

PRESENTATION OF **PRELIMINARY DETERMINATION**

NORTHWEST ALLEN COUNTY SCHOOLS
MAY 22, 2023



Northwest
Allen County
Schools





PURPOSE

PROJECT HEARING & PRELIMINARY DETERMINATION HEARING

01

How did we get here? | Wayne Barker

Legal notices

Overview of district growth and demographic report.

02

What's our plan? | Brandon Bitting & Ryan Lough

Overview of middle school, high school, and central office projects.

03

How much will it cost? | Brandon Basham

Overview of district budget.

04

How will NACS finance it? | Lindsay Simonetto

Overview of potential financing option(s) presentation by Baker Tilly.

SECTION 01

HOW DID WE **GET HERE?**

Wayne Barker
Superintendent
Northwest Allen County Schools

- Legal notices
- Overview of district growth and McKibben Demographic Report

McKibben DEMOGRAPHIC STUDY

ENROLLMENT GROWTH



7.5% | 22/23 - 27/28

2.9% | 27/28 - 32/33

What is the McKibben report?

Dr. Jerome McKibben presented a "Population and Enrollment Forecast, 2023-24 through 2032-33 at our October 31, 2022 public school board meeting."

Population & Enrollment Forecast

Total district enrollment is forecasted to increase by 607 students, or 7.5%, between 2022-23 and 2027-28. Total enrollment will increase by 252 students, or 2.9%, from 2027-28 to 2032-33.

Level of Accuracy

The level of the accuracy for both the population and enrollment forecasts at the school district level is estimated to be no more than +/-2.0% for the life of the forecasts.

McKibben

DEMOGRAPHIC STUDY

SECTION 01

At the conclusion of his presentation, Dr. McKibben prioritized the following takeaways:





McKibben DEMOGRAPHIC STUDY

School		Carroll Middle		Maple Creek Middle		Secondary Total
#Classrooms/Stations		60		60		120
Student Capacity		1,000		1,000		2,000
CURRENT	2022-23	991	99.1%	956	95.6%	1947
PROJECTED	2023-24	1034	103.4%	995	99.5%	2029
	2024-25	1039	103.9%	1023	102.3%	2062
	2025-26	1022	102.2%	1045	104.5%	2067
	2026-27	1004	100.4%	1009	100.9%	2013
	2027-28	998	99.8%	1004	100.4%	2002
	2028-29	1043	104.3%	986	98.6%	2029
	2029-30	1085	108.5%	1027	102.7%	2112
	2030-31	1133	113.3%	1043	104.3%	2176
	2031-32	1128	112.8%	1055	105.5%	2183
	2032-33	1116	111.6%	1051	105.1%	2167

Middle School Projections

SECTION 01



McKibben DEMOGRAPHIC STUDY

	School	Carroll High/CFC		High School Total
	#Classrooms/Stations	110/34 (2100/650)		
	Student Capacity	2,750		2,750
CURRENT	2022-23	2544	92.5%	2544
PROJECTED	2023-24	2593	94.3%	2593
	2024-25	2647	96.3%	2647
	2025-26	2703	98.3%	2703
	2026-27	2794	101.6%	2794
	2027-28	2850	103.6%	2850
	2028-29	2895	105.3%	2895
	2029-30	2854	103.8%	2854
	2030-31	2816	102.4%	2816
	2031-32	2864	104.1%	2864
	2032-33	2904	105.6%	2904

High School Projections

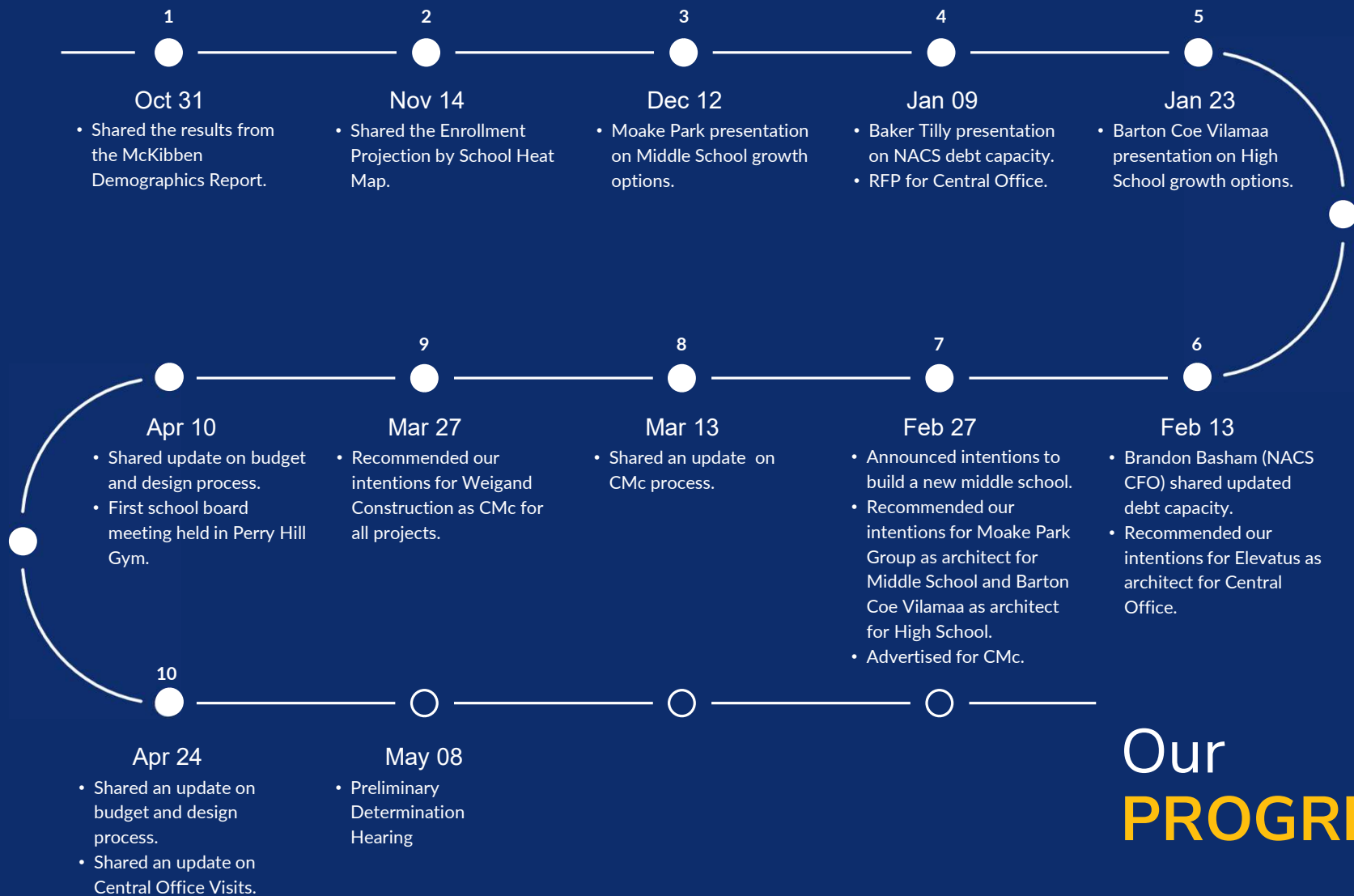
SECTION 01

McKibben DEMOGRAPHIC STUDY



Central Office - Board Room

SECTION 01



Our PROGRESS

SECTION 02

WHAT'S OUR PLAN?

