

# Debt Strategies for All Districts under PTELL

April 26, 2024



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INVEST IN **YOURSELF** IGNITE **OTHERS**



# Introductions

Tammie Beckwith Schallmo, Speaker  
- *Senior Vice President/Managing Director, PMA Securities, LLC – Public Finance Department*



Alicia Cieszykowski, Speaker  
- *Director of Fiscal Services, CSBO Mannheim School District 83*



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# Scenario 1

## Providing Taxpayer Relief through the Debt Service Levy



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# Mannheim SD 83 Overview

- Located in west suburban Cook County, adjacent to O'Hare Airport
- K-8 district serving 2,500 students in 6 facilities
  - 3 elementary schools, 1 middle school, 1 early childhood center and 1 cooperative school for students with low-incidence disabilities
- 65% low income, 45% ELL
- EBF Tier 4 at 137% Adequacy
- Receive \$40M in tax revenue annually
- \$60M budget

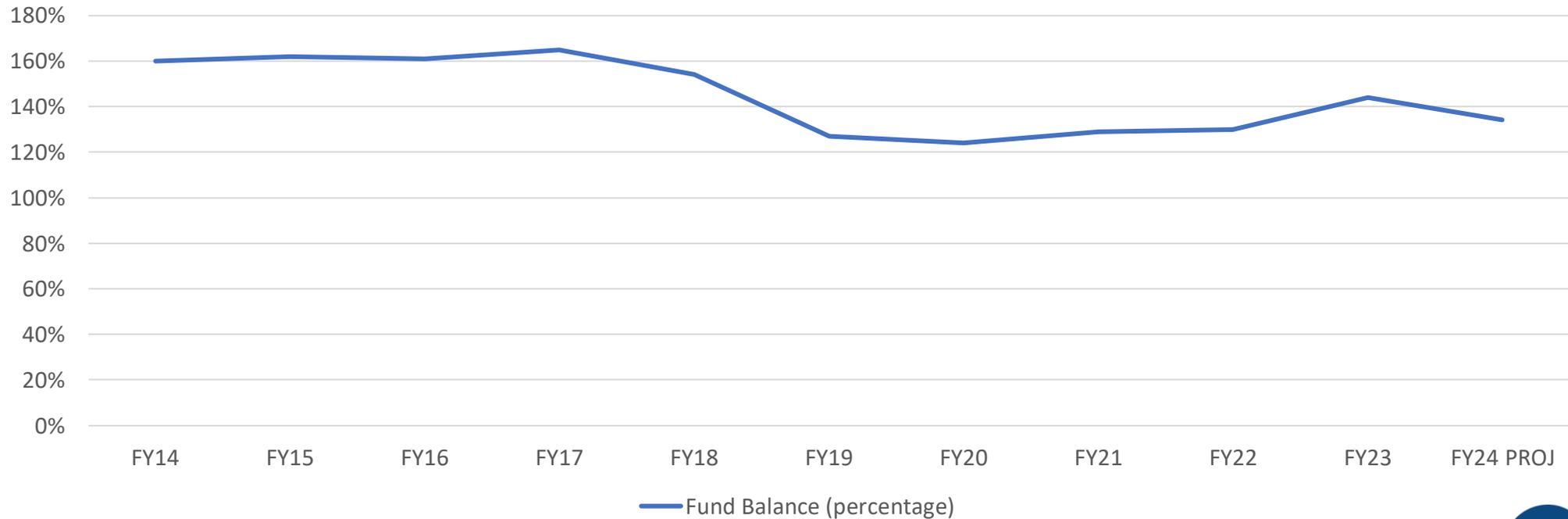


# Mannheim SD 83 Example

- In 2014, Mannheim School District 83 had accumulated a healthy fund balance level of 160%
  - District did not have a fund balance policy
  - Developed a fund balance policy stating that the District's operating fund balance should be no more than 75% of expenditures and no less than 50%
- Two plans to responsibly spend down fund balance
  - **Capital Projects**
    - Plan for all day Kindergarten - Additions at two schools and on internal renovations at one school
    - Possible new administration center/pre-school by 2028
  - **Address Debt**
    - The Board wanted to provide taxpayer relief in the future
    - Pay down debt



# Mannheim SD 83 Historical Fund Balance



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# Debt Service Options

- The administration and the District's municipal advisor prepared several options for the Board's consideration, including abatement and defeasance scenarios
- In addition to providing taxpayer relief, the District wanted to generate as much present value savings as possible



# Abatement (Annual)

- The Board of Education adopts an abatement resolution, which directs the County Clerk to abate or lower the amount of property taxes to be extended
  - Be mindful of the annual abatement resolution filing deadline (eg: February 28, 2025 for levy year 2024)
- The District uses fund balance to pay the amount of debt service that has been abated



# Defeasance

## (Action taken in FY15 and FY24)

- The District contributes fund balance to defease (pay off) maturities of bonds (ideally callable maturities)
  - The funds are used to invest in government securities in an escrow account
  - The escrow earns interest until there are sufficient funds to pay off the refunded maturities on their respective maturities/call dates
  - When the escrow is funded the bonds are considered retired
  - A Certificate of Reduction of Taxes will be filed with the County Clerk
  - Be mindful of annual filing deadline (eg: February 28, 2025 for the 2024 levy)



# Abatement versus Defeasance

Abatement	Defeasance
<p><b>Pros:</b></p> <p>The District has more flexibility/may make abatement decisions on an annual basis</p> <p>Callable bonds may be preserved for future refunding (refinancing) opportunities</p>	<p><b>Pros:</b></p> <p>The District can generate additional (present value) savings from its fund balance contribution</p>
<p><b>Cons:</b></p> <p>No ability to achieve present value savings</p>	<p><b>Cons:</b></p> <p>Once the escrow has been funded the District cannot “undo” the defeasance</p>



