has issued too much debt, perhaps due to an unforeseen grant or a change in project scope, the excess proceeds should be used to retire debt. As the bonds are not likely to be callable for some period, the proceeds may be used to pay on-going debt service, or may be used to defease debt through purchasing Treasury Securities and pledging these to repay debt in an escrow, or may be used to purchase debt in the open market. Another alternative would be to redesignate the excess bonds, for some other project.

KWM/hgs
6.21.13

Village of Winnetka
Comparison of Bond Issues
(From data supplied by Speer Financial)

2013.06.26

	Option A	Option B	Option C
	30 Year Back Loaded	30 Year Back Loaded	30 Year Level Debt Service
Spreadsheet	...longbq.xls	...long16.xls	...35.xls
Final Maturity	12/1/2046	12/1/2046	12/1/2046
Principal	$ 10.00	$ 16.00	$ 35.03
Interest	$ 12.39	$ 15.54	$ 26.24
P&I	$ 22.39	$ 31.54	$ 61.27
Net Interest Cost	4.03%	4.04%	3.68%
P&I by Year			
12/15/2013		$ -	$ -
12/15/2014	$ 485,543.53	$ 775,175.24	$ 1,388,784.93
12/15/2015	$ 402,755.00	$ 643,002.50	$ 1,871,987.50
12/15/2016	$ 402,755.00	$ 643,002.50	$ 1,871,227.50
12/15/2017	$ 402,755.00	$ 643,002.50	$ 1,873,977.50
12/15/2018	$ 402,755.00	$ 643,002.50	$ 1,870,157.50
12/15/2019	$ 402,755.00	$ 643,002.50	$ 1,869,427.50
12/15/2020	$ 402,755.00	$ 643,002.50	$ 1,871,302.50
12/15/2021	$ 402,755.00	$ 643,002.50	$ 1,871,385.00
12/15/2022	$ 402,755.00	$ 643,002.50	$ 1,874,225.00
12/15/2023	$ 402,755.00	$ 643,002.50	$ 1,869,625.00
12/15/2024	$ 402,755.00	$ 643,002.50	$ 1,873,842.50
12/15/2025	$ 402,755.00	$ 643,002.50	$ 1,871,162.50
12/15/2026	$ 402,755.00	$ 643,002.50	$ 1,872,082.50
12/15/2027	$ 402,755.00	$ 643,002.50	$ 1,871,417.50
12/15/2028	$ 402,755.00	$ 643,002.50	$ 1,869,117.50
12/15/2029	$ 402,755.00	$ 643,002.50	$ 1,870,132.50
12/15/2030	$ 402,755.00	$ 643,002.50	$ 1,869,735.00
12/15/2031	$ 402,755.00	$ 643,002.50	$ 1,872,895.00
12/15/2032	$ 402,755.00	$ 643,002.50	$ 1,869,420.00
12/15/2033	$ 402,755.00	$ 643,002.50	$ 1,873,910.00
12/15/2034	$ 402,755.00	$ 643,002.50	$ 1,871,510.00
12/15/2035	$ 402,755.00	$ 643,002.50	$ 1,871,785.00
12/15/2036	$ 402,755.00	$ 1,553,002.50	$ 1,869,485.00
12/15/2037	$ 402,755.00	$ 1,869,332.50	$ 1,869,530.00
12/15/2038	$ 402,755.00	$ 1,872,082.50	$ 1,872,280.00
12/15/2039	$ 402,755.00	$ 1,871,647.50	$ 1,871,845.00
12/15/2040	$ 667,755.00	$ 1,868,607.50	$ 1,873,805.00
12/15/2041	$ 1,862,552.50	$ 1,872,912.50	$ 1,872,912.50
12/15/2042	$ 1,860,222.50	$ 1,869,112.50	$ 1,869,112.50
12/15/2043	$ 1,860,747.50	$ 1,873,112.50	$ 1,873,112.50
12/15/2044	$ 1,863,932.50	$ 1,869,512.50	$ 1,869,512.50
12/15/2045	$ 1,860,457.50	$ 1,869,387.50	$ 1,869,387.50
12/15/2046	$ 1,864,285.00	$ 1,871,287.50	$ 1,871,287.50
Total	$ 22,394,371.03	$ 34,538,225.24	$ 61,271,379.93