Brandon Bitting

Assistant Superintendent, Safety & Operations

Northwest Allen County Schools

Ryan Lough

Senior Estimator

Weigand Construction

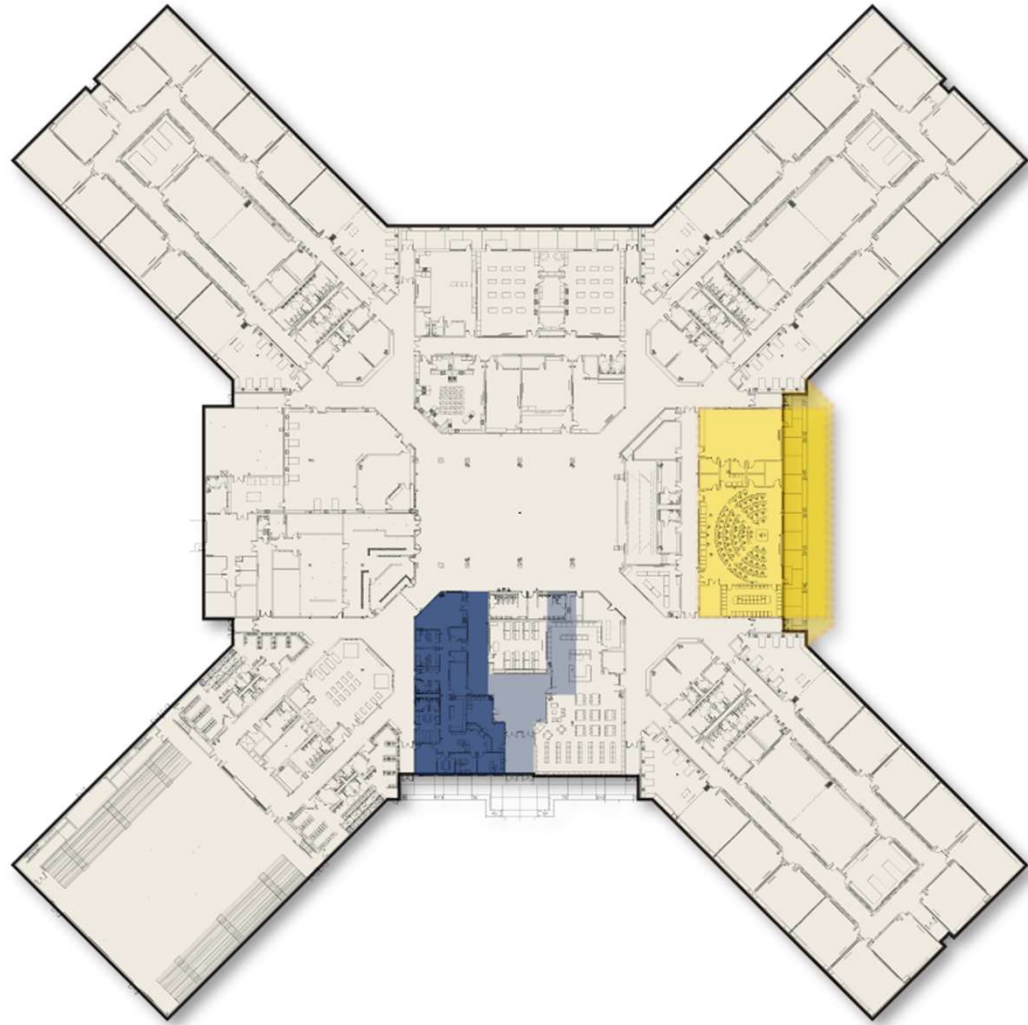
- Overview of middle school, high school, and central office projects



Middle School Project

- Architect Partner – Moake Park
- Schematic Design Process
 - CMS / MCMS Walkthroughs
 - Input Meetings
- Scope of Project Design
 - 185,500 sq. ft.
 - Student Capacity of 1,000
 - Office Space
 - Internal Layout

Middle School PROJECT



SECTION 02



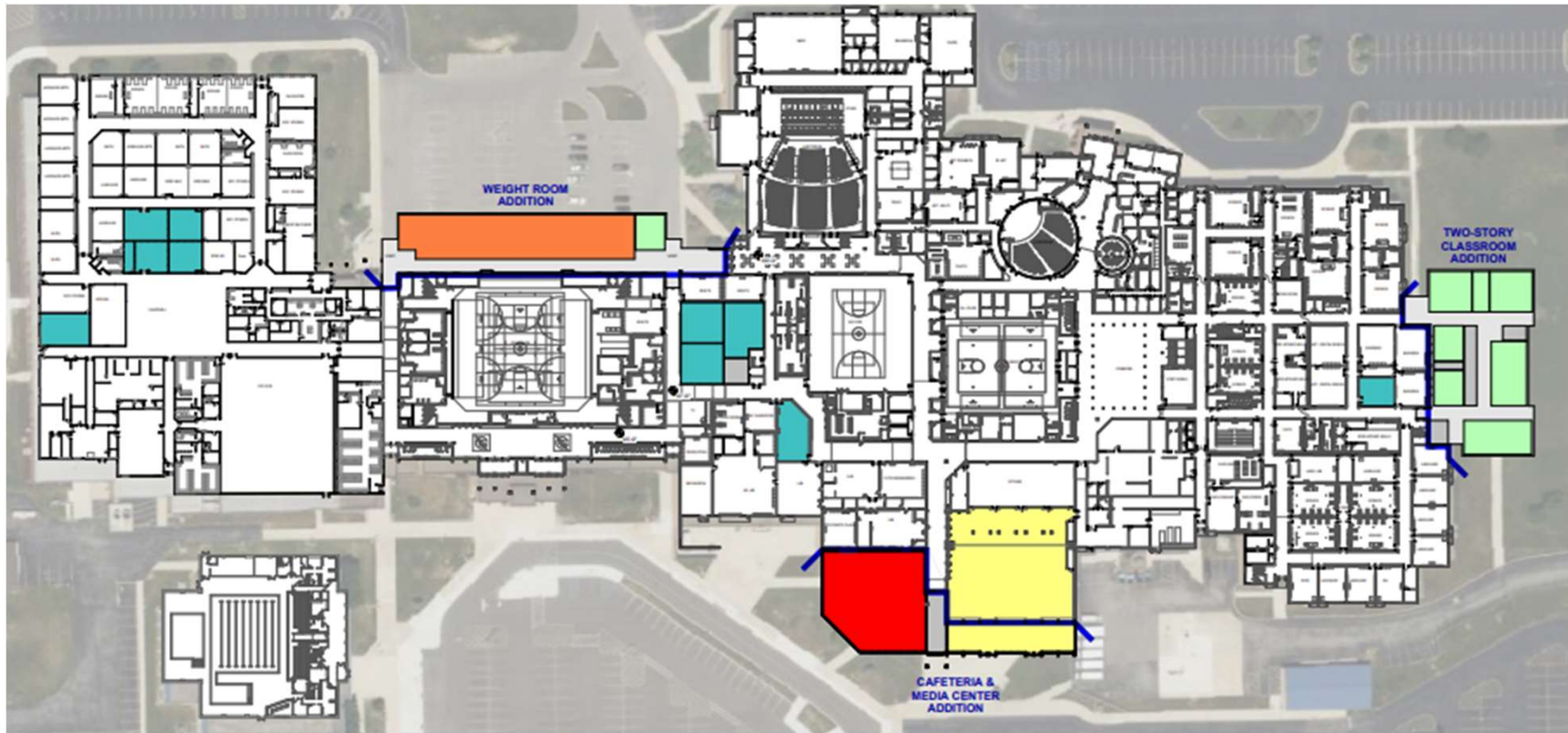
High School Project

- Architect Partner – Barton Coe Vilamaa
- Schematic Design Process
 - Site Visits
 - Input Meetings