# Mannheim 83 – Debt Service Schedule as of 2014

Non-Referendum Debt Service										Referendum Debt Service											
Lew Year	Fiscal Year	Non-Referendum Debt Service					Non-Referendum Debt Service					Referendum Debt Service					Total General Obligation Bonds Debt	5.0% County Loss/Cost Debt Service	EAV	Growth Rate	B&I Tax Rate
		Prior Bonds	Series 2013A	Series 2013B	Cash on Hand	Total	Base Created W/1994 Levy	Remaining Margin (1)	Prior Bonds	Series 2011C	Series 2013C	Series 2013D	Total	Service	Debt Service						
2008	2010	\$ 726,318	\$ -	\$ -	\$ -	\$ 726,318	842,909	\$ 116,982	\$ 560,275	\$ -	\$ -	\$ -	\$ 560,275	\$ 1,286,593	\$ 1,360,923	\$ 1,031,004,637			0.1340		
2009	2011	740,158	-	-	-	740,158	843,143	102,985	560,275	-	-	-	560,275	1,360,433	1,365,455	954,105,524	-7.47%	0.1431			
2010	2012	1,004,158	-	-	(166,850)	837,308	865,908	28,600	473,362	-	-	-	615,275	1,452,832	1,525,212	888,992,690	-6.82%	0.1716			
2011	2013	885,825	-	-	(6,929)	878,896	878,896	0	704,150	-	-	-	1,011,913	1,890,800	1,985,349	801,216,363	-9.87%	0.2478			
2012	2014	901,138	-	-	(22,242)	878,896	905,263	26,367	704,150	-	-	-	1,011,913	1,890,800	1,985,349	727,763,791	-9.17%	0.2728			
2013	2015	-	386,438	530,438	-	916,875	920,653	3,778	471,260	528,313	739,869	1,739,441	2,656,316	2,656,316	648,086,916	-10.95%	0.4099				
2014	2016	-	386,438	532,213	-	918,650	934,462	15,812	481,885	528,313	739,869	1,750,066	2,668,716	2,668,716	635,125,178	-2.00%	0.4202				
2015	2017	-	386,438	533,125	-	919,563	950,815	31,253	476,470	528,313	739,869	1,744,651	2,664,214	2,664,214	635,125,178	0.00%	0.4195				
2016	2018	-	386,438	533,175	-	919,613	967,455	47,842	690,010	528,313	1,794,869	3,013,191	3,932,804	3,932,804	647,827,681	2.00%	0.6071				
2017	2019	-	386,438	532,363	-	918,800	984,385	65,585	804,840	528,313	1,682,755	3,015,908	3,934,708	3,934,708	667,262,512	3.00%	0.5897				
2018	2020	-	386,438	530,688	-	917,125	1,001,612	84,487	803,510	528,313	1,686,715	3,018,538	3,935,663	3,935,663	693,953,012	4.00%	0.5671				
2019	2021	-	386,438	533,150	-	919,588	1,019,140	99,553	1,059,150	528,313	1,425,535	3,012,998	3,932,585	3,932,585	728,650,663	5.00%	0.5397				
2020	2022	-	386,438	534,463	-	920,900	1,036,975	116,075	1,049,250	528,313	1,438,945	3,016,508	3,937,408	3,937,408	765,083,196	5.00%	0.5146				
2021	2023	-	386,438	644,625	-	1,031,063	1,055,122	24,060	1,055,750	528,313	1,322,645	2,906,708	3,937,770	3,937,770	803,337,356	5.00%	0.4902				
2022	2024	-	386,438	687,313	-	1,073,750	1,073,587	(163)	1,087,910	528,313	1,252,630	2,868,853	3,942,439	3,942,439	843,504,223	5.00%	0.4674				
2023	2025	-	386,438	705,975	-	1,092,413	1,092,375	(38)	654,410	528,313	1,672,485	2,855,208	3,947,582	3,947,582	885,679,435	5.00%	0.4457				
2024	2026	-	721,438	391,763	-	1,113,200	1,111,491	(1,709)	-	528,313	2,306,905	2,835,218	3,946,709	3,946,709	929,963,406	5.00%	0.4244				
2025	2027	-	1,007,594	123,650	-	1,131,244	1,130,942	(302)	-	528,313	2,291,465	2,819,778	3,950,720	3,950,720	976,461,577	5.00%	0.4046				
2026	2028	-	1,031,594	119,913	-	1,151,506	1,150,734	(773)	-	528,313	2,273,518	2,801,830	3,952,564	3,952,564	1,025,284,656	5.00%	0.3855				
2027	2029	-	1,047,219	121,175	-	1,168,394	1,170,872	2,478	-	528,313	2,253,540	2,781,853	3,950,246	3,950,246	1,076,548,888	5.00%	0.3669				
2028	2030	-	1,094,750	97,150	-	1,191,900	1,191,362	(538)	-	2,778,313	-	2,778,313	3,969,674	3,969,674	1,130,376,333	5.00%	0.3512				
2029	2031	-	1,097,219	114,275	-	1,211,494	1,212,211	717	-	2,757,938	-	2,757,938	3,969,431	3,969,431	1,186,895,149	5.00%	0.3344				
2030	2032	-	1,051,875	180,250	-	1,232,125	1,233,424	1,299	-	2,739,863	-	2,739,863	3,971,988	3,971,988	1,246,239,907	5.00%	0.3187				
2031	2033	-	1,001,250	252,200	-	1,253,450	1,255,009	1,559	-	2,714,563	-	2,714,563	3,968,013	3,968,013	1,308,551,902	5.00%	0.3032				
2032	2034	-	925,313	349,775	-	1,275,088	1,276,972	1,884	-	-	-	-	1,275,088	1,275,088	1,373,979,497	5.00%	0.0928				
2033	2035	-	-	-	-	-	1,299,319	1,299,319	-	-	-	-	-	-	1,442,678,472	5.00%	0.0000				
<b>Total DS From Current FY:</b>		<b>\$ -</b>	<b>\$ 13,229,063</b>	<b>\$ 8,047,675</b>	<b>\$ -</b>	<b>\$ 21,276,738</b>			<b>\$ -</b>	<b>\$ 8,634,445</b>	<b>\$ 18,915,363</b>	<b>\$ 23,621,612</b>	<b>\$ 51,171,419</b>	<b>\$ 72,444,634</b>	<b>\$ 72,444,634</b>						

(1) Pursuant to Public Act 96-0501, the District's DSEB will increase by the lesser of CPI or 5% each year starting with levy year 2009. The applicable CPI increase has been applied to levy years 2009-2014, and assumed to be 1.75% per year thereafter.



# Call Dates on Bonds in 2014

Levy Year	Fiscal Year	\$6,530,000		\$5,550,000		\$15,350,000		Ending Principal Balance	Cumulative Retirement as Percent of Total
		Taxable Refunding School Bonds, Series 2011C	\$7,000,000 Limited School Bonds, Series 2013A	Taxable Limited School Bonds, Series 2013B	\$9,630,000 Taxable Refunding School Bonds, Series 2013C	Taxable Refunding School Bonds, Series 2013D	Total		
2013	2015	\$ 175,000	\$ -	\$ 230,000	\$ -	\$ -	\$ 405,000	\$ 42,860,000	0.94%
2014	2016	190,000	-	245,000	-	-	435,000	42,425,000	1.94%
2015	2017	190,000	-	260,000	-	-	450,000	41,975,000	2.98%
2016	2018	410,000	-	275,000	-	1,055,000	1,740,000	40,235,000	7.00%
2017	2019	540,000	-	290,000	-	970,000	1,800,000	38,435,000	11.16%
2018	2020	560,000	-	305,000	-	1,005,000	1,870,000	36,565,000	15.49%
2019	2021	840,000	-	325,000	-	780,000	1,945,000	34,620,000	19.98%
2020	2022	870,000	-	345,000	-	825,000	2,040,000	32,580,000	24.70%
2021	2023	920,000	-	475,000	-	745,000	2,140,000	30,440,000	29.64%
2022	2024	1,000,000	-	545,000	-	710,000	2,255,000	28,185,000	34.85%
2023	2025	620,000	-	595,000	-	1,165,000	2,380,000	25,805,000	40.36%
2024	2026	-	335,000	315,000	-	1,860,000	2,510,000	23,295,000	46.16%
2025	2027	-	640,000	65,000	-	1,945,000	2,650,000	20,645,000	52.28%
2026	2028	-	700,000	65,000	-	2,035,000	2,800,000	17,845,000	58.75%
2027	2029	-	755,000	70,000	-	2,130,000	2,955,000	14,890,000	65.58%
2028	2030	-	845,000	50,000	2,250,000	-	3,145,000	11,745,000	72.85%
2029	2031	-	895,000	70,000	2,350,000	-	3,315,000	8,430,000	80.52%
2030	2032	-	900,000	140,000	2,460,000	-	3,500,000	4,930,000	88.61%
2031	2033	-	900,000	220,000	2,570,000	-	3,690,000	1,240,000	97.13%
2032	2034	-	900,000	340,000	-	-	1,240,000	-	100.00%
<b>Totals:</b>		<b>\$ 6,315,000</b>	<b>\$ 6,870,000</b>	<b>\$ 5,225,000</b>	<b>\$ 9,630,000</b>	<b>\$ 15,225,000</b>	<b>\$ 43,265,000</b>		

Purpose:	AR	WC	WC	WC	WC
		AR	AR	AR	AR
Callable:	12/01/21	N/A	N/A	12/01/23	12/01/24
	<b>AR</b>	Advance Refunding			
	<b>WC</b>	Working Cash			



