

Long Term Financial Planning

Background Information

- **Budget planning cannot be done in single year increments**
- **Financial projections indicate deficits for next fiscal year**
- **New legislation provides opportunity for sound fiscal management of Long-Term OPEB liabilities**
- **Selling OPEB bonds and creating an irrevocable trust will reduce our actuarial assumptions and lower our future costs**

Recommendations from GFOA

- **Consult with financial advisors that would not underwrite OPEB bonds**
- **Consult with actuary and auditors**
- **Establish guidelines for investment procedures**

PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Mounds View School District No. 621

Analysis of Possible Structure for Capital and Debt Levies

**\$25,650,000 OPEB Bonds
15 Year Repayment
Wrapped Around Existing Debt**

Principal Amount: \$25,650,000
Dated Date: 1/1/2008
Avg. Interest Rate: 5.70%

September 3, 2008

Levy Pay. Year	Fiscal Year	Tax Capa- city Value* (\$000s)	Tax Rate	Existing Commitments					Proposed New Debt			Combined Totals					
				Initial Debt Levy**	State Debt Aid	Health & Safety	Other Levies	Net Levy	Principal	Interest	Initial Debt Levy**	Initial Debt Levy**	State Debt Aid	Net Levy	Tax Rate		
2008	2009	88,804	4.6%	9,964,418	-	5,635,139	722,829	16,322,386	18.38	-	-	-	9,964,418	-	16,322,386	18.38	
2009	2010	89,692	1.0%	10,725,570	-	5,135,139	922,829	16,783,538	18.71	-	1,583,888	1,663,082	12,388,652	-	18,446,620	20.57	
2010	2011	90,589	1.0%	10,710,636	-	4,135,139	1,222,829	16,068,604	17.74	980,000	1,462,050	2,564,153	13,274,789	-	18,632,757	20.57	
2011	2012	91,495	1.0%	10,687,514	-	3,762,374	1,222,829	15,572,717	17.02	1,685,000	1,406,190	3,245,750	13,833,264	-	18,818,467	20.57	
2012	2013	92,410	1.0%	11,464,474	-	3,762,374	1,222,829	16,449,677	17.90	1,125,000	1,310,145	2,556,902	14,021,377	-	19,006,580	20.57	
2013	2014	93,334	1.0%	11,455,018	-	3,762,374	1,222,829	16,440,221	17.61	1,380,000	1,246,020	2,757,321	14,212,339	-	19,197,542	20.57	
2014	2015	93,334	0.0%	11,430,460	-	3,762,374	1,222,829	16,415,663	17.59	1,480,000	1,167,360	2,779,728	14,210,188	-	19,195,391	20.57	
