

## Financial Summary

### Village borrows no more than \$54M vs BHITA \$56

- Results in lower debt service obligation
- Assumes same purchase price of \$47.75M to Limited

### Village funds with General Obligation (GO) bond vs BHITA Revenue Bond

GO bond has advantages of:

- Secured by full faith, credit and taxing power of the government unit
- Most secure form of debt
- Strength and make up of tax base is primary driver of credit rating
- Can be repaid from other revenues, ie ferry, barge, and parking tickets

Results in **savings of \$5.5M** upfront (lower issuance costs, Village already has a reserve fund). This \$5.5M can be used for immediate capital improvements

Results in lower interest rate of 2.33% vs BHITA 3.49% and thus **savings of approximately \$13.3M** in debt service obligation over the 30-year term. This equals **approximately \$445,000 per year** for operational improvements.

For information on identified capital and operational and maintenance (O&M) improvements, click [HERE](#).

### Transportation revenues are more than adequate cover debt service obligation.

Since transportation revenues are projected to be more than adequate to cover the higher debt service obligation of the BHITA Revenue Bonds, they will be more than adequate to cover the lower debt service obligation of the Village GO bonds.

If revenue shortfall, Village has advantage of drawing on existing reserve fund, short term loan, or raise ticket prices before considering tax increase. BHITA can only raise ticket price or cut service.

If major unexpected expense, Village has advantage of drawing on existing reserve fund, short term loan, or raise ticket prices before considering tax increase. BHITA can only raise ticket price or cut service.

In summary, property tax increase is very likely unnecessary to fund transportation.

### Debt capacity limit is not reached

A bond order cannot be adopted if the net debt exceeds **8%** of assessed tax value of property within the unit.

- Total assessed value is currently \$1,162,277,721
- Debt cap is \$92,982,218 (8% of total assessed value)
- Maximum total proposed gross debt (peak of indebtedness) with \$54M is \$68,885,004
- Projected peak gross debt to assessed value = **5.93%** (\$68,885,004/\$1,162,277,721)

For more information on debt capacity, click [HERE](#) and [HERE](#).

For more information on financial considerations, click [HERE](#).

**Must have voter approval through a bond referendum.**