

Middlebury Community Schools Building Project

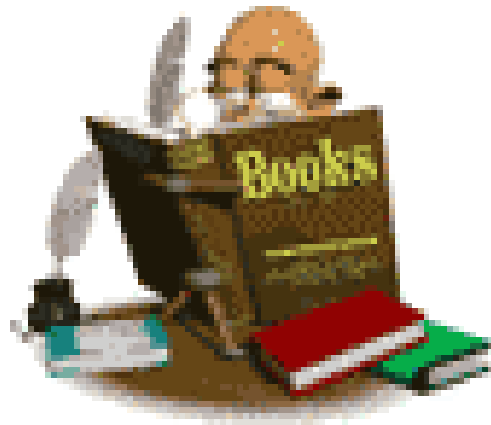
Estimated Tax Impact

Classrooms with Additional
Educational Spaces

[auditorium, pool, & competition gym]

March 21, 2005

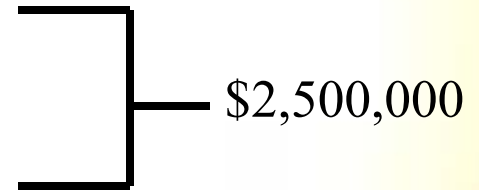
Review from March 7, 2005 Work Session



Building Option 2

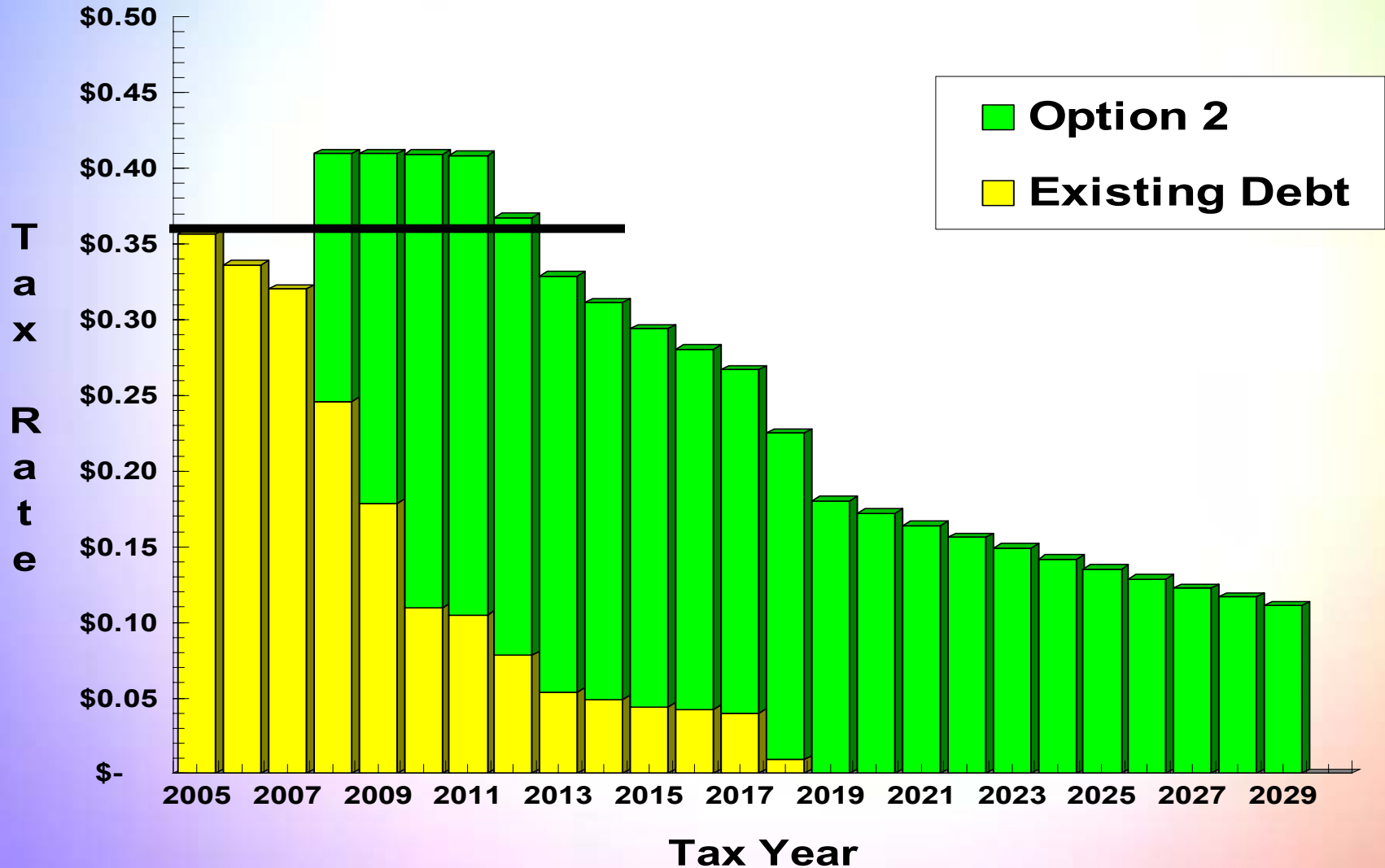
Classrooms

1. Jefferson Elementary → K-3
 2. York Elementary → K-3
 3. Orchard View Elementary → K-3
 - 8 additional classrooms constructed
 4. Middlebury Elementary → retired
 5. Heritage → 4-5
 6. Northridge → 6,7,8
 - Renovate classrooms for Science and Music \$1,000,000
 7. New Academic High School \$47,000,000
- Total Construction - Soft Cost \$51,000,000



Option 2 Classrooms

\$51,000,000 before capitalized interest, \$55,690,000 Bond issue, 22 year bond payment, 0.5% over Market Rates



Estimated Tax Impact for Option 2

Increase over current 2005

2008 2009 2010 2011 2012 2013

Assessed Valuation -- \$100,000

Net Value	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00
divided by 100	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00
multiplied by the tax rate increase due to new bonds	\$ 0.0530	\$ 0.0530	\$ 0.0529	\$ 0.0515	\$ 0.0105	\$ (0.0276)
equals (=) Gross tax increase	\$ 32.86	\$ 32.86	\$ 32.80	\$ 31.93	\$ 6.51	\$ (17.11)
monthly impact (divide by 12)	\$ 2.74	\$ 2.74	\$ 2.73	\$ 2.66	\$ 0.54	\$ (1.43)

Assessed Valuation -- \$200,000

Net Value	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00
divided by 100	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00
multiplied by the tax rate increase due to new bonds	\$ 0.0530	\$ 0.0530	\$ 0.0529	\$ 0.0515	\$ 0.0105	\$ (0.0276)
equals (=) Gross tax increase	\$ 85.86	\$ 85.86	\$ 85.70	\$ 83.43	\$ 17.01	\$ (44.71)