2015	2016	93,334	0.0%	11,426,942	-	3,762,374	1,222,829	16,412,145	17.58	1,570,000	1,083,000	2,785,650	14,212,592	-	19,197,795	20.57	
2016	2017	93,334	0.0%	11,424,284	-	3,762,374	1,222,829	16,409,487	17.58	1,650,000	993,510	2,785,186	14,210,470	-	19,195,673	20.57	
2017	2018	93,334	0.0%	11,418,795	-	3,762,374	1,222,829	16,403,998	17.58	1,750,000	898,890	2,791,835	14,210,629	-	19,195,832	20.57	
2018	2019	93,334	0.0%	11,430,303	-	3,762,374	1,222,829	16,415,506	17.59	1,850,000	798,570	2,780,999	14,211,302	-	19,196,505	20.57	
2019	2020	93,334	0.0%	11,421,798	-	3,762,374	1,222,829	16,407,001	17.58	1,955,000	693,120	2,791,026	14,212,824	-	19,198,027	20.57	
2020	2021	93,334	0.0%	11,426,550	-	3,762,374	1,222,829	16,411,753	17.58	2,070,000	591,115	2,783,671	14,210,220	-	19,195,423	20.57	
2021	2022	93,334	0.0%	11,428,433	-	3,762,374	1,222,829	16,413,636	17.59	2,185,000	463,125	2,780,531	14,208,964	-	19,194,167	20.57	
2022	2023	93,334	0.0%	8,347,808	-	3,762,374	1,222,829	13,333,011	14.29	2,385,000	338,580	2,869,759	11,207,567	-	16,192,770	17.35	
2023	2024	93,334	0.0%	7,250,362	-	3,762,374	1,222,829	12,235,565	13.11	3,555,000	202,635	3,945,517	11,195,878	-	16,181,081	17.34	
2024	2025	93,334	0.0%	4,362,750	-	3,762,374	1,222,829	9,347,953	10.02	-	-	-	4,362,750	-	9,347,953	10.02	
2025	2026	93,334	0.0%	-	-	3,762,374	1,222,829	4,985,203	5.34	-	-	-	-	-	4,985,203	5.34	
2026	2027	93,334	-	-	-	3,762,374	1,222,829	4,985,203	5.34	-	-	-	-	-	4,985,203	5.34	
2027	2028	93,334	-	-	-	3,762,374	1,222,829	4,985,203	5.34	-	-	-	-	-	4,985,203	5.34	
2028	2029	93,334	-	-	-	3,762,374	1,222,829	4,985,203	5.34	-	-	-	-	-	4,985,203	5.34	
2029	2030	93,334	-	-	-	3,762,374	1,222,829	4,985,203	5.34	-	-	-	-	-	4,985,203	5.34	
2030	2031	93,334	-	-	-	3,762,374	1,222,829	4,985,203	5.34	-	-	-	-	-	4,985,203	5.34	
2031	2032	93,334	-	-	-	3,762,374	1,222,829	4,985,203	5.34	-	-	-	-	-	4,985,203	5.34	
2032	2033	93,334	-	-	-	3,762,374	1,222,829	4,985,203	5.34	-	-	-	-	-	4,985,203	5.34	
2033	2034	93,334	-	-	-	3,762,374	1,222,829	4,985,203	5.34	-	-	-	-	-	4,985,203	5.34	
2034	2035	93,334	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Totals				176,276,116	-	*****		308,709,689		25,650,000	14,228,198	41,872,107	218,148,223	-	350,561,796		