- Scope of Project Design
 - Net Gain of 27 classrooms + support spaces
 - New Central Media Center – 9000 sq. ft.
 - New Weight Room 50% Larger
 - Expanded Cafeteria Space – 4000 sq ft
 - 70,000 sq ft – building additions
 - 25,000 sq ft – building renovations
 - Hallway on the northside of the building to connect the fine arts to the freshman center

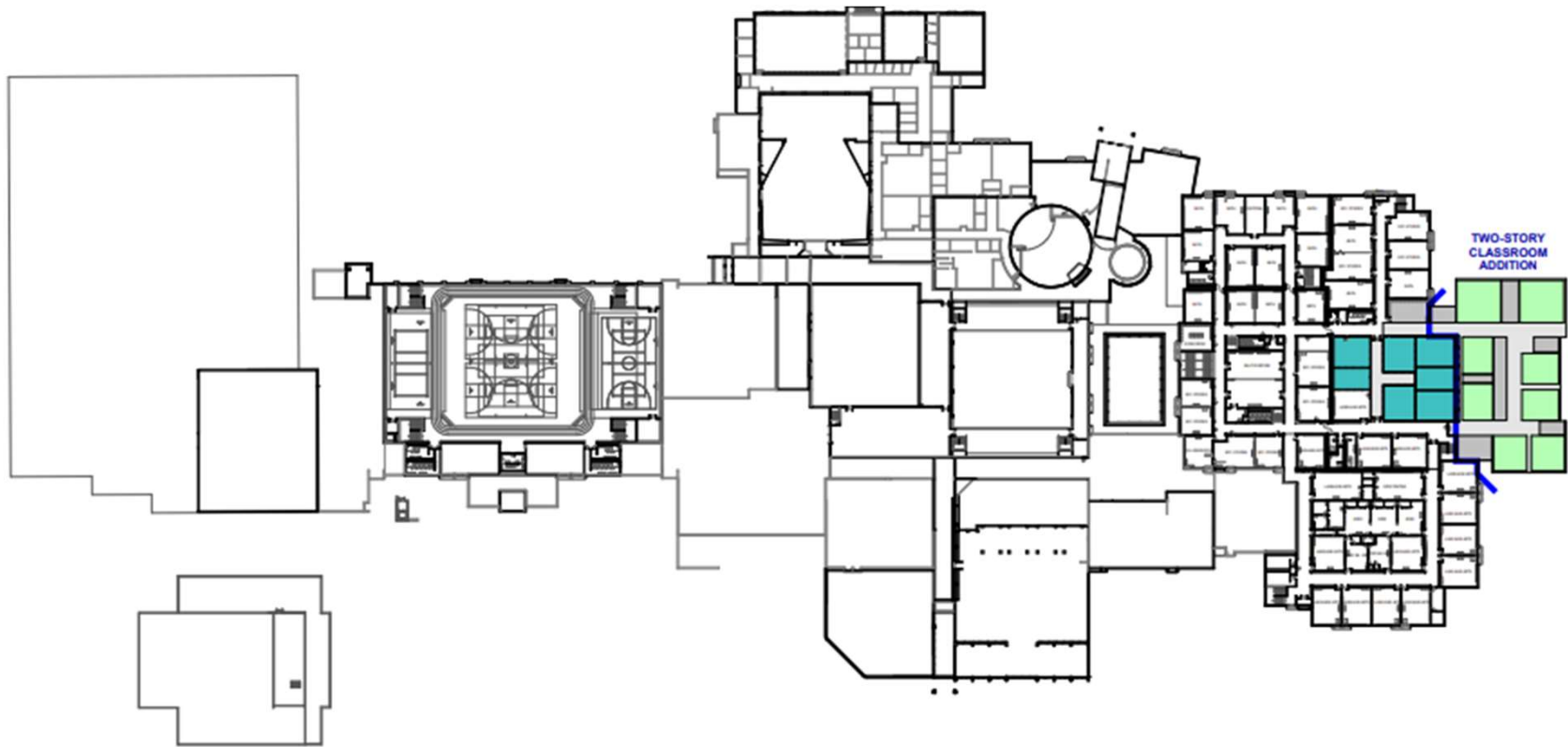
High School PROJECT

SECTION 02



High School PROJECT

SECTION 02





Central Office Project

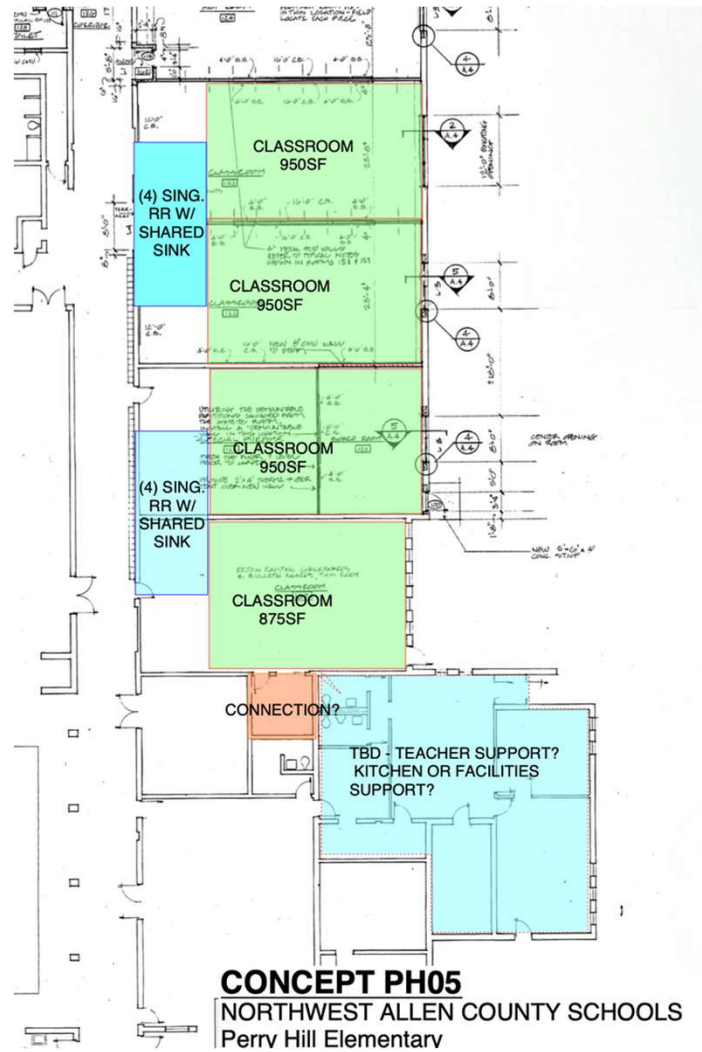
- Architect Partner – Elevatus
- Schematic Design Process
 - Site Visits
 - Input Meetings
- Scope of Project Design
 - Approximately 31,000 sq ft
 - Board Room that can be utilized as PD Space
 - Tech Area Space
 - Conference Rooms
 - Gain of four classrooms at Perry Hill