monthly impact (divide by 12)	\$ 7.16	\$ 7.16	\$ 7.14	\$ 6.95	\$ 1.42	\$ (3.73)

Projected Assessed Valuation

(showing 5% annual growth)

<u>Year</u>	<u>Total Assessed Valuation</u>
2005(current)	\$ 1,040,163,100
2006	\$ 1,092,171,255
2007	\$ 1,146,779,818
2008	\$ 1,204,118,809
2009	\$ 1,264,324,749
2010	\$ 1,327,540,987
2011	\$ 1,393,918,036
2012	\$ 1,463,613,938

Bond Interest Rate

1. Estimated tax impact assumes the cost of the bond will increase 0.5% between the current market rate and the anticipated April 2006 bond sale interest rate. The bonds are long-term, estimated to be 22 years in length. Currently, short-term rates are increasing, but long-term rates have remained stable.

Costs Included in Bonds Issued for Building Project

1. Estimated Capitalized Interest
2. Estimated Construction Cost
3. Estimated Soft Cost

Definitions

1. Standard Deduction

- a. Subtracted from residential assessed valuation
- b. \$35,000 for residential assessed valuation of \$70,000 or higher.
- c. Residential assessed valuation under \$70,000 will receive a deduction of one-half of the residential assessed valuation

Current 2005 tax impact for school building bonds (\$100,000 home)

Residential Assessed Valuation	\$ 100,000.00
less Standard Deduction	(\$35,000.00)
less Mortgage Exemption	(\$3,000.00)
equals (=) Net Value	\$ 62,000.00

Net Value	\$ 62,000.00
divided by 100	\$ 620.00
multiplied by the 2005 tax rate	\$ 0.3566
equals (=) Gross tax	\$ 221.09
monthly impact (divide by 12)	\$ 18.42

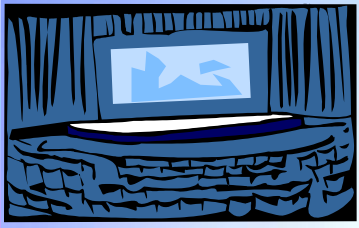
Current 2005 tax impact for school building bonds (\$200,000 home)

Residential Assessed Valuation	\$ 200,000.00
less Standard Deduction	(\$35,000.00)
less Mortgage Deduction	(\$3,000.00)
equals (=) Net Value	\$ 162,000.00