# Updated Debt Levy Management Plan – 2014 (Defeasance and Abatement)

Non-Referendum Debt Service										Referendum Debt Service										Total General			
Levy Year	Fiscal Year	\$5,550,000					Non-Referendum Debt Service			\$6,530,000					\$15,350,000		Obligation	5.0% County	Growth Rate	B&I Tax Rate	\$100,000 Home Value	Increase (Decrease) in Payment	
		Prior Bonds	Series 2013A	Series 2013B	Cash on Hand	Total	Extension	Base Created	Remaining	Prior Bonds	Series 2011C	Series 2013C	Series 2013D	Abatements	Total	Service							Debt Service
2008	2010	\$ 726,348	\$ -	\$ -	\$ -	\$ 726,348	\$ 842,300	\$ 115,982	\$ 660,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 660,275	\$ 1,286,593	\$ 1,360,923	\$ 1,031,094,637	0.1310	0.4434	100,000	Multiplier 2.8056	
2009	2011	740,168	-	-	-	740,168	843,143	102,985	569,275	-	-	-	-	-	569,275	1,300,433	1,365,465	954,105,524	-7.47%	0.4434			
2010	2012	1,004,168	-	-	(166,860)	837,308	865,908	28,600	473,362	141,913	-	-	-	615,275	1,452,582	1,525,212	888,992,590	-6.82%	0.4716				
2011	2013	885,825	-	-	(6,929)	878,896	878,896	0	704,150	307,763	-	-	-	1,011,913	1,890,809	1,985,349	801,216,363	-9.87%	0.2478				
2012	2014	904,138	-	-	(22,242)	878,896	905,263	26,367	704,150	307,763	-	-	-	1,011,913	1,890,809	1,985,349	727,763,791	-9.17%	0.2728				
2013	2015	-	386,438	530,438	-	916,875	920,653	3,778	-	471,260	528,313	739,869	-	1,739,441	2,656,316	2,656,316	648,086,916	-10.95%	0.4099				
2014	2016	-	386,438	532,213	-	918,650	934,462	15,812	-	346,135	528,313	739,869	(715,742)	898,574	1,817,224	1,817,224	635,125,178	-2.00%	0.2861	100,000	63.11 (29.57)		
2015	2017	-	386,438	533,125	-	919,563	950,815	31,253	-	340,720	528,313	739,869	(715,742)	893,159	1,812,721	1,812,721	635,125,178	0.00%	0.2854	100,000	62.95 (29.57)		
2016	2018	-	386,438	533,175	-	919,613	967,455	47,842	-	554,260	528,313	1,794,869	(715,742)	2,161,699	3,081,311	3,081,311	647,827,681	2.00%	0.4756	102,000	107.58 (29.73)		
2017	2019	-	386,438	532,363	-	918,800	984,385	65,585	-	669,090	528,313	1,682,755	(715,742)	2,164,415	3,083,215	3,083,215	667,262,512	3.00%	0.4621	105,060	108.47 (29.96)		
2018	2020	-	386,438	530,688	-	917,125	1,001,612	84,487	-	667,760	528,313	1,686,715	(715,742)	2,167,405	3,084,170	3,084,170	693,953,012	4.00%	0.4444	109,262	109.57 (30.25)		
2019	2021	-	386,438	533,150	-	919,588	1,019,140	99,553	-	923,400	528,313	1,425,535	(715,742)	2,161,505	3,081,093	3,081,093	728,650,663	5.00%	0.4228	114,726	110.73 (30.60)		
2020	2022	-	386,438	534,463	-	920,900	1,036,975	116,075	-	913,500	528,313	1,438,945	-	2,880,758	3,801,658	3,801,658	765,083,196	5.00%	0.4969	120,462	138.12 (4.93)		
2021	2023	-	386,438	644,625	-	1,031,063	1,055,122	24,060	-	Defeased	528,313	1,322,645	-	1,850,590	2,882,020	2,882,020	803,337,356	5.00%	0.3588	126,465	105.78 (38.75)		
2022	2024	-	386,438	687,313	-	1,073,750	1,073,587	(163)	-	Defeased	528,313	1,252,630	-	1,780,943	2,854,529	2,854,529	843,504,223	5.00%	0.3384	132,809	105.79 (40.32)		
2023	2025	-	386,438	705,975	-	1,092,413	1,092,375	(38)	-	Defeased	528,313	1,672,485	-	2,200,798	3,293,172	3,293,172	885,679,435	5.00%	0.3718	139,450	123.16 (24.47)		
2024	2026	-	721,438	391,763	-	1,113,200	1,111,491	(1,709)	-	-	528,313	2,306,905	-	2,835,218	3,946,709	3,946,709	929,963,406	5.00%	0.4244	146,422	148.88 -		
2025	2027	-	1,007,594	123,650	-	1,131,244	1,130,942	(302)	-	-	528,313	2,291,465	-	2,819,778	3,950,720	3,950,720	976,461,577	5.00%	0.4046	153,743	150.24 -		
2026	2028	-	1,031,594	119,913	-	1,151,506	1,150,734	(773)	-	-	528,313	2,273,518	-	2,801,830	3,952,564	3,952,564	1,025,284,656	5.00%	0.3855	161,430	151.47 -		
2027	2029	-	1,047,219	121,175	-	1,168,394	1,170,872	2,478	-	-	528,313	2,253,540	-	2,781,853	3,950,246	3,950,246	1,076,548,888	5.00%	0.3669	169,502	152.48 -		
2028	2030	-	1,094,750	97,150	-	1,191,900	1,191,362	(538)	-	-	528,313	2,278,313	-	2,778,313	3,969,674	3,969,674	1,130,376,333	5.00%	0.3512	177,977	154.29 -		
2029	2031	-	1,097,219	114,275	-	1,211,494	1,212,211	717	-	-	2,757,938	-	-	2,757,938	3,969,431	3,969,431	1,186,895,149	5.00%	0.3344	186,876	155.28 -		
2030	2032	-	1,051,875	180,250	-	1,232,125	1,233,424	1,299	-	-	2,739,863	-	-	2,739,863	3,971,988	3,971,988	1,246,239,907	5.00%	0.3187	196,220	156.34 -		
2031	2033	-	1,001,250	252,200	-	1,253,450	1,255,009	1,559	-	-	2,714,563	-	-	2,714,563	3,968,013	3,968,013	1,308,551,902	5.00%	0.3032	206,031	157.09 -		
2032	2034	-	925,313	349,775	-	1,275,088	1,276,972	1,884	-	-	-	-	-	-	1,275,088	1,275,088	1,373,979,497	5.00%	0.0928	216,332	50.76 -		
2033	2035	-	-	-	-	-	1,299,319	1,299,319	-	-	-	-	-	-	-	-	1,442,678,472	5.00%	0.0000	227,149	-		
Total DS From Current FY:		\$ -	\$ 13,229,063	\$ 8,047,675	\$ -	\$ 21,276,738			\$ -	\$ 4,886,125	\$ 18,915,363	\$ 23,621,612	\$ (4,294,454)	\$ 43,128,645	\$ 64,401,860	\$ 64,401,860							

(1) Pursuant to Public Act 96-0501, the District's DSEB will increase by the lesser of CPI or 5% each year starting with levy year 2009. The applicable CPI increase has been applied to levy years 2009-2014, and assumed to be 1.75% per year thereafter. If the District issues non-referendum bonds with debt service structured assuming a growing DSEB, it will need to pass resolutions, perhaps annually, to capture the additional DSEB levy available from CPI growth. If the CPI growth is less than estimated on average, the District will have to pay debt service in excess of the DSEB from funds on hand.

- In January of 2015 the District contributed \$3.2 million to an escrow to pay off \$3.748 million of debt service on the callable 2011C Bonds



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# Updated/Current Plan

## ***ABATEMENT***

- The Board of Education has continued to adopt annual abatement resolutions since levy year 2014 and will continue to assess annually

## ***DEFEASANCE***

- FY24
  - August 2023 – the District defeased all callable maturities on its 2013C Bonds
    - Contributed \$9.53 million of fund balance to pay off \$13.63 million of debt service
  - June 2024
    - Will defease all callable maturities on its 2013D Bonds
    - Estimated fund balance contribution of \$8 million to pay off \$9.12 million of debt service



