



Kimberly School District No. 414

Consider Series 2013A Bond Redemption

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Section 1

Background and Historic Data

Overview of Voted Levies

	Bond	Plant Levy	Supplemental M&O Levy
Voter Threshold	66 2/3rds	66 2/3rds 60% 55%	50%+1 (simple majority)
General Purpose	Capital Projects	Capital Projects, (typically repair/replace)	General Fund Expenditures
Funding/ Repayment Source	Property Taxes	Property Taxes	Property Taxes
Cash Flow	Borrow money up front, repay debt over time	Tied to property tax cycle. Funds received every 6 months	Tied to property tax cycle. Funds received every 6 months
Term	Up to 30 years	Up to 10 years	Up to two years

Kimberly School District Existing Levies

The District had the following property tax levies in FY 2023

Levy Type	FY 2023 Amount	FY 2023 Rate (per \$1,000)	Expiration
Supplemental Levy	\$800,000	\$0.74	FY 2024
Plant Levy	\$300,000	\$0.28	FY 2026
Bond Levy	\$1,540,000	\$1.43	2037 Final Maturity
Tort Levy	\$50,000	\$0.05	N/A
Emergency Levy	N/A		N/A
TOTAL	\$2,690,000	\$2.50	

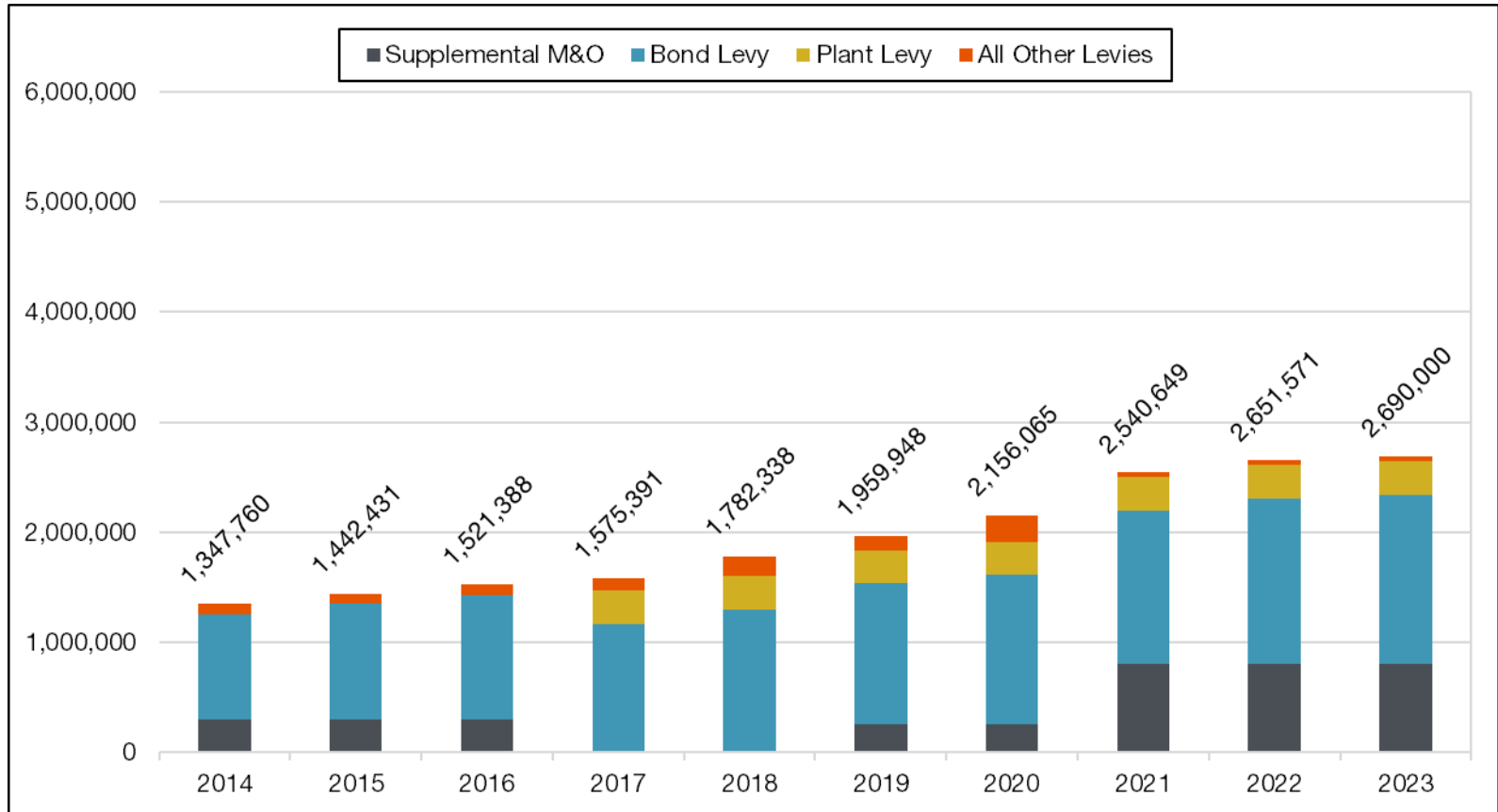
Historical Election Results

The following is a history of election results for the Kimberly School District since 2007.

Date of Election	Election Type	% Approval	Pass/Fail	Amount	Term/Duration
1/16/2007	Bond	66.41%	Fail	\$6,095,000	20 years
10/18/2007	Bond	76.64%	Pass	\$10,250,000	20 years
3/13/2012	Supplemental M&O	69.25%	Pass	\$300,000	2 years
5/21/2013	Bond	69.05%	Pass	\$3,000,000	20 years
3/11/2014	Supplemental M&O	68.95%	Pass	\$300,000	2 years
5/17/2016	Plant Levy	70.44%	Pass	\$300,000	10 years
5/17/2016	Bond	67.56%	Pass	\$14,000,000	20 years
3/13/2018	Supplemental M&O	74.11%	Pass	\$250,000	2 years
3/10/2020	Supplemental M&O	54.15%	Pass	\$800,000	2 years
3/8/2022	Supplemental M&O	59.72%	Pass	\$800,000	2 years