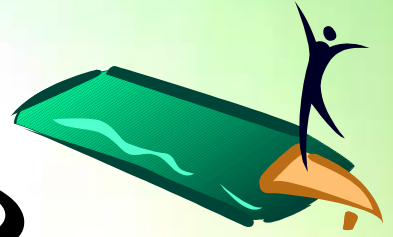
Net Value	\$ 162,000.00
divided by 100	\$ 1,620.00
multiplied by the 2005 tax rate	\$ 0.3566
equals (=) Gross tax	\$ 577.69
monthly impact (divide by 12)	\$ 48.14

Estimated Yearly Tax Increase Option 2-Classrooms

	2008	2009	2010	2011	2012	2013
\$100,000	\$32.86	\$32.86	\$32.80	\$31.93	\$6.51	\$(17.11)
\$200,000	\$85.86	\$85.86	\$85.70	\$83.43	\$17.01	\$(44.71)



Auditorium



Pool

Classrooms



Competition
Gym



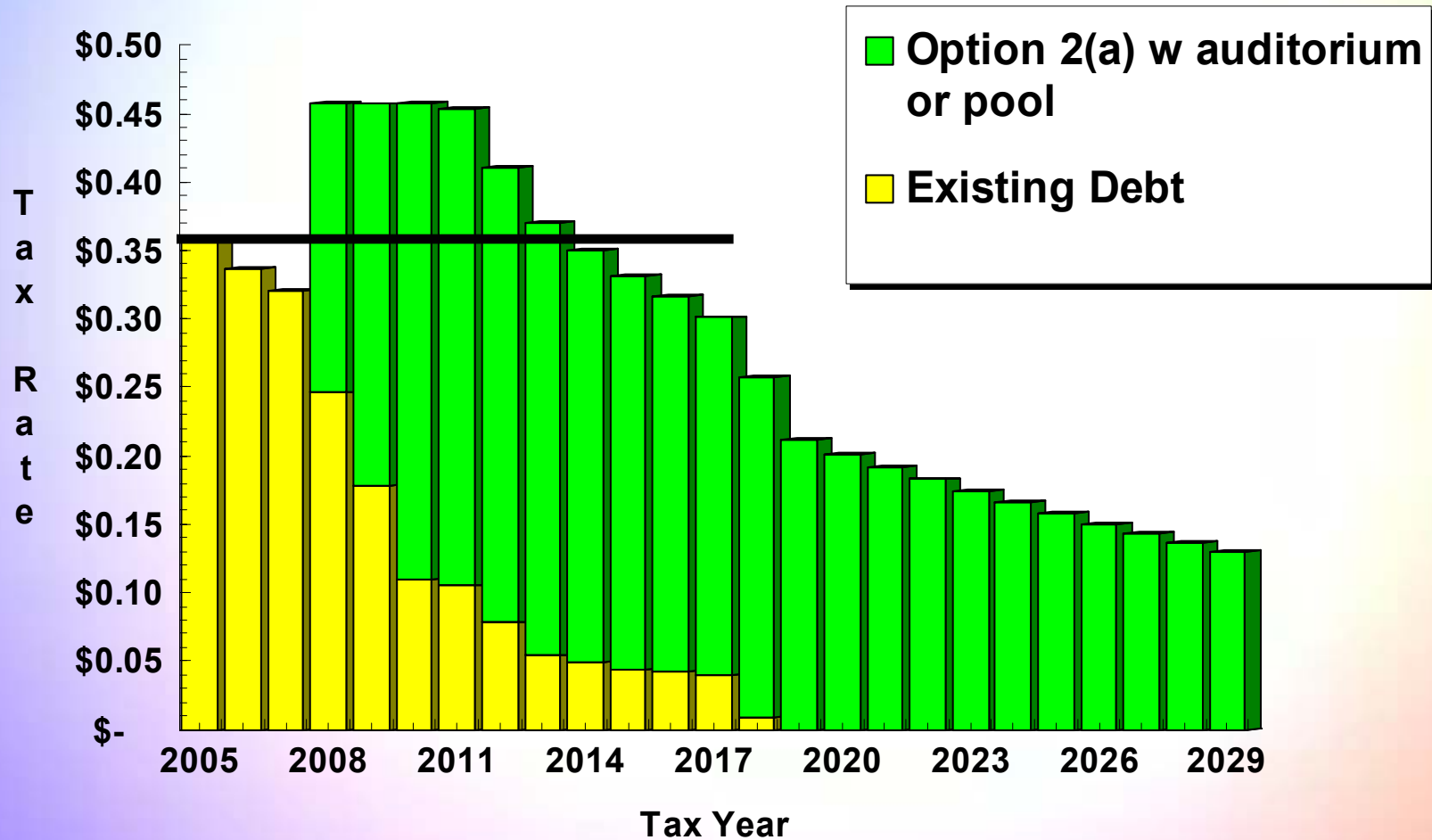
Building Option 2(a)