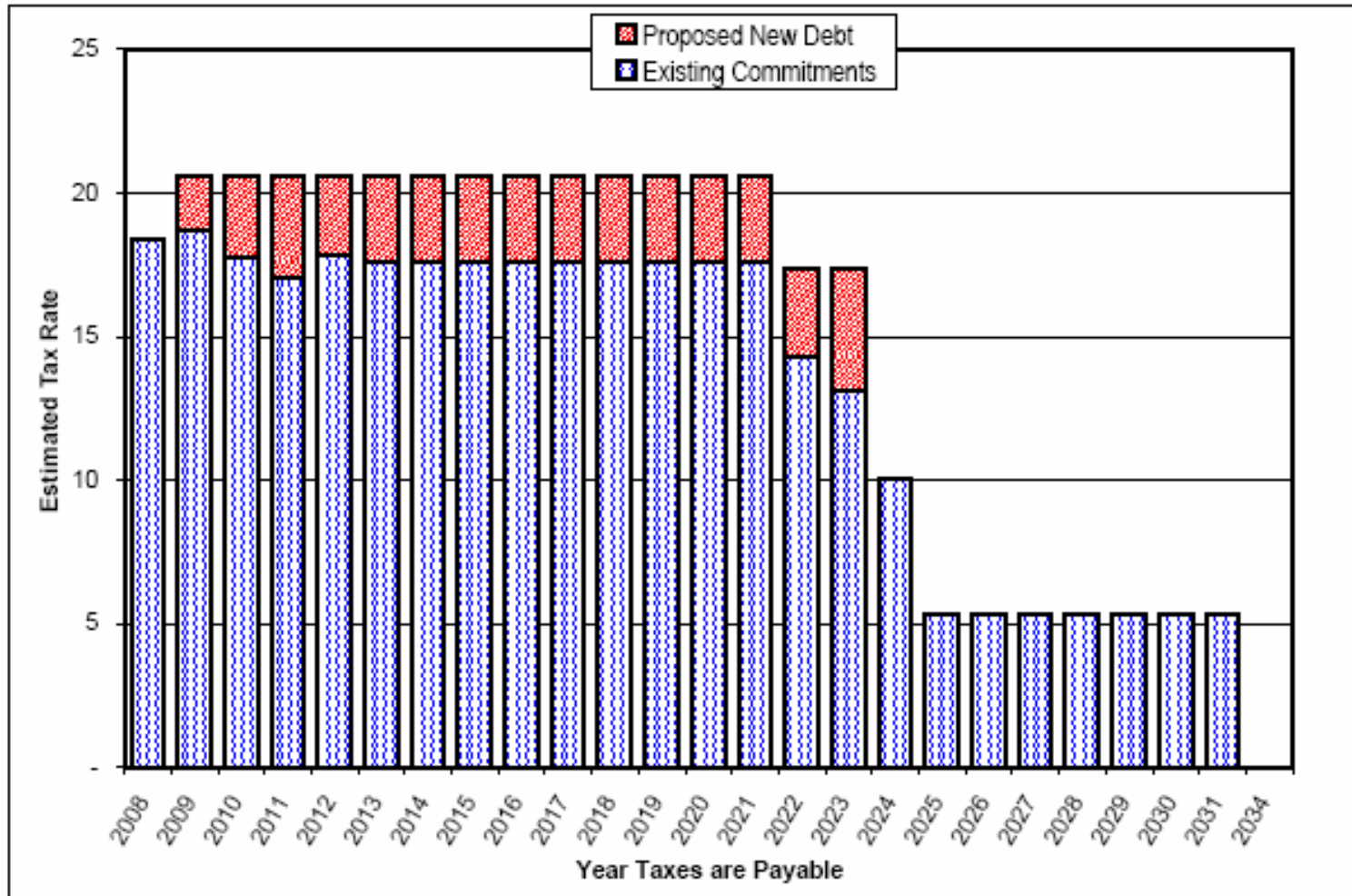
* Tax capacity estimates are based on estimated percentage increases shown above.