Central Office PROJECT



SECTION 02

Perry Hill PROJECT



SECTION 02

Middle School

TIMELINE

**CURRENT -
DEC 2023**



**Design
Budgeting
Bidding**

**JAN 2024 -
FEB 2024**



**Bond Sale
& Closing**

**FEB / MAR
2024**



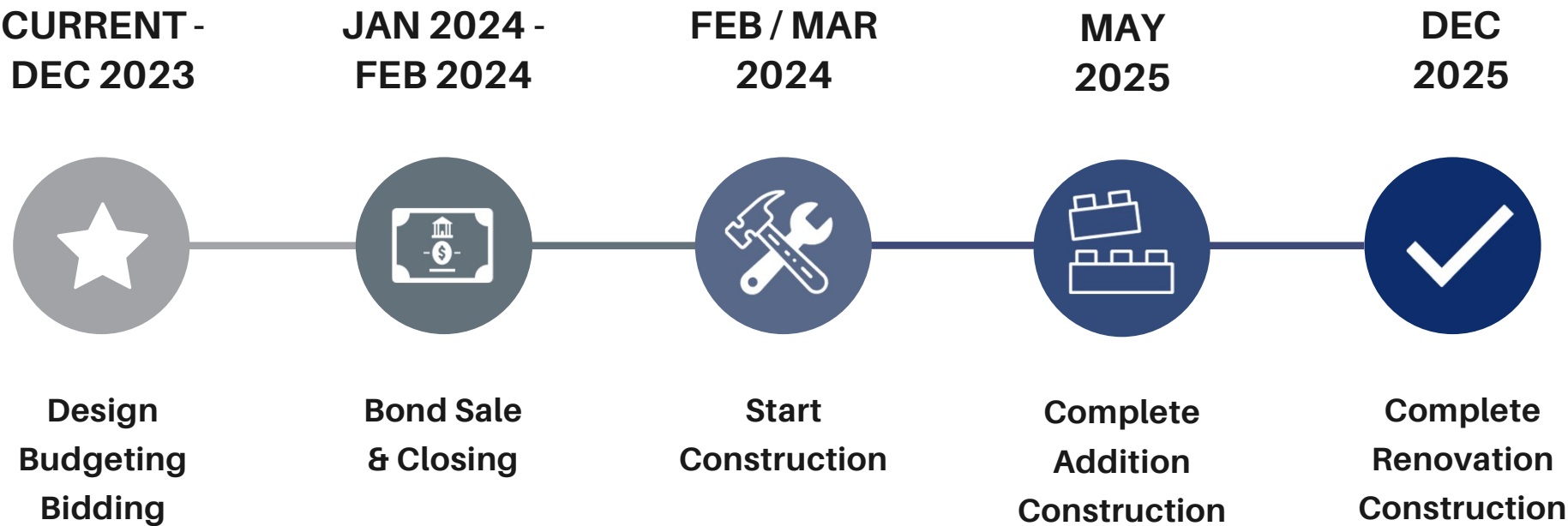
**Start
Construction**

**JUNE
2026**



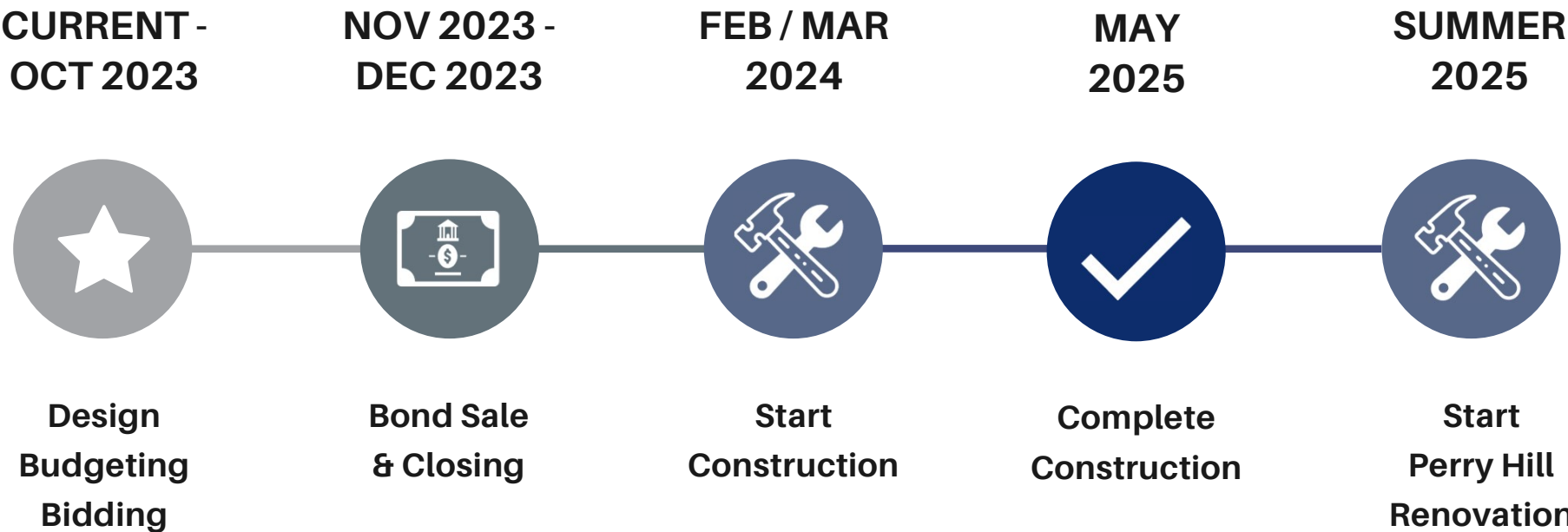
**Complete
Construction**

High School TIMELINE



Central Office

TIMELINE



SECTION 03

HOW MUCH WILL IT COST?

Brandon Basham
Chief Financial Officer
Northwest Allen County Schools

- Overview of district growth



Budget Process **COLLABORATION** with:

Weigand Construction

Construction Manager as Constructor (CMc)

Barton Coe Vilamaa

Architect

High School Addition/Renovation

Elevatus

Architect

Central Office

Perry Hill Renovation

Moake Park

Architect

New Middle School

Baker Tilly

Municipal Advisor

Ice Miller

Bond Counsel

Construction **BUDGET**

Hard Costs		
New Middle School	CHS Addition/Renovation	Central Office/PH Renovation
\$80,577,284	\$43,125,297	\$14,605,109
HARD COST EXAMPLES: <i>Construction, Utilities, Site/Road Improvements, Design/Construction Contingencies, Cost Escalator.</i>		

Soft Costs		
New Middle School	CHS Addition/Renovation	Central Office/PH Renovation
\$20,069,252	\$9,240,505	\$3,365,081
SOFT COST EXAMPLES: <i>Surveys, Soil Testing, Permits, Loose Equipment, Technology, Architect Fees, General Conditions, CMc Fees/Bonding/Insurance, Land Purchase (Middle School only).</i>		

Issuance Costs (All Projects)
\$6,530,000
ISSUANCE COST EXAMPLES: <i>Bond Counsel, School Counsel, Financial Advisor, Title Insurance, Appraisals, Trustee, Ratings, Printing/Publication, Underwriting, Capitalized Interest.</i>

Maximum Project Cost
\$178,000,000

SECTION 04

HOW WILL NACS FINANCE IT?