Classrooms + auditorium or pool

1. Jefferson Elementary → K-3
2. York Elementary → K-3
3. Orchard View Elementary → K-3
 - 8 additional classrooms constructed
4. Middlebury Elementary → retired
5. Heritage → 4-5
6. Northridge → 6,7,8
 - Renovate classrooms for Science and Music
7. New Academic High School
 - Auditorium or Pool

Option 2 (a) Classrooms + auditorium or pool

\$59,125,000 before capitalized interest, \$64,255,000 bond issue, 22 year bond payment, 0.5% over Market Rates



Estimated Tax Impact for Option 2(a)

Classrooms + auditorium or pool

Increase over current 2005

	2008	2009	2010	2011	2012	2013	2014
Assessed Valuation -- \$100,000							
Net Value	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00
divided by 100	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00
multiplied by the tax rate increase due to new bonds	\$ 0.1006	\$ 0.1004	\$ 0.1007	\$ 0.0971	\$ 0.0536	\$ 0.0140	\$ (0.0059)
equals (=) Gross tax increase	\$ 62.38	\$ 62.24	\$ 62.46	\$ 60.21	\$ 33.22	\$ 8.66	\$ (3.66)
monthly impact (divide by 12)	\$ 5.20	\$ 5.19	\$ 5.21	\$ 5.02	\$ 2.77	\$ 0.72	\$ (0.30)

Assessed Valuation -- \$200,000							
Net Value	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00
divided by 100	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00
multiplied by the tax rate increase due to new bonds	\$ 0.1006	\$ 0.1004	\$ 0.1007	\$ 0.0971	\$ 0.0536	\$ 0.0140	\$ (0.0059)
equals (=) Gross tax increase	\$ 162.99	\$ 162.62	\$ 163.21	\$ 157.33	\$ 86.81	\$ 22.62	\$ (9.55)
monthly impact (divide by 12)	\$ 13.58	\$ 13.55	\$ 13.60	\$ 13.11	\$ 7.23	\$ 1.88	\$ (0.80)

Estimated Tax Increase over 2005

Option 2(a) Classrooms + auditorium or pool

Yearly increase

	2008	2009	2010	2011	2012	2013	2014
\$100,000	\$62.37	\$62.25	\$62.43	\$60.20	\$33.23	\$8.68	\$(3.66)
\$200,000	\$162.97	\$162.65	\$163.13	\$157.30	\$86.83	\$22.68	\$(9.56)

Monthly increase

	2008	2009	2010	2011	2012	2013	2014
\$100,000	\$5.20	\$5.19	\$5.21	\$5.02	\$2.77	\$0.72	\$(0.30)
\$200,000	\$13.58	\$13.55	\$13.60	\$13.11	\$7.23	\$1.88	\$(0.80)

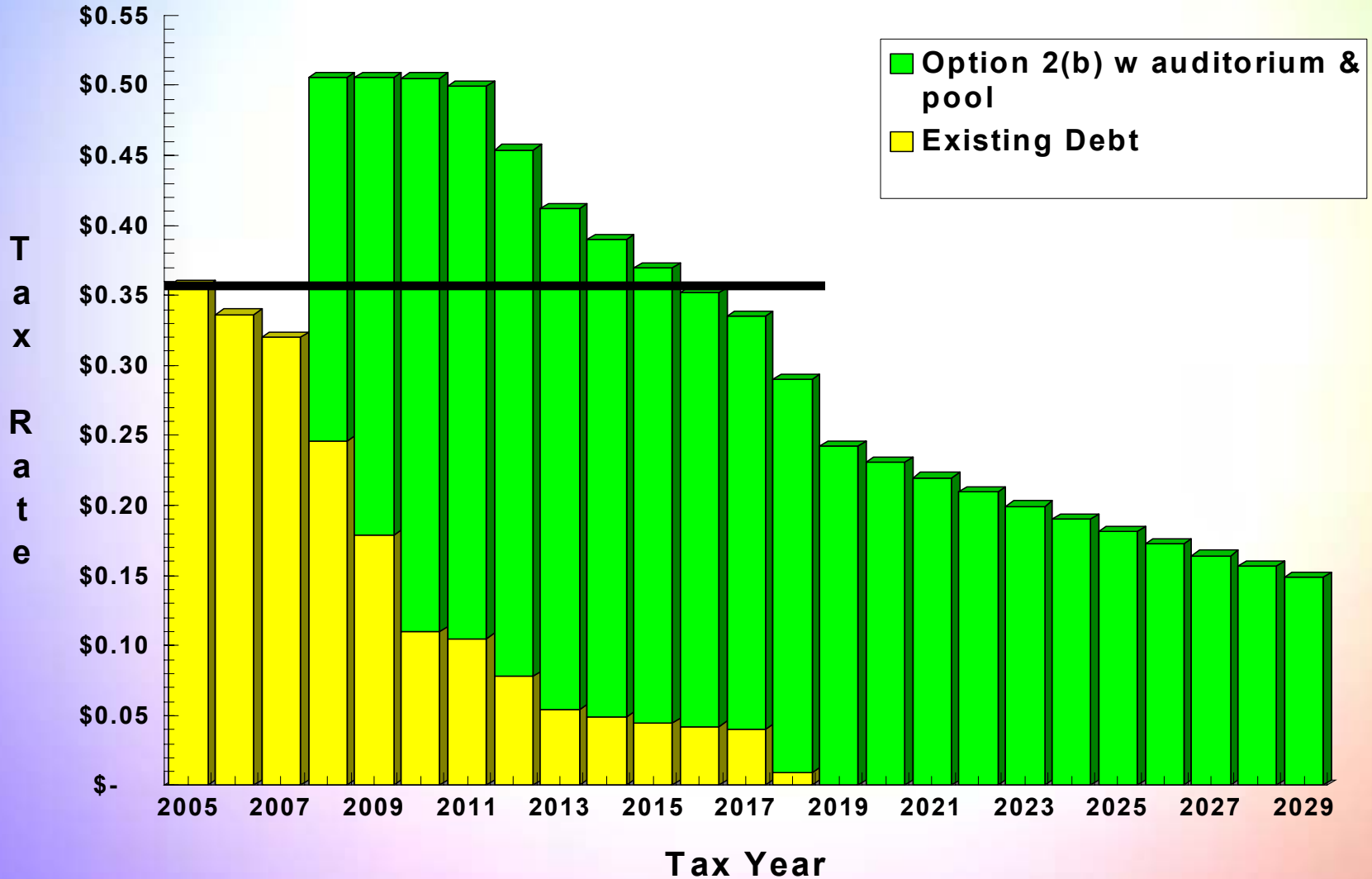
Building Option 2(b)