Blue color denotes principal repayment year

VILLAGE OF WINNETKA

Stormwater G.O. Bonds

$10,000,000 in 2013--Bank Qualified

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/15/2013	-	-	-	-
12/15/2014	-	-	485,543.53	485,543.53
12/15/2015	-	-	402,755.00	402,755.00
12/15/2016	-	-	402,755.00	402,755.00
12/15/2017	-	-	402,755.00	402,755.00
12/15/2018	-	-	402,755.00	402,755.00
12/15/2019	-	-	402,755.00	402,755.00
12/15/2020	-	-	402,755.00	402,755.00
12/15/2021	-	-	402,755.00	402,755.00
12/15/2022	-	-	402,755.00	402,755.00
12/15/2023	-	-	402,755.00	402,755.00
12/15/2024	-	-	402,755.00	402,755.00
12/15/2025	-	-	402,755.00	402,755.00
12/15/2026	-	-	402,755.00	402,755.00
12/15/2027	-	-	402,755.00	402,755.00
12/15/2028	-	-	402,755.00	402,755.00
12/15/2029	-	-	402,755.00	402,755.00
12/15/2030	-	-	402,755.00	402,755.00
12/15/2031	-	-	402,755.00	402,755.00
12/15/2032	-	-	402,755.00	402,755.00
12/15/2033	-	-	402,755.00	402,755.00
12/15/2034	-	-	402,755.00	402,755.00
12/15/2035	-	-	402,755.00	402,755.00
12/15/2036	-	-	402,755.00	402,755.00
12/15/2037	-	-	402,755.00	402,755.00
12/15/2038	-	-	402,755.00	402,755.00
12/15/2039	-	-	402,755.00	402,755.00
12/15/2040	265,000.00	3.850%	402,755.00	667,755.00
12/15/2041	1,470,000.00	3.900%	392,552.50	1,862,552.50
12/15/2042	1,525,000.00	3.900%	335,222.50	1,860,222.50
12/15/2043	1,585,000.00	3.900%	275,747.50	1,860,747.50
12/15/2044	1,650,000.00	4.150%	213,932.50	1,863,932.50
12/15/2045	1,715,000.00	4.150%	145,457.50	1,860,457.50
12/15/2046	1,790,000.00	4.150%	74,285.00	1,864,285.00
Total	**$10,000,000.00**	-	**$12,394,371.03**	**$22,394,371.03**

VILLAGE OF WINNETKA

Stormwater G.O. Bonds

$10,000,000 in 2013--Bank Qualified

Debt Service Schedule

Part 2 of 2

Yield Statistics

Bond Year Dollars	$307,245.56
Average Life	30.725 Years
Average Coupon	4.0340278%
Net Interest Cost (NIC)	4.0340278%
True Interest Cost (TIC)	4.0302195%
Bond Yield for Arbitrage Purposes	4.0302195%
All Inclusive Cost (AIC)	4.1167169%

IRS Form 8038

Net Interest Cost	4.0340278%
Weighted Average Maturity	30.725 Years

VILLAGE OF WINNETKA

Stormwater G.O. Bonds

$16,000,000 in 2013

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/15/2013	-	-	-	-
12/15/2014	-	-	775,175.24	775,175.24
12/15/2015	-	-	643,002.50	643,002.50
12/15/2016	-	-	643,002.50	643,002.50
12/15/2017	-	-	643,002.50	643,002.50
12/15/2018	-	-	643,002.50	643,002.50
12/15/2019	-	-	643,002.50	643,002.50
12/15/2020	-	-	643,002.50	643,002.50
12/15/2021	-	-	643,002.50	643,002.50
12/15/2022	-	-	643,002.50	643,002.50
12/15/2023	-	-	643,002.50	643,002.50
12/15/2024	-	-	643,002.50	643,002.50
12/15/2025	-	-	643,002.50	643,002.50
12/15/2026	-	-	643,002.50	643,002.50
12/15/2027	-	-	643,002.50	643,002.50
12/15/2028	-	-	643,002.50	643,002.50
12/15/2029	-	-	643,002.50	643,002.50
12/15/2030	-	-	643,002.50	643,002.50
12/15/2031	-	-	643,002.50	643,002.50
12/15/2032	-	-	643,002.50	643,002.50
12/15/2033	-	-	643,002.50	643,002.50
12/15/2034	-	-	643,002.50	643,002.50
12/15/2035	-	-	643,002.50	643,002.50
12/15/2036	910,000.00	3.700%	643,002.50	1,553,002.50
12/15/2037	1,260,000.00	3.750%	609,332.50	1,869,332.50
12/15/2038	1,310,000.00	3.850%	562,082.50	1,872,082.50
12/15/2039	1,360,000.00	3.900%	511,647.50	1,871,647.50
12/15/2040	1,410,000.00	3.950%	458,607.50	1,868,607.50
12/15/2041	1,470,000.00	4.000%	402,912.50	1,872,912.50
12/15/2042	1,525,000.00	4.000%	344,112.50	1,869,112.50
12/15/2043	1,590,000.00	4.000%	283,112.50	1,873,112.50
12/15/2044	1,650,000.00	4.250%	219,512.50	1,869,512.50
12/15/2045	1,720,000.00	4.250%	149,387.50	1,869,387.50
12/15/2046	1,795,000.00	4.250%	76,287.50	1,871,287.50
Total	**$16,000,000.00**	**-**	**$18,538,225.24**	**$34,538,225.24**

