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# Abatement



NBCUSD 200 Board of Education

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# Tonight

- Abatement history
- Past abatements compared to planned abatements
- Abatement for 2024 Levy Year
- Future abatements



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# History

## Abatements since 2008 Levy Year

● 2008	\$ 118,000.00
● 2009	\$ 58,714.74
● 2010	\$ 131,686.11
● 2011	\$ 118,000.00
● 2012	\$ 118,000.00
● 2013	\$ 118,000.00
● 2014	\$ 350,000.00
● 2015	\$ 500,000.00
● 2016	\$ 600,000.00
● 2017	\$ 935,000.00
● 2018	\$ 900,000.00
● 2019	\$ 1,100,000.00
● 2020	\$ 2,400,000.00
● 2021	\$ 2,550,000.00
● 2022	\$ 2,250,000.00
● 2023	\$ 2,398,500.00
● 2024	TBD

**Total \$14,645,900.85**

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## Past Abatements compared to Current Abatements

Reconciliation							
Levy Year	Tax Rate	Bond Payments Total	Levied in Debt Services	Abatement Amount	Abatement Schedule	Difference of planned abatement & actual abatement (over)	Notes:
2017	7.8987	\$ 3,148,027.00	\$ 2,213,027.00	\$ 935,000.00	\$ 700,000.00	\$ (235,000.00)	CPI abated out of Debt Service Fund
2018	7.47912	\$ 3,249,400.00	\$ 2,349,400.00	\$ 900,000.00	\$ 900,000.00	\$ -	
2019	7.08193	\$ 3,354,400.00	\$ 2,254,400.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ -	
2020	6.19404	\$ 3,554,400.00	\$ 1,154,400.00	\$ 2,400,000.00	\$ 1,400,000.00	\$ (1,000,000.00)	Additional Amount abated to lower tax rate. Out of Debt Services Fund
2021	6.47749	\$ 4,454,400.00	\$ 1,904,400.00	\$ 2,550,000.00	\$ 2,400,000.00	\$ (150,000.00)	Additional Amount abated to lower tax rate. Out of Debt Services Fund
2022	6.52068	\$ 4,404,400.00	\$ 2,154,400.00	\$ 2,250,000.00	\$ 2,450,000.00	\$ 200,000.00	Paid off 2016 Bonds
2023	6.31582	\$ 4,749,400.00	\$ 2,350,900.00	\$ 2,398,500.00	\$ 2,892,473.00	\$ 493,973.00	Guidance given to me was our goal was to remain at a flat rate or lower
2024		\$ 2,064,400.00			\$ 328,577.00	\$ 328,577.00	
			<b>Total</b>	<b>\$ 12,533,500.00</b>	<b>\$ 12,171,050.00</b>	<b>\$ (362,450.00)</b>	

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# Abatement Options for 2024 Levy

## Option 1

- Continue with the original planned abatement amount of \$328,577.00.
- Tax Rate would be approximately 5.41% (as presented).
- No future abatements planned.
- The total amount of the original bonds will then have been abated.
- All but \$180,522.00 of the total cost for building the high school, will have then been abated.

## Option 2

- Abate \$509,100.00, which includes the original abatement amount of \$328,577.00 and the remaining cost from the building of the high school of \$180,522.00.
- With this amount, the total cost to building the High School would have been abated since 2008.
- Tax Rate would be approximately 5.34%.



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# Future Abatement Options

## Option 1

- Begin to allocate a larger percentage of the Facility Tax Revenue to the Debt Services Fund. In turn, we could then abate that percentage each year until the 2017 bonds are paid in full.
- The final payment for the 2017 bonds would be due in January of 2031.
- The current revenue for the Facility Tax Revenue is around \$745,000.00. Approximately 18% is currently allocated to Debt Services Fund with the remaining amount going towards Capital Project Fund.

## Option 2

- Abate the \$2.3 million in interest earned on the Capital Development Funds.
- This option would be done of the the remaining years of the 2017 bond or for a shorter time period.

### Admin Recommendation:

*If the BOE would like to continue to abate, Option 1 would be the best option. A suggestion to cap the allocation at 50% is also recommended. The \$2.3 million could then be transferred to the Capital Projects Fund for the Facilities plans that are to be developed.*



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Questions?