Lindsay Simonetto
Municipal Advisor
Baker Tilly Municipal Advisors, LLC

- Overview of potential financing option(s)

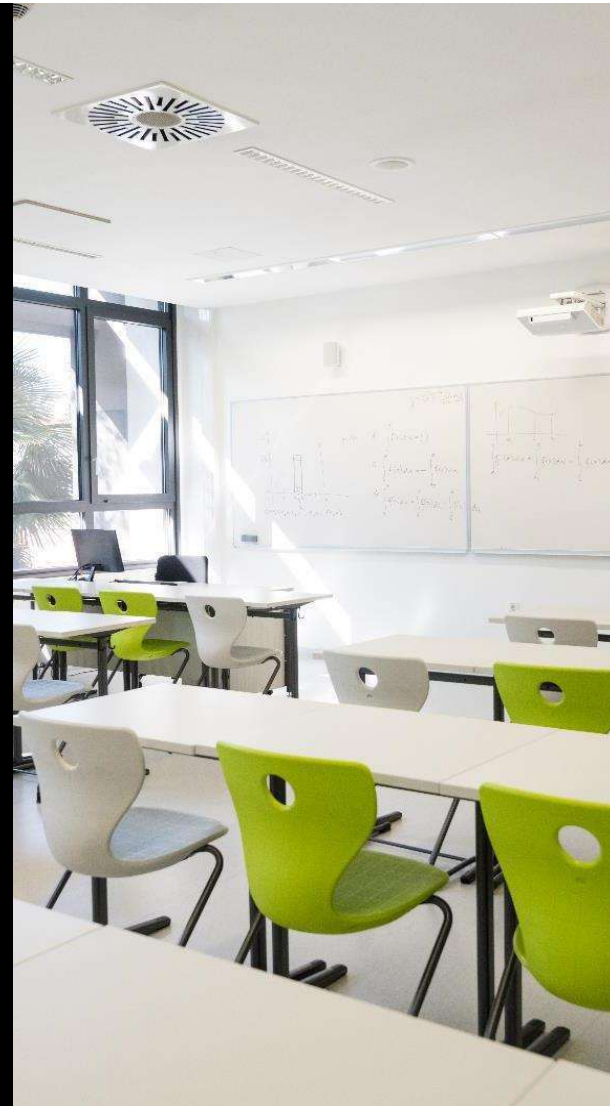
Northwest Allen County Schools

Preliminary Determination Hearings

May 8, 2023
&
May 22, 2023

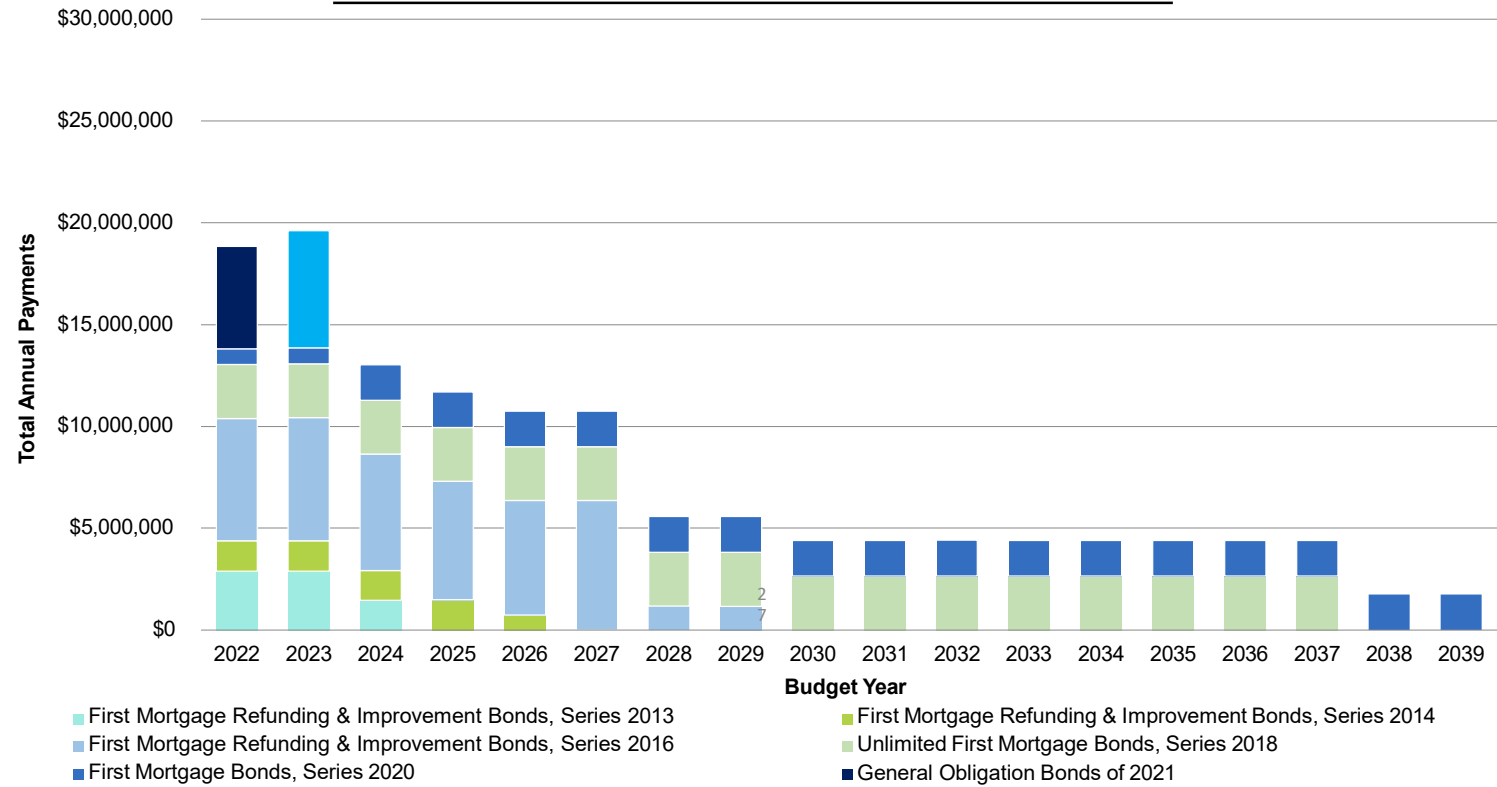


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NORTHWEST ALLEN COUNTY SCHOOLS

SCHEDULE OF EXISTING DEBT SERVICE/LEASE RENTAL PAYMENTS



Note: Does not include Unreimbursed Textbooks.

