

ATTACHMENT NO. IX-C

ATTACHMENT NO. IX-C: Resolution declaring the intention to issue \$4,500,000 Working Cash Fund Bonds for the purpose of increasing the District's Working Cash Fund, and directing that notice of such intention be published in the manner provided by law

Suggested Motion: Move to approve the Resolution for the Intention to Issue Working Cash Fund Bonds of Community Unit School District Number 200, Boone and Winnebago Counties

Recommended Action: Approve as presented.

The Board has directed the administration to provide options for capital improvements from the revenue from the sales tax funds. One of the options discussed was issuing Working Cash Fund bonds up to the amount of \$4,500,000 which will allow the district to issue Working Cash bonds. By approving this resolution, the district will be able to provide sufficient money in the Working Cash Fund to meet some of the facility needs identified by the Board of Education.

## **Differences Between Limited Bonds and Alternate Revenue Source Bonds**

<b>Alternate Revenue Source Bonds</b>	<b>Limited Bonds</b>	
	<b>(Sold as Working Cash)</b>	<b>(Sold as Life Safety)</b>
Subject to a petition period	Subject to a petition period	Not subject to petition period
Sold against a pledged revenue stream	Sold against Debt Service Extension Base(1)	
May require a feasibility study (based on the pledged revenues)	Constrained by Work Cash Formula	Requires Amendments approved by State
Tax Exempt <i>if</i> used for equipment or Capital Projects	Tax Exempt <i>if</i> used for equipment or Capital Projects	Tax Exempt – <i>can only be used</i> for equipment or Capital Projects
Securitization may impact Bond Rating or operating fund	Carries same credit rating as General Obligation Bonds of District	
No tax levied unless pledged revenues prove insufficient	Taxes are levied annually for repayment	
Once pledged revenues prove insufficient, levy becomes permanent		
Does not count against Debt Limit(2), unless levy becomes permanent	Can be issued in excess of Debt Limit(2)	Counts against Debt Limit(2)

(1) *The Debt Service Extension Base ("DSEB") represents the maximum annual levy that can be extended to repay non-referendum bonds. Currently the DSEB for North Boone CUSD 200 is \$311,006, and there are no outstanding bonds issued against that DSEB.*

(2) *The Debt Limit, or Statutory Debt Limit, is the limit for principal amount of bonds which can be outstanding at any time. It is calculated as 13.8% of the EAV for the District. Currently, District 200 has approximately \$8MM of room under the Debt Limit.*