Classrooms + auditorium & pool

1. Jefferson Elementary → K-3
2. York Elementary → K-3
3. Orchard View Elementary → K-3
 - 8 additional classrooms constructed
4. Middlebury Elementary → retired
5. Heritage → 4-5
6. Northridge → 6,7,8
 - Renovate classrooms for Science and Music
7. New Academic High School
 - Auditorium
 - Pool

Option 2 (b) Classrooms + auditorium & pool

\$67,250,000 before capitalized interest, \$72,825,000 bond issue, 22 year bond payment, 0.5% over market rate



Estimated Tax Impact for Option 2(b) Classrooms + auditorium & pool

Increase over current 2005

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed Valuation -- \$100,000									
Net Value	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00
divided by 100	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00
multiplied by the tax rate increase due to new bonds	\$ 0.1486	\$ 0.1487	\$ 0.1485	\$ 0.1430	\$ 0.0973	\$ 0.0553	\$ 0.0335	\$ 0.0126	\$ (0.0047)
equals (=) Gross tax increase	\$ 92.13	\$ 92.20	\$ 92.04	\$ 88.68	\$ 60.32	\$ 34.28	\$ 20.75	\$ 7.81	\$ (2.89)
monthly impact (divide by 12)	\$ 7.68	\$ 7.68	\$ 7.67	\$ 7.39	\$ 5.03	\$ 2.86	\$ 1.73	\$ 0.65	\$ (0.24)

Assessed Valuation -- \$200,000									
Net Value	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00
divided by 100	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00
multiplied by the tax rate increase due to new bonds	\$ 0.1486	\$ 0.1487	\$ 0.1485	\$ 0.1430	\$ 0.0973	\$ 0.0553	\$ 0.0335	\$ 0.0126	\$ (0.0047)
equals (=) Gross tax increase	\$ 240.74	\$ 240.92	\$ 240.50	\$ 231.71	\$ 157.61	\$ 89.56	\$ 54.22	\$ 20.41	\$ (7.55)
monthly impact (divide by 12)	\$ 20.06	\$ 20.08	\$ 20.04	\$ 19.31	\$ 13.13	\$ 7.46	\$ 4.52	\$ 1.70	\$ (0.63)

Estimated Tax Increase over 2005

Option 2(b) Classrooms + auditorium & pool

Yearly increase

	2008	2009	2010	2011	2012	2013	2014	2015	2016
\$100,000	\$92.13	\$92.20	\$92.04	\$88.68	\$60.32	\$34.28	\$20.75	\$7.81	\$(2.89)
\$200,000	\$240.74	\$240.92	\$240.50	\$231.71	\$157.61	\$89.56	\$54.22	\$20.41	\$(7.55)