# Updated/Current Plan

Non-Referendum Debt Service										Referendum Debt Service										Taxpayer Analysis			
Ley	Fiscal	Non-Referendum Debt Service				Non		Referendum Debt Service				2024 Cash		Total General		Growth	B&I Tax	2022 Median Home Value (\$231,700) Reassessed at EAV	Estimated Taxpayer Impact of 2013C		Estimated Taxpayer Impact of 2013D		
		Series 2013A	Series 2013B	Abatements	Total	Debt Service Extension	Base Created W/1994 Levy	Refunding	School Bonds, Series 2013C	School Bonds, Series 2013D	FINAL 2023 Cash	2013D Bonds [Dated June 20, 2024]	Bonds Debt	5.0% County Loss/Cost	Estimated Abatements				Estimated Defeasance of 2013C Bonds (2)	Estimated Defeasance of 2013D Bonds (2)			
		\$5,550,000				Referendum Debt Service		\$6,530,000															
		Limited School Bonds,	Limited School Bonds,			Extension		Taxable Refunding	Taxable														
2018	2020	386,438	530,688		917,125	988,788	71,663	667,760	528,313	1,686,716			(1,853,320)	1,029,468	1,946,593	2,043,922	716,278,065	-1.36%	0.2858				
2019	2021	386,438	533,150		919,588	1,007,575	87,988	923,400	528,313	1,425,535			(1,654,820)	1,222,428	2,142,015	2,249,116	889,133,008	24.31%	0.2530				
2020	2022	386,438	534,463		920,900	1,030,749	109,849	913,500	528,313	1,438,945			(1,608,900)	1,272,758	2,193,658	2,303,340	956,186,553	7.54%	0.2409				
2021	2023	386,438	644,625	(1,031,063)		1,045,180	1,045,180		528,313	1,322,645			(1,850,958)				886,709,442	-7.27%	0.0000				
2022	2024	386,438	687,313	(1,073,750)	-	1,097,439	1,097,439	-	528,313	1,252,630	-	-	(1,780,943)	-	-	-	1,114,623,103	25.70%	0.0000	231,700	(174)	-	
2023	2025	386,438	705,975	(1,092,413)	-	1,152,311	1,152,311	-	528,313	1,672,485	(528,313)	-	(1,672,485)	-	-	-	1,136,915,565	2.00%	0.0000	236,334	(151)	(29)	
2024	2026	721,438	391,763	(1,113,200)	-	1,191,489	1,191,489	-	528,313	2,306,905	(528,313)	(2,306,905)	-	-	-	-	1,159,653,876	2.00%	0.0000	241,061	(61)	(29)	
2025	2027	1,007,594	123,650	(1,131,244)	-	1,191,489	1,191,489	-	528,313	2,291,165	(528,313)	(2,291,165)	-	-	-	-	1,275,619,264	10.00%	0.0000	265,167	(63)	(29)	
2026	2028	1,031,594	119,913	(1,151,506)	-	1,191,489	1,191,489	-	528,313	2,273,518	(528,313)	(2,273,518)	-	-	-	-	1,301,131,649	2.00%	0.0000	270,470	(64)	(29)	
2027	2029	1,047,219	121,175	(1,168,394)	-	1,191,489	1,191,489	-	528,313	2,253,540	(528,313)	(2,253,540)	-	-	-	-	1,327,154,282	2.00%	0.0000	275,879	(65)	(30)	
2028	2030	1,094,750	97,150	(1,191,900)	-	1,191,489	1,191,489	-	2,778,313		(2,778,313)	-	-	-	-	-	1,459,869,710	10.00%	0.0000	303,467	(67)	(157)	
2029	2031	1,097,219	114,275	(1,211,494)	-	1,191,489	1,191,489	-	2,757,938		(2,757,938)	-	-	-	-	-	1,489,067,105	2.00%	0.0000	309,537	(68)	(157)	
2030	2032	1,051,875	180,250	(1,232,125)	-	1,191,489	1,191,489	-	2,739,863		(2,739,863)	-	-	-	-	-	1,518,848,447	2.00%	0.0000	315,728	(68)	(156)	
2031	2033	1,001,250	252,200	(1,253,450)	-	1,191,489	1,191,489	-	2,714,563		(2,714,563)	-	-	-	-	-	1,670,733,291	10.00%	0.0000	347,300	(69)	(156)	
2032	2034	925,313	349,775	(1,275,088)	-	1,191,489	1,191,489	-	-	-	-	-	-	-	-	-	1,704,147,957	2.00%	0.0000	354,246	(69)	-	
2033	2035	-	-	-	-	1,191,489	1,191,489	-	-	-	-	-	-	-	-	-	1,738,230,916	2.00%	0.0000	361,331	-	-	
2034	2036	-	-	-	-	1,191,489	1,191,489	-	-	-	-	-	-	-	-	-	1,912,054,008	10.00%	0.0000	397,464	-	-	
2035	2037	-	-	-	-	1,191,489	1,191,489	-	-	-	-	-	-	-	-	-	1,950,295,088	2.00%	0.0000	405,414	-	-	
2036	2038	-	-	-	-	1,191,489	1,191,489	-	-	-	-	-	-	-	-	-	1,989,300,990	2.00%	0.0000	413,522	-	-	
2037	2039	-	-	-	-	1,191,489	1,191,489	-	-	-	-	-	-	-	-	-	2,188,231,089	10.00%	0.0000	454,874	-	-	
2038	2040	-	-	-	-	1,191,489	1,191,489	-	-	-	-	-	-	-	-	-	2,231,995,711	2.00%	0.0000	463,972	-	-	
2039	2041	-	-	-	-	1,191,489	1,191,489	-	-	-	-	-	-	-	-	-	2,276,635,625	2.00%	0.0000	473,251	-	-	
2040	2042	-	-	-	-	1,191,489	1,191,489	-	-	-	-	-	-	-	-	-	2,504,299,188	10.00%	0.0000	520,576	-	-	
2041	2043	-	-	-	-	1,191,489	1,191,489	-	-	-	-	-	-	-	-	-	2,554,385,171	2.00%	0.0000	530,988	-	-	
2042	2044	-	-	-	-	1,191,489	1,191,489	-	-	-	-	-	-	-	-	-	2,605,472,875	2.00%	0.0000	541,607	-	-	
<b>Total DS Form</b>																							
<b>Current FY:</b>		\$ 9,751,125	\$ 3,143,438	\$ (12,894,563)	\$ -			\$ -	\$ 14,160,550	\$ 12,050,543	\$ (13,632,238)	\$ (9,125,428)	\$ (3,453,428)	\$ -	\$ -	\$ -				\$ (918)	\$ (772)	\$ (506)	
<b>Cash Deposited into Escrow (Not Including Abatements):</b>											\$ 9,528,457	\$ 7,985,500	\$ 17,513,957	<b>Total</b>									

(1) Pursuant to Public Act 96-0501, the District's DSEB will increase by the lesser of CPI or 5% each year starting with levy year 2009. The applicable CPI increase has been applied to levy years 2009-2024, and assumed to be 0% per year thereafter.  
 If the District issues non-referendum bonds with debt service structured assuming a growing DSEB, it will need to pass resolutions, perhaps annually, to capture the additional DSEB levy available from CPI growth.  
 If the CPI growth is less than estimated on average, the District will have to pay debt service in excess of the DSEB from funds on hand.  
 (2) Actual tax rates and payments may vary based on EAV growth, State Law changes, property tax rate initiatives and other factors. Includes \$10,000 homeowner exemption.