Historical Property Tax Levy Amounts

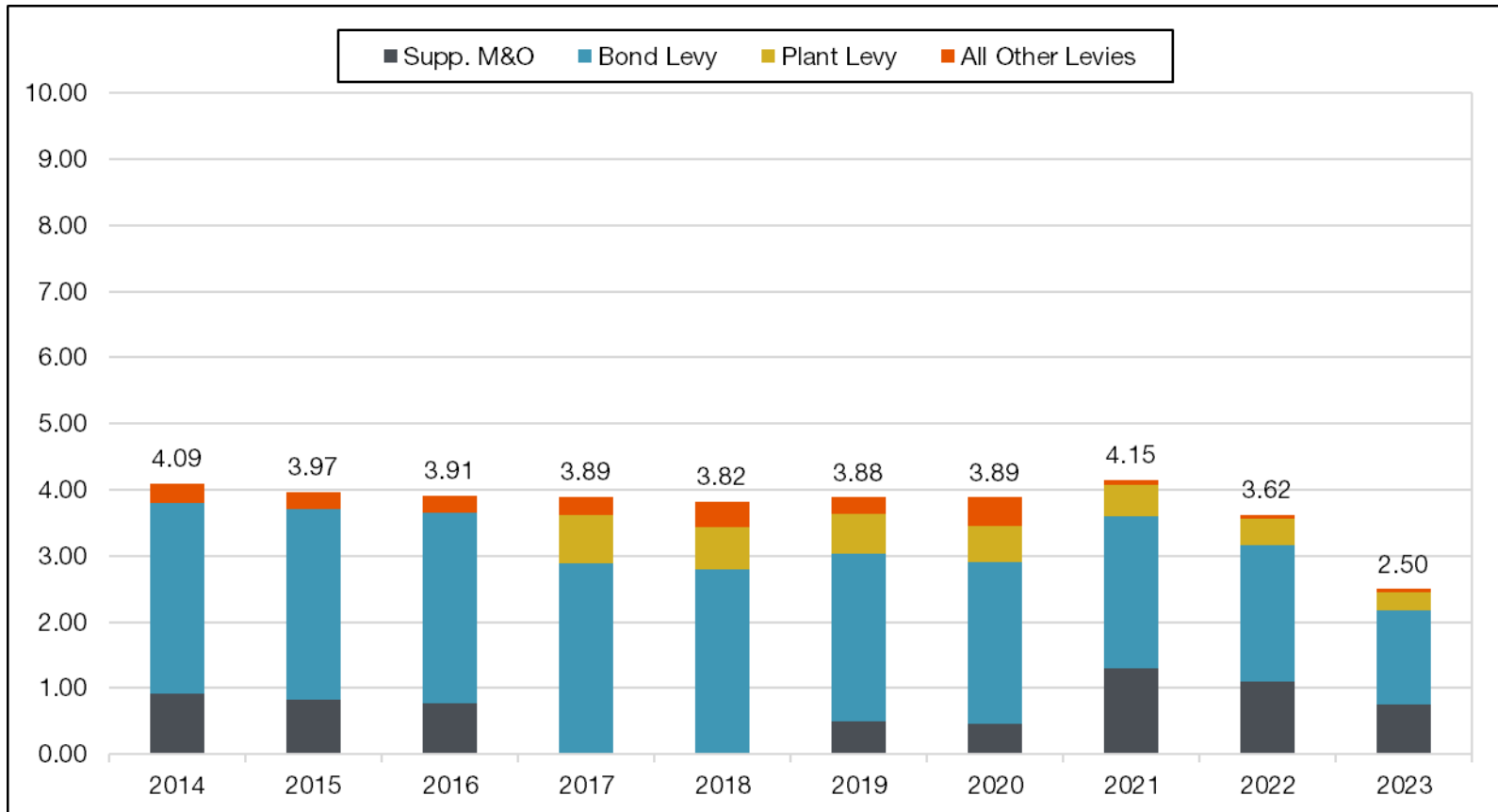
The following is an 10-year comparison of the District's total property tax levy amounts.



Historical Property Tax Levy Rates

The following is a 10-year comparison of the District's total property tax rates.

- *The 2020 Supplemental Levy election anticipated a total tax rate of 4.18 for FY 2021.*