Monthly increase

	2008	2009	2010	2011	2012	2013	2014	2015	2016
\$100,000	\$7.68	\$7.68	\$7.67	\$7.39	\$5.03	\$2.86	\$1.73	\$0.65	\$(0.24)
\$200,000	\$20.06	\$20.08	\$20.04	\$19.31	\$13.13	\$7.46	\$4.52	\$1.70	\$(0.63)

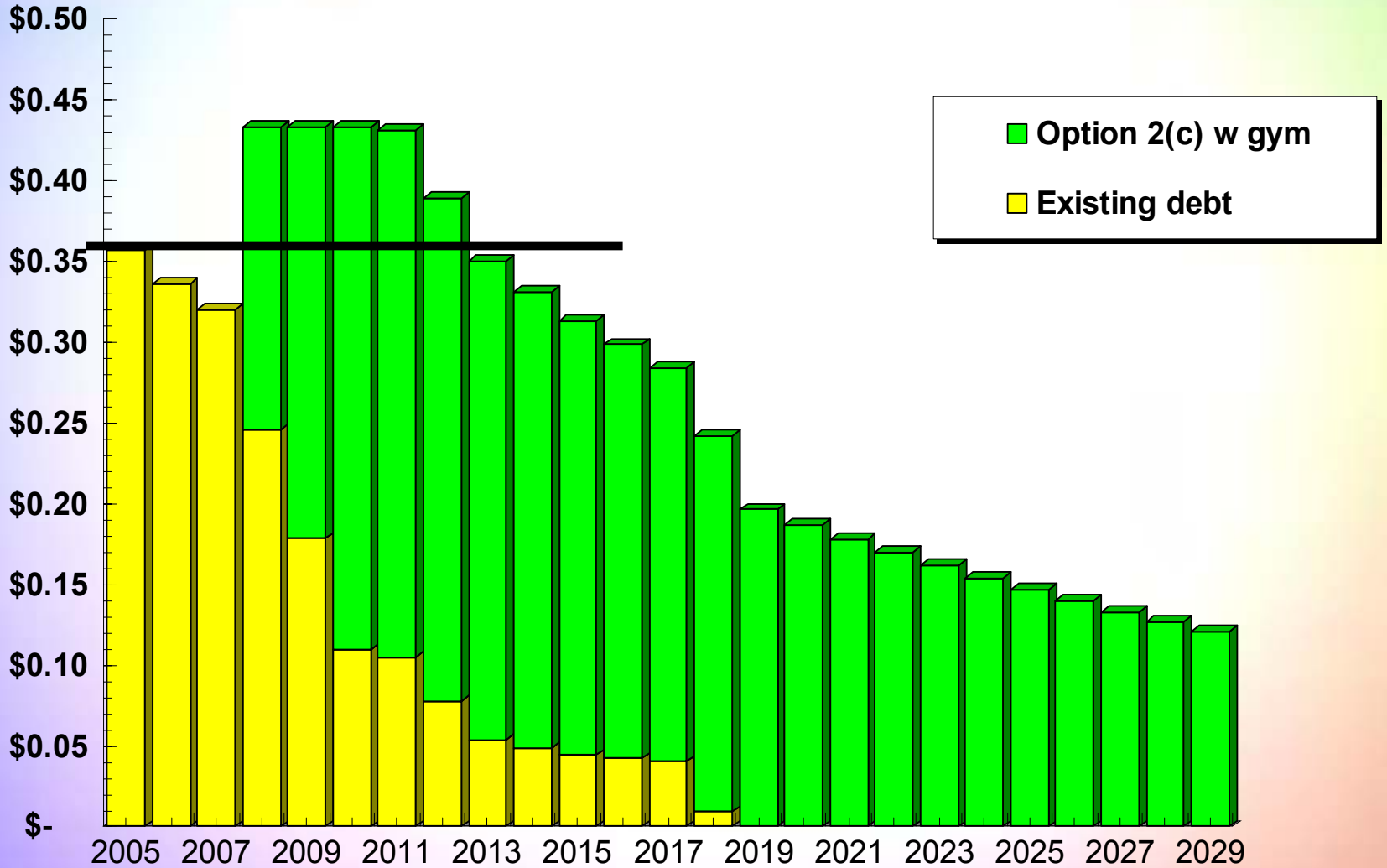
Building Option 2(c)

Classrooms + competition gym

1. Jefferson Elementary → K-3
2. York Elementary → K-3
3. Orchard View Elementary → K-3
 - 8 additional classrooms constructed
4. Middlebury Elementary → retired
5. Heritage → 4-5
6. Northridge → 6,7,8
 - Renovate classrooms for Science and Music
7. New Academic High School
 - Competition gym

Option 2 (c) Classrooms + competition gym

\$55,125,000 before capitalized interest, \$60,045,000 bond issue, 22 year bond payment, 0.5% over market rate



Estimated Tax Impact for Option 2(c)