# Estimated Total Debt Service Levy Reduction Post-2024 Defeasance and Abatements through Levy Year 2032

Total amount of fund balance contributions and abatements

\$46.7 million

Total debt service reduction

\$52.5 million

**TOTAL APPROXIMATE SAVINGS TO THE DISTRICT:  
\$5.8 million**



# Estimated Taxpayer Impact Through Levy Year 2032

Assumptions						Original Debt Service as of LY14					
Levy Year	EAV	Growth Rate	Est. Value of \$100,000	Est. Value of \$200,000	Multiplier (1)	\$6,530,000 Taxable	\$7,000,000 Limited School Bonds	\$5,550,000 Taxable	\$9,630,000 Limited School Bonds	\$15,350,000 Taxable	Total Original Levied Debt Service (2)
			Reassessed at EAV	Reassessed at EAV		Series 2011C School Bonds	Series 2013A Bonds	Series 2013B Bonds	Series 2013C Bonds	Series 2013D Bonds	
2014	\$ 641,934,994		\$ 100,000	\$ 200,000	2.7253	\$ 481,885	\$ 386,438	\$ 532,213	\$ 528,313	\$ 739,869	\$ 2,668,716
2015	617,060,427	-3.87%	96,125	192,250	2.6685	476,470	386,438	533,125	528,313	739,869	2,664,214
2016	706,690,965	14.53%	110,088	220,175	2.8032	690,010	386,438	533,175	528,313	1,794,869	3,932,804
2017	725,087,579	2.60%	112,953	225,907	2.9627	804,840	386,438	532,363	528,313	1,682,755	3,934,708
2018	715,278,055	-1.35%	111,425	222,851	2.9109	803,510	386,438	530,688	528,313	1,686,715	3,935,663
2019	889,133,008	24.31%	138,508	277,017	2.9160	1,059,150	386,438	533,150	528,313	1,425,535	3,932,585
2020	956,186,553	7.54%	148,954	297,908	3.2234	1,049,250	386,438	534,463	528,313	1,438,945	3,937,408
2021	886,709,442	-7.27%	138,131	276,261	3.0027	1,055,750	386,438	644,625	528,313	1,322,645	3,937,770
2022	1,114,623,103	25.70%	173,635	347,270	2.9237	1,087,910	386,438	687,313	528,313	1,252,630	3,942,603
2023	1,136,915,565	2.00%	177,108	354,215	2.9237	654,410	386,438	705,975	528,313	1,672,485	3,947,620
2024	1,159,653,876	2.00%	180,650	361,299	2.9237	-	721,438	391,763	528,313	2,306,905	3,948,418
2025	1,275,619,264	10.00%	198,715	397,429	2.9237	-	1,007,594	123,650	528,313	2,291,465	3,951,021
2026	1,301,131,649	2.00%	202,689	405,378	2.9237	-	1,031,594	119,913	528,313	2,273,518	3,953,336
2027	1,327,154,282	2.00%	206,743	413,486	2.9237	-	1,047,219	121,175	528,313	2,253,540	3,950,246
2028	1,459,869,710	10.00%	227,417	454,834	2.9237	-	1,094,750	97,150	2,778,313	-	3,970,213
2029	1,489,067,105	2.00%	231,965	463,931	2.9237	-	1,097,219	114,275	2,757,938	-	3,969,431
2030	1,518,848,447	2.00%	236,605	473,209	2.9237	-	1,051,875	180,250	2,739,863	-	3,971,988
2031	1,670,733,291	10.00%	260,265	520,530	2.9237	-	1,001,250	252,200	2,714,563	-	3,968,013
2032	1,704,147,957	2.00%	265,470	530,941	2.9237	-	925,313	349,775	-	-	1,275,088
						\$ 8,163,185	\$ 12,842,625	\$ 7,517,238	\$ 18,387,050	\$ 22,881,743	\$ 69,791,841

Abatements & Defeasances (Executed & Proposed)				
2015 Partial Defeasance of 2011C Bonds	2023 Defeasance of 2013C Bonds	2024 Defeasance of 2013D Bonds	Abatements (Historical & Proposed)	Net Levy Post Abatements & Defeasances
\$ (135,750)	\$ -	\$ -	\$ (715,742)	\$ 1,817,224
(4)	-	-	(694,364)	1,834,100
(135,750)	-	-	(1,926,272)	1,870,782
(4)	-	-	(1,890,500)	1,908,458
(135,750)	-	-	(1,853,320)	1,946,593
(4)	-	-	(1,654,820)	2,142,015
(135,750)	-	-	(1,608,000)	2,193,658
(1,055,750)	-	-	(2,882,020)	-
(1,087,910)	-	-	(2,854,693)	-
(654,410)	(528,313)	-	(2,764,898)	-
-	(528,313)	(2,306,905)	(1,113,200)	-
-	(528,313)	(2,291,465)	(1,131,244)	-
-	(528,313)	(2,273,518)	(1,151,506)	-
-	(528,313)	(2,253,540)	(1,168,394)	-
-	(2,778,313)	-	(1,191,900)	-
-	(2,757,938)	-	(1,211,494)	-
-	(2,739,863)	-	(1,232,125)	-
-	(2,714,563)	-	(1,253,450)	-
-	-	-	(1,275,088)	-
\$ (3,748,320)	\$ (13,632,238)	\$ (9,125,428)	\$ (29,573,028)	\$ 13,712,828

**Estimated Taxpayer Savings to Date:**  
(Est. through LY23)

\$100,000 Homeowner Savings Summary (3)(4)				
2011C Homeowner Savings	2013C Homeowner Savings	2013D Homeowner Savings	Abatement Homeowner Savings	Total Net Savings
\$ (4)	\$ -	\$ -	\$ (23)	\$ (27)
(10)	-	-	(21)	(25)
(5)	-	-	(65)	(70)
(4)	-	-	(61)	(66)
(4)	-	-	(58)	(62)
(5)	-	-	(57)	(61)
(5)	-	-	(64)	(69)
(37)	-	-	(102)	(140)
(40)	-	-	(104)	(144)
(24)	(19)	-	(102)	(145)
-	(20)	(85)	(41)	(146)
-	(20)	(86)	(43)	(149)
-	(20)	(86)	(44)	(150)
-	(20)	(86)	(44)	(150)
-	(108)	-	(46)	(154)
-	(107)	-	(47)	(154)
-	(107)	-	(48)	(155)
-	(107)	-	(50)	(157)
-	-	-	(51)	(51)
\$ (133)	\$ (528)	\$ (343)	\$ (1,070)	\$ (2,074)
\$ (133)	\$ (19)	\$ -	\$ (657)	\$ (809)

\$200,000 Homeowner Savings Summary (3)(4)				
2011C Homeowner Savings	2013C Homeowner Savings	2013D Homeowner Savings	Abatement Homeowner Savings	Total Net Savings
\$ (10)	\$ -	\$ -	\$ (53)	\$ (63)
(10)	-	-	(50)	(60)
(11)	-	-	(149)	(160)
(11)	-	-	(148)	(159)
(10)	-	-	(142)	(153)
(11)	-	-	(132)	(143)
(12)	-	-	(145)	(157)
(87)	-	-	(237)	(324)
(89)	-	-	(234)	(324)
(54)	(43)	-	(228)	(325)
-	(44)	(190)	(92)	(326)
-	(44)	(191)	(94)	(329)
-	(44)	(190)	(96)	(330)
-	(44)	(188)	(98)	(330)
-	(234)	-	(100)	(334)
-	(233)	-	(102)	(335)
-	(232)	-	(104)	(336)
-	(231)	-	(107)	(338)
-	-	-	(109)	(109)
\$ (304)	\$ (1,149)	\$ (759)	\$ (2,420)	\$ (4,632)
\$ (304)	\$ (43)	\$ -	\$ (1,518)	\$ (1,866)

(1) Cook County Equalization Factor held constant starting with levy year 2022.  
 (2) Assumes the District would have filed supplemental levy resolutions for the 2013A and 2013B Bonds.  
 (3) Actual tax rates and payments may vary based on EAV growth, State Law changes, property tax rate initiatives and other factors. Includes homeowner exemption.  
 (4) Cook County homeowner's exemption increased from \$7,000 to \$10,000 beginning with levy year 2017.