VILLAGE OF WINNETKA

Stormwater G.O. Bonds

$16,000,000 in 2013

Debt Service Schedule

Yield Statistics

Bond Year Dollars	$459,148.89
Average Life	28.697 Years
Average Coupon	4.0375194%
Net Interest Cost (NIC)	4.0375194%
True Interest Cost (TIC)	4.0282902%
Bond Yield for Arbitrage Purposes	4.0282902%
All Inclusive Cost (AIC)	4.1180254%

IRS Form 8038

Net Interest Cost	4.0375194%
Weighted Average Maturity	28.697 Years

VILLAGE OF WINNETKA

Stormwater G.O. Bonds

$34,500,000 Net

Overview

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/15/2013	-	-	-	-
12/15/2014	-	-	1,388,784.93	1,388,784.93
12/15/2015	720,000.00	0.800%	1,151,987.50	1,871,987.50
12/15/2016	725,000.00	1.000%	1,146,227.50	1,871,227.50
12/15/2017	735,000.00	1.200%	1,138,977.50	1,873,977.50
12/15/2018	740,000.00	1.450%	1,130,157.50	1,870,157.50
12/15/2019	750,000.00	1.750%	1,119,427.50	1,869,427.50
12/15/2020	765,000.00	1.950%	1,106,302.50	1,871,302.50
12/15/2021	780,000.00	2.200%	1,091,385.00	1,871,385.00
12/15/2022	800,000.00	2.450%	1,074,225.00	1,874,225.00
12/15/2023	815,000.00	2.550%	1,054,625.00	1,869,625.00
12/15/2024	840,000.00	2.700%	1,033,842.50	1,873,842.50
12/15/2025	860,000.00	2.800%	1,011,162.50	1,871,162.50
12/15/2026	885,000.00	2.900%	987,082.50	1,872,082.50
12/15/2027	910,000.00	3.000%	961,417.50	1,871,417.50
12/15/2028	935,000.00	3.100%	934,117.50	1,869,117.50
12/15/2029	965,000.00	3.150%	905,132.50	1,870,132.50
12/15/2030	995,000.00	3.200%	874,735.00	1,869,735.00
12/15/2031	1,030,000.00	3.250%	842,895.00	1,872,895.00
12/15/2032	1,060,000.00	3.350%	809,420.00	1,869,420.00
12/15/2033	1,100,000.00	3.400%	773,910.00	1,873,910.00
12/15/2034	1,135,000.00	3.500%	736,510.00	1,871,510.00
12/15/2035	1,175,000.00	3.600%	696,785.00	1,871,785.00
12/15/2036	1,215,000.00	3.700%	654,485.00	1,869,485.00
12/15/2037	1,260,000.00	3.750%	609,530.00	1,869,530.00
12/15/2038	1,310,000.00	3.850%	562,280.00	1,872,280.00
12/15/2039	1,360,000.00	3.900%	511,845.00	1,871,845.00
12/15/2040	1,415,000.00	3.950%	458,805.00	1,873,805.00
12/15/2041	1,470,000.00	4.000%	402,912.50	1,872,912.50
12/15/2042	1,525,000.00	4.000%	344,112.50	1,869,112.50
12/15/2043	1,590,000.00	4.000%	283,112.50	1,873,112.50
12/15/2044	1,650,000.00	4.250%	219,512.50	1,869,512.50
12/15/2045	1,720,000.00	4.250%	149,387.50	1,869,387.50
12/15/2046	1,795,000.00	4.250%	76,287.50	1,871,287.50
Total	**$35,030,000.00**	-	**$26,241,379.93**	**$61,271,379.93**

VILLAGE OF WINNETKA

Stormwater G.O. Bonds

$34,500,000 Net

Overview

Debt Service Schedule

Part 2 of 2

Yield Statistics

Bond Year Dollars	$712,460.61
Average Life	20.339 Years
Average Coupon	3.6832043%
Net Interest Cost (NIC)	3.6832043%
True Interest Cost (TIC)	3.6103772%
Bond Yield for Arbitrage Purposes	3.6103772%
All Inclusive Cost (AIC)	3.7201666%

IRS Form 8038

Net Interest Cost	3.6832043%
Weighted Average Maturity	20.339 Years

MFSG 5/14/13 WORKSHOP #4 STORMWATER FEASIBILITY STUDY

Capital Projects - Current Planned

Project	2013	2014	2015	2016	Total
Winnetka Avenue Pump Station	$750,000				**$750,000**
Tower Road / Foxdale	$1,050,000				**$1,050,000**
Lloyd Park / Spruce Street	$364,000				**$364,000**
Northwest Winnetka Greenwood / Forest Glen	$4,040,000				**$4,040,000**
Willow Road Tunnel	$800,000	$800,000	$16,900,000	$16,000,000	**$34,500,000**
Stormwater Master Plan	$70,000				**$70,000**
Elm St. Storm Sewer Outfall Replacement	$250,000				**$250,000**
Total	**$7,324,000**	**$800,000**	**$16,900,000**	**$16,000,000**	**$41,024,000**

BOND ISSUES /
BORROWING SCHEDULE