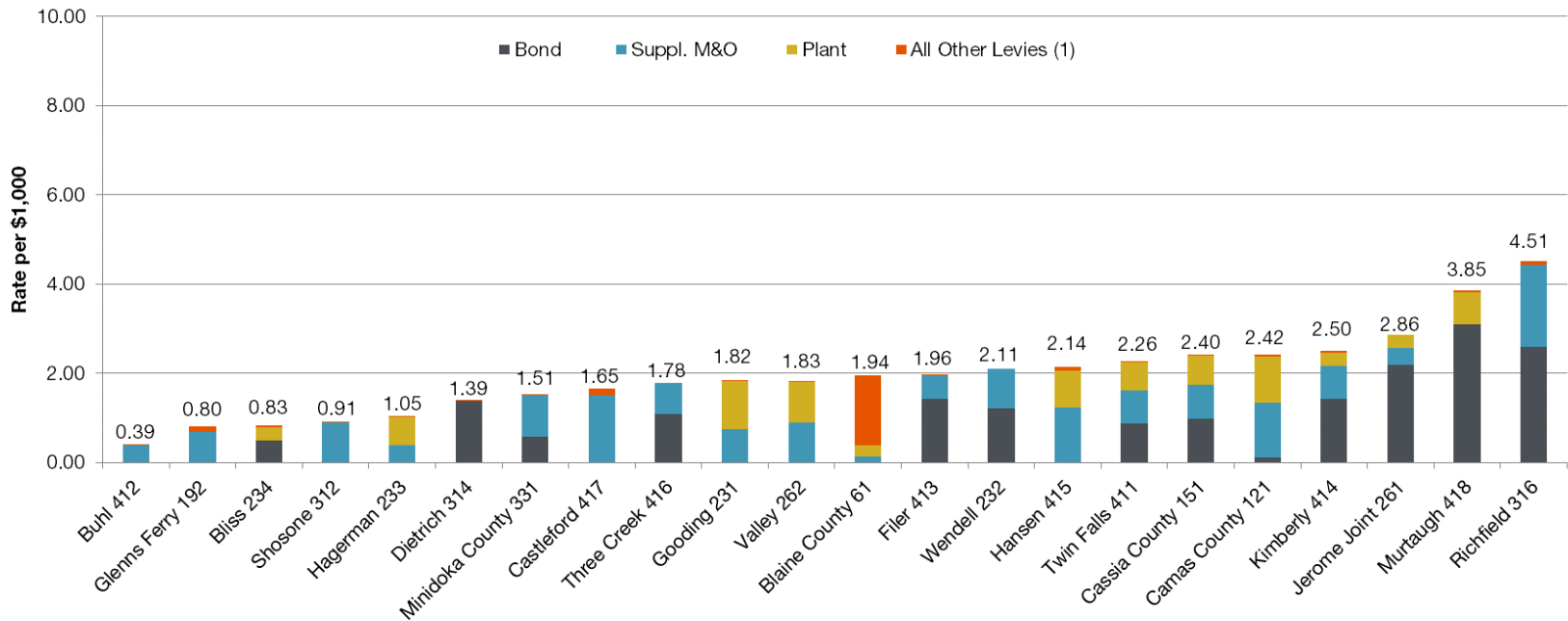
Taxable Market Value Growth

The District's taxable market value has experienced significant growth over the past 5 years and has been stronger than the 20-year compound growth rate of 10.02%.

Fiscal Year	Net Taxable Value	% Growth
2023	1,076,974,311	47.15%
2022	731,872,752	19.44%
2021	612,775,368	10.47%
2020	554,704,399	9.93%
2019	504,591,061	8.18%
2018	466,442,688	15.13%
2017	405,129,236	4.20%
2016	388,814,776	7.05%
2015	363,214,672	10.32%
2014	329,227,101	---

Comparative Levy Rates (Region IV – tax year 2022)

The State-wide average total property tax rate for combined school levies was \$1.85 per \$1,000 in tax year 2022 (FY 2023)