# Estimated Taxpayer Impact Through Levy Year 2032

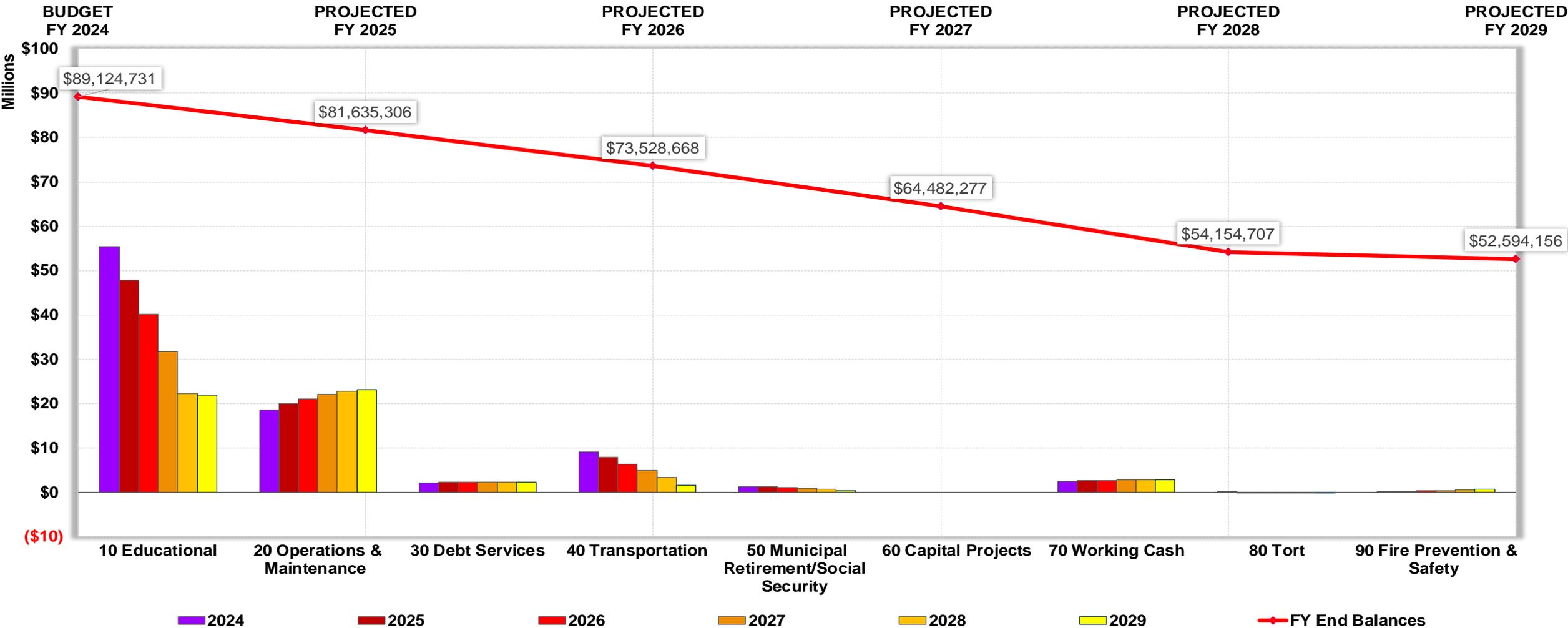
Levy Year	\$100,000 Homeowner Savings Summary				
	2011C	2013C	2013D	Abatement	Total Net
	Homeowner	Homeowner	Homeowner	Homeowner	
	Defeasance Savings	Defeasance Savings	Defeasance Savings	Savings	Savings
2014	\$ (4)	\$ -	\$ -	\$ (23)	\$ (27)
2015	(4)	-	-	(21)	(25)
2016	(5)	-	-	(65)	(70)
2017	(4)	-	-	(61)	(66)
2018	(4)	-	-	(58)	(62)
2019	(5)	-	-	(57)	(61)
2020	(5)	-	-	(64)	(69)
2021	(37)	-	-	(102)	(140)
2022	(40)	-	-	(104)	(144)
<b>2023</b>	<b>(24)</b>	<b>(19)</b>	<b>-</b>	<b>(102)</b>	<b>(145)</b>
2024	-	(20)	(85)	(41)	(146)
2025	-	(20)	(86)	(43)	(149)
2026	-	(20)	(86)	(44)	(150)
2027	-	(20)	(86)	(44)	(150)
2028	-	(108)	-	(46)	(154)
2029	-	(107)	-	(47)	(154)
2030	-	(107)	-	(48)	(155)
2031	-	(107)	-	(50)	(157)
2032	-	-	-	(51)	(51)
	<u>\$ (133)</u>	<u>\$ (528)</u>	<u>\$ (343)</u>	<u>\$ (1,070)</u>	<u>\$ (2,074)</u>
<b>Estimated Taxpayer Savings to Date:</b>	<b>\$ (133)</b>	<b>\$ (19)</b>	<b>\$ -</b>	<b>\$ (657)</b>	<b>\$ (809)</b>
(Est. through LY23)					

Levy Year	\$200,000 Homeowner Savings Summary				
	2011C	2013C	2013D	Abatement	Total Net
	Homeowner	Homeowner	Homeowner	Homeowner	
	Defeasance Savings	Defeasance Savings	Defeasance Savings	Savings	Savings
2014	\$ (10)	\$ -	\$ -	\$ (53)	\$ (63)
2015	(10)	-	-	(50)	(60)
2016	(11)	-	-	(149)	(160)
2017	(11)	-	-	(148)	(159)
2018	(10)	-	-	(142)	(153)
2019	(11)	-	-	(132)	(143)
2020	(12)	-	-	(145)	(157)
2021	(87)	-	-	(237)	(324)
2022	(89)	-	-	(234)	(324)
<b>2023</b>	<b>(54)</b>	<b>(43)</b>	<b>-</b>	<b>(228)</b>	<b>(325)</b>
2024	-	(44)	(190)	(92)	(326)
2025	-	(44)	(191)	(94)	(329)
2026	-	(44)	(190)	(96)	(330)
2027	-	(44)	(188)	(98)	(330)
2028	-	(234)	-	(100)	(334)
2029	-	(233)	-	(102)	(335)
2030	-	(232)	-	(104)	(336)
2031	-	(231)	-	(107)	(338)
2032	-	-	-	(109)	(109)
	<u>\$ (304)</u>	<u>\$ (1,149)</u>	<u>\$ (759)</u>	<u>\$ (2,420)</u>	<u>\$ (4,632)</u>
<b>Estimated Taxpayer Savings to Date:</b>	<b>\$ (304)</b>	<b>\$ (43)</b>	<b>\$ -</b>	<b>\$ (1,518)</b>	<b>\$ (1,866)</b>
(Est. through LY23)					

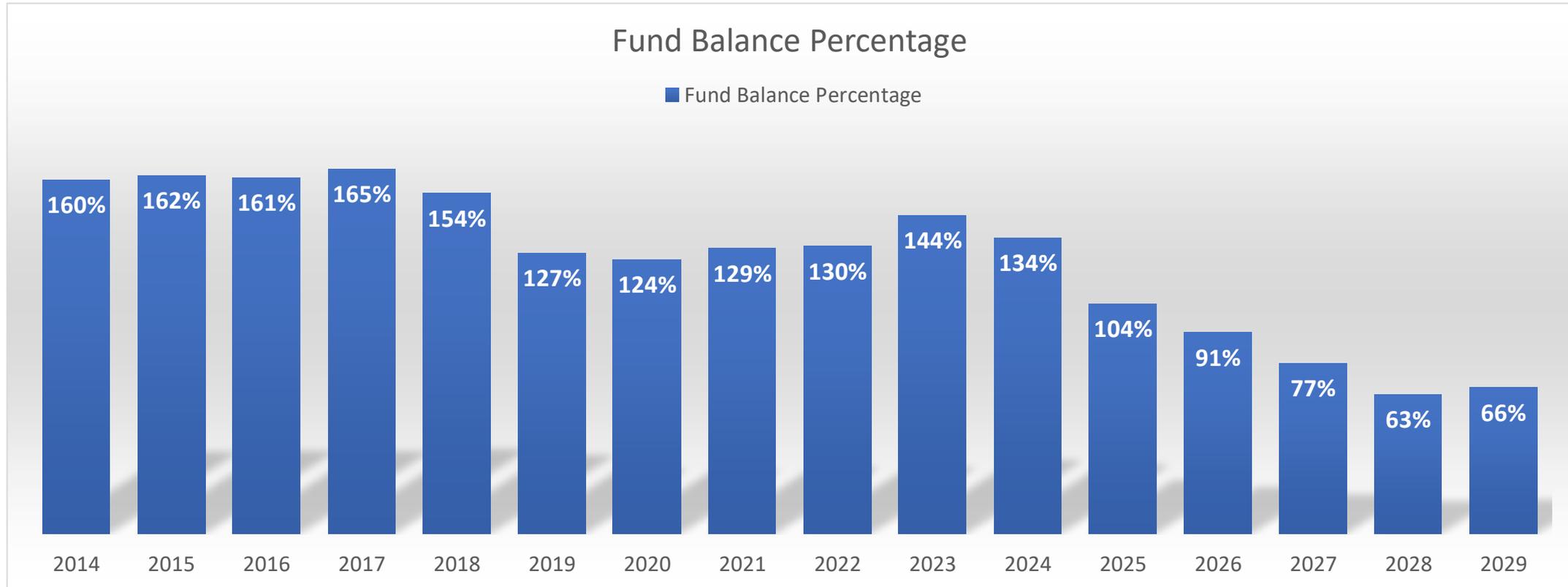


# Projected District Fund Balance Position – Post-2024 Defeasance

Fund Balances



# District Fund Balance Position – 2014 versus Estimated 2029



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# Takeaways

- Debt service levy management plans must consider several variables, including:
  - A school district's fund balance policy and position
  - Call dates on outstanding bonds
  - Account for future capital projects
  - The use of fund balance to pay debt service versus lost interest earnings
- Long-term debt service levy management plans should be updated over time

