

City of Bloomington

Proposed General Revenue Bonds

Public Safety Projects

Financial Discussion



Presented by:

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Public Safety Project Cost & Funding Estimates

*Includes Acquisition of Showers Bldg, Renovation for Police & Fire H.Q.'s,
New Fire Station 1, Fire Station 3, Training & Storage Facilities:*

| | |
|---|------------------------|
| Total Project Costs | \$ 34.00 M |
| Less: Sale of Existing Police H.Q. | - 3.00 M |
| CRED Cash on Hand | - 5.00 M |
| Estimated Interest Earning during Construction | <u>- 0.42 M</u> |

Total Estimated Bond Proceeds

\$ 25.58 M

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City of Bloomington – Proposed General Revenue Bonds



Illustration of Current Market Expectations

| | | |
|---|--------------|--------------|
| Assumed Annual General Revenue Allocation (LIT) | | \$ 1,989,000 |
| <i>Police & Fire Capital Fund</i> | \$ 780,000 | |
| <i>Fire Station Replacement Fund</i> | \$1,209,000 | |
| Assumed 20 yr Bond Issue @ 4.67% TIC: | | |
| Bond Principal Amount | | \$24,750,000 |
| <i>Total Project Funds (Premium Bonds)</i> | \$25,584,000 | |

Definition of Certain Bond Terminology

Premium Bonds produce “more” bond proceeds than Par Value

Bond Premium offset by Higher Coupon Rates

Discount Bonds result in “less” bond proceeds than Par Value

Bond Discount offset by Lower Coupon Rates

Security for bonds is a **general revenue pledge**, not a property tax pledge
Does not count against 2% G.O. Debt Limit

Recent Revenue Bonds (2021 Refunding Revenue Bonds):

- Utility Revenue Bonds – Secured by User Fees from CBU
- Solar Refunding Bonds – Secured by pledge of General Revenues

NO DIRECT PROPERTY TAX PLEDGE – NO DEDICATED PROPERTY TAX LEVY

While Tax Revenues may be utilized for bond payments, there is no direct tax levy pledge.

City of Bloomington – G.O. Debt Limit Summary

| Statutory General Obligation Bond Debt Limit: | <u>Net Assessed</u> | | | <u>Available</u> |
|--|---------------------|-------------------|------------------|----------------------|
| | <u>Value</u> | <u>Debt Limit</u> | <u>G.O. Debt</u> | <u>G.O. Capacity</u> |
| City of Bloomington | \$ 4,850,387,524 | \$ 32,335,917 | \$ 13,625,000 | \$ 18,710,917 |
| Bloomington Park District | 4,850,387,524 | 32,335,917 | 19,220,000 | 13,115,917 |

City of Bloomington – Total Direct Debt Summary

| | | | |
|--------------------------------------|-------------------------------------|----------------------|---------------|
| General Revenue Bonds | <i>(Includes Proposed \$24.75M)</i> | | \$ 41,875,000 |
| Park Revenue Bonds | | | 2,885,000 |
| Utility Revenue Bonds | | | 95,358,400 |
| Park District G.O. Bonds | | | 19,220,000 |
| City G.O. Bonds | | | 13,625,000 |
| RDC TIF Revenue Bonds | | | 65,830,000 |
| Bloomington Total Direct Debt | | \$238,793,400 | |

Bond Market Considerations

Market has been extremely volatile throughout 2022

20 Year Municipal Bond rates have increased approximately 80% from 1 year ago

Rates are projected to continue to rise in the months to come

For every 25 basis point (0.25%) increase, bond proceeds reduce by \$544,000

Extending term from 20 to 25 years could generate additional \$2.5M in proceeds

However, total interest costs could increase by \$7.5M (*\$10M more P&I*)

Thank you for your time today.



Questions ??
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