** Initial debt service levies (prior to subtracting debt equalization aid) are set at 105 percent of the principal and interest payments during the next fiscal year. The levies for taxes payable in 2008 through 2021 include an actual or estimated state-required "debt excess" reduction.

Mounds View School District No. 621

Estimated Tax Rates for Capital and Debt Service Levies
Existing Commitments and Proposed New Debt

\$25,650,000 OPEB Bonds
15 Year Repayment
Wrapped Around Existing Debt
Date Prepared: September 3, 2008



PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Mounds View School District No. 621
 Analysis of Possible Structure for Capital and Debt Levies

\$25,650,000 OPEB Bonds
18 Year Repayment
Wrapped Around Existing Debt

September 3, 2008

Principal Amount: \$25,650,000
 Dated Date: 1/1/2008
 Avg. Interest Rate: 5.85%

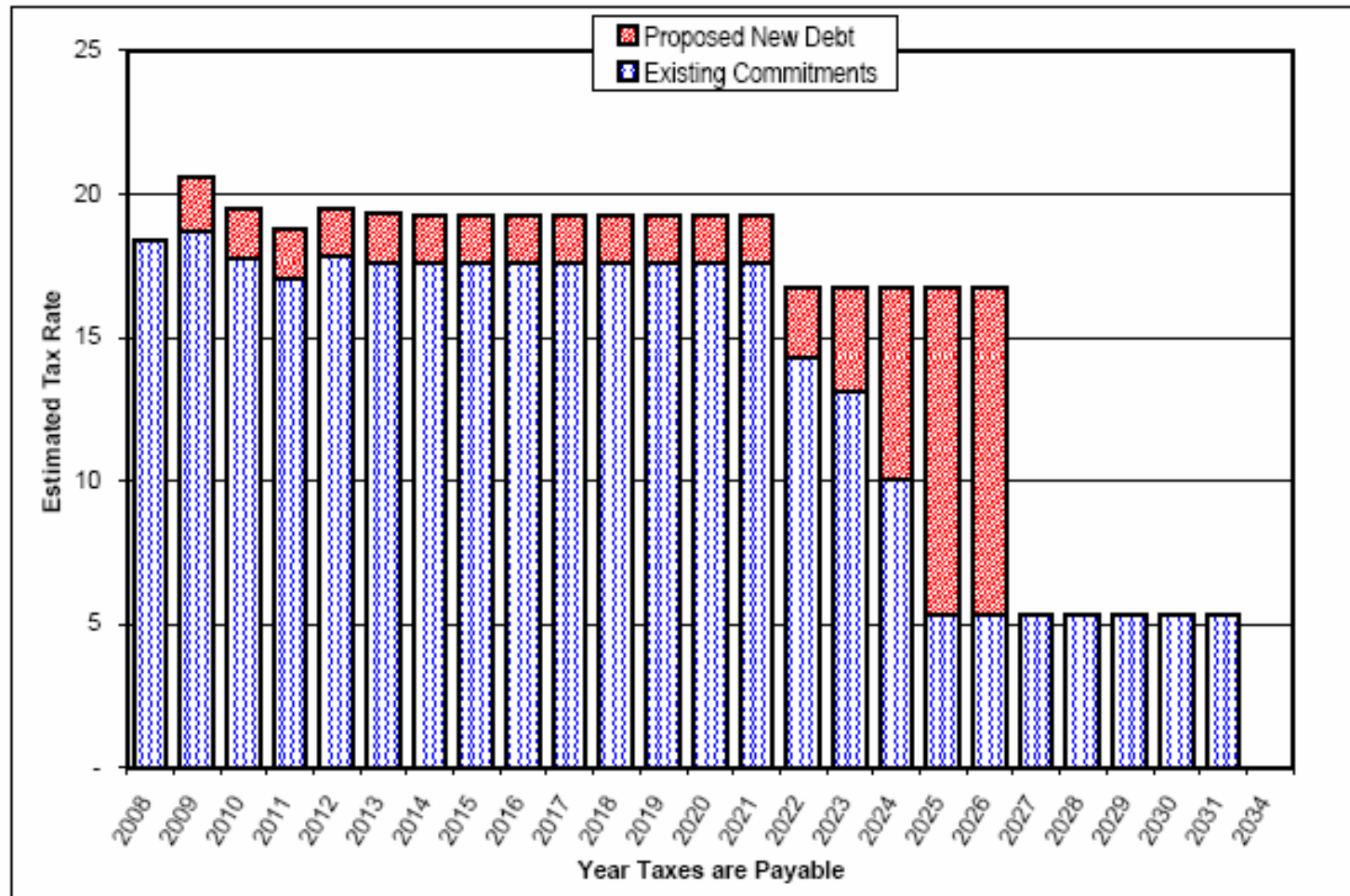
Levy Pay. Year	Fiscal Year	Tax Capacity Value* (\$000s)	Levy Rate	Existing Commitments					Proposed New Debt			Combined Totals				
				Initial Debt Levy**	State Debt Aid	Health & Safety	Other Levies	Net Levy	Tax Rate	Principal	Interest	Initial Debt Levy**	Initial Debt Levy**	State Debt Aid	Net Levy	Tax Rate
2008	2009	88,804	4.6%	9,964,418	-	5,635,139	722,829	16,322,386	18.38	-	-	-	9,964,418	-	16,322,386	18.38
2009	2010	89,692	1.0%	10,725,570	-	5,135,139	922,829	16,783,538	18.71	-	1,625,569	1,705,847	12,432,417	-	18,490,385	20.62
2010	2011	90,589	1.0%	10,710,636	-	4,135,139	1,222,829	16,068,604	17.74	-	1,500,525	1,575,551	12,286,187	-	17,644,155	19.48
2011	2012	91,486	1.0%	10,587,514	-	3,762,374	1,222,829	15,572,717	17.02	-	1,500,525	1,575,551	12,163,066	-	17,148,269	18.74
2012	2013	92,410	1.0%	11,464,474	-	3,762,374	1,222,829	16,449,677	17.80	-	1,500,525	1,575,551	13,040,026	-	18,025,229	19.51
2013	2014	93,334	1.0%	11,455,018	-	3,762,374	1,222,829	16,440,221	17.61	-	1,500,525	1,575,551	13,030,569	-	18,015,772	19.30
