

Capital Financing Recommendation

Kennedy Middle School & West Natick Fire Station

Board of Selectmen

August 14, 2018

Projected Debt Costs

Fiscal Year	Outstanding Debt		Approved Projects		Projected	
	Excluded	W/I Levy	W/I Levy	Capital Request	Total General Fund	
2020	\$ 4,334,763	\$ 4,317,229	\$ 1,353,538	\$ 534,689	\$ 10,540,219	
2021	\$ 4,228,171	\$ 3,474,168	\$ 1,325,217	\$ 3,852,140	\$ 12,879,696	
2022	\$ 4,118,730	\$ 2,966,399	\$ 1,296,897	\$ 5,177,169	\$ 13,559,195	
2023	\$ 4,019,639	\$ 2,545,640	\$ 1,268,576	\$ 5,939,079	\$ 13,772,934	
2024	\$ 3,918,068	\$ 2,296,942	\$ 1,240,256	\$ 5,803,856	\$ 13,259,122	
2025	\$ 3,283,696	\$ 1,974,752	\$ 1,196,935	\$ 5,531,552	\$ 11,986,935	
2026	\$ 3,194,884	\$ 1,529,702	\$ 1,169,102	\$ 5,348,488	\$ 11,242,176	
2027	\$ 3,105,128	\$ 1,217,921	\$ 1,086,269	\$ 5,137,763	\$ 10,547,081	
2028	\$ 3,003,197	\$ 1,125,182	\$ 1,060,224	\$ 4,604,614	\$ 9,793,217	
2029	\$ 2,901,266	\$ 1,057,743	\$ 1,034,178	\$ 4,260,595	\$ 9,253,782	
2030	\$ 2,799,335	\$ 924,604	\$ 988,133	\$ 3,945,450	\$ 8,657,522	
2031	\$ 2,697,404	\$ 824,599	\$ 962,737	\$ 3,824,538	\$ 8,309,278	
2032	\$ 160,473	\$ 733,027	\$ 937,342	\$ 3,702,506	\$ 5,533,348	
2033	\$ 155,753	\$ 509,978	\$ 911,946	\$ 3,602,975	\$ 5,180,652	
2034		\$ 308,000	\$ 886,551	\$ 3,503,444	\$ 4,697,994	
2035		\$ 299,850	\$ 326,480	\$ 3,183,913	\$ 3,810,243	
2036		\$ 216,700	\$ 318,472	\$ 2,544,865	\$ 3,080,037	
2037		\$ 161,425	\$ 310,464	\$ 2,125,175	\$ 2,597,064	
2038		\$ 116,725	\$ 302,456	\$ 1,681,919	\$ 2,101,100	
2039			\$ 294,448	\$ 1,632,113	\$ 1,926,561	
2040			\$ 286,440	\$ 1,582,306	\$ 1,868,746	
2041			\$ 278,432	\$ 425,000	\$ 703,432	
2042			\$ 270,424	\$ -	\$ 270,424	
2043			\$ 262,416		\$ 262,416	
2044			\$ 254,408		\$ 254,408	
Total	\$ 41,920,507	\$ 26,600,586	\$ 19,622,338	\$ 77,944,147	\$ 166,087,578	

* This table excludes Fire Station 4 (West Natick) and the Kennedy Middle School

Town of Natick, Massachusetts - DEBT EXCLUDED FROM PROP 2 1/2

Estimated Fire Station: \$ 15,600,000
 Maximum Term of Fire Station: 20 years
 Amortization of Fire Station: **HYBRID DEBT SERVICE**
 Projected Bond Rate for Fire Station: 3.25%

School Total Project Cost: \$ 109,560,000
 Est. MSBA Reimbursement (48.21%): \$ 37,313,724
 Est. Local Share of Project Costs: \$ 72,246,276
 Maximum Term of School: 20 years
 Amortization of School: **LEVEL DEBT SERVICE**
 Projected Bond Rate for School: 3.25%

Dated Date of Bonds: December 1, 2018
 FY2018 Assessed Valuation: \$ 8,229,002,220

Financing Plan G - \$15.6M Fire Station 20yrs (Hybrid) & \$72.250M School 20yrs (Level)