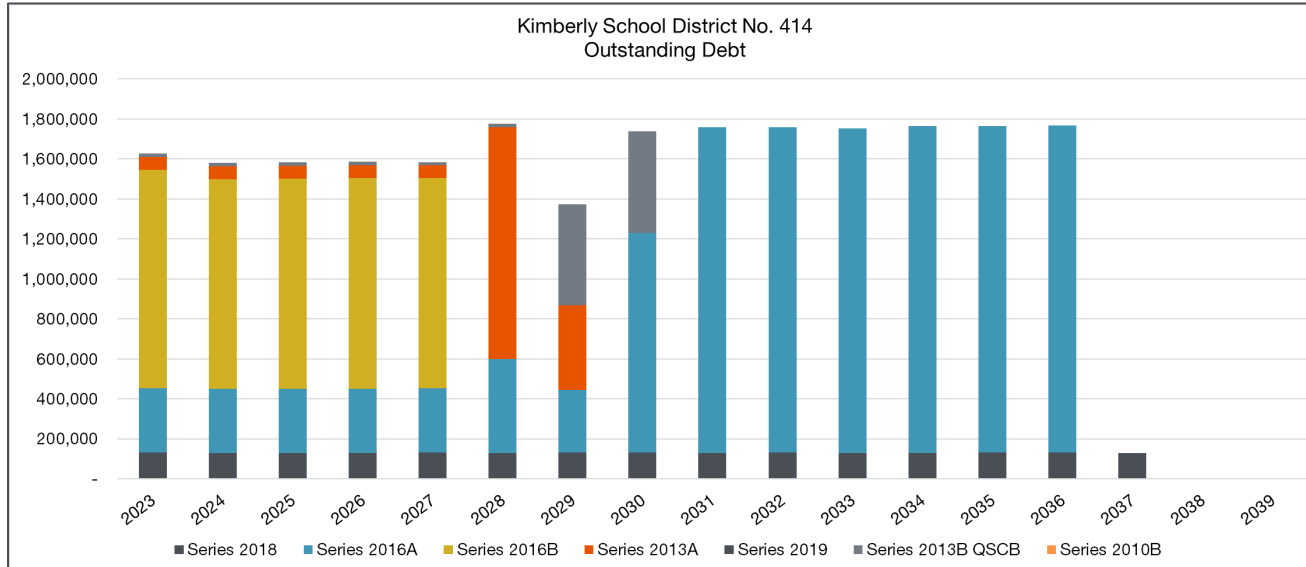


(1) "All Other Levies" may include Emergency, Tort, COSSA, or BSL Levy

Overview of District's Bonds

The District has five series of bonds, with a total principal amount outstanding of \$19.065 million. Details of the bonds are shown below.

Bond Issue	Authorizing Election Date	Amount Outstanding	Coupons	Final Payment	Call Feature
Series 2013A	5/21/2013	1,500,000	4.00%	9/15/2029	9/15/2023
Series 2013B QSCB	5/21/2013	1,395,000	N/A	9/15/2030	See O.S.
Series 2016A	5/17/2016	9,855,000	2.00-5.00%	9/15/2036	9/15/2026
Series 2016B (R'07)	10/18/2007	4,775,000	3.00-4.00%	9/15/2027	None
Series 2018	5/17/2016	1,540,000	3.00-5.00%	9/15/2037	9/15/2028
Total Debt Outstanding	1/13/2023	19,065,000			



* The QSCB amount outstanding is net of sinking fund deposits.

Bond Levy Equalization Subsidy

The District's average bond levy subsidy has been 26.3% of debt service (principal & interest) over the past ten years.

Fiscal Year	Index Factor	% of P&I		Payment Received
2023	0.7150	28.50%	\$	516,777.97
2022	0.7142	28.58%	\$	518,226.52
2021	0.7032	29.68%	\$	538,688.45
2020	0.7156	28.44%	\$	515,526.72
2019	0.7412	25.88%	\$	467,888.67
2018	0.7305	26.95%	\$	627,559.13
2017	0.7566	24.34%	\$	240,160.35
2016	0.7619	23.81%	\$	234,864.95
2015	0.7542	24.58%	\$	295,053.61
2014	0.7762	22.38%	\$	168,296.33

Section 2

Future Levy Planning

HB 292 – 2023 Legislation

State Funding to offset levies in the following order of priority

1. Offset amount levied for Bonds
2. Offset amount levies for Supplemental Levy (non-permanent)
3. If have neither (or funds left over after applying against them) – then money is “saved in a reserve account by the school district for future school facility construction or renovation needs”
4. For use in securing and making payments on a new school facilities bond.

HB 292 - Continued – 2023 Legislation

- State Department of Education (SDE) says to expect funding based on prior year ADA
- SDE says to estimate at between \$280 and \$450 per ADA applicable for FY 2024.
- Expect to receive FY 2024 distribution in late August 2023 – prior to L-2 certification
- HB 292 money received by District not County

HB 292 – Continued – Potential Impact on Kimberly SD

The District expects to receive between \$500,000 and \$825,000 to offset the Bond Levy. This could reduce the levy rate by between \$48 to \$77 per \$100,000.

	Low	Middle	High	
33-911 School Facilities Property Tax Relief Funding per ADA (estimate from SDE)	\$ 280	\$ 365	\$ 450	A
FY 2022-23 Best 28 weeks ADA	<u>1839</u>	<u>1839</u>	<u>1839</u>	B
33-911 Funding amount for FY 2023-24	\$ 514,895	\$ 671,202	\$ 827,510	C = A x B
FY 2022-23 Market Value (include URA)	<u>1,076,974,311</u>	<u>1,076,974,311</u>	<u>1,076,974,311</u>	D
Estimated Tax Rate Reduction	0.0004781	0.0006232	0.0007684	E = C/D
Tax Reduction per \$100,000	\$ 47.81	\$ 62.32	\$ 76.84	E*100,000
FY 2023 Bond Levy (for reference)	1,540,000	1,540,000	1,540,000	