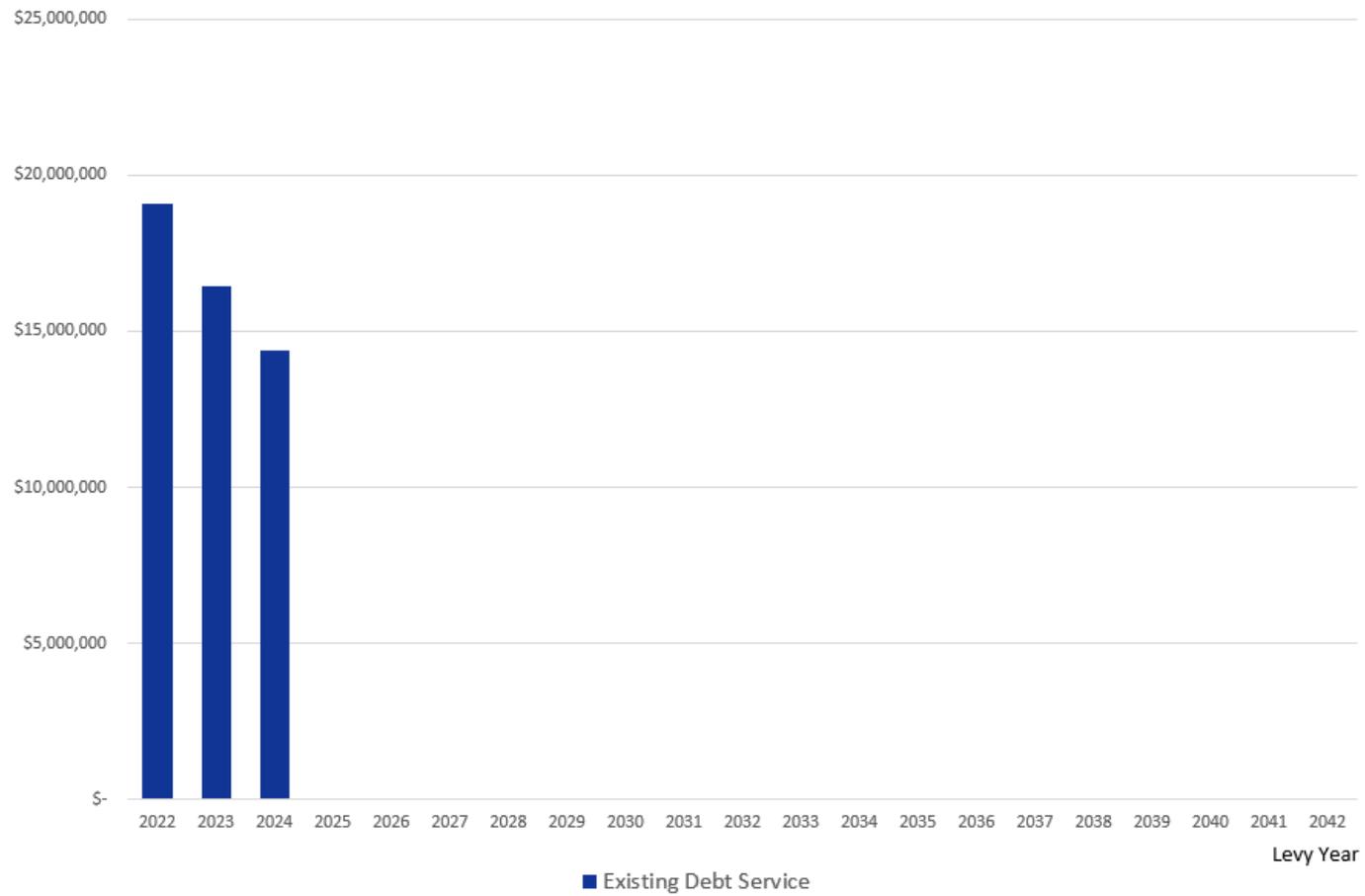


# Scenario 2

- **Managing the District's Levy with an Upcoming Debt Service Drop Off**



# Sample Debt Service Schedule



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# Options for Debt Service Levy Decline

- Do nothing
- Referendum Bonds
- New or Larger Debt Service Extension Base (DSEB)
  - Concept created from the tax cap law
  - Limits the ability of certain units of government, including schools, to borrow on a non-referendum basis
- Operating Levy Increase
  - Limiting Rate Increase
  - Aggregate Extension Increase (vetoed)



# 1. Sample Building Bond Question

Shall the Board of Education of \_\_\_\_\_, \_\_\_\_\_ County, Illinois, alter, repair and equip existing school buildings, including improving safety and security, replacing roofs and plumbing, electrical and HVAC systems, updating classrooms, science labs and libraries, improving energy efficiency, build and equip middle school building additions and improve school sites and issue bonds of said School District to the amount of \$ \_\_\_\_\_ for the purpose of paying the costs thereof?



# Opportunities & Challenges of Building Bond Referendum

- Opportunities

- Larger projects can be addressed in a shorter time frame to potentially suppress construction cost inflation
- The District has up to five years to issue the bonds after passage
- Voters may like that the increase is only temporary

- Challenges

- ✘ No additional funds provided for the classroom
- ✘ It is not permanent so a future referendum may be necessary