EXEMPT General Fund Debt Service Only

Fiscal Year	A			B		C		D (A-B-C)		E		F		G		Fiscal Year
	Existing Debt Service (see pages 2-4)	Less: Enterprise Supported Debt Service (see page 5)	Less: Existing General Fund NON-Exempt Debt Service (see pages 6-8)	Existing General Fund Exempt Debt Service (see page 9)	Existing Tax Rate Impact per \$1,000	Plus \$72.250M School Bonds (see pages 10 & 11)	Est. School Debt Service Tax Rate Impact per \$1,000	Plus \$15.6M Fire Station Bonds (see pages 10 & 11)	Est. Fire Station Debt Service Tax Rate Impact per \$1,000	Existing and Projected Exempt Debt Service (D+E+F)	Existing and Projected Est. Tax Rate Impact per \$1,000					
2018	13,104,520	2,945,561	5,586,514	4,572,445	0.56	-	-	-	-	4,572,445	0.56	2018				
2019	11,962,957	2,612,729	4,884,224	4,466,004	0.54	-	-	-	-	4,466,004	0.54	2019				
2020	10,997,430	2,369,664	4,293,004	4,334,763	0.53	4,951,844	0.60	1,071,519	0.13	10,358,125	1.26	2020				
2021	9,676,467	1,998,353	3,449,943	4,228,171	0.51	4,952,381	0.60	1,068,031	0.13	10,248,584	1.25	2021				
2022	8,945,596	1,884,692	2,942,174	4,118,730	0.50	4,952,681	0.60	1,068,694	0.13	10,140,105	1.23	2022				
2023	8,099,610	1,558,557	2,521,415	4,019,639	0.49	4,950,056	0.60	1,068,706	0.13	10,038,401	1.22	2023				
2024	7,605,853	1,415,068	2,272,717	3,918,068	0.48	4,954,344	0.60	1,068,069	0.13	9,940,480	1.21	2024				
2025	6,556,894	1,322,671	1,950,527	3,283,696	0.40	4,950,463	0.60	1,248,775	0.15	9,482,933	1.15	2025				
2026	5,641,905	921,339	1,525,682	3,194,884	0.39	4,953,331	0.60	1,221,150	0.15	9,369,365	1.14	2026				
2027	5,080,624	761,595	1,213,901	3,105,128	0.38	4,952,788	0.60	1,193,525	0.15	9,251,440	1.12	2027				
2028	4,728,341	599,963	1,125,182	3,003,197	0.36	4,953,750	0.60	1,165,900	0.14	9,122,847	1.11	2028				
2029	4,420,921	461,913	1,057,743	2,901,266	0.35	4,951,138	0.60	1,133,356	0.14	8,985,760	1.09	2029				
2030	4,135,451	411,513	924,604	2,799,335	0.34	4,949,869	0.60	1,105,894	0.13	8,855,097	1.08	2030				
2031	3,921,516	399,513	824,599	2,697,404	0.33	4,949,781	0.60	1,078,431	0.13	8,725,616	1.06	2031				
2032	1,276,912	383,413	733,027	160,473	0.02	4,950,713	0.60	1,050,969	0.13	6,162,154	0.75	2032				
2033	932,619	266,888	509,978	155,753	0.02	4,952,500	0.60	1,023,506	0.12	6,131,759	0.75	2033				
2034	567,988	259,988	308,000	-	-	4,950,063	0.60	996,044	0.12	5,946,106	0.72	2034				
2035	552,938	253,088	299,850	-	-	4,953,238	0.60	968,581	0.12	5,921,819	0.72	2035				
2036	457,888	241,188	216,700	-	-	4,951,863	0.60	941,119	0.11	5,892,981	0.72	2036				
2037	395,863	234,438	161,425	-	-	4,950,856	0.60	913,656	0.11	5,864,513	0.71	2037				
2038	294,350	177,625	116,725	-	-	4,950,056	0.60	886,194	0.11	5,836,250	0.71	2038				
2039	-	-	-	-	-	4,954,219	0.60	858,731	0.10	5,812,950	0.71	2039				
2040	-	-	-	-	-	-	-	-	-	-	-	2040				
2041	-	-	-	-	-	-	-	-	-	-	-	2041				
2042	-	-	-	-	-	-	-	-	-	-	-	2042				
2043	-	-	-	-	-	-	-	-	-	-	-	2043				
2044	-	-	-	-	-	-	-	-	-	-	-	2044				
Total	109,356,641	21,479,753	36,917,933	50,958,955		99,035,931		21,130,850		171,125,736						