Review Bond Fund Cash Flow

A review of the District's bond fund cash flow projects that the District will end the current (FY 2023) levy cycle with a surplus of approximately \$1.68 million

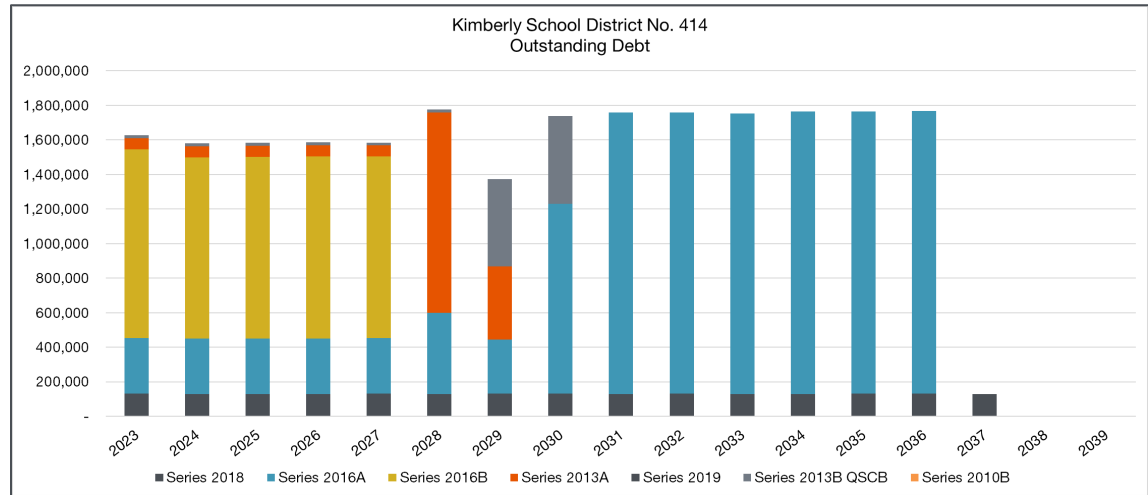
SD 414 BOND FUND ANALYSIS	
LGIP Balance (12/31/2022)	1,766,058
FY 2023 Bond Levy	1,540,000
March 2023 Bond Payments	(303,388)
September 2023 Bond Payments	(1,323,388)
Surplus	1,679,283

Bond Levy Recommendation (FY 2024)

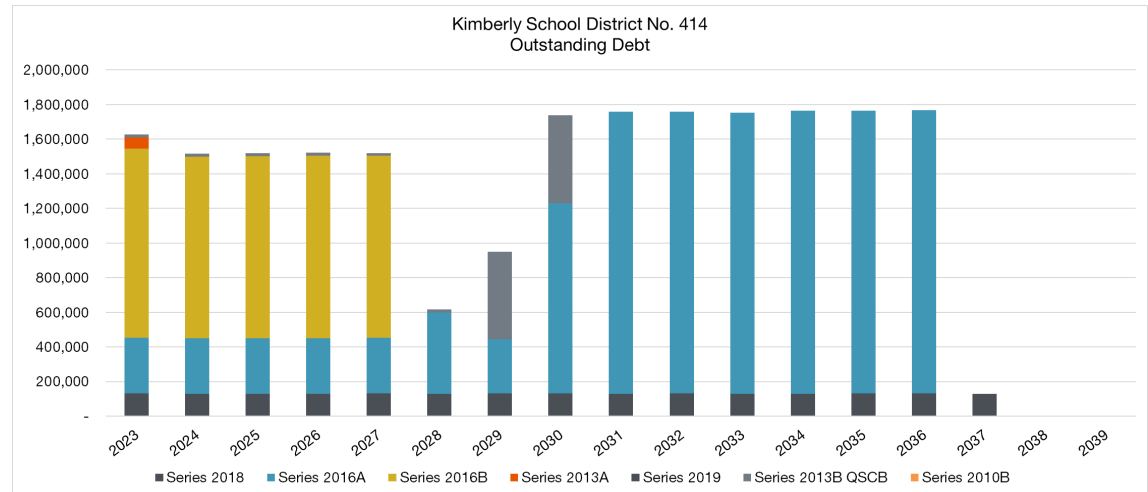
- The District could utilize \$1.5 million to redeem (pay-off) the remaining Series 2013A Bonds on the 9/15/2023 call date.
- **The early redemption of the 2013A Bonds would save the District taxpayers approximately \$336,000 of interest cost.**
- The District could continue to budget \$1,540,000 for its FY 2024 bond repayment (a portion of which will be covered by HB 292 funds).