Classrooms + competition gym

Increase over current 2005

	2008	2009	2010	2011	2012	2013
Assessed Valuation -- \$100,000						
Net Value	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00
divided by 100	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00	\$ 620.00
multiplied by the tax rate increase due to new bonds	\$ 0.0770	\$ 0.0769	\$ 0.0768	\$ 0.0750	\$ 0.0326	\$ (0.0063)
equals (=) Gross tax increase	\$ 47.77	\$ 47.68	\$ 47.60	\$ 46.49	\$ 20.21	\$ (3.93)
monthly impact (divide by 12)	\$ 3.98	\$ 3.97	\$ 3.97	\$ 3.87	\$ 1.68	\$ (0.33)

	2008	2009	2010	2011	2012	2013
Assessed Valuation -- \$200,000						
Net Value	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00	\$ 162,000.00
divided by 100	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00	\$ 1,620.00
multiplied by the tax rate increase due to new bonds	\$ 0.0770	\$ 0.0769	\$ 0.0768	\$ 0.0750	\$ 0.0326	\$ (0.0063)
equals (=) Gross tax increase	\$ 124.81	\$ 124.58	\$ 124.38	\$ 121.46	\$ 52.80	\$ (10.28)
monthly impact (divide by 12)	\$ 10.40	\$ 10.38	\$ 10.36	\$ 10.12	\$ 4.40	\$ (0.86)

Estimated Tax Increase over 2005

Option 2(c) Classrooms + competition gym

Yearly increase

	2008	2009	2010	2011	2012	2013
\$100,000	\$47.77	\$47.68	\$47.60	\$46.49	\$20.21	\$(3.93)
\$200,000	\$124.81	\$124.58	\$124.38	\$121.46	\$52.80	\$(10.28)

Monthly increase

	2008	2009	2010	2011	2012	2013
\$100,000	\$3.98	\$3.97	\$3.97	\$3.87	\$1.68	\$(0.33)
\$200,000	\$10.40	\$10.38	\$10.36	\$10.12	\$4.40	\$(0.86)

Building Option 2(d)