2014	2015	93,334	0.0%	11,430,460	-	3,762,374	1,222,829	16,415,663	17.59	-	1,500,525	1,575,551	13,006,011	-	17,991,214	19.28
2015	2016	93,334	0.0%	11,426,942	-	3,762,374	1,222,829	16,412,145	17.58	-	1,500,525	1,575,551	13,002,493	-	17,987,696	19.27
2016	2017	93,334	0.0%	11,424,284	-	3,762,374	1,222,829	16,409,487	17.58	-	1,500,525	1,575,551	12,999,836	-	17,985,039	19.27
2017	2018	93,334	0.0%	11,418,795	-	3,762,374	1,222,829	16,403,998	17.58	-	1,500,525	1,575,551	12,994,346	-	17,979,549	19.26
2018	2019	93,334	0.0%	11,430,303	-	3,762,374	1,222,829	16,415,506	17.59	-	1,500,525	1,575,551	13,005,855	-	17,991,058	19.28
2019	2020	93,334	0.0%	11,421,798	-	3,762,374	1,222,829	16,407,001	17.58	-	1,500,525	1,575,551	12,997,350	-	17,982,553	19.27
2020	2021	93,334	0.0%	11,426,550	-	3,762,374	1,222,829	16,411,753	17.58	-	1,500,525	1,575,551	13,002,101	-	17,987,304	19.27
2021	2022	93,334	0.0%	11,428,433	-	3,762,374	1,222,829	16,413,636	17.59	-	1,500,525	1,575,551	13,003,984	-	17,989,187	19.27
2022	2023	93,334	0.0%	8,347,808	-	3,762,374	1,222,829	13,333,011	14.29	680,000	1,500,525	2,289,551	10,637,360	-	15,622,563	16.74
2023	2024	93,334	0.0%	7,250,362	-	3,762,374	1,222,829	12,235,565	13.11	1,765,000	1,460,745	3,387,032	10,637,394	-	15,622,597	16.74
2024	2025	93,334	0.0%	4,362,750	-	3,762,374	1,222,829	9,347,953	10.02	4,615,000	1,357,493	6,271,117	10,633,867	-	15,619,070	16.73
2025	2026	93,334	0.0%	-	-	3,762,374	1,222,829	4,985,203	5.34	9,040,000	1,087,515	10,633,891	10,633,891	-	15,619,084	16.73
2026	2027	93,334	-	-	-	3,762,374	1,222,829	4,985,203	5.34	9,550,000	558,675	10,614,109	10,614,109	-	15,599,312	16.71
2027	2028	93,334	-	-	-	3,762,374	1,222,829	4,985,203	5.34	-	-	-	-	-	4,985,203	5.34
2028	2029	93,334	-	-	-	3,762,374	1,222,829	4,985,203	5.34	-	-	-	-	-	4,985,203	5.34
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2034	2035	93,334	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals				176,276,116	-	3,762,374		308,709,689		25,650,000	25,696,821	53,809,162	230,085,278	-	362,518,951	