NORTHWEST ALLEN COUNTY SCHOOLS

SCHEDULE OF EXISTING ANNUAL DEBT SERVICE/LEASE RENTAL PAYMENTS

Payment Year	Non-Exempt							Exempt	Total Existing Annual Debt Service/Lease Rental Payments
	First Mortgage Refunding & Improvement	First Mortgage Refunding & Improvement	First Mortgage Refunding & Improvement	First Mortgage Bonds, Series 2020	General Obligation Bonds of 2021	General Obligation Bonds of 2022	Total Non-Exempt Annual Debt Service/Lease Rental Payments	Unlimited First Mortgage Bonds, Series 2018	
	(1)	(2)	(1)	(2)	(2)	(2)		(2)	
2022	\$2,895,500	\$1,485,000	\$6,006,000	\$772,000	\$5,023,703		\$16,182,203	\$2,650,000	\$18,832,203
2023	2,894,500	1,482,000	6,054,000	772,000			16,955,959	2,649,000	19,604,959
2024	1,446,000	1,479,000	5,710,000	1,753,000		\$5,753,459	10,388,000	2,647,000	13,035,000
2025		1,480,000	5,813,000	1,753,000			9,046,000	2,652,000	11,698,000
2026		741,500	5,617,000	1,751,000			8,109,500	2,648,000	10,757,500
2027			6,358,000	1,748,000			8,106,000	2,651,000	10,757,000
2028			1,171,000	1,748,000			2,919,000	2,649,000	5,568,000
2029			1,166,000	1,746,000			2,912,000	2,648,000	5,560,000
2030				1,748,000			1,748,000	2,650,000	4,398,000
2031				1,747,000			1,747,000	2,651,000	4,398,000
2032				1,750,000			1,750,000	2,655,000	4,405,000
2033				1,745,000			1,745,000	2,654,000	4,399,000
2034				1,748,000			1,748,000	2,648,000	4,396,000
2035				1,745,000			1,745,000	2,651,000	4,396,000
2036				1,750,000			1,750,000	2,654,000	4,404,000
2037				1,748,000			1,748,000	2,651,000	4,399,000
2038				1,749,000			1,749,000		1,749,000
2039				1,749,000			1,749,000		1,749,000
Totals	<u>\$7,236,000</u>	<u>\$6,667,500</u>	<u>\$37,895,000</u>	<u>\$29,522,000</u>	<u>\$5,023,703</u>	<u>\$5,753,459</u>	<u>\$92,097,662</u>	<u>\$42,408,000</u>	<u>\$134,505,662</u>

2
8

Note: Does not include Unreimbursed Textbooks.

(1) Payments budgeted on a calendar year basis.

(2) Payments budgeted on a budget year basis.

NORTHWEST ALLEN COUNTY SCHOOLS

CALCULATION OF GENERAL OBLIGATION BONDING CAPACITY

2023 Certified Net Assessed Value (1)	\$3,374,401,079
Divided by 3	3
Times: 2% general obligation debt issue limit	<u>2%</u>
General obligation debt issue limit	22,496,007
Less: Outstanding general obligation debt: (2)	
General Obligation Bonds of 2022	<u>(5,500,000)</u>
Estimated general obligation bonding capacity	<u>\$16,996,007</u>

(1) 2023 Certified Net Assessed Value per the DLGF.

(2) As of January 16, 2023.

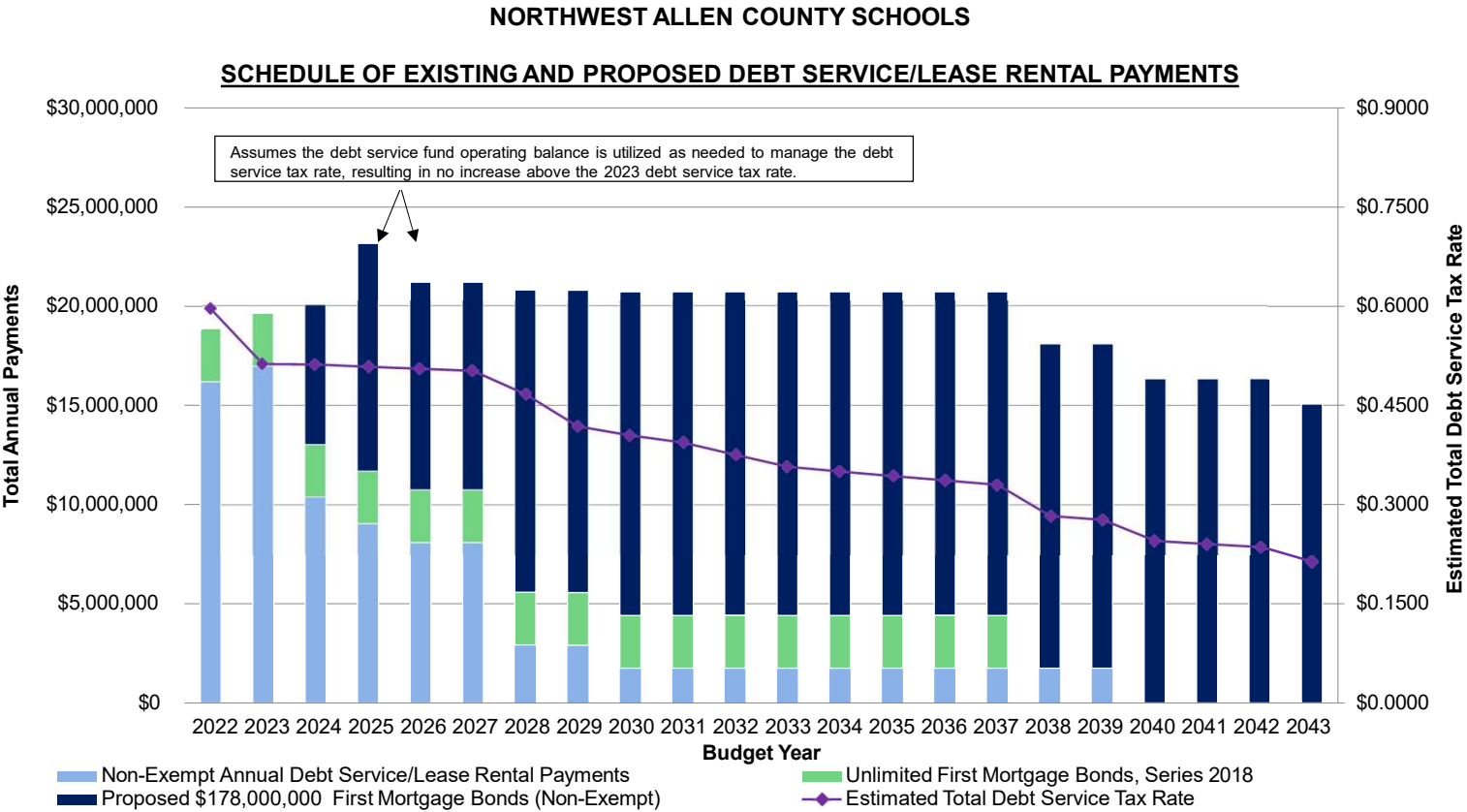
NORTHWEST ALLEN COUNTY SCHOOLS

SUMMARY OF PROPOSED FIRST MORTGAGE BONDS

Maximum Borrowing Amount	\$178,000,000
Maximum Repayment Term (1)	20 years per series
Estimated Maximum Total Interest Expense (1)(2)	\$125,000,000
Maximum Annual Payment	\$16,500,000
Estimated Maximum Tax Rate (3)(4)	\$0.4645
Estimated Increase over 2023 Non-Exempt Debt Service Tax Rate (No AV Growth) (5)	\$0.0600
Estimated Increase over 2023 Non-Exempt Debt Service Tax Rate (5% AV Growth) (5)	\$0.0000