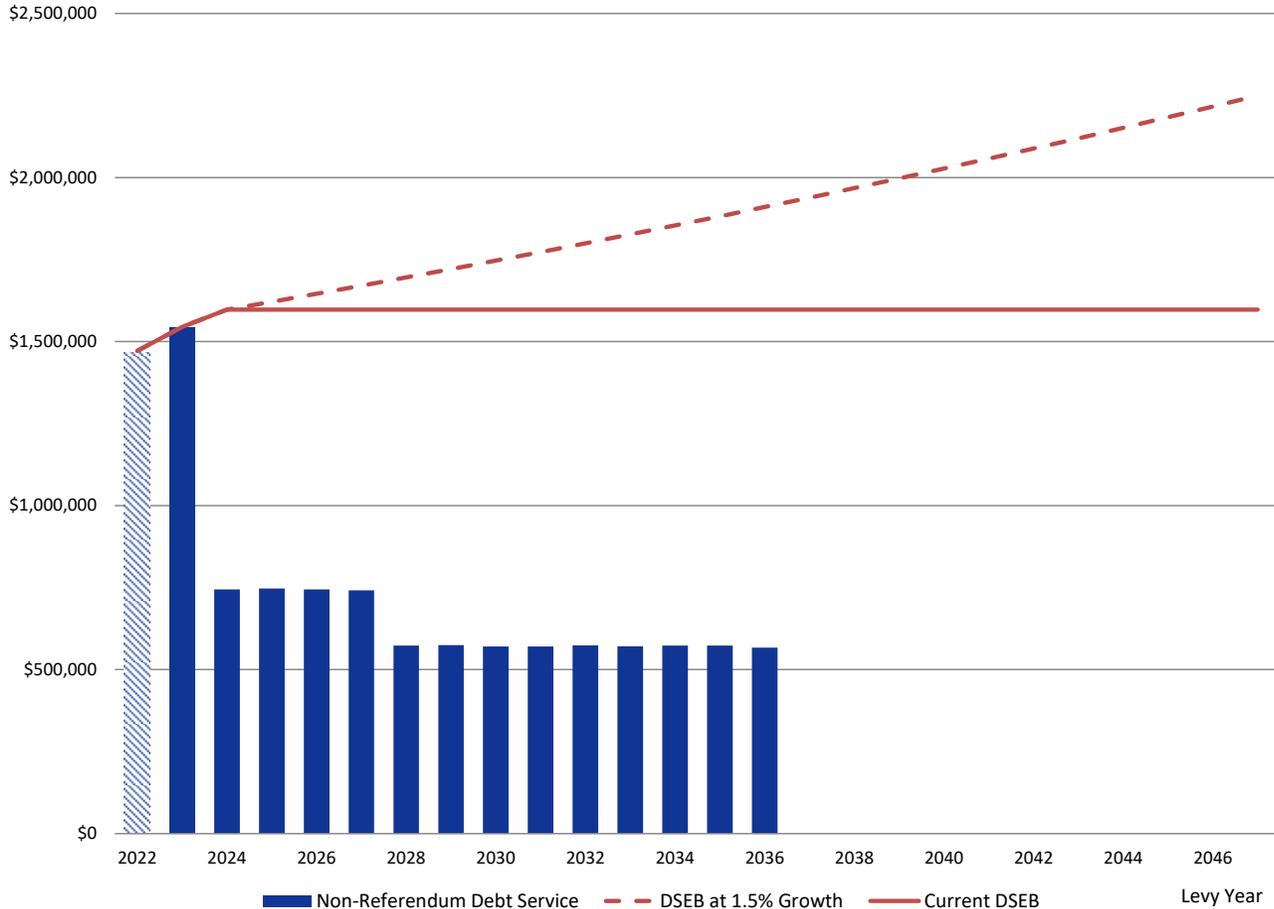


## 2. Approve DSEB or Higher DSEB

- The voters approve a Debt Service Extension Base (“DSEB”) and the county clerks certify the results (see sample ballot question on subsequent slide)
- The District could then issue non-referendum bonds payable from the DSEB anytime thereafter upon completing the process for issuing the desired type of non-referendum bond
  - A life safety bond would require a bond hearing
  - A working cash bond for capital projects would require a bond hearing and a 30-day petition period



# Sample DSEB Graph



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# Sample DSEB Question

Shall the debt service extension base under the Property Tax Extension Limitation Law for \_\_\_\_\_, \_\_\_\_\_ Counties, Illinois, for payment of principal and interest on limited bonds be established at \$\_\_\_\_\_ for the 2023 levy year and all subsequent levy years [, such debt service extension base to be increased each year by the lesser of 5% or the percentage increase in the Consumer Price Index during the 12 month calendar year preceding the levy year]?

- *Note that the question can be asked with and without the “CPI” factor*



# Opportunities & Challenges of DSEB Referendum

- Opportunities

- Provides the District with a long-term financing mechanism
- Future bonds sold against the DSEB will not require direct voter approval (certain non-referendum bonds require a petition period)

- Challenges

- ✘ Ballot language does not include a project description
- ✘ Requires more voter education
- ✘ Unless taxable working cash bonds are issued, no additional funds provided for the classroom
- ✘ *The ballot question does not permit language to explain the bond tax rate is falling at the same time*



### 3. Limiting Rate Increase (see sample below)

Shall the limiting rate under the Property Tax Extension Limitation Law for \_\_\_\_\_, \_\_\_\_\_ County, Illinois, be increased by an additional amount equal to \_\_\_\_\_% above the limiting rate for levy year 20\_\_ and be equal to \_\_\_\_\_% of the equalized assessed value of the taxable property therein for levy year \_\_\_\_\_?

- (1) The approximate amount of taxes extendable at the most recently extended limiting rate is \$\_\_\_\_\_, and the approximate amount of taxes extendable if the proposition is approved is \$\_\_\_\_\_.
- (2) For the 2024 levy year the approximate amount of the additional tax extendable against property containing a single family residence and having a fair market value at the time of the referendum of \$100,000 is estimated to be \$\_\_\_\_\_.
- (3) If the proposition is approved, the aggregate extension for 20\_\_ will be determined by the limiting rate set forth in the proposition, rather than the otherwise applicable limiting rate calculated under the provisions of the Property Tax Extension Limitation Law (commonly known as the Property Tax Cap Law).



### 3. Sample Question to Increase Limiting Rate (Detailed Version)

Shall the limiting rate under the Property Tax Extension Limitation Law for \_\_\_\_\_, \_\_\_\_\_ County, Illinois, be increased by an additional amount equal to \_\_\_\_\_% above the limiting rate for levy year 20\_\_ for the purpose of constructing security improvements, including installing emergency response systems and security cameras, replacing roofing, mechanical, plumbing, heating, ventilation and air conditioning systems, constructing accessibility improvements under the Americans with Disabilities Act, renovating libraries to include space for science, technology, engineering and math (STEM) programming, reconfiguring and improving student support spaces, funding student programming and instruction and for other school purposes and be equal to \_\_\_\_\_% of the equalized assessed value of the taxable property therein for levy year \_\_\_\_?

- (1) The approximate amount of taxes extendable at the most recently extended limiting rate is \$\_\_\_\_\_, and the approximate amount of taxes extendable if the proposition is approved is \$\_\_\_\_\_.
- (2) For the 2024 levy year the approximate amount of the additional tax extendable against property containing a single family residence and having a fair market value at the time of the referendum of \$100,000 is estimated to be \$\_\_\_\_\_.
- (3) If the proposition is approved, the aggregate extension for 20\_\_ will be determined by the limiting rate set forth in the proposition, rather than the otherwise applicable limiting rate calculated under the provisions of the Property Tax Extension Limitation Law (commonly known as the Property Tax Cap Law).



# Opportunities & Challenges of Limiting Rate Referendum

- Opportunities

- ✓ The Limiting Rate increase is permanent unless a future Board takes action to reduce all or a portion of it
- ✓ In comparison to a bond referendum, a limiting rate increase can be used to support operations, pay as you go capital needs and to pay the debt service on a financing paid from operating funds (e.g. debt certificate)

- Challenges

- ✗ *The ballot question does not permit language to explain the bond tax rate is falling at the same time*
- ✗ Can be difficult to implement predictably in an environment where the reassessment rate is materially different than CPI or 5% since the interaction between CPI and the EAV reassessment rate will change the Limiting Rate without a referendum



# How the Tax Cap Works

- **Prior Year Extension** (amount collected from taxpayers) which can increase annually by the lesser of 5% or CPI
- The **Limiting Rate** changes each year based on the relative change in CPI and existing EAV

EAV Reassessment, CPI and Limiting Rate



# Mechanics For Implementation

- Prior to a successful referendum, a district would need to approve a levy to capture the additional dollars plus what is available from PTELL (i.e. the 5% factor and an estimate for new property)
- The bonds may mature in the same year the higher limiting rate is available, so a district may need to abate all or a portion of the final bond payment and pay with the new operating dollars
- After the abatement, the new operating tax rate will be available for other purposes



# 4.?

## Sample Proposition to Increase Aggregate Extension

### PROPOSITION TO INCREASE THE AGGREGATE EXTENSION

Shall the aggregate extension (the total dollar amount levied by the district for each of the tax funds included under the Property Tax Extension Limitation Law) for _____, _____ County, Illinois, be increased by \$ _____ for levy year 20__?	YES	
	NO	

- (1) The amount of taxes extended which were subject to the Property Tax Cap (Property Tax Extension Limitation Law) in levy year 20\_\_ was \$ \_\_\_\_\_. If the proposition is not approved, then the taxing district may increase its extension by the lesser of 5% or the percentage increase in the Consumer Price Index during the 12-month calendar year preceding 20\_\_. If the proposition is approved, then the taxing district may increase its extension in levy year 20\_\_ by an additional \$ \_\_\_\_\_.
- (2) For the 20\_\_ levy year, the approximate amount of the additional tax extendable against property containing a single family residence and having a fair market value at the time of the referendum of \$100,000 is estimated to be \$ \_\_\_\_\_.

- Note: The Governor used an amendatory veto on a portion of the original House Bill. FYI, the House added the provisions of HB 2507 to HA 1 which unanimously passed the House before the House adjourned. The bill was put on the Senate Calendar – order of concurrence with House Amendment 1 – but the Senate adjourned without taking any action on the bill. So for now, this revision is dead until it comes up in the next General Assembly session in 2024.



# Opportunities & Challenges of Increase Aggregate Extension (Not Currently Available)

- Opportunities

- ✓ The Limiting Rate increase is permanent unless a future Board takes action to reduce all or a portion of it
- ✓ In comparison to a bond referendum, a limiting rate increase can be used to support operations, pay as you go capital needs and to pay the debt service on a financing paid from operating funds (e.g. debt certificate)
- ✓ Not as challenging as a limiting rate to implement predictably in an environment where the reassessment rate is materially different than CPI or 5% since the interaction between CPI and the EAV reassessment rate will change the Limiting Rate without a referendum

- Challenges

- ✗ *The ballot question does not permit language to explain the Bond tax rate is falling at the same time*



# Questions and Answers

*We thank you for your time!*



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