* Tax capacity estimates are based on estimated percentage increases shown above.

** Initial debt service levies (prior to subtracting debt equalization aid) are set at 105 percent of the principal and interest payments during the next fiscal year. The levies for taxes payable in 2008 through 2021 include an actual or estimated state-required "debt excess" reduction.

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School District Tax Categories

Voter Approved Authority:

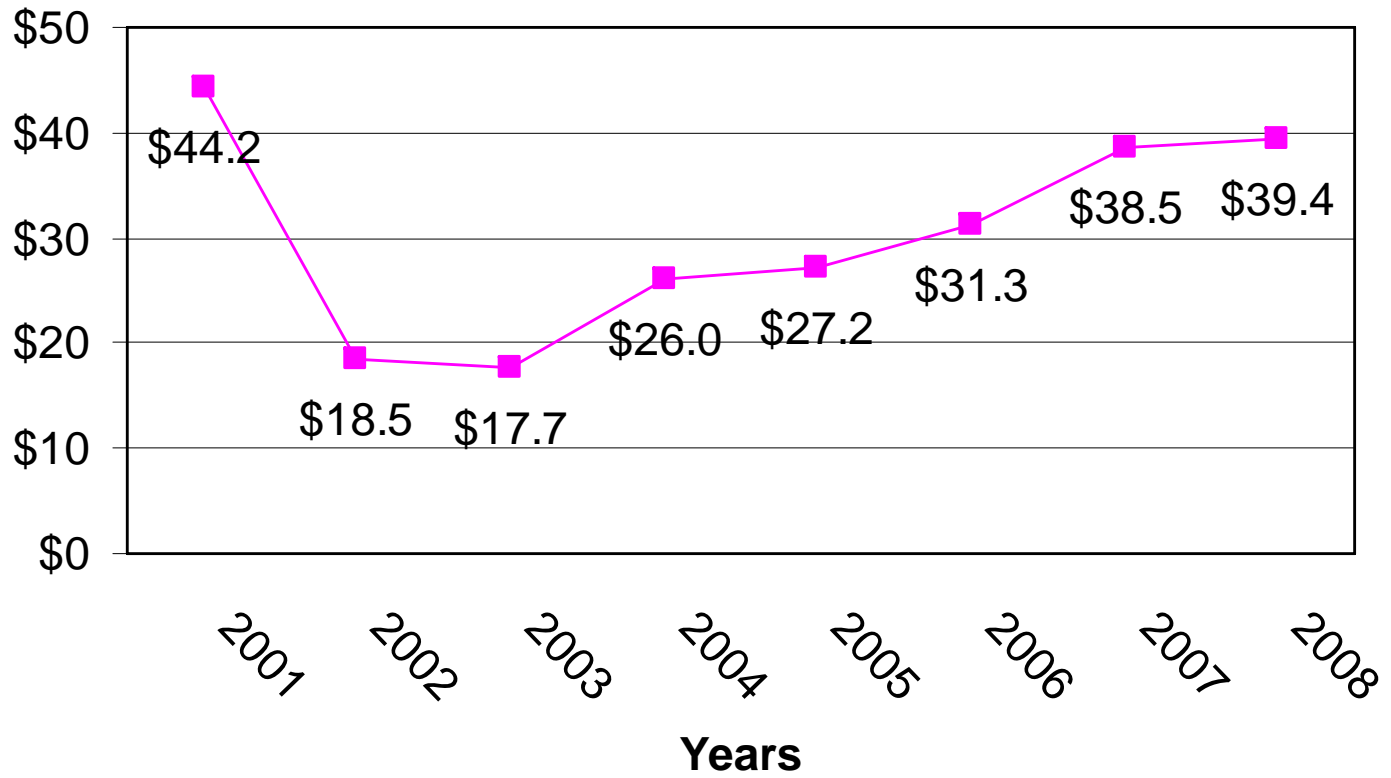
- Referendums
- Debt Service

Non Voter Approved Authority (Local Levies):

- Alternative Facilities (Annual & Debt)
- Operating Capital
- Health & Safety
- Community Education
- Q-Comp
- OPEB
- Integration

Mounds View's Portion of Property Taxes

Dollars in Millions



Dynamics of Property Taxes

- **Changes in taxable market values**
- **The type of property**
- **Shifting burdens**
- **Student enrollment**
- **Levy amount**

Estimated Tax Impact Pay 2009

Estimated Market Value	Property Tax Change		
	Low	Median	High
Homestead Residential			
\$ 200,000	-6	14	41
\$ 250,000	-8	17	51
\$ 300,000	-9	21	62
\$ 350,000	-11	24	72
\$ 400,000	-12	28	82
\$ 500,000	-15	35	103

- Includes all preliminary MDE levy data for Pay 2009
- Includes estimate for debt on OPEB bonds of \$26,250,000

Critical Timelines

OPEB funding:

- Board resolution by September 23, 2008
- Certify taxes (including an OPEB debt schedule) by September 23, 2008
- Sell OPEB bonds by December 2008
- Certify final taxes in December 2008

Discussions/Questions