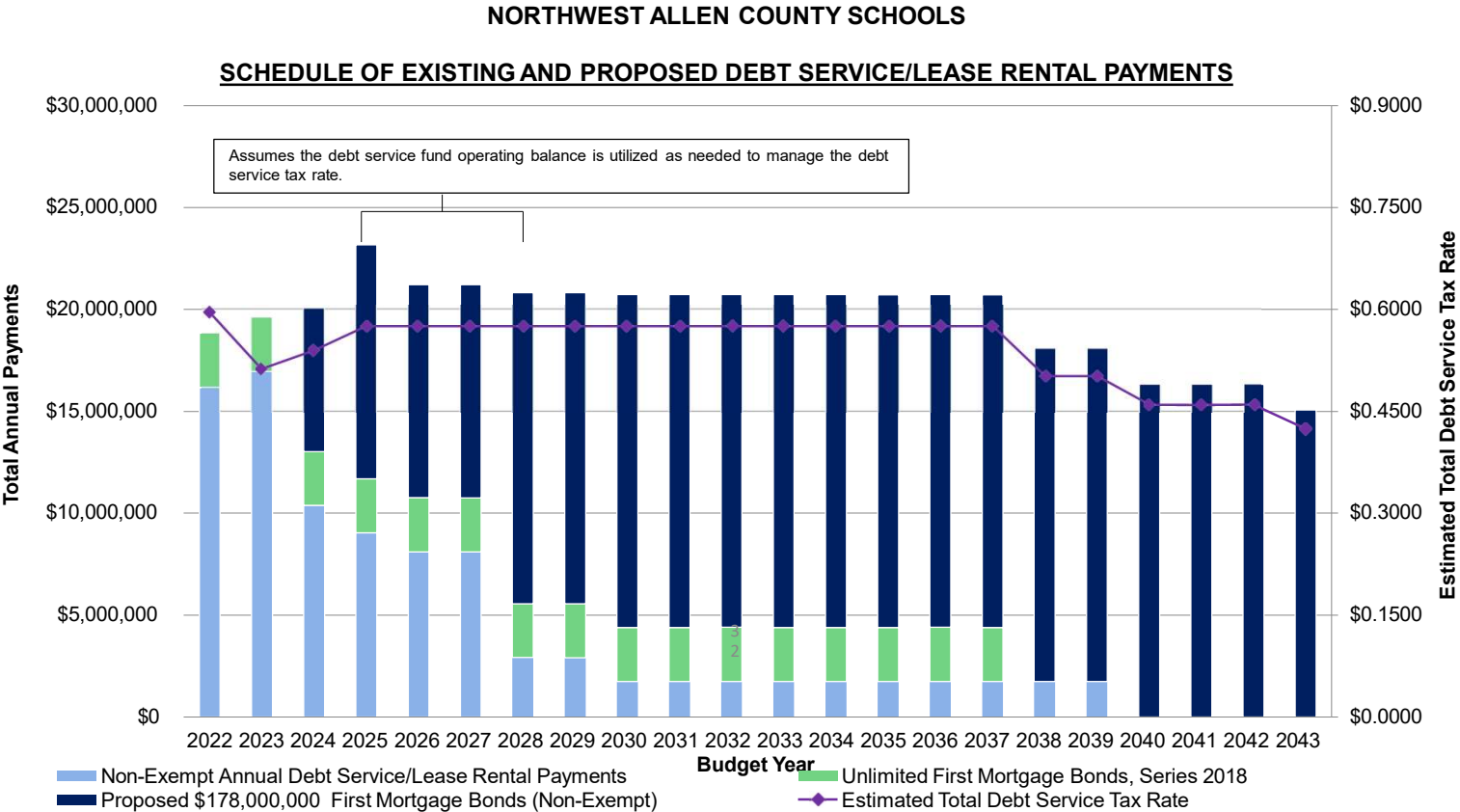
- (1) Assumes an annual interest rate of 5.5%. Actual interest rates may vary significantly depending upon the underlying credit and market conditions at the time of the bond sale.
- (2) Assumes \$5,000,000 in capitalized interest expense in 2025 in order to manage the debt service tax rate.
- (3) Based on the 2023 certified net assessed value of \$3,374,401,079 per the DLGF. Tax rates payable per \$100 of net assessed value. Assumes 5.0% license excise/financial institutions factor.
- (4) Represents maximum tax rate associated with the proposed bond issue based upon the maximum annual payment.
- (5) Represents the estimated increase over the 2023 non-exempt debt service tax rate of \$0.4416. Assumes the debt service fund operating balance is utilized as needed to manage the debt service tax rate.

(Assumes 5% NAV Growth)



Note: Assumes an annual interest rate of 5.5%. Actual interest rates may vary significantly depending upon the underlying credit and market conditions at the time of the bond sale. Assumes no tax rate increase over the 2023 non-exempt debt service tax rate of \$0.4416 per the 2023 Budget Order. Based on the certified net assessed value of \$3,374,401,079 in 2023 for the School Corporation with 5% annual growth thereafter.

(Assumes No NAV Growth)



Note: Assumes an annual interest rate of 5.5%. Actual interest rates may vary significantly depending upon the underlying credit and market conditions at the time of the bond sale. Based on the certified net assessed value of \$3,374,401,079 in 2023 for the School Corporation. Assumes no growth thereafter.