Overview of District's Bonds

- Before Bond Redemption



- After Bond Redemption



* The QSCB amount outstanding is net of sinking fund deposits.

Annual Bond Levy Calculation

Idaho Code 33-802A. Computation of bond and bond interest levies. When the board of trustees of any school district determines and makes a levy allowed by section 33-802, Idaho Code, and incorporates such levy as a part of the school district's budget to service all maturing bond and bond interest payments for the ensuing fiscal year, it shall take into consideration any state bond levy equalization funds provided pursuant to section 33-906, Idaho Code, and any balances remaining or that may remain in its bond interest and redemption fund after meeting its bond and bond interest obligations for its current fiscal year. The levy so made for the ensuing fiscal year shall be an amount which, together with any state bond levy equalization funds provided pursuant to section 33-906, Idaho Code, and the balance in its bond interest and redemption fund remaining after meeting its current fiscal year bond and bond interest obligations, shall satisfy all maturing bond and bond interest payments for at least the ensuing twelve (12) months, and not to exceed the ensuing twenty-one (21) months counted from July 1 of the current calendar year.

The Calculation of the District's maximum bond levy for FY 2023 is shown in the chart to the right.

The District's FY 2022 Bond Levy was \$1,540,000.

21 month Levy Estimate			
July 1, 2023	to	December 31, 2023	\$ 1,323,388
January 1, 2024	to	December 31, 2024	\$ 1,579,875
January 1, 2025	to	March 31, 2025	\$ 271,713
Total due (21 Months)			\$ 3,174,975
Less:			
Est. Cash Balance in bond fund on 9/1/2023			(1,679,283)
Expected BLEP received on 9/1/2023			(467,888)
Levy Amount allowed by 33-802A			\$ 1,027,804

FY 2024 Bond Levy comparison

- The 2013A Bond redemption will allow the district to continue to budget/receive \$1,540,000 for the bond repayment.
- HB 292 funds will lower the amount that is levied as property taxes saving District taxpayers ~\$670,000 which translates to \$62 per \$100,000 in taxpayer savings compared to FY 2023.

----OR----

- If the District does not redeem bonds and is limited by 33-802A (21 month) then the amount budgeted/received for the bond will drop to \$1,027,804.
- After HB 292 funds are applied, the property tax levy for bonds would drop by ~\$1,184,000 which translates to \$109 per \$100,000 in taxpayer savings compared to FY 2023.

	Don't Redeem Series 2013A Bonds	Redeem 2013A Bonds
Bond Levy (before HB 292 fund)	1,027,804	1,540,000
HB 292 estimate (\$365 per ADA)	(671,202)	(671,202)
Net Levy Amount (L-2)	356,602	868,798

Schedule

Participants		
SD	Kimberly School District No. 414	Issuer
HT	Hawley Troxell Ennis & Hawley LLP	Bond Counsel
PSC	Piper Sandler & Co.	Municipal Advisor
USB	U.S. Bank, National Association	Paying Agent

	DATE	EVENT	PARTICIPANTS
	6/27	Circulate Draft Bond Redemption Resolution	HT
	7/7	Comments due on Draft Bond Redemption Resolution	ALL
	7/13	Deliver Bond Redemption Resolution for Board packets	HT
	7/20	Board meeting authorizing Bond Redemption Resolution	SD, HT
	7/27	Send Notice of Optional Redemption to Paying Agent	SD, HT
	7/28	Publish Notice of Optional Redemption	USB
	9/12	District sends Wire Transfer to USB	SD, USB
	9/15	Redeem outstanding Series 2013A Bonds	USB