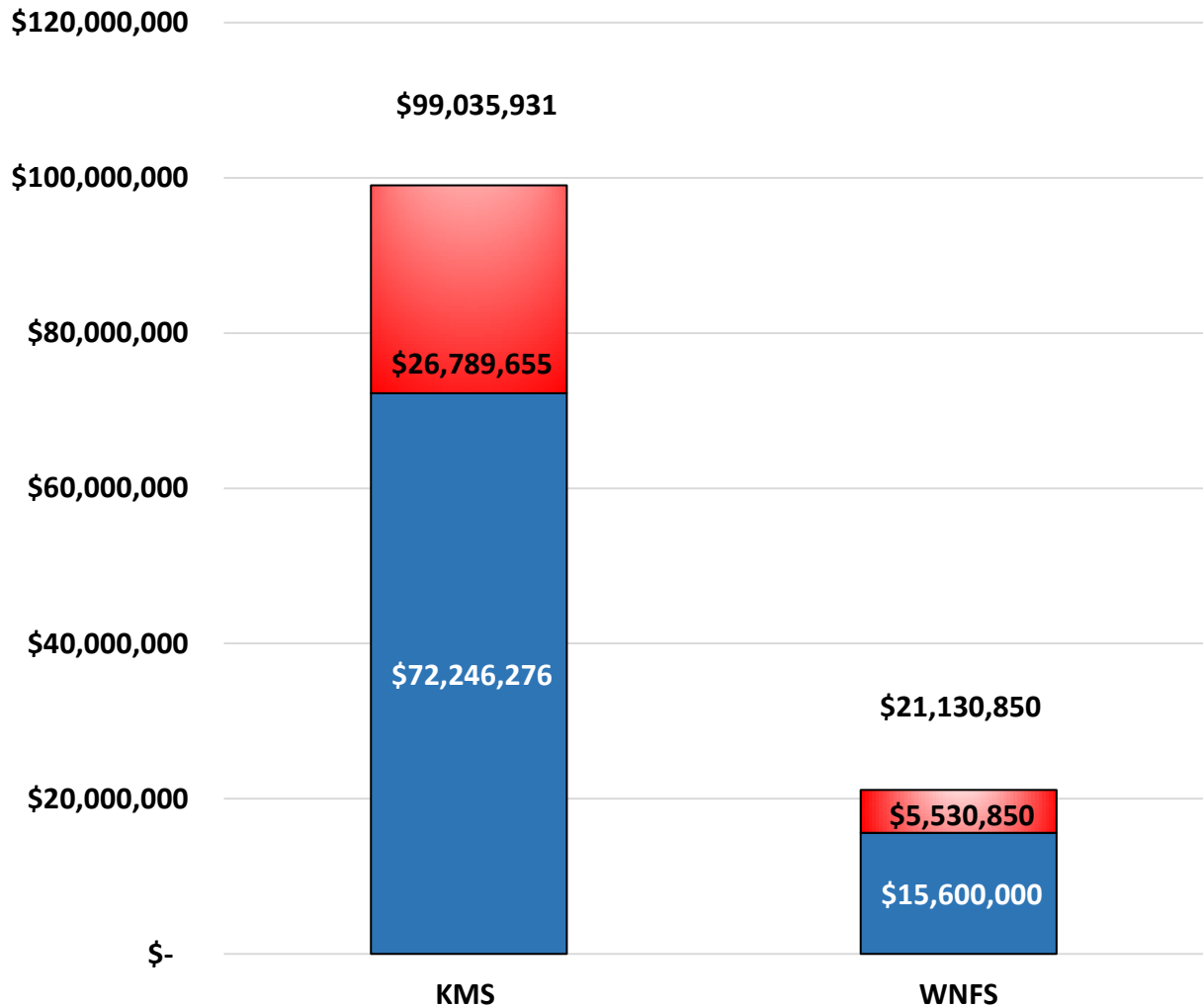
Assumptions:

- ✦ Fire Station structured on a hybrid debt basis; level debt first 5yrs then equal/declining principal.
- ✦ School bonds structured on a level debt basis.
- ✦ Bonds structured a long first coupon; no impact in FY19.

Financing Recommendation:

KMS Level Debt Service 20 Years & 3.25% & WNFS Hybrid Debt Service 20 Years @ 3.25%

KMS & WNFS Projected Total Costs



Tax Payer Tax Bill Impact Projection					
COMBINED DEBT EXCLUSION IMPACT	FY20	FY21	FY25 Hybrid	FY30	FY39 Final Debt Payment
INCREMENTAL TAX RATE	\$0.73	\$0.73	\$0.75	\$0.73	\$0.71
\$250,000	\$183	\$183	\$188	\$183	\$178
\$500,000	\$365	\$365	\$375	\$365	\$355
\$750,000	\$548	\$548	\$563	\$548	\$533
\$1,000,000	\$730	\$730	\$750	\$730	\$710

QUESTIONS / CONCERNS?