NORTHWEST ALLEN COUNTY SCHOOLS

SCHEDULE OF EXISTING AND PROPOSED ANNUAL DEBT SERVICE/LEASE RENTAL PAYMENTS

Payment Year	Non-Exempt		Exempt		Total Existing and Proposed Annual Debt Service/Lease Rental Payments	
	Non-Exempt Annual Debt Service/Lease Rental Payments	Proposed \$178,000,000 First Mortgage Bonds (Non-Exempt)	Total Non-Exempt Annual Debt Service/Lease Rental Payments	Unlimited First Mortgage Bonds, Series 2018		
2022	\$16,182,203		\$16,182,203	\$2,650,000	\$18,832,203	
2023	16,955,959		16,955,959	2,649,000	19,604,959	
2024	10,388,000	\$7,013,000	17,401,000	2,647,000	20,048,000	
2025	9,046,000	11,468,000	20,514,000	2,652,000	23,166,000	
2026	8,109,500	10,461,000	18,570,500	2,648,000	21,218,500	
2027	8,106,000	10,460,000	18,566,000	2,651,000	21,217,000	
2028	2,919,000	15,259,000	18,178,000	2,649,000	20,827,000	
2029	2,912,000	15,260,000	18,172,000	2,648,000	20,820,000	
2030	1,748,000	16,332,000	18,080,000	2,650,000	20,730,000	
2031	1,747,000	16,329,000	18,076,000	2,651,000	20,727,000	
2032	1,750,000	16,331,000	18,081,000	2,655,000	20,736,000	
2033	1,745,000	16,328,000	18,073,000	2,654,000	20,727,000	
2034	1,748,000	16,333,000	18,081,000	2,648,000	20,729,000	
2035	1,745,000	16,329,000	18,074,000	2,651,000	20,725,000	
2036	1,750,000	16,330,000	18,080,000	2,654,000	20,734,000	
2037	1,748,000	16,326,000	18,074,000	2,651,000	20,725,000	
2038	1,749,000	16,332,000	18,081,000		18,081,000	
2039	1,749,000	16,333,000	18,082,000		18,082,000	
2040		16,327,000	16,327,000		16,327,000	
2041		16,321,000	16,321,000		16,321,000	
2042		16,334,000	16,334,000		16,334,000	
2043		15,070,000	15,070,000		15,070,000	
Totals	\$92,097,662	\$297,276,000	\$389,373,662	\$42,408,000	\$431,781,662	

NORTHWEST ALLEN COUNTY SCHOOLS

ESTIMATED TAXPAYER IMPACT

		5% NAV Growth		No NAV Growth	
Estimated Incremental Tax Rate Impact (1)		\$0.0000		\$0.0600	
<u>Market Value of Home</u>	<u>Net Assessed Value (2)</u>	<u>Monthly Tax Impact</u>	<u>Annual Tax Impact</u>	<u>Monthly Tax Impact</u>	<u>Annual Tax Impact</u>
\$100,000	\$33,800	\$0.00	\$0.00	\$1.69	\$20.28
150,000	66,300	0.00	0.00	3.32	39.78
218,100 (3)	110,565	0.00	0.00	5.53	66.34
300,000	163,800	0.00	0.00	8.19	98.28
400,000	228,800	0.00	0.00	11.44	137.28
500,000	293,800	0.00	0.00	14.69	176.28
Per 1 Acre of Agriculture Land (4)		0.00	0.00	0.10	1.14
Per \$100,000 Commercial/Rental Property		0.00	0.00	5.00	60.00

3

- (1) Based on 2023 Certified Net Assessed Value of \$3,374,401,079. Per \$100 of assessed value.
- (2) Includes the standard deduction at the lessor of \$48,000 or 60% of home value and the 35% supplemental homestead deduction.
- (3) The median home value within the School Corporation, per the U.S. Census Bureau.
- (4) Assumes the agricultural land is assessed at \$1,900 per acre for 2023 pay 2024 per the Indiana Department of Local Government Finance.
Actual impact will vary based on productivity.

Note: The above impacts assume properties are not hitting the circuit breaker tax cap. Actual impacts will vary depending upon where a taxpayer falls in relation to the tax cap. For properties at the cap, no incremental impact is anticipated.

Supplemental Information

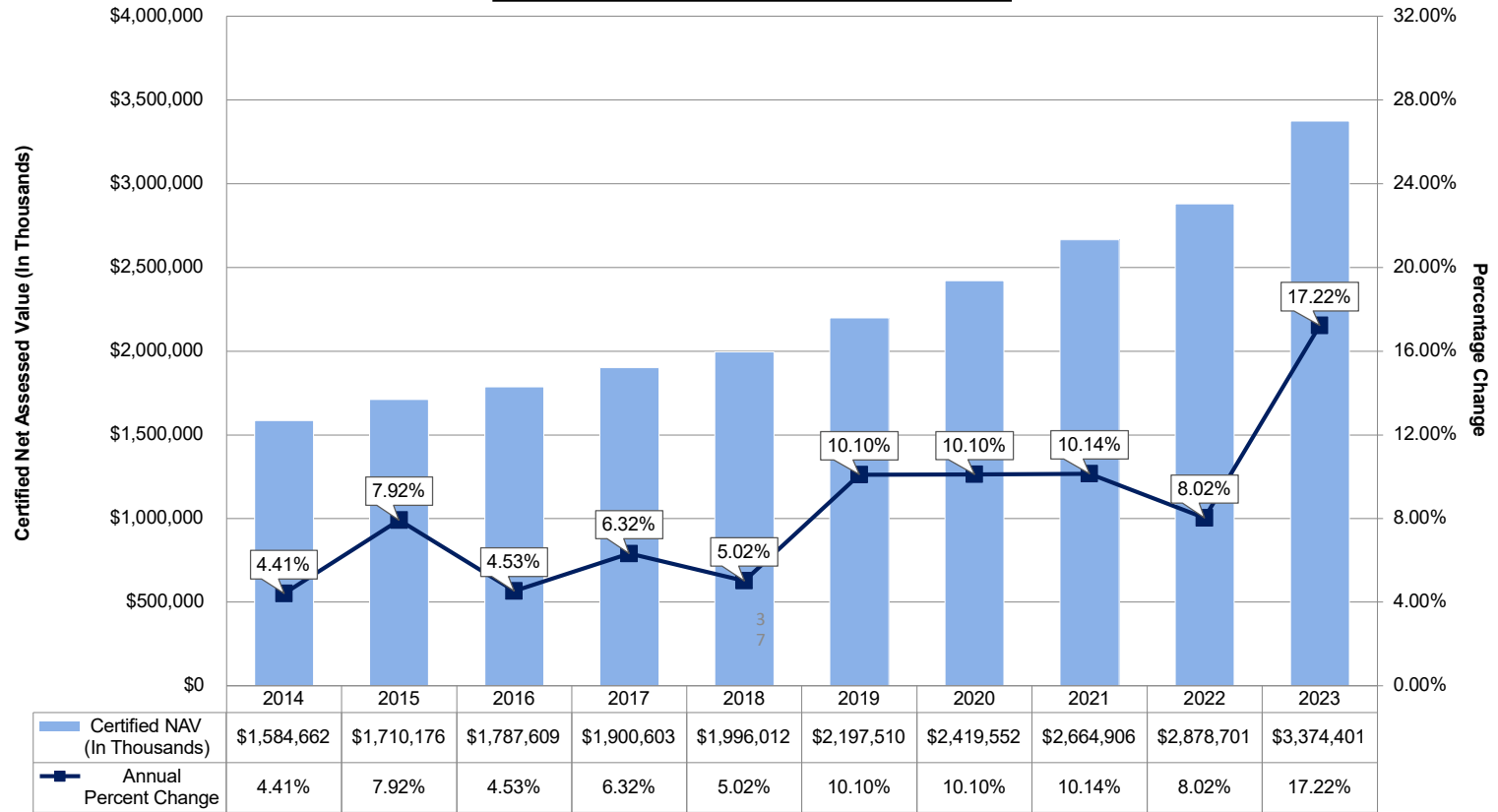
NORTHWEST ALLEN COUNTY SCHOOLS

HISTORICAL CERTIFIED TAX RATES



Source: Per the Department of Local Government Finance.

NORTHWEST ALLEN COUNTY SCHOOLS
HISTORICAL CERTIFIED NET ASSESSED VALUE



Source: Per the Department of Local Government Finance.



THANK YOU

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