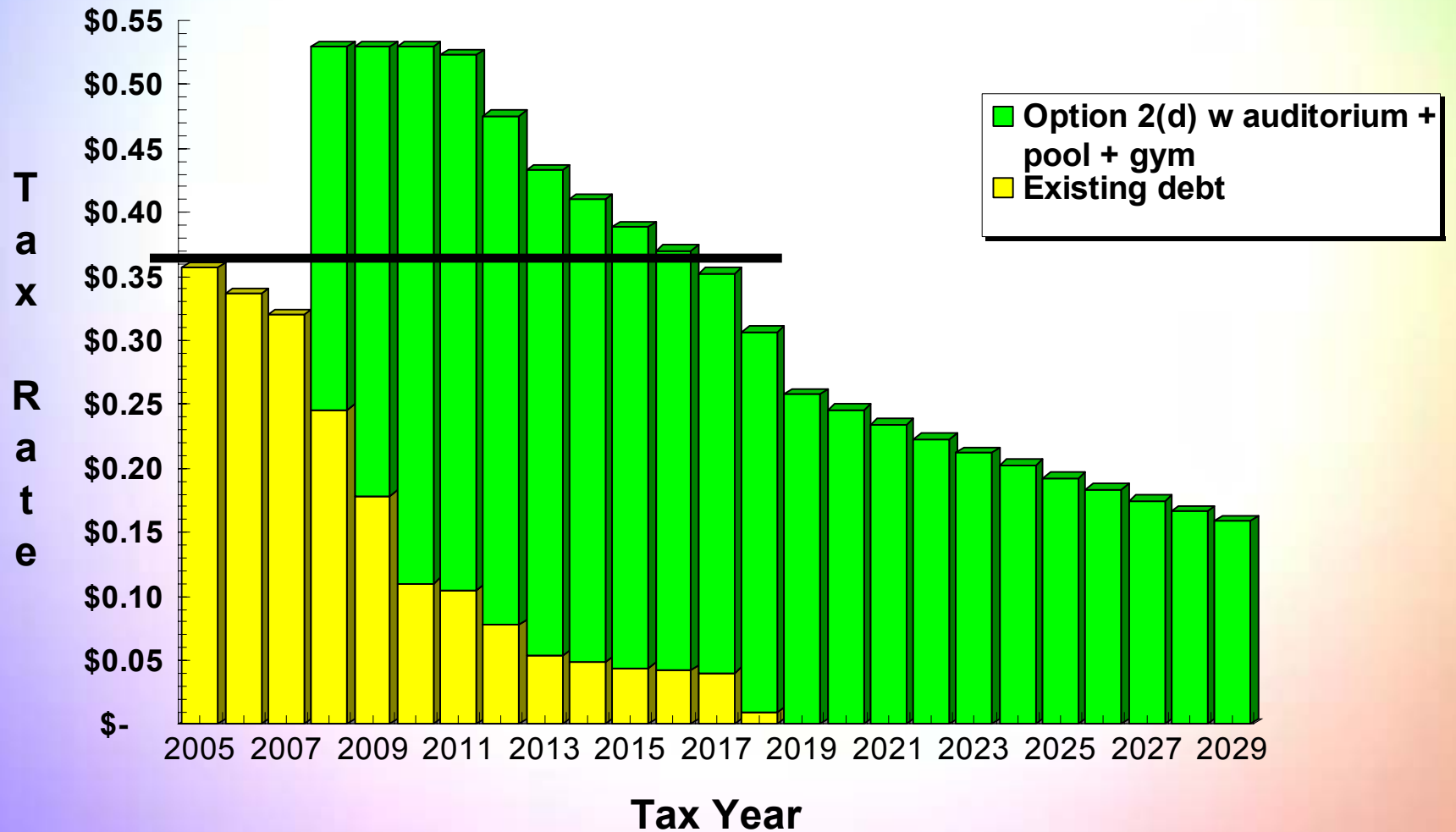
Classrooms

+ auditorium + pool + competition gym

1. Jefferson Elementary → K-3
2. York Elementary → K-3
3. Orchard View Elementary → K-3
 - 8 additional classrooms constructed
4. Middlebury Elementary → retired
5. Heritage → 4-5
6. Northridge → 6,7,8
 - Renovate classrooms for Science and Music
7. New Academic High School
 - Auditorium
 - Pool
 - Competition gym

Option 2(d) Classrooms + auditorium + pool + competition gym

\$71,375,000 before capitalized interest, \$77,230,000 bond issue, 22 year bond payment, 0.5% over market rates



Estimated Tax Impact for Option 2(d)

Classrooms + auditorium + pool + competition gym

Increase over current 2005

	2008-2011		2012		2013		2014		2015		2016		2017	
Assessed Valuation -- \$100,000														
Net Value	\$	62,000.00	\$	62,000.00	\$	62,000.00	\$	62,000.00	\$	62,000.00	\$	62,000.00	\$	62,000.00
divided by 100	\$	620.00	\$	620.00	\$	620.00	\$	620.00	\$	620.00	\$	620.00	\$	620.00
multiplied by the tax rate increase due to new bonds	\$	0.1728	\$	0.1190	\$	0.0766	\$	0.0534	\$	0.0318	\$	0.0134	\$	(0.0044)
equals (=) Gross tax increase	\$	107.15	\$	73.80	\$	47.49	\$	33.11	\$	19.71	\$	8.31	\$	(2.73)
monthly impact (divide by 12)	\$	8.93	\$	6.15	\$	3.96	\$	2.76	\$	1.64	\$	0.69	\$	(0.23)

Assessed Valuation -- \$200,000														
Net Value	\$	162,000.00	\$	162,000.00	\$	162,000.00	\$	162,000.00	\$	162,000.00	\$	162,000.00	\$	162,000.00
divided by 100	\$	1,620.00	\$	1,620.00	\$	1,620.00	\$	1,620.00	\$	1,620.00	\$	1,620.00	\$	1,620.00
multiplied by the tax rate increase due to new bonds	\$	0.1728	\$	0.1190	\$	0.0766	\$	0.0534	\$	0.0318	\$	0.0134	\$	(0.0044)
equals (=) Gross tax increase	\$	279.97	\$	192.82	\$	124.10	\$	86.50	\$	51.50	\$	21.72	\$	(7.13)
monthly impact (divide by 12)	\$	23.33	\$	16.07	\$	10.34	\$	7.21	\$	4.29	\$	1.81	\$	(0.59)

Estimated Tax Increase over 2005

Option 2(d) Classrooms + auditorium + pool + competition gym

Yearly increase

	2008-2011	2012	2013	2014	2015	2016	2017
\$100,000	\$107.15	\$73.80	\$47.49	\$33.11	\$19.71	\$8.31	\$(2.73)
\$200,000	\$279.97	\$192.82	\$124.10	\$86.50	\$51.50	\$21.72	\$(7.13)

Monthly increase

	2008-2011	2012	2013	2014	2015	2016	2017
\$100,000	\$8.93	\$6.15	\$3.96	\$2.76	\$1.64	\$0.69	\$(0.23)
\$200,000	\$22.33	\$16.07	\$10.34	\$7.21	\$4.29	\$1.81	\$(0.59)

Middlebury Community Schools

The mission of Middlebury Community Schools is to develop caring, productive, responsible citizens in a changing global society by providing every student with challenging educational experiences in a safe environment.